

CITY OF CHICO

Internal Affairs Committee Agenda

Regular Meeting

Monday, May 18, 2026

1:00 p.m. to 3:00 p.m.

Meeting Location: Council Chamber Building, Conference Room 1, 421 Main St. Chico, CA

A Committee of the Chico City Council: Councilmember Winslow, Vice Mayor Bennett, and Chair O'Brien

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REGULAR AGENDA

A. DOWNTOWN REVITALIZATION DISCUSSION

At its meeting of 5/4/26 the Internal Affairs Committee continued the discussion of what is going on in the downtown area to understand the concerns, gain feedback, and bring back suggestions for the Council to discuss. This matter was referred to the Committee at the 3/17/26 City Council meeting with a 6-0-1,(van Overbeek disqualified) vote. The continued discussion will focus on the proposal received by the Downtown Property-Based Improvement District (PBID). Staff will be on hand to discuss potential financial and other impacts of implementation.

RECOMMENDATION:

Review the proposal submitted by PBID, gather input from the public, discuss possible solutions, and provide recommendations to the Council.

B. ADJOURNMENT AND NEXT MEETING

The meeting will adjourn to the next regular Internal Affairs Committee meeting scheduled for Monday, June 1, 2026, at 1:00 p.m.

SPEAKER ANNOUNCEMENT

NOTE: Citizens and other interested parties are encouraged to participate in the public process and will be invited to address the Committee regarding each item on the agenda. In order to maintain an accurate and complete record, the following procedural guidelines are being implemented:

1. Speaker Cards – speakers will be asked to print his/her name on a speaker card to address the Committee and provide card to the Clerk prior to the completion of the Staff Report.
2. The Clerk will call on speakers in the order the cards are received.
3. Speakers may address the Committee one time per agenda item.
4. Speakers will have three minutes to address the Committee.



PBID 2026 Initiatives

The PBID 2026 Initiative Package organizes our work into a clear three-tier strategy as a coordinated framework designed to:

1. Stabilize the district
2. Improve day-to-day conditions
3. Restore business confidence
4. Position downtown for long-term reinvestment



PBID cannot solve every downtown challenge. But we can lead with deliberate, visible, and sustained actions built on our foundation of Clean & Safe.



PBID 2026 Initiative

PBID Tier: Activation
PBID Initiative: Block by Block
PBID Lead: Director Anika Rodriguez

Purpose

Maintain a consistently clean, safe, and welcoming downtown by proactively identifying and addressing small issues before they become larger problems.

Goal

Eyes on every block. No small issue goes unnoticed. Consistent attention to reinforce standards. Visible care to build public confidence.

Structure

Downtown footprint will be segmented into defined zones (4–6 total, Zone A-Core, Zone B, outer streets) and with priority attention to the Plaza and what is occurring.

Board Member Anika Rodriguez, leads this initiative and additional Directors or business owners would be invited to adopt remaining blocks to ensure full district coverage (sort of a neighborhood watch). Work would be in collaboration with the Ambassador team and city.

Approach

This is not a formal inspection program, but a consistent “eyes on the street” presence. Through routine daily activity and regular weekly coverage in block areas, purposefully:

- Identify litter and cleaning gaps
- Flag minor repairs and maintenance issues
- Note lighting concerns
- Document aesthetic improvement opportunities
- Observe recurring trouble spots
- Highlight small projects that could enhance appeal

Reporting & Action

Findings would be documented on a map of those blocks with back-up photos:

- Location reference (address or landmark)
- Description of issue
- Photo (when appropriate)
- Recommended action
- Responsible party (PBID, City, property owner, other)

A simple tracking log will allow PBID to:

- Coordinate directly with Ambassadors
- Communicate with the City
- Notify property owners when needed
- Integrate improvements into Fresh Coat or other programs
- Monitor recurring patterns

Caring for Downtown Every Day





PBID 2026 Initiative

PBID Tier: Activation
PBID Initiative: Safe Streets
Board Lead: Greg Scott, Vice President

Purpose:

To increase visible law enforcement presence downtown and create a coordinated enforcement and prevention strategy addressing:

- Indecent exposure / flashing
- Aggressive or threatening behavior
- Chronic camping in core commercial areas
- Repeat disorder in identified "hot zones"
- Student safety perception
- Nighttime presence around bars, restaurants, and Laxson events

Strategic Objectives

1. Increase visible patrol presence (day and night).
2. Improve response to quality-of-life violations.
3. Strengthen coordination between:
 - Chico Police Department
 - CSU Chico Campus Police
 - PBID Ambassadors (Block by Block)
4. Support policy tools that improve downtown safety.
5. Improve perception of safety for property owners, businesses, students, and visitors.

Proposed Action Steps

Step 1 – Executive Meeting

Participants:

- Police Chief (and others)
- CSU Chico Police Chief or representative
- PBID Vice President, PBID City Liaison, PBID CSU Liaison
- Ambassador
- City Manager, Asst. City Manager
- PBID Attorney (if policy discussion expected)

Agenda Topics:

- Downtown "hot areas" assessment
- Illegal feeding unsheltered in the Plaza
- Data: calls for service vs patrol deployment
- Night presence strategy
- Coordination with Ambassadors
- Enforcement approach for flashing / lewd conduct
- Camping enforcement strategy in commercial core
- Post-warning enforcement



- Event coordination (Laxson, weekends)
- Communication channels between PBID and PD

Step 2 – Policy Discussion Track

Explore feasibility of:

- Re-establishing Sit & Lie ordinance
- Targeted no-camping enforcement in commercial core
- Time, place, and manner restrictions
- Phased enforcement model
- Environmental design (such as, removal of benches conducive to camping)

This may require:

- Legal review
- Council engagement
- Data documentation

Step 3 – Property Owner Engagement

- Educate owners and provide reporting cheat sheet on:
 - Not allowing sleeping in doorways
 - Reporting incidents
 - Lighting improvements

Measurable Outcomes for Reporting

- Increased visible patrols (if achievable)
- Reduction in documented indecent exposure incidents
- Reduction in daytime camping in core
- Improved student/business perception
- Established coordination structure with PD & Campus Police

Visible Presence. Clear Enforcement. Safer Downtown





PBID 2026 Initiative

PBID Tier: Activation

PBID Initiative: Park & Go

PBID Lead: David Halimi & Anika Rodriguez

The Park & Go Initiative is a PBID effort to support Downtown Chico businesses by making the parking experience simpler and more **customer focused**. Downtown Chico is navigating an important period of transition. Local businesses are facing increased competition, changing customer patterns, and growing public perceptions that can discourage visits to the downtown district. While parking is not the only factor affecting downtown activity, it is one of the most frequently mentioned barriers from customers and businesses.

Chico has substantial parking capacity, but the experience of payment kiosks, parking rules, and uncertainty about how the system works can create friction for customers, particularly those making short visits to shop, dine, or run errands.

The Park & Go Initiative is intended to help reduce that friction and support downtown economic vitality through two connected efforts:

1. A temporary parking pilot program designed to remove common barriers and make it easier for residents and visitors to park and enjoy Downtown Chico as a “shot in the arm” and test.
2. A broader conversation about what customer-focused parking in Downtown Chico could look like in the future, including potential improvements to parking management, signage, technology, and infrastructure.

Together, these efforts are intended to help ensure that downtown parking supports the success of local businesses and continues to serve Downtown Chico as the heart of our community.

1. Park & Go – Downtown Parking Pilot

Working with the City of Chico, the PBID Parking Committee has proposed a **short-term downtown parking pilot program** that removes common barriers to parking while maintaining responsible management of parking spaces. The goal is simple: **make it easy to park and enjoy Downtown Chico**.

Proposed Pilot Program

The PBID Parking Committee has recommended a **three-month parking pilot program** designed to improve customer access to downtown businesses.

Key Elements

- First two hours of parking free
- No kiosk interaction required
- No registration or mobile app required
- Time limits enforced to maintain turnover
- The pilot would focus on the **core downtown commercial district (Zone A)** including:

- 1st Street – 5th Street
- Salem Street – Wall Street
- First floor of the Downtown Parking Structure

If approved by the City Council, PBID will support the pilot through a “Be Our Guest” media campaign inviting residents, students, and visitors to rediscover Downtown Chico. The campaign highlights the beauty, character, and businesses of the district and encourages the community to “Park and Walk” downtown to explore shops, restaurants, and gathering places.

Through partnerships with local media, the campaign is expected to generate significant public awareness and encourage new visitation valued at over \$50,000.

Expected Outcomes

The Park & Go initiative is designed to:

- 1) Remove friction from the parking experience
- 2) Encourage short visits to downtown businesses
- 3) Protect retail turnover in core parking areas
- 4) Reinforce positive perceptions of downtown
- 5) Support business retention and economic vitality

2. Long-Term Conversations: A Customer-Focused Parking Strategy

The Park & Go pilot program is intended to be more than a short-term parking adjustment. It provides an opportunity for the City, PBID, and downtown stakeholders to begin a deeper conversation about how parking can better support downtown economic vitality.

The goal is to move from “pay-to-park” to “managed access” focused on the customer, removing friction and perception for many of the customers parking downtown. There will be concern about “student” parking in places intended for customers however with possibly a revised management model with the customer in mind and testing in the summer this could minimize that concern. Parking needs to become an economic vitality tool. Other cities such as Redwood City, Pasadena, Ventura, Napa, Boise, Fayetteville (University Town) have remodeled their downtown parking to focus on customers most using a Ripple Model, such as the Case Study in Fort Collins, Co.

CASE STUDY: Fort Collins, CO - Layered Time Strategy

Why: University-adjacent downtown with student parking pressure.

What They Did:

- Core = short-term limits, stop and go-30 min, and first 2 hours no cost
- Outer zones = longer time
- Strict enforcement
- Garage incentives
- “Easy to Park. Easy to Explore.” campaign

Result:

- Reduced student “space storage”
- Increased retail turnover



Evaluating the pilot program will allow the City and community partners to evaluate parking usage, customer behavior, and operational impacts while considering longer-term improvements.

Potential areas for future discussion may include:

1. Customer-focused parking management that prioritizes short visits and retail access
2. Improved signage and wayfinding to better guide visitors to available parking
3. Technology upgrades that simplify parking and reduce confusion
4. Modernization of parking infrastructure, including evaluating upgrades to electric vehicle charging from Level 2 to faster Level 3 charging where appropriate
5. Better utilization of existing parking supply, including underused locations
6. Aligning parking policies with downtown economic vitality goals

Communities across the country are increasingly viewing parking not just as a regulatory system, but as an economic development tool that supports business activity and visitor experience.

The Park & Go pilot provides an opportunity to begin evaluating how downtown parking can evolve to better serve businesses, residents, and visitors in the years ahead and when managed with that thought in mind can positively generate the revenue to support operations and maintenance.

A Customer-Focused Approach to Downtown Parking





PBID 2026 Initiative

PBID Teir: Activation

PBID Initiative: Open Doors

PBID Lead: Carrie Welch, Jason Colabove

Purpose

The Downtown Economic Vitality & Business Recruitment Program is designed to reduce commercial vacancy, strengthen downtown's business mix, and build on downtown restaurants as economic anchors by actively recruiting, matching, and supporting businesses that are a strong fit for Downtown Chico.

