

FOREWORD

The Regional Fund Strategic Plan (RFSP) was a requirement of “Appendix B of the Settlement Agreement for licensing of the Oroville Facilities FERC Project No. 2100.”¹

“At the direction of the Steering Committee, the Fund Administrator shall develop a Regional Fund Strategic Plan to guide the Steering Committee in selecting and funding proposed projects in a manner that optimizes the overall benefits to the local region consistent with the availability of funds”.

After eighteen months of research, public meetings and committee meetings the SBF Steering Committee on April 22, 2010 adopted the RFSP as a living document which is intended to have periodic reviews and updates. The SBF Steering Committee formed an ad Hoc RFSP review committee in 2015 to update the RFSP based on five years of experience of using it.

The “updated final report” provides the information in a logical flow for the public to understand the concepts and funding of the Supplemental Benefits Fund as well as the parameters of funding categories and grant releases. It also provides information for the SBF Steering Committees’ reference and use.



¹ Appendix B of the Settlement Agreement is a summary of “Measures agreed to among the parties but not to be included in the new project license” (page 1 of Appendix B)

The Economics of Land Use



2018 Updated Final Report

Regional Fund Strategic Plan

Prepared for:

Supplemental Benefits Fund Steering Committee

Funded by:

California Department of Water Resources
State Water Contractors

Originally prepared by:

Economic & Planning Systems, Inc.
April 22, 2010, February 15, 2018



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Updated by the SBF RFSP ad Hoc Committee
Approved & Accepted by the SBF Steering Committee
on April 25, 2018

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LIST OF ACRONYMS

DWR..... Department of Water Resources

EPS Economic & Planning Systems, Inc.

FERC..... Federal Energy Regulatory Commission

FRRPD Feather River Recreation and Parks District

FTE full-time equivalent

LSA LSA Associates, Inc.

NOFA..... Notice of Funds Available

RFP Request for Proposals

RLF Revolving Loan Fund

RMP Recreation Management Plan

SBF Supplemental Benefits Fund

SBF Rules of Governance..... SBF Steering Committee Rules of Governance

Settlement Agreement.....Settlement Agreement for Licensing the Oroville Facilities

Steering CommitteeSBF Steering Committee

Strategic Plan.....Regional Fund Strategic Plan

SWC State Water Contractors

Helpful website locations:

City of Oroville: www.cityoforoville.org

Feather River Recreation & Park District: www.frrpd.com

Butte County: www.buttecounty.net

Department of Water Resources: www.water.ca.gov

State Water Contractors: www.swc.org

California Department of Parks & Recreation: www.parks.ca.gov

California Department of Fish & Game: www.wildlife.ca.gov

Oroville Area Chamber of Commerce: www.orovillechamber.net

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EXECUTIVE SUMMARY

The Supplemental Benefits Fund (SBF), the result of a Settlement Agreement signed by multiple parties associated with the re-licensing of the Oroville Dam, may make available up to approximately \$61 million (in nominal dollars) over the next 30 to 50 years, depending on the term of the license. As stated by the SBF Steering Committee, “the intent of the Regional Fund Strategic Plan (Strategic Plan) is to get the most economic investment return from the approved projects as well as ensuring that a decorum of fairness exists in project selection.”

The intent of the Executive Summary is to provide a succinct informational reference of pertinent points about the Supplemental Benefits Fund, the low flow channel of the Feather River, the Vision and Mission Statement of the SBF, as well as grant and funding information.

To assure creation and implementation of the Strategic Plan remain in sync with the intent of the SBF, the Steering Committee identified the following mission statement for the SBF:

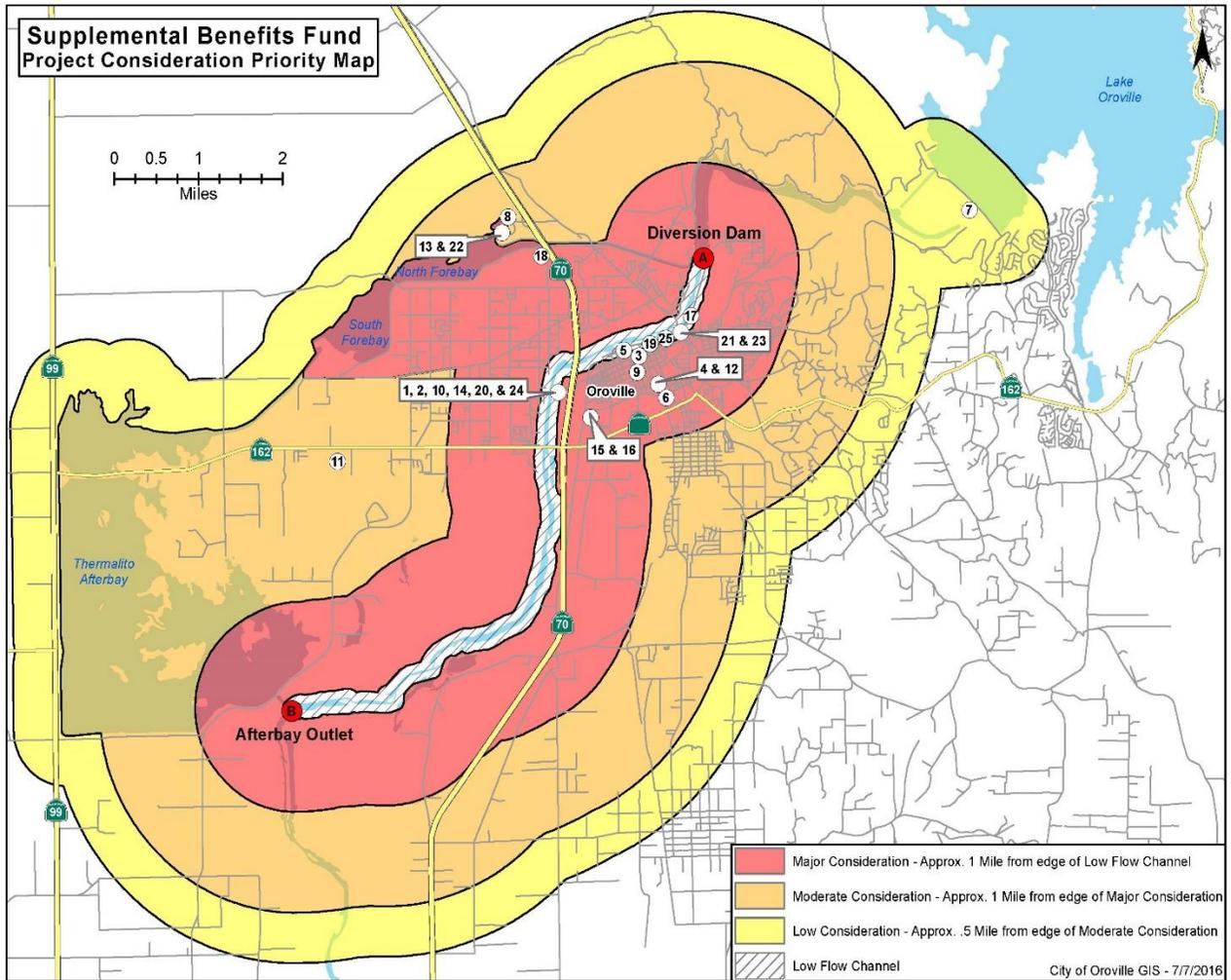
“Investing in recreational and related projects with a nexus to the Feather River to improve the quality of life and stimulate economic development in the Oroville region”

For purposes of the SBF, “nexus” is defined as the relationship of a project, or program, and or connection, with the Feather River, **specifically in the area of the low flow channel.** (pg. 2)²

1. On or in-sight of the Feather River, or,
2. Activities related to the Feather River, and,
3. Within the geographic boundary as defined by the following map.

² The Merriam-Webster Dictionary defines “nexus” as a relationship or connection between people or things.

The low flow channel of the Feather River begins near the Diversion Dam (A) and terminates near the Afterbay Outlet (B) as noted by the red dots (A & B) on the map below. The map also delineates areas of **major, moderate and low consideration**³ as detailed in the SBF Vision Statement on page 4. The list of the SBF approved projects 1-25 identified in the white boxes on the map below can be located on an interactive map on the City of Oroville website under SBF Priority Map.



³ Major Consideration (Red) approximately 1 mile from the edge of the Low Flow Channel; Moderate Consideration (Gold) approximately 1 mile from the edge of the major consideration area; Low Consideration (Yellow) approximately ½ mile from the edge of the moderate consideration area. Priority map approved by the SBF Steering Committee on August 10, 2016.

DISTRIBUTION OF SBF FUNDING

Distribution of SBF funding will take place within the context of other ongoing processes and events, and the Strategic Plan needs to be consistent with these master plans (e.g. Department of Water Resources 2006 Recreation Management Plan). In addition, consideration as to how the proposed project will **interface** with the following Oroville Region supporting agencies should be a part of the application:

- City of Oroville (Infrastructure, safety, neighborhood leisure parks, trails, open space and museums).
- SBF Feather River Conceptual Plan “A Vision for the Future of the Low Flow Channel”.⁴
- Department of Fish and Wildlife. Fish hatchery and environmental mitigation).
- Department of Water Resources (Lake, river and recreation management plan).
- Feather River Recreation and Parks District (Parks, trails and recreation programs).
- Oroville Area Chamber of Commerce (Tourism and economic development).

SBF-funded projects will be selected by the SBF Steering Committee, comprised of voting representatives from the Feather River Recreation and Parks District and the City of Oroville. Advisory representatives from American Rivers, the State Water Contractors, Department of Water Resources, and the Oroville Area Chamber of Commerce may provide comments, but are not included in the voting decision. The City of Oroville also serves as the Fund Administrator, whose duties include ensuring performance of the SBF and overseeing administrative duties (through additional SBF staff) to operate the SBF on an ongoing basis. The State Water Contractors, in partnership with the Fund Administrator and Steering Committee, also have the additional responsibility of actively pursuing grant opportunities beyond SBF funding.

SBF monies will be made available through a combination of lump-sum and annual payments. The Strategic Plan’s operational plan is based on a multiple-year budgeting process designed to assure allocation of revenue and selection of projects in a manner consistent with the Settlement Agreement. During each year, the Steering Committee will appropriate SBF funds on an annual basis, as certain adjustments may be required owing the variability in annual payments for any given year.

At the start of each budget cycle,⁵ the Steering Committee will distribute anticipated funding into the following categories:

- Chamber of Commerce/Marketing the Oroville Region
- Administration
- Marketing/Community Benefit Fund
- Projects
- Revolving Loan Fund
- Reserve Fund

⁴ The Feather River Conceptual Plan, “A Vision for the Future of the Low Flow Channel” was accepted by the SBF Steering Committee on October 4, 2017.

⁵ SBF fiscal year budget cycle is July 1st to June 30th each year.

The SBF Steering Committee will discuss priorities and elicit proposals followed by pre-application project requests for potential projects, and build an SBF Project Program based on a project selection process that includes an initial application, technical scoring exercise designed to rank candidate projects, and final selection by the Steering Committee.

The Steering Committee will meet at least four times during each fiscal year to oversee the administration and implementation of the SBF, while SBF staff carries out the day-to-day implementation and execution of the Strategic Plan. Each year, the SBF Staff will be responsible for releasing notices of fund availability, eliciting project applications, reviewing and screening applications, and conducting project auditing for SBF-funded projects. In turn, the Steering Committee will be responsible for developing a multiyear project budget and program, overseeing the annual budget and making any needed adjustments, and reviewing annual reporting information on SBF-funded projects.

As SBF monies will be made available over a considerably long period of time, the Strategic Plan itself will be periodically reviewed and updated as needed over time to properly reflect changes in funding opportunities and the external environment in which the SBF continues to operate.

VISION OF THE SBF⁶

Reconnecting the beauty and diversity of the Feather River with the community will be the primary component of projects approved by the Supplemental Benefits Fund Steering Committee. The approved projects will provide additional recreational opportunities and economic benefits that enhance the lifestyle of the Oroville Region

- I. **Major consideration:** The applicant **shall** provide a compelling presentation as to how the proposed project will assist in mitigating what was lost by the construction of the Oroville Dam Facilities (FERC Project No. 2100). The application **shall** take into consideration the various existing City of Oroville, Feather River Recreation & Park District, the Settlement Agreement for licensing of the Oroville Facilities FERC Project No. 2100, the Feather River Conceptual Plan, and other regional plans.
- II. **Moderate consideration:** The applicant **should** provide a meaningful connection to existing, or planned, facilities and projects. The application **should** also be in, or near, the low-flow channel of the Feather River (as defined in the above figure) and assist in making the Oroville Region a Northern California destination.
- III. **Low consideration:** The applicant's proposed project **may** be away from the low-flow channel of the Feather River, not connected to existing, or planned, facilities and projects, be unique or a non-profit venture within the Oroville Region including areas under FERC jurisdiction; however, the project must, at a minimum, meet the stated vision of the SBF.

⁶ The SBF Steering Committee on July 13, 2011 adopted the Vision of the SBF to assist the committee, applicants and the general public to further understand request priorities.

FEATHER RIVER CONCEPTUAL PLAN

“A Vision for the Future of the Low Flow Channel”

Prepared under contract with Environmental Science Associates (ESA)

Presented and approved by the SBF Steering Committee on November 30, 2017

EXECUTIVE SUMMARY

The Feather River Conceptual Plan (FRCP; or Plan) was originally envisioned by the Supplemental Benefits Fund Steering Committee as a way to “consolidate” into a single document all the best ideas from existing Oroville plans and include future river-related projects, and: to best improve the quality of life and stimulate economic development in the greater Oroville Region. Many projects might be collaboratively and synergistically implemented in coordination with the Department of Water Resources’ (DWR’s) implementation of the Federal Energy Regulatory Commission (FERC) license-required measures in and along the river. While the vision remains, the Oroville Dam spillways incident occurred in February 2017 as the FRCP was being developed. The associated response, recovery, and restoration as a result has provided DWR an opportunity to fast track improvements and projects detailed in the DWR Recreational Master Plan, within the FERC Project No. 2100. Because of these changing circumstances, the Plan identifies multiple immediate, high-priority projects that the DWR and the community can undertake cooperatively that are anticipated to yield lasting benefits for the local community while DWR and the State Water Contractors (SWC) simultaneously complete necessary facility repairs and improvements.

The FRCP Communicates a vision for each river reach by providing an umbrella strategy for the Feather River as a whole.

- **Chapter 1, Introduction and Background**, provides an overview of the purpose of the Plan, sets the Plan into the context of the Regional fabric, and articulates the relationship of the Plan and the FERC relicensing process.
- **Chapter 2, The Master Plan Development Process**, reflects the input received from the SBF Ad hoc Committee and the community-at-large in the development of the Plan, identifies the range of potential projects that have been determined to have a river focus, and lays out the process of sorting and assigning the projects to reaches.
- **Chapter 3, Project Recommendations**, presents the opportunities and constraints by river reach, and concludes with a list of recommendations/changes/improvements, by reach.
- **Chapter 4, Economic Development Considerations and Strategies**, discusses sources of funding. This chapter puts SBF funding in context and discusses how to: leverage private investments by creating certainty for developers, fund infrastructure, partner with other public agencies, create Public Private Partnerships (P3s), subsidize Operations & Maintenance, maximize the economic benefit of the SBF Fund and the use of the bond funding.
- **Chapter 5, Priorities and Next Steps**, lays out immediate opportunities for implementation of improvements that could be partnered with the ongoing spillways recovery and restoration activities, dives deeper into financing and event programming, and discusses further and long-term investment of partnering with the State Water Contractors.
- **The Appendices** provide summaries of the stakeholder meetings, the extensive list of potential projects, other existing plans leveraged in this effort. Plan development criteria, and existing conditions summaries of the Plan area.

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1. INTRODUCTION AND OVERVIEW



1. INTRODUCTION AND OVERVIEW

INTRODUCTION

This Regional Fund Strategic Plan (Strategic Plan) was prepared by Economic & Planning Systems, Inc., (EPS) and LSA Associates, Inc., under contract to the Supplemental Benefits Fund Administrator on behalf of the Supplemental Benefits Fund Steering Committee (Steering Committee). Pursuant to the terms of the Settlement Agreement for Licensing of the Oroville Facilities Federal Energy Regulatory Commission (FERC) Project No. 2100, dated March 2006 (Settlement Agreement), the Steering Committee must prepare or have prepared a Strategic Plan to guide the future use of the Supplemental Benefits Fund (SBF).

Funding for the preparation of this report was provided by the California Department of Water Resources (DWR) and the State Water Contractors (SWC). The Steering Committee effort to create a Strategic Plan is an extension of work occurring over the better part of the last decade related to the Oroville Facilities relicensing. The Strategic Plan provides a framework for future decisions by the Steering Committee regarding the allocation and appropriation of SBF revenues as they become available pursuant to the terms of the Settlement Agreement.

The Strategic Plan is a working document and as such a review of it is recommended every five years. The review will allow for clarification of terms used, funding categories and other pertinent information to keep it “fresh and alive”.

BACKGROUND

Following submittal of the application to relicense the Oroville Dam, DWR and interested stakeholders continued to discuss and negotiate regarding the proposed terms of the relicensing, during which time multiple stakeholders with diverse interests worked with DWR to develop the Settlement Agreement.⁷ At issue for the local agencies are the impacts the operation of Oroville Dam, and related facilities, has had on the local economy. The goal of the Settlement Agreement was to mitigate these impacts on Oroville and the surrounding community related to the construction and continued operation of the Dam, **specifically related to the loss of river-related recreational opportunities** (e.g., boating, fishing, and swimming) and related aesthetic enjoyment. The Settlement Agreement, which was signed by multiple parties, sets forth the proposed terms and conditions of the Oroville Facilities relicensing with the purpose of resolving all issues that have or could have been raised by the Parties to the agreement in connection with FERC’s order issuing a New Project License.⁸ For purposes of providing context, Figure 1-1 shows the FERC boundaries as well as the location of the low-flow channel.

The Supplemental Benefits Fund (SBF) is specified in Appendix B of the Settlement Agreement.⁹ It is the need for a strategic framework for administration of the SBF that has given rise to this Strategic Plan. Section G 1.0 of Appendix B states “at the direction of the Steering Committee the Fund Administrator shall develop a Strategic Plan to guide the Steering Committee in selecting and funding proposed projects

⁷ The Settlement Agreement with “Measures agreed to among the parties but not to be included in New Project License” can be found in Appendix B of the Regional Fund Strategic Plan.

⁸ Settlement Agreement for Licensing of the Oroville Facilities FERC Project No. 2100, dated March 2006.

⁹ Also contained in Appendix C of this report.

in a manner that optimizes the overall benefits to the local region consistent with the availability of the funds.”

At the beginning of the Strategic Plan preparation process, the EPS Consultant Team met with the SBF Program Specialist, the Fund Administrator, City of Oroville Interim Planning Manager, City of Oroville Redevelopment Agency Coordinator, and two members of the Steering Committee (representing the City of Oroville and Feather River Recreation and Parks District [FRRPD]) to initiate the work program. As part of that effort, the group developed the working version of the SBF mission statement, and the EPS Consultant Team prepared an Opportunities Analysis, which evaluated the setting for recreation, tourism, economic development, and infrastructure in the Oroville Region against the SBF mission statement to identify the most appropriate issues and dynamics that the SBF could address over the horizon of the Settlement Agreement.

STRATEGIC PLAN

According to the Request for Proposals (RFP) issued by the Fund Administrator, the intent of the Strategic Plan is to get the most economic investment return from the approved projects, as well as ensuring that a decorum of fairness exists in project selection. Key components of the Strategic Plan focus on:

- Identifying the purpose, including a mission statement.
- Identifying goals to accomplish the mission.
- Identifying specific approaches or strategies that must be implemented to reach each goal.
- Identifying specific action plans to implement each strategy.
- Monitoring and updating parameters.

This Strategic Plan provides the Steering Committee with a framework for making decisions regarding the allocation and appropriation of SBF revenues. This decision-making framework is necessary because (1) the Settlement Agreement sets forth criteria regarding expenditures of the SBF, (2) there are limited funds available to be paid out over the term of the Settlement Agreement, (3) there will be many competing requests for funding, and (4) a rational and objective method for allocating and appropriating funding is necessary to assure efficiency and transparency of fund expenditures.

ORGANIZATION

This Strategic Plan is organized into four parts:

1. A set of strategic goals, objectives, and principles that will guide decision making.
2. The “strategic environment” is defined as the outside factors that influence decision making, including the terms of the Settlement Agreement, institutional capacities and constraints, and a forecast of the funding that is likely to be available over time, including the environmental or operational factors that may influence the amount of funding.
3. An “operational plan” offers a framework for allocation of SBF revenues and how projects receiving SBF funding will be selected.

4. An “administrative plan” describes how the SBF will be administered over time, including governance, budgeting and fund management, liaison with other government agencies and the public-at-large, administrative and technical support, and project monitoring and auditing.

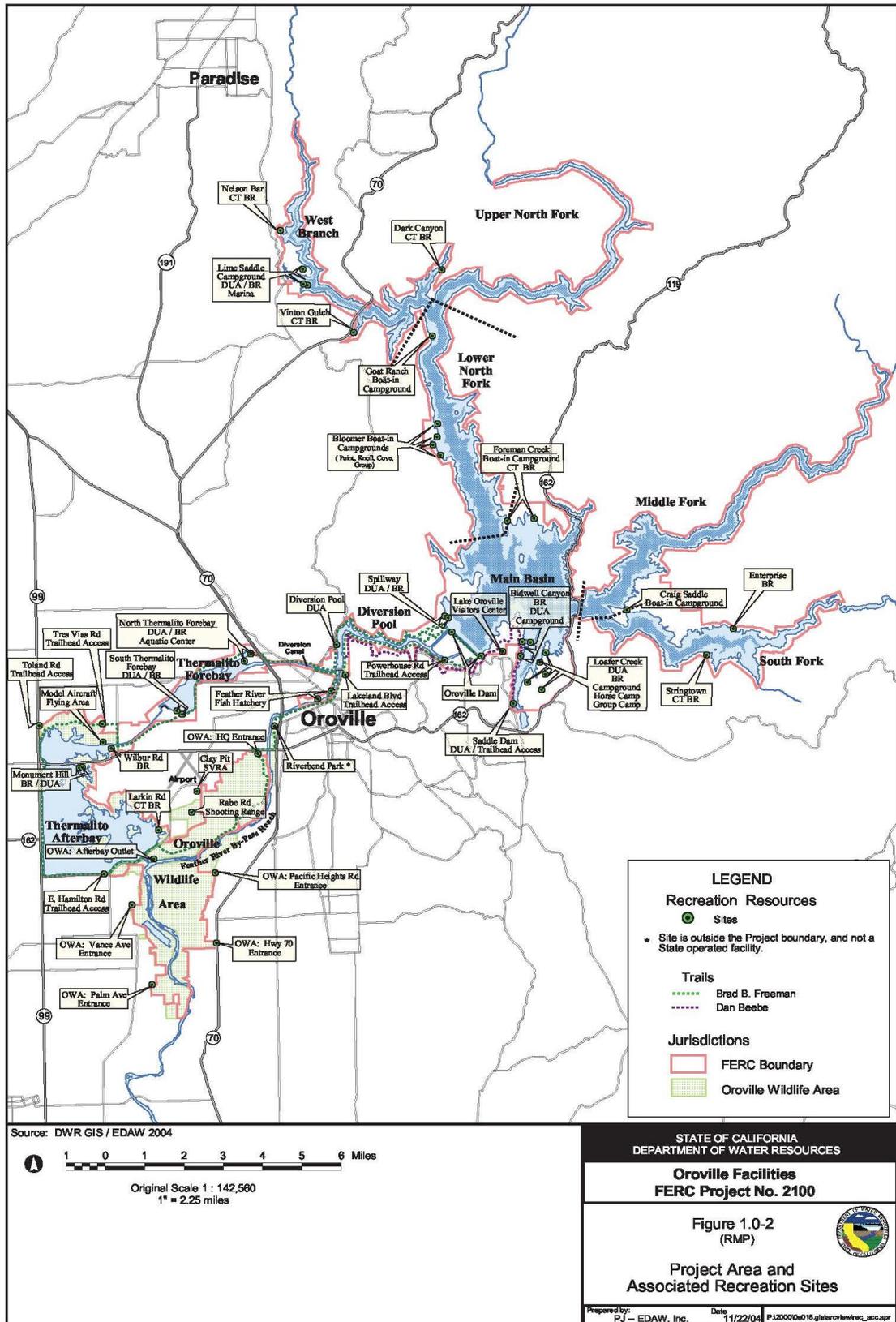
GUIDELINES FOR THE STRATEGIC PLAN

The Steering Committee’s ability to select and fund successful projects in line with the mission of the SBF will be heavily influenced by the reliability and relative ease with which the Steering Committee can use the Strategic Plan. The Strategic Plan adheres to the following guidelines, which are ultimately designed to assist the Steering Committee with its duties and to ensure that selected projects will be started, completed and maintained:

- The Strategic Plan will provide a clear, consistent, and transparent process for selecting projects and the amount of funding for selected projects.
- The Strategic Plan will be easy to administer.
- The Strategic Plan will contain sufficient flexibility to allow the Steering Committee to periodically revisit the goals of the SBF and determine whether modifications are required.
- The Strategic Plan project selection process will include measures that help monitor the effectiveness and value added by funded projects to ensure that SBF funding yields tangible benefits to the local communities.
- The Strategic Plan will help ensure that the SBF serves as an efficient steward of public investment, while maintaining high standards that meet the communities’ needs and complements the various communities’ General Plans, parks and recreation plans, and other relevant master plans.
- The Strategic Plan will conform to a long-term vision to benefit the Oroville Region that is consistent with the SBF Mission Statement and recognizes previous efforts on the Oroville Facilities relicensing agreement.
- The Strategic Plan’s project selection process will conform to a long-term vision that emphasizes benefit to the Oroville region. This vision will be consistent with the SBF mission statement related to recreation, quality of life, economic development, and a nexus to the Feather River. The vision will also recognize the community’s previous efforts on the Oroville Facilities re-licensing agreement.¹⁰

¹⁰ The long-term vision is included in the Oroville Feather River Conceptual Plan, “A Vision for the Future of the Low Flow Channel” which was accepted on October 4, 2017.

Figure 1-1 FERC Boundary and Feather River Low Flow Channel



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2. STRATEGIC GOALS, OBJECTIVES, AND PRINCIPLES

MISSION OF THE SUPPLEMENTAL BENEFITS FUND

The intent of the SBF is to extend the economic benefits created by use of Oroville’s water impoundment facilities to the Oroville Region. Historically, operation of these facilities created several impacts, primarily associated with recreation and economic development of the Oroville Region. Creation of the Oroville Dam changed the physical landscape of Oroville, and the Feather River in the Oroville Region, and altered people’s ability to recreate, creating certain new recreation amenities while hindering or eliminating others. Construction of the Dam and its associated facilities between 1961 and 1967 also provided a new source of employment and a temporary economic stimulus for the local communities during the project construction period. Long term it has provided several benefits to the region including the creation of Lake Oroville, the Thermalito Forebay and the Thermalito Afterbay recreation areas, the Oroville State Wildlife Area; extensive flood control improvements for the region and the Sacramento Delta also occurred with the building of the Oroville Dam. As a result, the negotiations for relicensing the Oroville Dam addressed the concerns associated with these dynamics, and creation of the SBF serves to recognize that existence and that the operation of the Dam continues to have a positive impact on local communities.

To assure creation and implementation of the Strategic Plan remain in sync with the intent of the SBF, the Steering Committee identified a mission statement for the SBF. This mission statement forms the basis on which the Strategic Plan is built:

Investing in recreational and related projects with a nexus to the Feather River to improve the quality of life and stimulate economic development in the Oroville region.¹¹



¹¹ Refer to pg. 1 for the definition of nexus.

GOALS AND OBJECTIVES OF THE SBF

In conjunction with the mission statement, a set of goals and objectives for the SBF were identified at the outset of the Strategic Plan process:^{12 13}

Goal 1: Provide investment to stimulate recreation and tourism, economic development, and job creation along the Feather River in the Oroville Region.

- Objective 1.1: Delineate geographic limits of the SBF. (see map on page ES-1)
- Objective 1.2: Obtain Steering Committee consensus on the relative importance of investment priorities.
- Resource: SBF Program Specialist

Goal 2: Ensure proposed projects complement the DWR Recreation Management Plan (RMP).

- Objective 2.1: Review DWR RMP to identify investment opportunities.
- Objective 2.2: Phase proposed projects in concert with DWR project phasing.
- Resource: DWR Field Office

Goal 3: Prioritize funding for projects that maximize SBF funding capacity.

- Objective 3.1: Include criteria in project evaluation and ranking system to accomplish these:
 - Reward a project's leverage (bring additional public or private funding forward).
 - Reward a project's ability to return funding.
 - Assess a project's ability to self-fund annual operation and maintenance costs.
 - Assess the applicant's ability to complete a phase of, and/or the entire project.
 - Resource: SBF Program Specialist

Goal 4: Prioritize funding for projects that generate other benefits and revenue(s) to the local community.

- Objective 4.1: Develop measurable performance standards related to private and public revenue generation (e.g., sales tax).
- Objective 4.2: Develop eligibility criteria that ensure a minimal level of "local" benefit.

¹² Memorandum to the Steering Committee, December 17, 2008.

¹³ Grant applicant resources include: the SBF Program Specialist, DWR website, City of Oroville and Feather River Recreation Park District Master Plans, City of Oroville PLEI Study and others.

- Resource: City of Oroville Director of Finance

Goal 5: Consider use of SBF funding toward sustainable development opportunities.

- Objective 5.1: Define “sustainable” opportunities, including power generation and clean water potential produced by candidate SBF projects.
- Resource: SBF Program Specialist

Goal 6: Determine appropriate allocations of the SBF to fund a potential project’s administrative, capital, environmental permitting, and other costs.

- Objective 6.1: Work with the SBF Program Specialist to prioritize categories of costs consistent with the plan’s intent.
- Objective 6.2: Based on the Steering Committee priorities, quantify anticipated costs by major cost category.
- Objective 6.3: The SBF Program Specialist prepare a cash flow of anticipated costs by major category.
- Resource: SBF Program Specialist

Goal 7: Ensure that economic and recreational benefits are distributed appropriately in the region.

