

# City of Chico

## 2012-13 Economic Development Action Plan

### Purpose

More important now than ever before, the City must be action-oriented with economic development initiatives within its control and with its limited resources to provide services and leadership to meet the needs of Chico businesses while assisting with economic recovery, job creation and revenue generation.

Throughout this past year, the City has received input from the Chamber of Commerce, GROWCalifornia, CEPSCO/Innovate NorthState and a Business Survey/Business Summit which provided direct input from businesses on their needs with respect to the local economic and business environment, as noted in the table below.

Economic Development Priorities of the Chico Business Community		
Business Survey/Summit	Innovation Scorecard	Chamber Top 10 Actions
<ol style="list-style-type: none"> <li>1. Qualified Workforce</li> <li>2. Regulatory Challenges</li> <li>3. Financial Assistance</li> <li>4. Permit Transparency</li> </ol>	<ol style="list-style-type: none"> <li>1. Capital Access</li> <li>2. Transportation – Air</li> <li>3. Internet Capabilities</li> <li>4. Specialized Management Assistance</li> </ol>	<ol style="list-style-type: none"> <li>1. Local Preference Policy</li> <li>2. Local Purchasing</li> <li>3. Convention/Events Center</li> <li>4. Business Spotlight &amp; Business Summit</li> <li>5. Public Facility Use for Events &amp; Conventions</li> <li>6. Market Chico – I5 &amp; Hwy 70</li> <li>7. Public Safety – Thurs-Saturday</li> <li>8. Tools, Fees &amp; Funding</li> <li>9. Economic Development Assistance</li> <li>10. Prevailing Wage Regulations</li> </ol>

This plan is a guide to focus on specific actions and outcomes in the coming fiscal year, 2012-13, and addresses high priority actions of the Economic Development Element of the General Plan.

### Goals

The goal of the action plan is to collaborate with business and other economic development partners to achieve the following outcomes:

- Economic growth as measured by jobs created, new investment, economic impact of businesses and revenue to the City of Chico,
- Improvement in business’ perception of the City’s business climate, as measured by business opinion,
- Address business’ issues/needs as identified at the summit and in one-on-one business meetings, and
- Implement high priority actions in the City’s Economic Development Element of the Chico General Plan.

This action plan aligns with the **City's Economic Vision:**

*"...to assist entrepreneurs and businesses to invest in Chico and create career pathways that yield a quality of life that includes economic prosperity"*

and with the **Economic Strategy Objective:**

*"strengthen the economic base of Chico by achieving investment that creates jobs and brings in and/or retains revenue in the community, which results in tax revenue needed to fund public services for the community."*

## Overview 2012-13 Economic Development Action Plan



The following pages outline the four key initiatives of the 2012-13 Economic Development Action plan. The initiatives are presented in two categories,

1. Those initiatives that the City itself has the ability to directly implement, manage and affect change, and
2. Initiatives that are directed by other organizations and service providers, and which are supported by the City through funding and collaboration.

The City of Chico utilizes the expertise of local economic development partners to provide direct services to businesses by collaborating and supporting through a small economic development fund. The goal is to leverage the resources of these organizations to provide additional direct services to Chico businesses which result in new job generation, job retention and capital investment in the City.

Investments and results of the Chico Economic Development Action Plan can be measured by using an Economic Impact Model<sup>1</sup>, measuring the effectiveness of actions in personal income, economic ripple effect and tax generation.

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<sup>1</sup> Economic Impact Model provided by Alliance for Workforce Development.

**Key Initiative 1: Business Climate—Create and communicate a mindset and positive business climate for investment in Chico.**

The City needs to continue to take a strong leadership role to build its reputation as a business friendly community, through initiatives such as ensuring permit transparency, developing local preference and purchasing policies, and formally recognizing the business community and their needs.