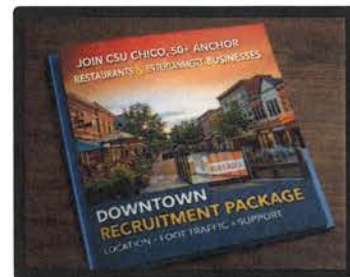
Why This Program

vacant storefronts weaken downtown's image and limit its economic potential. This program connects demand, space, and support to convert foot traffic into new business activity.

Program Approach

PBID will lead a coordinated recruitment effort focused on fit, readiness, and ease:

- 1) **Downtown Space Inventory**
Maintain an active inventory of vacant downtown spaces using the Downtown Story Map, including size, location, visibility, and likely use types.
- 2) **Target Business Recruitment**
Identify and recruit retail, service, experience-based, and creative businesses that complement downtown restaurants and activate daytime, evening, and weekend activity.
- 3) **Student & Community Input**
Engage Chico State students and the community to identify desired business types and regional brands that would strengthen downtown.
- 4) **Business-Space Matchmaking**
Actively match recruited businesses with appropriate spaces and facilitate introductions with property owners.
- 5) **Startup & Permitting Navigation**
Help recruited businesses understand tenant improvement needs, permitting steps, and timelines, reducing uncertainty and startup friction.
- 6) **Active Outreach & Marketing**
Package priority spaces and conduct direct outreach to local and regional businesses, promoting downtown as a ready-made ecosystem anchored by food, events, and activity.



City Partnership

We will ask the City of Chico to partner with PBID by coordinating early guidance on use and permitting, supporting clarity and efficiency for recruited businesses, and aligning the program with broader economic vitality goals. If possible, create a “per-approved path” for certain type of businesses? Or a unique program that facilitates fast tracking and positive experience.

Program Outcomes

- Reduced downtown vacancy
- Stronger, more intentional business mix
- Increased utilization of downtown foot traffic
- Improved perception of downtown activity and momentum

Reduce Commercial Vacancy . Strengthen Business Mix





PBID 2026 Initiative

PBID Tier: **Activation**
PBID Initiative: **Fresh Coat**
PBID Lead: **Building Enhancement Committee**

1. Program Purpose

The Downtown Chico Building Enhancement Initiative is designed to:

- Rapidly improve the appearance of key downtown buildings
- Easy to participate for property owners – blanket permitting, color selection, pre-screened vendors, no cost allows *small but high-impact improvements*
- Change public perception from decline → care → reinvestment
- Leverage limited funds to unlock private investment and future grants

This is not a cash grant. It is a PBID-led/City-approved improvement partnership that delivers visible results. The initial funding is intended as a **demonstration phase** to:

- Create visible improvements in key downtown locations
- Test streamlined permitting and delivery
- Position the program for future City, grant, and private funding

2. Target Area & Strategy

Geography	Building Focus	Strategy
<ul style="list-style-type: none"> • Downtown Chico only • Block by Block – starting with most visible block Broadway between 1st & 2nd. 	Highly visible buildings that: <ul style="list-style-type: none"> • Anchor key corridors • Frame gateways or intersections • Currently project has <i>disinvestment, neglect, or visual fatigue</i> • Both occupied and vacant buildings eligible 	<ol style="list-style-type: none"> 1. Start with Block by Block, 3–5 highly visible buildings, selection process 2. Create a before/after visual impact 3. Use those projects to: <ul style="list-style-type: none"> ▪ Build owner trust ▪ Attract new funding ▪ Expand the program citywide downtown

3. Eligible Improvements (high-impact, fast, visible)

Focus on **what people see from the sidewalk.**

Core Improvements	Optional / Phase 2	Not Eligible
<ul style="list-style-type: none"> ▪ Power washing (brick, stucco, concrete) ▪ Exterior painting (storefronts, trim, upper façade) ▪ Historic cornice enhancement (paint, minor repair) ▪ Removal of visual clutter (old signage remnants, peeling paint) ▪ Exterior lighting upgrades (simple, warm, code-compliant) ▪ Signage 	<ul style="list-style-type: none"> ▪ Planters or landscaping at storefront edge ▪ Window film or temporary activation graphics ▪ Awnings (if cost allows) 	<ul style="list-style-type: none"> ▪ Interior work ▪ Structural repair ▪ Code upgrades unrelated to appearance ▪ New signage programs (unless tied to façade refresh)

4. City Program Agreement & Approvals

Minimize administrative burden for both staff and property owners request the City to participate to create an easy to implement program:

- Confirm eligible improvements consistent with adopted design standards
- Create a streamlined or blanket permit approach for initiative projects
- Identify any constraints that might be faced for any of the projects-type in the program.
- Allow PBID to be applicant for work with property owner approval.
- Consider discount or waiver of permit fees (if required)

5. How Property Owners Participate (the “yes” framework)

Selection

- A PBID Committee team will identify 3-5 building on a block that need refresh, those will be documented why a Fresh Coat is needed.¹
- Committee will outreach to property owners to engage them in 1) building enhancement on their own to freshen the block or 2) participate in the program.
- Sign agreements and approvals for work to be done.

Design Control - all work must follow:

- City of Chico Downtown Design Guidelines
- Provide a color palette selection - *PBID working to partner with a paint manufacturer to donate paint*
- Simple storefront standards (trim, cornice emphasis, base colors)

How this works in practice:

- City Planning review to ensure any of the color options being offered fit all design guidelines
- Owners can simply choose from selection
- Any custom colors/design may require review and cost sharing

Making It Easy: Pre-Approved Contractors

- PBID will maintain a small bench of pre-approved vendors, such as:
 - 1–2 power washing companies
 - 2 painting contractors
 - 1 lighting contractor (if used)
- PBID issues work orders
- PBID proposes to partner with 3CORE as fiscal administrator to pay vendors directly

Owners must agree to:

- Sign agreement for work with Hold Harmless clauses.
- Have no outstanding code or enforcement citations.
- Maintenance commitment: Maintain improvements for 3–5 years
- Access & approvals: Allow PBID/City/contractors access for agreed scope
- Visibility: Allow temporary project signage and before/after photos
- No cash goes to the owner. PBID pays vendors directly.



