

bae urban economics

City of Chico
Land Absorption Study
December 2018

bae urban economics

December 17, 2018

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Dear Brendan:

We are pleased to present the Final Land Absorption Study for the City of Chico. As always, it has been a pleasure working with City staff and local stakeholders on this important project. We hope the results of this research will be valuable to the City and its citizens as you plan for the future land use needs of this vibrant and ever-changing community.

Sincerely,



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EXECUTIVE SUMMARY

This study presents the estimated potential demand for, and supply of, developable land within the City of Chico through 2035.

Land Use Demand Projections

For this project, BAE reviewed the available projections data from the Butte County Association of Governments (BCAG), the California Department of Finance (DOF), Department of Transportation (Caltrans), and Employment Development Department (EDD). Based on this review, BAE developed a set of low- and high-growth projections that bracket the range of population, household, and employment growth expected in Chico through 2035. Using simplified assumptions regarding the split of single-family and multifamily housing, square footage of non-commercial development per employee, and average vacancy, BAE projects the total estimated land use demand that could be supported by anticipated future growth. This includes roughly between 5,150 and 9,500 housing units and 2.8 to 5.7 million square feet of non-residential development.

Land Supply Inventory

The anticipated land supply in Chico consists of four main components, including the existing proposed and approved development pipeline, an inventory of vacant developable land, the five Special Planning Areas (SPAs), and the 14 Opportunity Sites.

Proposed and Approved Projects

The City of Chico already features a significant pipeline of proposed and approved development. At the time this analysis was conducted, the pipeline would have been sufficient to absorb approximately 3,249 single-family homes and 2,013 multifamily housing units, as well as roughly 1.6 million square feet of non-residential development, if built as planned.

Vacant Land Inventory

In addition to the planned projects pipeline, there is an inventory of nearly 480 parcels covering almost 1,400 acres of vacant developable land located within the Chico Sphere of Influence, excluding the SPAs. The inventory is weighted toward residentially zoned land, which accounts for almost 60 percent of the inventory. The next largest concentration of vacant land is in the office and industrial categories, which account for 14 percent of the total inventory. Using density and intensity assumptions based on those used for the 2030 General Plan Update, BAE estimates that this land could likely buildout with a total of around 4,100 residential units and up to 14.7 million square feet of non-residential space.

There are significant caveats regarding the vacant land inventory, including the fact that not all sites have ready access to necessary infrastructure, there are environmental constraints that may reduce development potential, and a significant portion of the identified land is located

outside of the City limits and would require annexation before development can proceed at the targeted intensities. If currently unincorporated sites develop under the County's jurisdiction, this will likely occur at relatively lower densities that would reduce development capacities.

Special Planning Areas

The five SPAs provide significant additional development capacity. These areas represent some of the largest contiguous development sites within the City's Sphere of Influence and generally represent good opportunities for cohesive, large-scale master planning. While most of the SPAs are expected to build out over the long term, there are two key exceptions. The City anticipates receiving a development proposal for the Doe Mill/Honey Run SPA, which could build out over the next 10 or more years. The Bell Muir area is also developing in a decentralized fashion under County jurisdiction. As outlined in the SPA conceptual land use plans found in the General Plan for these areas, the remaining SPAs include additional capacity sufficient to absorb nearly 6,700 housing units and 3.2 million square feet of non-residential development. It is also worth noting that Barber Yard is the only SPA currently located within the existing City boundary (and is also less than a mile from Downtown Chico), which makes it an important mid-term development opportunity.

Opportunity Sites

In addition to the City's inventory of vacant sites, there are quite a few properties throughout the community that represent opportunities for redevelopment. To better understand the redevelopment potential of the Opportunity Sites, BAE conducted a limited analysis using improvement to land value (I/L) ratios. I/L ratios essentially compare the assessed value of any built improvements to the assessed value of the land on a given parcel. Generally, if the improvement value exceeds the land value, the site is considered fairly intensively utilized, though the exact threshold that denotes full utilization varies widely. Based on a review of the redevelopment potential of parcels located within the City's 14 identified Opportunity Sites at a variety of I/L thresholds, as well as numerous successful redevelopment projects over the past 5 or more years, BAE concludes that there is significant potential for redevelopment on previously developed and underutilized sites along key corridors. Due to current market conditions, the use most likely to support redevelopment is student-oriented multifamily on corridors near Chico State. While there is significant demand for this use, the City may want to consider ways to encourage more diversity among corridor redevelopment projects, such that some may include more non-residential uses, such as community serving retail and office.

Land Demand and Supply Comparison

The proposed and approved projects, the existing vacant sites inventory, and the SPAs provide enough land to accommodate roughly 13,900 new residential units and 19.1 million square feet of non-residential development. BAE's land use demand projections, by comparison, estimate future demand for up to 9,850 new housing units and 5.7 million square feet of non-residential development under a high-growth projection scenario. This leaves remaining capacity to accommodate between 4,070 and 8,590 additional housing units and 13.5 to

16.3 million square feet of non-residential development. Based on these estimates, the current land supply within the proposed Sphere of Influence provides an additional “cushion” of roughly 30 to 60 percent compared to projected residential demand and of roughly 70 to 85 percent compared to non-residential demand. Please note that these figures exclude development potential that exists within the Opportunity Sites, which represents another important component of the land supply.

There are several important caveats to consider regarding this analysis. There is real potential that some of the planned, proposed, and approved development projects identified as part of the current inventory will not develop or will do so differently than is currently planned. Some of the vacant sites identified in the inventory may face as of yet unidentified constraints to development, such as environmental contamination or conservation concerns, or may lack access to necessary infrastructure. Additionally, much of the vacant acreage (including most of the SPAs) is located outside of the existing City limits and would require annexation. Also, sites currently under County jurisdiction may develop at lower densities than are assumed in this analysis. Recognizing these caveats, the planned project pipeline, the sites inventory, the SPAs, and the Opportunity Sites all represent important components of the land supply that can be utilized to meet demand in the event that growth exceeds what is currently anticipated, and/or if the pipeline of planned and proposed projects does not occur as currently anticipated.

Recommended Policy Updates

Demand for new development in Chico is driven by complex demographic and economic trends. A City’s role in accommodating growth is generally to identify an adequate supply of appropriately zoned land, provide infrastructure and services, and create an environment where development can proceed expeditiously. It is then left to the private sector, where development is driven by market conditions and willing landowners. Based on the analysis summarized above, BAE proposes that the City consider the following recommendations. These are intended to help the City balance market demands and concerns for good planning with the need to ensure an adequate supply of land for a variety of land uses throughout the City. These recommendations are not intended to benefit any one type of development over another, but rather to encourage a healthy and diverse supply of land available for development that meets the land use needs of all the community.

- Monitor the land use mix in key areas and, if necessary, require conditional approval for secondary uses allowed in zoning districts to avoid pricing out the primary intended uses, or make changes to the mixed-use zoning districts that reduces some flexibility in the use types, where appropriate.
- Prioritize infrastructure improvements that facilitate development within priority growth areas.

- Engage the community in a process to develop solutions to known community concerns that hinder redevelopment of Barber Yard. Identification of solutions will encourage engagement by the property owner and development community.
- Update the fee structure and planning processes to remove disincentives for building smaller residential units and other desirable land uses.
- Consider removing the master planning requirements for some SPAs that don't stand to benefit from the process.

INTRODUCTION

This study presents the estimated potential supply of, and demand for, developable land within the City of Chico through 2035. The analysis begins with a review of current real estate market conditions, including both single-family and multifamily residential uses, as well as retail, office, and industrial uses. This assessment is intended to put the population and employment driven land use demand projections (discussed later) into context. Next is a review of the City's existing vacant land inventory, based on current Assessor's parcel information. The likely buildout potential of the existing vacant land inventory is estimated using assumptions that are comparable to those used for the last General Plan update. A set of population, household, and employment projections then form the basis for projecting future land use demand through 2035. The land use demand projections are then compared to the estimated buildout potential of the existing vacant land inventory, assuming that the existing pipeline of proposed and approved development projects, which are excluded from the vacant land inventory, will absorb a portion of anticipated demand. The study concludes with a series of recommendations intended to help the community balance the supply and demand of developable land with various community and economic development objectives, recognizing common impediments and limitations, like environmental constraints, infrastructure availability, and financial feasibility.

EXISTING CONDITIONS AND MARKET ASSESSMENT

The following section provides a descriptive overview of demographic and economic characteristics and trends in the Chico area, as well as current real estate market conditions. The analysis is based on data from the 2010 decennial Census (2010 Census) and the 2016 1-Year American Community Survey (2016 ACS),¹ as well as the California Department of Finance (DOF) and Employment Development Department (EDD). Information on current real estate market conditions is from CoStar Group, with additional analysis made possible through interviews with local developers and real estate professionals. For comparison purposes, this section presents data for three different Census-based geographies, including the incorporated City of Chico, the Chico Urbanized Area,² and Butte County. For additional information on these geographies, please refer to Figure 1.

Demographic and Economic Trends

This section of the report provides an overview of local demographic and economic trends, to serve as context for the discussion of real estate market conditions.

Population and Household Trends

The City of Chico is Butte County's primary urban center. As of 2016, Chico represented roughly 40 percent of the total countywide population. The Chico Urbanized Area, which includes the City of Chico, as well as all unincorporated islands and urbanized areas adjacent to the City, represents roughly 46 percent of the total countywide population. As seen in Table 1, approximately 91,500 individuals live in the City of Chico, with an additional 13,900 people living in the urbanized area outside the City limits. Since 2010, the City of Chico added roughly 5,360 new residents, while the Urbanized Area added roughly 7,250 new residents. This

¹ This analysis uses Census data products, including the Decennial Census and American Community Survey (ACS) to provide detailed estimates of resident demographic characteristics, which are not available from other data sources. At the time this research was conducted, the most recent available data products were the 2016 1-Year ACS and the 2012-2016 5-Year ACS estimates. BAE chose to report 1-Year ACS estimates facilitate comparison with the 2010 Decennial Census. While the more detailed 1-Year ACS estimates often have larger margins of error (MOE), use of the 2012-2016 5-Year would allow too narrow of a window of comparison to draw even rough conclusions regarding post-recession demographic trends. Please use the appropriate caution when reviewing the data presented in this section. Also, please note that the data reported here is intended for general descriptive purposes only. The land use projections, discussed later, were developed using more reliable, if less detailed, estimates of population, household, and employment growth published by the California Department of Finance (DOF), the Employment Development Department (EDD), and the Department of Transportation (Caltrans).

² As defined by the U.S. Census Bureau, "urban areas" represent densely developed territory encompassing residential, commercial, and other non-residential land uses. Urbanized Areas may include both incorporated and unincorporated territory but must contain 50,000 or more people. The Chico Urbanized Area includes the incorporated City of Chico, as well as unincorporated territory adjacent to the incorporated City limit. Note, however, that the urbanized area excludes some portions of the incorporated City. They include undeveloped and unpopulated areas to the east of the existing City limits, such as Bidwell Park.

translates to annual average growth of 1.0 and 1.2 percent per year, respectively. Over the same period, Butte County added roughly 6,860 new residents, which equals an annual growth rate of 0.5 percent. This indicates that both the City of Chico and the Chico Urbanized Area grew more rapidly than the County as a whole, strengthening the City's role as a primary residential and commercial center within the County. While both the City of Chico and the Urbanized Area added new residents between 2010 and 2016, both areas saw relatively little growth in the number of households.

Table 1: Population and Households, 2010 and 2016

Population	2010	2016	Avg. Annual Change 2010-2016
Chico, City	86,187	91,545	1.0%
Chico, Urbanized Area	98,176	105,429	1.2%
Butte County	220,000	226,864	0.5%

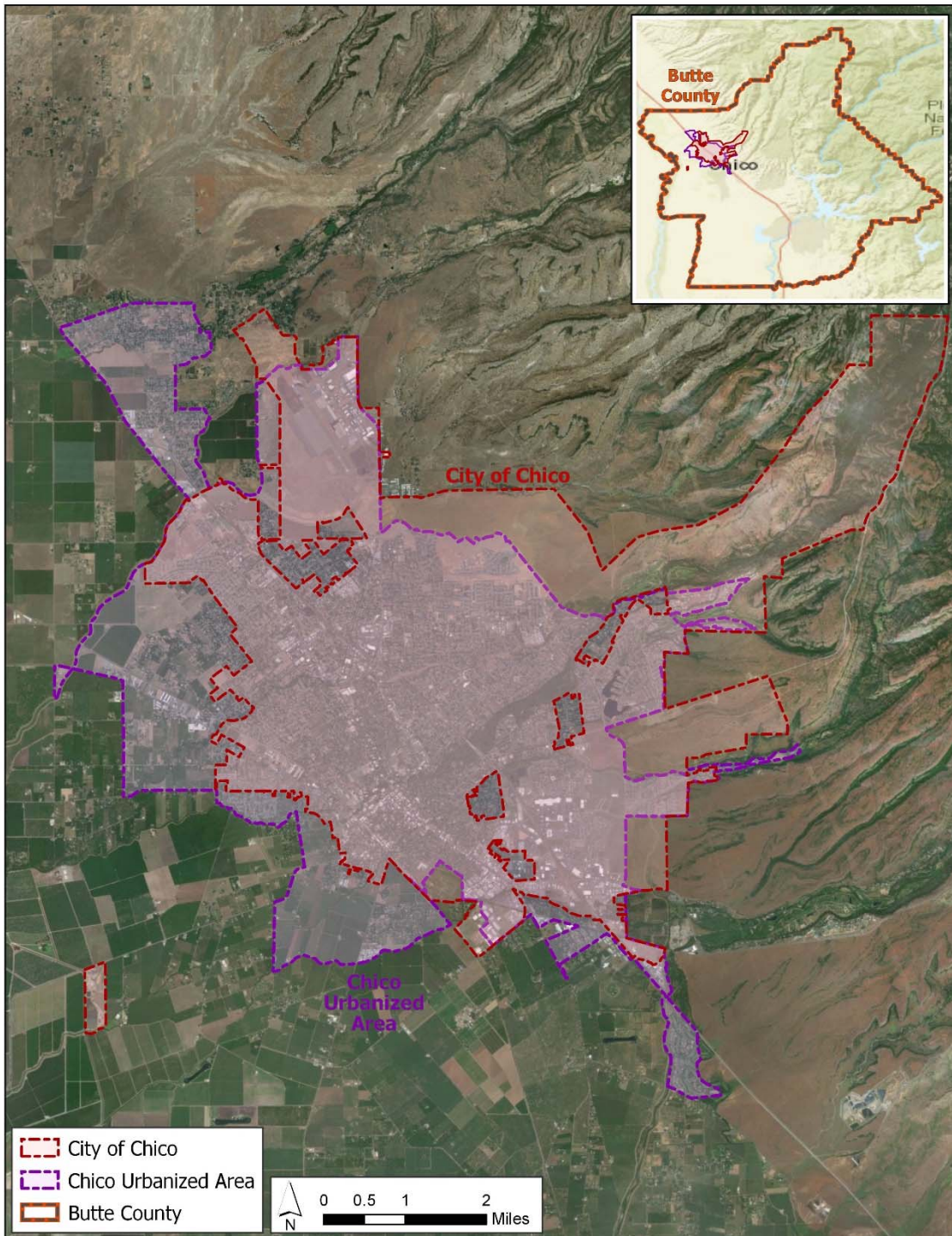
Group Quarters Population	2010	2016	Avg. Annual Change 2010-2016
Chico, City	3,178	3,557	1.9%
Chico, Urbanized Area	3,189	3,574	1.9%
Butte County	4,942	6,780	5.4%

Households	2010	2016	Avg. Annual Change 2010-2016
Chico, City	34,805	34,985	0.1%
Chico, Urbanized Area	39,559	39,746	0.1%
Butte County	87,618	85,531	-0.4%

Average Household Size	2010	2016
Chico, City	2.38	2.52
Chico, Urbanized Area	2.40	2.57
Butte County	2.45	2.59

Sources: U.S. Census Bureau, 2010 Census, Summary File 1, Tables: P1, P27, P42; U.S. Census Bureau, 2016 American Community Survey 1-Year Sample, Tables: B01003, S1101, B26001; BAE, 2018.

Figure 1: Study Area Geographies



Sources: U.S. Census Bureau, Tiger Files; City of Chico; Esri; BAE, 2018.

In most communities, a significant increase in the size of the resident population that is not offset by a matching increase in the number of households signals an increase in the average household size and often an increase in the number of families that live in the community. However, in communities like Chico that host major universities, it is important to confirm whether the discrepancy is due to an increase in the group quarters population (i.e., student population).³ According to official records, California State University, Chico (CSUC) maintained enrollment of roughly 15,000 full-time equivalent students from 2006 to 2010, with some relatively small annual fluctuations. Between the 2010-2011 and 2015-2016 academic years, enrollment grew by 1,433 students, which equals approximately 25 percent of the City’s total estimated population growth since 2010.

Table 2: Households by Type, 2010 and 2016

Household Type	2010					
	City of Chico		Chico, Urbanized Area		Butte County	
	Number	Percent	Number	Percent	Number	Percent
Family Household	17,449	50.1%	20,657	52.2%	52,529	60.0%
Non-Family Household	17,356	49.9%	18,902	47.8%	35,089	40.0%
Total	34,805	100%	39,559	100%	87,618	100%

Household Type	2016					
	City of Chico		Chico, Urbanized Area		Butte County	
	Number	Percent	Number	Percent	Number	Percent
Family Household	17,140	49.0%	20,900	52.6%	50,528	59.1%
Non-Family Household	17,845	51.0%	18,846	47.4%	35,003	40.9%
Total	34,985	100%	39,746	100%	85,531	100%

Sources: U.S. Census Bureau, 2010 Census, Summary File 1, Table P18; U.S. Census Bureau, 2016, American Community Survey 1-Year Sample, Table S1101; BAE, 2018.

Age Characteristics

Chico area residents, including those who live in the City and the Urbanized Area, are generally younger relative to Butte County as a whole. This is due, at least in part, to the presence of CSUC. As seen in Table 3, the median age for residents in the City of Chico and the Chico Urbanized Area is approximately 30 years. This is notably younger than the median age of Butte County as a whole, which stands at 38 years.

Within the Chico Urbanized Area, children under the age of 18 account for roughly 20 percent of the population, mirroring the countywide proportion. However, residents between 18 and 24 years of age account for 21 percent of the Chico Urbanized Area population, which is well above the countywide share of 15 percent. All three areas feature similar shares of residents in the 25 to 64 age groups. However, while the Chico area has an above average

³ The U.S. Census Bureau defines the Group Quarters Population to include all people not living in housing units (i.e., single-family homes, apartments, mobile homes, rented rooms, etc.). The group quarters population includes persons living in institutional settings, such as correctional facilities, nursing homes, or mental hospitals, as well as non-institutional settings, such as college dormitories, military barracks, group homes, missions, or shelters.

concentration of college age residents, Butte County as a whole has a significantly higher share of residents aged 65 years and over.

Table 3: Age Distribution, 2010 and 2016

Chico, City	2010		2016		Avg. Annual Change 2010-2016
	Number	Percent	Number	Percent	
Under 18	16,771	19.5%	17,999	19.7%	1.2%
18-24	20,622	23.9%	20,596	22.5%	0.0%
25-34	13,137	15.2%	12,962	14.2%	-0.2%
35-44	9,223	10.7%	11,284	12.3%	3.4%
45-54	9,065	10.5%	8,617	9.4%	-0.8%
55-64	8,191	9.5%	9,205	10.1%	2.0%
65 or older	9,178	10.6%	10,882	11.9%	2.9%
Total	86,187	100%	91,545	100%	1.0%

Median Age **28.6** **30.0**

Chico, Urbanized Area	2010		2016		Avg. Annual Change 2010-2016
	Number	Percent	Number	Percent	
Under 18	19,239	19.6%	21,348	20.2%	1.7%
18-24	21,935	22.3%	22,430	21.3%	0.4%
25-34	14,480	14.7%	14,865	14.1%	0.4%
35-44	10,425	10.6%	13,306	12.6%	4.2%
45-54	10,908	11.1%	10,227	9.7%	-1.1%
55-64	10,216	10.4%	10,297	9.8%	0.1%
65 or older	10,973	11.2%	12,956	12.3%	2.8%
Total	98,176	100%	105,429	100%	1.2%

Median Age **29.7** **30.2**

Butte County	2010		2016		Avg. Annual Change 2010-2016
	Number	Percent	Number	Percent	
Under 18	46,168	21.0%	45,678	20.1%	-0.2%
18-24	32,250	14.7%	33,430	14.7%	0.6%
25-34	26,681	12.1%	27,079	11.9%	0.2%
35-44	23,329	10.6%	23,961	10.6%	0.4%
45-54	28,877	13.1%	26,551	11.7%	-1.4%
55-64	28,878	13.1%	29,109	12.8%	0.1%
65 or older	33,817	15.4%	41,056	18.1%	3.3%
Total	220,000	100%	226,864	100%	0.5%

Median Age **37.2** **38.1**

Sources: U.S. Census Bureau, 2010 Census, Summary File 1, Tables: P12, P13, 2017; U.S. Census Bureau, 2016 American Community Survey 1-Year Sample, Tables: B01001, B01002; BAE, 2018.

Tenure

The Chico area, including both the City of Chico and the Urbanized Area, features a significantly higher share of renter households relative to Butte County as a whole. This generally reflects the above average prevalence of younger, lower income residents, compared to Butte County. Again, this reflects the City's large student population. As seen in Table 4, below, approximately 57 percent of all households in the City of Chico rent their accommodations, with a slightly lower proportion (54 percent) of renter households in the Chico Urbanized Area. By comparison, roughly 41 percent of Butte County households rent their homes, reflecting a higher rate of home ownership in the unincorporated County.