- Objective 7.1: Develop measurable performance standards that evaluate economic and recreation benefits, for example; jobs created, participation, and usage.
- Objective 7.2: Identify geographical benefit distribution.¹⁴
- Resource: SBF Program Specialist

Goal 8: Strengthen and provide resources to the Steering Committee and SWC partnership.

- Objective 8.1: Identify specific Steering Committee/SWC staff for grant researching/writing.
- Objective 8.2: Identify specific grant leads for initial pursuit.
- Resource: SBF Program Specialist (Ultimately grant sourcing resource)

Goal 9:¹⁵ Recreation Goal.

- Objective 9.1: Provide multiple recreational opportunities that utilize and enhance access to existing resources with the boundaries of the Feather River Conceptual Plan.
- Resource: SBF Program Specialist, General Plans of City of Oroville, FRRPD & California Parks and Recreation

¹⁴ Refer to map on page 11

¹⁵ Goals 9, 10 and 11 were established by the SBF Steering Committee on May 14, 2014.

Goal 10: Access Goal.

- Objective 10.1: Encourage secure and managed access for all segments of the population, with connections to the surrounding community and future development.
- Resource: SBF Program Specialist, General Plans of City of Oroville, FRRPD & California Parks and Recreation

Goal 11: Natural Environment Goal.

- Objective 11.1: Ensure the continued success of habitat restoration and improve the ecological health of the river and floodplain in concert with river restoration goals.
- Resource: DWR River Restoration Plan, California Department of Fish & Wildlife

GUIDING PRINCIPLES

The Steering Committee is ultimately responsible for the selection of projects and level of funding assigned to each selected project. These guiding principles serve as a framework for this selection process:

- Opportunities should be viewed in the context of “nexus with the Feather River.”
- Opportunities should be evaluated as to the ability to mitigate for the impact of ongoing operations of the Oroville Facilities.
- Opportunities need to consider the ability to confer benefit broadly to areas in and adjacent to the Feather River throughout the Oroville Region.¹⁶ Use of the Feather River Conceptual Plan “A Vision for the Future of the Low Flow Channel” as a tool will aid in this.
- Opportunities should provide continuity and conformity with previous efforts on the Oroville Facilities re-licensing effort and be viewed against a long-term vision for the SBF to adhere to its mission statement as it relates to recreation, quality of life, economic development, and a nexus to the Feather River as defined in this document

¹⁶ This goal is dependent on Feather River Conceptual Plan, “A Vision for the Future of the Low Flow Channel” (approved by the SBF Steering Committee on November 30, 2017)

Images below provided by SBF Program staff.



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3. STRATEGIC ENVIRONMENT

Distribution of SBF funding will take place within the context of **other ongoing processes and events**. Several public agencies serving the Oroville Region, some of which are represented on the Steering Committee, will be implementing a series of master plans.

This chapter provides an overview of the context in which the SBF will function. The chapter begins with identifying other institutional efforts underway that may overlap with the SBF and a description of the opportunities and constraints of the SBF within the context of its own mission. In following, it provides an estimate of the amount of revenues available for SBF funding and a discussion of the particular requirements set forth in the SBF Measures for project selection.¹⁷

CONSISTENCY WITH THE SBF LICENSING AGREEMENT

The SBF Measures state that the benefits created by the SBF cannot conflict “with the actions taken by DWR pursuant to the new FERC license issued for the Oroville Facilities and the Settlement Agreement.”¹⁸ The SBF Measures also require that the Strategic Plan include protocols to ensure consistency between the Strategic Plan and the new Oroville Facilities license, specifically including the approved Recreation Management Plan, but also generally, the plans identified below.

RECREATION AND ECONOMIC DEVELOPMENT PLANS AND PROGRAMS

Project selection by the SBF will occur simultaneously with the implementation of a range of other local, State, and federal plans and programs sponsored by public agencies operating in the Oroville Region. The purpose and scope of these plans and programs span a range of topics, including physical land planning, economic development, recreation, tourism promotion, and infrastructure planning. The capital improvements identified in these plans may overlap with SBF projects in one of these ways:

- The SBF may select a project that is also a capital improvement in another plan or program. (Example: Riverbend Park)
- The SBF may select a project that is not part of another plan or program but is complementary to it. (Example: Metal Sculptures at the Feather River Nature Center & Native Plant Park)

Section 5.7 of the SBF Measures states that the Strategic Plan will include protocols to ensure consistency with DWR’s Recreation Management Plan¹⁹ (prepared in 2006), which anticipates approximately \$30 million to possibly greater than \$50 million in recreation-related capital expenditures during the term of the new license. The SBF Measures also state that the Strategic Plan should be consistent with goals for recreation and economic development in the Oroville Region. Existing or anticipated plans include these:

¹⁷ See pg. 21 for SBF FUNDING FORECAST AND REQUIREMENTS.

¹⁸ Projects should be in unison and complimentary to DWR’s Recreation Management Plan (RMP) and the Feather River Conceptual Plan, “A Vision for the Future of the Low Flow Channel” (Vision??).

¹⁹ The DWR Recreation Management Plan can be accessed at:
http://www.water.ca.gov/orovillereicensing/docs/settlement_agreement/SA%20RMP.pdf

- Feather River Recreation and Park District (FRRPD) 2020 Master Plan (under revision)
- City of Oroville 2030 General Plan (updated March 2015)
- City of Oroville Downtown Waterfront Concept Plan 2004 (not approved but contains useful references)
- City of Oroville 2014 Economic Development Strategy (June 2009)
- City of Oroville Comprehensive Economic Development Strategy Priority List (June 2009)
- City of Oroville Tourism, Marketing Plan (2007)
- City of Oroville Parks, Trails, and Open Space Master Plan (2009, updated in 2016)
- City of Oroville PLEI Study (2012)
- City of Oroville Art, Cultural Entertainment District (ACE) 2014
- Oroville Feather River Conceptual Plan, “A Vision for the Future of the Low Flow Channel” (2017)
- Butte County Comprehensive Economic Development Strategy Priority List (July 2009)
- Butte County General Plan Economic Development Element (under development)
- DWR Whitewater Recreation Study (February 2009)
- California Department of Parks & Recreation (update in process)
- DWR Recreation Management Plan (March 2006)

It is essential that the Participating Agencies review the Strategic Plan to assure consistency with this important objective. The fund allocation, project screening, and selection process are designed to incorporate consistency with these plans and programs on an ongoing basis; recommended annual review and reporting also address this need for consistency.²⁰

OPPORTUNITIES AND CONSTRAINTS

The Opportunities Analysis Report, prepared for the Steering Committee by EPS in May 2009 (**Appendix G**), analyzes recreation, economic development, other physical infrastructure, and tourism dynamics in the City of Oroville Planning Area. **The ultimate purpose of the Opportunities Analysis was to identify a set of potential opportunities and constraints that match up against the mission of the SBF.** The Steering Committee can choose areas of funding and set project selection priorities based on this information. The opportunities and constraints summarized below are a sub-set of the findings from the May 2009 analysis and reflect the recreation and economic setting in the Oroville region at that time. Over time, opportunities and constraints will change as the local economy and recreational setting evolve.

²⁰ The Oroville Feather River Conceptual Plan, “A Vision for the Future of the Low Flow Channel” (OFRCMP) was completed in 2017. The FRCP is a guiding tool for applicants.

OPPORTUNITIES

The opportunities identified in the Opportunities Analysis are meant to provide the Steering Committee with the ability to choose SBF funding priorities and then implement these priorities through the creation of a project criteria and ranking system. The Opportunities Analysis identifies the following opportunities that are concurrent with the SBF mission and funding priorities:

SBF capital spending on existing facilities should prioritize connections between and the use of existing facilities. Opportunities, including improved signage and way-finding, as well as new trail connections, could also benefit local recreationists and help educate visitors, potentially attracting new visitors or extending the stays of visitors familiar to the area.

- 1. SBF capital spending on new facilities should prioritize facilities that are unique to the region and complement rather than compete with existing and planned facilities.** The Steering Committee has the opportunity to complement the master plans underway by the FRRPD, City of Oroville, and DWR. The potential also exists to concurrently improve the quality of life for local residents while enhancing the Study Area's ability to attract non-local visitors.
- 2. SBF funding could provide for a coordinated and focused marketing strategy for the region and its recreation and tourism assets.²¹** Increased coordination related to marketing could enable cost efficiencies in these efforts, as well as the ability to market to broader audiences or through increased use of otherwise cost prohibitive mediums, such as television.
- 3. SBF funding should leverage additional public and private investment in projects that are consistent with the SBF mission.** The way in which potential Settlement Agreement monetary amounts were determined and the specific Settlement Agreement terms make clear that SBF funds should be used to leverage additional funding. This premise extends beyond the SWC commitment to fund a half-time grant-writing position to solicit funding to complement SBF funding.
- 5. SBF funding of "human capital" may be appropriate for funding of projects which meet the SBF Vision and goals.²²** The SBF may fund human capital on a limited basis with the understanding that the project(s) will be self-sustaining in an agreed upon period of time.

CONSTRAINTS

The Opportunities Analysis also contains a number of potential constraints that should be considered by the Steering Committee when selecting projects. Of these, the following constraint may significantly affect future decisions by the Steering Committee:

- 1. Several complimentary planning documents are being prepared, and the Strategic Plan may be completed before these other documents.** Preparation of these documents, described in the section above as "under development," presents two potential challenges. First, the timing for final approval of these plans and studies is uncertain, and the Strategic Plan will need to determine how to integrate

²¹ Includes several recommendations included in the "Tourism Marketing Coordination and Implementation Plan," prepared by The Pacific Group, dated October 1, 2007.

²² Human capital is also defined as the people an organization employs, and their skills, knowledge, and experience.

these efforts over time. Second, the agencies in the Oroville Region preparing these reports are, in many cases, independently developing and implementing their own master plans.

INSTITUTIONAL CAPACITY AND REQUIREMENTS

As a supplemental agreement between the DWR and the signatories of the Settlement Agreement, the SBF Measures created a structure for the signatories to distribute funds. This structure was further refined with the creation of the SBF Steering Committee Rules of Governance (SBF Rules of Governance), established via resolution in March of 2006 (contained in **Appendix D**). This section describes the goals and duties of each of the SBF parties playing a direct role in funding efforts.

SUPPLEMENTAL BENEFITS FUND STEERING COMMITTEE

While there are a host of signatories to the relicensing agreement, the SBF is managed by the Steering Committee, whose purpose is to ensure that SBF funding is in fact used for the purpose envisioned by the SBF Measures. The principal duties of the Steering Committee are to approve the Strategic Plan, select projects for SBF funding, and determine the level of funding for selected projects.

The Steering Committee is composed of eight Steering Committee members plus a representative from DWR acting as an advisory member. As described below, there are five voting members and four advisory, non-voting members:

- **Voting members** include three members from the Oroville City Council and two members of the Board of Directors of the FRRPD. The Oroville Mayor appoints the City members for 1-year terms; these appointments are staggered to ensure that knowledge is passed on efficiently. For FRRPD, the FRRPD Chairperson appoints each member for a one year period.
- **Non-voting advisory members** include the SWC, DWR, the Oroville Area Chamber of Commerce, and the American Rivers. The SWC member has additional responsibilities associated with reporting of the pursuit and management of supplemental grants in conjunction with efforts by the City, FRRPD, and SBF Fund Administrator (further described later in this chapter). In practice, these agencies do not appear to have a set process, or term, for Steering Committee appointments.

The public agencies directly represented on the Steering Committee have a variety of constituents and overlapping service areas; however, these members also indirectly represent the interest of other signatories not included on the Steering Committee.

According to the SBF Rules of Governance, regular meetings are held on the first Wednesday every three (3) months from the date of the Rules of Governance Resolution. Meetings are held the third Wednesday of January, and the first Wednesday of April, July, and October. All SBF Meetings are open to the public and are held in the Council Chambers of the City of Oroville.

VOTING PROCESS

The Steering Committee will select projects based on a majority vote of voting members.²³ However, an affirmative majority vote must include at least one representative from each voting agency (i.e., the City

²³ Prior to voting on a project, the applicant will have submitted a concept project application that is screened based on the parameters mentioned on page 32; projects will be ranked by the Steering Committee to allow the establishment of a rank

of Oroville and FRRPD), per Section D, 6.0 of the SBF Measures and the SBF Rules of Governance; as a result, in some cases a 4-member affirmative vote will be needed.

FUND ADMINISTRATOR

The City of Oroville is the Fund Administrator, whose purpose is to ensure performance of administrative duties needed to operate the SBF. The Fund Administrator created a new position, the SBF Program Specialist which provides a part-time staff person acting as the principal liaison with the Fund Administrator, DWR and the Steering Committee for the establishment and operation of the SBF at the discretion of the SBF Steering Committee the Program Specialist may be a full time position. Section C of the SBF Measures identifies the following duties for the Fund Administrator:

- Convene Steering Committee meetings and implement Steering Committee decisions. (SBF Program Specialist)
- Manage all records, agendas, minutes, correspondence, and other pertinent financial information which is further described in Chapter 5. (SBF Program Specialist)
- Develop the Strategic Plan. (Approved, April 22, 2010 and updated July 6, 2016/SBF Program Specialist & selected consultant group)
- Enter into an Implementation Agreement with DWR. (Oroville City Council)
- Perform grant-funding tasks and provide additional staffing as needed to assist with this task. These specific grant-funding efforts will rely on resources provided by the City of Oroville, FRRPD and State Water Contractors without using any additional allocation of SBF funding. (SBF Program Specialist)
- Authorize the Mayor, or Vice Mayor, to enter into binding contracts and agreements as the legal entity for the SBF. (Oroville City Council Res. No. 8481)

DEPARTMENT OF WATER RESOURCES (DWR)

Participation by DWR in the SBF serves three main goals: (1) to establish the SBF; (2) to make funds available in the form of initial, lump-sum payments and annual payments, including any potential adjustments (as described in a later section of this chapter on Page 21); and (3) to act as a non-voting, advisory member on the Steering Committee.

STATE WATER CONTRACTORS (SWC):

Pursuit of Additional Grants

In addition to serving as a non-voting, advisory member on the Steering Committee, the SWC will partner with the Fund Administrator and the Steering Committee to actively provide a funding resource to assist in locating grant opportunities. SWC is the ultimate funding source for the SBF for this purpose. As stated

order of projects based on objective criteria regarding their relative merit, however project selection will be by a majority vote which must include at least one voting member from the City of Oroville and Feather River Recreation & Park District.

in the SBF Measures, at the very least these efforts should secure enough funding to permit the fixed annual payments to keep pace with inflation. As described in Section F of the SBF Measures, the SWC will undertake these activities, with particularly aggressive efforts during the first 10 years of the new license:

- Develop a SWC Grant Assistance Program whose purpose is to secure money that allows SBF funding to keep pace with inflation.
- Coordinate with the Fund Administrator to pursue other grants.
- Provide in house staff expertise related to successful fundraising techniques.
- Provide up to 50 percent of one full-time equivalent (FTE) staff person to pursue grant funding. SWC will provide this level of staff support until 5 years before the new license expires.

Section F, part 3.0, also states that “the Fund Administrator, in coordination with the resources of the Steering Committee voting members [the City and FRRPD], agrees to make available appropriate staff and other resources to complement the grant funding efforts of the SWC without using any Fund allocations.”

SBF FUNDING FORECAST AND REQUIREMENTS

The license signing for Oroville was anticipated to occur by December 31, 2009.²⁴ The total amount of available SBF revenues will depend on the term of the license for the Oroville Facilities, which has not yet been determined. A 50-year term would generate up to \$61.3 million, while a 30-year term would generate up to \$35.3 million, in nominal dollars. However, the present value of this revenue stream is significantly lower, as discussed below.

PRE-ALLOCATED PAYMENTS

Pre-allocated payments reflect the cost of improvements that were previously funded by DWR during negotiation of relicensing the Oroville Facilities. These payments primarily funded improvements to Riverbend Park.

INITIAL PAYMENTS

Future SBF revenues will initially comprise lump-sum payments whose revenues will be the same regardless of duration of the license. Specifically, the State Department of Finance’s approval of the executed Settlement Agreement for the Oroville Facilities will trigger release of the first lump-sum payment. Under the terms, the SWC will release up to \$1.9 million in the month of June following Settlement Agreement approval; these funds will be made available to reimburse the SBF for actual expenses incurred up until that time. Any funds not spent by that time will be released along with the second lump-sum payment described below. Additionally, the Fund Administrator negotiated with DWR & SWC, in 2012, to allow a \$100,000 advance against the \$4.1 million lump-sum payment to the SBF which is due at license signing. This has allowed the SBF to continue to offer project funds to the community pending license signing. the Fund Administrator. On June 15, 2017, DWR released an additional \$3,000,000 against the lump-sum payment.

²⁴ Approval of the FERC license and ultimate funding of the SBF has not occurred due to r delays from FERC related to the lack of a quorum and the Oroville Spillway Incident February 2017.

The SBF has already funded select projects against this initial source of funding; **Table 3-1** contains an updated reconciliation of projects and costs to date.

ANNUAL PAYMENTS

Subsequent revenues will come from a series of annual payments, made on June 30 of each year. The amount of these annual payments will be based on the term of the license, and could vary between \$800,000 (for a 30-year term) and \$1 million (for a 50-year term).

These annual payments, however, are not subject to escalation. As such, the present value of this revenue stream is substantially lower compared to the nominal (not-escalated) value. Table 3-2 shows annual inflation rates over the past 30 years. Based on the average annual inflation rate over this timeframe, EPS estimated the net present value of the annual payments for a 30-year, 40-year, and 50-year license. Table 3 shows that the present value of the SBF funding stream ranges from approximately \$16 million to \$26 million, depending on the term of the license.

Because the current value of future SBF funding is relatively low, it is vitally important for the SBF to maximize its funding through the aggressive pursuit of additional grants, use of leverage, and repayment of SBF funding awards, as described below. The efforts by the SWC, with additional assistance from the Fund Administrator and Steering Committee voting members, (as described in the Settlement Agreement), to pursue additional grants should help to secure at least enough funding to keep pace with inflation.²⁵

LEVERAGING ADDITIONAL FUNDING SOURCES

There are at least three possible sources of revenues that could increase the overall amount of funding for SBF projects.

The first source is the pursuit of additional grants. The SWC, the Fund Administrator, and Steering Committee voting members will aggressively pursue additional grant funds (e.g., State propositions, private foundations, etc.) that will both serve to fund more projects and, at a minimum, provide enough additional funding to allow the SBF to keep pace with inflation. Because the amount of total grant funding is unknown at this time, it is excluded from the revenue forecast. However, securing additional funding through grants is critical to maintaining the value of annual payments.

The second source is the use of leverage. Leverage generally refers to the ability to secure other funding sources, which could include grants but also other dedicated sources, such as outside loans, funding from other public agencies, or bonds. Outside loans would be a private undertaking by SBF project applicants and will vary by project. Contributions from other public agencies (e.g., General Fund allocations or state funds) are also at the discretion of each agency and cannot be forecasted at this time.

The Opportunities Analysis contains an evaluation of the SBF's potential to issue bonds to provide an up-front source of revenues that could enable funding of a large-scale project requiring an early infusion of capital. However, this analysis reveals that the SBF would be able to guarantee only a small repayment stream—one that could not be impacted by any delay in annual payments owing to a lower water

²⁵ Because annual payments from DWR are constant and do not contain any escalation factor, additional grant efforts should at the very least aim to secure enough funding to ensure that annual payments are supplemented by an amount equivalent to annual inflation.

allocation (which would result in a smaller payment to the SBF and a deferral of the balance to future years). The amount of issuance costs and interest over the term of the bond, based on reduced payments, would have a disproportionate impact on such a small bond, as shown in Table 3-4.²⁶ As such, initially the issuance of revenue bonds does not appear to be an effective use of SBF funds when leveraged with the other potential revenue streams to support a cost-efficient bond sale. However, should the SBF be presented with an opportunity to qualify for any type of interest-free bonds, such an arrangement would certainly merit consideration.

The third source of additional funding would be the potential use of a revolving loan fund. Such a fund would use a portion of the available monies for projects that could repay the amount funded by the SBF, thereby creating a long-term stream of revenues that would not be depleted over time. The mechanics of this revenue source are described in further detail in Chapter 4.

POTENTIAL ADJUSTMENTS TO ANNUAL PAYMENTS

According to the SBF Measures, there are two scenarios that could affect the level of revenues generated from annual payments by the SWC. The Opportunities Analysis describes each of these scenarios in detail. A brief summary is provided below.

DEPARTMENT OF WATER RESOURCES WATER ALLOCATION ADJUSTMENTS

Each May, DWR provides a water allocation to the SWC ranging from 0 to 100 percent of the requested amount:

- As long as DWR's May allocation provides 36 percent or more of the SWC allocation request, the SBF will receive the annual payment according to the Settlement Agreement (\$800,000 to \$1 million depending on the license term).
- If an allocation is 26 to 35 percent of the requested amount, the SBF will only receive \$500,000 that year (regardless of the license term).
- If the annual allocation is less than 26 percent of the requested amount, the SBF will only receive \$300,000 for that year (regardless of the license term).

According to the SBF Measures, the revenue reduction would be *deferred* to the future, not lost, by the SBF. The DWR would replenish the SBF over a 5-year period following an allocation exceeding 36 percent.²⁷

For example, had the SBF been in effect since 1968, there would have only been 2 years (1991 and 2008) in which there would have been a reduction in payments by the DWR.

²⁶ Please note that the estimate shown in this analysis is represented in constant dollars. As a result, it does not consider the time-value of money. In reality, the un-escalated annual payments to the SBF will have a diminished value over time to fund projects—the payments remain the same but the cost of projects will rise. A full analysis would include an evaluation of this dynamic considered against the cost of interest and issuance on the bond.

²⁷ Should DWR issue another substantially reduced allocation while the SWC is repaying a previous reduction, the DWR may further delay the original repayment until the allocation returns to a level of 36 percent or higher.

OROVILLE FACILITIES-GENERATION ADJUSTMENT

A second potential adjustment to SBF revenues would stem from any circumstances causing a stoppage in power generation at the Oroville Facilities, such as power outages or judicial or legislative actions. A sustained power outage at the Oroville Facilities would result in significant increases in power costs for DWR, who currently offsets about one-third of its demand for power through its internal power-generation operations at the Oroville Facilities. Any associated cost increase would subsequently be passed onto the SWC in the form of higher wholesale power costs. Because the portion of this cost that would be absorbed by SWC (as opposed to passed onto retail customers) is unknown, the revenue adjustment described by this scenario implicitly assumes that the SWC would face a significant financial hardship and provides relief to the SWC in the form of reduced annual payments to DWR, who would in turn fund the SBF accordingly.

- A loss of up to 10 percent of water-power generation would not impact the DWR's payment to the SBF.
- An 11-percent to 100-percent water-power-generation reduction would result in a corresponding payment reduction of 1 percent to 90 percent.

According to the SBF Measures, any annual decrease in payment caused by water-power generation would *not* be repaid to the SBF. This reduction would simply be a loss to the SBF. Telephone interviews with DWR indicated that this situation has never occurred, nor is it anticipated to occur in the course of regular business. Catastrophic events, such as a major fire at the plant or a legislative decision to stop activities at the Oroville Facilities, cannot be predicted.

POTENTIAL AVAILABILITY OF ANNUAL SBF FUNDING

The Opportunities Analysis contains a forecast of potential annual revenues that could be available for SBF project funding; this section briefly revisits this forecast for purposes of providing an overview of potential available funding on an annual basis.

Table 3-5 shows the estimated gross revenues (in nominal dollars) from initial lump-sum payments, annual payments, other pre-allocated revenues, and net revenues for a 50-year license. Table 3-5 also shows, for illustrative purposes, potential adjustments to gross revenues caused by a decrease in water allocation (which are subsequently repaid) and a decrease in power generation at the Oroville Facilities (which are not repaid). While the actual number and depth of any adjustments are unknown, this revenue stream helps show how revenues could be impacted.

In the sample revenue stream shown on Table 3-5 DWR's 2010 water allocation is only 30 percent of the SWC's requested amount, triggering a reduced SBF payment of \$500,000 instead of the \$1 million originally anticipated for a 50-year license. As a result, the SBF has \$500,000 less in 2010 to fund projects than it had expected; over the following 5 years, the DWR allocation remains above 36 percent, and the \$500,000 is repaid in 5 yearly increments.

The sample revenue stream also shows, solely for purposes of illustration, a power-generation reduction in 2016 and 2017 that results in a payment loss of \$100,000; once again, this revenue is not subject to repayment and is simply lost.

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4. OPERATIONAL PLAN

The operational plan describes how SBF revenue will be allocated to a variety of qualified purposes, and how projects will be selected for funding. This formal structure is intended to assure allocation of revenue and selection of projects that is consistent with the Settlement Agreement, conferring the greatest benefit to the Oroville Region, and providing the transparency necessary to gain and hold the confidence of the Participating Agencies and the public-at-large.

The operational plan addresses the two major operations of the Steering Committee; the allocation of SBF revenues to the eligible (refer to pg.1 & pg.4) and necessary purposes (such as administration costs) and the selection of projects to be funded over time.

BUDGET FRAMEWORK

The SBF will adopt and maintain an annual operating budget, on a fiscal-year basis (July 1st to June 30th, similar in form to budgets adopted by other public agencies. In addition to adopting an annual budget each July reflecting the appropriation of funds to the various fund categories, the budget will provide a basis of annual auditing (i.e., the comprehensive annual financial report). The annual budgets and audit will be part of and also feed into planning the multiple-year budget, as described below.

MULTIPLE-YEAR PROJECT FUNDING CYCLE

Subject to the terms of the new license, nearly all SBF funding will be provided annually to the Fund Administrator in a single lump sum. Although funded and budgeted annually, it is recommended that the SBF funding allocation (use of funds for projects) be based on a multiple-year funding cycle subject to annual budget appropriations.

Attributes of a multiple-year funding cycle that benefit the SBF include these:

- Ability to fund projects that exceed annual funding limitations.
- Ability to prioritize investments.
- Enhance public involvement and transparency of the funding process.
- Accountability for funding programming.
- Responsiveness to potential annual variation in revenue stream.
- Longer planning horizon that more closely matches timeline for investments.

Although it is recommended that the overall SBF funding allocation framework be based on a 5-year timeframe, as described below, the Steering Committee will be making SBF funding decisions on an annual basis as part of its annual budget adoption process. **Table 4-2** provides an illustrative example of a multiple-year budget allocation compared to a single-year budget allocation. The amounts shown in **Table 4-2** are for example purposes only.

ANNUAL BUDGET ALLOCATIONS

Annually, the Steering Committee will need to appropriate SBF funds to each of the funding categories identified in the Strategic Plan. These funding categories are described in further detail in the next section.

Funding appropriations may be affected by the following factors:

- Unforeseen changes in capital project priorities.
- Potential variability in annual payments to the Fund Administrator.
- Variability caused by repayments for funding interruptions.
- Variability caused by repayment of RLF loans.
- Variability in securing additional grant funding.

This structure provides the Steering Committee with flexibility to modify annual budget allocations to a particular SBF funding category.

This structure provides the SBF Steering Committee with flexibility to modify annual budget allocations, if necessary, to a particular SBF funding category. Dollars used in the budget allocations assume that the SBF will receive \$1,000,000 annually which could change based on allocation determinations made by DWR as discussed on pages 3-11 and 3-12. The annual budget percentages and dollars listed below are for illustrative purposes only, **the actual variable annual budget percentages and dollars are selected by the Steering Committee when the annual budget is set in April based on the next year funds being made available to the SBF from DWR.**

FIXED ALLOCATIONS:

1. Chamber of Commerce/Marketing the Oroville Region

(Fixed at \$60,000 annually)

- Visitors Center, related activities and expenses (a budget is required and must be approved by the SBF Steering Committee)

2. SBF Administration & Marketing Community Benefit Fund

(Amount determined during the annual budget process)

- SBF Program Specialist²⁸, Legal, Supplies, etc.
- Marketing brochures, maps, signage
- Event Coordinator for the Oroville Region major events
 - Wild Flower & Nature Festival (April)
 - Feather Fiesta Days (May)
 - July 4th Fireworks at the Dam (July)
 - Salmon Festival (September)
 - Parade of Lights (December)
- Small requests from the community
- Safety stipend (OPD)

VARIABLE ALLOCATIONS:

1. Projects

- As approved by the SBF Steering Committee using the formal NOFA process

2. Revolving Loan Fund

- Assumes funds will be paid back and added to the “projects” line

3. Reserve Fund

- Provides ability to create/maintain a reserve to protect against future DWR annual adjustments as discussed on pages 3-11 and 3-12 and provides funds for approved projects that may require additional funding to complete a previously approved SBF grant

As described in this chapter, the dollars allocated to certain SBF funding categories are intended to be fixed, whereas others are intended to be variable. Fixed funding categories, such as the Chamber of

²⁸ SBF Program Specialist is currently 20 hours per week. After license signing this position may need to be increased, at the SBF Steering Committee’s discretion, to accommodate potential workflow increases and responsibilities.