6. Budget Reality

- \$25,000 PBID funds-Initial Pilot Phase
- PBID will be working to identify partners to sponsor or in-kind donations of supplies.
 - Paint Manufacturers
 - Revitalization Grants
 - Private sponsors (banks, utilities, foundations)

¹ Note: PBID Board Members are not eligible for program.

- Corporate or institutional partners
- Foundations

7. Program Administration

PBID Role

PBID will administer/coordinate the program and 3CORE is fiscal agent for funding and payments:

- Property owner outreach and agreements
- Contractor coordination
- Permit coordination with City staff
- Payment of contractors' documentation

PBID will utilize pre-approved contractors familiar with downtown standards to ensure quality, consistency, and efficient delivery.

City Role

- Formal City acknowledgement:
 - Program aligns with City design standards
 - Staff liaison for initiative
 - No zoning or entitlement changes required

8. 3CORE Program Enhancement

3CORE, the regional economic development district, is offering to building owners an additional program for improving their spaces in Downtown. Building owners are eligible to apply for low interest loans, up to \$100,000 at rates lower than prime (as much 2% lower than prime) with a low process fee for building improvements.



3CORE loan proceeds may be used for any of the following:

- Purchasing land, buildings or existing businesses
- Purchasing furniture, fixtures, machinery and equipment
- Business expansions or start-ups
- Leasehold improvements

Terms - Loan terms are generally between three and seven years. Loan terms for purchasing land, buildings or businesses may be up to 15 years.

Refreshing Downtown, One Building at a Time



PBID 2026 Initiative

PBID Tier: Positioning
PBID Initiative: Investment Ready
PBID Lead: Eric Hart, President

Purpose:

Downtown Chico's long-term vitality depends on private reinvestment — in buildings, housing, office space, gathering places, and catalytic mixed-use projects.

To compete for capital in today's economic climate, downtown must be more than available — it must be prepared.

The Investment Ready initiative focuses on positioning downtown as a predictable, streamlined, and strategically aligned environment for responsible private investment.

Goal

To ensure Downtown Chico is not waiting for investment — but actively prepared for it. Investment Ready means:

- Clear standards
- Predictable processes
- Documented opportunity
- Incentives and capital opportunities
- Coordinated leadership

1. Opportunity Zone 2.0 Designation

PBID will request the City of Chico to submit an application to the Governor for Census Tract 06007001000 which includes downtown to be one of 600 Census Tracts submitted by the Governor to the Federal for final designation as an Opportunity Zone 2.0 effective January 1, 2027.

Why? Downtown Chico cannot rely on organic reinvestment alone in today's economic climate. An Opportunity Zone 2.0 designation would allow the community to leverage federal tax incentives to attract new equity capital into strategic downtown projects. This tool can help bridge financing gaps, stimulate redevelopment, and encourage investment in housing, commercial spaces, and catalytic mixed-use developments. OZ 2.0 is not a guarantee of capital — it is a competitive advantage. Securing designation would position downtown to compete nationally for investment dollars that are already seeking qualified locations.

How? PBID would collaborate with the City (and others) in preparing the application which requires:

- Demonstrating economic need and eligibility
- Identifying a credible 7–10 year investment pipeline
- Documenting potential capital investment and job creation
- Confirming infrastructure capacity
- Preparing a structured “deal shelf” of real projects
- Securing local and regional support

2. Streamlined & Predictable Development Pathways

Investment follows clarity and predictability. PBID would initiate discussions with the City to explore obstacles and barriers that caused delays in permitting and perceptions of difficulty in the



permitting process. Items could include clear permitting timelines, pre-application coordination pathways, development scenario checklists, early identification of design and zoning expectations. The focus is not deregulation, but predictability and preparedness.

3. Strategic Investment Focus Areas

Investment Ready participants will also examine how downtown can better support:

- Upper-story housing and mixed-use redevelopment
- Office and flexible workspace conversions
- Hospitality and gathering spaces
- Catalytic projects that increase foot traffic and daytime activity
- Adaptive reuse of underutilized buildings

This includes identifying infrastructure capacity, zoning alignment, and potential incentive layering where appropriate.

Positioning Downtown Chico for Its Next Wave of Private Investment





PBID 2026 Initiative

PBID Tier: Positioning
PBID Initiative: Downtown Living
PBID Lead: Eric Hart, President

Activate Upper-Story Housing in Alignment with the City's Adopted Vision

The City of Chico's adopted Downtown Element envisions a **multi-story, mixed-use hub with residential units above active ground-floor uses**. Policy DT-2.1 prioritizes residential projects that create activity throughout the day and evening. Action DT-2.4.1 specifically calls for the reuse of existing upper-floor suites ("Reuse Upstairs")¹. The Downtown Opportunity Sites inventory, included in city documents, further identifies underutilized parcels and redevelopment potential suitable for urban multi-family housing.

The vision is clear. Implementation has been limited. While there is demand for downtown living, activating second stories has historically been difficult. Rehabilitation costs, life-safety upgrades, egress requirements, building code compliance, parking considerations, and financing constraints often prevent projects from financially penciling — even when property owners are willing.

PBID would like to request that together City-PBID and others focus on moving from adopted vision to practical activation to reposition downtown as the vibrant district we all once new and cherished.

Purpose

Work in partnership with the City to identify and reduce barriers to upper-story residential and mixed-use activation downtown — in alignment with existing adopted policy. The goal is not to create new policy — but to activate the policy already adopted by the City.

