CHICO ECONOMIC VITALITY STRATEGY

A Sector-Led, Place-Enabled Approach.

Strategy Purpose

Strategy Process

1. Where are we now?
2. Where do we want to be?
3. How will we get there?

CHICO ECONOMIC
VITALITY STRATEGY
A Sector-Led, Place-Enabled Approach.

Understanding the Economy - Data

CHICO ECONOMIC VITALITY STRATEGY

A Sector-Led, Place-Enabled Approach.

To evaluate Chico's economic health, we compared current and projected performance against common **healthy economic growth benchmarks:**

1. **GRP Growth:** ~3–4% annually
2. **Job Growth:** ~1–2% annually
3. **Wage Growth:** Outpacing inflation
4. **Median Income:** Rising and becoming more competitive
5. **Local Revenue**: Growing sales and property tax supporting City services.
6. **Business Environment**: Competitive, predictable and responsive

This gives us a baseline for determining whether the economy is keeping pace with community needs and future demands.

Metric: Employment & GRP

CHICO ECONOMIC
VITALITY STRATEGY
A Sector-Led, Place-Enabled Approach.

Recovery –

- Economy has largely recovered from: Camp Fire & COVID Disruption
- Employment, GRP, Taxable sales recovered.

but Recovery is Not Growth – Projected Slow Growth

Metric	Healthy Economy	Chico Forecast	Gap
Employment Growth	1-2%	~0.6%	**1-1.4%**
Real GRP Growth	3-4%	~2.0%	**1-2%**

While employment and economic output are projected to increase, both fall below the levels associated with a healthy and expanding economy.

Q - If growth remains below healthy levels, what are the impacts to supporting existing business, maintaining the services and investments residents expect?

Q – Can we maintain the GRP Per Worker at this higher level with slower growth?

Metric : Taxable Sales

CHICO ECONOMIC VITALITY STRATEGY
A Sector-Led, Place-Enabled Approach.

Major Industry Group	2019	2022	2025	2019-2025 % Change	2022-2025 % Change
Autos & Transportation	$3,228,399	$3,898,226	$3,625,418	11.5%	-7.5%
Building & Construction	$3,970,816	$6,340,094	$4,983,373	25.5%	-27.2%
Business & Industry	$2,381,168	$2,244,526	$1,938,623	-18.6%	-15.8%
Food & Drugs	$1,468,078	$1,504,819	$1,664,474	13.4%	9.6%
Fuel & Service Stations	$2,040,532	$2,904,413	$2,243,320	9.9%	-29.5%
General Consumer Goods	$7,129,495	$7,279,377	$6,201,194	-13.0%	-17.4%
Restaurants & Hotels	$2,862,005	$3,109,099	$3,274,078	14.4%	5.0%
Transfers/Unidentified	$15,336	$10,376	$83,360	443.6%	87.6%
TOTALS	**$23,095,829**	**$27,290,930**	**$24,013,840**	**4.0%**	**-13.6%**
State & County Pools TOTALS	$4,230,549	$5,482,758	$5,455,463	29.0%	-0.5%
GRAND TOTALS	**$27,326,378**	**$32,773,688**	**$29,469,303**	**7.8%**	**-11.2%**