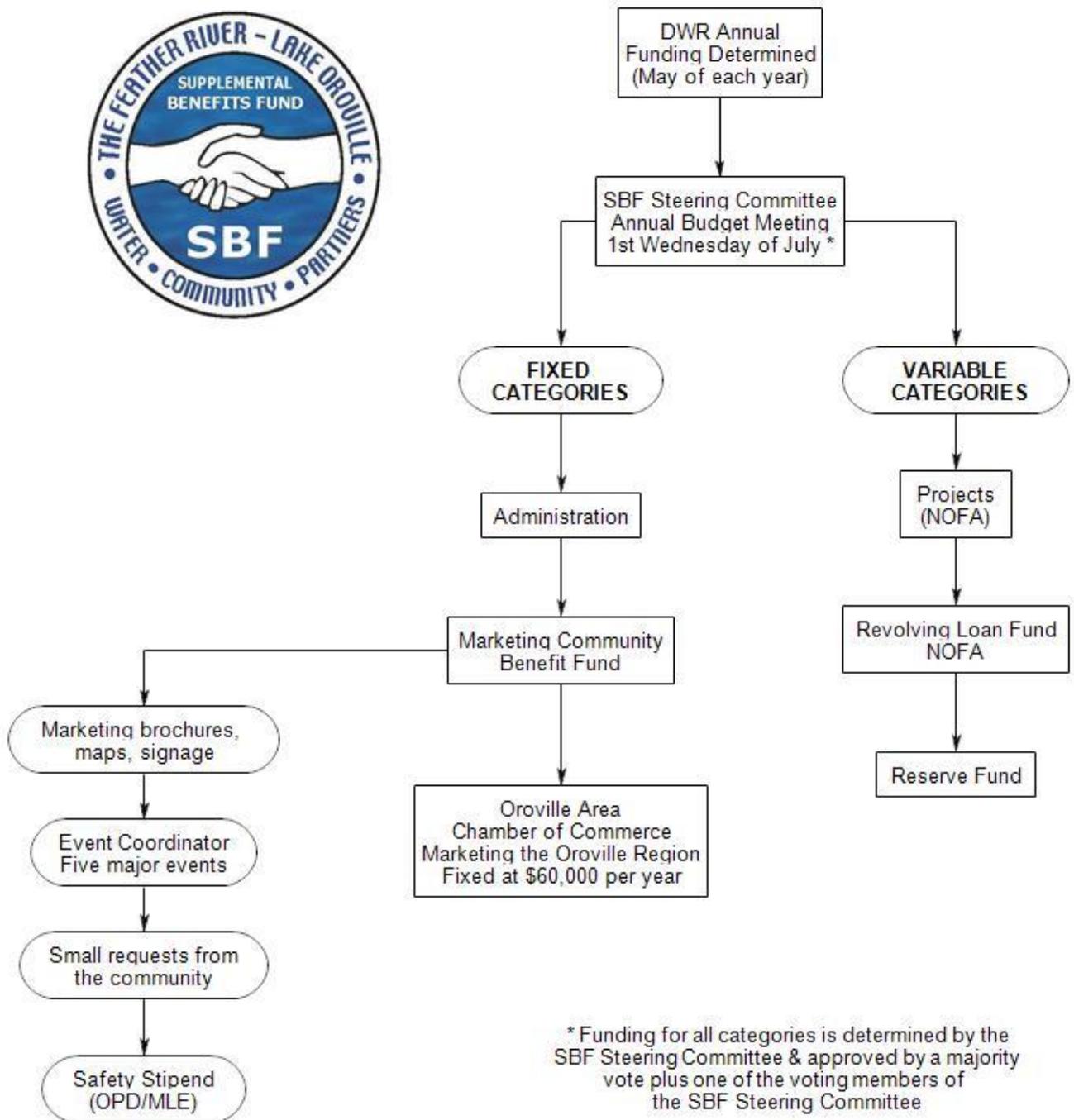
Commerce/Marketing the Oroville Region category, are intended to be funded at their maximum levels in any given year regardless of annual fluctuations in payments to the Fund Administrator. The Administrative category becomes a fixed amount when the annual budget is set.

As part of developing and adopting the annual operating budget, the Steering Committee will determine the SBF budget through the following steps:

1. Determine annual payment from DWR to SBF Fund Administrator.
2. Add to the annual payment to the SBF Fund Administrator any repayment of funds from DWR being repaid because of a prior deferral in annual payments.
3. Add any contingency funds (described below) that must be used to maintain maximum funding levels for fixed SBF funding categories.
4. Identify any grants secured by additional ongoing efforts.
5. Appropriate annual funding to each SBF funding category based on the targeted annual percentage allocation or targeted annual dollar amount.
6. Appropriate funding to the projects selected in the SBF Projects Program.

The operational plan addresses the two major operations of the SBF Steering Committee: the allocation of SBF revenues to the eligible necessary purposes (such as administration costs) and the selection of projects to be funded overtime .

The SBF will adopt and maintain an annual operating budget on a fiscal-year basis (July 1st to June 30th).



* Funding for all categories is determined by the SBF Steering Committee & approved by a majority vote plus one of the voting members of the SBF Steering Committee

SBF FUNDING CATEGORIES

CHAMBER OF COMMERCE/MARKETING THE OROVILLE REGION (FIXED)

This fixed funding category provides a consistent annual grant of \$60,000 to the Oroville Area Chamber of Commerce (Chamber) for tourism and community event activities within the boundary scope of the SBF. Annually, the Chamber will submit a budget for anticipated usage of the grant funding. The Chamber submission, which will be provided in lieu of a formal application, will require Steering Committee review and approval. Aside from SBF funding, the Chamber is encouraged to obtain matching funds for activities from its members, the general public and other available grant sources. SBF reimbursement to the Chamber will be made upon receipt and approval of a summary report with documentation substantiating the expenditures.

SUPPLEMENTAL BENEFITS FUND ADMINISTRATION (FIXED ANNUALLY)

The Strategic Plan allocates a portion of annual SBF revenue to fund the ongoing annual SBF administration. Annual administration efforts include the following activities:

- Strategic Plan implementation, and project direction and oversight, with a .5 to 1.0 FTE SBF Coordinator.
- SBF funding request solicitation and review.
- Legal costs.
- Steering Committee meeting coordination and administrative support.
- Outreach with public, affected agencies, and other stakeholders/interested parties.
- Monitoring, auditing, compliance, record keeping and reporting on projects awarded SBF funding.
- Other SBF specific assignments as determined.

According to the Settlement Agreement, any funding allocated to, but not used for, SBF administration shall be reallocated to the SBF for project funding. The Steering Committee shall have discretion to determine which funding category or categories shall benefit from reallocated funding not used for SBF administration, but it is recommended that any unused funds be redirected to SBF project funds.

MARKETING/COMMUNITY BENEFIT FUND (VARIABLE)

This funding category is also intended to directly fund projects that are consistent with the Settlement Agreement and SBF Mission. Funding shall be considered by the Steering Committee for the entire 5-year funding cycle.

The intent of the Marketing and Community Benefit Projects category is three fold:

1. Give the Steering Committee the ability to fund projects on an as-requested basis, while such project requests are not weighted and ranked in priority with others in the same funding pool, but rather approved or rejected based on their individual merit as determined by the Steering Committee.

2. Drawing on findings of the Opportunities Analysis, fund coordination of marketing efforts between various entities and agencies that all market activity in the Oroville Region. Specific strategies summarized in the Opportunities Analysis include these:
 - Create a marketing brand for the area—(this was completed in 2009 through efforts by DWR, the City, and the Chamber of Commerce).
 - Actively manage and coordinate media communications and publications.
 - Improve signage and way-finding (orienting visitors toward and between existing and planned recreation and tourism assets).
 - Conduct joint marketing of business development and tourism (e.g., market tourism while promoting quality-of-life attributes to prospective businesses and employers).
 - Emphasize tourism marketing and promotion with appropriate connections to the City, County, and other special agency economic development strategies (e.g. The Butte County Tourism Business Improvement District (TBID), also known as Explore Butte County).
3. Fund efforts, events, or other activities that target community benefit or enhancement. This funding category is intended to target local community organizations, agencies, or other groups that actively promote events, activities, or other efforts that benefit local residents and draw people into the Oroville Region. Examples of community benefit activities include these:
 - Community assistance projects (e.g., volunteer work-days, community clean-up efforts, local/neighborhood park renovations, or assistance projects).
 - Seasonal celebrations (e.g., crop/harvest celebrations, Halloween, or parades).
 - Local activities/events (e.g., cultural events or public agency major milestones).
 - Sporting events with regional draw (e.g., triathlons, equestrian or fishing tournaments).
 - Locally produced public art celebrating the heritage/identity of the Oroville Region.

In general, projects funded through this category should support local businesses, attract new visitors to the Oroville Region—for overnight trips or multiple days if possible—provide an opportunity for attendees/participants to spend their retail dollars in the Oroville Region, or reflect a collaborative effort by multiple groups or agencies pursuing community development, tourism, or recreation goals.

The Marketing and Community Benefit category is designed to allow the SBF Steering Committee the ability to receive, review and grant requests that fit into this category. A letter to the SBF Steering Committee with details about the request is required.

SUPPLEMENTAL BENEFITS FUND PROJECTS

Projects (Variable)

This funding category is intended to directly fund projects that are consistent with the Settlement Agreement and SBF Mission & Vision Statements as determined through a project selection and ranking

system that is described in greater detail. (see page 34). Funding shall be considered by the Steering Committee for the entire 5-year funding cycle and there shall not be a maximum amount established for any single project. There will, however, be a minimum request amount determined by the SBF Steering Committee when a NOFA is issued, for SBF projects in this category. Projects may be required to provide a percentage of matching funds or in kind services. The exact match amount will be announced

Applicants will be required to complete a pre-application and, if invited to do so, a full project application for project consideration. Projects will be considered at the beginning of each multiple-year funding period. Any new projects seeking consideration after the start of the current multiple-year funding period will accumulate during the current funding cycle and will be evaluated and rated as part of the next funding cycle.

Revolving Loan Fund (Variable)

The Strategic Plan directs that SBF revenues be available to projects seeking loans that can be leveraged into a long-term Revolving Loan Fund (RLF) funding category. Projects eligible for this funding category will be evaluated as part of the same process used to evaluate applicants seeking approval through the SBF Projects—Large Award funding category.

Funding shall be considered by the Steering Committee for the entire 5-year funding cycle. During certain years there may be additional revenues from the repayment of deferred allocations or repayment to the RLF; after funding the fixed amounts for Marketing/Chamber of Commerce funding category, any remaining revenues will be reallocated to the SBF Projects—Large Award and RLF funding categories.

Reserve Fund (Variable)

The Strategic Plan set asides funds that can be used to buffer against funding stream interruptions or other unanticipated needs that may arise during each 5-year funding cycle. This funding category is intended to be variable and subject to funding stream interruptions.

Any surplus revenues at the end of a funding year would accumulate to the Reserve fund to buffer against future year interruptions; at the end of each funding cycle, the Steering Committee will review the amount remaining in the Reserve fund and determine whether to re-allocate those funds to projects or keep the money there for the next, or future, funding cycles.

Grant Funding

As discussed previously, grant procurement will be instrumental to the overall success of the SBF mission. The Steering Committee, in cooperation with the SWC and the SBF Fund Administrator, will actively pursue grant funding to leverage SBF funds. Grant funding represents a potential revenue stream that the Steering Committee may be able to use in two different ways. First, project specific grant funding is anticipated to be used for the specific project for which the grant was received. In such cases, grant funding would be in addition to the SBF grant.

In other cases, it is possible that the Steering Committee might be able to secure grant funding that is less programmed (e.g. planning grants).

PROJECT SELECTION PROCESS

The Strategic Plan includes a set of parameters for SBF projects and establishes a process by which those projects are selected and funded. This section describes how the SBF will accomplish this objective through the use of a project selection process. This activity—soliciting project proposals, evaluating these projects, and selecting projects for funding—will be the primary ongoing function of the Steering Committee and the SBF staff. During the initial stakeholders meetings a list was developed from community input; some of these projects may have relevancy and may be considered in future SBF funding cycles. See Appendix C for the Prior Project Identification List.²⁹

In addition to the Prior Project Identification List is the **Feather River Conceptual Plan** “A Vision for the Future of the Low Flow Channel” consolidates all the best ideas from existing Oroville plans and includes river-related projects with the ability to be implemented in coordination with the Department of Water Resources’ (DWR’s) implementation of the Federal Energy Regulatory Commission (FERC) license-required measures in and along the river.

Building a Supplemental Benefits Fund Project Program

The underlying principle of the Project Application and Selection Process is to allocate the limited SBF resources in the most efficient, beneficial, and cost-effective manner, given the policy objectives of the SBF and the conditions set forth in the Settlement Agreement.

The Project Application and Selection Process

To create public confidence and transparency along with a technically sound selection process given the wide range of potential projects, the competing interests, and the limited funding available, it will be essential to follow the established decision-making process that:

- Engages those proposing projects.
- **Adheres to a set of clear screening criteria (to determine whether a project even qualifies).**
- Relies on a set of evaluation criteria that allow ranking of proposed projects by their relative merit.³⁰
- Allows the Steering Committee to select projects for funding based on the criteria set forth in this document.

This process will require an ongoing standing function for the Steering Committee and will also require staff support for processing project applications, conducting initial screening, and administering and auditing the use of SBF funds. An eight-step process is recommended for this effort. The following text describes each step in order along with the necessary technical inputs.

1. PROJECT SOLICITATION AND SUBMITTAL

The Steering Committee will need to disseminate information regarding the SBF and the funding priorities so the public and potential applicants understand SBF Goals and Objectives, funding

²⁹ Oroville Downtown Waterfront Redevelopment Concept Plan (October 2004) identified potential projects totaling \$111,384,543 and was used as a basis for negotiating the Settlement Agreement and Appendix B.

³⁰ As mentioned previously the ranking of projects is done for discussion purposes. The actual decision on a project or request is accomplished by a majority plus one vote of the SBF Steering Committee.

potentials, the selection process, and obligations of the funded entities. The City of Oroville Web site has an SBF link with background information, current projects, funded projects, the Strategic Plan and information about future Notice of Funds Available (NOFA). FRRPD has a reference link to the City's site.

The first step in the process will be the solicitation of projects for SBF funding for SBF project categories (NOFA process). The initial NOFA and resulting project selection process helped to provide the development of the process described in this Strategic Plan. The first step should encourage project proposals and the creative thinking of potentially funded applicants. In November of each year a legal notice will be posted³¹ encouraging potential applicants to provide a brief, one page concept plan to the SBF Program Specialist by December 15th of each year, or at a date determined by the SBF Steering Committee for review using the Pre-Application Project Request Form. The SBF Steering Committee, on a funds available basis, may request project submittals on other dates to be determined by the SBF Steering Committee.

³¹ The legal notice will also be posted on the SBF official webpage at www.cityoforovile.org.



SUPPLEMENTAL BENEFITS FUND

1735 MONTGOMERY STREET -- OROVILLE, CA 95965-4897
(530) 538-2518 Fax (530) 538-2468

NOTICE OF FUNDS AVAILABLE (NOFA) REQUEST FOR POTENTIAL PROJECTS

NOFA RELEASE DATE: THURSDAY, JULY 28, 2016
Mandatory Applicant Workshop: August 30, 2016
Applications must be submitted by September 30, 2016

The Supplemental Benefits Fund Steering Committee announces a Notice of Funds Available for the 2016 funding cycle. A total of \$475,000.00 in funding will be provided by the Supplemental Benefits Fund for the following categorical allocation:

- **Project Fund Allocation \$475,000.00**
- **25% Applicant Matching Funds Required**

Excerpt from the SBF Mission Statement

Reconnecting the beauty and diversity of the Feather River with the community will be the primary component of projects approved by the Supplemental Benefits Fund SBF Steering Committee. The approved projects will provide additional recreational opportunities and economic benefits that enhance the lifestyle of the Oroville Region. (SBF/RFSP July 7, 2010)

The NOFA and Grant Guidelines are available for review at:

- Oroville City Hall
1735 Montgomery Street Oroville, CA 95965
- Feather River Recreation & Park District Activity Center (FRRPD)
1875 Feather River Blvd. Oroville, CA 95965
- Electronically at: www.cityoforoville.org (City Services/SBF)

Specific project funding criteria application details & information about the mandatory applicant workshop are outlined in the 2016 Grant Application and Program Guidelines which are available from the SBF Fund Administrator, City of Oroville, 1735 Montgomery Street, Oroville, CA 95965, (530) 538-2518, website: www.cityoforoville.org or email: sbf@cityoforoville.org to request a copy.

Written applications must be delivered and received by the City of Oroville, SBF Fund Administrator at its office 1735 Montgomery Street, Oroville, CA 95965 no later than 4:00 P.M. (PST) on Thursday, August 30, 2016

Supplemental Benefits Fund Steering Committee

David Pittman, Chairperson (City of Oroville) Victoria Coots, Vice Chairperson (FRRPD)
Thil Wilcox (City of Oroville), Linda Dahlmeier (City of Oroville) and Don Noble (FRRPD)
Interim Fund Administrator: Donald Rust, City of Oroville/SBF Program Specialist: Bob Marciniak

2. REVIEW OF CONCEPT PROJECT (SCREENING)

The second step would involve a technical review of the submitted Concept Proposals considering basic Project Submittal Requirements, SBF Goals and Objectives, and a set of Initial Screening Criteria. On the basis of these three considerations, a decision would be made whether or not a **Concept Proposal** meets minimum requirements. If not, the Concept Proposal would be respectfully rejected. If accepted, the Applicant would be encouraged to go on to the next step, submittal of a formal Project Application. This Initial Screening Process will eliminate projects that lack merit given the five following considerations and thus simplify subsequent, more detailed evaluation. Initial Screening Criteria recommended include these:

- Completeness of the Proposal.
- Consistency with SBF Goals.
- Feasibility study, conceptual plans, specifications.³²
- Project Readiness (including availability of matching funds).
- Availability of operation and maintenance funding (as may be required).
- Consistency with DWR Recreation Management Plan and other local plans and programs (e.g., the Regional Vision).

An applicant whose Project Concept application does not meet the Initial Screening Criteria has the right to appeal to the Steering Committee, based upon appeal procedures established by the Steering Committee.

³² The feasibility study would serve to assess the viability of the proposed project, in terms of a market or set of users/customers for the project, as well as a description of how the proposed project would function.

Funding availability for projects determined at SBF annual budget meeting

Amount of available funds announced

Concept Projects requested from the community

Pre-applications accepted

SBF Staff screens applications

Screening criteria

- Completeness of the proposal
- Consistency with SBF Goals
- Feasibility study, plans, specifications
- Project readiness
- Matching funds
- Operation/maintenance funding
- Consistency with DWR RMP & other local plans

Applicant invited to submit a complete application

Criteria met (yes)

Criteria not met (no)

Notify Applicant

Appeal process (see x.x)



SBF Steering Committee Concept NOFA* Release Process

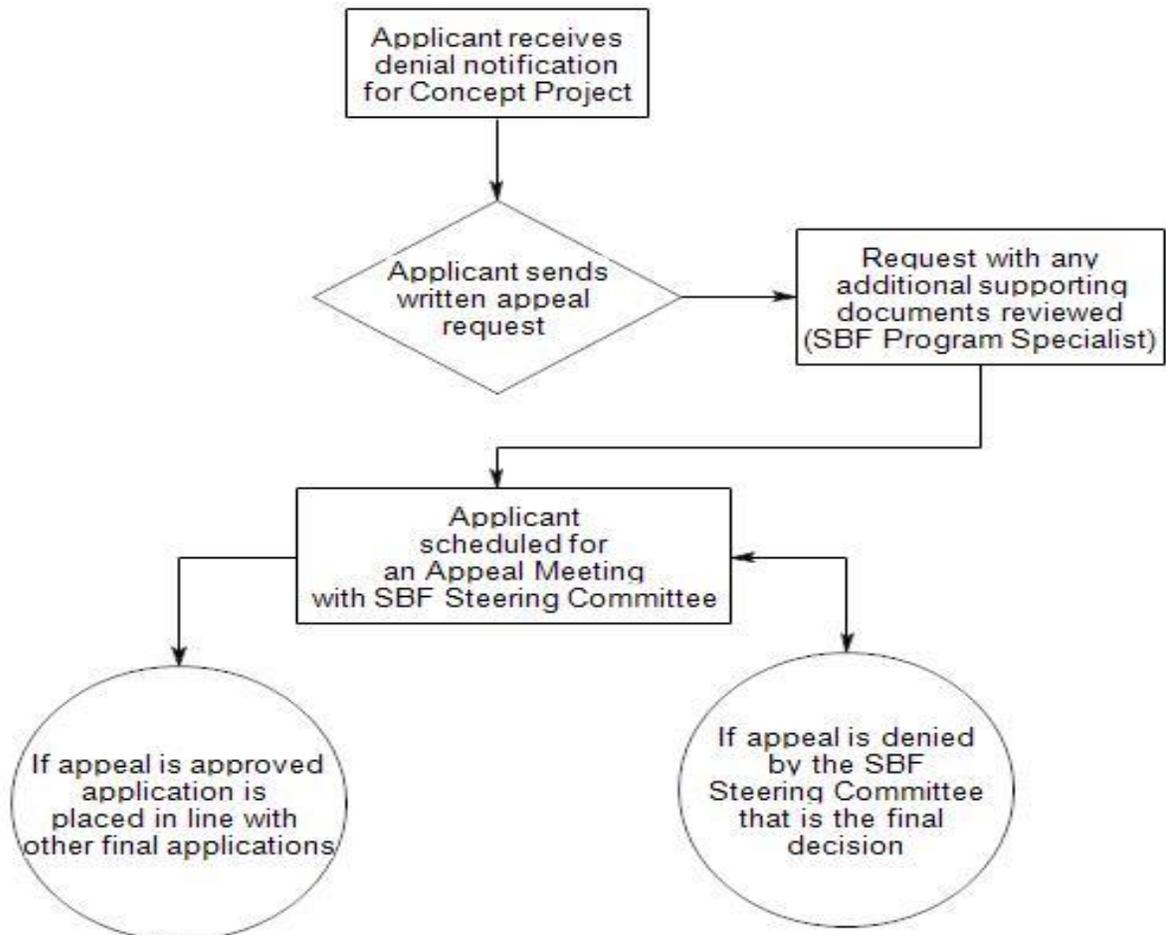
"Investing in recreational and related projects with a nexus to the Feather River to improve the quality of life and stimulate economic development in the Oroville Region"

*NOFA (Notice of Funds Available)



SBF
Steering Committee
Concept NOFA*
Appeal Process

"Investing in recreational and related projects with a nexus to the Feather River to improve the quality of life and stimulate economic development in the Oroville Region"



3. FORMAL SUPPLEMENTAL BENEFITS FUND PROPOSED PROJECT APPLICATION

The third step would involve submittal of an expanded, detailed project proposal by an Applicant. The form and content of the submittal is specified in the Project Submittal Requirements, itemized in the Grant Applicant Information Packet. Creating and conforming to a standard form and content assures consistency between applications and will facilitate subsequent evaluation and ranking of the Proposed Projects. After attending the mandatory application workshop and after consultation with SBF staff, the Applicant would assemble the Project Application.

4. SBF PROGRAM SPECIALIST ASSEMBLY AND SUBMITTAL OF PROPOSED PROJECTS

After working with project applicants to ensure applications are complete and ready for consideration, SBF staff will assemble all project proposals together and prepare packages for the Steering Committee's technical scoring and ranking of proposed projects. Project packages will contain the project application, project scoring and rating sheet(s), along with a comment form for Steering Committee use in scoring and ranking projects.

5. TECHNICAL RANKING OF PROPOSED PROJECTS VALUATION

The technical ranking of the proposed projects under consideration would occur by comparing their raw initial score applied to the weighting of the Evaluation Criteria. This presumes that a set of Proposed Projects would be considered simultaneously as a part of assembling the SBF Project Program. As noted above it would be most efficient for this to be done periodically, say every five (5) years, beginning with the creation of the first SBF Project Program. During the intervening years the SBF would generally adhere to the Project Program, although circumstances may dictate variation. For example, an unforeseen Proposed Project of very high merit could emerge that causes reconsideration of the Program-based funding priorities. In such a case, the SBF Coordinator would need to seek additional guidance from the Steering Committee. But otherwise, Proposed Projects would accumulate during the period and be evaluated and ranked as a part of the subsequent funding cycle.

In the event the SBF Coordinator or Steering Committee receives what appears to be a worthy Project application in the middle of the multiple-year funding cycle, the Steering Committee should consider whether it would like the application scored and compared against the current project priority list. Assuming this action takes place and assuming the Steering Committee deems the new Project worthy of funding, the Steering Committee might revisit the multiple-year funding cycle Project list.

Scoring Project Applications will allow the establishment of a rank order of Projects based on objective criteria regarding their relative merit. Scoring is not the final decision for project approval. Final approval requires a motion, second and vote of a majority of one. This requires a set of Project Evaluation Criteria: standards of measurement that are objective, applicable, and quantifiable. The following Project Evaluation Criteria:

- Ability to attract matching funding.
- "Nexus" to the Feather River.
- Consistency with local plans.
- Potential to enhance local jobs or create training opportunities.
- Ability to enhance community "sustainable development" objectives

- Ability to enhance the quality of life for residents in the region and attract visitors.

The technical scoring of projects will be completed by the Steering Committee based upon the application submitted and a formal presentation by the project applicants. The individual ranking of projects³³ would be assigned based on the range of values for each criterion. Another aspect of the Project Evaluation Criteria is their relative importance. They may all have equal weight but more likely some may be more important than others. For this reason the criteria themselves are placed in rank order, the most heavily weighted first. A value is given to each, given their relative importance. For example, “Ability to pay back funding to the SBF from revenues derived from investment” is recommended to have a higher value than “potential to enhance sustainable development objectives.”

Table 4-4 provides a description of the Project Evaluation Criteria and how each criterion will be measured and scored. Each criterion will provide a quantifiable measure that allows comparison of the relative merit of individual proposed projects. For the purposes of comparison, the ranking will generally be converted into an ordinal scale (e.g., quintiles). Table 4-5 shows how these raw scores could be derived for each criteria, based on the methodology described in Table 4-4. Finally, because some of the criteria may bear more weight than others, the ordinal score for a given project will be multiplied by the weighting factor, as noted above, to produce a net score.

³³ The ranking of projects is done for individual evaluation purposes. The actual decision on a project or request is accomplished by a majority plus one vote of the SBF Steering Committee.

Supplemental Benefits Fund: Evaluation Criteria for SBF Project Technical Ranking

(Used to rank projects, final approval requires a majority, plus one, vote of the SBF Steering Committee)

PROJECT:	APPLICANT:	EVALUATOR:		
CRITERIA	MEASURE	EVALUATED BY	WEIGHTING	RESULT
Pre-application meeting with SBF Program Specialist	Scheduled & attended pre-application meeting, attended workshop	SBF Program Specialist	5 points	
Completeness of formal application	Followed NOFA instructions, submitted all required attachments	SBF Program Specialist	0 to 10 points	
Potential to enhance local jobs	Full-time direct jobs Part-time direct jobs	SBF Program Specialist	0 to 5 points	
Enhance sustainable objectives	Use of recycled materials, Environmental friendly project, Greenhouse gas omission (GGH)	SBF Program Specialist	0 to 5 points	
Nexus to the Feather River	Using the Project Consideration Priority Map Major, Moderate or Low proximity to the FR Low Flow Channel	SBF Steering Committee	0 to 30 points	
Matching Funds (Cash or in-kind)	Documented, availability, conditions if any	SBF Steering Committee	0 to 10 points	
Consistency with improvement plans of other local plans and programs	FR Consolidated Master Plan DWR RMP City of Oroville GP FRRPD MP Other plans as applicable	SBF Steering Committee	0 to 10 points	
Enhance quality of life for local residents & attract visitors	Uniqueness, ability for local residents to use, appeal to visitors, increases in levels of service	SBF Steering Committee	0 to 25 points	
		Totals:	100 Points	

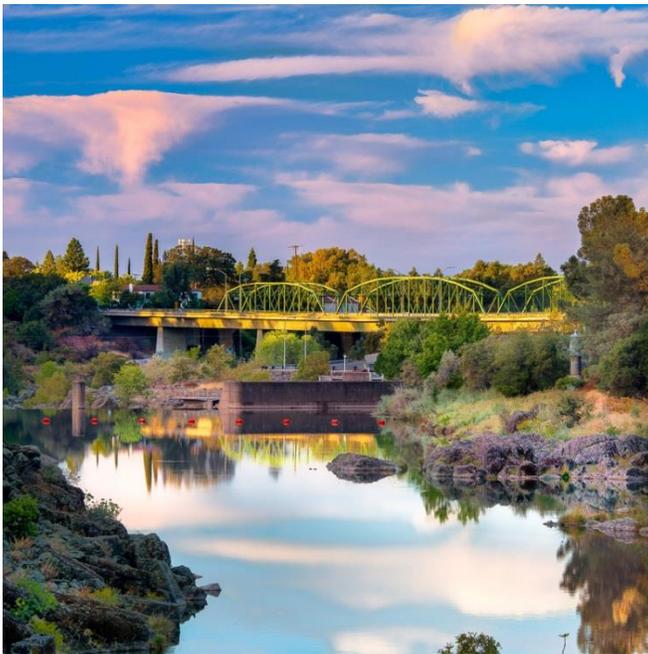
Appendix F contains a mock scoring exercise that demonstrates how the Steering Committee will complete the technical scoring process. It is important to note that the projects selected for this mock technical scoring exercise are examples only and are not intended to reflect suggestions or recommendations for SBF-funded projects.

7. STEERING COMMITTEE PROJECT SELECTION

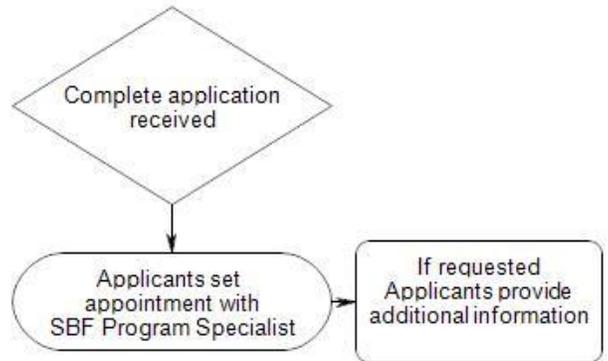
The scoring system allows the Steering Committee to make relative comparisons of project proposals. Scoring does not determine absolute ranking. Nor is it intended to give definitive value for individual projects.

In its position as the designated decision maker, the Steering Committee may ultimately choose to alter the weight of project criteria before finalizing its selection of proposed projects for funding. Any adjustment to the scoring process must be by a consensus of the SBF Steering Committee prior to the scoring process and must make any adjustment public.

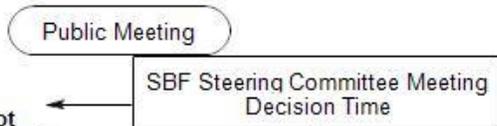
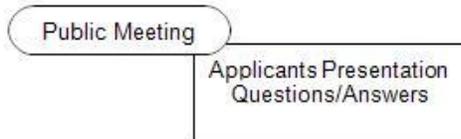
The Steering Committee will then establish the SBF Project Program based on SBF funding criteria, the Proposed Project Priorities and the funding that is projected to be available during the 5-year funding cycle.