Table 4: Households by Tenure, 2010 and 2016

Chico, City	2010		2016		Avg. Annual
	Number	Percent	Number	Percent	Change
Owner-Occupied	14,878	42.7%	15,089	43.1%	0.2%
Renter-Occupied	19,927	57.3%	19,896	56.9%	0.0%
Total	34,805	100%	34,985	100%	0.1%

Chico, Urbanized Area	2010		2016		Avg. Annual
	Number	Percent	Number	Percent	Change
Owner-Occupied	18,156	45.9%	18,309	46.1%	0.1%
Renter-Occupied	21,403	54.1%	21,437	53.9%	0.0%
Total	39,559	100%	39,746	100%	0.1%

Butte County	2010		2016		Avg. Annual
	Number	Percent	Number	Percent	Change
Owner-Occupied	50,991	58.2%	50,565	59.1%	-0.1%
Renter-Occupied	36,627	41.8%	34,966	40.9%	-0.8%
Total	87,618	100%	85,531	100%	-0.4%

Sources: U.S. Census Bureau, 2010 Census, Summary File 1, Table H14, 2017; U.S. Census Bureau, 2016 American Community Survey 1-Year Sample, Table B25003, 2017; BAE, 2018.

Household Income Characteristics

Households in the City of Chico and Chico Urbanized Area generally have lower incomes relative to Butte County as a whole; though households in all three geographies are generally lower income relative to their statewide counterparts. As seen in Table 5, the median household income in the City of Chico is roughly \$39,500 per year, with the Chico Urbanized Area presenting a modestly higher median household income of \$42,500 per year. By comparison, the Butte County median income is roughly \$45,200 per year, while the statewide median household income is approximately \$67,750 per year.

Table 5: Household Income, 2016

Income Category	Chico, City		Chico, Urbanized Area		Butte County	
	Number	Percent	Number	Percent	Number	Percent
Less than \$15,000	7,971	22.8%	8,780	22.1%	13,885	16.2%
\$15,000-\$24,999	4,001	11.4%	4,473	11.3%	11,114	13.0%
\$25,000-\$34,999	4,102	11.7%	4,319	10.9%	10,100	11.8%
\$35,000-\$49,999	3,693	10.6%	4,043	10.2%	10,366	12.1%
\$50,000-\$74,999	5,411	15.5%	6,225	15.7%	13,581	15.9%
\$75,000-\$99,999	3,787	10.8%	4,261	10.7%	10,083	11.8%
\$100,000-\$149,999	2,966	8.5%	3,542	8.9%	8,729	10.2%
\$150,000-\$199,999	1,878	5.4%	2,255	5.7%	4,438	5.2%
\$200,000 or more	1,176	3.4%	1,848	4.6%	3,235	3.8%
Total	34,985	100%	39,746	100%	85,531	100%
Median HH Income	\$39,488		\$42,537		\$45,177	

Sources: U.S. Census Bureau, 2016 American Community Survey 1-Year Sample, Tables: B19001, B19013; BAE, 2018.

Employment by Industry

Table 6 reports countywide employment growth between 2010 and 2016, as published by the EDD. While the EDD does not publish employment or jobs estimates at the sub-county level, anecdotal evidence indicates that the City of Chico generally functions as the primary economic and business hub for Butte County. Therefore, countywide employment trends should theoretically be driven by job gains and losses within the City of Chico and its environs, with some notable exceptions, such as in the agriculture and mining industries. According to the available data, the total number of jobs in Butte County increased by roughly 2.2 percent per year between 2010 and 2016, with an annualized average of 80,800 total jobs in 2016. Butte County has large concentrations of employment in Health Care and Social Assistance (22.2 percent), Public Administration (18.7 percent),⁴ Retail Trade (13.1 percent), and Accommodation and Food Services (9.5 percent). Since 2010, the industries that experienced above average jobs growth include Construction (7.3 percent per year, 1,187 additional jobs), Manufacturing (3.0 percent per year, 689 jobs), Administrative Support, Waste Management, and Remediation Services (5.6 percent per year, 835 jobs), Health Services and Social Assistance (5.6 percent per year, 4,982 jobs), and Accommodation and Food Services (3.7 percent per year, 1,504 jobs). The largest job losses occurred in Finance and Insurance (5.6 percent per year, 1,011 jobs lost).

⁴ The Public Administration sector includes all government employees, including those employed by CSUC.

Table 6: Employment by Industry, 2010 and 2016

Butte County	2010		2016		Average Annual Change
	Employees	Percent	Employees	Percent	
Agriculture, Forestry, Fishing and Hunting	2,846	4.0%	3,190	3.9%	1.9%
Mining	27	0.0%	31	0.0%	2.3%
Utilities	495	0.7%	563	0.7%	2.2%
Construction	2,244	3.2%	3,431	4.2%	7.3%
Manufacturing	3,529	5.0%	4,218	5.2%	3.0%
Wholesale Trade	1,721	2.4%	1,925	2.4%	1.9%
Retail Trade	9,389	13.2%	10,566	13.1%	2.0%
Transportation and Warehousing	1,044	1.5%	958	1.2%	-1.4%
Information	987	1.4%	966	1.2%	-0.4%
Finance and Insurance	3,194	4.5%	2,183	2.7%	-6.1%
Real Estate Rental and Leasing	1,401	2.0%	1,364	1.7%	-0.4%
Professional, Scientific, and Technical Services	2,328	3.3%	2,307	2.9%	-0.2%
Management of Companies and Enterprises	343	0.5%	355	0.4%	0.6%
Admin Support, Waste Mgmt. and Remediation Services	2,149	3.0%	2,984	3.7%	5.6%
Educational Services	391	0.5%	306	0.4%	-4.0%
Health Care and Social Assistance	12,989	18.3%	17,971	22.2%	5.6%
Arts, Entertainment, and Recreation	973	1.4%	879	1.1%	-1.7%
Accommodation and Food Services	6,134	8.6%	7,638	9.5%	3.7%
Other Services (except Public Administration)	4,911	6.9%	3,522	4.4%	-5.4%
Unclassified Establishments	117	0.2%	297	0.4%	16.8%
Public Administration	13,911	19.6%	15,147	18.7%	1.4%
Total, All Industries	71,120	100%	80,802	100%	2.2%

Sources: California Employment Development Department, Labor Market Information, Quarterly Census of Employment and Wages; BAE, 2018.

Real Estate Market Conditions

This section profiles local market conditions for residential and non-residential real estate sectors that create demand for vacant land.

Residential Development Trends

Units in Structure

The Chico area features a fairly diverse housing stock, with similar proportions of single-family and multifamily units. As seen in Table 7 below, roughly 51.6 percent of the housing units in the Chico Urbanized Area are single-family detached units, with another 6.6 percent being single-family attached units. The Butte County housing stock, by comparison, includes 61.3 percent single-family detached and 4.2 percent single-family attached housing units.

Approximately 27 percent of the housing units in the Chico Urbanized Area are in multifamily buildings with fewer than 20 units, while roughly ten percent are in complexes with 20 or more units. Mobile homes and other types of housing account for under five percent of the total housing stock in the Urbanized Area and 13.1 percent countywide. This reflects a higher prevalence of mobile homes in the unincorporated County, compared to the Chico area.

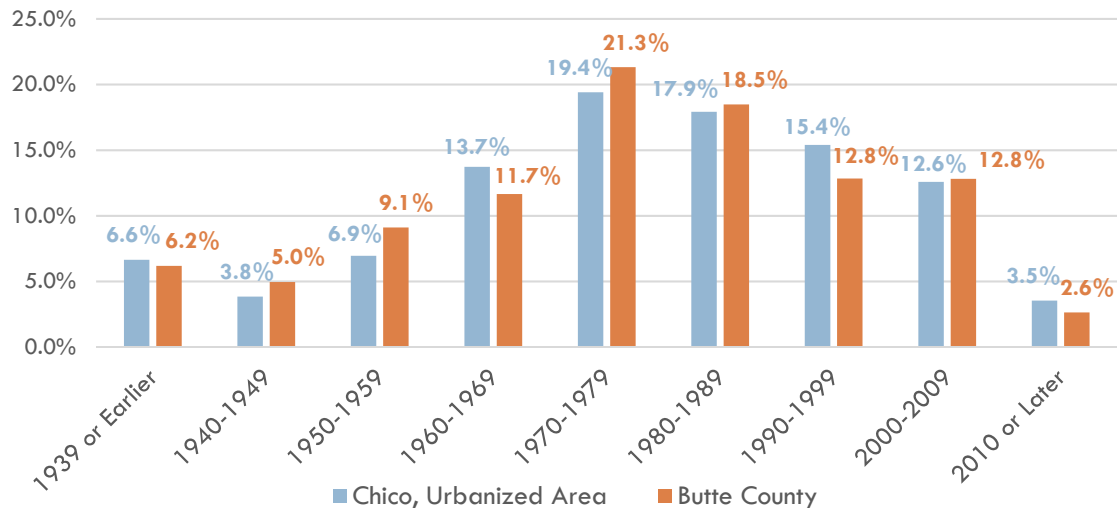
Table 7: Units in Structure, 2016

Units in Structure	City of Chico		Chico, Urbanized Area		Butte County	
	Number	Percent	Number	Percent	Number	Percent
Single Family Detached	19,017	48.4%	23,062	51.6%	60,387	61.3%
Single Family Attached	2,514	6.4%	2,943	6.6%	4,152	4.2%
Multi-Family 2-4 Units	5,884	15.0%	6,278	14.0%	8,008	8.1%
Multi-Family 5-9 Units	3,895	9.9%	3,895	8.7%	4,682	4.8%
Multi-Family 10-19 Units	1,908	4.9%	1,908	4.3%	2,330	2.4%
Multi-Family 20-49 Units	1,592	4.0%	1,648	3.7%	2,314	2.4%
Multi-Family 50+ Units	2,774	7.1%	2,774	6.2%	3,683	3.7%
Mobile Homes & Other	1,733	4.4%	2,211	4.9%	12,883	13.1%
Total	39,317	100%	44,719	100%	98,439	100%

Sources: U.S. Census Bureau, American Community Survey 2016 1-Year Sample, Table B25024; BAE, 2018.

Year Built

The median year built for housing in the Chico area is 1980, which is similar to the countywide median of 1978. As seen in Figure 2, most of the housing in both the Chico area and Butte County more broadly was built between 1960 and 1989. Units built in the 1990s and 2000s account for a smaller but still significant portion of the existing housing stock. Development of new housing occurred more slowly since 2010, compared to historic trends, reflecting the impact of the foreclosure crisis of late 2000s and the relatively slow subsequent recovery.⁵

Figure 2: Units by Year Built

Sources: U.S. Census Bureau, American Community Survey 2016 1-Year Sample, Table B25034; BAE, 2018.

⁵ Please note that the margins of error (MOEs) for these estimates are relatively high, therefore these figures should be interpreted with caution. However, comparison with the 2012-2016 5-Year estimates indicate that both datasets document roughly similar trends, with mostly minor differences in magnitude.

New Construction

According to residential building permit data provided by the City of Chico, which is more reliable than ACS data, the City of Chico added approximately 2,619 new housing units between 2011 and 2017. Approximately 47 percent of the new residential units were in multifamily complexes, while the remaining 53 percent were in detached single-family developments. Over this period, the City added approximately 1,384 new single-family homes, as well as 1,235 new multifamily housing units. This represents an average of approximately 198 new single-family homes and 176 multifamily housing units per year. While the data indicate a ramp-up of single-family development between 2011 and 2013, the pace of development was relatively stable between 2013 and 2017. The pace of multifamily development varied somewhat between 2011 and 2017, with steady production in the annual number of new units produced between 2014 and 2017.

Table 8: New Housing Construction by Unit Type, 2011 to 2017

Chico, City	2011	2012	2013	2014	2015	2016	2017	Total	Average
Single Family Detached	82	123	211	230	199	269	270	1,384	198
Single Family Attached	0	0	0	0	0	0	0	0	0
Multi-Family 2-4 Units	72	2	0	36	13	18	41	182	26
Multi-Family >=5 Units	190	44	163	65	166	159	266	1,053	150
Total	344	169	374	331	378	446	577	2,619	374

Sources: California Department of Finance, City/County Population and Housing Estimates, Form E-5, 2018; BAE, 2018.

For-Sale Residential Overview

Sale Price

Between June 2017 and January 2018, roughly 850 housing units were sold in the Chico Urbanized Area including new construction and re-sales of existing units. Roughly 90 percent of those units were single-family homes, with condominium sales accounting for the largest share of the remaining sales. Table 9 indicates that the median sale price for all single-family residential units was approximately \$321,000. The median unit size was roughly 1,570 square feet, with a median sale price of \$212 per square foot. In addition to single-family homes, 56 condominium units were sold in the Chico Urbanized Area during the same period. These units were much smaller than the single-family homes, with a median living area of 960 square feet. These units were also significantly more affordable, with a median sale price of \$168,500, and a median sale price of approximately \$154 per square foot. The remaining home sales reported in Table 9 include various duplex, triplex, and quadruplex buildings.

Table 9: Housing Sale Characteristics by Type, Chico Urbanized Area, June 2017 to January 2018

	Property Type				
	Single Family	Duplex Units	Triplex Building	Quadruplex Building	Condominium
Number of Sales	763	15	3	12	56
Lot Area					
Median Lot Area (Sq. Ft.)	7,841	9,148	8,276	9,148	871
Average Lot Area (Sq. Ft.)	12,133	11,674	7,841	10,019	1,260
Living Area					
Median Living Area (Sq. Ft.)	1,572	1,830	2,091	3,524	960
Average Living Area (Sq. Ft.)	1,688	1,809	2,363	3,528	1,067
Sale Price					
Maximum	\$1,650,000	\$420,000	\$605,000	\$675,000	\$290,000
Minimum	\$56,500	\$48,000	\$325,000	\$275,000	\$57,100
Median	\$321,000	\$280,000	\$442,000	\$434,000	\$168,500
Average	\$353,708	\$269,467	\$457,333	\$459,583	\$166,620
Sale Price Per Sq. Ft.					
Median Price/Sq. Ft. Living Area	\$212	\$153	\$186	\$115	\$154
Average Price/Sq. Ft. Living Area	\$216	\$162	\$204	\$115	\$157
Bedrooms					
Median Bedrooms	3.0	3.0	4.0	2.0	2.0
Average Bedrooms	3.1	3.4	4.0	2.9	2.2

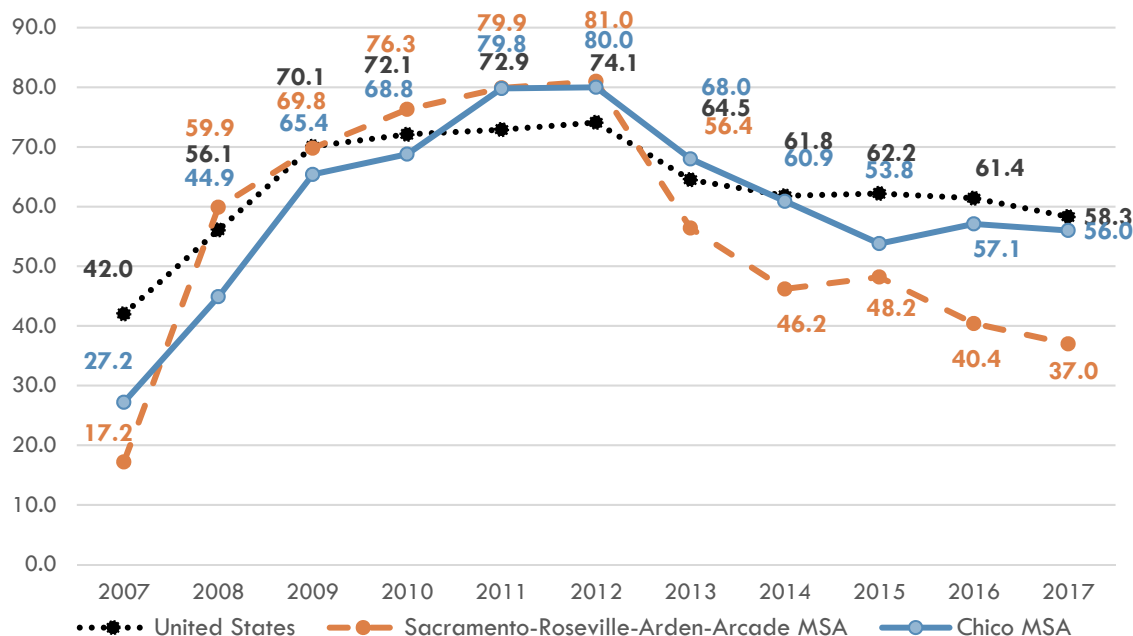
Sources: ListSource, 2017; BAE, 2018.

Housing Opportunity Index

Figure 3 illustrates changes in housing affordability in the Chico MSA (Butte County) over the past decade, based on the Housing Opportunity Index (HOI) published by the National Association of Home Builders. In brief, an HOI score of 10 indicates that only 10 percent of all homes sold in that year were affordable to households with incomes equal to the Area Median Income (AMI). According to this measure, housing in the Chico MSA is relatively affordable by California standards and roughly on-par with the remainder of the nation. For example, in 2017, the most recent year for which data are available, the HOI score for the Sacramento-Roseville-Arden Arcade MSA was 37, which was lower than score for the Chico MSA of 56 and for the nation of 58. The figure illustrates that as recently as 2010 and 2011, all three areas had similar HOI scores. At that time, roughly 80 percent of the homes sold were affordable to a household with income at the AMI level. Since that time, the relative affordability of many other California communities, such as the nearby Sacramento-Roseville-Arden Arcade MSA, decreased dramatically, while the relative level of affordability in the for-sale housing market in Chico generally tracked the broader nationwide trend, with more than 50 percent of home sales remaining affordable to households with income equal to the local AMI.

This is not to say that housing affordability, within both the for-sale and rental markets in City of Chico, specifically, is not an issue of serious concern. For example, data reported in Table 11, below, indicate that almost half of all Chico households, and nearly 30 percent of all owner households, pay 30 percent or more of their household incomes for housing costs. By federal and state housing affordability guidelines, these households are considered overly housing cost-burdened. Further, while the relative affordability of the Chico for-sale housing stock, as measured by the HOI, represents an important selling point for business and workforce recruitment, the progressive decrease in housing affordability over time, as reflected in the HOI trends, will continue to create problems for many new and existing Chico households who aspire to home ownership.

Figure 3: Housing Opportunity Index, 2007 to 2017



Sources: National Association of Home Builders, Housing Opportunity Index, 2017; BAE, 2018.

Multifamily Residential Overview

The City of Chico accounts for a large share of the overall Butte County multifamily residential unit inventory; thus, the two geographies share similar market characteristics. As seen in Table 10, the City of Chico contains approximately 11,960 multifamily units, which account for roughly 82 percent of the total Butte County inventory. Most of these units (76 percent) are contained within one- and two-bedroom apartments, while three-bedroom units make up another 13 percent of the multifamily housing stock. Within the City of Chico, roughly 625 units were vacant in 2017, yielding a vacancy rate of 5.2 percent, which was identical to the Butte County rate. This represents a relatively healthy aggregate level of vacancy (i.e., there are a sizable number of units available for occupancy, but not so much that it puts downward

pressure on rents). Data from CoStar indicate that the average asking rent is \$990 per unit, which represents an increase of roughly 3.0 percent over the previous year. At this level, the increases in residential rental rates are roughly tracking with inflation. Countywide rental rates are roughly \$50 less on average, but increased at a comparable rate.

One recent trend impacting the multifamily housing market in college towns throughout the nation is the leasing of apartment units on a per-bed basis. Known as a “bed-lease,” each occupant has their own individual lease agreement, rather than having one master lease for an apartment unit with multiple occupants signing the lease for the shared unit. This provides greater flexibility and financial security to tenants who are not at risk of being held responsible for rent for the entire unit if one roommate moves out or otherwise fails to comply with the lease terms. In addition, bed-leased apartment projects are often highly amenitized, offering a wide variety of benefits to residents, ranging from business centers, to pools, and structured social programs. Many bed-leased properties also offer fully-furnished accommodations. As a result of these amenities, bed-leased properties often charge a premium compared to more traditional apartment properties that lease by the unit.

According to local real estate brokers and developers, the introduction of student-oriented bed-leased apartments has somewhat shifted the development landscape within the multifamily market. The significant rent premiums have made large scale redevelopment projects financially feasible, including those utilizing expensive construction methods, such as concrete podium parking. For example, The AMCAL Student Housing project on Nord Avenue includes 173 units with 625 beds on 4.62 acres. The project has two wood-framed residential buildings and a four-story concrete parking structure. The project includes a fitness center and recreation area, furnished study rooms, a student café, and “resort style” pool and landscaping. The project is expected to be complete in the summer of 2018. Another similar project includes Campus Walk by Fountain Residential Partners.

According to members of the development community interviewed for this study, the value of multifamily land in Chico has increased over the past two or three years. The largest value increases occurred in proximity to the Chico State campus, in response to the new student oriented multifamily developments currently underway in that area. As noted earlier, the bed-lease leasing structure and premium nature of the properties allows these projects to support higher residual values when compared to more traditional multifamily housing. Nonetheless, developers working on more traditional “unit leased” properties located throughout Chico, including farther away from Chico State, also report increasing values for multifamily land, though the increase is reportedly less pronounced. This is primarily due to a number of new non-student oriented multifamily projects that are currently underway throughout Chico.

