



CHICO ECONOMIC VITALITY STRATEGY

A Sector-Led, Place-Enabled Approach.

Strategy Purpose

The goal is to create an actionable strategy that grows the economy, improves the quality of that growth and captures the value it creates.



GROW THE ECONOMY

Reach industry's growth potential for more GDP, investment, and transactions.



IMPROVE THE QUALITY OF GROWTH

Not just more activity—but better and more diverse activity



CAPTURE VALUE

Translate growth into greater financial strength for community and public sector.

Metric: Employment & GRP

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?

Regional Importance is Increasing

- 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.



Chico's Economic Foundation

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

Do Double Duty

They create jobs and GRP

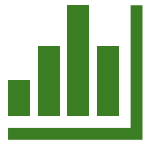


BUT also:

- 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



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

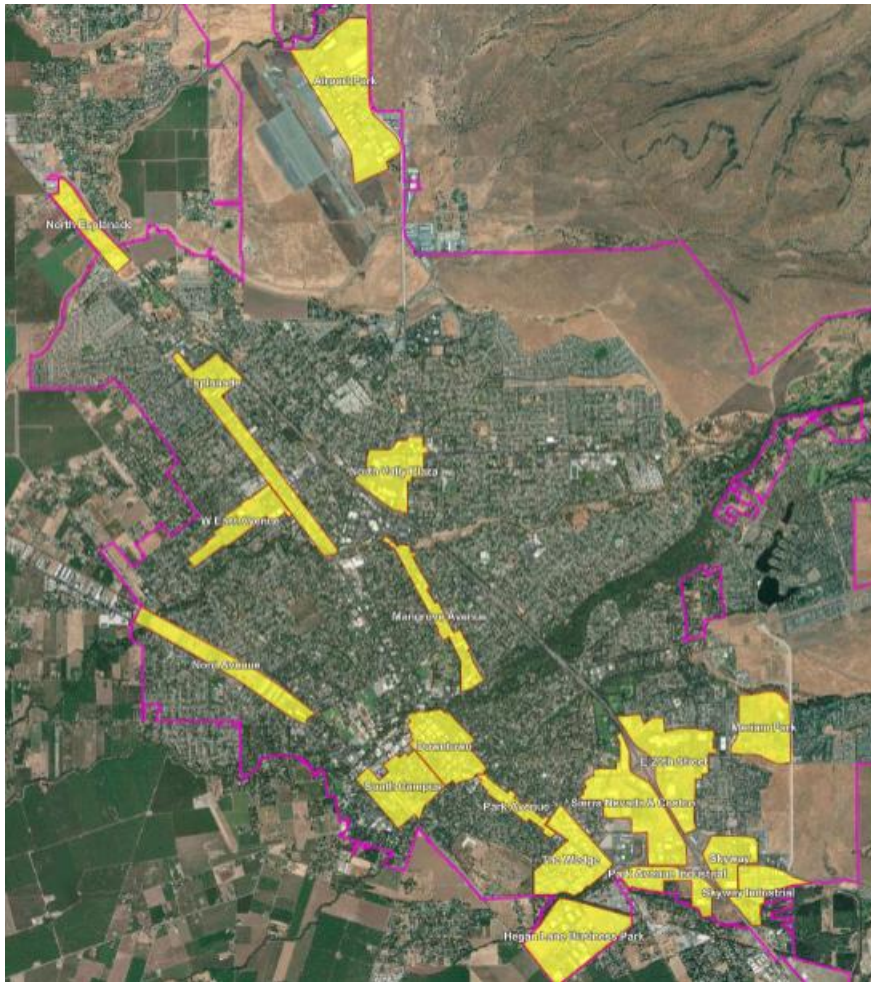


Healthcare & Wellness
Occupational Health,
Medical & Veterinary
Services

Core, Foundational

- **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?



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%

- [Chico Economic Centers StoryMap](#)

Future Growth Depends on People

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.

What Does This Mean for Business?

1. Recovery from pandemic has occurred
2. Growth is projected to be slower than healthy benchmarks
3. Workforce capacity may become a **greater constraint**
4. Demand remains strong in many sectors
5. Small businesses, mid-market firms, and anchor institutions all matter

Q – Where do you see demand, bottlenecks and constraints?



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