SBF
Steering Committee
Formal Application
Review
Presentation
Approval Process

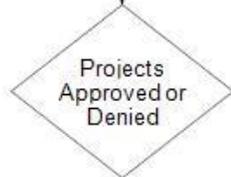


SBF Program Specialist performs final completeness review & prepares an Executive Summary for the SBF Steering Committee



SBF Steering Committee Meeting using multiple factors including, but not limited to, the projects readiness, consistency to SBF Goals & Objectives Feather River Consolidated Master Plan Other General/Master Plans Funding availability and potential project phasing, the Voting Members by motion will approve or deny the presented applications.

(If the majority vote on any given measure or action results solely from the votes of a single agency, a majority plus one vote shall be required for approval of the measure or action)



8. **STEERING COMMITTEE ANNUAL REVIEW AND FUNDING APPROPRIATION**

At the regular April meeting, the Steering Committee will establish an Annual SBF Budget, based on announced funding by DWR. During these quarterly meetings the Steering Committee will need to consider a performance review of previously funded SBF Projects to assure that funded entities are making appropriate progress and have expended funds consistently with the Project Application. The SBF Program Specialist provides a quarterly report of financial and project progress.

5. ADMINISTRATIVE AND IMPLEMENTATION PLAN

GOVERNANCE

The Steering Committee, pursuant to the terms of the Settlement Agreement and the positions of the Participating Agencies, will provide governance for the SBF. **All decisions regarding the allocation and appropriation of funds ultimately rest with the Steering Committee.** As a standing committee, the Steering Committee will meet periodically to execute their mandated duties. The information presented in this chapter relies on a combination of existing documents, particularly the SBF Measures and the SBF Rules of Governance, as well as direction from the SBF Steering Committee and systems used by other entities involving representation by multiple public agencies, such as a JPA.

ADMINISTRATIVE FUNCTIONS

The Steering Committee will not be capable of carrying out their duties without administrative support. As is the case with any public agency, a variety of functions will be necessary on an ongoing basis, including these:

- Logistical and staff support for Steering Committee meetings.

- Administering the Project Selection Process.

- Preparing an annual operating budget.

- Coordinating with the Fund Administrator regarding the accounting and use of SBF funds.

- Maintaining liaison with Participating Agencies and the public-at-large.

- Monitoring and auditing entities (and their projects) that have received funding to assure consistency with terms of the loan or grant-of-funds

- Maintaining financial records.

Meeting Coordination and Execution

The SBF Program Specialist or other designated SBF staff (Staff) will be responsible for convening regularly scheduled Steering Committee meetings. According to the SBF Rules of Governance, regular meetings are held on the first Wednesday every three (3) months from the date of the Rules of Governance Resolution. Meetings are held the third Wednesday of January, and the first Wednesday of April, July, and October.

Assuming a 5-year cycle as outlined in this Strategic Plan, the Steering Committee always has the discretion to convene meetings on a more frequent, as-needed basis.

In convening SBF meetings, Staff will be responsible for preparing agendas, preparing and coordinating materials to be considered on each agenda, and preparing and distributing meeting minutes. Staff must also ensure that the Steering Committee, in implementing this Strategic Plan, complies with the terms of the Settlement Agreement, the Implementation Agreement, and any and all applicable laws.

Table 5-1 presents proposed SBF Program Specialist tasks and Steering Committee decisions that could be, at a minimum, used as a meeting template for quarterly Steering Committee meetings. The proposed

standing meeting agenda ensures that each of the Steering Committee’s obligations is dealt with during the course of the meeting cycles within each calendar year. The following sections describe these administrative functions in greater detail.

Supplemental Benefits Fund Program Specialist: Quarterly Duties

The SBF Program Specialist is responsible for the day-to-day implementation and execution of the Strategic Plan. The annual funding and project selection cycle begins in the fourth quarter of each calendar year. Assuming development of a 5-year capital improvement program in the following year, the SBF Program Specialist will release a notice of anticipated funds and conduct outreach for Project Concept Applications for all funding categories. In preparation for off-years (Years 2–5 of a budgeting cycle), the SBF Program Specialist will accept Project Concept applications for the subsequent 5-year funding cycle and monitoring for any projects whose merits would have been competitive with projects already selected for the current multiple-year budgeting cycle.

During the first quarter of each calendar year, the SBF Program Specialist will present the approved Project Concepts to the Steering Committee. Those preliminary applicants that have successfully met the initial prescreening criteria for funding will be invited to submit full applications. The SBF Program Specialist may provide technical assistance to SBF project applicants to ensure complete applications, and on receipt of full applications, will score the full applications.

During the second quarter of each calendar year, the SBF Program Specialist will assemble and package the project applications for Steering Committee technical scoring and ranking. The SBF Program Specialist will request that the Steering Committee score the project applications for SBF Projects—Large Award and RLF applications, as well as the Community Benefit/Enhancement and Marketing categories. Special meetings may be needed to complete the application process in a timely manner.

During the third quarter of each calendar year, the SBF Program Specialist will solicit and review Project Monitoring and Auditing Information for projects that had previously received funding. The SBF Coordinator will also present a summary of progress made by SBF-funded projects and supplemental grant opportunities pursued and obtained to date.

During the fourth quarter of each calendar year, the cycle begins again. In addition to any notice of funds and outreach, the SBF Program Specialist will summarize and report the annual auditing information provided by SBF funding recipients to the Steering Committee.

Steering Committee: Quarterly Meetings

The Steering Committee will use its quarterly meetings to oversee the SBF annual budget, to score SBF project applications, to select projects to be funded by the SBF, to select administrative allocations, to review and select requests made under the Marketing/Community Benefits Fund and to review annual reporting information on SBF funded projects (see Table 5-1).

First Quarter: The Steering Committee will review the presentation of project concepts made by the SBF Program Specialist for Project Concept applications in the SBF Projects—Large Award and RLF category, as well as the Marketing and Community Benefit category. During this meeting, the Steering Committee will also develop a preliminary 5-year budget (in Year 1 of a 5-year funding cycle) or a preliminary single-year budget (in Years 2–5 of a 5-year funding cycle). This budget will be preliminary in nature because information from DWR regarding the anticipated annual payment amount will not yet be available;

however, the preliminary budget can begin to account for funding received through grants, repayments to the RLF, or any unused monies from the previous year.

Second Quarter: DWR will announce the actual amount of SBF funding to be paid on June 30, which will allow the Steering Committee to finalize the multiple-year or annual budget and select projects for SBF funding. During the second quarter meeting, the Steering Committee will begin by setting the budget for each funding category. Then, the Steering Committee will complete the evaluation of SBF Projects—The Steering Committee will make the final determination for SBF funding awards, including recipients and amount of funding for each of the funding categories, and subsequent deliberations.

Third Quarter: the Steering Committee will receive a summary of progress made by SBF-funded projects and supplemental grant opportunities.

Fourth Quarter: focuses on reporting, monitoring, and auditing of projects that received funding during the previous year. This meeting is intended to hear the SBF Program Specialist summary report on progress for funded projects, as well as to address any major project problems (e.g., non-compliance with SBF funding requirements).

As previously mentioned, the amount of effort in the first year of each multiple-year cycle may require more administrative effort and potentially more frequent meetings of the Steering Committee.

Project Selection Process

A primary function of the SBF Program Specialist will be to administer the SBF project selection process. As described in this Strategic Plan, the SBF Program Specialist will take the lead in soliciting project applications, reviewing project applications (both project concept and full project applications), and assembling and packaging the full project applications for Steering Committee technical scoring and consideration. Project applicants or prospective applicants will likely request that the SBF Program Specialist provide technical assistance in determining how to best comply with application requirements. the SBF Program Specialist will serve as the Steering Committee’s liaison with project applicants, Participating Agencies, and the public-at-large. The level of effort for technical assistance and public outreach will likely be consistent with the level of activity related to project application and processing.

Annual Budgeting

The SBF Program Specialist will be required to prepare the SBF’s annual budget for adoption by the Steering Committee. As described herein, the annual budgeting process will require monitoring of several potential revenue streams and subsequent determination of projected SBF expenditures. The SBF Program Specialist will be required to maintain the SBF financial records consistent with the reporting requirements of public agencies. This effort will require Staff working and coordinating with the Fund Administrator. In addition, the SBF Program Specialist could also be required to assist with a third-party audit of the SBF financial records (e.g., by State or Federal agencies).

Monitoring and Auditing Awarded Grants/Project

The SBF Program Specialist will be responsible for reporting to the Steering Committee regarding the status of project award expenditure and compliance with the requirements of SBF expenditures. At least once annually (recommended for Steering Committee consideration at the fourth-quarter meeting), Staff shall prepare an annual SBF Project Award Status report to update the Steering Committee on project award expenditures. If necessary, such Staff reports shall recommend Steering Committee action in the event that project expenditures are not in compliance with all requirements. If Steering Committee

recommends actions, the SBF Program Specialist will be responsible for coordinating the execution of recommended actions.

Table 5-2 includes specific and general requirements the Steering Committee should consider requiring for the annual reporting of successful project applicants. The specific requirements of each applicant may vary depending on the specifics of a project and its repayment source, if applicable. For example, a project that intends to repay all or a portion of its grant amount would be required to submit information about its repayment source; whereas, this requirement would not be necessary for grant recipients.

IMPLEMENTING ACTIONS

The Strategic Plan will be implemented through the following actions.

1. Prepare the Implementation Agreement

Section H of the SBF Measures requires the development of an Implementation Agreement, the purpose of which is to “direct future performance of all administrative duties associated with implementation of the Fund.” The following components must be included in the Implementation Agreement:

Contract Execution and State/Federal Environmental Law Compliance.

Project Monitoring, including non-performance remedies.

Documentation and Auditing of Projects Associated with the Use of Public Funds.

Issue Resolution with DWR.

Implementation of Steering Committee Decisions.

Project Implementation Criteria, including scheduling/benchmarking, permitting requirements, regular reporting to Fund Administrator, and Penalties for Failure to Comply.

Many of the Strategic Plan concepts and recommended actions can be incorporated into the Implementation Plan to demonstrate compliance with the aforementioned components.

Responsible agency: SBF Steering Committee and SBF Program Specialist

Timeframe: Before the first NOFA

2. Resolve Provider(s) of Administrative Functions

As noted above, the Steering Committee will require administrative support. The Steering Committee, and the SBF Administrator, will need to determine who will, over time, provide these functions. This administrative effort will require funding because it is unlikely that the Participating Agencies will be willing to loan staff or otherwise fund these efforts outside the context of the SBF. Although this Strategic Plan uses the term Staff, the administrative functions described herein may be performed through one of, or a combination of, these:

6. Steering Committee staff: individuals, either part- or full-time, hired by the Steering Committee.

7. Contract professionals: under the supervision of the SBF Coordinator and at the discretion of the Steering Committee, one or more private consultants could be retained to perform SBF administrative functions.

Responsible agency: Steering Committee and SBF Program Specialist
Timeframe: Annually

3. Establish Appeals Process for Concept Projects that are Rejected

One of the early steps in the project selection process is a screening process, whose purpose is designed to ensure that candidate projects fall within the general parameters of the SBF mission, goals, and objectives. The Steering Committee will establish a standardized appeals process for project applicants who do not pass the initial screening process.

Responsible agency: Steering Committee and SBF Program Specialist
Timeframe: Before Accepting Any Project concept applications.

4. Conduct Initial Project Solicitation and Selection Process

The core of the Steering Committee responsibilities is the selection and funding of projects that achieve the purposes of the SBF, as described above. The first time the Selection Process is applied will be critical to the success of the SBF—it is through this process that the Steering Committee will begin to function as outlined in this Strategic Plan and also refine aspects of their operation as the actual work is being conducted.

Responsible agency: Steering Committee

Timeframe: Begin accepting Project concept applications in January 2010

5. Establish Parameters of Regional Loan Fund

The Steering Committee will determine the parameters of the RLF (e.g., interest rate, repayment timeline, and benchmarks) to most appropriately ensure an ongoing source of SBF Funding.

Responsible agency: Steering Committee

Timeframe: Before the first NOFA

Table 5-1 SBF Quarterly Duties During a Regular Calendar Year

Table 5-2 Preliminary Annual Reporting Requirements

(Tables & figures can be found under the tables & Figures Chapter)

Tables & Figures:

Executive Summary:

- ES 1 SBF Approved/Funded Projects Legend
- ES 2 Strategic Plan Report Structure: Main Document
- ES 3 Strategic Plan Report Structure: Appendices

Chapter 1:

- Figure 1-1 FERC Boundary & Feather River Low Flow Channel

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- Table 3-1 Funding Reconciliation for the First Lump Sum payment
- Table 3-2 Historic United States Inflation, 1979-2008
- Table 3-3 Present Value of Annual Payments, 2010-2059 (in 2010 \$000s)
- Table 3-4 Estimated Bonding Capacity – Conservative Scenario
- Table 3-5 Revenue Stream Forecast [1] (Constant 2008\$) (Figures in \$000s)

Chapter 4:

- Figure 4-1 SBF Annual Budget Process
- Figure 4-2 SBF Annual Budget Process (Scenario 1 – Full Annual Payment)
- Figure 4-3 SBF Annual Budget Process (Scenario 2 – Reduced Annual Payment)
- Figure 4-4 Overview of SBF Screening Process

- Table 4-1 Summary of Funding Categories
- Table 4-2 Funding Cycle Budget allocation Comparison – Illustrative Example
- Table 4-3 Summary of Project Application Requirements by Type of Application
- Table 4-4 Evaluation Criteria for SBF Project Selection Process
- Table 4-5 Preliminary Derivation of Raw Scores for SBF Project Applications

Chapter 5:

- Table 5-1 SBF Quarterly Duties During Regular Calendar Year
- Table 5-2 Preliminary Annual Reporting Requirements

Figure ES-1

SBF Approved Projects Legend

Marker	Priority Area	Project	Recipient	Year	Amount
1	Major	Riverbend Park Phase I	FRRPD	2002	3,000,000.00
2	Major	Riverbend park Phase II	FRRPD	2005	2,200,000.00
3	Major	Eagle Metal Sculpture	Artists of River Town	2007	5,000.00
4	Major	Fire Safety Equipment/Oroville Fire Department	City of Oroville	2007	4,636.68
5	Major	Landscaping/Rotary Interpretation Center/Bolt's	City of Oroville	2007	4,000.00
6	Major	Community Room Improvements	Oroville Public Library	2007	4,835.00
7	Low	Kids at Risk Sports Intervention Program	Tree of Hope Foundation	2007	5,000.00
8	Moderate	Oroville Gone Wild/Nature & Wilderness Program	Tree of Hope Foundation	2007	5,000.00
9	Major	Swimming Pool Repairs	Oroville YMCA	2007	5,000.00
10	Major	All Purpose/Soccer Fields at Riverbend Park	FRRPD	2008	1,012,221.74
11	Moderate	Irrigation Improvements	Table Mountain Golf Course, Inc.	2008	30,000.00
12	Major	GEM Patrol Vehicles (2)	City of Oroville	2011	35,098.49
13	Moderate	Start up expenses Forebay Aquatic Center	Forebay Aquatic Center	2012	46,000.00
14	Major	Disc golf program	FRRPD	2012	1,000.00
15	Major	Marketing Gymnastics	FRRPD	2012	4,170.00
16	Major	Website Development	FRRPD	2012	6,500.00
17	Major	Metal Silhouettes Feather River Nature Center	Rotary Club of Oroville	2012	3,624.00
18	Moderate	Irrigation Improvements at Nelson Complex	FRRPD	2016	24,000.00
19	Major	MLE Patrol Funding	City of Oroville	2014	48,403.20
20	Major	Design Elements Future Aquatic Center	City of Oroville	2014	20,000.00
21	Major	Design Elements Brad Freeman Trail	FRRPD	2014	20,000.00
22	Moderate	Operating Expenses Forebay Aquatic Center	Forebay Aquatic Center	2015	53,474.47
23	Major	Brad Freeman Trail/Environmental	FRRPD	2015	20,000.00
24	Major	Childrens' Playground at Riverbend Park North	FRRPD	2015	50,000.00
25	Major	Oroville Veterans' Memorial Park/Improvements	OVMP Committee	2015	112,000.00
Total Projects					6,719,963.58

Figure ES-2

Strategic Plan Report Structure: Main Document

Chapter 1: Introduction and Overview	Chapter 2: Strategic Goals, Objectives, and Principles	Chapter 3: Strategic Environment	Chapter 4: Operational Plan	Chapter 5: Administrative and Implementation Plan
<ul style="list-style-type: none">• Introduction• Background• Strategic Plan• Organization• Guidelines for Strategic Plan	<ul style="list-style-type: none">• Mission of Supplemental Benefits fund• Goals and Objectives of the SBF• Guiding Principles	<ul style="list-style-type: none">• Consistency with the SBF Licensing Agreement• Opportunities and Constraints• Institutional Capacity and Requirements<ul style="list-style-type: none">• SBF Steering Committee• Additional Grants• SBF Funding Forecast Requirements• Potential Availability of Annual SBF Funding	<ul style="list-style-type: none">• Budget Framework• SBF Funding Categories	<ul style="list-style-type: none">• Governance• Administrative Functions• Implementing Actions

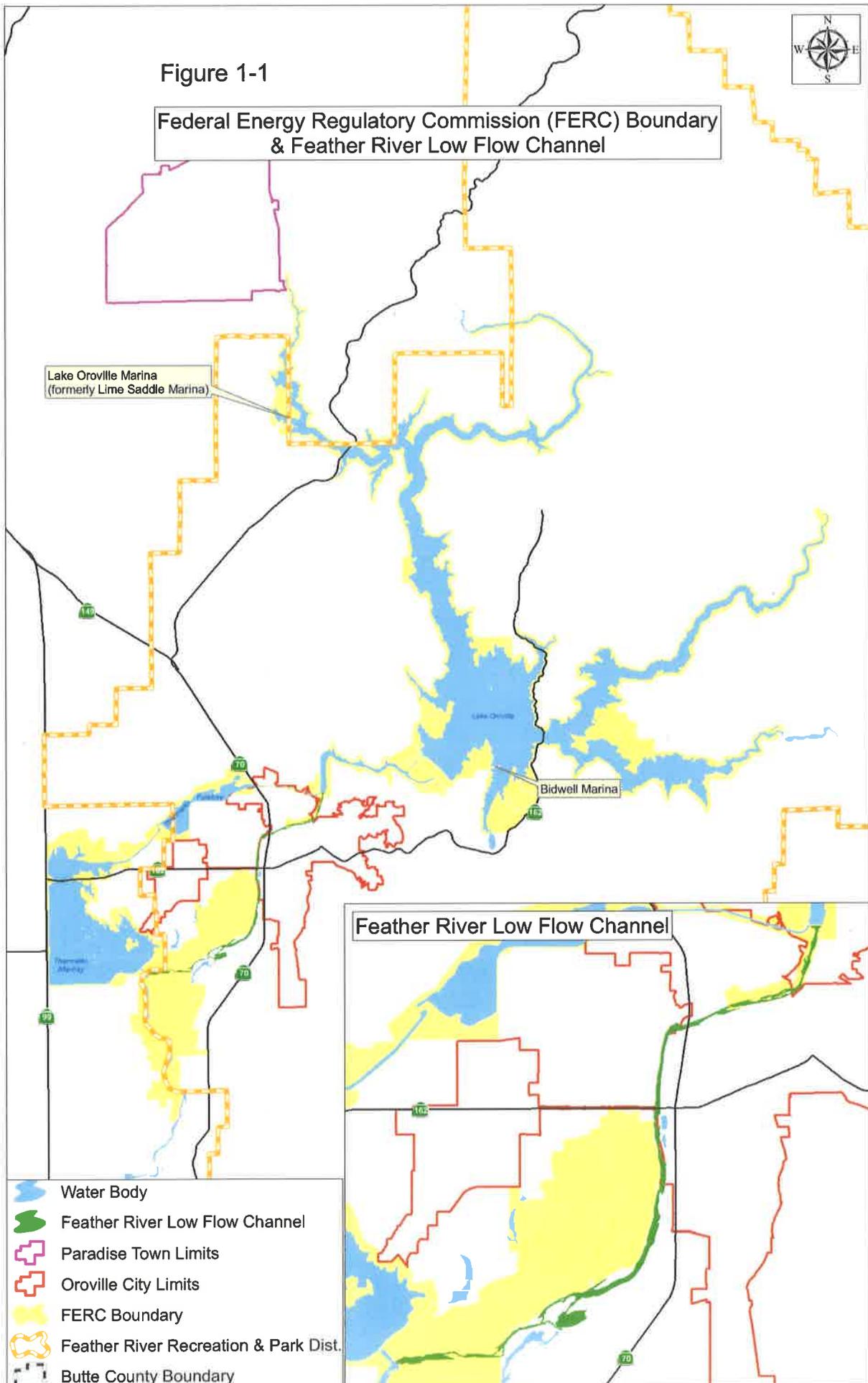
Figure ES-3

Strategic Plan Report Structure: Appendices

Appendix A Feather River Conceptual Plan	Appendix B Grant Application Information	Appendix C Prior Project Identification List	Appendix D Rules of Governance	Appendix E SBF Signatories	Appendix F Mock Technical Scoring Exercise	Appendix G Opportunities analysis
<ul style="list-style-type: none">• Feather River Conceptual Plan “A Vision for the Future of the Low flow Channel “	<ul style="list-style-type: none">• Project Preliminary Application• Full Application	<ul style="list-style-type: none">• Oroville Downtown Waterfront Redevelopment Concept Plan	<ul style="list-style-type: none">• Rules of Governance Adopted by the SBF by Resolution No. 06-01 on October 11, 2006	<ul style="list-style-type: none">• List of Signatories to the Settlement Agreement	<ul style="list-style-type: none">• Sample Scoring Exercise to demonstrate how the technical scoring process of candidate projects will function.	<ul style="list-style-type: none">• Background analysis prepared in 2009 evaluating the content in which the SBF will be operating and identifying potential opportunities a constraints for the SBF funding.

Figure 1-1

Federal Energy Regulatory Commission (FERC) Boundary
& Feather River Low Flow Channel



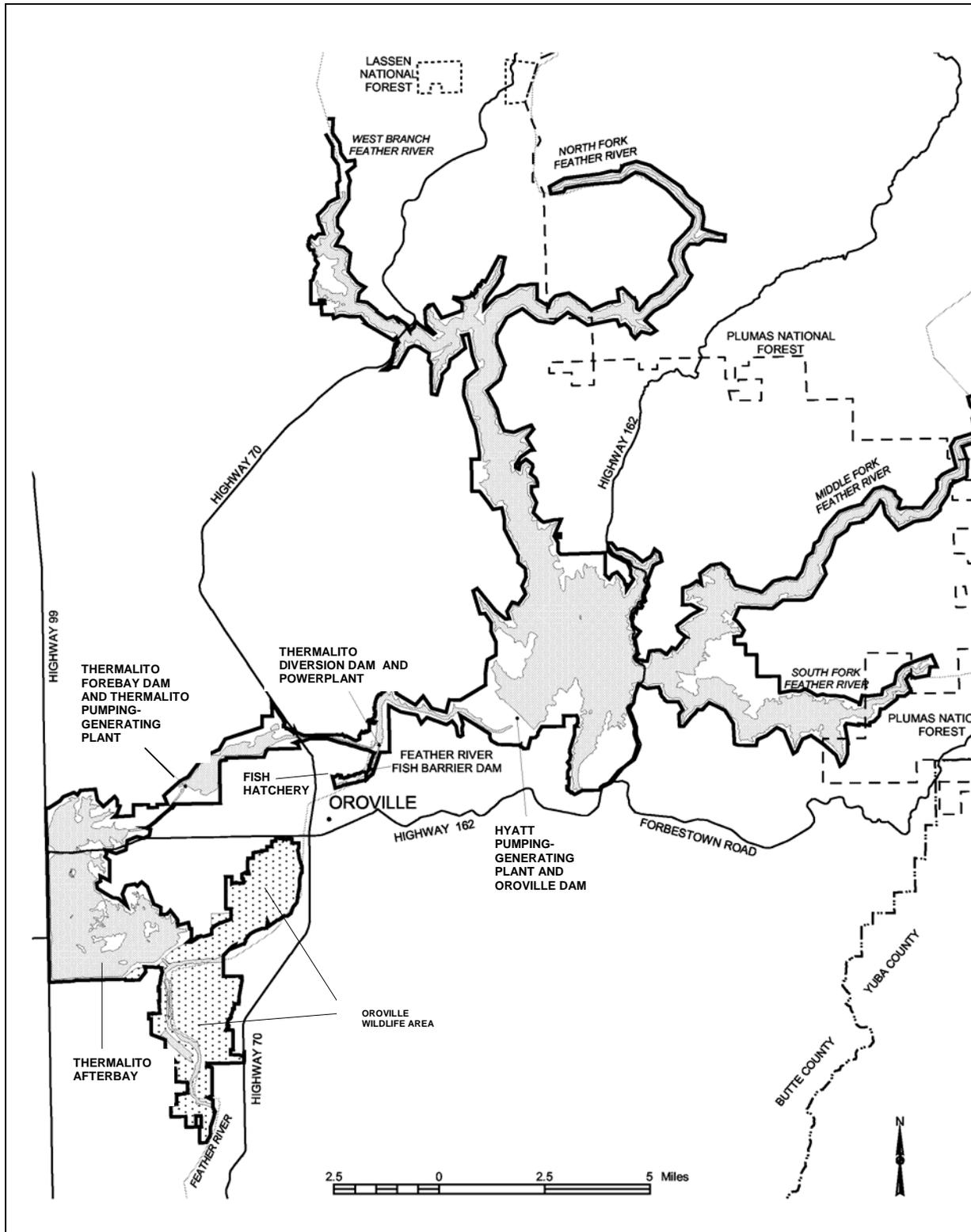


Figure A.1.1-1. Oroville Facilities features location map.

**Table 3-1
Supplemental Benefits Fund: Strategic Plan
Funding Reconciliation for The First Lump-Sum Payment**

Project Description	Amount
FUNDS EXPENDED TO DATE	
Large Projects	
Table Mt. Golf Club, Inc.	\$30,000
FRRPD Riverbend North Park - Soccer Fields	\$1,020,000
Subtotal Large Projects Funded	\$1,050,000
Small Projects	
Oroville Gone Wild	\$5,000
Kids at Risk Sports Intervention Program	\$5,000
The Potter Project	\$4,400
YMCA Swimming Pool Repairs	\$5,000
Metal Sculpture Project	\$5,000
City Fire Rescue Equipment	\$4,637
Landscape/Chinese Brick/Bolt Museum Area	\$4,000
Oroville Library/Conf. Room	\$4,835
Subtotal Small Projects Funded	\$37,872
Other Projects/Funding Awards	
Oroville Area Chamber of Commerce	\$100,000
Administrative Costs [1]	\$265,113
Total Projects and Costs Funded	\$1,452,985
TOTAL FUNDS REMAINING	
Administrative Funds	\$271,897
Small Projects	\$12,128
Unallocated	\$197,990
Subtotal Funds Remaining	\$482,015
TOTAL FUNDS	\$1,935,000

"sbf_funded"

Source: SBF Coordinator, January 2009 and August 2009.

[1] Includes costs incurred and accrued through 6.30.2009.

**Table 3-2
 Supplemental Benefits Fund: Strategic Plan
 Historical United States Inflation, 1979 - 2008**

Year	Avg. Annual Inflation Rate	3-Year Moving Average
1979	11.22%	-
1980	13.58%	-
1981	10.35%	11.72%
1982	6.16%	10.03%
1983	3.22%	6.58%
1984	4.30%	4.56%
1985	3.55%	3.69%
1986	1.91%	3.25%
1987	3.66%	3.04%
1988	4.08%	3.22%
1989	4.83%	4.19%
1990	5.39%	4.77%
1991	4.25%	4.82%
1992	3.03%	4.22%
1993	2.96%	3.41%
1994	2.61%	2.87%
1995	2.81%	2.79%
1996	2.93%	2.78%
1997	2.34%	2.69%
1998	1.55%	2.27%
1999	2.19%	2.03%
2000	3.38%	2.37%
2001	2.83%	2.80%
2002	1.59%	2.60%
2003	2.27%	2.23%
2004	2.68%	2.18%
2005	3.39%	2.78%
2006	3.24%	3.10%
2007	2.85%	3.16%
2008	3.85%	3.31%
Average:		
10-Year - 1999-08	2.83%	2.66%
20-Year - 1989-08	3.05%	3.07%
30-Year - 1979-08	4.10%	3.84%

"inflation"

Source: Inflationdata.com (retrieved Aug 7, 2009).

Table 3-3
Supplemental Benefits Fund: Strategic Plan
Present Value of Annual Payments, 2010-2059 (in 2010 \$000s)

Item	50-YEAR LICENSE (in \$000s)	40-YEAR LICENSE (in \$000s)	30-YEAR LICENSE (in \$000s)
Discount Rate [1]	3.05%	3.05%	3.05%
Nominal Annual Payments	\$1,000	\$900	\$800
	Present Value of Payments (in 2010\$)		
<i>Year:</i>			
2010	\$1,000	\$900	\$800
2011	\$970	\$873	\$776
2012	\$942	\$848	\$753
2013	\$914	\$822	\$731
2014	\$887	\$798	\$709
2015	\$861	\$775	\$688
2016	\$835	\$752	\$668
2017	\$810	\$729	\$648
2018	\$786	\$708	\$629
2019	\$763	\$687	\$611
2020	\$741	\$667	\$592
2021	\$719	\$647	\$575
2022	\$697	\$628	\$558
2023	\$677	\$609	\$541
2024	\$657	\$591	\$525
2025	\$637	\$574	\$510
2026	\$618	\$557	\$495
2027	\$600	\$540	\$480
2028	\$582	\$524	\$466
2029	\$565	\$509	\$452
2030	\$548	\$494	\$439
2031	\$532	\$479	\$426
2032	\$517	\$465	\$413
2033	\$501	\$451	\$401
2034	\$486	\$438	\$389
2035	\$472	\$425	\$378
2036	\$458	\$412	\$366
2037	\$445	\$400	\$356
2038	\$431	\$388	\$345
2039	\$419	\$377	\$335
2040	\$406	\$366	-
2041	\$394	\$355	-
2042	\$383	\$344	-
2043	\$371	\$334	-
2044	\$360	\$324	-
2045	\$350	\$315	-
2046	\$339	\$305	-
2047	\$329	\$296	-
2048	\$319	\$288	-
2049	\$310	\$279	-
2050	\$301	-	-
2051	\$292	-	-
2052	\$283	-	-
2053	\$275	-	-
2054	\$267	-	-
2055	\$259	-	-
2056	\$251	-	-
2057	\$244	-	-
2058	\$237	-	-
2059	\$230	-	-
Total (in 2010\$)	\$26,272	\$21,270	\$16,058

"PV"

Source: Inflationdata.com (retrieved Aug 7, 2009) and EPS.