<b>Action Plan:</b>	
<b>City Business Team</b>	<ul style="list-style-type: none"> <li>• Continue the Mayor’s monthly visits with businesses and quarterly Business Advisory meetings.</li> <li>• Continue City Manager Business Walks with Chamber of Commerce.</li> <li>• Continue to participate in joint business meetings with County.</li> <li>• Continue City Manager’s Office response to business expansion/location inquiries and create project management teams with other City staff and economic development partners as necessary.</li> <li>• Maintain City Economic Development website and coordinate with partners for updating information on services and properties.</li> </ul>
<b>Business Services</b>	<ul style="list-style-type: none"> <li>• Provide project-specific technical assistance including project-specific development meetings with businesses and assistance accessing Recycling Market Development Zone and Foreign Trade Zone incentives.</li> <li>• Contract with economic development partners for direct services, leveraging their resources for business retention, workforce challenges, capital access, micro-enterprise and technical business assistance.</li> </ul>
<b>Regulatory Environment</b>	<ul style="list-style-type: none"> <li>• Evaluate City permitting and regulatory processes and adopt practices that streamline/enhance the process wherever possible.</li> <li>• Work with Chamber of Commerce to produce useful guidance such as permitting flowcharts based on different scenarios and case studies that describe development and permitting process.</li> <li>• Seek venues such as Chamber’s Power Lunch Roundtables to discuss permitting process for different types of businesses, review City guidelines and respond to questions.</li> </ul>
<b>Business Recognition</b>	<ul style="list-style-type: none"> <li>• Continue Chamber of Commerce monthly Business Spotlights.</li> <li>• Participate in annual Business Summit.</li> <li>• Communicate actions of City, Economic Development Committee and partners.</li> </ul>

Key Outcome: Improve the perception of City of Chico’s Business Friendly Climate  
 Key Initiative: Aligns with Economic Development Element ED-1.3 Regulatory Environment, ED-1.3.4 Local Outreach, ED-1.4 Public Investment, ED 1.4.5 Base Level Employers and ED-1.9 Chico-based businesses.  
 Lead Responsibility: City of Chico – City Manager’s Office, Building & Development Services Department  
 Partners: Chamber, DCBA, CEP/CO/Innovate North State, CED/SBDC, NoRTEC/AFWD, CSU, Butte College, Butte County  
 Measurements: Businesses Assisted, Permit Transparency, Business Satisfaction, Economic Impact Reports

**Key Initiative 2: Infrastructure—Ensure competitiveness for new business investments, expansions and locations.**

For Chico to be competitive for new business investments, expansions and locations, the right infrastructure must be in place or master plans prepared for improving any weakness in infrastructure that would constrain a company’s growth.

Two specific infrastructure needs were addressed in the Innovation Scorecard and at the Business Summit as critical infrastructure needs for growth businesses – high speed internet (Hegan Lane Industrial Park and Airport Industrial Park and surrounding area) and commercial air transportation. These infrastructure needs will need to be addressed by a public-private collaboration to identify specific demand, issues and solutions.

<b>Action Plan:</b>	
<b>High-speed Internet</b>	<ul style="list-style-type: none"> <li>• Participate with a working committee of tech businesses and organizations to identify solutions for serving the businesses in different locations throughout the City.</li> <li>• Identify potential funding mechanisms for infrastructure development including private investment, state and/or federal grants /loans.</li> </ul>
<b>Air Service</b>	<ul style="list-style-type: none"> <li>• Participate with a working group of businesses and organizations most affected by this constraint - review specific needs and options, investigate and evaluate feasibility of options, develop an action plan.</li> </ul>
<b>Transportation</b>	<ul style="list-style-type: none"> <li>• Participate with the County in on-going discussions of Hwy 70 &amp; 99 Corridor improvements, including I-5 visibility and access.</li> </ul>
<b>Infrastructure Financing</b>	<ul style="list-style-type: none"> <li>• Continue to identify state/federal funds which can be used for capital investments and/or funding economic development.</li> <li>• Support organizations and businesses seeking state/federal funding for projects which pursue the goals and objectives of the City’s economic development strategy, or support growth of business and job creation.</li> <li>• Ensure economic development priorities are aligned with City’s Capital Improvement Program.</li> </ul>

**Key Outcomes:** As a collaborative effort, identify potential solutions and funding for infrastructure improvements.

**Key Initiative:** Aligns with Economic Development Element ED-1.2.7 Rail, Aviation and Highway Access, ED-1.2.2 Infrastructure Availability, ED-1.4.6 Enhance Technology; ED-1.7 Airport Viability and ED-1.6 Enhance Telecommunications.