Table 10: Multifamily Market Overview, 2016 to 2017

Multifamily Residential	City of Chico	Butte County
Inventory, 2017 (units)	11,961	14,534
Occupied Units	11,337	13,784
Vacant Units	624	750
Vacancy Rate	5.2%	5.2%
<i>% of Butte County Inventory</i>	82.3%	
Average Asking Rents, 2016-2017		
Average Asking Rent, 2016	\$961	\$917
Average Asking Rent, 2017	\$990	\$944
% Change 2016 - 2017	3.0%	2.9%

Sources: CoStar; BAE, 2018

Multifamily Housing Affordability

Housing is generally considered affordable when housing costs (i.e., rent plus utilities) take up less than 30 percent of a household's gross income. The data from the 2016 ACS indicate that approximately 68 percent of renter households within both the City of Chico and the Chico Urbanized Area pay more than 30 percent of their income for housing.⁶ The rate is only slightly lower for the county as a whole, at 66 percent. The data indicate that renter households in Butte County are somewhat more heavily burdened by overpayment, compared to the statewide average overpayment rate of 55 percent. The prevalence of overpayment among renter households decreases notably as income rises. For example, in the Chico Urbanized Area, roughly 93 percent of all renter households with incomes of less than \$35,000 per year pay more than 30 percent of their income for housing. Meanwhile, 42 percent of renter households earning between \$35,000 but less than \$75,000 per year pay more than 30 percent of income for housing, and only 1.3 percent of renter households earning \$75,000 per year or more overpay for housing.

⁶ Please note that the margins of error (MOEs) for these estimates are relatively high, therefore these figures should be interpreted with caution. However, comparison with the 2012-2016 5-Year estimates indicate that both datasets document roughly similar trends, with mostly minor differences in magnitude.

Table 11: Housing Cost Burden by Tenure, 2016

	Owner-Households		Renter-Households		All Households	
	Count	Percent	Count	Percent	Count	Percent
City of Chico						
Less than 30% of Income	11,003	73.8%	6,142	31.8%	17,145	50.1%
30% or More of Income	3,915	26.2%	13,150	68.2%	17,065	49.9%
Total (a)	14,918	100%	19,292	100%	34,210	100%
Chico, Urbanized Area						
Less than 30% of Income	13,272	73.2%	6,521	31.5%	19,793	50.9%
30% or More of Income	4,866	26.8%	14,197	68.5%	19,063	49.1%
Total (a)	18,138	100%	20,718	100%	38,856	100%
Butte County						
Less than 30% of Income	37,206	74.1%	11,439	34.5%	48,645	58.3%
30% or More of Income	12,986	25.9%	21,746	65.5%	34,732	41.7%
Total (a)	50,192	100%	33,185	100%	83,377	100%

Note:

(a) Does not include households with zero/negative income or households with no cash rent.

Sources: U.S. Census Bureau, American Community Survey 2016 1-Year Sample, Table B25106; BAE, 2018.

Commercial and Industrial Overview

According to records maintained by the City of Chico, the City added approximately 567,310 square feet of new commercial and industrial space since 2011. This represents an annual average of roughly 81,000 square feet, which is equivalent to one moderately sized commercial or industrial building per year. However, from 2011 through 2013, the City averaged around 35,000 square feet of new development per year. From 2014 through 2017, the pace of development increased substantially to around 136,000 square feet per year; though the 2017 total fell back to around 54,000 square feet.

Table 12: Recent Commercial Construction, 2011 to 2017

Year	Commercial/ Industrial Sq. Ft.	Construction Valuation
2011	30,765	\$4,200,000
2012	40,763	\$8,000,000
2013	34,344	\$4,000,000
2014	169,512	\$13,000,000
2015	124,225	\$13,300,000
2016	113,331	\$8,900,000
2017	54,370	\$4,900,000
Total	567,310	\$56,300,000
Average	81,044	\$8,042,857

Sources: City of Chico, 2018; BAE, 2018.

Office

The City of Chico dominates the Butte County office market. As reported in Table 13, the current market rental rate for office space in Chico is \$1.12 per square foot, triple net. This is similar to the countywide average. It represents a \$0.10 increase from the 2016 average, which indicates year-over-year rental rate appreciation of almost 10 percent. Office vacancy in both Chico and Butte County averaged around 2.5 percent in 2017, which indicates a relatively tight market and corresponds with the rapid increase in rental rates. In 2016, the Chico market experienced approximately 191,300 square feet of net new absorption, which accounted for more than 80 percent of the countywide absorption during that period. However, net absorption in 2017 decreased to only around 31,500 square feet. This could be the result of several factors. For example, the comparatively high quantity in 2016 could reflect demand from a small number of key users who underwent a one-time expansion. Conversely, the reduced absorption in 2017 could signal that office users in the Chico market are relatively price sensitive.

Conversations with real estate professionals in Chico seem to indicate that the latter scenario is the most likely cause. Real estate brokers indicate that office users in Chico typically include small to medium sized businesses, including sole proprietors and early- to mid-stage start-up companies. Brokers indicate that businesses often complain of a lack of available space for expansion, citing a tendency to need to break up their operations between multiple sites to find enough suitable space to accommodate their operations. Most of these users are interested in occupying larger and newer office facilities, which simply are not available within the current Chico market. Brokers indicate that the current market rents for office space in Chico are not sufficient to offset the cost of construction of new office space. Most smaller businesses in Chico reportedly cannot afford the higher rents, while those that have grown sufficiently are often unwilling to wait long enough to allow for build-to-suit construction. These businesses are reportedly growing rapidly and often cannot anticipate their space needs well enough in advance to coordinate construction. Growth among these companies is inconsistent and commercial builders cannot adequately anticipate when they will mature to the point where they will need more space. Thus, builders are currently unwilling to pursue speculative new office development. For additional discussion on this topic, please refer to the industrial market overview in the sub-section below.

Table 13: Office Market Overview, 2016 to 2017

Office	City of Chico	Butte County
Inventory, 2017 (sf)	4,254,797	5,129,692
Occupied Stock (sf)	4,150,499	4,998,891
Vacant Stock (sf)	104,298	130,801
Vacancy Rate	2.5%	2.5%
<i>% of Butte County Inventory</i>	82.9%	
Asking NNN Rents, 2016-2017		
Average Asking Rent (psf), 2016	\$1.02	\$1.01
Average Asking Rent (psf), 2017	\$1.12	\$1.10
% Change 2016 - 2017	9.8%	8.9%
Net Absorption, 2016-2017		
Net Absorption 2016	191,273	230,207
Net Absorption, 2017	31,515	33,724

Sources: CoStar; BAE, 2018

Industrial

Like the office market, Chico accounts for almost 85 percent of the countywide industrial inventory. As reported in Table 14, the City of Chico contains almost 7.6 million square feet of industrial space, with only 213,000 square feet of vacancy. This represents a vacancy rate of 2.8 percent. In 2016, the City absorbed 311,000 square feet of industrial space, followed by another 100,000 square feet in 2017. This accounts for most of the new industrial absorption in Butte County during this period. Market rate rents for industrial space are similar in Chico and Butte County as a whole and have remained stable for the past two years. The current market rent for industrial space in Chico is \$0.30, triple net.

Like the office market, brokers and developers both indicate that industrial rents are too low to justify speculative investment in new development. Most of the new development in recent years was reportedly driven by owner-occupants. This is not uncommon in more isolated markets where speculative development is not feasible for investor-developers. Under current market conditions, rents are too low to justify new development and businesses looking to expand beyond the available inventory are going elsewhere. Some believe, however, that if adequate space were made available at the right time, that there would be users who could both use and afford the higher rents associated with new construction. Examples of this are being seen at Meriam Park. Because historical absorption is low, developers are less willing to take on the risk of speculative development. As noted earlier, this is at least in part due to difficulties in ascertaining when businesses will reach the point that their need for expansion space is critical.

Table 14: Industrial Market Overview, 2016-2017

Industrial	City of Chico	Butte County
Inventory, 2017 (sf)	7,583,812	8,938,614
Occupied Stock (sf)	7,370,925	8,645,783
Vacant Stock (sf)	212,887	292,831
Vacancy Rate	2.8%	3.3%
<i>% of Butte County Inventory</i>	<i>84.8%</i>	
Asking NNN Rents, 2016-2017		
Average Asking Rent (psf), 2016	\$0.29	\$0.29
Average Asking Rent (psf), 2017	\$0.30	\$0.31
% Change 2016 - 2017	3.4%	6.9%
Net Absorption, 2016-2017		
Net Absorption 2016	311,956	333,531
Net Absorption, 2017	98,091	126,995

Sources: CoStar; BAE, 2018

Retail

Although Chico is clearly a hub for retail trade in Butte County, data from CoStar indicate that Chico hosts a smaller share of the countywide retail inventory when compared to the office or industrial stock. As reported in Table 15, Chico has approximately 7.7 million square feet of retail space, which equals roughly 70.2 percent of the countywide inventory. Retail vacancy is quite low at only 2.1 percent in the City of Chico and 3.0 percent countywide. Chico currently has only 165,700 square feet of vacant retail space. It is not clear whether this total includes the 85,000 square foot space at the Chico Mall vacated by Sears in September 2017. Despite the low vacancy, asking rents for retail space in Chico remain relatively stable, with an increase of only 2.1 percent year-over-year. Retail rents in Chico are also relatively low, though they are around \$0.20 higher than the countywide average. Total countywide absorption of new retail space was also modest at around 180,000 square feet in 2016 and 103,000 square feet in 2017. Absorption in Chico accounted for 50 percent or more of that total, with roughly 89,000 square feet of absorption in 2016 and 60,000 square feet in 2017. This generally translates to the equivalent of one new moderately sized retail strip center per year.

The main concern among real estate brokers and developers at this time is the anticipated impacts of online retailing. With the rapid spread of same-day delivery of online purchases, many in the industry are beginning to question whether communities like Chico will be able to support their existing retail inventory, let alone to support development of new retail product. Most suggest that the community should focus on supporting and reinvigorating its existing retail stock, rather than planning for new retail expansions. A primary example is the Chico Mall site, like most enclosed malls throughout the country. The recent closure of Sears eliminated one of the Mall's main anchor tenants and left a large space that can be difficult to re-tenant. Nonetheless, representatives for the mall are working to reposition the western end

as more of a lifestyle destination targeting the Millennial generation. While the property manager has not disclosed the names of prospective new tenants, they indicate that they are pursuing a mix of family entertainment and dining options, as well as additional retail users that can complement their existing tenant mix.

Taking a conservative approach to future retail development, brokers also recommend rezoning some of the sites currently zoned for neighborhood commercial type uses on corner lots that are not part of larger retail nodes, as the City has seen very little of that type of development in recent years. They indicate that the corner store business model simply is not of interest to most shoppers in Chico and that those sites might be better used for residential uses. Nonetheless, brokers did indicate that there could be some opportunity to redevelop existing retail corridors and to focus new retail demand into the Downtown. In both cases, the goal would be to leverage Chico’s unique character to create more of an experience, versus simply offering commodity goods for purchase. These types of retail uses are much more resistant to the trend of consumers switching to online retailers, as they are less about convenience (i.e., it’s difficult to beat same day, or even same hour, delivery) and cost and more about providing a high-quality experience that uniquely encapsulates the Chico lifestyle.

Table 15: Retail Market Overview, 2016 to 2017

Retail	City of Chico	Butte County
Inventory, 2017 (sf)	7,726,765	11,002,387
Occupied Stock (sf)	7,561,083	10,677,059
Vacant Stock (sf)	165,682	325,328
Vacancy Rate	2.1%	3.0%
<i>% of Butte County Inventory</i>	<i>70.2%</i>	
Asking NNN Rents, 2016-2017		
Average Asking Rent (psf), 2016	\$1.40	\$1.19
Average Asking Rent (psf), 2017	\$1.43	\$1.21
% Change 2016 - 2017	2.1%	1.7%
Net Absorption, 2016-2017		
Net Absorption 2016	89,249	179,901
Net Absorption, 2017	59,914	102,930

Sources: CoStar; BAE, 2018

To better understand what retail expansion opportunities may exist in Chico, BAE compiled data on retail sales and consumer expenditures from Esri, a private data vendor. According to the data reported in Table 16, Chico residents spent a total of \$1.1 billion on retail purchases in 2017. This corresponded with roughly \$1.8 billion in retail sales within the City, producing a net retail sales injection of roughly \$720 million dollars in 2017. This significant injection of retail sales confirms the community’s role as an important hub for retail trade within Butte County (i.e., Chico is a destination for retail shopping for people who live outside the city).

There are a number of retail sales categories where the retail sales outpaced local resident spending. These include General Merchandise Stores (\$173 million injection), Food and Beverage Stores (\$162 million injection), and Food Service and Drinking Places (\$108 million injection), among others. The City of Chico experienced leakage in only two retail categories, including Gasoline Stations (\$11.2 million leakage) and Non-Store Retailers (\$10.5 million leakage).⁷ Based on these estimates, there is limited potential to expand Chico's retail base through the capture of existing retail leakage.⁸

Overall, the data indicate that Butte County has a well-balanced retail sector. Overall, the County captured an estimated \$11 million in retail sales injection in 2017. Nonetheless, there were six retail categories that showed some level of retail sales leakage. These include Motor Vehicle and Part Dealers (\$217 million leakage), Non-Store Retailers (\$41.7 million leakage), Clothing and Clothing Accessories Stores (\$35.6 million leakage), Furniture and Home Furnishing Stores (\$31.2 million leakage), Gasoline Stations (\$25.0 million leakage), and Electronics and Appliance Stores (\$24.1 million leakage). In total, the estimated leakage in the non-automotive retail categories noted here could support up to 382,000 square feet of new retail development countywide, with the majority falling into the Clothing or Home Furnishing stores. However, given that the County is well served in the General Merchandise Stores category, it is hard to distinguish whether the leakage reported above is real, or if it reflects a shifting of sales from more specialized retail establishments to the larger general merchandise retailers, which sell a wide variety of goods. Therefore, BAE recommends the use of caution when interpreting this information and relying on countywide retail category sales leakages as the basis for new retail development in Chico. If the retail category leakages identified above are in fact indicative of unmet local demand, additional analysis would be necessary to identify whether Chico would be an appropriate location for new retail development to meet that demand.

⁷ Includes businesses that sell retail merchandise outside of a physical store environment, including online retailing, paper catalogs, door-to-door solicitation, in-home demonstration, portable kiosks, etc.

⁸ Keep in mind that retail leakage is defined as sales by local area residents that occur outside the local area. Leakage does not capture the potential associated with retail spending by persons who live outside the area.

Table 16: Retail Leakage Analysis, 2017 (Page 1 of 2)

City of Chico					
Retail Category	Consumer Expenditures	Retail Supply	(Leakage)/ Injection	Estimated Sales/SF (a)	Supportable Square Feet (b)
Furniture and Home Furnishings Stores	\$36,798,882	\$50,516,084	\$13,717,202	\$209	0
Electronics and Appliance Stores	\$36,524,061	\$37,012,929	\$488,868	\$302	0
Building Material, Garden Equip Stores	\$56,152,722	\$131,468,129	\$75,315,407	\$389	0
Food and Beverage Stores	\$163,734,468	\$324,719,691	\$160,985,223	\$412	0
Health and Personal Care Stores	\$68,677,624	\$137,085,259	\$68,407,635	\$177	0
Clothing and Clothing Accessories Stores	\$71,209,343	\$117,267,590	\$46,058,247	\$233	0
Sporting Goods, Hobby, Book, Music Stores	\$31,609,780	\$69,711,653	\$38,101,873	\$220	0
General Merchandise Stores	\$168,338,906	\$341,226,977	\$172,888,071	\$150	0
Miscellaneous Store Retailers	\$37,461,072	\$73,151,499	\$35,690,427	\$248	0
Non-Store Retailers	\$29,011,219	\$18,484,163	(\$10,527,056)	n.a.	n.a.
Food Service and Drinking Places	\$109,780,213	\$217,554,844	\$107,774,631	\$314	0
Subtotal, Non-Automotive	\$809,298,290	\$1,518,198,818	\$708,900,528		0

Retail Category	Consumer Expenditures	Retail Supply	(Leakage)/ Injection	Estimated Sales/Acre (c)	Supportable Acreage (c)
Motor Vehicle and Parts Dealers	\$210,878,829	\$233,490,338	\$22,611,509	\$12,634,000	n.a.
Gasoline Stations	\$90,614,264	\$79,419,921	(\$11,194,343)	\$5,806,423	1.9
Subtotal, Automotive	\$301,493,093	\$312,910,259	\$11,417,166		1.9

Net Balance of Trade	\$1,110,791,383	\$1,831,109,077	\$720,317,694		
<i>Categories with Leakage</i>	<i>\$119,625,483</i>	<i>\$97,904,084</i>	<i>(\$21,721,399)</i>		

- Continued on next page -

Sources: Esri, 2017; Urban Land Institute, 2008; Board of Equalization, 2017; BAE, 2017.

Table 16: Retail Leakage Analysis, 2017 (Page 2 of 2)

Butte County

<u>Retail Category</u>	<u>Consumer Expenditures</u>	<u>Retail Supply</u>	<u>(Leakage)/ Injection</u>	<u>Estimated Sales/SF (a)</u>	<u>Supportable Square Feet (b)</u>
Furniture and Home Furnishings Stores	\$92,024,684	\$60,842,585	(\$31,182,099)	\$209	148,997
Electronics and Appliance Stores	\$91,710,283	\$67,564,594	(\$24,145,689)	\$302	79,900
Building Material, Garden Equip Stores	\$157,434,244	\$207,031,537	\$49,597,293	\$389	0
Food and Beverage Stores	\$414,782,553	\$565,017,893	\$150,235,340	\$412	0
Health and Personal Care Stores	\$182,858,606	\$274,067,936	\$91,209,330	\$177	0
Clothing and Clothing Accessories Stores	\$173,052,785	\$137,486,268	(\$35,566,517)	\$233	152,856
Sporting Goods, Hobby, Book, Music Stores	\$78,215,581	\$91,782,841	\$13,567,260	\$220	0
General Merchandise Stores	\$423,596,644	\$449,212,091	\$25,615,447	\$150	0
Miscellaneous Store Retailers	\$98,839,323	\$122,492,515	\$23,653,192	\$248	0
Non-Store Retailers	\$74,190,459	\$32,521,415	(\$41,669,044)	n.a.	n.a.
Food Service and Drinking Places	\$268,127,030	\$299,819,455	\$31,692,425	\$314	0
Subtotal, Non-Automotive	\$2,054,832,192	\$2,307,839,130	\$253,006,938		381,753

<u>Retail Category</u>	<u>Consumer Expenditures</u>	<u>Retail Supply</u>	<u>(Leakage)/ Injection</u>	<u>Estimated Sales/Acre (c)</u>	<u>Supportable Acreage (c)</u>
Motor Vehicle and Parts Dealers	\$549,318,924	\$332,743,395	(\$216,575,529)	\$12,634,000	17.1
Gasoline Stations	\$232,801,401	\$207,775,702	(\$25,025,699)	\$5,806,423	4.3
Subtotal, Automotive	\$782,120,325	\$540,519,097	(\$241,601,228)		21.5
Net Balance of Trade	\$2,836,952,517	\$2,848,358,227	\$11,405,710		
<i>Categories with Leakage</i>	<i>\$1,213,098,536</i>	<i>\$838,933,959</i>	<i>(\$374,164,577)</i>		

Notes:

- (a) Sales per square foot are based on data reported in the Dollars and Cents of Shopping Centers, published by the ULI.
- (b) Supportable square footage estimates include a 14 percent non-retail adjustment and a 10 percent vacancy allowance.
- (c) Sales per acre estimates are based on taxable sales per establishment figures derived from data published by the SBOE. The figures assume that an average motor vehicle dealership will range in size between 5.3 and 6.4 acres, while a typical gasoline station would occupy approximately one acre.

Sources: Esri, 2017; Urban Land Institute, 2008; Board of Equalization, 2017; BAE, 2017.

LAND DEMAND/SUPPLY ANALYSIS

This report chapter summarizes the land supply and demand analysis. It summarizes the population, household, and employment projections currently available for the City of Chico and Butte County and discusses the impacts that the various growth assumptions might have on land use demand. The section then presents two alternative land use demand scenarios that BAE believes bracket the likely future land use demand in Chico. The section continues with a review of the current pipeline of planned and proposed projects in Chico and discusses the portion of projected demand that may be absorbed by these projects. The section then reviews the vacant sites inventory prepared by BAE in coordination with City staff. This includes a discussion of the likely buildout potential of the available vacant sites, as well as a review of the anticipated buildout potential of the City's Special Planning Areas and Opportunity Sites. The section then concludes with a purely quantitative comparison between the land use demand estimates and the estimated aggregate land supply, identifying the types of land that are likely to be either over or under supplied through 2035, where applicable.

Land Use Demand Projections

There are a variety of sources that publish regional growth projections for the City of Chico and Butte County. For the purposes of this analysis, BAE evaluated data from the Butte County Association of Governments (BCAG), as well as the DOF, the California Department of Transportation (Caltrans), and the EDD. Each agency develops their own set of projections that are tailored to their intended uses and based on their unique outlook regarding local and regional growth. Each set of projections was also developed at a different point in time and targets a different timeframe (e.g., near-term vs. long term). As a result, these projections differ significantly from one another. The following subsection reviews the available projections and presents a new set of projections developed by BAE for this study.