Why This Matters

Downtown vitality depends not only on storefront activation, but also on the floors above them. Increasing downtown living supports:

- 24-hour activity and "eyes on the street"
- Greater demand for local businesses
- Improved perception of safety
- Stronger long-term economic stability

Working on this as an initiative ensures the City's adopted vision for downtown living becomes actionable, measurable, and implementable.

¹ Chapter 6, Downtown Element, General Plan; Appendix B Opportunity Sites

Request for City Partnership

PBID would like to propose a focused working session 3rd or 4th quarter 2026 with City staff and Council representatives to:

- 1) Identify the primary regulatory, financial, and structural barriers to upper-story residential activation.
- 2) Review existing code flexibility under adaptive reuse provisions.
- 3) Explore potential permitting streamlining or clarity tools.
- 4) Assess parking, egress, and life-safety constraints specific to older downtown buildings.
- 5) Discuss possible financing, incentives, fee adjustments, or pilot tools that could support projects.
- 6) Determine whether a targeted “Downtown Adaptive Reuse Guide” would be helpful for property owners.

More Neighbors. More Energy



PBID Park & Go Initiative Proposal Executive Summary



Downtown Chico is a vital economic and community asset, but it is currently operating in a fragile and recovering environment. Over the past several years, local businesses have faced significant challenges including ongoing perception concerns related to safety and accessibility. While some recovery has occurred, many businesses remain vulnerable, and recent closures highlight the need for targeted, near-term action.

Current conditions differ from those assumed in long-term planning efforts. The City's Downtown Access Plan is designed to manage parking demand in a healthy, active downtown. Today, the issue is not over-demand, but underutilization—driven by reduced visitation and hesitation among residents and visitors. Available parking capacity exists within the downtown core, including in premium areas, indicating that improving access and reducing friction is the appropriate short-term strategy.

The PBID Parking Committee, in collaboration with downtown stakeholders, is proposing a **temporary "Be Our Guest" Park & Go pilot program** as a targeted response to these conditions. The pilot would provide two hours of free parking in the downtown Zone A core for a limited summer period (June through mid-August), while maintaining time limits and enforcement to ensure turnover.

This pilot is not a permanent change in parking policy. Rather, it is a **short-term access and activation strategy** designed to:

- Encourage visitation and customer activity
- Support small business retention during a challenging period
- Activate underutilized parking capacity
- Improve public perception of downtown as accessible and welcoming
- Collect data to inform future parking and access strategies

The Committee recognizes that the program may result in a short-term reduction in parking revenue, estimated at up to \$100,000. However, this must be considered within a broader economic context and realization of parking today. Continued declines in visitations pose a greater risk, potentially resulting in reduced taxable sales, further business closures, and long-term impacts to the City's economic base.

In this context, the proposed pilot represents a **modest, time-limited investment** in downtown economic stability and recovery.

The Committee respectfully requests that the City Council authorize the implementation of the Park & Go pilot program and direct staff to work collaboratively with PBID and downtown stakeholders to implement, monitor, and evaluate the program.



PBID Park & Go Initiative

Proposal to Chico City Council



The PBID Parking Committee brings this recommendation forward in alignment with the City of Chico's Access Plan and ongoing efforts to strengthen downtown economic vitality. This proposal reflects a targeted, short-term strategy to improve access, encourage visitation, and support the stability and success of local businesses during a period of reduced demand and changing public perception.

1.0 Background

Downtown Chico is experiencing increasing pressure on its small business community. Several recent business closures and growing public perception challenges have raised concerns among downtown stakeholders about maintaining economic vitality in the city's core.

Observations and recent discussions related to the Downtown Revitalization process indicate that parking capacity exists within the core, including underutilized spaces in premium areas. This suggests that improving access and reducing friction—rather than increasing supply—is the appropriate short-term strategy.

Perception plays a significant role in customer behavior. Concerns related to safety, cleanliness, and overall downtown conditions have contributed to hesitation among residents and visitors. When these perceptions exist, even small barriers—such as uncertainty about parking payment systems or the inconvenience of kiosks—can reinforce the decision not to visit downtown.

The proposed pilot removes one of the barriers within the City's control and provides a clear, visible signal that downtown Chico is open, welcoming, and accessible.

This proposal is requesting two actions:

- 1) a short-term parking pilot program, Summer Holiday, 2 hr Free Parking in which PBID and DCBA will collaborate with media partners for a promotion campaign to "Be Our Guest" downtown, valued at \$50,0000 and**
- 2) continue longer-term discussions on customer-facing parking models.**

NOTE: *Before coming to the Council the PBID Parking Committee joined by DCBA, businesses and CSU Chico Parking Manager had two meetings with City staff to discuss the proposal, understand the current status of the Parking Enterprise Fund, the potential revenue loss, and enforcement/operations constraints and changes that would need to occur. The committee did not get the support of City staff for the proposal (due to fiscal responsibility of revenue lost) nor was an alternative program offered to compromise. All agreed there was a need for continued long-term discussions about parking management and better understanding of the Parking Fund, revenues and expenses.*

2.0 Why is a Pilot Program Needed Now

Downtown businesses are facing a difficult operating environment. Retail operators report that while sales may fluctuate, ***new customer visitation remains limited and declining***, and negative perceptions about downtown continue to circulate in the community. Small businesses depend heavily on convenient, short-term customer parking. When parking is perceived as difficult or confusing, customers often choose alternative locations.

The **City's Downtown Access Plan** is built on managing parking demand in a healthy and active downtown environment. Today, the challenge facing downtown Chico is different. The issue is not over-demand—***it is underutilization driven by reduced visitation and negative public perception***.