**Lead Responsibility:** City of Chico in participation with public/private working groups and County of Butte

**Partners:** Chamber, CEPCO/Innovate North State, CED, Business Groups, 3Core

**Measurements:** New investment in infrastructure.

### Key Initiative 3: Workforce—Develop and attract talent necessary for businesses to grow and thrive in Chico.

“Qualified workforce” was the number one issue identified at the 2012 Business Summit (business survey) and also referenced in the Innovation Scorecard. Businesses in all sectors are having difficulty finding “qualified workers” with both soft skills and technical skills. With businesses indicating planned growth over the next 12-18 months, it is critical they are able to find the qualified labor they need for their expected growth projections. Qualified workers are also essential to new business start-ups and locations.

<b>Action Plan:</b>	
<b>Business Outreach Program</b>	<ul style="list-style-type: none"> <li>• Participate with Chamber and AFWD on an aggressive business visitation program to identify needs.</li> <li>• Conduct business survey on workforce needs and issues.</li> <li>• Utilize AFWD Executive Pulse software to track progress.</li> </ul>
<b>Business Targets</b>	<ul style="list-style-type: none"> <li>• Focus outreach on businesses that indicated growth over the next 12-18 months as well as those indicating decline.</li> <li>• Segment businesses by industry sector to collaborate with partners.</li> </ul>
<b>Business Meetings</b>	<ul style="list-style-type: none"> <li>• Purpose of meetings is to identify workforce needs, regulatory issues (state and/or city), specific business service needs that the city or a service provider can provide assistance or address, and to inform businesses of resources available and how to access those resources.</li> <li>• Hold focus group meetings with sectors of multiple businesses.</li> </ul>
<b>Address Needs Service Providers and Higher Education</b>	<ul style="list-style-type: none"> <li>• Immediately handle workforce issues.</li> <li>• Refer other needs to economic development partners.</li> <li>• Meet monthly to review results and needs, i.e., are they being addressed and if not how can they be addressed.</li> </ul>

**Key Outcomes:** Address specific business workforce needs, identify and address other business needs and connect businesses with resources.

**Key Initiative:** Aligns with Economic Development Element ED-1.4.5 Base Level Employers and ED-1.2.5 Partnership with Education on Skilled Workforce.

**Lead Responsibility:** AFWD and Chamber

**Partners:** Butte College, NoRTEC, 3Core, CEPCO/Innovate North State, DCBA, County, CED/SBDC, Butte County, SCORE

**Measurements:** Workforce education/training and job placements, Economic Impact

**Key Initiative 4: Place Making—Create and maintain community destinations around recreation, entertainment and the arts for Chico residents and visitors alike.**

There are several "city-wide" events in Chico that are formally recognized by the local hospitality industry such as CSUC Graduation, CSUC Parents Weekend, Wildflower Century and Gold Cup Races. These events typically sell out all local and regional hotel rooms and have a major impact on all industries supporting tourists and visitors such as dining, entertainment, recreation, and retail.

Chico also hosts a number of events that bring in regional, state, and out-of-state visitors and tourists such as the Snow Goose Festival, Sierra Oro Farm Trail Passport Weekend, CSUC Experience Chico Week, Artoberfest, Chico Air Show, and others. These events also have a significant impact on the local economy.

CSU, Chico and Butte College are key assets in the community contributing to Chico’s sense of place. Both institutions attract student residents, visitors and businesses while also offering events, venues and a high level of educational quality of life.

The City does not directly manage or implement Place Making or destination activities but supports through partnerships with various organizations for visitor services and events that attract visitor spending in Chico.