Growth Projection Comparison

The starting point for this research was to review the available BCAG projections published most recently in 2014. BCAG staff indicate that a new set of projections will be available toward the end of 2018. The 2014 BCAG projections include three different scenarios intended to bracket the likely growth trend, recognizing the uncertainty in the assumptions. Based on these figures, BCAG anticipates that the City of Chico could add between around 26,400 and 47,00 new residents through 2035, while Butte County could add between 70,100 and 99,100 new residents. This would equal a compound annual growth rate ranging from 1.2 to 1.6 percent per year in both areas.

The next step was to review the population growth projections for Butte County published by the DOF, which are generally considered the industry standard for population growth forecasting in California. Based on the most recently published estimates from February 2017, the DOF currently projects that Butte County will add approximately 31,700 new

residents between 2015 and 2035, or 25,300 new residents between 2020 and 2035. This would equal an average annual growth rate of around 0.7 percent per year. Further investigation indicates that the DOF population growth projections published around the time that BCAG was developing their 2014 projections identified an annual growth rate for Butte County that was within the range published by BCAG. Therefore, it appears that the DOF have revised their growth projections for Butte County downwards. As such, BAE determined that the BCAG projections would need to be updated using more up-to-date information.

Since the DOF develops projections for population only, BAE also evaluated projections data published in 2017 by Caltrans. Caltrans provides growth projections at the countywide level, but does not include city-level projections. This dataset projects that Butte County will add around 16,800 new residents between 2017 and 2035. This equals an average annual growth rate of 0.4 percent. Caltrans also publishes projections for households and jobs by industry. According to this information, Caltrans anticipates that the County will add around 10,700 new households during this period, at a rate of 0.6 percent per year, and around 8,000 jobs, at a rate of 0.5 percent per year. Most of the employment growth is expected in Education and Healthcare, as well as Leisure and Hospitality, Professional Services, and Government.

While BAE also reviewed employment projections published by the EDD, the long-term projections for Butte County span the period from 2014 to 2024. Not only are these projections quite dated, they do not extend far enough into the future to cover the City of Chico's anticipated planning period. Thus, these projections were not used for this analysis.

BAE Growth Projections

The only available projections that break out data below the county level are those published by BCAG. Since those projections do not likely reflect the anticipated growth trajectory of either Butte County or the City of Chico under current market conditions, BAE developed an alternative set of predictions that better reflect the current growth outlook. The projections include two scenarios. The low growth scenario, reported in Table 17, is based on the countywide growth projections published by the DOF and Caltrans, assuming that the City of Chico maintains its 2017 share of countywide population and employment. The high growth scenario, reported in Table 18, recognizes that the City of Chico has historically added new residents and jobs more rapidly than the county as a whole. For more detail regarding how these projections were calculated, please refer to the footnotes included in each table. Based on this approach, BAE projects that the City of Chico could add roughly 12,000 and 22,100 new residents through 2035, as well as 5,150 to 9,500 new households, and 5,400 to nearly 11,000 new jobs. Based on comments reportedly made by BCAG staff, the updated draft BCAG projections that are expected later this year estimate that the City's growth will likely within the range reported here.

Table 17: Population, Housing, and Jobs Forecast, Low Growth, 2017-2035

Population (a)							
	2017	Projections				Total Change	Annual Percent
		2020	2025	2030	2035		
City of Chico	91,398	93,136	96,300	99,850	103,363	11,965	0.7%
Butte County	226,403	230,709	238,546	247,339	256,042	29,639	0.7%

Housing Units (b)							
	2017	Projections				Total Change	Annual Percent
		2020	2025	2030	2035		
City of Chico	39,341	40,089	41,451	42,979	44,491	5,150	0.7%
Butte County	98,871	100,751	104,174	108,014	111,814	12,943	0.7%

Jobs (c)							
	2017	Projections				Total Change	Annual Percent
		2020	2025	2030	2035		
City of Chico (c)	45,260	46,119	47,587	49,103	50,666	5,406	0.6%
Butte County (d)	84,167	85,765	88,496	91,314	94,221	10,054	0.6%

Notes:

(a) Based on 2017 population and housing estimates and population growth projections published by the California Department of Finance. Assumes that the City of Chico will maintain its share of the countywide resident population as reported in 2017.

(b) Based on 2017 population and housing estimates and population growth projections published by the California Department of Finance. Assumes the following average ratio of persons per housing unit, inclusive of group quarters populations and vacant units.

City of Chico	2.32
Butte County	2.29

(c) Countywide jobs growth is projected based on the 2016 Quarterly Census of Employment and Wages (QCEW) and the 2017 Butte County Economic Forecast Published by Caltrans. Estimates of the total number of jobs within the City of Chico are projected assuming a constant share of countywide employment, as reported by ESRI. The distribution of jobs growth by industry is based on the share of jobs growth by industry reported between 2010 and 2015 as part of the Longitudinal Employer-Household Dynamics (LEHD) published by the U.S. Census Bureau.

Sources: California Department of Finance, E-5: Population and Housing Estimates for Cities, Counties, and the State, January 2011-2017, 2018; California Department of Finance, P-1: State Population Projections 2010-2060, 2018; California Employment Development Department, Industry Employment & Labor Force, Chico MSA, 2018; Caltrans, 2017 Butte County Economic Forecast, 2018; ESRI, 2017 Business Summary by NAICS, 2018; Longitudinal Employer-Household Dynamics, U.S. Census Bureau, 2018; BAE, 2018.

Table 18: Population, Housing, and Jobs Forecast, High Growth, 2017-2035

Population (a)							
	2017	Projections				Total Change	Annual Percent
		2020	2025	2030	2035		
City of Chico	91,398	94,762	100,645	106,894	113,531	22,133	1.2%
Butte County	226,403	232,334	242,891	254,384	266,210	39,807	0.9%

Housing Units (b)							
	2017	Projections				Total Change	Annual Percent
		2020	2025	2030	2035		
City of Chico	39,341	40,789	43,321	46,011	48,868	9,527	1.2%
Butte County	98,871	101,461	106,071	111,090	116,255	17,384	0.9%

Jobs (c)							
	2017	Projections				Total Change	Annual Percent
		2020	2025	2030	2035		
City of Chico (c)	45,260	46,925	49,839	52,933	56,220	10,960	1.2%
Butte County (d)	84,167	86,572	90,773	95,243	99,999	15,831	1.0%

Notes:

(a) Assumes that the population in the City of Chico will grow at the same rate as it did during the historical period from 2007 to 2017, as reported by the California Department of Finance. Countywide population growth is set equal to the countywide growth projected in the baseline (i.e., low growth) scenario, plus the additional growth projected in the City of Chico.

(b) Based on 2017 population and housing estimates and population growth projections published by the California Department of Finance. Assumes the following average ratio of persons per housing unit, inclusive of groups quarters populations and vacant units.

City of Chico	2.32
Butte County	2.29

(c) Assumes that the jobs growth in the City of Chico will grow at the same rate as it did during the historical period from 2007 to 2016, as reported by the California Employment Development Department. Countywide jobs growth is set equal to the countywide growth projected in the baseline (i.e., low growth) scenario, plus the additional growth projected in the City of Chico.

Sources: California Department of Finance, E-5: Population and Housing Estimates for Cities, Counties, and the State, January 2011-2017, 2018; California Department of Finance, P-1: State Population Projections 2010-2060, 2018; California Employment Development Department, Industry Employment & Labor Force, Chico MSA, 2018; Caltrans, 2017 Butte County Economic Forecast, 2018; ESRI, 2017 Business Summary by NAICS, 2018; Longitudinal Employer-Household Dynamics, U.S. Census Bureau, 2018; BAE, 2018.

Land Use Demand Projections

The next step in the process was to convert the BAE population, household and employment projections into estimates of demand for new residential and non-residential development. To do this, BAE applied the distribution of housing units by type (i.e., single-family vs. multifamily) reported from 2011 to 2017 by the DOF.⁹ BAE then applied normalized vacancy rates of 2.0 percent for single-family housing and 5.0 percent for multifamily and other types of housing. This is intended to provide an estimate of the total number of units demanded under healthy market conditions. For non-residential uses, BAE summed the number of jobs in major retail, office, and industrial sectors using industry categories, then applied estimates of the average square footage per employee, as well as a 10 percent vacancy adjustment.

Using this approach, BAE estimates that demand for new residential uses in Chico could range from around 5,330 to 9,850 new housing units. This would include between 2,800 and 5,140 new single-family units and 2,400 to 4,450 new multifamily units, as well as 140 to 260 units of other types, such as mobile homes, manufactured housing, recreational vehicles, etc. Likewise, BAE estimates that new non-residential demand could range from 2.8 to 5.7 million square feet. This would include 380,000 to 770,000 square feet of retail space, 126,100 to 255,600 square feet of office space, and 1.1 to 2.3 million square feet of industrial space. It may also include a significant amount of new education and medial oriented office space.

Table 19: Land Use Demand Forecast, Low Growth, 2017-2035

Land Use	New Demand	Sq. Ft Per Employee	Vacany Adjust.	New Construct.
Residential (Units)	5,150 Units			5,326 Units
Single-Family	2,724 Units	n.a.	2%	2,778 Units
Multifamily	2,293 Units	n.a.	5%	2,407 Units
Other Types	134 Units	n.a.	5%	140 Units
Non-Residential (Jobs)	5,406 Jobs			2,809,192 Sq. Ft.
Retail	690 Jobs	500	10%	379,764 Sq. Ft.
Office	417 Jobs	275	10%	126,102 Sq. Ft.
Education	552 Jobs	400	10%	242,671 Sq. Ft.
Health Care	2,316 Jobs	300	10%	764,413 Sq. Ft.
Industrial	1,010 Jobs	1000	10%	1,110,929 Sq. Ft.
All Other	421 Jobs	400	10%	185,312 Sq. Ft.

Sources: California Department of Finance, E-5: Population and Housing Estimates for Cities, Counties, and the State, January 2011-2017, 2018; California Department of Finance, P-1: State Population Projections 2010-2060, 2018; California Employment Development Department, Industry Employment & Labor Force, Chico MSA, 2018; Caltrans, 2017 Butte County Economic Forecast, 2018; ESRI, 2017 Business Summary by NAICS, 2018; BAE, 2018.

⁹ The ratio remained relatively stable during this period.

Table 20: Land Use Demand Forecast, High Growth, 2017-2035

Land Use	New Demand	Sq. Ft Per Employee	Vacany Adjust.	New Construct.
Residential (Units)	9,527 Units			9,852 Units
Single-Family	5,038 Units	n.a.	2%	5,139 Units
Multifamily	4,241 Units	n.a.	5%	4,453 Units
Other Types	247 Units	n.a.	5%	260 Units
Non-Residential (Jobs)	10,960 Jobs			5,695,012 Sq. Ft.
Retail	1,400 Jobs	500	10%	769,888 Sq. Ft.
Office	845 Jobs	275	10%	255,644 Sq. Ft.
Education	1,118 Jobs	400	10%	491,961 Sq. Ft.
Health Care	4,696 Jobs	300	10%	1,549,678 Sq. Ft.
Industrial	2,047 Jobs	1000	10%	2,252,161 Sq. Ft.
All Other	854 Jobs	400	10%	375,680 Sq. Ft.

Sources: California Department of Finance, E-5: Population and Housing Estimates for Cities, Counties, and the State, January 2011-2017, 2018; California Department of Finance, P-1: State Population Projections 2010-2060, 2018; California Employment Development Department, Industry Employment & Labor Force, Chico MSA, 2018; Caltrans, 2017 Butte County Economic Forecast, 2018; ESRI, 2017 Business Summary by NAICS, 2018; BAE, 2018.

Land Supply Assessment

The following subsection summarizes the existing land supply within the Chico Sphere of Influence. The land supply is divided into four categories, including current 1) proposed and approved projects, 2) vacant sites, 3) Special Planning Areas (SPAs), and 4) Opportunity Sites. The proposed and approved projects list includes projects that have been previously approved or that are being processed by the City. These are discussed first, since they provide the best indication of the development that could reasonably occur within the near-term. The vacant sites inventory, by comparison, identifies the estimated total acreage that is vacant and developable over the long-term. The SPAs are treated separately, since these areas would develop under specific plans, or some form of “master” planning, yet to be completed. The SPA analysis relies on the conceptual land use plans developed for the 2030 General Plan, except in the case of Doe Mill/Honey Run, where more recent buildout estimates are available. The vacant land located within City’s designated Opportunity Sites are included in the sites inventory. However, this analysis also includes an assessment of redevelopment potential within the Opportunity Sites based on estimated improvement to land value ratios.

Proposed and Approved Development

The following summarizes the City’s current pipeline of planned and proposed development projects by major land use category.

Residential Development

At the time of this writing, there are a total of 45 single-family projects currently proposed or approved within the City of Chico. If fully developed as planned these would include up to 3,249 new single-family housing units. These include projects that are being planned and are known to City staff, those have submitted applications to receive necessary entitlements, as

well as projects that have been fully approved, and those that are currently pulling building permits and constructing units. Most of the planned, proposed and approved residential units are contained within large and medium-sized projects, such as Oak Valley (1,324 units), Meriam Park (1,200 units), Creekside Landing (157 units), Amber Lynn Estates (109 units), Mountain Vista (81) units, and Montecito Place (105). It is worth noting, however, that many single-family home builders construct units on a rolling basis, as buyers enter into purchase contracts on a build-to-suite basis. As such, these projects represent a near- to medium-term pipeline of new development. While many of these units may currently be available for sale on the market, they are generally not immediately available for occupancy.

As reported in Table 22 the City also has 2,013 multifamily units in the pipeline, 410 units of which are under construction as of mid-2018. Based on the project descriptions, many of the planned and proposed developments tend to either be serving the CSU Chico student population or the growing senior population. Local developers indicate that one reason for this is that student housing projects that lease units by the bed can charge more than comparable projects that are leased by the unit. This is a trend in the multifamily market that is ongoing in many markets with large student populations. As a result, student housing developers are bidding up the price of multifamily residential land in proximity to the university, while renewed activity in the multifamily sector throughout the Chico area is pushing up multifamily land prices more broadly, though to a lesser degree compared to central Chico.

As reported in Table 23, the City has approximately 1.9 million square feet of commercial space currently planned or proposed for development. The largest project included in the pipeline is Meriam Park, which could include an estimated 540,000 square feet of mixed office and commercial space. The remaining projects include a variety of different types of space, including three hotel projects totaling 220,000 square feet, 173,000 square feet of medical space, and more than 480,000 square feet of new commercial space. It also includes just over 75,000 square feet of dedicated office space, 34,000 square feet of education space, and 25,000 square feet of industrial space.

Table 21: Planned and Proposed Single-Family Development

Name	Address or Location	Developer	Lots	Acres	Remaining
					Lots
Proposed					
Drake Estates	2211 Floral Ave	Avila	17	2.9	17
Farris	1876 Hooker Oak	Nikki Farris	2	0.5	2
Morseman Estates	007-200-115	George Boeger, Jr.	16	2.8	16
Jensen	1576 Oleander	Hobie Jensen	2	0.4	2
Marigold Heights	Marigold Avenue (end of)	MK West Investments	24	5.0	24
Magnolia Gardens	1367 East Ave	Don Marshall	14	3.1	14
Plottel	443, 521, 525 W 11th Ave	Zach Plottel	21	3.1	21
Ruthie	1564 East Avenue	Chuck Tatreau	5	1.5	5
Stonegate	Bruce Rd/20th St/Skyway	Epick Homes	469	100.0	469
Subtotal, Proposed			570	119.2	570
Approved					
AA Land and Cattle	392 E 8th Ave	Avila	3	0.4	2
Amber Lynn	Eaton Rd./Burnap	Avila	118	19.3	118
Avila Estates	216 Centennial Ave	Avila	20	7.2	20
Belvedere Heights 2	E 20th St / Dawncrest Dr	Ridgecrest Group LLC	92	21.8	92
Bentz	979 Myrtle Avenue	Avila	3	0.7	2
Burnap Subdivision	3000 Burnap Ave Ave	M & T Construction	24	3.5	23
Carlene Place	2890 Carlene Place	Domicile Capital	17	2.9	17
Crossroads	2821 Cactus Ave	SCA Development	13	3.7	13
Domicile Subdivision	2434 Floral Ave	Ridge Capital Investors	8	1.4	8
Engelbert	1699 East Avenue	Phil Engelbert	4	0.9	4
Faithful Estates	Cactus Ave	Kite Group	10	2.2	10
Hideaway Park	334 W 12th Ave	Surminsky	4	0.6	4
Hopeful Heights	2265 Floral Ave	LDI Land & Home Inc	21	2.9	21
Innsbrook Subdivision 2	Innsbrook Way	B Webb Construction	38	5.2	38
Las Palomas	E Lassen Ave, E of Mayfair Dr	Air-Vol Trust	14	1.8	14
Lassen Village	2960 Burnap Ave	Lassen Village LLC	29	3.0	25
Lipton Manor	1051 4 Acres Ct	Serrao	3	1.4	2
Mariposa Manor	Mariposa Ave / Lucy Way	Bidwell Property Investors	34	4.6	34
Mission Vista Ranch 2	Humboldt Rd/Morning Rose Wy	Ronco LLC	17	2.4	17
Montecito Place	DeGarmo Dr	Forecast Land LLC	105	14.5	105
Sierra Garden Townhouses	Sierra Sunrise Terr / Idyllwild Cir	Sierra Gardens LLC	79	5.7	72
Tannelli Subdivision	2211 Floral Ave	Kidd Revocable Trust	12	2.9	12
Twain Creeks	Canyon Oaks Pcl 8	Riley Ventures LLC	16	67.4	16
Westside Place 2	Nord Ave	Westside Stories LLC	60	7.5	60
Canyon Oaks	Remaining Undeveloped Parcels	n.a.	n.a.	n.a.	61
Oak Valley	Humboldt Rd	Rosellini Trust Etal	1,324	296.8	1,100
Meriam Park	E 20th St / Bruce Rd	Flatfoot LLC	n.a.	n.a.	400
Subtotal, Approved			2,068	480.7	2,290
Under Construction					
Wildwood Estates	Eaton Rd / Cactus Ave	Guillon Inc	112	8.2	12
Westside Place 1	Nord Ave / Purcell Ln	Westside Stories LLC	109	11.5	40
Schill Subdivision	SW corner Esplanade/Nord Hwy	Webb Homes	154	25.3	47
Foothill Park East 7	St Lawrence Ave	Drake Homes	68	23.8	39
Siena @ Canyon Oaks	Canyon Oaks Pcls 4 & 5	Galli Designs Inc	64	43.9	16
Mountain Vista	Floral Ave / Eaton Rd	Greenline Preservation	406	10.1	81
Creekside Landing	W Eaton Rd / Rogue River Dr	Discovery Builders	423	8.2	130
Harmony Park Circle	3166 Cactus Ave	Davenport Etal	19	4.0	18
Lassen Subdivision	216 W Lassen Ave	Chico & the Man LLC	14	2.7	6
Subtotal, Recorded			1,369	137.7	389
Total, All Projects			4,007	737.6	3,249

Sources: City of Chico; BAE, 2018.

Table 22: Planned and Proposed Multifamily Development

Name	Address or Location	Units
Proposed		
Morseman Estates	007-200-115	4
Stonegate Apartments	Bruce Rd/20th St/Skyway	233
Humboldt Van Overbeek Apts	1991 Humboldt Road	24
Orwitz Walnut St. Apts	808-842 Walnut St.	20
McGuire Apartments	632 Cedar Street	20
Jennings Building	330 Main Street	12
Odiase Duplexes	1157 East Avenue	4
Chico Veterans Village	1993 Bruce Road	52
Eschoo Creekside Townhomes	Hwy 32 & Bruce Road	204
Subtotal, Proposed		573
Approved		
Neely Apartments	1289 East Avenue	8
Moore Duplexes	1429 Sheridan Ave	4
Aguilar Duplex Apts	917 W Sacramento Ave	8
Heritage Landing Apartments	006-170-034	112
Native Oak Apartments	2796 Native Oak Dr	98
Meriam Park	E 20th St / Bruce Rd	800
Subtotal, Approved		1,030
Under Construction		
The Crossings	3505 Esplanade	39
JR Homes Offices & Apts	269/271 E. 3rd Street	2
9 Star-Cedar Street Apartments	1005 W. 6th Street	6
The Arcadian	249 West 8th Avenue	15
Humboldt Apts	2160 Humboldt Road	40
Fountain Nord Avenue Apts	322, 328, 332 Nord Avenue	46
The Post	1118 Nord Ave	173
Urban Apartments	1033 W 5th St	36
Esplanade Apartments	1731 Esplanade	9
Joshua Tree Domiciles II	2910 Joshua Tree Road	44
Subtotal, Under Construction		410
Total, All Projects		2,013

Sources: City of Chico; BAE, 2018.