In this environment, reducing barriers to entry—particularly for short-term visits—is a practical and appropriate application of the City's access strategy to activate downtown shopping, dining and personal service visits.

3.0 Alignment with Chico Access Plan

The City of Chico's Access Plan provides the policy framework for managing downtown access, parking, and mobility. The Plan emphasizes improving access to downtown, supporting economic vitality, and managing parking to serve customers and encourage visitation.

A key principle of the Access Plan is managing parking demand to maintain availability and turnover. However, the Plan also recognizes that parking strategies must respond to actual conditions on the ground.

At this time, downtown Chico is not experiencing peak demand conditions. Instead, businesses report reduced visitation, and parking utilization data indicates that capacity exists within the downtown core, including underutilized spaces in premium areas.

In this context, the proposed Park & Go pilot is consistent with the intent of the Access Plan by:

- Improving access to downtown businesses
- Activating underutilized parking supply
- Encouraging short-term visits and customer turnover
- Supporting downtown economic vitality

This pilot does not represent a permanent change in parking policy. Rather, it is a targeted, short-term strategy to respond to current conditions, test customer behavior, and gather data to inform long-term parking management decisions.

4.0 Understanding Impacts on City & City Staff Resources

While the potential revenue impact to the parking enterprise fund is recognized, it is important to consider the broader economic context. Reduced visitation to downtown businesses has direct impacts on parking revenue, sales tax revenue, business sustainability, and overall economic activity within the City.

The pilot program represents a limited, short-term investment intended to support business retention and stimulate economic activity, which a reduction in parking revenue would be experienced:

- 1) There may be a parking revenue loss estimated at up to \$100,000 based on 2024's Jun-July-August revenue (however, those months in 2025 may naturally be lower because of the decline of customers in downtown, and the program would only be in Zone A (not all parking areas). The pilot program would start June, after CSU graduation and end mid-August pre-CSU enrollment.
- 2) Parking enforcement would still be required to maintain turnover and compliance, and may need to increase in the pilot area,
- 3) Some temporary signage adjustments may be necessary depending on implementation requirements.
- 4) Parking is an "Enterprise Fund" and the city (as good fiscal managers) is looking for this program to be self-supporting. Prior to 2020, the parking revenue covered all expenses. **Every year since 2021, revenues have increased returning to 99% of pre-pandemic levels increasing on average to FY23-24 at 37.% per year. Operating expenses increased for same period at over \$400,000 after pandemic and steadily increased to over \$1million, a 1000% increase.**

The committee has taken these factors into consideration in developing this proposal.



While these impacts are real, the committee believes that a short-term pilot program represents a **strategic investment in downtown economic activity and business retention** during a challenging period for many small businesses.

Long term how can we work together to review models that are customer-facing, and that at least address how to return to a balanced Enterprise Fund.

4.0 PBID Parking Committee Review & Discussions

The Committee views this pilot not as a change in parking policy, but as a **short-term access and activation strategy** designed to encourage visitation, support small businesses, and test how reducing friction impacts customer behavior in the downtown environment.

The Committee initially reviewed three potential short-term program options, including:

Option 1 – Total Free Parking Pilot Period (no payment or time limits)

Option 2 – Two Hours Free Parking with No Registration Required

Option 3 – Two Hours Free Parking with Registration through the existing system

After discussion and review of the operational and revenue considerations, **the Committee recommended a modified version of Option 2.** This approach is expected to have the least impact on parking revenues while providing the greatest opportunity to change public perceptions about downtown parking and support customer visits. It also provides an opportunity for the City and PBID to evaluate parking utilization and consider longer-term parking management strategies.

The PBID Parking Committee respectfully requests that the Chico City Council authorize a temporary Park & Go Initiative pilot program, **“Be Our Guest”** designed to improve customer access to downtown businesses.

4.1 Council Request: Two Hours Free – No Registration Required Pilot Parking Program & Long-Term Strategies

1) Key Elements of the “Be Our Guest” Pilot Program

The Committee recommends implementing a **two-hour free parking pilot with no registration requirement**, designed to remove friction for customers while maintaining responsible parking management. Key elements of the program include:

- 1) First two hours free parking
- 2) No kiosk interaction required
- 3) No registration or mobile app required
- 4) Time limits enforced to maintain turnover
- 5) Core downtown commercial area (Zone A – Premium), Parking Structure first floor
- 6) Three-month Campaign: Summer Parking Holiday June through August
- 7) PBID will launch a Be Our Guest media campaign

Pilot Area

The committee recommends the pilot only covers **core downtown commercial area (Zone A)** where customer turnover is most critical for retail businesses.

- 1st Street to 5th Street
- Salem Street to Wall Street

The pilot would also include the **Downtown Parking Structure**:

- First floor converted to **customer-priority parking**
- 2-Hour Free during the pilot period
- Upper floors remain available for longer-term parking

Aligning the structure’s first floor with retail customer parking would improve visibility and access for visitors.

Pilot Timeline

Summer Parking Holiday - June through mid-August



2) A Longer-Term Parking Strategy

The PBID Parking Committee views this pilot program as an **initial step**, not a permanent parking policy change. The committee would like to work collaboratively with City staff to explore longer-term parking improvements, including:

- Reviewing **downtown parking utilization data**
- Identifying **underutilized parking locations**
- Evaluating opportunities for **customer-focused curb management**
- Aligning parking supply with downtown business needs
- Better understanding **revenues and expenditures to achieve a balanced Enterprise Fund**

A more intentional and data-driven approach could help create a customer-friendly parking model that supports downtown businesses while maintaining effective system management and hopefully increasing city revenues.

The pilot program will provide an opportunity to collect data on parking utilization, customer behavior, and business activity during the pilot period. This information will be valuable in evaluating the effectiveness of the program and informing future parking and access strategies aligned with the Access Plan.