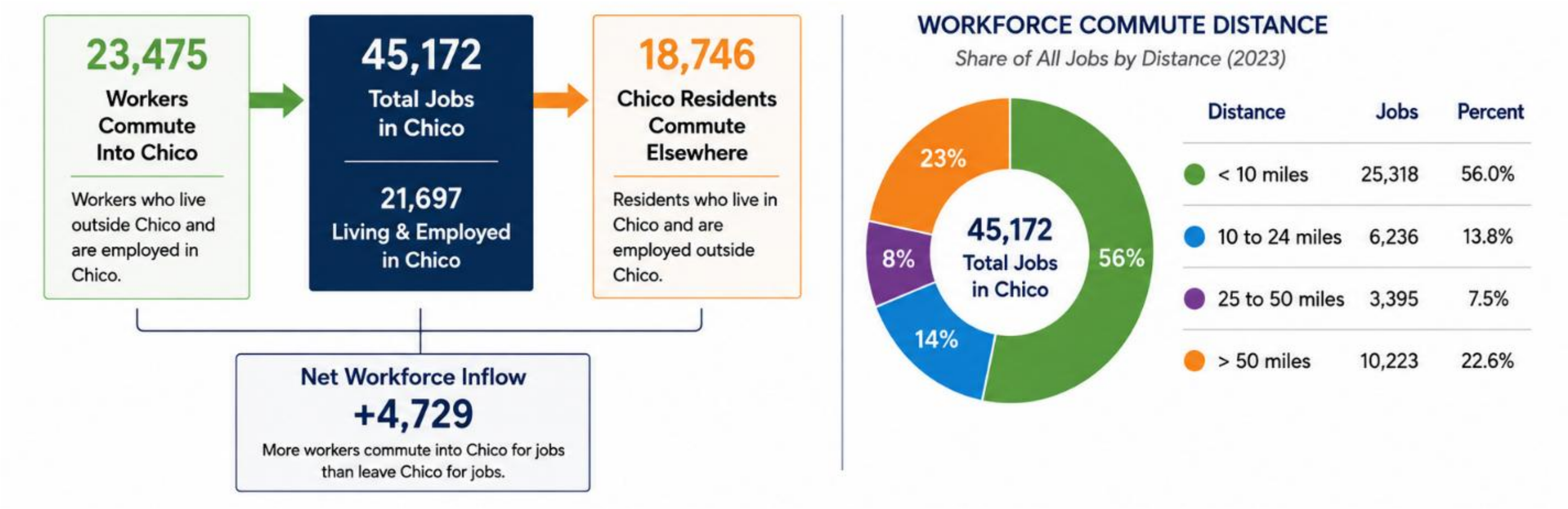
Table 6: Taxable Sales Per Capita

Year	Population	Taxable Sales Per Capita
2019	100,850	$22,871
2022	104,267	$26,077
2025	108,026	$20,854

Regional Importance is Increasing

CHICO ECONOMIC VITALITY STRATEGY
A Sector-Led, Place-Enabled Approach.

- Benefit from the healthcare demand, consumer spending, educational activity.
- Only half the people working Chico both live and work in Chico.
- Chico's economic future is increasingly tied to the strength of the broader region's workforce.



Future Growth Depends on People

CHICO ECONOMIC VITALITY STRATEGY
A Sector-Led, Place-Enabled Approach.

CURRENT DEMAND – CAN WE SUPPLY THE WORKFORCE NEEDED NOW AND IN THE FUTURE	Unique Postings (Sep 2025 - Feb 2026)	Median Posting Duration
	8,689	14-30 Days

As population ages, growth slows, talent not replenished - labor force expansion becomes more limited in the region.

Availability of workers may increasingly influence Chico's ability to support business expansion, fill critical occupations, and sustain long-term economic growth.

Paradise Matters

CHICO ECONOMIC
VITALITY STRATEGY
A Sector-Led, Place-Enabled Approach.

If Paradise recovers ***slower than projected***,

Chico may continue absorbing a larger share of the region's workforce, housing, healthcare, and consumer demand.

Chico's Economic Foundation

CHICO ECONOMIC
VITALITY STRATEGY

Anchor	Healthcare, Education, Ag & Food Systems
Core - Growth & Emerging	Manufacturing, Technology, Information,
Foundational	Financial, Professional Services, Government, Local Services, Retail, Hospitality, Arts, Cultural, Recreation
Foundational –Enabling Industries	Construction, Utilities, Transportation & Logistics

Category	Businesses	% Businesses	Jobs	% Jobs	Payroll ($000)	% Payroll
Small (0-19)	7,985	92.7%	23,348	36.4%	$262,526	29.5%
Mid-Market (20-99)	565	6.6%	21,777	34.0%	$307,193	34.6%
Large (100+)	64	0.7%	18,992	29.6%	$319,112	35.9%
Total	8,614	100.0%	64,117	100.0%	$888,831	100.0%

Chico's long-term economic vitality depends on both sides of its business structure: maintaining a healthy small-business ecosystem and supporting the mid-market and anchor employers that generate a disproportionate share of jobs, payroll, and economic activity

Importance of Anchors

CHICO ECONOMIC
VITALITY STRATEGY
A Sector-Led, Place-Enabled Approach.

Do Double Duty

They create jobs and GRP

BUT also:

- Attract workers
- Attract students
- Attract visitors
- Attract spending
- Create suppliers
- Support small business

Education simultaneously is:

1. Employer
2. Talent producer
3. Visitor generator
4. Consumer spending generator
5. Innovation asset

Agriculture is Bigger Than It Looks

CHICO ECONOMIC VITALITY STRATEGY

A Sector-Led, Place-Enabled Approach.