Table 23: Planned and Proposed Commercial Development

Name	Address or Location	Building Sq. Ft.	Use
Proposed			
Stonegate Commercial Lots	Bruce Rd/20th St/Skyway	245,000	Com
Enloe Medical West East Avenue	250 West East Ave.	120,000	Medical
Walmart Outparcels	Forest Ave at Wittmeier Dr	52,000	Com
Eagle Plaza	Esplanade/Lenora Court	77,000	Com
Eshoo Parcel Map	Hwy 32 & Bruce Road	10,000	Com
Penney Building	Lot B9 Meriam Park	6,800	Office
Pad C at Skypark Plaza	2485 Notre Dame Blvd #800	4,500	Com
Hampton Inn	Springfield Ave	88,000	Visitor
Subtotal, Planned		603,300	
Approved			
Oxford Suites Phase III	2035 Business Lane	82,000	Visitor
Galaxy Restaurant	825 East Ave	18,300	Com
Thrive Attorney's Office	Thrive Attorney's Office	7,000	Office
Sierra Central Credit Union	1380 East Avenue	4,000	Office
Chase Bank Chico East	850 East Avenue	3,500	Office
Grove Office	1270 E. 9th Street	3,000	Office
Walmart Expansion	2044 Forest Avenue	64,000	Com
CORE Butte Charter School	2801 Notre Dame Blvd.	34,000	Edu
Fifth Sun Manuf. Warehouse	495 Ryan Avenue	25,000	Manuf.
Salvation Army	567 E. 16th Street	19,000	Civic
Mechoopda Tribal Admin Bldg	Alcott Avenue	14,000	Office
Trott Schroeder & Wise Shell Building	2570 Sierra Sunrise Terrace	11,000	Office
Maker Building II	Lot A14 Market Place	6,000	Com
Dr. Park Office	2505 Valhalla Place	2,000	Office
Meriam Park	E 20th St / Bruce Rd	540,000	Com/Office
Subtotal, Approved		832,800	
Under Construction			
Chico VA Clinic	Bruce Road/Picholine Way	53,000	Medical
Foundation Building	1811 Concord Ave	16,000	Office
Maker Building	Lot A15 Market Place	6,000	Com
Chico Dermatology	774 & 778 East Avenue	6,000	Office
JR Homes Offices & Apts	269/271 E. 3rd Street	2,000	Office
Holiday Inn Express	2074 E 20th St	50,500	Visitor
Subtotal, Under Construction		133,500	
Total, All Projects		1,569,600	

Sources: City of Chico; BAE, 2018.

Vacant Sites Inventory

This section reviews the inventory of vacant land that is potentially available to accommodate projected community growth.

Vacant Sites Inventory Method

To inventory the vacant sites located throughout the Chico area that might harbor some development potential, BAE began by identifying all vacant parcels located within the existing City limits, as well as the proposed Sphere of Influence (see Figure 4). Figure 5 illustrates the location of the City's five Special Planning Areas and 14 identified Opportunity Sites, which are discussed separately from the Vacant Sites Inventory. Note that the figures provided in Table 24 exclude vacant land located within the Special Planning Areas (SPAs), as the buildout capacities of those areas are discussed separately. The inventory also excludes vacant land located within the planned, proposed, and approved project areas discussed previously, since developers already specified the total number of residential units and non-residential square feet that they propose to build.

To then narrow the selection of sites to only those identified as vacant and available for development, BAE began by selecting all sites with a current Assessor's land use designation of "vacant" or "agricultural." These designations report the current use that dominates the site and represent the most comprehensive starting point for this analysis. Nonetheless, there may be additional sites that have some additional development potential that are not designated as "vacant" or "agricultural."¹⁰ BAE then conducted a visual inspection of each site using aerial photography and removed any sites that feature significant vertical improvements.

Next, BAE used information provided by City staff to evaluate sites subject to known development constraints. This analysis included evaluating the presence of Butte County Meadowfoam (BCM), as well as vacant property located within Airport Overlay Zones (AOZs). BAE worked with City staff to identify the anticipated reductions in development potential associated with these and other constraints. Please refer to Appendices A and B for additional details regarding the areas impacted by these, and other, constraints. BAE also worked with staff to identify other potential constraints to development, such as access to utilities and infrastructure. These are summarized in detail in Appendix C.

¹⁰ For example, a ten-acre site that is three-fourths developed with residential uses might still have the potential of accommodating another 2.5 acres worth of development. Such sites are excluded from this analysis, though some effort is made to discuss site utilization and redevelopment potential within the Opportunity Sites based on the ratio of improvement to land value. Please refer to the appropriate section below for additional detail on that analysis.

Vacant Sites Inventory Summary

Using the approach described above, BAE identified a total of 478 unique parcels, covering 1,391 acres that are vacant and could support future development within the 2035 timeframe. Some areas were removed from the vacant land inventory in recognition of their highly limited development potential (i.e., vacant residential land near Butte Creek Country Club, Drake Family land adjacent to Bruce Road, industrially zoned areas near the airport with environmental constraints and no access, etc.).¹¹ Due to the presence of parcels that are covered by multiple zoning districts, the remainder of this analysis refers to “sites” rather than parcels. As summarized in Table 24, the largest number of vacant sites is located in residential zoning districts. These sites account for a total of almost 800 acres. The vacant residential sites are mostly contained within the Suburban Residential and Low Density Residential zoning districts, with less than 100 acres located in each of the Medium Density Residential and the Medium-High Density Residential Districts. The former generally allow only detached single-family development, while the latter allow a mix of single-family and smaller multifamily residential uses. There is only one vacant four-acre site in the High Density Residential district, and six sites in the Residential Mixed-Use district covering 14 acres.

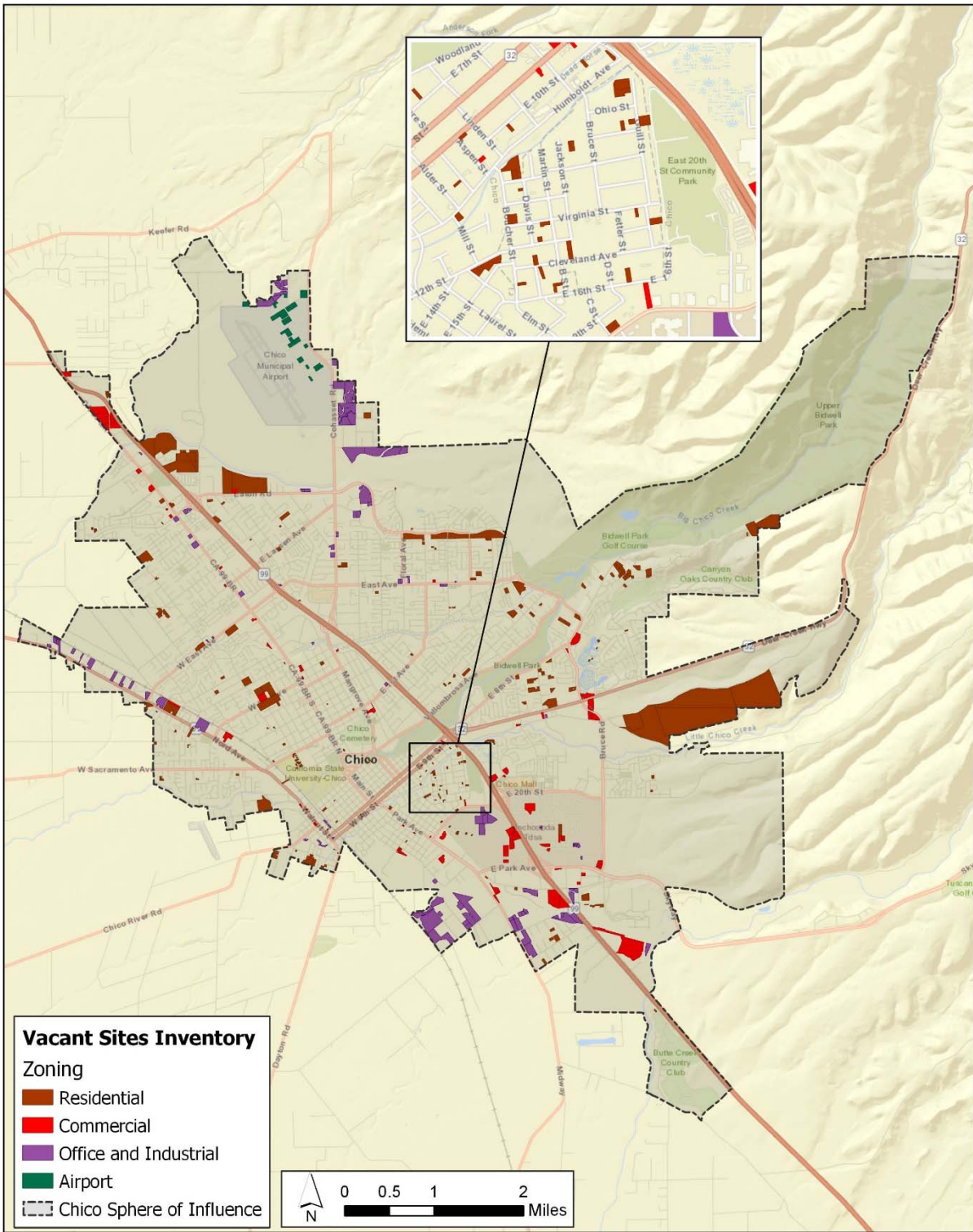
Although the City appears to have a limited supply of vacant higher density residential land, there are some additional sites within commercial and office/industrial zoning districts that also allow mixed-use and/or multifamily development. For example, the Neighborhood Commercial (22 vacant acres) and Community Commercial (66 vacant acres) districts allow residential uses at up to 22 units per acre, while the Regional Commercial designation (81 vacant acres) allows up to 50 units per acre. Likewise, the Office Residential (33 vacant acres) and Office Commercial (eight vacant acres) land use districts allow up to 20 dwelling units per acre, while the Industrial Office Mixed Use district (58 vacant acres) allows seven to 14 dwelling units per acre. As noted in the prior section, the current strength of the multifamily residential market is driving significant new development, especially in the student housing market segment.

Thus, by allowing higher density residential in commercial zoning districts, the City may be able to ensure adequate land availability, though demand for multifamily development may subsequently consume land that might otherwise support job-generating uses that are the primary need served by commercial zoning districts.

Among non-residential districts, the largest concentrations of vacant land are in the industrial districts. For example, the Light Manufacturing/Industrial district features 68 vacant sites covering 245 acres. This is in addition to nine sites and 58 acres of vacant land in the Industrial Office Mixed Use district. Note however, that there is only one site currently vacant in the General Manufacturing/Industrial district that covers 18 acres.

¹¹ Nothing in this report precludes these constrained areas from developing in the future. They were not included in this analysis so as to avoid overestimating development potential.

Figure 4: Vacant Sites Inventory by Zoning Category



Sources: U.S. Census Bureau, Tiger Files; City of Chico; Esri; BAE, 2018.

Estimated Buildout Capacity

To estimate the anticipated buildout capacity of the existing vacant sites inventory, BAE began by reviewing Appendix D of the 2030 Chico General Plan, which outlines a series of site development assumptions by land use category and zoning district. BAE then worked with City staff to revise these assumptions to align with the current version of the City's zoning code and with recent development trends. As reported in Table 25, BAE made assumptions regarding the distribution of development between residential and non-residential land uses, as well as site utilization (i.e., the share of the site dedicated to roadways, drainage, greenspace, etc.) and buildout intensity (i.e., dwelling units per acre and non-residential floor-area-ratio, or FAR). Based on these assumptions, BAE estimates the total buildout capacity of the vacant sites located within the City of Chico's Sphere of Influence, excluding the Special Planning Areas and any already approved and proposed development projects, includes roughly 4,100 residential units and 14.7 million square feet of non-residential development, as reported in detail in Table 25.

Table 24: Vacant and Undeveloped Sites Inventory (Page 1 of 2) (a)

Zoning District	All Sites		Opportunity Sites (b)		All Other Sites			
	Sites (c)	Acres	Sites (c)	Acres	Within City		Outside City	
					Sites (c)	Acres	Sites (c)	Acres
Residential, All	266	794	14	46	177	654	75	94
Suburban Residential	53	197	0	0	23	157	30	39
Low Density Residential	170	421	0	0	127	370	43	51
Medium Density Residential	21	79	6	17	13	59	2	3
Medium-High Density Residential	18	91	4	22	14	68	0	0
High Density Residential	0	0	0	0	0	0	0	0
Residential Mixed Use	4	7	4	7	0	0	0	0
Commercial, All	103	192	36	36	52	121	15	35
Neighborhood Commercial	13	22	3	9	10	13	0	0
Downtown North	0	0	0	0	0	0	0	0
Downtown South	0	0	0	0	0	0	0	0
Community Commercial	59	66	25	11	24	26	10	28
Commercial Services	15	23	2	4	8	12	5	7
Regional Commercial	16	81	6	11	10	70	0	0
Office and Industrial, All	117	362	11	24	69	210	37	128
Office Residential	25	33	4	5	21	28	0	0
Office Commercial	14	8	2	3	12	5	0	0
Industrial Office Mixed Use	9	58	5	17	4	42	0	0
Light Manufacturing/Industrial	68	245	0	0	31	118	37	128
General Manufacturing/Industrial	1	18	0	0	1	18	0	0
Airport, All	20	42	0	0	20	42	0	0
Aviation	1	1	0	0	1	1	0	0
Airport Commercial	4	7	0	0	4	7	0	0
Airport Manufacturing/Industrial	14	33	0	0	14	33	0	0
Airport Public Facilities	1	2	0	0	1	2	0	0
Total, All Sites (c)	506	1,391	61	107	318	1,028	127	256
<i>Unique Parcels (e)</i>	<i>478</i>		<i>56</i>		<i>298</i>		<i>124</i>	

- Continued on next page -

Sources: City of Chico, 2018; County of Butte, 2018; BAE, 2018.

Table 24: Vacant and Undeveloped Sites Inventory (Page 2 of 2) (a)

Notes:

(a) Includes parcels with a current land use category of "Vacant" or "Agriculture." Sites with the latter designation are included only if they feature little to no vertical improvements as determined through a review of the available aerial and streetscape photography. Excludes sites located within Special Planning Areas and planned project areas.

(b) Includes parcels located within designated redevelopment opportunity sites, as defined in Appendix B of the Chico 2030 General Plan.

(c) Due to split zoning, there may be double counting of parcels within different zoning categories. For example, if a site is evenly split between *Suburban Residential* (RS) and *Neighborhood Commercial* (CN) zoning, 50 percent of the total parcel acreage would be recorded in each of the respective zoning districts and each portion of the parcel would be recorded as a vacant site. Therefore, the number of sites reported in this table does not reflect the number of unique parcels.

(d) This zoning/land use designation only applies to Meriam Park.

(e) Reports the total number of unique parcels identified with a current land use code of "Vacant" or "Agricultural" with little to no vertical improvements.

Sources: City of Chico, 2018; County of Butte, 2018; BAE, 2018.

Table 25: Estimated Buildout Capacity of Vacant and Undeveloped Sites (Page 1 of 2) (a)

Zoning District	Vacant Sites Inventory (a)		Use Distribution (b)		Site Utilization Factor (b)	Buildout Assumption (c)		Anticipated Buildout	
	Sites	Acres	Housing	Non-Res.		Dwelling Units/Acre	Floor Area Ratio	Housing	Non-Res.
			Units	Sq. Ft.				Units	Sq. Ft.
Residential, All								3,838	16,845
Suburban Residential	53	197	100%	0%	80%	1	n.a.	157	0
Low Density Residential	170	421	100%	0%	75%	5	n.a.	1,578	0
Medium Density Residential	21	79	100%	0%	80%	10	n.a.	630	0
Medium-High Density Residential	18	91	100%	0%	85%	18	n.a.	1,385	0
High Density Residential	0	0	100%	0%	90%	45	n.a.	0	0
Residential Mixed Use	4	7	95%	5%	85%	15	1.25	88	16,845
Commercial, All								186	5,848,852
Neighborhood Commercial	13	22	0%	100%	90%	14	0.85	0	733,141
Downtown North	0	0	10%	90%	95%	14	0.63	0	0
Downtown South	0	0	10%	90%	95%	0	0.00	0	0
Community Commercial	59	66	10%	90%	90%	14	0.63	83	1,445,885
Commercial Services	15	23	0%	100%	95%	n.a.	0.35	0	335,811
Regional Commercial	16	81	5%	95%	90%	28	1.10	103	3,334,015
Office and Industrial, All								49	8,184,452
Office Residential	25	33	10%	90%	90%	13	1.15	39	1,339,744
Office Commercial	14	8	5%	95%	90%	13	1.15	5	344,972
Industrial Office Mixed Use	9	58	1%	99%	85%	11	0.88	5	1,875,433
Light Manufacturing/Industrial	68	245	0%	100%	85%	11	0.48	0	4,313,399
General Manufacturing/Industrial	1	18	0%	100%	85%	n.a.	0.48	0	310,904
Airport, All								0	699,582
Aviation	1	1	0%	100%		n.a.	0.50	0	0
Airport Commercial	4	7	0%	100%	85%	n.a.	0.35	0	84,891
Airport Manufacturing/Industrial	14	33	0%	100%	85%	n.a.	0.48	0	572,495
Airport Public Facilities	1	2	0%	100%	80%	n.a.	0.50	0	42,196
Total, All Sites (b)								4,073	14,749,731

- Continued on next page -

Sources: City of Chico, 2018; County of Butte, 2018; BAE, 2018.

Table 25: Estimated Buildout Capacity of Vacant and Undeveloped Sites (Page 2 of 2) (a)

Notes:

- (a) Includes all vacant and undeveloped sites as reported in Table 24.
- (b) Based on the land use development assumptions provided in Appendix D of the Chico 2030 General Plan.
- (c) Buildout assumptions are based on the midpoint of the range of density and floor area ratios currently allowed under the City of Chico Zoning Code.
- (d) This zoning/land use designation only applies to Meriam Park.

Sources: City of Chico, 2018; County of Butte, 2018; BAE, 2018.

Special Planning Areas

As part of the 2030 General Plan, the City of Chico identified five Special Planning Areas, or SPAs, which are largely undeveloped areas with significant new growth potential that require “master” planning prior to development (i.e., a specific plan, planned development, or other comprehensive plan). The intent is that each of these areas, shown in Figure 5 on the following page, would develop as an integrated, complete neighborhood that incorporates a mix of housing types and job-generating uses. Although the entitlement process necessary to develop these areas will require more time and expense to their developers, these areas represent the largest concentrations of developable land within the City’s proposed Sphere of Influence. Table 26 summarizes the buildout potential identified in the conceptual land use plans for each area. Due to the special planning requirements associated with these areas, the final buildout of these areas may or may not differ significantly from these estimates. For a more detailed description of the location and characteristics of each SPA, please refer to Appendix E.

Table 26: Special Planning Area Development Capacity (a)

Name	Owners	Acreage		Buildout Potential	
		Gross	Net (b)	Dw elling Units	Non-Residential Square Footage
Bell Muir	~50	398	251	644	n.a.
Barber Yard	1	137	112	1,096	403,882
Doe Mill/Honey Run (c)	1	1,448	1,287	2,095	374,247
North Chico	2	340	377	1,899	1,070,225
South Entler	3	232	238	949	1,348,754
Total, All		2,555	2,265	6,683	3,197,108

Notes:

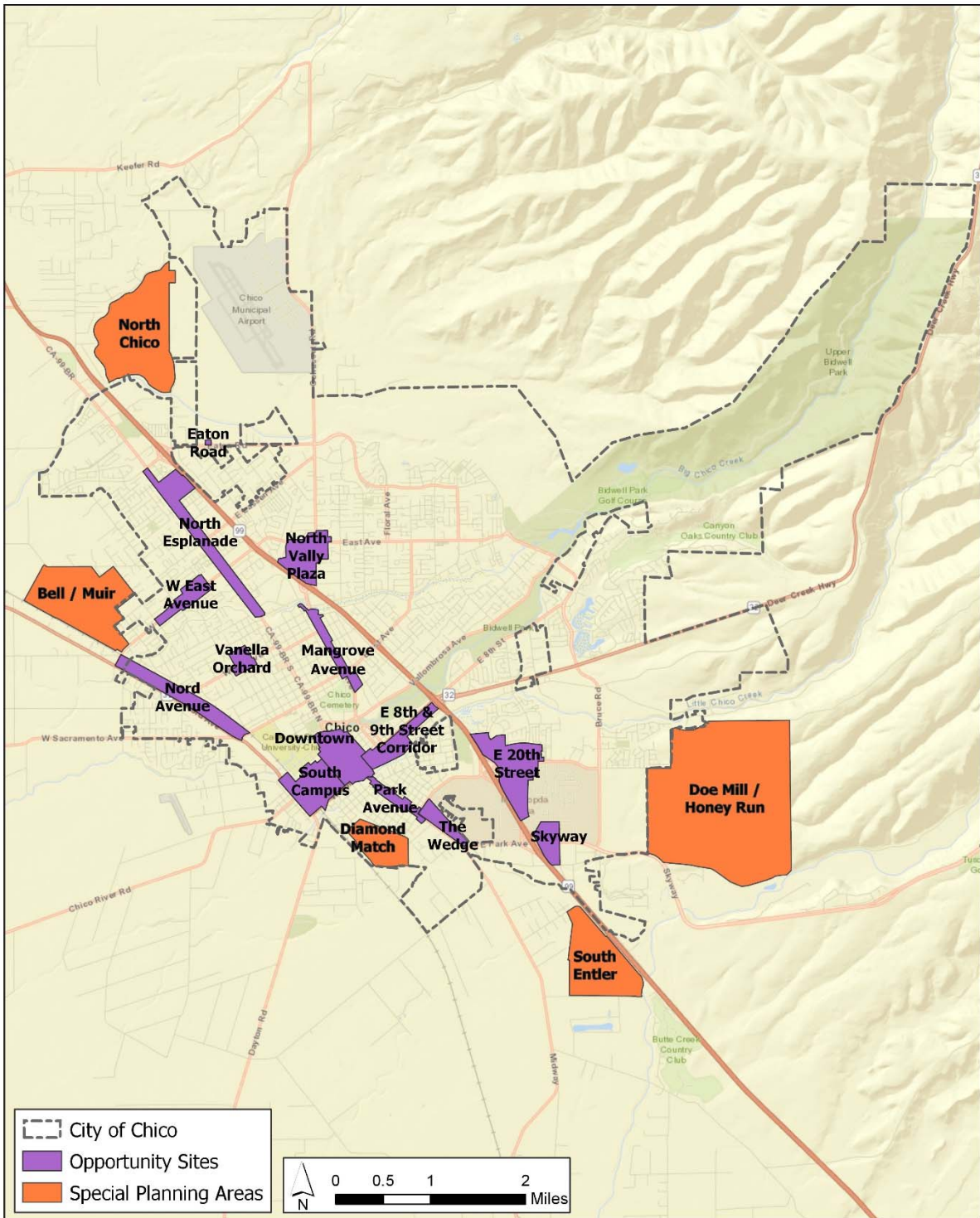
- (a) Buildout capacity of the Special Planning Areas is as reported in Appendix C of the Chico 2030 General Plan. Final buildout of these areas may differ from these estimates as development within a Special Planning Area requires a specific plan or master plan.
- (b) Excludes the estimated acreage necessary to accommodate required rights-of-way.
- (c) The Doe Mill/Honey Run area is currently proposed for development. The estimated buildout potential above is reported in the Chico 2030 General Plan.