[1] The Discount Rate is the 20-year average historical inflation rate. See Table 3-2.

Table 3-4
Supplemental Benefits Fund: Strategic Plan
Estimated Bonding Capacity - Conservative Scenario

\$300,000
Annual Payment

Item	Assumptions	Estimated Bonding Capacity - 30 Year Term [1]		
		7% Interest	8% Interest	9% Interest
Estimated Annual Payment		\$300,000	\$300,000	\$300,000
Less Estimated Administration Costs	4%	(\$12,000)	(\$12,000)	(\$12,000)
Less Delinquency Coverage	10%	(\$30,000)	(\$30,000)	(\$30,000)
Adjustment for Rounding		\$2,000	\$2,000	\$2,000
Estimated Gross Debt Service (Rounded)		\$260,000	\$260,000	\$260,000
Bond Proceeds and Bond Size				
Total Bond Size		\$3,226,351	\$2,927,024	\$2,671,150
Adjustment for Rounding		(\$26,351)	(\$27,024)	\$28,850
Total Bond Size (Rounded)		\$3,200,000	\$2,900,000	\$2,700,000
Total Bond Size (Rounded)		\$3,200,000	\$2,900,000	\$2,700,000
Estimated Bond Proceeds				
Rounded Bond Size		\$3,200,000	\$2,900,000	\$2,700,000
Less Capitalized Interest	12 months	(\$224,000)	(\$232,000)	(\$243,000)
Less Issuance Cost	5%	(\$160,000)	(\$145,000)	(\$135,000)
ESTIMATED BOND PROCEEDS		\$2,816,000	\$2,523,000	\$2,322,000
Estimated Opportunity Cost of Bond [2]				
Cumulative Revenues Over 30 Yrs. Without Bonds		\$9,000,000	\$9,000,000	\$9,000,000
Cost of Bond				
Interest		\$6,184,000	\$6,477,000	\$6,678,000
Issuance Costs		\$160,000	\$145,000	\$135,000
Total Opportunity Cost of Bond		\$6,344,000	\$6,622,000	\$6,813,000
Cost as a % of Total Revenues		70%	74%	76%

"bonds"

[1] Estimated bond sizing based on conservative assumptions. The actual interest rate will be determined at the time of bond sale.

[2] For purposes of this analysis, the opportunity cost of a bond was calculated using constant dollars. A full analysis would need to account for the present value of money.

Table 3-5
 Supplemental Benefits Fund: Strategic Plan
 Revenue Stream Forecast [1] (Constant 2008\$) (Figures in \$000s)

50-Year License
 Assumption

Item	Assumption	Total	2006-2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020-2029	2030-2039	2040-2049	2050-2059
Gross Revenues [2]																	
Initial Payments																	
First Release		\$1,935	\$1,935														
Second Release		\$4,135		\$4,135													
Subtotal Initial Payments		\$6,070	\$1,935	\$4,135													
Annual Payments	50 years	\$50,000	\$0	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$10,000	\$10,000	\$10,000	\$10,000
Other Pre-Allocated Revenues [3]		\$5,200	\$5,200														
Other Revenue Sources		TBD	\$0														
Annual Gross Revenues		\$61,270	\$7,135	\$5,135	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$10,000	\$10,000	\$10,000	\$10,000
Cumulative Gross Revenues		\$61,270	\$7,135	\$12,270	\$13,270	\$14,270	\$15,270	\$16,270	\$17,270	\$18,270	\$19,270	\$20,270	\$21,270	\$31,270	\$41,270	\$51,270	\$61,270
Revenue Adjustments																	
DWR Water Allocation Adjustment																	
% of Maximum Allocation Granted	0-35% triggers reduction			<i>Example</i> 30%	50%	75%	100%	100%	100%								
Reduced Annual Payment				\$500	\$0	\$0	\$0	\$0	\$0								
Adjusted Annual Payment				\$500	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000								
Subsequent Repayment				\$0	\$100	\$100	\$100	\$100	\$100								
Oroville Facilities Generation Adjustment [4]																	
Power Generation Reduction %	11-100% triggers reduction			\$0	\$0	\$0	\$0	\$0	\$0	<i>Example</i> \$0	<i>Example</i> \$0	\$0	\$0	\$0	\$0	\$0	\$0
Corresponding Payment Reduction %				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payment Reduction				\$0	\$0	\$0	\$0	\$0	\$0	(\$50)	(\$50)	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Adjustments				(\$500)	\$0	\$0	\$0	\$0	\$0	(\$50)	(\$50)	\$0	\$0	\$0	\$0	\$0	\$0
Net Revenues																	
Annual Net Revenues		\$61,170	\$7,135	\$4,635	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$950	\$950	\$1,000	\$1,000	\$10,000	\$10,000	\$10,000	\$10,000
Cumulative Net Revenues		\$61,170	\$7,135	\$11,770	\$12,870	\$13,970	\$15,070	\$16,170	\$17,270	\$18,220	\$19,170	\$20,170	\$21,170	\$31,170	\$41,170	\$51,170	\$61,170

*gross_rev

[1] For illustrative purposes only.
 [2] Gross revenues are prior to any adjustments that may or may not be reimbursable.
 [3] Comprises two commitments by DWR to fund \$3 million and \$2.2 million towards Riverbend Park improvements in 2006.
 [4] Adjustment for facilities generation are not subject to repayment.

Figure 4-1
SBF Annual Budget Process
(Illustrative Example)

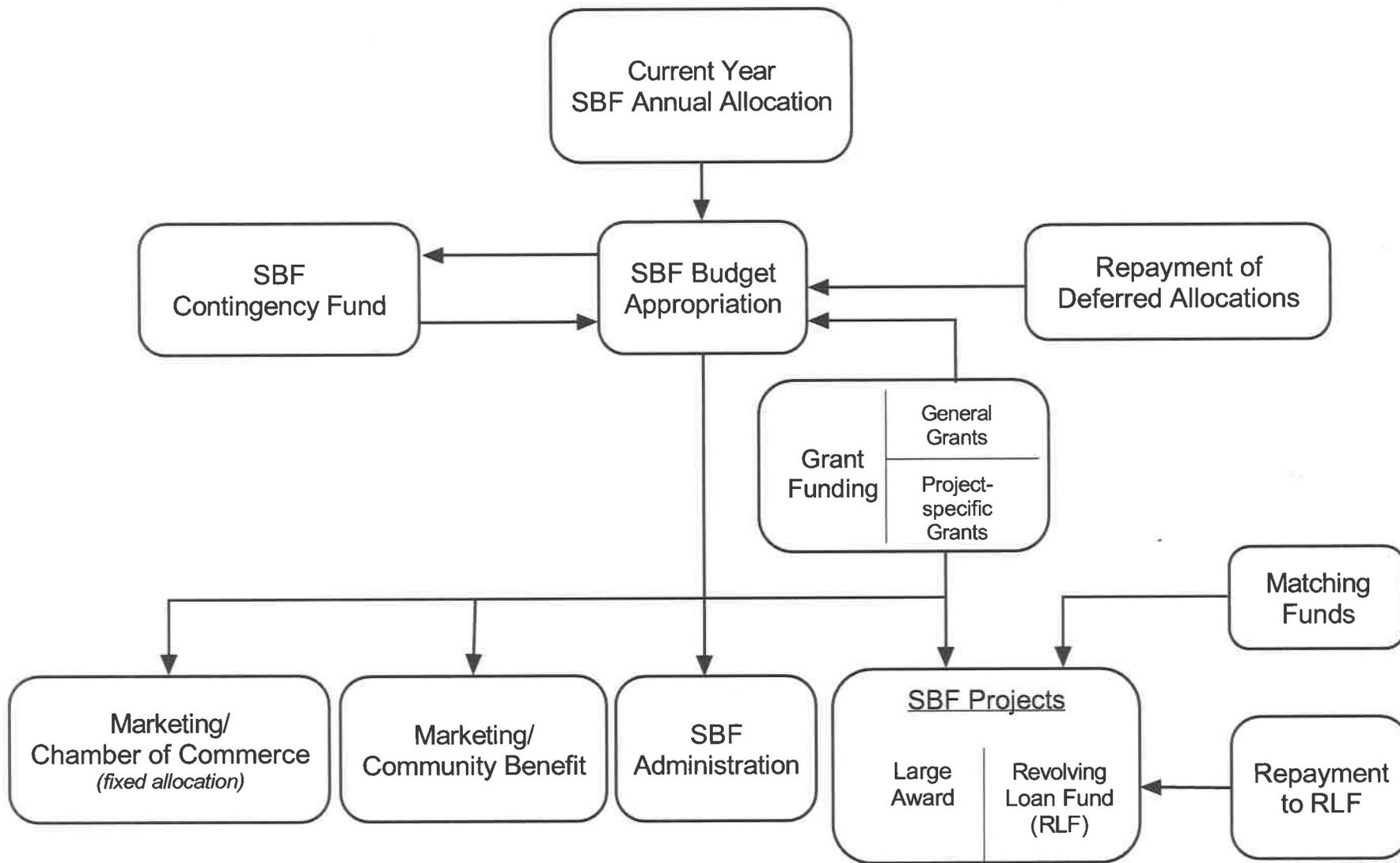


Figure 4-2
SBF Annual Budget Process
Scenario 1 - Full Annual Payment
(Illustrative Example)

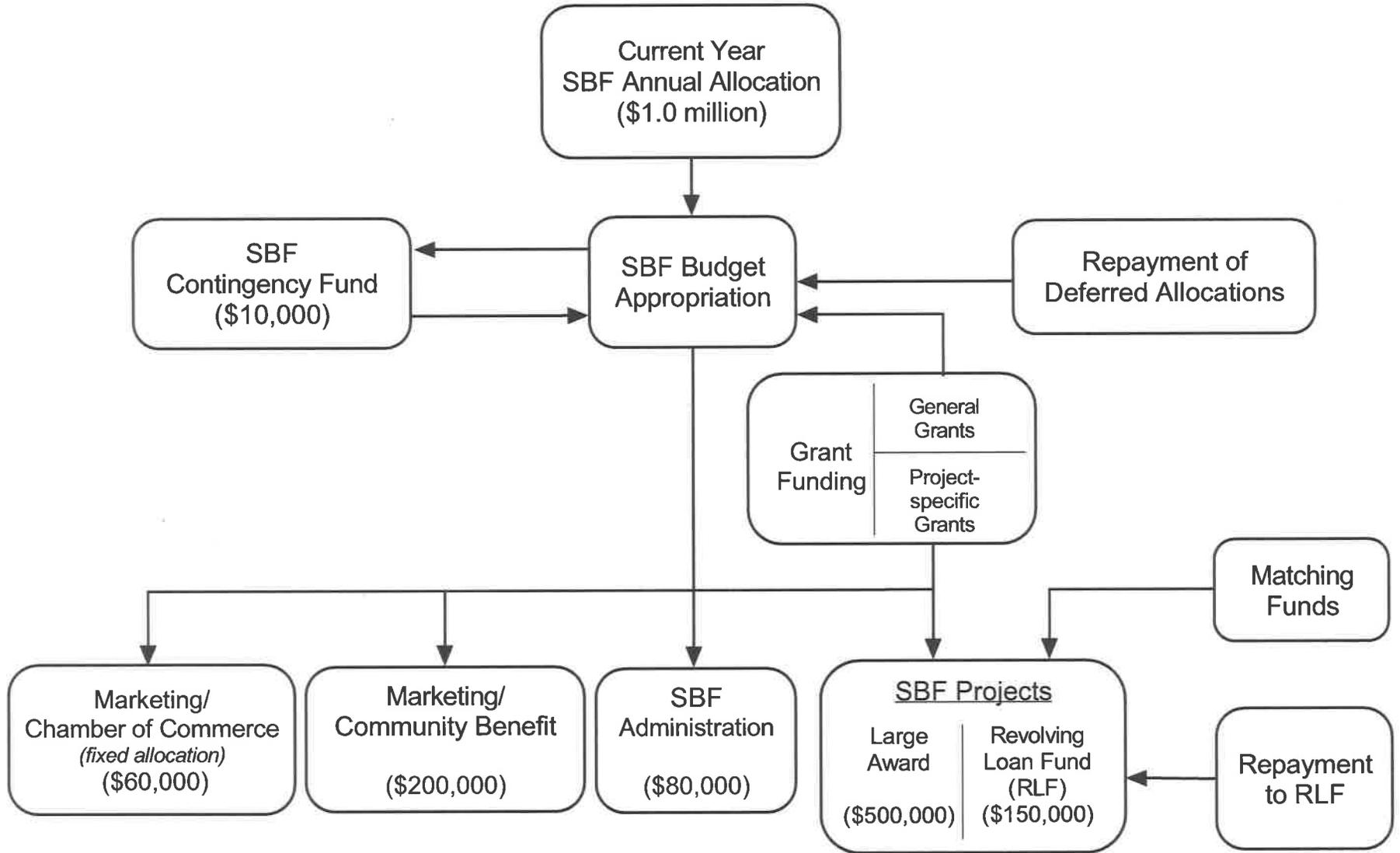
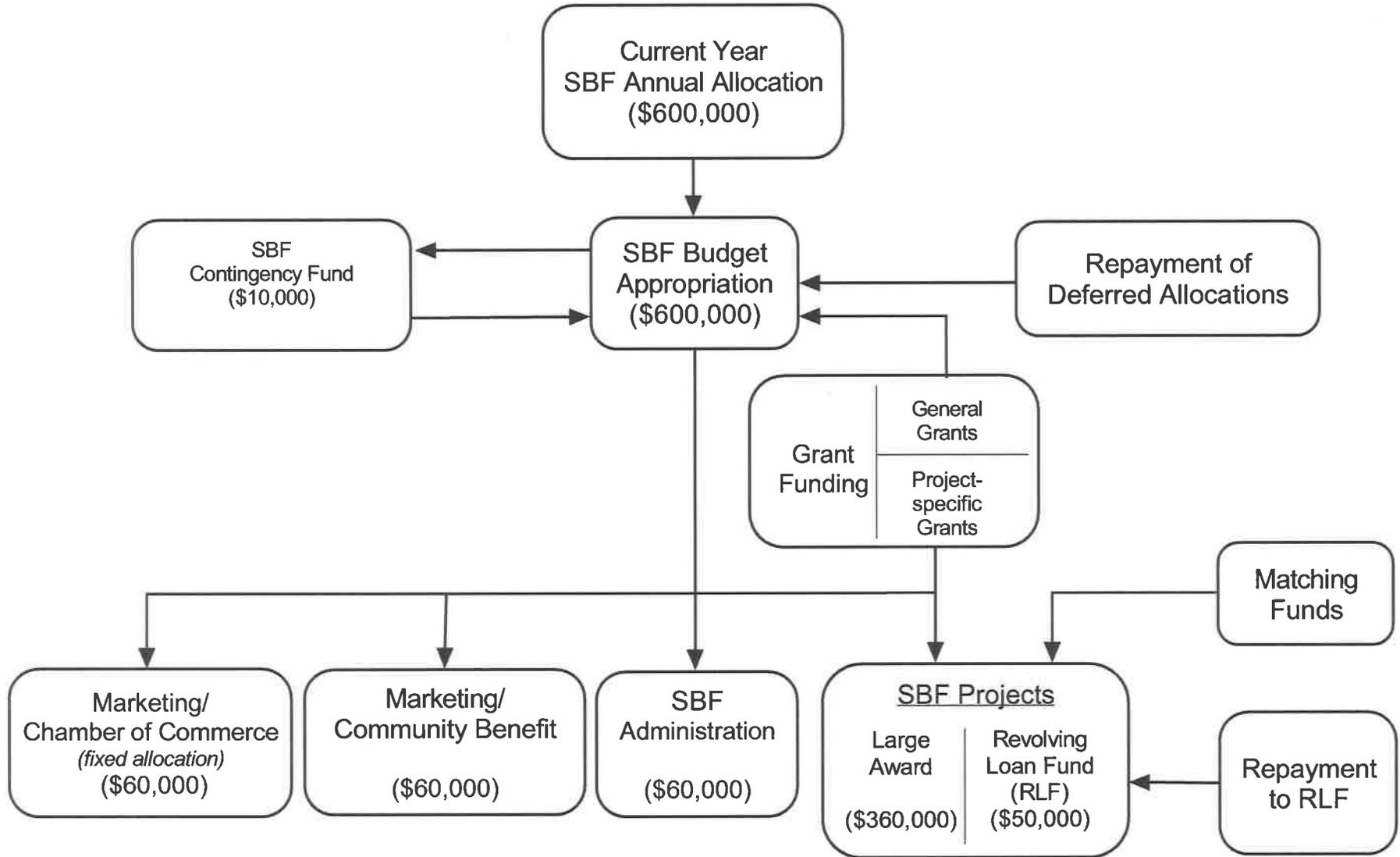
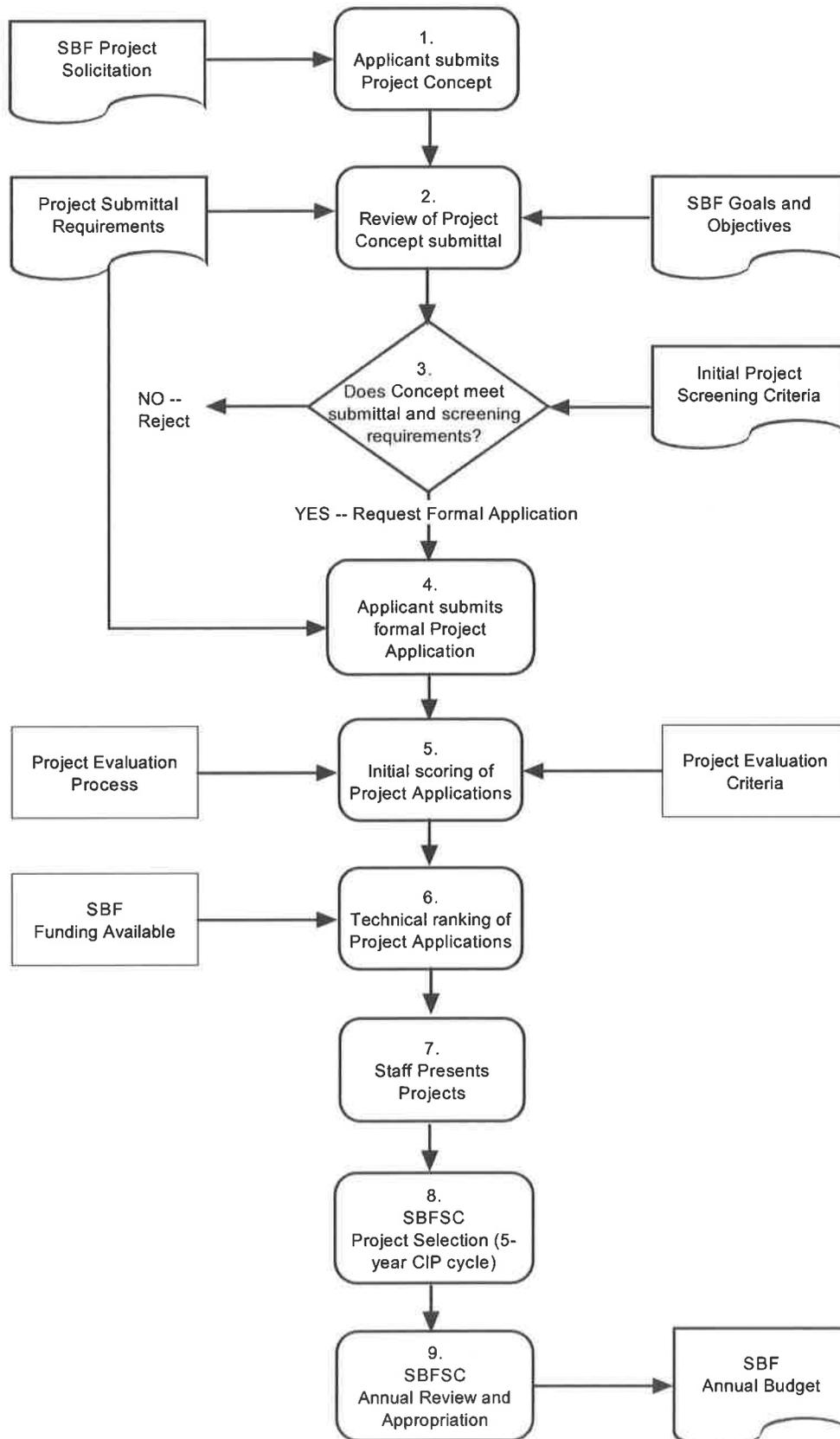


Figure 4-3
SBF Annual Budget Process
Scenario 2 - Reduced Annual Payment
(Illustrative Example)



**Figure 4-4
Overview of SBF Screening Process**



**Table 4-1
Supplemental Benefits Fund: Strategic Plan
Summary of Funding Categories**

Funding Category	Description	Example Percentage [1]	Fixed vs. Variable	Award by Category or per Project	Application Process	Other Considerations
SBF Administration	Outreach, project solicitation and review, Steering Committee support, RFSP implementation, project oversight, monitoring/auditing of SBF projects.	8 percent	Variable - subject to SBF discretion and annual funding stream interruptions.	\$100,000 annually [2]	Not applicable.	Subject to review for each multi-year funding cycle. Per the Settlement Agreement, any money for administration not used would be reallocated to Project fund(s).
SBF Projects - Large Award	Projects that are consistent with the SBF objectives.	50 percent	Variable - subject to SBF discretion and annual funding stream interruptions.	No maximum established.	1) Project Concept Application. 2) Full project applications only upon invitation.	Annual appropriation may not be reduced if funding stream is interrupted.
SBF Projects - Revolving Loan Fund	Funding via loans for projects that can repay the obligation.	15 percent	Variable - subject to SBF discretion and annual funding stream interruptions.	\$20,000 Minimum Request. No Maximum Established.	1) Project Concept Application. 2) Full project applications only upon invitation.	Annual appropriation may not be reduced if funding stream is interrupted.
Marketing/Community Benefit	Promotion of tourism, marketing, and recreation for the region, coordinated with DWR marketing and with other agencies. Also targeted to community organizations/ events that celebrate the area, its residents, and its culture.	20 percent	Variable - subject to SBF discretion and annual funding stream interruptions.	\$0 - \$200,000 annually.	1) Project Concept Application. 2) Full project applications only upon invitation.	Subject to review for each multi-year funding cycle. Annual appropriation may be reduced if funding stream is interrupted.
Marketing/Chamber of Commerce	Promotion of tourism and other community events and activities consistent with the Chamber of Commerce's mission.	6 percent	Fixed annually	\$0 - \$200,000 annually.	Not applicable - see Chapter 4 text for description of annual reporting requirements.	The Steering Committee will require a written report summarizing the annual program supported by SBF funding. The Steering Committee will also require quarterly reports on the Chamber's progress.
Contingency	Contingency to buffer against funding stream interruptions or for special circumstances.	1 percent	Variable - subject to SBF discretion and annual funding stream interruptions.	\$0 - \$50,000 annually.	Not applicable.	Steering Committee discretion on use of funds. Annual appropriation may be reduced if funding stream is interrupted.

"summary"

[1] Example percentages for illustrative purposes only. See Chapter 4 text for a description of the percentage ranges by fund category, which the Steering Committee has discretion to adjust if necessary.
[2] Funding for administration during the first two years will equal \$300,000 annually per the Settlement Agreement.

**Table 4-2
Supplemental Benefits Fund: Strategic Plan
Funding Cycle Budget Allocation Comparison - Illustrative Example**

Category	Example Percentage [1]	Multiyear Funding Cycle Total	Annual Amount
SBF Administration	9%	\$450,000	\$90,000
SBF Projects - Large Award	50%	\$2,500,000	\$500,000
SBF Projects - RLF	10%	\$500,000	\$100,000
Marketing/Community Benefit	20%	\$1,000,000	\$200,000
Marketing/Chamber of Commerce	6%	\$300,000	\$60,000
Contingency	5%	\$250,000	\$50,000
Subtotal Projects		\$5,000,000	\$1,000,000
Total	100%	\$5,000,000	\$1,000,000

"cycle"

Assumptions \$1,000,000 Annual SBF allocation
5 Year funding cycle

[1] Example percentages for illustrative purposes only. Below is the range of percentages that apply to each funding category.

<u>Category</u>	<u>Percentage Range</u>
SBF Administration	5-10%
SBF Projects - Large Award	45-65%
SBF Projects - RLF	5-15%
Marketing/Community Benefit	10-20%
Marketing/Chamber of Comm. (fixed)	6%
Contingency	0-5%

**Table 4-3
Supplemental Benefits Fund: Strategic Plan
Summary of Project Application Requirements by Type of Application**

Item	<u>Initial Application</u>	<u>Full Application</u>	
	Project Concept	Project - Large Award	Marketing/ Community Benefit
Initial Screening Criteria			
Completeness of Proposal	X		X
Consistency with SBF Goals	X	X	X
Project readiness	X	X	X
Availability of O&M funding	X	X	
Consistency with DWR Recreation Management Plan [1]	X	X	X
Consistency with City of Oroville Waterfront Master Plan [1]	X	X	X
Consistency with FRRPD Master Plan [1]	X	X	X
Additional Criteria for Full Application [2]			
Ability to Attract Matching Funding		X	X
Ability to Repay SBF Funding		X	
Nexus to the Feather River		X	X
Potential to Enhance Local Jobs		X	
Consistency with Local Plans		X	X
Enhancement of "Sustainable Development" Objectives		X	
Ability to Enhance Quality of Life for Residents and Attract Visitors		X	X

"apps"

[1] Consistency with local plans and objectives, a.k.a., the regional vision.

[2] Additional criteria would be required for full application for Marketing and Community Benefit or for SBF Project - Large Award Projects.

Table 4-4

**Supplemental Benefits Fund: Strategic Plan
Evaluation Criteria for SBF Project Selection Process**

Project Ranking Criteria	Metric [1]	Method	Criteria Range (5 is highest)	Data Needed	Proposed Weighting
1) Ability to attract matching funding	% of Matching Funds/Value Compared to Total Project Costs (matching value may include donated materials, time, or other resources)	Calculate metric and place proposed projects being considered in rank order, highest ratio the best. Total ratio forced into quintiles, based on range of scores and total # of applications.	Score projects 5 - 1: 81-100 percentile = 5 pts 61-80 percentile = 4 pts 41-60 percentile = 3 pts 21-40 percentile = 2 pts 0-20 percentile = 1 pt	Project Value (dollars invested) and matching funding applied	5
2) Ability to pay back funding (loan) from SBF	Loans as a % of total funding requested	Calculate % of Funding Request that would be repaid via Revolving Loan Fund. Percentages then forced into quintiles, based on range of scores and total # of applications.	Score projects 5 - 1: 81-100 percentile = 5 pts 61-80 percentile = 4 pts 41-60 percentile = 3 pts 21-40 percentile = 2 pts 0-20 percentile = 1 pt	Request for loan versus grant by applicant.	5
3) Nexus to Feather River	Subjective Measure of: 1) Proximity to River 2) Link to River recreation 3) Other River "nexus" (such as riparian restoration)	Subjective Scoring (Low = 0, Medium = 1, High = 2) for each Factor by SBF Coordinator. Totals then forced into quintiles, based on range of scores and total # of applications.	Score projects 5 - 1: 81-100 percentile = 5 pts 61-80 percentile = 4 pts 41-60 percentile = 3 pts 21-40 percentile = 2 pts 0-20 percentile = 1 pt	Project description should include specific location and describe how it is related to enhancing river recreation and how it may achieve other river "nexus"	5

4-22

Table 4-4
Supplemental Benefits Fund: Strategic Plan
Evaluation Criteria for SBF Project Selection Process

Project Ranking Criteria	Metric [1]	Method	Criteria Range (5 is highest)	Data Needed	Proposed Weighting
4) Potential to enhance local jobs	2 metrics: 1) Quantity of Permanent Full-Time Direct Jobs AND 2) Quality of Permanent Full-Time Direct Jobs (compared by AMI)	1) Calculate number of direct jobs associated with proposed project. 2) Calculate number of direct jobs associated with proposed project that will be at or above 120% of AMI. 3) Total scores forced into quintiles, based on range of scores from all applications.	Score projects 5 - 1: 81-100 percentile = 5 pts 61-80 percentile = 4 pts 41-60 percentile = 3 pts 21-40 percentile = 2 pts 0-20 percentile = 1 pt	Estimated business volume and related permanent full-time direct employment and likely local business linkages. Estimated wages for each permanent full-time job created by the Project.	2
5) Consistency with capital improvements plans of other existing local plans and programs	Inclusion of project in pre-existing set of local plans and programs.	1 point per CIP. Points then forced into quintiles, based on range of scores and total # of applications.	Score projects 5 - 1: 81-100 percentile = 5 pts 61-80 percentile = 4 pts 41-60 percentile = 3 pts 21-40 percentile = 2 pts 0-20 percentile = 1 pt	Electronic copies of approved local plans and programs (for easy searching).	2
6) Enhance "sustainable development" objectives	US Mayors Climate Protection Agreement Targets (12 total targets)	Compare Project Features to Climate Agreement Targets. Project receives 1 point for every target achieved. Points then forced into quintiles, based on range of scores and total # of applications.	Score projects 5 - 1: 81-100 percentile = 5 pts 61-80 percentile = 4 pts 41-60 percentile = 3 pts 21-40 percentile = 2 pts 0-20 percentile = 1 pt	This method should be refined if/when regional and/or local sustainability plans are developed and adopted by the SBF Steering Committee.	1

4-23

Table 4-4

**Supplemental Benefits Fund: Strategic Plan
Evaluation Criteria for SBF Project Selection Process**

Project Ranking Criteria	Metric [1]	Method	Criteria Range (5 is highest)	Data Needed	Proposed Weighting
7) Enhance quality of life for local residents and Attract Visitors	Subjective Assessment by Steering Committee regarding the following factors: <ul style="list-style-type: none"> • Project Uniqueness • Utility by Local Residents • Appeal to Visitors • Increase in Level of Service 	Assign Points (Low=1, Med=3, High=5). Points then forced into quintiles, based on range of scores and total # of applications.	Score projects 5 - 1: 81-100 percentile = 5 pts 61-80 percentile = 4 pts 41-60 percentile = 3 pts 21-40 percentile = 2 pts 0-20 percentile = 1 pt	Need to establish a set of standards for public and private services and determine a baseline that would be altered by proposed projects.	4

4-24

[1] The term "metric" refers to the standard of measurement being used to quantify or evaluate a given criteria.