WHAT WE PRODUCE IN BUTTE COUNTY

- Almonds
- Walnuts
- Rice
- Dairy
- Livestock
- Prunes
- Olives & Olive Oil
- Hay & Forage
- Vegetables
- Orchard Crops (Peaches, Plums, etc.)
- Nursery & Floriculture
- Emerging Crops & Specialty Products

PRE-PRODUCTION (Inputs & Preparation)

- Seed & Plant Suppliers
- Fertilizer & Soil Amendments
- Irrigation Equipment & Water Systems
- Crop Protection Products
- Ag Equipment Dealers & Parts
- Fuel & Energy Suppliers
- Labor & Workforce Services
- Land, Water & Resource Management

PRODUCTION (On the Land)

- Almond Orchards
- Walnut Orchards
- Rice Farming
- Dairy Operations
- Livestock Ranching
- Prunes & Specialty Crops
- Olives & Olive Oil
- Hay & Forage
- Vegetables & Field Crops
- Nursery & Floriculture

PROCESSING & MANUFACTURING (Value Addition)

- Nut Hulling, Shelling & Processing
- Rice Mills
- Dairy Processing
- Meat & Protein Processing
- Fruit & Vegetable Processing
- Olive Oil Production
- Bakery & Food Manufacturing
- Packaging & Labeling
- Cold Storage & Refrigeration

DISTRIBUTION & LOGISTICS (Moving to Market)

- Wholesalers & Traders
- Distributors
- Transportation & Freight Services
- Cold Chain Logistics
- Warehousing & Storage
- Export & Global Logistics
- E-Commerce & Online Delivery

CONSUMER & MARKETS (End Use)

- Retailers & Grocery Stores
- Food Service & Restaurants
- Institutions (Schools, Hospitals, etc.)
- Direct-to-Consumer Sales (Farmers Markets, CSAs)
- Export Markets
- End Consumers

BUSINESS SUPPORT SERVICES – THE BACKBONE THAT KEEPS AGRICULTURE STRONG

Financial Services
Banks, Ag Lending, Credit Unions, Insurance

Professional Services
Legal, Accounting, Consulting, Agronomy, Engineering, Veterinary Services

Equipment & Technology Services
Equipment Repair, Precision Ag, Drones, Sensors, Data Solutions

Marketing & Sales
Branding, Market Research, Export Assistance, Broker Services

Regulatory & Compliance
Permitting, Food Safety, Environmental, Labor, Water Compliance, Food Quality

Human Resources
Recruitment, Training, Worker Housing, Payroll Services

Healthcare & Wellness
Occupational Health, Medical & Veterinary Services

EDUCATION & INNOVATION – BUILDING TODAY'S WORKFORCE AND TOMORROW'S SOLUTIONS

CHICO STATE
College of Agriculture

CALIFORNIA STATE UNIVERSITY, CHICO

- College of Agriculture
- Agricultural Education
- Research & Innovation
- Water & Environmental Studies
- Food Science & Nutrition
- Business & Ag Economics
- Student Internships & Industry Partnerships

BUTTE COLLEGE

- Agriculture & Natural Resources
- Equipment Operation & Mechanic Programs
- Welding & Industrial Technology
- Business & Logistics Training
- Workforce Development
- Customized Employer Training