Sources: City of Chico, 2018; BAE, 2018.

The SPAs generally represent long term development opportunities. According to City staff, two of the five SPAs are likely to experience development activity over the next five to ten years. The largest of these is the Doe Mill/Honey Run SPA.

Staff indicate that they expect to receive a formal development proposal for Doe Mill/Honey Run in 2018, with preliminary indications that the project could include around 2,350 new residential units (mostly single-family) and nearly 360,000 square feet of non-residential development. The area is subject to development constraints, including lava cap and BCM;

Figure 5: Special Planning Areas and Opportunity Sites



Sources: U.S. Census Bureau, Tiger Files; City of Chico; Esri; BAE, 2018.

however, the BCM surveyed on the site is contained within a small area, which will facilitate mitigation. Development will require a major sewer extension and consideration of traffic impacts at key intersections in the vicinity of the project site, among other matters. Potential barriers to development include some general citizen opposition to development in the foothills and neighborhood concerns about traffic congestion along existing roadways.

The other SPA with anticipated near-term development activity is the Bell Muir area, which features scattered existing rural residential development. The conceptual land use plan for Bell Muir estimates full buildout of 644 residential units at a density of 2.6 units per acre. However, as the area continues to build out under County jurisdiction, the average density of new development is much lower. Challenges facing the area include limited storm water and roadway infrastructure, determining who would lead the master planning effort for the area, and the need to engage more than 100 landowners in a master planning process. Possible solutions include relaxing the SPA requirements for master planning, such that Bell Muir could be annexed and built out in the City with smaller subdivisions in an ad hoc approach. This approach, however, would not resolve, and may likely complicate, the area's infrastructure challenges.

The Barber Yard SPA represents an important infill opportunity and is the only SPA currently located within the existing City limits; however, the property owner has not expressed significant interest in proceeding with development.

The North Chico and South Entler SPAs are located outside the City limits, and would require significant infrastructure investments to make these areas marketable for development. As a result, these areas represent longer-term opportunities that will likely build out after other existing infill opportunities have been largely exhausted.

Opportunity Sites

In addition to the SPAs, the 2030 General Plan also designated 15 Opportunity Sites throughout the City that are expected to be the focus of redevelopment and revitalization over the General Plan planning period. Although labelled "opportunity sites," these areas typically include multiple parcels. Within many of these areas, the City applied parcel-level land use designations, such that most accommodate higher density infill residential and mixed-use development. The Opportunity Sites are divided into four distinct categories, including Central City sites, Corridor sites, Regional Centers, and Other sites. Figure 5 illustrates the location of each area, while Appendix F provides a more thorough description of each Opportunity Site.

To better understand the redevelopment potential of the Opportunity Sites, BAE conducted a limited analysis using improvement to land value (I/L) ratios. I/L ratios essentially compare the assessed value of any built improvements to the assessed value of the land on a given parcel. Generally, if the improvement value exceeds the land value, the site is considered fairly intensively utilized, though the exact threshold that denotes full utilization varies widely.

For example, in communities where very low densities and FARs are common, a relatively low I/L ratio may denote that a site is being fully utilized. In other more intensively developed places (e.g., Downtown San Jose), a site with significant improvements that equal two or three times the value of the land beneath them, may still represent a desirable redevelopment opportunity. Also note that due to the nature of California property tax law, the current assessed value of a property may not fully reflect its current value.

Table 27 reports the weighted average I/L ratio of all non-vacant sites within each Opportunity Site by zoning category. The first conclusion is that none of the Opportunity Sites have an average I/L ratio that is less than 1.0 across all zoning categories. This reflects that most sites feature significant vertical improvements. There are two areas that have low average I/L ratios within specific zoning districts. These include Nord Avenue, which has an average I/L ratio of 0.61 in the Medium-High Density Residential district, and Downtown, which has an average I/L ratio of 0.53 in the Community Commercial zoning district.

The W. East Avenue Opportunity Site has the highest average I/L ratio across all zoning categories at 4.13. This generally indicates that while some redevelopment opportunities may exist, much of the existing development is likely of sufficient value to discourage redevelopment. Other areas with relatively high average I/L ratios include Nord Avenue, E. 8th/9th Street, Downtown, South Campus, and Park Avenue. The I/L ratios in these areas range from 2.05 to 2.55. Again, while some redevelopment opportunities may exist in these areas, much of the existing development is likely of sufficient value to discourage redevelopment. Areas with I/L ratios between 1.0 and 2.0 include North Valley Plaza, Mangrove Avenue, The Wedge, E. 20th Street, and Skyway. Based solely on the I/L ratios reported here, these areas appear to feature higher concentrations of sites with relatively low improvement values, which may represent viable redevelopment opportunities.

Table 27: Weighted Average Improvement to Land Value by Opportunity Site

Zoning Category	Code	Opportunity Area											
		North Esplanade	North Valley Plaza	W. East Avenue	Mangrove Avenue	Nord Avenue	E. 8th/9th Street	Downtown	South Campus	Park Avenue	The Wedge	E. 20th Street	Skyway
Residential, All		2.23	4.35	3.41		2.04	1.86	2.03	2.41	3.45			
Low Density Residential	R1	1.88					2.47						
Medium Density Residential	R2	4.90		2.89		0.61	1.70	1.21	3.70				
Medium-High Density Residential	R3	2.73	4.35			3.66	2.13		1.96				
High Density Residential	R4									12.90			
Residential Mixed Use	RMU	1.05		4.51				2.09	3.08	1.27			
Commercial, All		2.45	1.81		1.86	2.68	3.07	1.98	2.30	2.07	2.60	1.68	1.43
Neighborhood Commercial	CN		1.33			1.16	2.30		2.76	1.28			
Downtown North	DN							2.50					
Downtown South	DS							1.50					
Community Commercial	CC	2.45			1.86	2.76	3.19	0.53	2.26	2.33	2.37	1.60	
Commercial Services	CS					2.89					4.67		
Regional Commercial	CR		1.83									1.70	1.43
Office and Industrial, All		2.11		4.79	1.74	1.76		2.87	2.24		1.46		
Office Residential	OR	2.12		4.79	1.74								
Office Commercial	OC	2.08						2.87					
Industrial Office Mixed Use	IOMU					1.64			2.24		1.46		
Light Manufacturing/Industrial	ML					2.73							
Special Purpose, All								2.31	8.48				
Public/Quasi-Public Facilities	PQ							2.31	8.48				
Total, All Parcels		2.33	1.93	4.13	1.86	2.10	2.05	2.13	2.51	2.55	1.71	1.68	1.43

Sources: City of Chico, 2018; County of Butte, 2018; BAE, 2018.

Table 28 summarizes the number of sites and total acres that have I/L ratios at or below different thresholds. The purpose of this information is to illustrate the magnitude of the redevelopment potential within the City's Opportunity Sites under different redevelopment assumptions. For example, assuming that any site with an I/L ratio that is less than or equal to 1.0 (i.e., improvement value is less than or equal to the land value) represents a redevelopment or infill opportunity, BAE would estimate that there are approximately 258 acres of land that may offer significant redevelopment potential. However, depending on the strength of the market, and the ability of property owners to derive value from largely depreciated and obsolescent property, the threshold at which a property becomes a reasonable redevelopment opportunity may vary. At all identified I/L thresholds, most of the land that might offer redevelopment potential is located within commercial zones, nearly all of which allow both commercial and residential uses. The next largest concentration is among residential only districts, primarily the Medium Density Residential zone and the Residential Mixed-Use zone.

While it is difficult to ascertain the exact magnitude of the redevelopment potential presented by property located within the City's Opportunity Sites, due to myriad complex factors at play, there are several important examples of recent redevelopment activity that can help to shed light on the situations where redevelopment is possible in Chico under current market conditions. Five recent redevelopment projects highlighted by City staff include residential uses and involve the demolition of existing single-family structures or small multifamily apartment complexes. Only one project involved demolition of a small commercial building. The largest projects are student-oriented developments, which highlights the strength of that market segment and the ability of these projects to not only absorb the current market land costs, but also the cost of demolition and site remediation. These five redevelopment projects alone resulted in a total of 173 net new units (i.e., 96 units demolished and 269 units built).

The Urban – 1033 W. 5th Street

This development includes demolition of a single-family home on a site zoned Community Commercial (CC). The project includes 36 residential units marketed as a high-end “boutique student housing community.” The project offers units leased on a per bed basis.

AMCAL Student Housing – 1118-1218 Nord

This project involves demolition of an 86-unit apartment complex on a 4.6-acre site zoned for Medium-High Density Residential (R3). The project includes construction of 173 residential units, including four four-story residential buildings and a four-story concrete parking structure. Known as The Post on Nord, the project will lease units on a per bed basis.

Table 28: Improvement to Land Value of Opportunity Sites by Zoning Category

Zoning Category	Code	Improvement-to-Land Value Ratios									
		0.5 or Less		> 0.5, <= 1.0		> 1.0, <= 1.5		> 1.5, <= 2.0		Total <= 2.0	
		# of Sites	Acres	# of Sites	Acres	# of Sites	Acres	# of Sites	Acres	# of Sites	Acres
Residential, All		75	18.5	153	25.1	187	47.9	128	20.1	543	111.7
Low Density Residential	R1	0	0.0	3	0.6	14	2.3	15	2.4	32	5.3
Medium Density Residential	R2	57	14.0	77	12.8	79	11.8	53	7.4	266	45.9
Medium-High Density Residential	R3	6	0.8	49	6.8	59	7.9	35	5.1	149	20.5
High Density Residential	R4	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Residential Mixed Use	RMU	12	3.7	24	5.0	35	26.0	25	5.3	96	39.9
Commercial, All		154	103.6	112	59.1	108	73.8	103	125.6	477	362.0
Neighborhood Commercial	CN	30	2.5	5	1.4	11	2.2	9	1.6	55	7.6
Downtown North	DN	18	2.9	14	2.6	16	2.5	18	3.2	66	11.2
Downtown South	DS	14	4.6	11	2.8	9	4.0	10	4.0	44	15.4
Community Commercial	CC	57	38.0	66	22.0	57	38.4	48	34.1	228	132.5
Commercial Services	CS	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Regional Commercial	CR	35	55.7	16	30.3	15	26.7	18	82.6	84	195.3
Office and Industrial, All		44	36.3	26	14.8	17	5.5	25	7.6	112	64.2
Office Residential	OR	7	6.1	1	0.4	3	2.7	6	3.6	17	12.8
Office Commercial	OC	8	3.4	9	1.9	8	1.3	13	2.9	38	9.5
Industrial Office Mixed Use	IOMU	29	26.9	15	11.6	6	1.4	6	1.2	56	41.0
Light Manufacturing/Industrial	ML	0	0.0	1	1.0	0	0.0	0	0.0	1	1.0
Special Purpose, All		0	0.0	1	0.6	0	0.0	0	0.0	1	0.6
Public/Quasi-Public Facilities	PQ	0	0.0	1	0.6	0	0.0	0	0.0	1	0.6
Total		273	158.5	292	99.5	312	127.1	256	153.3	1,133	538.5

Sources: City of Chico, 2018; County of Butte, 2018; BAE, 2018.

Fountain Nord – 322, 328, 332 Nord

Located on three parcels in a Medium-High Density Residential (R3) zone, this project involved demolition of a single-family home, a six-unit multifamily building, and a small commercial structure. The new project includes 46 multifamily residential units. Like the two projects listed above, the Fountain Nord project will offer leases on a per bed basis in a luxury student housing community.

Nine Star Cedar – 1005 W. 6th Street

This project includes demolition of a single-family residence on a site zoned Community Commercial (CC) and includes development of a six-unit residential project.

Aguilar Duplexes – 917 W. Sacramento Avenue

The Aguilar Duplexes involves demolition of a single-family structure on a site zoned Medium-High Density Residential (R3). The project includes development of eight duplex units.

Demand/Supply Assessment

Table 29 provides a purely quantitative comparison between the land use demand projections and the City's estimated buildout capacity. As reported in the table, the proposed and approved projects, the existing vacant sites inventory, and the SPAs provide enough land to accommodate roughly 13,900 new residential units and 19.1 million square feet of non-residential development. BAE's land use demand projections, by comparison, estimate future demand for up to 9,850 new housing units and 5.7 million square feet of non-residential development. This leaves a remaining capacity to accommodate between 4,070 and 8,590 additional housing units and 13.5 to 16.3 million square feet of non-residential development. Based on these estimates, the current land supply within the proposed Sphere of Influence provides an additional "cushion" of roughly 30 to 60 percent compared to projected residential demand and buffer of roughly 70 to 85 percent compared to non-residential demand. Please note that these figures exclude development potential that exists within the Opportunity Sites, which represents another important component of the City's land supply.

However, some of the vacant sites identified in the inventory may face, as of yet, unidentified constraints to development, such as environmental contamination or conservation concerns, or may lack access to necessary infrastructure. Also, approximately 66 percent of the vacant acreage (including the SPAs) is located outside of the existing City limits and would therefore require annexation. These sites may also develop under County jurisdiction, in which case they may develop at lower densities than assumed in this analysis. Recognizing these caveats, the SPAs and Opportunity Sites provide an important component of the land supply that can be developed to meet demand in the event that growth exceeds what is currently anticipated, and/or if other planned, approved and proposed developments, in combination with vacant land, do not develop as anticipated. It is also common for cities to plan for developable land supplies that provide a buffer in development capacity that exceeds

anticipated long-term demand, to allow for a degree of market competition among land-owners and developer, also allowing for landowners who are not interested in developing their land.

Table 29: Comparison Between Development Capacity and Land Use Demand

Estimated Development Capacity

Capacity Type	Housing Units	Non-Res. Sq. Ft.
Vacant Sites Inventory (a)	4,073	14,749,731
Special Planning Areas (b)	4,588	2,822,861
Planned Projects Pipeline	5,262	1,569,600
<i>Single Family Residential</i>	3,249	<i>n.a.</i>
<i>Multifamily Residential</i>	2,013	<i>n.a.</i>
<i>Commercial/Industrial</i>	<i>n.a.</i>	1,569,600
Total Buildout Capacity	13,923	19,142,192

Projected Land Use Demand

Projection Scenario	Housing Units	Non-Res. Sq. Ft.
Low Growth Scenario (c)	5,330	2,809,190
High Growth Scenario (d)	9,850	5,695,010

Projected 2035 Surplus/(Deficit)

Projection Scenario	Housing Units	Non-Res. Sq. Ft.
Low Growth Scenario (c)	8,590	16,333,000
High Growth Scenario (d)	4,070	13,447,180

Notes:

- (a) Includes parcels with a current land use category of "Vacant" or "Agriculture." Sites with the latter designation are included only if they feature little to no vertical improvements as determined through a review of the available aerial and streetscape photography. Excludes sites located within Special Planning Areas and planned project areas. Buildout capacity is estimated based on the midpoint between the minimum and maximum density or floor area ratio allowed under the current zoning code.
- (b) Buildout capacity of the Special Planning Areas is as reported in Appendix C of the Chico 2030 General Plan. Final buildout of these areas may differ from these estimates as development within a Special Planning Area requires a specific plan or master plan.
- (c) The Low Growth Scenario is based on the California Department of Finance projected population growth and Caltrans projected employment growth. Figures are rounded to the nearest ten units or square feet.
- (d) The High Growth Scenario is based on historic population and employment growth. Figures are rounded to the nearest ten units or square feet.

Sources: City of Chico, 2018; County of Butte, 2018; BAE, 2018.

RECOMMENDED POLICY UPDATES

Demand for new development in Chico is driven by complex demographic and economic trends. A City's role in accommodating growth is generally to identify an adequate supply of appropriately zoned land, provide infrastructure and services, and create an environment where development can proceed expeditiously. It is then left to the private sector, where development is driven by market conditions and willing landowners. Based on the analysis summarized above, BAE proposes that the City consider the following recommendations, which are intended to help the City balance market forces with the need to ensure an adequate supply of land for a variety of land uses throughout the City through 2035. These recommendations are not intended to benefit any one type of stakeholder over another, but rather to encourage a healthy land use market that meets the needs of all the community.

1) Monitor the land use mix and, if necessary, reserve land for desired uses

While it is important to maintain significant flexibility in the zoning code to facilitate the highest and best use of land, the market power of one land use type can sometimes impact the feasibility of otherwise desirable uses. For example, the current strength of the multifamily housing market is driving redevelopment of existing residential and non-residential uses along key corridors in central Chico. While this is desirable in many respects, the City may want to monitor this activity to ensure that this type of (re)development does not crowd out other desirable uses in key locations. For example, this may include the crowding out of commercial development along key corridors, or of lower cost workforce housing projects in major employment centers. If effects of this nature are observed, consider revising the zoning code to require additional approval/review for uses that are outside the core use allowed within the zoning district. These additional approvals need not be onerous, and should function as an optional layer of discretion that should allow the City to better manage the available land supply in instances where market imbalances of community wide importance are observed.

2) Prioritize capital infrastructure improvements that facilitate infill and prioritized development areas

Due to impediments to developing several of the City's designated SPAs, the City may want to consider prioritizing infrastructure improvements that facilitate infill development, rather than development within unincorporated SPAs. Prioritizing capital improvement projects, big and small, that support development and redevelopment in the Opportunity Sites, including intersection improvements, corridor enhancements, and repaving promote investment within the existing built environment. This will theoretically allow the City to make a larger number of smaller investments that strengthen existing neighborhoods and leverage existing service capacity. This is opposed to making a small number of large investments that benefit areas that also face other significant constraints to development.

For example, even if utilities are extended to South Entler, large investments will still be necessary to ensure adequate transportation/circulation access. There are, however, notable exceptions to this, such as Doe Mill/Honey Run and Barber Yard, which are better positioned than the other SPAs for development in the near- and medium-term.

3) Engage community support for development at Barber Yard

The Barber Yard SPA could potentially accommodate many new residential units, along with commercial development, near the Downtown and CSU Chico. The site already has access to utilities and is largely free of environmental constraints. However, to attract a development proposal and entice the property owner to engage in the process, stakeholders will need to take steps to address community concerns regarding potential traffic/circulation and other impacts on the adjacent Barber neighborhood to provide greater certainty regarding the desired development at the site.

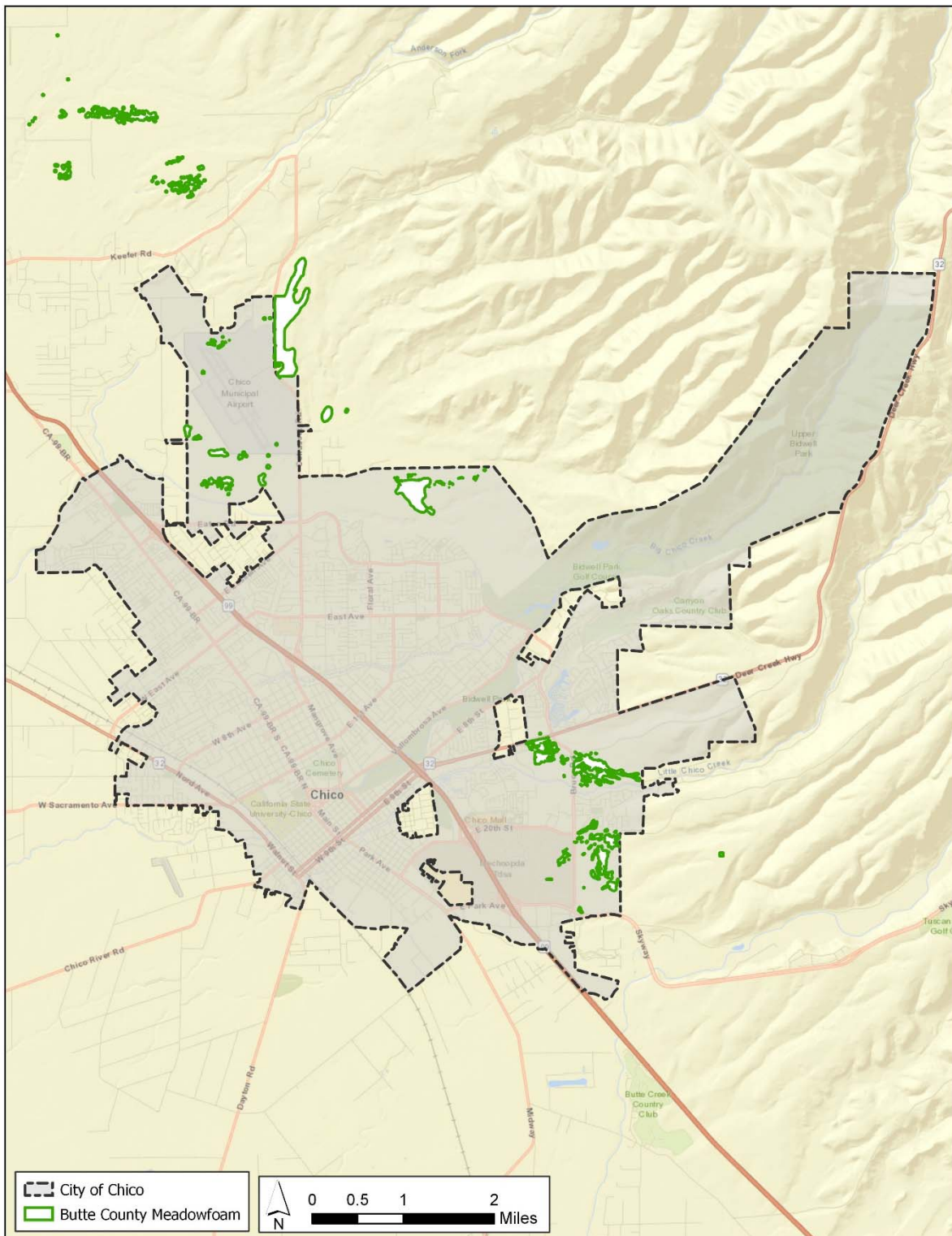
4) Amend the fee structure to account for disparate impacts

Interviews with members of the development community indicate that the current fee program is structured in such a way that larger housing units can more economically absorb the costs (i.e., calculated on a per unit basis, versus a per square foot basis). To encourage construction of smaller units (including both single-family and multifamily products, particularly in infill situations), consider revising the fee structure and planning procedures in recognition of the different impacts that various types of development have on City services and infrastructure costs. For example, switch from calculating fees on a per unit basis to another metric, such as number of bedrooms, fixtures, or square footage.