**Table 4-5
Supplemental Benefits Fund: Strategic Plan
Preliminary Derivation of Raw Scores for SBF Project Applications**

Criteria	Raw Score Derivation			Raw Score Value
	Initial Input [1]	From	To	
1) Ability to Match Funding				
Lowest Amount	10			
Highest Amount	95			
Value Range per Group	17.00			
Highest Group-- top 20%		78.01	95.00	5
2nd Highest Group-- 21-40%		61.01	78.00	4
3rd Highest Group--41-60%		44.01	61.00	3
4th Highest Group-- 61-80%		27.01	44.00	2
5th Highest Group-- 81-100%		10.00	27.00	1
2) Ability to Repay SBF Funding				
Lowest Amount	0%			
Highest Amount	100%			
Value Range per Group	20.00%			
Highest Group-- top 20%		80.01%	100.00%	5
2nd Highest Group-- 21-40%		60.01%	80.00%	4
3rd Highest Group--41-60%		40.01%	60.00%	3
4th Highest Group-- 61-80%		20.01%	40.00%	2
5th Highest Group-- 81-100%		0.00%	20.00%	1
3) Nexus to Feather River				
Lowest Amount	8			
Highest Amount	18			
Value Range per Group	2.00			
Highest Group-- top 20%		16.01	18.00	5
2nd Highest Group-- 21-40%		14.01	16.00	4
3rd Highest Group--41-60%		12.01	14.00	3
4th Highest Group-- 61-80%		10.01	12.00	2
5th Highest Group-- 81-100%		8.00	10.00	1

Project scorer to fill in Lowest and Highest Amounts. Percentage and Raw Score Amounts will calculate automatically.

Table 4-5
Supplemental Benefits Fund: Strategic Plan
Preliminary Derivation of Raw Scores for SBF Project Applications

Criteria	Raw Score Derivation			Raw Score Value
	Initial Input [1]	From	To	
4) Potential to Enhance Local Jobs				
Lowest Amount	0			
Highest Amount	150			
Value Range per Group	30.00			
Highest Group-- top 20%		120.01	150.00	5
2nd Highest Group-- 21-40%		90.01	120.00	4
3rd Highest Group--41-60%		60.01	90.00	3
4th Highest Group-- 61-80%		30.01	60.00	2
5th Highest Group-- 81-100%		0.00	30.00	1
5) Consistency with Other Local Plans				
Lowest Amount	1			
Highest Amount	4			
Value Range per Group	0.60			
Highest Group-- top 20%		3.41	4.00	5
2nd Highest Group-- 21-40%		2.81	3.40	4
3rd Highest Group--41-60%		2.21	2.80	3
4th Highest Group-- 61-80%		1.61	2.20	2
5th Highest Group-- 81-100%		1.00	1.60	1
6) Enhancement of Sustainable Development Objectives				
Lowest Amount	2			
Highest Amount	8			
Value Range per Group	1.20			
Highest Group-- top 20%		6.81	8.00	5
2nd Highest Group-- 21-40%		5.61	6.80	4
3rd Highest Group--41-60%		4.41	5.60	3
4th Highest Group-- 61-80%		3.21	4.40	2
5th Highest Group-- 81-100%		2.00	3.20	1

Table 4-5
Supplemental Benefits Fund: Strategic Plan
Preliminary Derivation of Raw Scores for SBF Project Applications

Criteria	Raw Score Derivation			Raw Score Value
	Initial Input [1]	From	To	
7) Enhancement of Quality of Life for Residents and Ability to Attract Visitors				
Lowest Amount	8			
Highest Amount	20			
Value Range per Group	2.40			
Highest Group-- top 20%		17.61	20.00	5
2nd Highest Group-- 21-40%		15.21	17.60	4
3rd Highest Group--41-60%		12.81	15.20	3
4th Highest Group-- 61-80%		10.41	12.80	2
5th Highest Group-- 81-100%		8.00	10.40	1

"quintiles"

[1] The example "lowest amount" and "highest amount" scores are consistent with the mock technical scoring exercise presented in Appendix F.

Table 5-1
Oroville Regional Fund Strategic Plan
SBF Quarterly Duties During a Regular Calendar Year

Quarter 1	Quarter 2	Quarter 3	Quarter 4
<p>SBF Coordinator Duties</p> <ol style="list-style-type: none"> 1. Present Approved Project Concepts to SC 2. Solicit and Review Full Applications - All Types 3. Provide Technical Assistance to SBF Project Applicants 4. Pursue Grant Opportunities 	<ol style="list-style-type: none"> 1. Score SBF Projects-- Large Award and RLF Applications 2. Score Mktg. and Comm. Benefit App's 3. Present SBF Projects -- Large Award and RLF 4. Present Mktg and Community Benefit Applications 5. Pursue Grant Opportunities 	<ol style="list-style-type: none"> 1. Solicit Project Monitoring/Auditing Info 2. Report on Progress of SBF projects 3. Pursue Grant Opportunities 4. Report on Grant Funding Opportunities 4. Pursue Grant Opportunities 	<ol style="list-style-type: none"> 1. Report Project Monitoring/ Auditing Info. 2. Submit NOFA for all Categories 3. Conduct Outreach for All Categories 4. Solicit Project Concept Applications 5. Pursue Grant Opportunities
<p>SBF Steering Committee Meetings</p> <ol style="list-style-type: none"> 1. Determine Annual Budget 2. Review Project Concepts 2. Develop Preliminary Annual Budget 	<ol style="list-style-type: none"> 1. Select SBF Projects-- Large Award and RLF projects 2. Select Mktg and Community Benefit Projects 	<ol style="list-style-type: none"> 1. Receive report on status of SBF projects. 2. Receive report on grant funding opportunities 	<ol style="list-style-type: none"> 1. Review Project Monitoring/ Auditing Info

"calendar"

**Table 5-2
Supplemental Benefits Fund: Strategic Plan
Preliminary Annual Reporting Requirements**

Item	SBF Project-- Large Award Grant	SBF Project-- RLF Borrower	Marketing and Community Benefit
General Requirements			
1) Status Update on any Operations & Maintenance (if any were contingent upon funding award)	X	X	X
2) Status of any declared matching funds	X	X	X
3) Compliance with Project Schedule	X	X	X
Specific Requirements			
4) Comprehensive Annual Financial Report (CAFR)	X	X	
5) Accounting Reconciliation for SBF Funds Expended	X	X	X
6) Certification that borrower is in compliance with terms of repayment		X	
7) Number of Jobs or Job Training Opportunities Created and Associated Salaries (if any reported in application)	X	X	
8) Number of Visitors (if any estimated in application)	X	X	X

"req"

5-9

Appendices:

- Appendix A: Feather River Conceptual Plan, “A Vision for the Future of the Low Flow Channel”
- Appendix B: Grant Application Information
 - (1) Project Request – Pre- Application
 - (2) Project Request – Formal Application
- Appendix C: Prior Project Identification List
- Appendix D: SBF Rules of Governance
- Appendix E: Settlement Agreement
 - (1) SBF Signatories
- Appendix F: Mock Technical Scoring Exercise
- Appendix G: Opportunities Analysis
- Appendix H: Supporting Information
 - (1) Funding Reconciliation for the First Lump-Sum Payment from DWR and subsequent payments pending FERC License Signing
 - (2) Historical United States Inflation, 1979-2008
 - (3) Present Value of Annual Payments, 2010 -2059
 - (4) Estimated Bonding Capacity – Conservative Scenario
 - (5) Preliminary Derivation of Raw Technical Scores

APPENDIX A

APPENDIX A:

Feather River Conceptual Plan,
“A Vision for the Future of the Low Flow Channel”

Please visit the www.cityoforoville.org
website and find the completed
document under the
Government/SBF Administration
to find the completed
Feather River Conceptual Plan.

APPENDIX B:

Grant Application Information

- (1) Project Request – Pre- Application
- (2) Project Request – Formal Application



SUPPLEMENTAL BENEFITS FUND REGIONAL FUND STRATEGIC PLAN EXCERPTS

GRANT APPLICANT INFORMATION

The following provides pertinent information to assist applicants requesting grant funding consideration from the Supplemental Benefits Fund. Applicants are encouraged to also review the complete Regional Fund Strategic Plan which is available at www.cityoforoville.org Local Government/SBF. Please contact the SBF Program Specialist at 530-538-2518 or email any questions to sbf@cityoforoville.org

- I. Mission of the Supplemental Benefits Fund (SBF)
- II. Vision of the Supplemental Benefits Fund
- III. Identifying the Low Flow Channel of the Feather River
- IV. How Funding Availability is Determined
- V. Funding Categories
- VI. Application Scoring and SBF Steering Committee Voting Process
- VII. Pre-application Request
- VIII. Pre-application Request Appeal Process
- IX. Grant Application

I. MISSION OF THE SUPPLEMENTAL BENEFITS FUND

The intent of the SBF is to extend the economic benefits created by use of Oroville's water impoundment facilities to the Oroville region. Historically, operation of these facilities created several impacts, primarily associated with recreation and economic development of the Oroville Region. Creation of the Oroville Dam changed the physical landscape of Oroville, and the Feather River in the Oroville Region, and altered people's ability to recreate, creating certain new recreation amenities while hindering or eliminating others. Construction of the Dam and its associated facilities between 1961 and 1967 also provided a new source of employment and a temporary economic stimulus for the local communities during the project construction period. Long term it has provided several benefits to the region including the creation of Lake Oroville, the Thermalito Forebay and the Thermalito Afterbay recreation areas, the Oroville State Wildlife Area. Extensive flood control improvements for the region and the Sacramento Delta also occurred with the building of the Oroville Dam. As a result, the negotiations for relicensing the Oroville Dam addressed the concerns associated with these dynamics, and creation of the SBF serves to recognize that existence and that the operation of the Dam continues to have a positive impact on local communities.

To assure creation and implementation of the Strategic Plan remains in sync with the intent of the SBF, the Steering Committee identified a mission statement for the SBF. Applicants need to consider the Mission and Vision Statements as it forms the basis on which the Strategic Plan is built:

“Investing in recreational and related projects with a nexus to the Feather River to improve the quality of life and stimulate economic development in the Oroville region”

II. VISION OF THE SBF¹

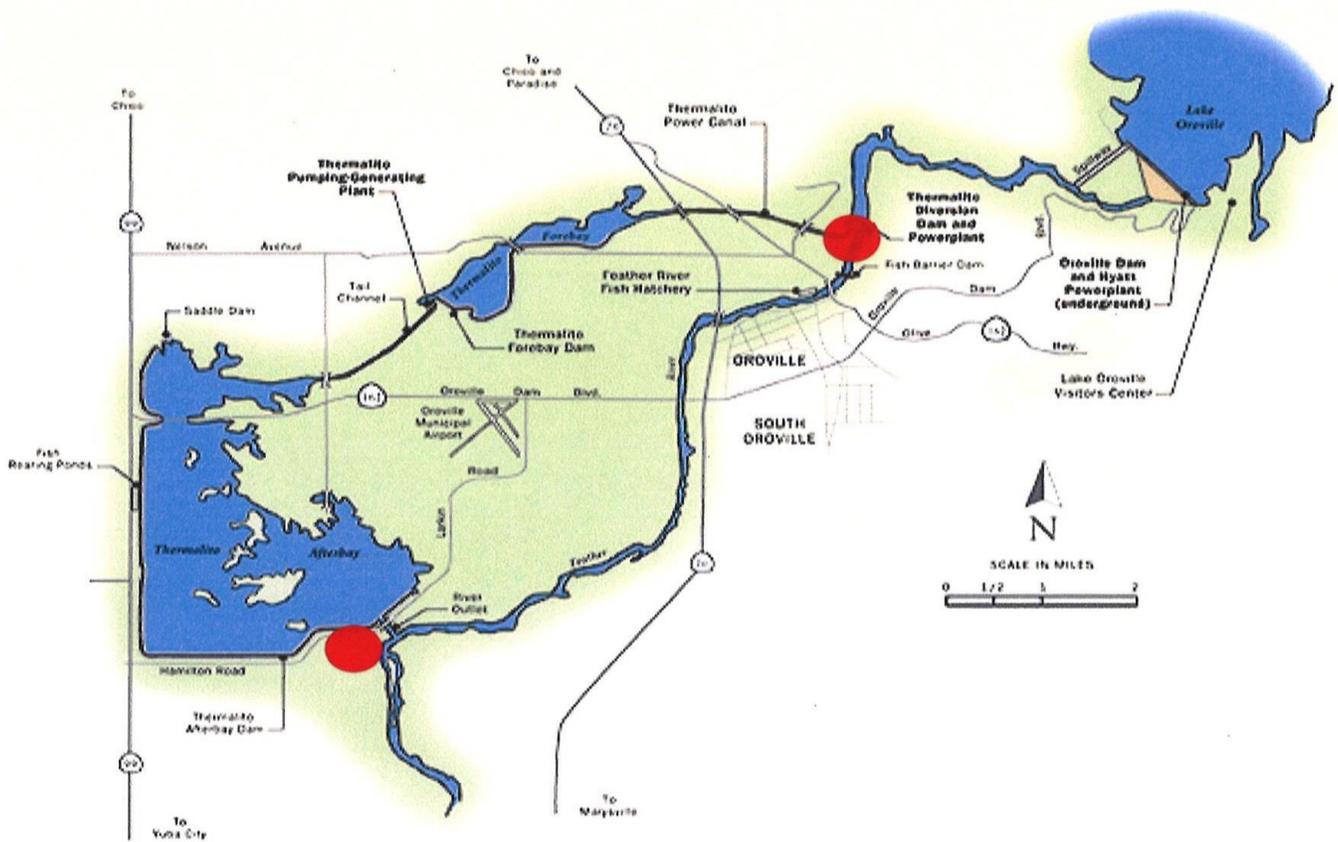
Reconnecting the beauty and diversity of the Feather River with the community will be the primary component of projects approved by the Supplemental Benefits Fund Steering Committee. The approved projects will provide additional recreational opportunities and economic benefits that enhance the lifestyle of the Oroville Region.

- I. **Major grant consideration**: The applicant **shall** provide a compelling presentation as to how the proposed project will assist in mitigating what was lost by the construction of the Oroville Dam Facilities (FERC Project No. 2100). The application **shall** take into consideration the various existing City of Oroville, Feather River Recreation & Park District, the Settlement Agreement for licensing of the Oroville Facilities FERC Project No. 2100, and other regional plans.
- II. **Moderate grant consideration**: The applicant **should** provide a meaningful connection to existing, or planned, facilities and projects. The application **should** also be in, or near, the low-flow channel of the Feather River (as defined below) and assist in making the Oroville Region a Northern California destination.
- III. **Low grant consideration**: The applicant's proposed project **may** be away from the low-flow channel of the Feather River, not connected to existing, or planned, facilities and projects, be unique or a non-profit venture within the Oroville Region including areas under FERC jurisdiction; however it must, at a minimum, meet the stated vision of the SBF.

¹ The SBF Steering Committee in 2011 instituted the Vision of the SBF to assist the committee, applicants and the general public to further understand request priorities.

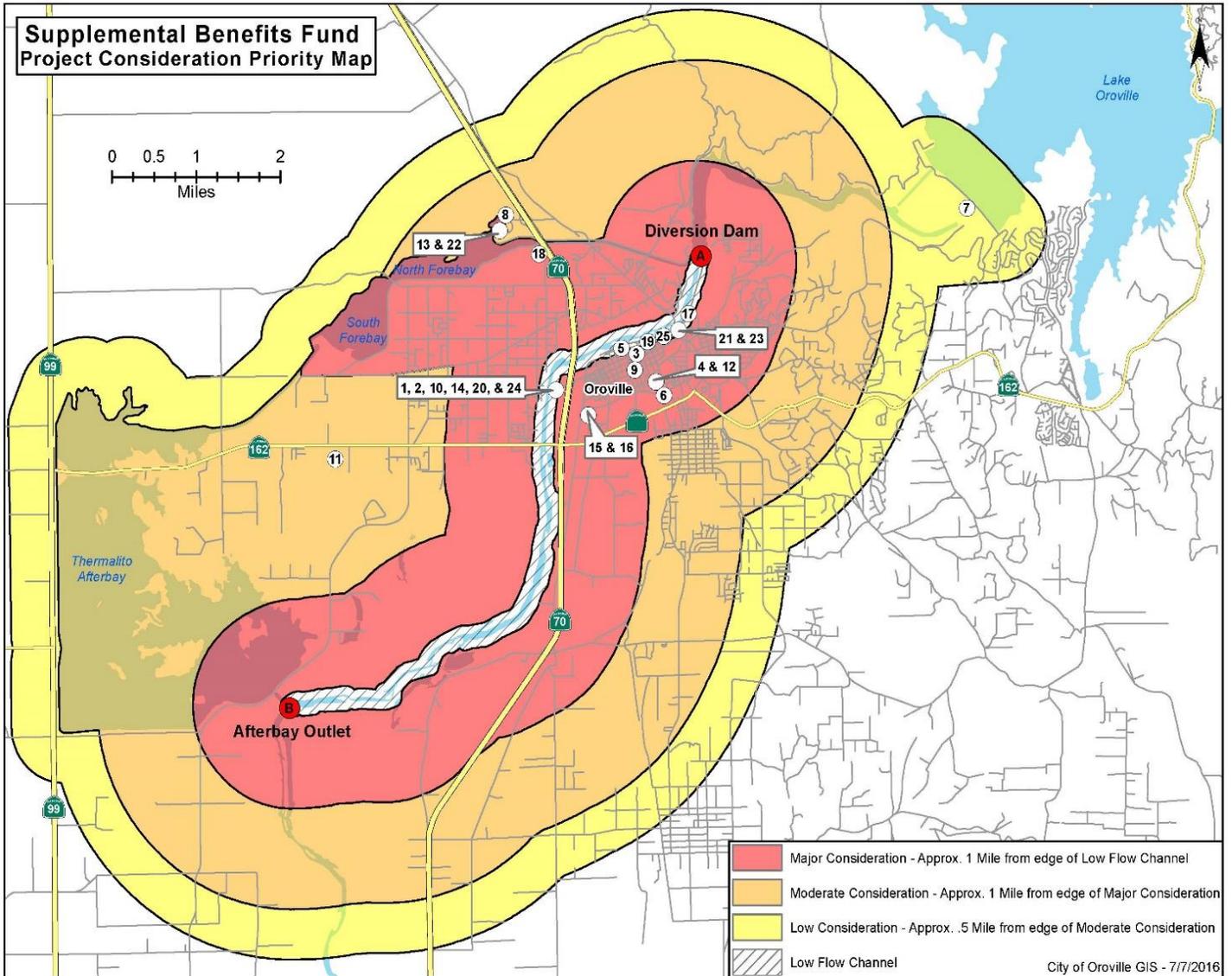
III. IDENTIFYING THE LOW FLOW CHANNEL OF THE FEATHER RIVER

The low flow channel of the Feather River, which provides a major grant consideration factor, begins near the Diversion Dam and terminates near the Afterbay Outlet as noted by the red dots on the following map.



Map of Oroville Facilities

The low flow channel of the Feather River begins near the Diversion Dam (A) and terminates near the Afterbay Outlet (B) as noted by the red dots (A & B) on the map below. The map also delineates areas of **major, moderate and low consideration**² as detailed in the SBF Vision Statement on page 4. The list of the SBF approved projects 1-25 identified in the white boxes on the map below can be located on an interactive map on the City of Oroville website under SBF Priority Map.



² Major Consideration (Red) approximately 1 mile from the edge of the Low Flow Channel; Moderate Consideration (Gold) approximately 1 mile from the edge of the major consideration area; Low Consideration (Yellow) approximately ½ mile from the edge of the moderate consideration area. Priority map approved by the SBF Steering Committee on August 10, 2016.

IV. HOW FUNDING AVAILABILITY IS DETERMINED

The SBF adopts and maintains an annual operating budget, on a fiscal-year basis (July 1st to June 30). Available funds are determined by the current allocation from DWR/SWC³. Fund availability can change from year to year based on several factors which include water delivery availability and hydro power production. Until the new license for the Settlement Agreement for licensing of the Oroville Facilities (FERC Project No. 2100) is approved the SBF is dependent on an annual \$100,000 draw against funds that will be released at license signing. After license signing and dependent on the license term up to \$1,000,000 per year will be potentially available.

V. FUNDING CATEGORIES

The underlying principles of the Grant Consideration Request and the Project Application Selection Process is to allocate the limited SBF funding resources in the most efficient, beneficial, and cost-effective manner, given the Vision and Mission Statements of the SBF and the conditions set forth in the Settlement Agreement.

Projects—Large Award

This funding category is intended to directly fund projects that are consistent with the Settlement Agreement and SBF Mission & SBF Vision. Between forty-five (45) and sixty-five (65) percent of the SBF funding stream will be dedicated to the Projects—Large Award category. Funding shall be considered by the Steering Committee for the entire 5-year funding cycle and there shall not be a maximum amount established for any single project. There will, however, be a minimum request amount of \$20,000 for SBF projects in this category.

Projects will be considered at the beginning of each multiple-year funding period. Applicants shall be required to complete a pre-application and, if invited to do so, a formal project application for project consideration. Any new projects seeking consideration after the start of the current multiple-year funding period will accumulate during the current funding cycle and will be evaluated and rated as part of the next funding cycle.

Optional Revolving Loan Fund

The Strategic Plan directs that between five (5) and fifteen (15) percent of annual SBF revenues be dedicated to projects seeking loans that can be leveraged into a long-term Revolving Loan Fund (RLF) funding category. Projects eligible for this funding category will be evaluated as part of the same process used to evaluate applicants seeking approval through the SBF Projects—Large Award funding category. Funding shall be considered by the Steering Committee for the entire 5-year funding cycle. (Found in the RFSP under Ch. 4 Operational Plan/SBF Funding Categories/revolving Loan Fund (Variable))

³ DWR = California Department of Water Resources; SWC = State Water Contractors

Marketing/Community Benefit Fund

This funding category is intended to directly fund projects that are consistent with the Settlement Agreement and SBF Mission and Vision. Between ten (10) and twenty (20) percent of the SBF funding stream will be dedicated to the Marketing and Community Benefit category. Funding shall be considered by the Steering Committee for the entire 5-year funding cycle and there shall be a maximum amount of \$250,000 established for any single project.

The intent of the Marketing and Community Benefit Projects category is three-fold:

1. Give the SBF Steering Committee the ability to fund projects on an as-requested basis, while such project requests are not weighted and ranked in priority with others in the same funding pool, but rather approved or rejected based on their individual merit as determined by the SBF Steering Committee.
2. Drawing on findings of the Opportunities Analysis (2009), fund coordination of marketing efforts between various entities and agencies that all market activity in the Oroville Region. Specific strategies summarized in the Opportunities Analysis include these:
 - Create a marketing brand for the area—this was completed in 2009 through efforts by DWR, the City, and the Oroville Area Chamber of Commerce.
 - Actively manage and coordinate media communications and publications.
 - Improve signage and way-finding (orienting visitors toward and between existing and planned recreation and tourism assets).
 - Conduct joint marketing of business development and tourism (e.g., market tourism while promoting quality-of-life attributes to prospective businesses and employers).
 - Emphasize tourism marketing and promotion with appropriate connections to the City, County, and other special agency economic development strategies.
3. Fund efforts, events, or other activities that target community benefit or enhancement. This funding category is intended to target local community organizations, agencies, or other groups that actively promote events, activities, or other efforts that benefit local residents and draw people into the Oroville Region. Examples of community benefit activities include these:
 - Community assistance projects (e.g., volunteer work-days, community clean-up efforts, local/neighborhood park renovations, or senior assistance projects).
 - Major community event co-ordination, production & promotion.

- Seasonal celebrations (e.g., Feather Fiesta Days, 4th of July Celebration, Salmon Festival, Holiday Light Parade, etc.).
- Local activities/events (e.g., cultural events or public agency major milestones).
- Sporting events with regional draw (e.g., triathlons or fishing tournaments).
- Locally produced public art celebrating the community’s heritage.

In general, projects funded through this category should support local businesses, attract new visitors to the Oroville Region—for overnight trips or multiple days if possible—provide an opportunity for attendees/participants to spend their retail dollars in the Oroville Region, or reflect a collaborative effort by multiple groups or agencies pursuing community development, tourism, or recreation goals.

VI. APPLICATION SCORING AND SBF STEERING COMMITTEE VOTING PROCESS

A. Technical Scoring of Proposed Projects

Scoring Project Applications will allow the establishment of a ranked order of Projects based on objective criteria regarding their relative merit. Standards of measurement that are objective, applicable, and quantifiable have been established, including: The evaluation criteria are:

- Ability to attract matching funding.
- If appropriate, the ability to pay back funding to the SBF from revenues derived from investment.
- “Nexus” to the Feather River.
- Consistency with local plans.
- Potential to enhance local jobs or create training opportunities.
- Ability to enhance the quality of life for residents in the region and attract visitors.

The technical scoring of projects will be completed by the Steering Committee based upon the application submitted and a formal presentation by the project applicants. A score⁴ will be assigned based on the range of values for each criterion. Another aspect of the Project Evaluation Criteria is their relative importance. They may all have equal weight but more likely some may be more important than others. For this reason, the criteria themselves placed in rank order, the most heavily weighted first. A value is given to each, given their relative importance

⁴ Scoring applications is one phase of the overall review process. Scores help the reviewer to use common factors for all applications. Scoring is a tool; however, the final decision of the SBF Steering Committee is by a majority vote as described on page 7.

B. SBF Steering Committee Voting Process

The Steering Committee will select projects based on a majority vote of voting members. However, an affirmative majority vote must include at least one representative from each voting agency (i.e., the City of Oroville and FRRPD), per Section D, 6.0 of the SBF Measures and the SBF Rules of Governance. The SBF Steering Committee decision is considered final.

VII. PRE-APPLICATION REQUEST (PROJECT CONCEPT)

Once available funds have been determined the SBF Steering Committee will announce the categories and the total funds available. The announcement will be published in a local newspaper as well as on the websites of both the City of Oroville and the Feather River Recreation & Park District. Interested parties will be required to complete the following pre-application request. The pre-application request will be screened for the following criteria:

1. Completeness of the pre-application.
2. Consistency with SBF Goals & Vision.
3. Consistency with DWR Recreation Management Plan and other local plans and programs (the Regional Vision)

An applicant whose pre-application request does not meet the initial screening criteria has the right to appeal to the SBF Steering Committee based upon the established appeal procedures.



**Supplemental Benefits Fund
Oroville, California**

PRE-APPLICATION PROJECT REQUEST

**THE MINIMUM & MAXIMUM REQUEST AMOUNTS WILL
BE ANNOUNCED BY THE SBF STEERING COMMITTEE**

Amount Requested: \$ _____

Name of Applicant and Associated Entity (if any)

Legal status of organization:

Mailing address:

Telephone number

Email

1. PROJECT DESCRIPTION

(The Project Description may vary widely in length depending on the size and scope of the project that would be funded and the size of the grant being requested. A useful structure to assist the readers and decision makers is to break the project down into component goals, each with its own heading and complete description)

2. CONSISTENCY WITH SBF GOALS

Place a check-mark next to each of the SBF Goals that are consistent with your request

- Provide multiple recreational opportunities that utilize and enhance access to existing resources within the boundaries of the Feather River Plan. (SBF 2014)
- Encourage secure and managed access for all segments of the populations, with connections to the surrounding community and future development. (SBF 2014)
- Ensures the continued success of habitat restoration and improve the ecological health of the river and floodplain in concert with river restoration goals. (SBF 2014)
- Ensures proposed projects complement the Department of Water Resources (DWR) Recreation Management Plan (RMP). (RFSP/2010)
- Maximizes SBF funding capacity by demonstrating leverage – the project has multiple sources of funding, of which SBF funding is only a part. (RFSP/2010)
- Generates other benefits and revenue(s) to the local community. (RFSP/2010)
- Ability to acquire matching funds (other grant, cash, or in-kind services)

SBF 2014 = Refined goals approved October 1, 2014

RFSP = Regional Fund Strategic Plan approved April 27, 2010, Updated April 25, 2018

3. NEXUS TO THE FEATHER RIVER

A project's nexus to the Feather River will be evaluated using the following criteria.
(Nexus = connection, link; refer to the SBF Vision Statement for additional clarification)

1. Physical proximity to the river,
2. Link to river recreation, or
3. Other river nexus, such as riparian restoration.

Please explain how the proposed project has a nexus with the Feather River. You may include maps, other graphic detail, or additional information that demonstrates the project's nexus with the Feather River.