Core, Foundational

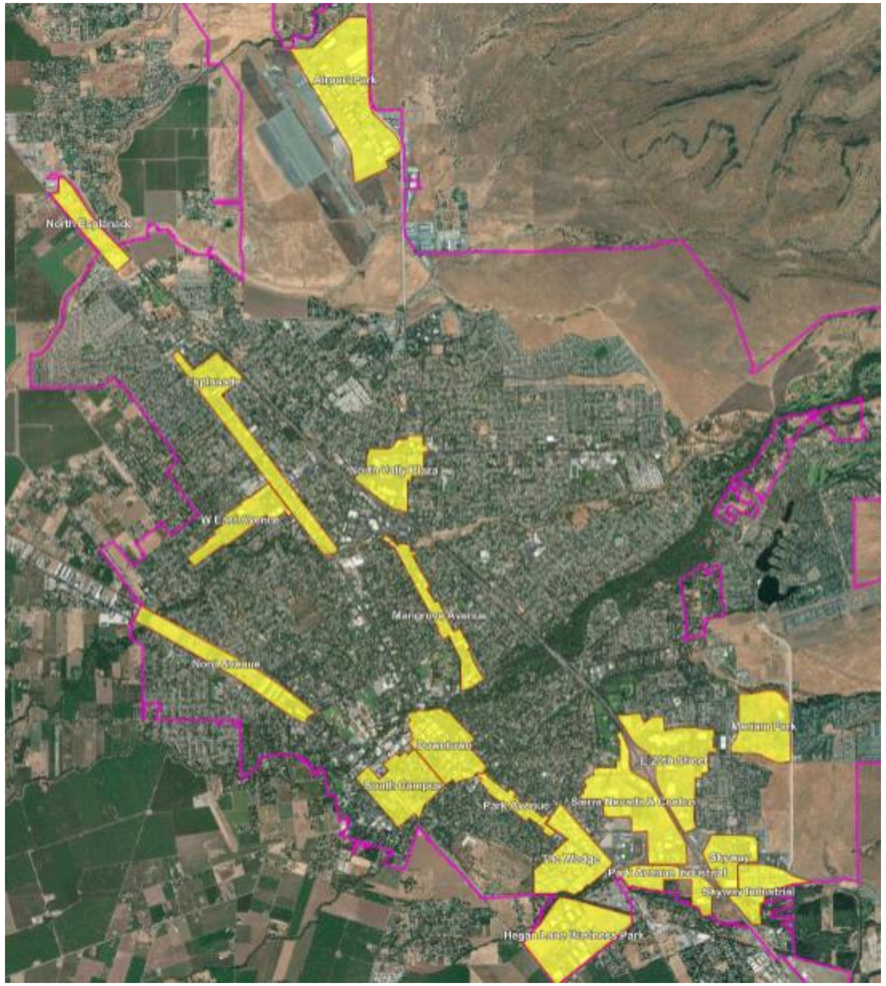
CHICO ECONOMIC
VITALITY STRATEGY
A Sector-Led, Place-Enabled Approach.

- **Mid-Market Firms May Be The Biggest Opportunity – these are mainly in the Core Industry Sectors**
  - Share has been lost
  - Only 6.6% of businesses. Yet: **34% of jobs, 35% of payroll**
- **Small Businesses Matter**
  - **93%** of all businesses.
  - Foundational - building community, personal and professional services, neighborhood services, entrepreneurship, visitors, community identity

If we grow business, do we have place?

CHICO ECONOMIC VITALITY STRATEGY

A Sector-Led, Place-Enabled Approach.



- [Chico Economic Centers StoryMap]

TOP 10 ECONOMIC CENTERS FOR SALES TAX GENERATION

When analyzing HdL sales tax data from the 2025 calendar year, retail sales are the largest sales tax generator, followed by light and heavy industrial uses. Most centers have experienced a small downturn in sales tax generation, with two centers/corridors experiencing a large spike in sales tax for 2025. Sales tax numbers are shown below, ranked in order from highest to lowest.

CENTER	2025 SALES TAX	% CHANGE (YoY)
E. 20th Street	$3,641,239	0.6%
Sierra Nevada/Costco	$2,378,016	0.1%
Esplanade	$2,010,988	**70%**
Skyway	$1,663,394	1.2%
Downtown	$1,392,762	-4.7%
The Wedge	$1,146,247	**54.8%**
Park Avenue Industrial	$1,010,325	-1.7%
North Esplanade	$958,673	1.3%