5) Reduce the planning requirements for some SPAs

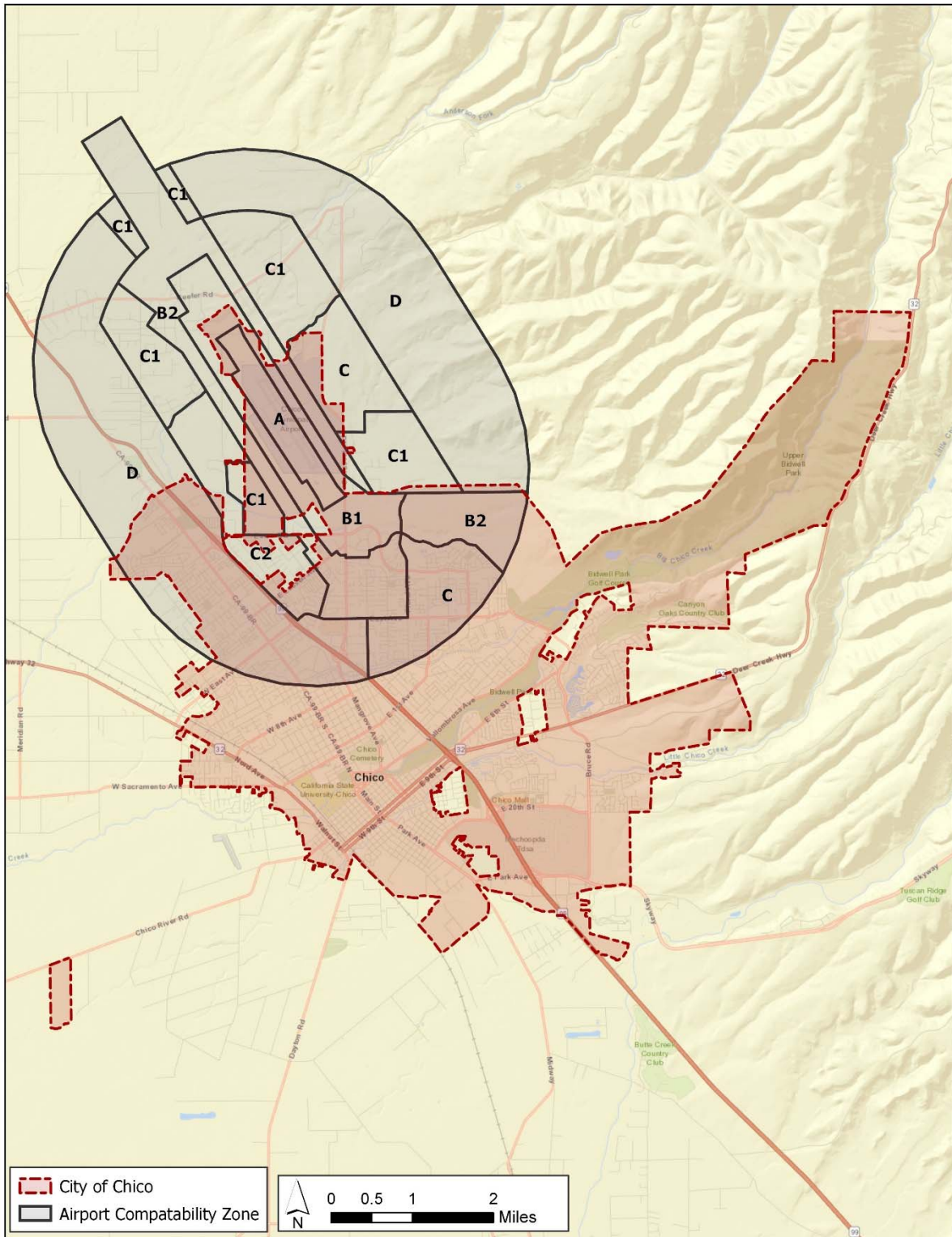
Due to the nature of existing development in the SPAs, some areas are no longer conducive to master planned development. The Bell Muir area, for example, features existing low-density development and a large number of property owners. Consider removing the specific plan requirements in some cases, keeping in mind, however, the need to address storm water and roadway infrastructure planning to serve new development. The current policy functions as a barrier to implementation of rational City directed land use policies and allows these areas to develop under County jurisdiction. As a result, ongoing development is of a form and density that does not align with the City's existing vision.

APPENDIX A: BUTTE COUNTY MEADOW FOAM



Sources: U.S. Census Bureau, Tiger Files; City of Chico; Esri; BAE, 2018.

APPENDIX B: AIRPORT OVERLAY DISTRICT



Sources: U.S. Census Bureau, Tiger Files; City of Chico; Esri; BAE, 2018.

APPENDIX C: DEVELOPMENT CONSTRAINTS SUMMARY

Appendix C: Development Constraints Summary (Page 1 of 4)

Area	Area Type	Development Type	General Location	Within City Limits?	Within Green Line?	Likelihood to Develop?	Types of constraints - Please Describe							Effects of Constraints - Please Describe			
							Infrastructure availability and capacity?	Specific Plan or Master Plan requirements?	Impact and planning fees?	Environmental constraints?	Neighborhood opposition?	Accessibility/ parking/ traffic capacity?	Other	Size of Development	Density/ Intensity of Development	Economic/ Financial Feasibility	
Bell Muir SPA	SPA	TBD	Hwy 32 and Bell Road	No	Yes	Development in the City at R1 densities is highly unlikely. Development is currently occurring under County jurisdiction as 1-acre minimum subdivisions.	There are limitations on comprehensive storm drain and road infrastructure.	Per City General Plan, yes. However, because of the hundreds of individual landowners, the City would need to front the master planning	If the City paid for the master planning and environmental review (EIR), future development would need to pay an additional fee to reimburse the City.	Ag land. Mostly orchards.	Mixed			See GP assumptions	City would need to pay for all master planning and environmental review.		
Barber Yard/Diamond Match SPA	SPA	TBD	W 16th Street and Chestnut Street	Yes	Yes	Unlikely - dependent on the property owner who hasn't shown interest in proceeding.	Localized traffic impacts in the Barber Neighborhood due to poor street infrastructure.	Yes				DSTC clean-up complete. Minor stigma remains.	Significant	Localized traffic impacts. Poor infrastructure.	Willing landowner	See GP assumptions	
Doe Mill/Honey Run SPA	SPA	TBD	Doe Mill Road and Honey Run Road	No	Yes	High, but over a 15+ year timeframe.	Major sewer extension required (and planned). Traffic considerations at all Skyway and E. 20th Street intersections.	Yes				Single BCM occurrence. Ephemeral streams w/ oak woodlands.	Likely some general opposition re foothill development and traffic congestion.	Bruce/20th and Bruce/Skyway		See GP assumptions	Extremely expensive to build on lava cap (refer to interview with Bill Brouhard)
North Chico SPA	SPA	TBD	Hicks Lane at Caballo Way	No	Yes	Low, even though there are only a few property owners, they've shown no interest to initiate development.	The sewer is being extended closer to the site in the coming years. Traffic LOS at Hicks/Eaton/SR 99 would need to be addressed.	Yes				The confluence of Mud and Sycamore creeks and their respective floodplains is a planning issue	limited	Improvements to Hicks	Airport Overflight requires more that residential development occur at densities greater than 4 units/acre	See GP assumptions	Extension of infrastructure and utilities is a major consideration.
South Entler SPA	SPA	TBD	Entler Avenue and Southgate Avenue	No	Yes	Medium. Majority of property owned by one person.	Sewer extension costly; Southgate/SR 99 roadway improvements must be phased and are costly	Yes	Mitigation for tree removal could be costly			Butte Creek floodplan issues; riparian forest; raptors	limited	Southgate interchange	high water table creates surface water issues on site.	See GP assumptions	Remnant Municipal Code SD-1 overlay requires clustering of industrial development and tree avoidance (old Code language related to previous vision for site)
North Esplanade (Op. Area)	Opportunity Area	TBD	N Esplanade, Eaton Road to W Lindo Avenue	Yes	Yes	High -happening. Lots of vacant, dilapidated, and underdeveloped parcels.	Yes	No	No				limited	Esplanade needs resurfacing			
North Valley Plaza (Op. Area)	Opportunity Area	TBD	Cohasset road and East Avenue	Yes	Yes	High. Development and redevelopment has been occurring (see story in 5-Year GP Review). There remains significant vacant, dilapidated, and underdeveloped parcels.		No					Limited		In some cases, there are multiple parcel owners on large potential redevelopment areas		
W East Avenue (Op. Area)	Opportunity Area	TBD	W East Avenue, Alamo Avenue to Town & Country	Yes	Yes	High. Large vacant parcels with good infrastructure and access	Yes	No					Some				
Mangrove Avenue (Op. Area)	Opportunity Area	TBD	Mangrove Avenue, E 9th Avenue to Palmetto Avenue	Yes	Yes	Low. There are not a lot of vacant parcels.	Yes	No							Redevelopment potential on north end near Lindo Channel		
Vanella Orchard (Op. Area)	Opportunity Area	TBD	W 8th Avenue, Citrus Avenue to N Cherry Street	Yes	Yes	Low. There is an unwilling landowner.	Yes	No					Likely		Single landowner helps development potential.	see GP	
Nord Avenue (Op. Area)	Opportunity Area	TBD	Nord Avenue from Lindo Avenue to Sacramento Avenue	Yes	Yes	Medium. Large student housing projects built or underway on previously underutilized or underdeveloped parcels.	Sewer doesn't extend all the way down Nord Avenue.	No					Related to traffic	There is a future failing LOS threshold at the Sacto Ave./Nord intesection	There is a good opportunity to rezon properties zoned ML along this corridor to promote for more multi-family residential, but that would increase concerns related to traffic congestion at W. Sac Ave. and Nord		

Appendix C: Development Constraints Summary (Page 4 of 4)

Area	Area Type	Development Type	General Location	Within City Limits?	Within Green Line?	Likelihood to Develop?	Types of constraints - Please Describe						Effects of Constraints - Please Describe				
							Infrastructure availability and capacity?	Specific Plan or Master Plan requirements?	Impact and planning fees?	Environmental constraints?	Neighborhood opposition?	Accessibility/parking/ traffic capacity?	Other	Size of Development	Density/ Intensity of Development	Economic/ Financial Feasibility	
Sycamore Drive Area	Vacant/Underutilized	Residential	Area W of Sycamore Drive and Hicks Lane	Yes	Yes	West of Hicks Lane and south of Sycamore Channel are vacant areas that are included in the Northwest Chico Specific Plan. Development potential is high.	Sewer is being extended under SR 99 to serve this area in the near future.		Development in the NW Chico Specific Plan area requires payment of an additional fee to reimburse City for fronting cost of specific plan and EIR.								
SW of Chico Airport	Vacant/Underutilized	Manufacturing	W of Hicks Road, N of			East of Hicks Lane and north of Sycamore Channel there is very low to no development potential. East of Hicks Lane and south of Sycamore Channel the development potential is high.											

Sources: City of Chico, 2018.

APPENDIX D: GENERAL PLAN ZONING BY DEVELOPMENT INTENSITY

Appendix D: General Plan Zoning with Density Ranges and Floor Area Ratios (FAR) (Page 1 of 2)

Zoning District	Allowed Density (Units Per Acre)			Suggested Floor Area Ratio (FAR)		
	Minimum	Maximum	Midpoint	Minimum	Maximum	Midpoint
Residential						
Suburban Residential	0.2	2	1	n.a.	n.a.	n.a.
Low Density Residential	2.1	7	5	n.a.	n.a.	n.a.
Medium Density Residential	6.0	14	10	n.a.	n.a.	n.a.
Medium-High Density Residential	14.1	22	18	n.a.	n.a.	n.a.
High Density Residential	20	70	45	n.a.	n.a.	n.a.
Residential Mixed Use	10 (a)	20 (a)	15	0.00	2.50 (a)	1.25
Commercial						
Neighborhood Commercial	6 (b)	22	14	0.20	1.50	0.85
Downtown North	6 (b)	22 (c)	14	0.25 (c)	1.00 (c)	0.63
Downtown South						
Community Commercial	6 (b)	22 (c)	14	0.25 (c)	1.00 (c)	0.63
Commercial Services	n.a.	n.a.	n.a.	0.20	0.50	0.35
Regional Commercial	6 (b)	50	28	0.20	2.00	1.10
Office and Industrial						
Office Residential	6 (b)(c)	20 (c)	13	0.30	2.00 (c)	1.15
Office Commercial	6 (b)(c)	20 (c)	13	0.30	2.00 (c)	1.15
Industrial Office Mixed Use	7 (b)	14	11	0.25	1.50	0.88
Light Manufacturing/Industrial	7 (b)	14	11	0.20	0.75	0.48
General Manufacturing/Industrial	n.a.	n.a.	n.a.	0.20	0.75	0.48
Airport						
Aviation	n.a.	n.a.	n.a.	0.00	1.00	0.50
Airport Commercial	n.a.	n.a.	n.a.	0.20	0.50	0.35
Airport Manufacturing/Industrial	n.a.	n.a.	n.a.	0.20	0.75	0.48
Airport Public Facilities	n.a.	n.a.	n.a.	0.00	1.00	0.50

- Continued on next page -

Sources: City of Chico, 2018; BAE, 2018.

Appendix D: General Plan Zoning with Density Ranges and Floor Area Ratios (FAR) (Page 2 of 2)

Zoning District	Allowed Density (Units Per Acre)			Suggested Floor Area Ratio (FAR)		
	<u>Minimum</u>	<u>Maximum</u>	<u>Midpoint</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Midpoint</u>
Special Purpose						
Public/Quasi-Public Facilities	n.a.	n.a.	n.a.	0.00	1.00	0.50
Traditional Neighborhood Development (d)	7	35	21	n.a.	n.a.	n.a.
Primary Open Space	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Secondary Open Space	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Special Planning Area	n.a. (e)	n.a. (e)	n.a.	n.a.	n.a. (e)	n.a.

Notes:

- (a) When located Downtown or within a Corridor Opportunity Site, Residential Mixed Use has a minimum density of 15 dwelling units/acre, a maximum of 70 dwelling units per acre, and a maximum floor area ratio of 5.0.
- (b) If residential uses are incorporated horizontally, the minimum density shall be met, but if integrated vertically, there is no minimum density requirement
- (c) When in Downtown or a Corridor Opportunity Site, Commercial Mixed Use and Office Mixed Use has a maximum of 60 dwelling units per acre, and a maximum floor area ratio of 5.0.
- (d) This zoning/land use designation only applies to Meriam Park.
- (e) Allowable density and floor area ratio in the SPAs shall be consistent with the standards of the final designations identified for each site through subsequent master planning.

Sources: City of Chico, 2018; BAE, 2018.

APPENDIX E: SPECIAL PLANNING AREA DESCRIPTIONS

As part of the 2030 General Plan, the City of Chico identified five Special Planning Areas, or SPAs, which are largely underdeveloped areas with significant new growth potential that require extensive land use planning prior to development (i.e., a specific plan, planned development, or other comprehensive plan). The intent is that these areas would develop as integrated, complete neighborhoods that incorporate a mix of housing types and job generating uses. Although the entitlement process necessary to develop these areas will require significant time and expense to the developer, these areas represent the largest concentrations of developable land within the Planned Sphere of Influence.

Appendix E: Special Planning Area Development Capacity (a)

Name	Owners	Acreage		Buildout Potential	
		Gross	Net (b)	Dw elling Units	Non-Residential Square Footage
Bell Muir	~50	398	251	644	n.a.
Barber Yard	1	137	112	1,096	403,882
Doe Mill/Honey Run (c)	1	1,448	1,287	2,095	374,247
North Chico	2	340	377	1,899	1,070,225
South Entler	3	232	238	949	1,348,754
Total, All		2,555	2,265	6,683	3,197,108

Notes:

(a) Buildout capacity of the Special Planning Areas is as reported in Appendix C of the Chico 2030 General Plan.

Final buildout of these areas may differ from these estimates as development within a Special Planning Area requires a specific plan or master plan.

(b) Excludes the estimated acreage necessary to accommodate required rights-of-way.

(c) The Doe Mill/Honey Run area is currently proposed for development. The estimated buildout potential above is reported in the Chico 2030 General Plan. However, for the purposes of comparing the projected land use demand with potential supply, BAE used the developer's current buildout estimate reported in Table 22.

Sources: City of Chico, 2018; BAE, 2018.

Bell Muir

The Bell Muir Special Planning Area spans nearly 400 gross acres just outside city limits. It includes the area to the south of Bell Road, southeast of Muir Avenue, northeast of the railroad tracks, and generally northwest of West East Avenue. Nearby uses include single-family residential neighborhoods, highway-adjacent light industrial, and agricultural land. Unlike other SPAs, the Bell Muir area features sporadic single-family residential development, though much of the area is undeveloped agricultural land. Some portions of the SPA are currently developing with very low density residential uses, such as along Guynn Avenue. The City estimates there are 150 to 200 developable acres in the area, with the undeveloped parcel sizes ranging in size from 10 to 40 acres. The area has several attributes that

strengthen its development potential, including its flat topography, lack of known sensitive habitats or endangered species, and strong connections to the rest of the city via West East Avenue and Nord Avenue (State Route 32).

Because the area is already sporadically developed, it may be challenging to pursue higher density development or to complete master planned community for the entire Bell Muir area. Therefore, the City's conceptual land use plan for the Bell Muir SPA focuses on dispersed single-family residential development that would moderately intensify the current prevailing land use. The City has identified a need to study and plan for strategic infrastructure development, as the area is currently unserved by municipal water and sewer facilities. Drainage is provided with open culverts. Other important considerations include interactions with remaining agricultural operations and the interface between rural and residential uses, and the integration of recreational, educational, and economic development opportunities.

City staff identified some challenges to realizing the conceptual land use plan. The land use plan calls for 644 new dwelling units within 251 acres, requiring a density of 2.6 units per acre. However, staff note that development at even R1 zone densities (a minimum of 2.1 units per acre) is unlikely, as single-family development has been occurring under county jurisdiction at a much lower density of one unit per acre. Thus, achieving such a density on average across the entire site would require focused higher density development in some areas. Other challenges include limited storm water and roadway infrastructure and the difficulty of engaging the more than 100 landowners in a master planning process. Possible solutions may include relaxing the specific plan requirements within the SPAs, such that Bell Muir could be annexed and built out with smaller subdivisions. This approach, however, would not resolve, and may likely complicate, the areas infrastructure constraints.

Barber Yard

The Barber Yard Special Planning Area is a historically significant 150-acre site bordered by Chestnut Street, Normal Avenue, Estes Road, and the railroad tracks. The only SPA located within the existing City limits, it was formerly the Barber Yard facility of the Diamond Match Company, which is an important employer in Chico's history. Nearby uses include historic single-family residential Barber neighborhoods to the north, as well as light industrial uses to the east and the Hagen Land Business Park to the south. The City's Green Line extends along the SPA's western border. There are three buildings in the mostly vacant SPA, two of which are historic. Although the area's soil was previously contaminated, environmental remediation efforts were completed in 1999, which prepared the site for future brownfield development.

The City's conceptual land use plan for the Barber Yard SPA features full, connected neighborhoods of residential development at varying densities, with an average of 6 to 15 units per acre. Roughly 1,100 residential units are planned along with some residential mixed-use, office mixed-use, industrial/office mixed-use, and public open space. Historic buildings will be maintained and reprogrammed through adaptive reuse. Non-residential uses

are expected to occupy 403,882 square feet. Future planning efforts will determine design guidelines and identify mitigations to traffic impacts on existing neighborhoods.

City staff consider development in the Barber Yard SPA unlikely in the near term. The property owner has not expressed interest in proceeding with planning efforts and prior efforts to initiate a planning process were met with initial opposition from residents of the adjacent Barber neighborhood.