APPLICANT ACKNOWLEDGEMENT AND SIGNATURE

Authorized Signature

Date

Name and Title (Please type or print)

**SEND COMPLETED APPLICATION AND 3 COPIES
(DATE TO BE ANNOUNCED)**

To:
City of Oroville
Supplemental Benefits Fund
SBF Program Specialist
1735 Montgomery Street
Oroville, Ca 95965

**FAXED OR ELECTRONICALLY TRANSMITTED
COPIES WILL NOT BE ACCEPTED**



VIII. PRE-APPLICATION REQUEST APPEAL PROCESS

As part of the Regional Fund Strategic Plan (RFSP) the SBF Steering Committee established a standardized appeal process for applicants that do not meet the pre-application screening process. The approved Appeal Process is as follows:

1. Completeness of the pre-application; consistency with SBF Goals & Vision and consistency with the DWR Recreation Management Plan and other local plans and programs (the Regional Vision) are reviewed by SBF Staff. If the specifics of those sections are not met, the applicant is notified in writing that the application has been denied.
2. The applicant will have five (5) calendar days to appeal, in writing, the denial decision. The appeal must include reasons why the application would be subject to further review based upon the RFSP.
3. Once an appeal has been received, a special meeting of the SBF Steering Committee will be called (within 15 days) for the Committee to review the appeal.
4. After the Special Meeting, the applicant will be notified in writing within five (5) calendar days of the SBF Steering Committee's decision.
 - In the event the appeal is denied, the SBF Steering Committee decision will be considered final.
 - An appeal that is overturned by the SBF Steering Committee will be moved to the same review process of all other applications.

Responses to denial letters must be sent, in writing, to:

City of Oroville
Supplemental Benefits Fund
Fund Administrator
Attention: SBF Program Specialist
1735 Montgomery Street
Oroville, Ca 95965

IX. FORMAL GRANT APPLICATION TO BE COMPLETED WHEN REQUESTED BY THE SBF STEERING COMMITTEE



**SUPPLEMENTAL BENEFITS FUND
Oroville, California**

Formal Project Application

**THE MINIMUM & MAXIMUM REQUEST AMOUNTS WILL
BE ANNOUNCED BY THE SBF STEERING COMMITTEE**

Amount Requested: \$ _____

NOTE: (1) Please complete all requested information; (2) If the question is not applicable to your request enter N/A; (3) If additional space is required please attach additional pages with a reference to the section that you are continuing.

Name of Applicant and Associated Entity (if any)

Legal status of organization:

Contact Information

Mailing address:

Telephone number

Email

1. PROJECT DESCRIPTION

(The Project Description may vary widely in length depending on the size and scope of the project that would be funded and the size of the grant being requested. A useful structure to assist the readers and decision makers is to break the project down into component goals, each with its own heading and complete description. If applicable, comments about project staff experience and how the overall project will be measured and sustained)

2. ORGANIZATION DESCRIPTION

A large, empty rectangular box with a black border, intended for the organization description. It occupies most of the page area below the section header.

3. CONSISTENCY WITH SBF GOALS

Place a check-mark next to each of the SBF Goals that are consistent with your request

- Provide multiple recreational opportunities that utilize and enhance access to existing resources within the boundaries of the Feather River Plan. (SBF 2014)
- Encourage secure and managed access for all segments of the populations, with connections to the surrounding community and future development. (SBF 2014)
- Ensures the continued success of habitat restoration and improve the ecological health of the river and floodplain in concert with river restoration goals. (SBF 2014)
- Ensures proposed projects complement the Department of Water Resources (DWR) Recreation Management Plan (RMP). (RFSP/2010)
- Maximizes SBF funding capacity by demonstrating leverage – the project has multiple sources of funding, of which SBF funding is only a part. (RFSP/2010)
- Generates other benefits and revenue(s) to the local community.

SBF 2014 = Refined goals approved October 1, 2014

RFSP = Regional Fund Strategic Plan approved April 27, 2010

4. PROJECT SELECTION CRITERIA

A. ABILITY TO ATTRACT MATCHING FUNDS

Please quantify the amount of matching funds, or value, of the non-SBF funding as compared to the total project cost. The matching funds amount should be expressed as a dollar and percentage value. Please note that the matching value may include donated time, materials, or other in-kind donations, that are used to complete the project. Please provide documentation to support the matching estimates.

CONFIRMED FUNDS: \$ _____ % _____

ESTIMATED FUNDS: \$ _____ % _____

CONFIRMED IN-KIND VALUE: \$ _____ % _____

ESTIMATED IN-KIND VALUE: \$ _____ % _____

Comments (optional)

4. PROJECT SELECTION CRITERIA

B. NEXUS TO THE FEATHER RIVER

A project's nexus to the Feather River will be evaluated using the following criterion.
(Nexus = connection, link; refer to the SBF Vision Statement for additional clarification)

1. Physical proximity to the river,
2. Link to river recreation, or
3. Other river nexus, such as riparian restoration.

Please explain how the proposed project has a nexus with the Feather River. You may include maps, other graphic detail, or additional information that demonstrates the project's nexus with the Feather River.

4. PROJECT SELECTION CRITERIA

C. ENHANCE QUALITY OF LIFE FOR LOCAL RESIDENTS & ATTRACT VISITORS

Please describe how the proposed project will enhance the quality of life for local residents and how the project will help to attract visitors to the region. SBF approved projects are intended to be recreational & related projects that help stimulate economic development in the Oroville region. Considerations might include:

1. Availability of the project to local residents.
2. Increase in levels of service to local residents.
3. Project uniqueness.
4. Appeal to visitors (local, regional, and others).

5. OPTIONAL ADDITIONAL INFORMATION

You may provide pertinent studies, data, or other information that might help the SBF Steering Committee evaluate the value of the proposed project as identified by the evaluation criteria described above and in the SBF Regional Fund Strategic Plan. While additional supplemental information might help with the project evaluation, providing additional information does not guarantee that a proposed project would receive more favorable consideration than if the additional material were not provided.

**NOTE: COMPLETE ITEMS (6-8)
ONLY IF THEY ARE APPLICABLE TO YOUR REQUEST**

6. PROJECT READINESS:

Status of Project Planning:	Anticipated Date	Prepared by
Planning Studies	_____	_____
Preliminary Design	_____	_____
Cost Analysis	_____	_____
Final Design	_____	_____
Construction Bids Submitted	_____	_____
Construction Period	_____	_____
First year of Stabilized Operations	_____	_____

7. CEQA CLEARANCE

CEQA Clearance(s) Required & Date Obtained or Anticipated: <i>(CEQA = California Environmental Quality Act)</i>	
Notice of Exemption	_____
Negative Declaration	_____
Environmental Impact Report	_____
Unknown	_____

8. FUNDING FOR OPERATIONS AND MAINTENANCE

Identify the source(s) of funding for the operations and maintenance of the project and indicate whether or not the funding has been secured:

PRIMARY FUNDING SOURCE(S) HAS FUNDING BEEN SECURED?

___ Public Agency: _____ ___Yes ___ No

___ Private Entity: _____ ___Yes ___ No

___ Other (Provide details)



APPLICANT ACKNOWLEDGEMENT AND SIGNATURE

Authorized Signature

Date

Name and Title (Please type or print)

SEND COMPLETED APPLICATION AND 3 COPIES TO (DATE TO BE ANNOUNCED)

To:
City of Oroville
Supplemental Benefits Fund
SBF Program Specialist
1735 Montgomery Street
Oroville, Ca 95965

**FAXED OR ELECTRONICALLY TRANSMITTED COPIES
WILL NOT BE ACCEPTED**

APPENDIX C:

Prior Project Identification List

Note: the list of projects contained in this appendix is taken from the Capital Improvement Program for the Oroville Downtown Waterfront Redevelopment Concept Plan, prepared for the Oroville Redevelopment Agency in 2004.

Oroville Downtown Waterfront Redevelopment Concept Plan

Probable Construction Cost Estimate

	Quantity	Unit	Unit Cost	Construction	Contingency	Administrative	Engineering /	PROJECT TOTAL	COSTS ASSUMED in NEGOTIATING VALUE of SBF	
				Subtotal	15%	Costs 15%	Design Fees 30%			
South Bank Waterfront Linear Park				\$4,212,500	\$631,875	\$631,875	\$1,263,750	\$6,740,000		
	18.5	AC	\$150,000	\$2,775,000	\$416,250	\$416,250	\$832,500	\$4,440,000		
	1	LS	\$25,000	\$25,000	\$3,750	\$3,750	\$7,500	\$40,000		
	1,130	LF	\$1,000	\$1,130,000	\$169,500	\$169,500	\$339,000	\$1,808,000		
	1,130	LF	\$250	\$282,500	\$42,375	\$42,375	\$84,750	\$452,000		
LF-25	North Bank Waterfront Linear Park				\$5,807,500	\$871,125	\$871,125	\$1,742,250	\$9,292,000	\$5,000,000
		27.8	AC	\$150,000	\$4,170,000	\$625,500	\$625,500	\$1,251,000	\$6,672,000	
		1	LS	\$25,000	\$25,000	\$3,750	\$3,750	\$7,500	\$40,000	
		6,450	LF	\$250	\$1,612,500	\$241,875	\$241,875	\$483,750	\$2,580,000	
	1	LS	\$500,000	\$500,000	\$75,000	\$75,000	\$150,000	\$800,000		
LF-26	Gateway Park				\$5,800,000	\$870,000	\$870,000	\$1,740,000	\$9,280,000	\$0 Assumed to be Jurisdictional
		11.3	AC	\$150,000	\$1,695,000	\$254,250	\$254,250	\$508,500	\$2,712,000	
		420	LF	\$250	\$105,000	\$15,750	\$15,750	\$31,500	\$168,000	
		1	LS	\$4,000,000	\$4,000,000	\$600,000	\$600,000	\$1,200,000	\$6,400,000	
LF-27	Downtown Waterfront Park				\$18,050,000	\$2,707,500	\$2,707,500	\$5,415,000	\$28,880,000	\$20,000,000
		8.1	AC	\$200,000	\$1,620,000	\$243,000	\$243,000	\$486,000	\$2,592,000	
		42,000	SF	\$15	\$630,000	\$94,500	\$94,500	\$189,000	\$1,008,000	
		1	LS	\$25,000	\$25,000	\$3,750	\$3,750	\$7,500	\$40,000	
		1	LS	\$3,000,000	\$3,000,000	\$450,000	\$450,000	\$900,000	\$4,800,000	
		1,820	LF	\$1,000	\$1,820,000	\$273,000	\$273,000	\$546,000	\$2,912,000	
		1,820	LF	\$250	\$455,000	\$68,250	\$68,250	\$136,500	\$728,000	
		1	LS	\$500,000	\$500,000	\$75,000	\$75,000	\$150,000	\$800,000	
		1	LS	\$3,500,000	\$3,500,000	\$525,000	\$525,000	\$1,050,000	\$5,600,000	
		1	LS	\$6,500,000	\$6,500,000	\$975,000	\$975,000	\$1,950,000	\$10,400,000	
LF-28	White Water Park (rev 3/2004)				\$14,690,900	\$2,203,635	\$2,203,635	\$4,407,270	\$23,505,440	\$10,000,000
		40,000	CY	\$50	\$2,000,000	\$300,000	\$300,000	\$600,000	\$3,200,000	
		13,500	CY	\$70	\$945,000	\$141,750	\$141,750	\$283,500	\$1,512,000	
		3,800	CY	\$70	\$266,000	\$39,900	\$39,900	\$79,800	\$425,600	
		4,150	CY	\$70	\$290,500	\$43,575	\$43,575	\$87,150	\$484,800	
		7,500	Ton	\$100	\$750,000	\$112,500	\$112,500	\$225,000	\$1,200,000	
		4,330	CY	\$180	\$779,400	\$116,910	\$116,910	\$233,820	\$1,247,040	
		1,750	CY	\$180	\$315,000	\$47,250	\$47,250	\$94,500	\$504,000	
		15	Each	\$5,000	\$75,000	\$11,250	\$11,250	\$22,500	\$120,000	
		3,600	LF	\$100	\$360,000	\$54,000	\$54,000	\$108,000	\$576,000	
		1	LS	\$120,000	\$120,000	\$18,000	\$18,000	\$36,000	\$192,000	
		1	LS	\$1,800,000	\$1,800,000	\$270,000	\$270,000	\$540,000	\$2,880,000	
		1	LS	\$150,000	\$150,000	\$22,500	\$22,500	\$45,000	\$240,000	
		3	LS	\$50,000	\$150,000	\$22,500	\$22,500	\$45,000	\$240,000	
		12,000	SF	\$220	\$2,640,000	\$396,000	\$396,000	\$792,000	\$4,224,000	
		1	LS	\$700,000	\$700,000	\$105,000	\$105,000	\$210,000	\$1,120,000	
		1	LS	\$3,000,000	\$3,000,000	\$450,000	\$450,000	\$900,000	\$4,800,000	
		1	LS	\$200,000	\$200,000	\$30,000	\$30,000	\$60,000	\$320,000	
		1	LS	\$150,000	\$150,000	\$22,500	\$22,500	\$45,000	\$240,000	

APPENDIX D:
SBF Rules of Governance

RESOLUTION NO. 06-1

**A RESOLUTION OF THE SUPPLEMENTAL BENEFITS FUND STEERING
COMMITTEE ESTABLISHING RULES OF GOVERNANCE**

WHEREAS, on March 21, 2006, the California Department of Water Resources and numerous other entities, including the City of Oroville, the Oroville Redevelopment Agency and Feather River Recreation and Parks District executed the Settlement Agreement for Licensing of the Oroville Facilities, FERC Project No. 2100 (Settlement Agreement); and

WHEREAS, Appendix B Section B100 of the Settlement Agreement sets forth provisions for the Project Supplemental Benefits Fund. A copy of Appendix B is attached as Attachment No. 1; and

WHEREAS, Section B100D. requires that there be a Steering Committee relating to the use of the Supplemental Benefits Fund.

**NOW, THEREFORE, BE IT RESOLVED BY THE SUPPLEMENTAL BENEFITS FUND
STEERING COMMITTEE AS FOLLOWS:**

Section 1. Pursuant to the Supplemental Benefits Fund (SBF), the Steering Committee adopts the following governance rules:

1.1 The voting members of the Steering Committee shall be composed of the following elected officials:

1.1.1 three members from the Oroville City Council; and

1.1.2 two members from the Board of Directors of the Feather River Recreation and Parks District.

The members of the Steering Committee will be appointed by the appropriate governing body at the beginning of each calendar year and will serve one year terms, except that the initial term will be one year plus the time from the date the initial members are appointed to the beginning of the next calendar year.

1.2 The California Department of Water Resources (DWR) shall participate on the Steering Committee in a non-voting advisory role.

1.3 At their discretion, the following entities may participate on the Steering Committee in a non-voting advisory role:

1.3.1. State Water Contractors,

1.3.2. Oroville Area Chamber of Commerce, and

1.3.3. American Rivers.

- 1.4 The voting members of the Steering Committee shall be the sole decision-makers, through majority vote of its members, for purposes of adopting the Fund Strategic Plan, selecting proposed projects eligible for funding, and determining the level of funding appropriate for such projects. If the majority vote on any given measure or action results solely from the votes of a single agency, a majority plus one vote shall be required for approval of the measure or action.
- 1.5 At the first meeting of the Steering Committee, voting members shall be elected as chairperson and vice chairperson to provide for the orderly performance of Steering Committee functions. Thereafter, the Steering Committee will elect a new chairperson and vice chairperson annually. No voting member agency of the Steering Committee shall serve as chairperson for more than two consecutive years.
- 1.6 Subject to the written concurrence of DWR, members may be added to the Steering Committee upon unanimous vote of the voting members of the Steering Committee, provided they were among the original signatories to the Settlement Agreement.
- 1.7 Principal duties of the Steering Committee shall consist of:
 - 1.7.1 Facilitating administration of the SBF in a manner consistent with the prudent use of public funds for public purposes;
 - 1.7.2 Adopting the Fund Strategic Plan in accordance with the SBF;
 - 1.7.3 Selecting proposed projects eligible for funding; and
 - 1.7.4 Determining the level of funding appropriate for such projects.
- 1.8 The Steering Committee shall hold public meetings to take action on:
 - 1.8.1 Development and adoption of the regional Fund Strategic Plan pursuant to Section G of the SBF;
 - 1.8.2 Review and approval of proposed projects to be funded that meet the criteria of the Fund Strategic Plan;
 - 1.8.3 Approval of the level of funding for approved projects; and
 - 1.8.4 Election of the chairperson and vice chairperson.
- 1.9 The Steering Committee shall hold public meetings as necessary, but no less than once a year. All meetings shall be held in accordance with the California Brown Act (Government Code sections 54950 et seq.).

- 1.10 Three voting members of the Steering Committee shall constitute a quorum and shall be sufficient to transact business. If less than three voting members are present at a meeting, the meeting shall not take any action except to adjourn the meeting to a time and date certain.
- 1.11 The Steering Committee shall hold a regular meeting on the first Wednesday of the month at 4:00 p.m. every three (3) months from the date of this resolution. All regular meetings shall be held at 1735 Montgomery Street, Oroville, California.
- 1.12 Notice and the agenda for each Steering Committee meeting shall be posted with the following information in a location freely accessible to the public:
 - 1.12.1 Time and place of the meetings.
 - 1.12.2 A brief description of all items of business to be discussed with any recommendations and proposed actions.
- 1.13 Notice and the agenda for a regular meeting shall be posted no later than 72 hours before the meeting. Notice and the agenda for a special meeting shall be posted no later than 24 hours before the meeting.
- 1.14 No action shall be taken by the Steering Committee on any item not appearing on a posted agenda except as listed below:
 - 1.14.1 Upon a majority that an "emergency situation", as defined by State law, exists.
 - 1.14.2 Upon a determination by a two-thirds (2/3) vote of the Steering Committee voting members, or if less than two-thirds of the voting members are present, a unanimous vote of those voting members present, that there is a need to take immediate action and that the need to take action came to the attention of the Committee subsequent to the agenda posting. If the Steering Committee makes a determination pursuant to this section, the minutes of the meeting at which the determination is made shall reflect what circumstances gave rise to the need to take action after the agenda was posted.
- 1.15 At the commencement of a meeting, the chairperson shall call the meeting to order.

The order of business at meetings shall be as follows:

- a. CALL TO ORDER

The chairperson shall call the meeting to order.

- b. PLEDGE OF ALLEGIANCE

The chairperson shall designate a person to lead the Pledge of Allegiance.

c. ROLL CALL

The secretary shall call the roll of the Steering Committee members and the names of those present shall be entered on the minutes. The order of roll call shall be alphabetical with the chairperson called last.

d. APPROVAL OF AGENDA

Upon the request of any member of the Steering Committee made through the chairperson, an item may be removed from the Consent Calendar for separate discussion and/or action.

e. CONSENT CALENDAR

Items of a routine or generally uncontested nature may be approved by the Steering Committee in a single motion by adoption of the Consent Calendar.

f. PUBLIC HEARINGS

The Steering Committee shall conduct all public hearings as set forth in Section 1.16.

g. UNFINISHED BUSINESS

Items carried over from a previous meeting shall be placed under Unfinished Business.

h. NEW BUSINESS

Non-routine items brought for Steering Committee consideration for the first time shall be placed under New Business.

i. PUBLIC COMMENTS

Comments from members of the public concerning the SBF.

j. STEERING COMMITTEE COMMENTS

Additional general comments, announcements, requests of staff, directions to place items of business on future agendas, brief responses to audience comments and/or other issues of concern to Steering Committee members, shall be presented at this time.

k. ADJOURNMENT

- 1.16 Any non-voting advisor or member of the public may address the Steering Committee on items appearing on the agenda at the time the item is considered during the course of the meeting.

The public comment period shall be limited to no more than three minutes for each speaker.

To be allowed time to address the Steering Committee, each speaker must fill out a speaker request slip before discussion on the agenda item begins.

Upon addressing the Steering Committee, each speaker must first state his or her name and place of residence and then identify the subject or subjects upon which he or she intends to speak.

- 1.17 Matters which are required to be heard in a noticed public hearing shall be conducted in the following manner:

1.17.1 Matters noticed to be heard by the Steering Committee shall commence no earlier than the time specified in the notice of hearing, or as soon thereafter as is reasonably possible, and shall continue until the same has been completed or until other disposition of the matter has been made.

1.17.2 Any hearing being held or noticed or ordered to be held may, by order or notice of continuance, be continued to any subsequent meeting.

1.17.3 The chairperson shall conduct the public hearing as follows:

- a. Request that staff present the staff report.
- b. Request that non-voting advisors comment on the public hearing subject.
- c. The chairperson shall then recognize persons who wish to address the Steering Committee. No person shall address the Steering Committee for more than three minutes without permission of the chairperson.
- d. The chairperson shall then close the public testimony portion of the public hearing. The Steering Committee members may still, however, ask questions of staff or members of the public.

- 1.18 The Steering Committee shall conduct its meetings based on the most recently revised edition of Robert's Rule of Order. In the event of any conflict between Robert's Rules and this resolution, the latter shall govern. All Steering Committee actions shall be authorized by resolution or by motion.

1.19 The Fund Administrator, and all voting and non-voting Steering Committee members may have items included on an agenda. All Steering Committee actions shall be reported to voting and non-voting members within seven (7) days.

The chairperson or any voting member of the Steering Committee may bring a properly agendized matter of business before the Steering Committee by making a motion. Before the matter can be considered or debated it must be seconded by a voting member. Once the motion has been properly made and seconded, the chairperson shall open the matter for debate offering the first opportunity to debate to the moving party and, thereafter, to any Committee voting member properly recognized by the chairperson. Debate shall be closed upon consent of a majority of the voting members of the Steering Committee.

It shall be the duty of the chairperson to ensure that these rules of governance are observed.

Section 2. In the event of conflict between this resolution and the provisions of the SBF, the SBF shall be controlling.

Section 3. This resolution shall take effect upon its adoption.

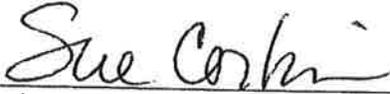
PASSED AND ADOPTED by the Supplemental Benefits Fund Steering Committee at a regular meeting held on October 11, 2006 by the following vote:

AYES: Committee Members Allen, Andoe, Corkin, Jernigan, Thompson

NOES: None

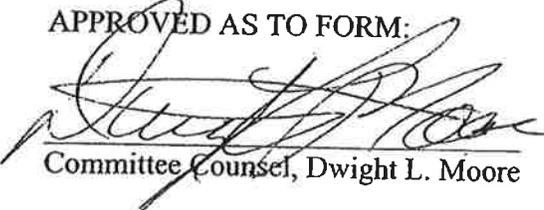
ABSTAIN: None

ABSENT: None



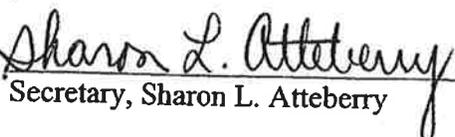
Chairperson, Sue Corkin

APPROVED AS TO FORM:



Committee Counsel, Dwight L. Moore

ATTEST:



Secretary, Sharon L. Atteberry

SUPPLEMENTAL BENEFITS FUND STEERING COMMITTEE

RESOLUTION NO. 02-2008

A RESOLUTION OF THE SUPPLEMENTAL BENEFITS FUNDS STEERING COMMITTEE AMENDING THE RULES OF GOVERNANCE

WHEREAS, the Supplemental Benefits Fund Steering Committee desires to amend it's Rules of Governance to hold it's regular meetings at 5:30 p.m.

NOW THEREFORE, be it hereby resolved by the Supplemental Benefits Fund Steering Committee as follows:

1. Section 1.11 of the Supplemental Benefits Fund Steering Committee Rules of Governance shall be amended to read:

"The Steering Committee shall hold a regular meeting on the first Wednesday of the month at 5:30 p.m. every three (3) months from the date of this resolution. All regular meetings shall be held at 1735 Montgomery Street, Oroville, California."

2. The SBF Administrator shall attest to the adoption of this Resolution.

PASSED AND ADOPED by the Supplemental Benefits Fund Steering Committee at a regular meeting on September 3, 2008 by the following vote:

AYES: Committee Members Howard, Prouty, Gill; Vice Chairperson Thompson, Chairperson Corkin

NOES: None

ABSTAIN: None

ABSENT: None

Sue Corkin, Chairperson

APPROVED AS TO FORM:

Dwight L. Moore, SBF Counsel

Sharon Atteberry,
City of Oroville SBF Administrator

CITY OF OROVILLE
RESOLUTION NO. 8481

CERTIFIED AS A TRUE COPY
OF R-8481
04.12.2016
DATE CERTIFIED
[Signature]
CITY CLERK, CITY OF OROVILLE

A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING THE MAYOR, OR THE VICE MAYOR, TO SIGN SUPPLEMENTAL BENEFITS FUND AGREEMENTS ON BEHALF OF THE FUND ADMINISTRATOR

NOW THEREFORE, BE IT HEREBY RESOLVED by the Oroville City Council as follows:

1. The Mayor or Vice Mayor, acting on behalf of the City of Oroville who is the designated Fund Administrator of the Supplemental Benefits Fund, is hereby authorized and directed to execute agreements for projects approved by the Supplemental Benefits Funds.

PASSED AND ADOPTED by the Oroville City Council at a regular meeting on April 5, 2016, by the following vote:

AYES: Council Members Berry, Del Rosario, Hatley, Pittman, Simpson, Vice Mayor Wilcox, Mayor Dahlmeier

NOES: None

ABSTAIN: None

ABSENT: None

[Signature]
Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

[Signature]
Scott E. Huber, City Attorney

ATTEST:

[Signature]
Donald Rust, Acting City Clerk

APPENDIX E:
SBF Settlement Agreement

(1) SBF Signatories

Settlement Agreement For Licensing of the Oroville Facilities

21-Mar-06

Entity

Alameda County Flood Control & Water Conservation District, Zone 7
 Alameda County Water District
 American Rivers
 American Whitewater
 Antelope Valley-East Kern Water Agency
 Berry Creek Citizens Association
 California Department of Boating & Waterways
 California Department of Fish & Game
 California Department of Parks & Recreation
 California Department of Water Resources
 California State Horsemen's Association
 California State Horsemen's Association Region II
 Castaic Lake Water Agency
 Central Coast Water Authority
 Chico Paddleheads
 Citizens for Fair & Equitable Recreation
 City of Oroville
 Coachella Valley Water District
 County of Kings
 Crestline-Lake Arrowhead Water Agency
 Desert Water Agency
 Empire West Side Irrigation District
 Feather River Low flow Alliance
 Feather River Recreation & Parks District
 International Mountain Bicycling Association
 Kow Kow Valley Band of Maidu
 Lake Oroville Bicyclist Organization
 Little Creek Irrigation District
 Metropolitan Water district of Southern California
 Mojave Water Agency
 Napa County Flood Control & Water Conservation District
 National Marine Fisheries Service

Signor

Vince Wong, Assistant General Manager
 Paul Piraino, General Manager
 Rebecca Wodder, President
 Dave Steindorf, Calif Stewardship Director
 Andy Rutledge, President
 Loren Gill, President
 Raynor Tsuneyoshi, Director
 Ryan Broddrick, Director
 Ruth Coleman, Director
 Lester Snow, Director
 Robert Adams, President
 Liz Murphy, Trails Chairperson
 Dan Masnada, General Manager
 Leo Trujillo, Board Chairman
 Dave Steindorf, Conservation Chair
 Larry Grundmann, Representative
 Gordon Andoe, Mayor (former)
 Steve Robbins, General Manager
 Tony Oliveria, Chair/Board of Supervisors
 Roxanne Holmes, General Manger
 David Luker, General Manager
 John Howe, Board of Directors
 John Allen
 Vente Thompson, Board of Directors
 Jim Haagen-Smit, State Representative
 Patsy Seek, Chairwoman
 Lyle Wright, President
 Brad Bones, General Manager
 Jeffrey Kightlinger, General Manager
 Kirby Brill, General Manager
 Don Ridenhour, Assistant District Engineer
 Rodney McInnis, Regional Administrator

Settlement Agreement For Licensing of the Oroville Facilities

21-Mar-06

Entity

Oroville Area Chamber of Commerce
Oroville Downtown Business Association
Oroville Economic Development Corporation
Oroville Parks Commission
Oroville Recreation Advisory Committee
Oroville Redevelopment Agency
Oroville Rotary Club
Palmdale Water District
San Bernardino Valley Municipal Water District
San Gabriel Valley Municipal Water District
San Geronio Pass Water Agency
Santa Clara Valley Water District
Solano County Water Agency
State Water Contractors, Inc.
Town of Paradise
Tulare Lake Basin Water Supply District
United States Department of the Interior
Signed as an individual
Signed as an individual

Signor

Don Reighley
Kristine Armstrong, President
Bud Tracy, President
Carolyn Norton, Chairperson
Kevin Zeitler, Chairman
Robert Sharkey, Chairperson (former)
Michael Hutton, President
Jon Permula, Facilities & Operations Manager
Robert Reiter, General Mgr. & Chief Engineer
Darin Kasamoto, General Manager
Jeff Davis, General Manager
Stanley Williams CEO
David Okita, General Manager
Terry Erlewine, General Manager
Melvin "Sam" Dresser, Mayor
Brent Graham, General Manager
Daniel Shillito, Regional Solicitor
Arthur G. Baggett, Jr.
DC Jones

APPENDIX F:
Mock Technical Scoring Experience

Context and Key Assumptions

A key component of the Strategic Plan project selection process is a technical scoring exercise of candidate projects. This scoring process evaluates the relative strength of each candidate project for seven project selection criteria. For all criteria, candidate projects are ranked; this forced-comparison approach results in a prioritization of projects for each criteria showing how any given candidate project scores relative to other candidate projects.

For the mock scoring exercise, EPS selected the following series of candidate projects with the intent of providing a range of relevant potential projects with varying strengths and attributes:

- Project 1: River Bend Park Soccer Fields.
- Project 2: Aquatic Center.
- Project 3: Amphitheater.
- Project 4: Pedestrian Bridge across the River.
- Project 5: Northern Linear Park.
- Project 6: Brad Freeman Trail Improvements in Oroville Wildlife Area.
- Project 7: Kayak Manufacturing Plant in Airport Business Park.
- Project 8: Lime Saddle Marina improvements.

This mock scoring exercise presumes that all eight projects have passed the "Initial Screening" phase, were invited to complete a full application, completed the full application, and are now ready to undergo the technical scoring process based on the project selection criteria described in the Strategic Plan. **Table M-1** identifies each project criteria, its scoring metric, and relative weighting in the scoring process. Please note that these criteria are consistent with the Draft Strategic Plan but have been adjusted to reflect feedback from the Steering Committee as follows:

- The relative weight of Criteria 3: Nexus has been changed from a "4" to a "5".
- The metric for Criteria 4: Job Creation has been adjusted to measure *both* the total number of permanent jobs and the number of permanent jobs above 120 percent of regional median household income.