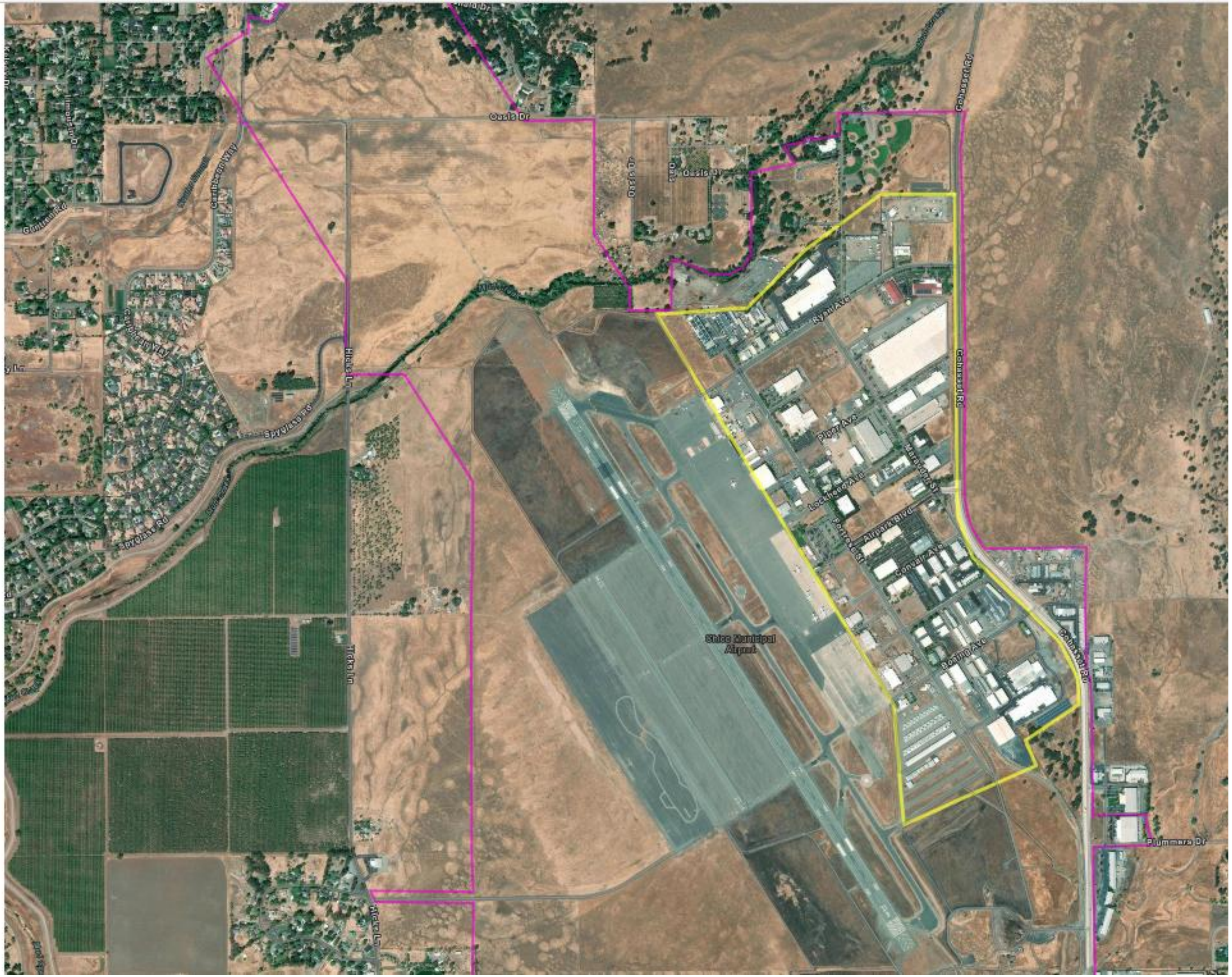
AVAILABLE PROPERTIESAVAIL

370 Ryan Avenue #156

8,873 SF warehouse with associated 1,220 SF office. A roll-up door with 28-foot ceilings and fire suppression sprinklers. Adjacent tenants include Digital Path, Firestorm & Chico Mavericks Baseball.

Broker Listing

Source: Commercial Brokers of California



What Does This Mean for Business?

CHICO ECONOMIC
VITALITY STRATEGY
A Sector-Led, Place-Enabled Approach.

1. Recovery has occurred
2. Growth is projected to be slower than healthy benchmarks
3. Workforce capacity may become a **greater constraint**
4. Chico's regional role is increasing – how this affects city revenue?
5. Demand remains strong in many sectors
6. Small businesses, mid-market firms, and anchor institutions all matter

Q - Do you see a role emerging for the Chamber?

Timeline

CHICO ECONOMIC
VITALITY STRATEGY

Phase 1: Launch & Alignment (March)	Phase 2: Understanding Pressures	Phase 3: Sector & Place Conversations	Phase 4: Synthesis & Review	Phase 5: Strategy Development
Form Leadership Council & engage Team Chico	Economic analysis & public report	Priority sector & place meetings	Leadership Council review & discustion	Draft & finalize Economic Vitality Strategy
March	April – May	May – July	July – August	August – October