Doe Mill/Honey Run

At 1,441 gross acres, the Doe Mill/Honey Run Special Planning Area is, by far, the largest SPA by land area in the City. It is located outside city limits at the eastern end of East 20th Street, east of Potter Road and north of Honey Run Road. The area is completely undeveloped grassland extending into the foothills. Adjacent land uses include single-family residential, rural residential, open grazing lands, and environmentally-constrained lands.

The City's conceptual land use plan for the Doe Mill/Honey Run SPA seeks to preserve elements of the area's natural environment while allowing for mixed-use development with multiple housing types and density levels. Under the conceptual land use plan, City anticipates that 2,095 housing units will be constructed in the area, ranging in density from very low to medium-high. Commercial mixed-use and neighborhood-serving commercial uses will be concentrated in a village core along Skyway. There will also be a significant amount of preserved open space, a public park, and, potentially, a public elementary school. Overall, non-residential development will comprise 374,247 square feet. The City has identified design, landscaping, lighting, and habitat protection as subjects of further study.

City staff indicate that a proposal is being prepared for development of the Doe Mill/Honey Run SPA. Though no proposal has yet been submitted, the preliminary indications are that the project will include approximately 2,346 single family housing units and approximately 358,325 square feet of non-residential uses.

City staff indicate that the Doe Mill/Honey Run SPA has a high likelihood of development. Development will require the completion of a planned major sewer extension and consideration of traffic for all intersections with Skyway and East 20th Street, among other matters. Potential barriers to development include some general citizen opposition to development in the foothills and neighborhood concerns about traffic congestion along existing roadways. Also, due to the added cost of building on the lava cap, the project may be more sensitive to economic shocks compared to other planned projects. While a survey did identify BCM within the SPA, the concentration is quite small and City staff anticipate that this and other environmental constraints could be mitigated.

North Chico

The North Chico Special Planning Area is a 484-acre area bounded by Mud Creek, Sycamore Creek and Hicks Lane. It is north of city limits and west of the Chico Municipal Airport. Proposed for urban development by the City and Butte County since 1995, the North Chico SPA is also the mixed-use Village Core area of the County's North Chico Specific Plan. The area is largely undeveloped, except for a small single-family neighborhood in the southeast corner of the area. Nearby land uses include single-family residential, residential-zoned undeveloped land, and industrial-zoned undeveloped land. Most of the undeveloped land is either under agricultural cultivation or consists of natural wetlands. The SPA is close to State Route 99 (SR 99) and is accessible via Hicks Lane and Garner Lane.

The City's conceptual land use plan for the North Chico SPA seeks to create a complete and integrated community with single-family and multi-family housing, commercial mixed-use, office/industrial mixed-use, open space, and parks. Housing densities will range from low- to medium-high. At buildout, the area is expected to include 1,899 housing units and more than one million square feet of office and industrial uses. Commercial uses will be concentrated along Hicks Lane, with office/industrial mixed-use located nearest to the airport. To accommodate traffic generated by new development, the City proposes a new arterial road through the SPA, connecting Hicks Lane to SR 99, which would require significant substantial investment, particularly if the preferred route requires construction of a bridge over either of the creeks. Future planning efforts will consider environmental impacts, especially as they relate to flooding, and safety and noise concerns related to the airport.

According to City staff, the North Chico SPA has a low likelihood of development and is a long-term development opportunity. The area has only a few property owners, none of whom have expressed interest in proceeding with development, and some of whom are actively investing in their agricultural operations. However, if conditions change, the limited number of owners is a benefit for site assembly purposes. The area is not connected to utilities or the sewer system, though utilities are expected to extend under SR 99 and closer to the SPA in the near future. The Mud Creek and Sycamore Creek floodplains present a challenge to new development, as portions of the site are vulnerable to a 100-year flood event. Additionally, airport overflight zones may influence allowable density levels. Also, due to the presence of wetlands, as well as the impacts of airport overlay zones, City staff anticipate that the area to the east of the North Chico SPA (between the SPA and the airport) will likely remain undeveloped.

South Entler

The South Entler Special Planning Area is a 330-acre area located outside the existing City limits and bounded by SR 99, Enter Avenue, Maybill Ranch Road, and the Chico Greenline/City Sphere of Influence boundary. Accessible from SR 99 from Southgate Avenue, the area is mostly undeveloped, except for some industrial product on the north end and a Little League

field at the end of Southgate Avenue. Part of the area was previously used for mining operations. Nearby uses include agriculture, light industrial and commercial, and industrial.

The City's conceptual land use plan for the South Entler SPA envisions neighborhood-serving and regionally-oriented commercial uses, office, and light industrial near single-family and multi-family housing. Commercial uses, particularly regional retail, hospitality, entertainment and warehouse/manufacturing will front SR 99, providing a buffer with residential areas. Housing will range in density from low- to high-density, and the area is expected to include nearly 1,000 housing units at buildout. The area will also have 1,348,754 square feet of non-residential development (i.e., the most of any of the SPAs). Due to the relatively disconnected nature of the South Entler area, the City is planning for significant bicycle and pedestrian improvements and ample open space. Future planning efforts will require improving the intersection of SR 99 via Southgate Avenue, including the possible addition of an overpass, as well as development of other additional access points.

The area has a moderate likelihood of seeing new development in the mid-term, according to City staff. Most of the property is owned by a single landowner, which would simplify future site assembly. However, City staff have identified several development constraints. The area is not currently served by the sewer system and extension of City services would require considerable time and investment, though plans are underway to do so. It is expected that tree removal and environmental mitigation may present challenges. Portions of the area are within the Butte Creek floodplain, and a high-water table contributes to surface water issues. Additionally, improvements at the Southgate and SR 99 interchange are expected to be expensive and will likely take many years to complete, assuming that funding is available.

APPENDIX F: OPPORTUNITY SITE DESCRIPTIONS

In addition to the SPAs, the 2030 General Plan also designated several Opportunity Sites that are expected to be the focus of redevelopment and revitalization over the General Plan planning period. The City has applied parcel-level land use designations to many of the Opportunity Sites, such that most may now accommodate higher density infill residential and mixed-use development. The Opportunity Sites are divided into four distinct categories, including Central City sites, Corridor sites, Regional Centers, and Other sites.

Central City Opportunity Sites

The following Opportunity sites are located within the City's core area: Downtown, South Campus, and the East 8th and 9th Street Corridor.

Downtown

The Downtown Opportunity Site encompasses the civic and cultural center of the City. It generally extends from Little Chico Creek to Big Chico Creek and from Normal Avenue to Orient Street. It is divided into northern and southern sections at West 6th Street. As detailed in the Downtown Element of the 2030 General Plan, the City seeks to strengthen the area's residential and commercial intensity, pedestrian experience, transit accessibility, and community and cultural identity. The Land Use Element notes that many parcels in the area are underutilized and specifically highlights City-owned surface parking lots as potential sites for new multi-story, mixed-use development. Much of the area is designated as commercial mixed-use, with some pockets of office mixed use, and residential mixed use. According to City staff, the Downtown Opportunity site has a high likelihood of seeing redevelopment at higher densities and intensities than currently exist. However, some barriers include deficient utilities infrastructure and concerns among some stakeholders about parking and congestion.

South Campus

The South Campus Opportunity Site is generally bounded by Normal Avenue, Walnut Street, West 2nd Street and West 9th Street. Immediately south of the CSU campus, the area has potential for higher density development, especially mixed-use residential. The area already features a Mixed-Use Neighborhood Core and a corridor of mixed-use residential buildings along 5th Street, connecting the Core Area to Downtown. Several area streets near the railroad depot feature industrial buildings that could be redeveloped as live-work units or other non-traditional commercial concepts. Additionally, Walnut Street, a wide thoroughfare with good access to the CSU campus, is a suitable location for mixed-use multifamily development with ground-floor retail. City staff indicate that the South Campus Opportunity Site is likely to continue to develop, as evidenced by current proposals to replace single-family residences

with multifamily developments. However, staff noted that new development will have to be thoughtful about its relationship to existing historic properties in the area.

East 8th and 9th Street Corridor

The East 8th and 9th Street Corridor Opportunity Site encompasses the area immediately surrounding those two thoroughfares between State Route 99 and Flume Street in Downtown. The area is served by the B-Line and is mostly within walking distance of Downtown. The area is predominantly residential, and the General Plan designates much of the area as medium-density residential. The section of the corridor nearest State Route 99 is slated for commercial mixed use, and the section nearest to Downtown has potential for mixed-use with modest commercial elements. Per City staff, this Corridor is unlikely to see extensive new development. However, development is considered supportable, and the area has recently benefitted from roadway and sidewalk improvements.

Corridor Opportunity Sites

The following Opportunity Sites are located on transit corridors outside the core area: North Esplanade, Mangrove Avenue, Park Avenue, Nord Avenue, and East Avenue.

North Esplanade

The North Esplanade Opportunity Site extends along the Esplanade from the Lindo Channel to East Eaton Road. Unlike the southern section of the Esplanade, which features attractive tree-planted medians separating through traffic from local rights-of-way, the North Esplanade is inhospitable to pedestrians and cyclists and is dominated by low-density commercial uses. The City seeks to improve the pedestrian environment by adding streetscape improvements and encouraging the development of commercial mixed-use buildings closer to the street. Office mixed-use and residential mixed-use designations are concentrated on the northern end of the area. City staff suggest this area is likely to see development due to its large inventory of vacant, dilapidated, and underdeveloped sites. Furthermore, the area has the necessary infrastructure capacity and limited potential for neighborhood opposition to development.

Mangrove Avenue

The Mangrove Avenue Opportunity Site is a high-traffic, transit-served corridor with many retail and service establishments. It extends roughly from Palmetto Avenue to East Lindo Avenue. The area features many small, aging buildings and surface parking lots that could be redeveloped into commercial mixed-use projects. The City hopes that adding residents to the area will bolster business activity, increase transit ridership, and catalyze improvements for pedestrians and cyclists. City staff indicate that there is a low likelihood of development in the Mangrove Avenue Opportunity Site because of its limited stock of vacant parcels. However, City staff see some redevelopment potential in the northern section of the area near Lindo Channel.

Park Avenue

The Park Avenue Opportunity Site is a low-density commercial thoroughfare located between the residential Chapman-Mulberry and Barber neighborhoods. It extends from 11th to 21st Streets, connecting the southwest neighborhoods to Downtown. Served by transit, Park Avenue could feature higher density development with a focus on residential and neighborhood-serving commercial uses. The southern end of the Corridor is slated for flexible commercial mixed-use development. The central section of the Corridor near 16th Street is designated a Mixed-Use Neighborhood Core that will feature neighborhood-serving commercial uses, offices, and residences. The northern section, closest to Downtown, is planned for residential mixed-use, including some high-density residential. According to City staff, Park Avenue has a low-to-medium likelihood of seeing new development. Any development that does take place will likely be reuse of existing buildings or redevelopment of underutilized sites. City staff note that the proposed relocation of the Jesus Center, a major tenant on the Corridor, could propel redevelopment opportunities.

Nord Avenue

The Nord Avenue Opportunity Site encompasses the area between Nord Avenue (State Highway 32) and the railroad tracks, extending from Lindo Channel south to West Sacramento Avenue. The area is currently occupied by very low-density commercial services, light manufacturing, and multi-family residential uses. The area also features a high volume of vacant or underutilized properties. The City envisions mixed-use industrial and office development with mixed-use commercial projects at some intersections. The City's plan also includes medium density residential uses at the Corridor's northern edge and medium-high density residential uses as the Corridor approaches the city's core area. Per City staff, the Nord Avenue Opportunity Site has a moderate likelihood to develop and is already seeing large student housing projects built or underway. However, City staff have identified several barriers to development. First, the sewer does not extend the full length of Nord Avenue. Secondly, there are neighborhood concerns about traffic congestion, including a potential failure to meet the level of service threshold at the Nord Avenue/West Sacramento Avenue intersection. Efforts to develop multifamily development in this area will likely exacerbate traffic concerns.

East Avenue

The East Avenue Opportunity Site extends from Alamo Avenue to the Town and County Center just west of the Esplanade. The area is predominantly low-density residential with some low-intensity commercial uses. However, it is near a high volume of shopping, services, and transit, making it suitable for densification. The primary focus of the Opportunity Site is an 18-acre vacant parcel just west of the Town and County Center that has strong potential for redevelopment as residential, office, and potentially retail. There are several other large vacant parcels along the Corridor, as well. According to City staff, the area has sufficient infrastructure capacity to support new development. Additionally, the City expects only minor opposition to new development along the Corridor. For those reasons, City staff consider the East Avenue Opportunity Site highly likely to develop.

Regional Center Opportunity Sites

The following Opportunity Sites are regional commercial centers: North Valley Plaza, East 20th Street, and Skyway.

North Valley Plaza

The North Valley Plaza is a collection of shopping centers that includes a movie theater, restaurants, and retail stores. Located near East Avenue and Cohasset Road and accessible from State Highway 99, it attracts shoppers from throughout Chico and the larger region. Much of the area is covered by vast surface parking lots, and the City estimates that at least three shopping centers have nearly twice the necessary parking. Underutilized parking lots and other parcels provide the foundation for significant redevelopment, including denser commercial development and some medium-high density residential development. As noted in the City's General Plan Five-Year Review, the North Valley Plaza Opportunity Site has recently seen promising new infill retail development and absorption of previously vacant retail product. There remain several underutilized sites for further redevelopment. However, land assembly may be a challenge, as several large sites consist of multiple parcels with different owners.

East 20th Street

The East 20th Street Opportunity Site is roughly bounded by State Highway 99, Huntington Drive, Springfield Drive, and Flying V Street. It includes the Chico Mall and several other shopping centers with major "big box" retail tenants, including Walmart and Target. Like North Valley Plaza, much of the East 20th Street Opportunity Site is covered by surface parking. Some of this parking area could be divided into pads for new development. Additionally, the City has identified two vacant properties with strong redevelopment potential: an 8-acre property on Forest Avenue and a lot on Springfield Drive between Kohl's and the Chico Mall. The Sears at the Chico Mall also has reuse potential. Barriers to new development include traffic congestion at the Chico Mall entrance at 20th Street and Business Lane.

Skyway

The Skyway Opportunity Site is bounded by State Highway 99, Notre Dame Boulevard, Forest Avenue and Morrow Lane. It includes several shopping centers with "big box" retailers, including Home Depot, Lowe's, and TJ Maxx. In the General Plan, the City notes that the area has more surface parking than necessary and several underutilized parcels. However, City staff indicate that the area has minimal future redevelopment potential, as much of the redevelopment has already taken place.

APPENDIX G: DETAILED GROWTH PROJECTIONS

Appendix G-1: Population, Housing, and Employment Forecast Detail, Low Growth Scenario, 2017-2035 (Page 1 of 2)

	Projections				Total Growth 2017-2035
	2017-2020	2021-2025	2026-2030	2031-2035	
Population (a)					
City of Chico	1,738	3,164	3,550	3,513	11,965
Butte County	4,306	7,837	8,793	8,703	29,639
Housing Units (b)(c)					
City of Chico	748	1,362	1,528	1,512	5,150
Single-Family	396	720	808	800	2,724
Multifamily	333	606	680	673	2,293
Other Types	19	35	40	39	134
Butte County	1,880	3,422	3,840	3,801	12,943
Single-Family	1,077	1,960	2,199	2,177	7,414
Multifamily	718	1,307	1,466	1,451	4,942
Other Types	85	155	174	172	587
Employment (d)					
City of Chico	859	1,468	1,515	1,563	5,406
Retail	110	188	194	200	690
Office	66	113	117	121	417
Education	88	150	155	159	552
Health Care	368	629	649	670	2,316
Industrial	161	274	283	292	1,010
All Other	67	114	118	122	421
Butte County	1,598	2,731	2,818	2,908	10,054
Retail	117	174	153	189	633
Office	683	1,010	997	1,066	3,755
Education	181	267	343	393	1,185
Health Care	412	607	779	894	2,692
Industrial	(84)	84	146	(126)	21
All Other	289	588	401	492	1,769

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Sources: California Department of Finance, E-5: Population and Housing Estimates for Cities, Counties, and the State, January 2011-2017, 2018; California Department of Finance, P-1: State Population Projections 2010-2060, 2018; California Employment Development Department, Industry Employment & Labor Force, Chico MSA, 2018; Caltrans, 2017 Butte County Economic Forecast, 2018; ESRI, 2017 Business Summary by NAICS, 2018; BAE, 2018.

Appendix G-1: Population, Housing, and Employment Forecast Detail, Low Growth Scenario, 2017-2035 (Page 2 of 2)

Notes:

(a) Based on 2017 population and housing estimates and population growth projections published by the California Department of Finance. Assumes that the City of Chico will maintain its share of the countywide resident population as reported in 2017.

(b) Based on 2017 population and housing estimates and population growth projections published by the California Department of Finance. Assumes the following average ratio of persons per housing unit, inclusive of group quarters populations and vacant units.

City of Chico	2.32
Butte County	2.29

(c) Based on the distribution of new housing units from 2011-2017, as reported by the California Department of Finance:

	Single- Family	Multi- Family	Other
City of Chico	53%	45%	3%
Butte County	57%	38%	5%

(d) Countywide jobs growth is estimated based on the 2016 countywide jobs estimate provided in the Quarterly Census of Employment and Wages (QCEW) and the 2017 Butte County Economic Forecast Published by Caltrans. The City of Chico jobs estimates are based on the City's share of countywide employment, as reported by ESRI. The distribution of jobs by industry is based on the distribution of jobs growth between 2010 and 2015 as reported in the Longitudinal Employer-Household Dynamics dataset published by the U.S. Census Bureau.

Sources: California Department of Finance, E-5: Population and Housing Estimates for Cities, Counties, and the State, January 2011-2017, 2018; California Department of Finance, P-1: State Population Projections 2010-2060, 2018; California Employment Development Department, Industry Employment & Labor Force, Chico MSA, 2018; Caltrans, 2017 Butte County Economic Forecast, 2018; ESRI, 2017 Business Summary by NAICS, 2018; BAE, 2018.

Appendix G-2: Population, Housing, and Employment Forecast Detail, High Growth Scenario, 2017-2035 (Page 1 of 2)

	Projections				Total Growth
	2017-2020	2021-2025	2026-2030	2031-2035	2017-2035
Population (a)					
City of Chico	3,364	5,884	6,249	6,637	22,133
Butte County	5,931	10,557	11,492	11,827	39,807
Housing Units (b)(c)					
City of Chico	1,448	2,533	2,690	2,857	9,527
Single-Family	766	1,339	1,422	1,511	5,038
Multifamily	645	1,127	1,197	1,272	4,241
Other Types	38	66	70	74	247
Butte County	2,590	4,610	5,019	5,165	17,384
Single-Family	1,484	2,641	2,875	2,958	9,957
Multifamily	989	1,760	1,916	1,972	6,638
Other Types	118	209	228	234	789
Employment (d)					
City of Chico	1,666	2,914	3,094	3,287	10,960
Retail	213	372	395	420	1,400
Office	128	225	239	253	845
Education	170	297	316	335	1,118
Health Care	714	1,248	1,326	1,408	4,696
Industrial	311	544	578	614	2,047
All Other	130	227	241	256	854
Butte County	2,404	4,202	4,469	4,756	15,831
Retail	176	268	242	309	996
Office	1,028	1,553	1,581	1,743	5,905
Education	273	411	544	643	1,871
Health Care	620	934	1,236	1,462	4,252
Industrial	(126)	130	231	(205)	29
All Other	434	904	636	804	2,779

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Sources: California Department of Finance, E-5: Population and Housing Estimates for Cities, Counties, and the State, January 2011-2017, 2018; California Department of Finance, P-1: State Population Projections 2010-2060, 2018; California Employment Development Department, Industry Employment & Labor Force, Chico MSA, 2018; Caltrans, 2017 Butte County Economic Forecast, 2018; ESRI, 2017 Business Summary by NAICS, 2018; BAE, 2018.

Appendix G-2: Population, Housing, and Employment Forecast Detail, High Growth Scenario, 2017-2035 (Page 2 of 2)

Notes:

(a) Assumes that the population in the City of Chico will grow at the same rate as it did during the historical period from 2007 to 2017, as reported by the California Department of Finance. Countywide population growth is set equal to the countywide growth projected in the baseline (i.e., low growth) scenario, plus the additional growth projected in the City of Chico.

(b) Based on 2017 population and housing estimates and population growth projections published by the California Department of Finance. Assumes the following average ratio of persons per housing unit, inclusive of group quarters populations and vacant units.

City of Chico	2.32
Butte County	2.29

(c) Based on the distribution of new housing units from 2011-2017, as reported by the California Department of Finance:

	Single- Family	Multi- Family	Other
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Butte County	57%	38%	5%

(d) Countywide jobs growth is estimated based on the 2016 countywide jobs estimate provided in the Quarterly Census of Employment and Wages (QCEW) and the 2017 Butte County Economic Forecast Published by Caltrans. The City of Chico jobs estimates assume that jobs growth will occur at the same rate as during the historical period from 2007 to 2016, as reported by the California Employment Development Department. The distribution of jobs by industry is based on the distribution of jobs growth between 2010 and 2015 as reported in the Longitudinal Employer-Household Dynamics dataset published by the U.S. Census Bureau. The difference in citywide employment between the baseline (i.e., low growth) and high-growth scenarios is also added to the countywide employment base.

Sources: California Department of Finance, E-5: Population and Housing Estimates for Cities, Counties, and the State, January 2011-2017, 2018; California Department of Finance, P-1: State Population Projections 2010-2060, 2018; California Employment Development Department, Industry Employment & Labor Force, Chico MSA, 2018; Caltrans, 2017 Butte County Economic Forecast, 2018; ESRI, 2017 Business Summary by NAICS, 2018; BAE, 2018.