The committee welcomes the opportunity to participate in this discussion with City staff and Council. Included in this request are the Implementation/Operations Tasks which may need to be further flushed out after approval.

5.0 Implementation and Operations

Successful implementation of the **“Be Our Guest” Park & Go pilot program** will require coordinated actions by both the City, PBID and DCBA.

1) Anticipated City Implementation Actions

If authorized by City Council, City staff would implement the operational components of the pilot program, which may include:

- **Parking System Programming** – Adjust parking system settings to allow the first two hours of parking to be free within the pilot area while maintaining time-limit enforcement.
- **Signage and Public Notice** – Evaluate whether temporary signage or messaging adjustments are needed to clearly communicate the pilot program to visitors and ensure compliance with applicable parking regulations.
- **Parking Enforcement Operations** – Continue active enforcement of time limits to maintain turnover within the downtown core.

Based on operational input from staff, typical patrol coverage can be achieved in just over an one hour for the premium and economy downtown zones when two enforcement vehicles are operating. An approach to consider during the pilot would be to:

- Assign **one parking enforcement vehicle primarily to the premium and economy downtown zones** during the pilot program
- Utilize the **second vehicle to patrol other parking areas and assist downtown when needed**

This approach maintains visible enforcement to the 2-hour free parking while supporting customer turnover in the pilot area.

2) PBID Support Actions

The PBID would support the pilot program through **public communication efforts, working with DCBA through the social media platforms** - designed to encourage visitation to downtown businesses, including:

1. Launching the **“Be Our Guest”** campaign promoting the free parking program

The PBID **“Be Our Guest”** parking campaign is a welcoming and positive campaign designed to support Downtown Chico businesses. The campaign features the beauty and uniqueness of our

Downtown and invites the community to rediscover our Downtown without the barrier of registration, kiosk, or paid parking.

The campaign positions **free two-hour parking** as a gesture of hospitality—inviting and encouraging residents, students, and visitors to explore our beautiful Downtown and visit the local shops, dine, and spend time in the district.

PBID TV SPOT	
Be Our Guests Parking Campaign	
AUDIO	VIDEO
Downtown Chico, the heart, and soul of our City!	Scenery of Downtown
We invite you to come visit our beautiful Downtown,	City of Chico and PBID logos
..... with unique specialty stores,	Rotating store pictures
..... amazing restaurants,	Rotating restaurant pictures
..... and friendly people.	Smiling Ambassadors
Downtown Chico, clean and safe!	Cleaning sidewalks
“Be Our Guests, Shop Downtown With No Parking Fees!”	Tag by property owners or their designated tenants
Just park and walk our beautiful friendly Downtown.	Appearance by rotating property owners or their designated tenant(s) Logo: Downtown Chico Graphic: “Park and Walk” Graphic: “Enjoy Shopping and Dining”

2. Leveraging media partnerships, social media, and community outreach to highlight downtown businesses and encourage visits during the pilot period

The media is very much in support of this campaign and have pledged to partner with PBID to bring this message to the community as a public service announcement. With a \$5,000 contribution from PBID, to cover production costs, and contributions by our media partners, this campaign will be amplified and leverage an estimated **\$50,000 media value**.

The messaging will be shared through TV spots, social media, radio, print, and billboards. All messaging centers around the simple invitation: *Be Our Guest, Shop Downtown With No Parking Fees*.

3. Coordinating messaging with downtown businesses and stakeholders

The campaign provides an opportunity for downtown businesses, DCBA, Chamber of Commerce and other entities to personally invite the community via a tag in the spots.

PBID’s efforts are intended to ensure the public is aware of the pilot program and to maximize its potential impact on downtown visitation and economic activity.

Council Action Request Summary – Supporting Downtown Businesses

The PBID Parking Committee respectfully requests that the Chico City Council authorize a temporary **“Be Our Guest” Park & Go pilot program** starting in June to improve customer access to downtown businesses.

The proposed pilot would provide **two hours of free parking in the downtown Zone A Core** while maintaining time-limit enforcement to ensure parking turnover. The program is intended to remove friction associated with parking kiosks and payment systems and encourage residents and visitors to return downtown.

While the pilot may have a short-term revenue impact within the City’s parking enterprise fund, the Committee believes this limited program represents a **targeted investment in downtown business retention and economic activity**.

The PBID Parking Committee respectfully asks the City Council to:

1. *Authorize a June-mid-August Park & Go pilot program in the Zone A downtown core*
2. *Authorize staff to work with downtown stakeholders to implement the operational adjustments needed for the pilot*
3. *Work collaboratively with PBID, DCBA and business stakeholders to evaluate results and explore longer-term parking strategies*

Thank you for your continued support of downtown Chico and its local businesses.

On behalf of Downtown Chico PBID Board of Directors,



Eric Hart, President



TO: **City Council**

FROM: Erik Gustafson, Assistant City Manager

RE: Downtown Chico Property and Business Improvement District - Park & Go Initiative

REPORT IN BRIEF:

The Downtown Chico Property and Business Improvement District (PBID) has requested that the City of Chico participate in and support a three-month Park & Go Initiative pilot program providing free 2-hour parking in Downtown Chico with no kiosk registration required during the summer 2026. This report outlines the operational and financial implications to the City of the Park & Go Initiative pilot program.

RECOMMENDATION:

Staff recommends that City Council provide direction to staff regarding whether to proceed with development and implementation of the program.

FISCAL IMPACT: Budgeted: No Supplemental Required: No

The program is expected to reduce parking revenue by approximately \$100,000 over three months, impacting the City's dedicated Parking Revenue Fund (Fund 853) driving the fund further into deficit. If the fund cannot self-correct, then the deficits are expected to become an obligation of the General Fund (Fund 001).