<b>Action Plan:</b>	
<b>Destination Management</b>	<ul style="list-style-type: none"> <li>• Local organizational partnerships, including DCBA and Chamber of Commerce.</li> <li>• Community branding and destination marketing.</li> <li>• Community calendar.</li> <li>• Planning kits and itineraries.</li> <li>• Visitor resources: web and mobile sites, maps, facility guide, printed and e-brochures, apps, social media, etc.</li> <li>• Exchange agreements with other regional, state, and out-of-state cross-promotion partners.</li> <li>• Links and landing pages on travel sites.</li> <li>• Recurring events to create/affirm local culture (legacy, traditional, cultural, geographic, etc.).</li> <li>• Collaboration with County’s new Tourism Strategy.</li> </ul>
<b>Events</b>	<ul style="list-style-type: none"> <li>• Citywide Events</li> <li>• Community Enrichment Events</li> </ul>
<b>Higher Education</b>	<ul style="list-style-type: none"> <li>• Collaborate and support CSU, Chico and Butte College on their initiatives which continue to make Chico a unique and quality community.</li> </ul>

**Key Outcomes:** Organizational collaboration to better understand and maximize the impact of events and prepare businesses and the community for generating and supporting a visitor-centric culture.

**Key Initiative 4:** Aligns with Economic Development Element ED-2.2 Promote Tourism.

**Lead Responsibility:** Chico Chamber of Commerce & Downtown Chico Business Association (DCBA)

**Partners:** County of Butte Tourism, CSUC, Butte College, Arts Community and all organizations involved in hospitality/visitor industry.

**Measurements:** TOT and Sales Tax Revenue, Chamber & DCBA are investigating model to measure economic impact.

## Reference: Economic Development Element

The Action Plan outlines four key initiatives with action strategies for the City and its partners to address over the next year that relates to key business needs/issues, business climate and opportunities for economic recovery, revenue generation and jobs. The Action Plan is aligned with the City’s 2030 General Plan Economic Development Element, the City’s guiding principles for economic development.

The intent of the City’s Economic Development Element is to guide the City’s use of resources to protect and improve Chico’s economic vitality. The Economic Development Element has 12 policy guidelines and 30 actions ranging from Economic Development Strategy to Agricultural Businesses.

The 2012-13 Action Plan addresses 11 policies and actions of the Economic Development Element, specifically:

Key Initiative:	2030 General Plan, Economic Development Actions
<b>Business Climate</b>	<p><b>ED 1.3 (Regulatory Environment)</b> – Ensure that regulations and permitting processes for the conduct of commerce and land development do not unreasonably inhibit local business activity.</p> <p><b>ED 1.9 (Chico-Based Businesses)</b> – Encourage Chico residents and visitors to support businesses that are located in the City of Chico.</p> <p><b>ED 1.3.4 (Local Outreach)</b> – Conduct regular outreach to the local business and development community to identify opportunities for greater regulatory efficiency. Share the outreach findings and recommendations with the City Council for consideration.</p> <p><b>ED 1.4.5 (Base Level Employers)</b> – Invest local resources and pursue outside investment and partnerships to retain, expand and add new base level employers in Chico.</p>
<b>Infrastructure Needs</b>	<p><b>ED 1.2.7 (Rail, Aviation and Highway Access)</b> – Explore opportunities to improve access to Chico from other markets via enhancements to the local rail and aviation facilities and services, as well as through improved connections from Chico’s business districts to State Route 99 and Interstate 5.</p> <p><b>ED 1.2.2 (Infrastructure Availability)</b> – Monitor the availability of infrastructure and identify infrastructure needs that hinder the City’s ability to successfully attract, expand and retain businesses. Where a lack of infrastructure is found to be a barrier, investigate strategies and develop plans for the provision of needed infrastructure.</p> <p><b>ED 1.7 (Airport Viability)</b> – Support the continued operation and expansion of Chico Municipal Airport as critical to the City’s economic vitality.</p> <p><b>ED 1.6 (Enhanced Wireless Telecommunications)</b> – Encourage the provision of wireless telecommunications services throughout the urban area at a level greater than the minimum required by the Telecommunications Act for improved business development, access to information, and public safety.</p>
<b>Workforce Challenges</b>	<p><b>ED 1.4.5 (Base Level Employers)</b> – Invest local resources and pursue outside investment and partnerships to retain, expand and add new base level employers in Chico.</p> <p><b>ED 1.2.5 (Strategic Partnerships)</b> – Work with CSU Chico, Butte College, non-profit organizations, CARD, businesses and private developers to pursue public/private partnership opportunities that capitalize on Chico’s skilled workforce and local educational institutions.</p>
<b>Tourism</b>	<p><b>ED 2.2 (Promote Tourism)</b> – Promote Chico’s attractions and special events.</p>