DISCUSSION:

Background

PBID representatives and downtown business owners have expressed concerns that the current paid parking system creates friction for customers, contributes to negative perceptions of downtown accessibility, and harms sales. Reported issues include the perception of kiosk usability problems, customers reportedly abandoning trips due to long waits, and dissatisfaction with the Passport app.

A similar free-parking pilot program was conducted during the 2024 holiday season. Based on sales data, the pilot program did not generate measurable improvements in sales compared to other retail areas.

Benefits of a Park & Go Initiative Pilot Program

PBID believes the City and PBID taking a visible step to reduce parking friction and improve downtown access can help encourage residents to visit downtown, support retail and restaurant visitation, reinforce confidence in Downtown Chico and demonstrate the City's commitment to downtown businesses.

The Park & Go Initiative is part of PBID's "Be Our Guest" campaign, which invites the community to rediscover Downtown without the issue of parking registration, kiosk interaction, or paid parking. The campaign will leverage media partnerships, social media, and community outreach to highlight downtown businesses and encourage visits during the pilot period.

Challenges of a Park & Go Initiative Pilot Program

Challenges include reduced revenue towards Parking Revenue Fund (Fund 853), impacts on enforcement operations, potential expectation-setting with the public, and collecting measurable indicators for defining success. A planned CSU Chico parking garage closure during the same time may also impact the program.

With the implementation of a free parking pilot program, enforcement will shift to rely solely on time-limit compliance, which presents operational challenges under the City's current resources. At present, one parking enforcement vehicle equipped with license plate recognition (LPR) technology patrols the downtown area. To provide adequate enforcement coverage during the pilot, a second LPR-equipped vehicle will need to be reassigned to assist with downtown patrols.

While this will increase enforcement frequency for the pilot, it also creates trade-offs. The Mansion Park preferential parking district will not receive regular patrols, and enforcement of abandoned vehicles will be substantially reduced or temporarily deferred. It is estimated that up to 300 abandoned vehicle calls during the three-month pilot period may need to be deferred. Once this pilot program is done, operations will return to current processes, thereby limiting the ability moving forward to provide parking management enforcement consistently in the downtown area.

Implementation Process

A three-month pilot (June - August) would require reprogramming kiosks, adjusting enforcement procedures, updating signage, coordinating with PBID for public outreach, and collaborating with PBID on establishing metrics for defining success.

For their "Be Our Guest" parking campaign, PBID has committed a \$5,000 contribution to cover production costs, and contributions by media partners. The messaging will be shared through TV spots, social media, radio, print, and billboards.

Financial Considerations

Parking Revenue Fund 853, which finances parking operations, is experiencing structural deficits. The fund is projected to end the fiscal year with a deficit. The pilot program is estimated to cause an additional \$100,000 loss of revenue to Fund 853.

Transaction Fee

On June 6th, 2023, the City Council modified a City of Chico Budget Policy to allow the City Manager to adjust the transactional costs of credit card fees. The \$0.35 credit card transaction fee was considered a burden for some, and a possible deterrent to visiting Downtown Chico, and therefore the City has subsidized those costs for the past several years. As a result of that policy change, operational costs to Fund 853 increased by approximately \$140,000 per year.

Removal of Grace Period

With the rollout of the e-payment program (kiosks and parking app), a 30-minute grace period was initially implemented to allow users time to adapt, and then later reduced to 15 minutes. Recognizing the grace period as a factor in reduced citations and revenue due to route timing, Parking Enforcement Officers eliminated the grace period on March 28, 2026. As a result, citations have increased, which will lead to more consistent compliance by users. Any citation revenue received goes into the General Fund (Fund 001).

Next Steps

If Council directs staff to proceed, staff will work with the PBID board to implement the pilot program.

ATTACHMENTS:

Exhibit A – PBID Parking Proposal Executive Summary



PBID Park & Go Initiative Proposal Executive Summary



Downtown Chico is a vital economic and community asset, but it is currently operating in a fragile and recovering environment. Over the past several years, local businesses have faced significant challenges including ongoing perception concerns related to safety and accessibility. While some recovery has occurred, many businesses remain vulnerable, and recent closures highlight the need for targeted, near-term action.

Current conditions differ from those assumed in long-term planning efforts. The City's Downtown Access Plan is designed to manage parking demand in a healthy, active downtown. Today, the issue is not over-demand, but underutilization—driven by reduced visitation and hesitation among residents and visitors. Available parking capacity exists within the downtown core, including in premium areas, indicating that improving access and reducing friction is the appropriate short-term strategy.

The PBID Parking Committee, in collaboration with downtown stakeholders, is proposing a **temporary “Be Our Guest” Park & Go pilot program** as a targeted response to these conditions. The pilot would provide two hours of free parking in the downtown Zone A core for a limited summer period (June through mid-August), while maintaining time limits and enforcement to ensure turnover.

This pilot is not a permanent change in parking policy. Rather, it is a **short-term access and activation strategy** designed to:

- Encourage visitation and customer activity
- Support small business retention during a challenging period
- Activate underutilized parking capacity
- Improve public perception of downtown as accessible and welcoming
- Collect data to inform future parking and access strategies

The Committee recognizes that the program may result in a short-term reduction in parking revenue, estimated at up to \$100,000. However, this must be considered within a broader economic context and realization of parking today. Continued declines in visitations pose a greater risk, potentially resulting in reduced taxable sales, further business closures, and long-term impacts to the City's economic base.

In this context, the proposed pilot represents a **modest, time-limited investment** in downtown economic stability and recovery.

The Committee respectfully requests that the City Council authorize the implementation of the Park & Go pilot program and direct staff to work collaboratively with PBID and downtown stakeholders to implement, monitor, and evaluate the program.