Summary of Results

Table M-2 summarizes the results of the mock technical scoring exercise for the eight example candidate projects. This mock run illustrates the following attributes of the existing technical scoring process:

- The maximum possible weighted score achievable by any candidate projects is 120 points. The scoring of the example project set yielded a high score of 82 (Project 7) and a low score of 35 (Project 8).
- Projects that have the ability to leverage other funding sources (Criteria 1), use the revolving loan fund instead of seeking a SBF grant (Criteria 2), or show a strong nexus to the Feather River (e.g., river recreation) will tend to rank highest (Criteria 3). Project 7 illustrates this potential.

- Conversely, projects that score weakly in the first three categories but well in Jobs (Criteria 4), Consistency with Other Local Plans (Criteria 5), and Sustainability (Criteria 6) will not rank as highly.
- If initial scoring values in a given criteria have a large range, projects with different initial values may still receive the same raw and weighted score. For example, Criteria #4 (Job Creation) has a high initial value of 150 and low initial value of 0, producing a quintile of 30 jobs; this means that a project with 0 jobs and a project with 20 jobs will both receive a raw score of 1 and a weighted score of 2.

The weighted scores are based on a set of initial scoring values for each candidate project that are then assigned a raw score and corresponding weighted score. **Table M-3** summarizes the initial scoring values for the example projects. This table is an "input" table that serves not only to show the initial scoring values for each criterion but also to view how projects are placed in rank order for Criteria 3: Nexus.

*Please note that the initial values used in **Table M-3** are purely for illustrative purposes. In actual practice, each project applicant will furnish adequate information to enable the SBF Coordinator to provide an initial scoring value that properly reflects the characteristics and merits of each candidate project.*

Technical Scoring Process

Table A-1 in **Appendix A** shows the maximum possible raw score and weighted score that any candidate project can achieve. **Tables A-2** through **A-9** in **Appendix A** contain the scoring sheets for each of the example candidate projects.

If you have questions, please call Jamie or Isabel at (916) 649-8010.

**Table M-1
Regional Fund Strategic Plan
Selection Criteria and Weighting Factors**

Project Ranking Criteria	Metric	Weighting Factor
1) Ability to Attract Matching Funding	% of Matching Funds Compared to Total Project Costs	5
2) Ability to Repay SBF	Loans as a % of Total Funding Requested	5
3) Nexus to Feather River	Subjective Measure of: -Proximity to River -Link to River Recreation -Other River "Nexus"	5
4) Potential to Enhance Local Jobs	Quantity of Direct Jobs and Quality of Direct Jobs (compared to 120% of AMI)	2
5) Consistency with Capital Improvement Plans of Other Existing Programs	Inclusion of Project in Pre-Existing Set of Local Plans and Programs	2
6) Enhance "Sustainable Development" Objectives	US Mayors Climate Protection Agreement Targets (12 total targets)	1
7) Enhance Quality of Life for Local Residents and Attract Visitors	Subjective Assessment by SBF Coordinator Regarding the Following: -Project Uniqueness -Utility by Local Residents -Appeal to Visitors -Increase in Level of Service	4

"criteria_summ"

**Table M-2
Regional Fund Strategic Plan
Summary of Mock Project Scoring**

#	Project Name	Table Reference	Weighted Score by Scoring Criteria [1]							Total Weighted Score	
			1 Leverage	2 Repayment	3 Nexus	4 Job Creation	5 Local Plans	6 Sustainability	7 Quality of Life		
	Maximum Possible Weighted Score		25	25	25	10	10	10	5	20	120
7	Kayak Manufacturing Business in Airport Industrial Park	Table A-8	25	25	15	10	2	1	1	4	82
4	Pedestrian Bridge Across River	Table A-5	10	5	25	2	8	5	5	16	71
2	Aquatic Center	Table A-3	10	5	20	2	10	1	1	20	68
1	River Bend Park Soccer Fields	Table A-1	15	5	15	2	8	1	1	12	58
3	Amphitheater	Table A-4	10	5	10	2	10	1	1	20	58
5	Northern Linear Park	Table A-6	10	5	15	2	10	3	3	12	57
6	Brad Freeman Trail Improvements in Oroville Wildlife Area	Table A-7	20	5	5	2	4	5	5	8	49
8	Lime Saddle Marina Improvements (near Paradise, outside City)	Table A-9	5	5	15	2	2	2	2	4	35

"summ_mr"

[1] The description of scoring criteria is as follows:

- 1) Ability to Attract Matching Funding
- 2) Ability to Repay SBF Funding
- 3) Nexus to Feather River
- 4) Potential to Enhance Local Jobs
- 5) Consistency with Other Local Plans
- 6) Enhancement of Sustainable Development Objectives
- 7) Enhancement of Quality of Life for Residents and Ability to Attract Visitors

APPENDIX A:

Technical Scoring of Example Projects



Table A-1	Maximum Scoring Allocations by Criteria
Table A-2	Project 1 Scoring
Table A-3	Project 2 Scoring
Table A-4	Project 3 Scoring
Table A-5	Project 4 Scoring
Table A-6	Project 5 Scoring
Table A-7	Project 6 Scoring
Table A-8	Project 7 Scoring
Table A-9	Project 8 Scoring

**Table A-1
Regional Fund Strategic Plan
Maximum Scoring Allocations By Criteria**

Criteria	Max Possible Score		
	Raw Score	Weighting Factor (5 is highest)	Weighted Score
<i>Formula</i>	<i>A</i>	<i>B</i>	<i>C=A*B</i>
1) Ability to Attract Matching Funding % of Matching Funds/Donations Relative to Total Project Costs	5	5	25
2) Ability to Repay SBF Funding Loan as a % of Total Funding Requested	5	5	25
3) Nexus to Feather River (Relative to Other Candidate Projects) Factor 1: Proximity to Feather River Factor 2: Link to River Recreation Factor 3: Other River "nexus" Subtotal Nexus to Feather River	5	5	25
4) Potential to Enhance Local Jobs Factor 1: # of Total Permanent Jobs Factor 2: # of Jobs at or above 120% of Regional Median HH Income Subtotal Local Job Enhancement	5	2	10
5) Consistency with Other Local Plans # of SBF Accepted Plans Included In CIP	5	2	10
6) Enhancement of Sustainable Development Objectives # of US Mayors Climate Protection Agreement Objectives (Maximum of 12)	5	1	5
7) Enhancement of Quality of Life (QOL) for Residents and Ability to Attract Visitors Factor 1: Project Uniqueness Factor 2: Utility by Local Residents Factor 3: Appeal to Visitors Factor 4: Increase in Level of Service Subtotal QOL and Visitor Attraction	5	4	20
TOTAL	35		120

"max"

Table A-2
Regional Fund Strategic Plan
Project 1 Scoring

Project 1 River Bend Park Soccer Fields
--

Criteria	RAW SCORE [1]				Raw Score (by quintile)	Weighting Factor	WEIGHTED SCORE
	Initial Scoring Value	High Score	Low Score	Quintile			
<i>Formula</i>	A	B	C	$D=(C-B) / 5$	E	F	$G=E*F$
1) Ability to Attract Matching Funding % of Matching Funds/Donations Relative to Total Project Costs	50%	95%	10%	17%	3	5	15
2) Ability to Repay SBF Funding Loan as a % of Total Funding Requested	0%	100%	0%	20%	1	5	5
3) Nexus to Feather River (Relative to Other Candidate Projects)							
Factor 1: Proximity to Feather River	1						
Factor 2: Link to River Recreation	7						
Factor 3: Other River "nexus"	6						
Subtotal Nexus to Feather River	14						
Ranking of Applications	14	18	8	2.0	3	5	15
4) Potential to Enhance Local Jobs							
Factor 1: # of Total Permanent Jobs	0						
Factor 2: # of Jobs at or above 120% of Regional Median HH Income	0						
Subtotal Local Job Enhancement	0						
Ranking of Applications	0	150	0	30.0	1	2	2
5) Consistency with Other Local Plans # of SBF Accepted Plans Included In CIP	3	4	1	0.6	4	2	8
6) Enhancement of Sustainable Development Objectives # of US Mayors Climate Protection Agreement Objectives (Maximum of 12)	2	8	2	1.2	1	1	1
7) Enhancement of Quality of Life (QOL) for Residents and Ability to Attract Visitors							
Factor 1: Project Uniqueness	1						
Factor 2: Utility by Local Residents	5						
Factor 3: Appeal to Visitors	3						
Factor 4: Increase in Level of Service	5						
Subtotal QOL and Visitor Attraction	14						
Ranking of Applications	14	20	8	2.4	3	4	12
TOTAL	N/A				13		58

"matrix_mr1"

[1] High and low scores, and corresponding quintiles, can be found in Table M-3.

**Table A-3
Regional Fund Strategic Plan
Project 2 Scoring**

**Project 2
Aquatic Center**

Criteria	RAW SCORE [1]					Raw Score (by quintile)	Weighting Factor (5 is highest)	WEIGHTED SCORE $G=E*F$
	Initial Scoring Value	High Score	Low Score	Quintile				
<i>Formula</i>	<i>A</i>	<i>B</i>	<i>C</i>	$D=(C-B)/5$	<i>E</i>	<i>F</i>	<i>G=E*F</i>	
1) Ability to Attract Matching Funding % of Matching Funds/Donations Relative to Total Project Costs	40%	95%	10%	17%	2	5	10	
2) Ability to Repay SBF Funding Loan as a % of Total Funding Requested	0%	100%	0%	20%	1	5	5	
3) Nexus to Feather River (Relative to Other Candidate Projects)								
Factor 1: Proximity to Feather River	6							
Factor 2: Link to River Recreation	5							
Factor 3: Other River "nexus"	5							
Subtotal Nexus to Feather River	16							
Ranking of Applications	16	18	8	2.0	4	5	20	
4) Potential to Enhance Local Jobs								
Factor 1: # of Total Permanent Jobs	20							
Factor 2: # of Jobs at or above 120% of Regional Median HH Income	0							
Subtotal Local Job Enhancement	20							
Ranking of Applications	20	150	0	30.0	1	2	2	
5) Consistency with Other Local Plans # of SBF Accepted Plans Included In CIP	4	4	1	0.6	5	2	10	
6) Enhancement of Sustainable Development Objectives # of US Mayors Climate Protection Agreement Objectives (Maximum of 12)	3	8	2	1.2	1	1	1	
7) Enhancement of Quality of Life (QOL) for Residents and Ability to Attract Visitors								
Factor 1: Project Uniqueness	5							
Factor 2: Utility by Local Residents	5							
Factor 3: Appeal to Visitors	5							
Factor 4: Increase in Level of Service	5							
Subtotal QOL and Visitor Attraction	20					4		
Ranking of Applications	20	20	8	2.4	5		20	
TOTAL	N/A				14		68	

"matrix_mr2"

[1] High and low scores, and corresponding quintiles, can be found in Table M-3.

**Table A-4
Regional Fund Strategic Plan
Project 3 Scoring**

Project 3 Amphitheater

Criteria	RAW SCORE [1]				Raw Score (by quintile)	Weighting Factor (5 is highest)	WEIGHTED SCORE
	Initial Scoring Value	High Score	Low Score	Quintile			
<i>Formula</i>	A	B	C	$D=(C-B)/5$	E	F	$G=E*F$
1) Ability to Attract Matching Funding % of Matching Funds/Donations Relative to Total Project Costs	40%	95%	10%	17%	2	5	10
2) Ability to Repay SBF Funding Loan as a % of Total Funding Requested	0%	100%	0%	20%	1	5	5
3) Nexus to Feather River (Relative to Other Candidate Projects)							
Factor 1: Proximity to Feather River	2						
Factor 2: Link to River Recreation	6						
Factor 3: Other River "nexus"	4						
Subtotal Nexus to Feather River	12						
Ranking of Applications	12	18	8	2.0	2	5	10
4) Potential to Enhance Local Jobs							
Factor 1: # of Total Permanent Jobs	20						
Factor 2: # of Jobs at or above 120% of Regional Median HH Income	0						
Subtotal Local Job Enhancement	20						
Ranking of Applications	20	150	0	30.0	1	2	2
5) Consistency with Other Local Plans # of SBF Accepted Plans Included In CIP	4	4	1	0.6	5	2	10
6) Enhancement of Sustainable Development Objectives # of US Mayors Climate Protection Agreement Objectives (Maximum of 12)	2	8	2	1.2	1	1	1
7) Enhancement of Quality of Life (QOL) for Residents and Ability to Attract Visitors							
Factor 1: Project Uniqueness	5						
Factor 2: Utility by Local Residents	5						
Factor 3: Appeal to Visitors	5						
Factor 4: Increase in Level of Service	5						
Subtotal QOL and Visitor Attraction	20					4	
Ranking of Applications	20	20	8	2.4	5		20
TOTAL	N/A				12		58

"matrix_mr3"

[1] High and low scores, and corresponding quintiles, can be found in Table M-3.

**Table A-5
Regional Fund Strategic Plan
Project 4 Scoring**

**Project 4
Pedestrian Bridge Across River**

Criteria	RAW SCORE [1]				Raw Score (by quintile)	Weighting Factor (5 is highest)	WEIGHTED SCORE $G=E \times F$
	Initial Scoring Value	High Score	Low Score	Quintile			
<i>Formula</i>	<i>A</i>	<i>B</i>	<i>C</i>	$D=(C-B)/5$	<i>E</i>	<i>F</i>	$G=E \times F$
1) Ability to Attract Matching Funding % of Matching Funds/Donations Relative to Total Project Costs	40%	95%	10%	17%	2	5	10
2) Ability to Repay SBF Funding Loan as a % of Total Funding Requested	0%	100%	0%	20%	1	5	5
3) Nexus to Feather River (Relative to Other Candidate Projects)							
Factor 1: Proximity to Feather River	7						
Factor 2: Link to River Recreation	8						
Factor 3: Other River "nexus"	3						
Subtotal Nexus to Feather River	18						
Ranking of Applications	18	18	8	2.0	5	5	25
4) Potential to Enhance Local Jobs							
Factor 1: # of Total Permanent Jobs	0						
Factor 2: # of Jobs at or above 120% of Regional Median HH Income	0						
Subtotal Local Job Enhancement	0						
Ranking of Applications	0	150	0	30.0	1	2	2
5) Consistency with Other Local Plans # of SBF Accepted Plans Included In CIP	3	4	1	0.6	4	2	8
6) Enhancement of Sustainable Development Objectives # of US Mayors Climate Protection Agreement Objectives (Maximum of 12)	8	8	2	1.2	5	1	5
7) Enhancement of Quality of Life (QOL) for Residents and Ability to Attract Visitors							
Factor 1: Project Uniqueness	5						
Factor 2: Utility by Local Residents	3						
Factor 3: Appeal to Visitors	5						
Factor 4: Increase in Level of Service	3						
Subtotal QOL and Visitor Attraction	16					4	
Ranking of Applications	16	20	8	2.4	4		16
TOTAL	N/A				18		71

"matrix_mr4"

[1] High and low scores, and corresponding quintiles, can be found in Table M-3.

Table A-7
Regional Fund Strategic Plan
Project 6 Scoring

Project 6
Brad Freeman Trail Improvements

Criteria	RAW SCORE [1]					Raw Score (by quintile)	Weighting Factor (5 is highest)	WEIGHTED SCORE
	Initial Scoring Value	High Score	Low Score	Quintile	$D=(C-B) / 5$			
<i>Formula</i>	A	B	C	$D=(C-B) / 5$	E	F	$G=E*F$	
1) Ability to Attract Matching Funding								
% of Matching Funds/Donations Relative to Total Project Costs	75%	95%	10%	17%	4	5	20	
2) Ability to Repay SBF Funding								
Loan as a % of Total Funding Requested	5%	100%	0%	20%	1	5	5	
3) Nexus to Feather River (Relative to Other Candidate Projects)								
Factor 1: Proximity to Feather River	4							
Factor 2: Link to River Recreation	3							
Factor 3: Other River "nexus"	1							
Subtotal Nexus to Feather River	8							
Ranking of Applications	8	18	8	2.0	1	5	5	
4) Potential to Enhance Local Jobs								
Factor 1: # of Total Permanent Jobs	0							
Factor 2: # of Jobs at or above 120% of Regional Median HH Income	0							
Subtotal Local Job Enhancement	0							
Ranking of Applications	0	150	0	30.0	1	2	2	
5) Consistency with Other Local Plans								
# of SBF Accepted Plans Included In CIP	2	4	1	0.6	2	2	4	
6) Enhancement of Sustainable Development Objectives								
# of US Mayors Climate Protection Agreement Objectives (Maximum of 12)	7	8	2	1.2	5	1	5	
7) Enhancement of Quality of Life (QOL) for Residents and Ability to Attract Visitors								
Factor 1: Project Uniqueness	1							
Factor 2: Utility by Local Residents	3							
Factor 3: Appeal to Visitors	5							
Factor 4: Increase in Level of Service	3							
Subtotal QOL and Visitor Attraction	12					4		
Ranking of Applications	12	20	8	2.4	2		8	
TOTAL	N/A				14		49	

"matrix_mf6"

[1] High and low scores, and corresponding quintiles, can be found in Table M-3.

**Table A-8
Regional Fund Strategic Plan
Project 7 Scoring**

**Project 7
Kayak Manufacturing Business**

Criteria	RAW SCORE [1]				Raw Score (by quintile)	Weighting Factor (5 is highest)	WEIGHTED SCORE
	Initial Scoring Value	High Score	Low Score	Quintile			
<i>Formula</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D=(C-B) / 5</i>	<i>E</i>	<i>F</i>	<i>G=E*F</i>
1) Ability to Attract Matching Funding % of Matching Funds/Donations Relative to Total Project Costs	95%	95%	10%	17%	5	5	25
2) Ability to Repay SBF Funding Loan as a % of Total Funding Requested	100%	100%	0%	20%	5	5	25
3) Nexus to Feather River (Relative to Other Candidate Projects)							
Factor 1: Proximity to Feather River	3						
Factor 2: Link to River Recreation	2						
Factor 3: Other River "nexus"	8						
Subtotal Nexus to Feather River	13						
Ranking of Applications	13	18	8	2.0	3	5	15
4) Potential to Enhance Local Jobs							
Factor 1: # of Total Permanent Jobs	100						
Factor 2: # of Jobs at or above 120% of Regional Median HH Income	50						
Subtotal Local Job Enhancement	150						
Ranking of Applications	150	150	0	30.0	5	2	10
5) Consistency with Other Local Plans # of SBF Accepted Plans Included In CIP	1	4	1	0.6	1	2	2
6) Enhancement of Sustainable Development Objectives # of US Mayors Climate Protection Agreement Objectives (Maximum of 12)	2	8	2	1.2	1	1	1
7) Enhancement of Quality of Life (QOL) for Residents and Ability to Attract Visitors							
Factor 1: Project Uniqueness	5						
Factor 2: Utility by Local Residents	1						
Factor 3: Appeal to Visitors	1						
Factor 4: Increase in Level of Service	1						
Subtotal QOL and Visitor Attraction	8					4	
Ranking of Applications	8	20	8	2.4	1		4
TOTAL	N/A				20		82

"matrix_mr7"

[1] High and low scores, and corresponding quintiles, can be found in Table M-3.

**Table A-9
Regional Fund Strategic Plan
Project 8 Scoring**

**Project 8
Lime Saddle Marina Improvements**

Criteria	RAW SCORE [1]					Raw Score (by quintile)	Weighting Factor (5 is highest)	WEIGHTED SCORE
	Initial Scoring Value	High Score	Low Score	Quintile	$D=(C-B)/5$			
<i>Formula</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D=(C-B)/5</i>	<i>E</i>	<i>F</i>	<i>G=E*F</i>	
1) Ability to Attract Matching Funding								
% of Matching Funds/Donations Relative to Total Project Costs	10%	95%	10%	17%	1	5	5	
2) Ability to Repay SBF Funding								
Loan as a % of Total Funding Requested	5%	100%	0%	20%	1	5	5	
3) Nexus to Feather River (Relative to Other Candidate Projects)								
Factor 1: Proximity to Feather River	5							
Factor 2: Link to River Recreation	1							
Factor 3: Other River "nexus"	7							
Subtotal Nexus to Feather River	13							
Ranking of Applications	13	18	8	2.0	3	5	15	
4) Potential to Enhance Local Jobs								
Factor 1: # of Total Permanent Jobs	2							
Factor 2: # of Jobs at or above 120% of Regional Median HH Income	0							
Subtotal Local Job Enhancement	2							
Ranking of Applications	2	150	0	30.0	1	2	2	
5) Consistency with Other Local Plans								
# of SBF Accepted Plans Included In CIP	1	4	1	0.6	1	2	2	
6) Enhancement of Sustainable Development Objectives								
# of US Mayors Climate Protection Agreement Objectives (Maximum of 12)	4	8	2	1.2	2	1	2	
7) Enhancement of Quality of Life (QOL) for Residents and Ability to Attract Visitors								
Factor 1: Project Uniqueness	1							
Factor 2: Utility by Local Residents	3							
Factor 3: Appeal to Visitors	5							
Factor 4: Increase in Level of Service	1							
Subtotal QOL and Visitor Attraction	10					4		
Ranking of Applications	10	20	8	2.4	1		4	
TOTAL	N/A				9		35	

"matrix_mrb"

[1] High and low scores, and corresponding quintiles, can be found in Table M-3.

APPENDIX G:
Opportunities Analysis

Opportunities Analysis Supplemental Benefits Fund

The Economics of Land Use



Prepared for:

Supplemental Benefits Fund Steering Committee

Funded by:

The California Department of Water Resources and the
State Water Contractors

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List of Acronyms

ALP	Alternative Licensing Procedure
B&B.....	bed and breakfast
BCAG	Butte County Association of Governments
CDBG	Community Development Block Grant
CEDS.....	Comprehensive Economic Development Strategy
City.....	City of Oroville
County.....	Butte County
CPTED	Crime Prevention Through Environmental Design
CTTC	California Travel and Tourism Commission
DEIR	Draft Environmental Impact Report
District	California Water Service—Oroville District
DWR.....	California Department of Water Resources
EDC.....	Economic Development Corporation
EDUs	Equivalent Dwelling Units
EIR	Environmental Impact Report
Enterprise Fund.....	California Community Enterprise Fund
EPS	Economic & Planning Systems, Inc.
FERC	Federal Energy Regulatory Commission
FRRPD	Feather River Recreation and Park District
FY	Fiscal Year
IMPLAN.....	Minnesota Implan Group
KOA	Kampgrounds of America
kV	kilovolt
Lake Oroville SRA	Lake Oroville State Recreation Area
LEED	Leadership in Energy and Environmental Design
Loan Program	Business Loan Program
LOAPUD	Lake Oroville Area Public Utility District
MGD.....	million gallons per day
MSR	Municipal Service Review
NPDES.....	National Pollutant Discharge Elimination System
OWA.....	Oroville Wildlife Area
PG&E.....	Pacific Gas & Electric Company

PIC.....Private Industry Council
PM&Es protection, mitigation, and enhancement measures
RDA Redevelopment Agency
RFSP Regional Fund Strategic Plan
River Feather River
RLF Revolving Loan Fund
SBF..... Supplemental Benefits Fund
SCOR Sewerage Commission—Oroville Region
Settlement Agreement Settlement Agreement for Licensing Oroville Facilities FERC Project No. 2100
SFWPSouth Feather Water and Power Agency
SR-70..... California State Route 70
SR-90..... State Route 99
Steering Committee..... Supplemental Benefits Fund Steering Committee
Study Economic Development Plan Study and Implementation Plan
Study Area Oroville
SWC..... State Water Contractors
SWP State Water Project
TIG Target Income Group
TOT..... transient occupancy tax
TWSDThermalito Water and Sewer District
ULI..... Urban Land Institute

1. INTRODUCTION AND SUMMARY

Executive Summary

The purpose of this document is to provide a detailed background of the Oroville Region and the various economic, recreational, and infrastructure factors that need to be considered in the formulation of the Regional Fund Strategic Plan. The information contained in this document is from regional resources available as of the date of this document, stakeholder interviews, public records, and other comparable jurisdictional areas. The following sections provide that framework.

Introduction

This Opportunities Analysis has been prepared by Economic & Planning Systems, Inc., (EPS) under contract to the Supplemental Benefits Fund Administrator on behalf of the Supplemental Benefits Fund Steering Committee (Steering Committee). The Opportunities Analysis is the first of a two-step process identified to prepare a Regional Fund Strategic Plan (RFSP). Pursuant to the terms of the Settlement Agreement for Licensing of the Oroville Facilities Federal Energy Regulatory Commission (FERC) Project No. 2100, dated March 2006 (Settlement Agreement), the Steering Committee must prepare or have prepared a RFSP to guide the future use of the Supplemental Benefits Fund (SBF). Funding for the preparation of this report has been provided by the California Department of Water Resources (DWR) and the State Water Contractors (SWC). The City of Oroville (City) acts as the Fund Administrator and disburses monies approved by the Steering Committee.

The opportunities presented herein are intended to focus the direction of the Fund Administrator and the Steering Committee and ensure completion of the RFSP. As such, the opportunities presented in this report are not intended to be exclusive or limiting to the Steering Committee, but rather, used to shape the RFSP and to help author project selection and ranking criteria for Steering Committee use in selecting projects for SBF funding. Ultimately, the RFSP and project selection and ranking criteria will be used by the Steering Committee to select projects that will help fulfill the mission of the SBF. The present working version of the SBF mission statement is as follows:

Investing in recreational and related projects with a nexus¹ to the Feather River to improve the quality of life and stimulate economic development in the Oroville region.

¹ The term nexus requires further clarification as a matter of policy consideration. The Steering Committee will need to provide additional guidance regarding the meaning and application of this term for the purpose of guiding future SBF expenditures. This issue is addressed in more detail at the end of **Chapter 1** of this report.

The current Steering Committee effort is the completion of an effort, occurring over the better part of the last decade, of negotiating the terms of the Oroville Facilities relicensing. This Opportunities Analysis has relied on numerous studies² and reports that have been completed by governmental agencies and nongovernmental organizations to determine appropriate terms for the relicensing effort. The Steering Committee has made clear the amount of effort put forth by a very diverse group of interested stakeholders during the relicensing negotiations, and that effort has led to today's status and will guide the future direction of the SBF and its Steering Committee.

The opportunities presented in this analysis may include recommendations for further study, or that implementation actions be integrated with the results of other studies that are concurrently being prepared with the RFSP.

Study Area

The geographic area studied by the Opportunities Analysis is the City of Oroville General Plan Planning Area (Study Area). LSA's evaluation of recreation and infrastructure facilities specifically focused on a 2-mile swath along the Feather River in the City of Oroville, in addition to the Lime Saddle Marina Area, which is located outside of the City of Oroville.

Ultimately, the Steering Committee may choose a geographic boundary within which projects would be eligible for funding. Such a boundary could be an existing jurisdictional boundary (e.g., FRRPD boundaries), a specific distance from the Feather River or Oroville Facilities, or some other boundary of the Steering Committee's choosing.

Historical Context

The SBF and the related Settlement Agreement occur in the historical context of the Feather River (River) and human habitation of the region. Native populations thrived on the area's bountiful natural resources for centuries. California's gold rush brought Europeans to the region in search of gold, first in the River and its tributaries, and later with large-scale placer and dredge operations. Intensive timber production in the Sierra Nevada and agricultural operations in the lower elevations and valley followed. These activities had profound effects on the River, its watershed, and the downstream floodplains. Over the following century, a local economy based on agriculture, timber and mining operations, and recreation developed, centered in the City.

The State's water supply needs and downstream flooding problems of the Feather River led to the construction of the Oroville Dam, completed as part of the State Water Project (SWP) in 1968. In combination with related facilities, including the Hyatt Power Plant at the dam site and the downstream Thermalito facilities—including the Diversion Dam, Power Canal, Forebay, Afterbay, and power plant—the Oroville Dam converted the affected reach from a free-running river into a water storage, transmission, and power-generating facility. This change and the related operational regime affected Oroville and the surrounding community in a variety of ways,

² All references are listed in Appendix A.

including loss of River-related recreational opportunities (e.g., boating, fishing, and swimming) and related aesthetic enjoyment. The *relicensing* of Oroville Dam offered the community a means to mitigate the impacts of the dam and its operation on the local community.

Oroville Facilities Relicensing

The draft environmental impact report for the Oroville Facilities Relicensing FERC Project No. 2100 (DEIR) succinctly describes the purpose and intent of the Oroville Facilities Relicensing. The following text has been excerpted directly from the DEIR.³

The Oroville Facilities, previously known as the Feather River Project or the Oroville Division, State Water Facilities, are located on the Feather River in the Sierra Nevada foothills in Butte County, California. Oroville Dam is located 5 miles east of the City of Oroville and about 130 miles northeast of San Francisco. The Oroville Facilities were developed as part of the State Water Project (SWP), a water storage and delivery system of reservoirs, aqueducts, power and pumping plants designed to store and distribute water to supplement the needs of urban and agricultural water users in to both northern and southern California, the San Francisco Bay Area, the San Joaquin Valley, and the central coast region of the state. As part of the SWP, the Oroville Facilities are also operated for flood management, power generation, water quality improvement in the Sacramento-San Joaquin Delta, recreation, and fish and wildlife enhancement.

The Oroville Facilities are operated in part pursuant to a license issued by the Federal Energy Regulatory Commission (FERC). The original license for the Oroville Facilities, issued on February 11, 1957, expired on January 31, 2007. DWR, through the Alternative Licensing Procedure (ALP), is seeking a new federal license from FERC to continue generating hydroelectric power while continuing to meet existing commitments and comply with laws and regulations pertaining to water supply, flood control, the environment, and recreational opportunities. The Oroville Facilities are operating under an annual license issued by FERC effective February 1, 2007. If a new license is not issued on or before January 31, 2008, this annual license will be renewed automatically.

The objective of the Proposed Project [considered in the DEIR, which is execution of the Settlement Agreement] is continued operation and maintenance of the Oroville Facilities for hydroelectric power generation, including implementation of any terms and conditions to be considered for inclusion in a new FERC hydroelectric license. Because DWR is seeking a new license, the objective of the Settlement Agreement is to continue generating electric power while continuing to meet existing commitments and comply with regulations pertaining to water supply, flood management, the environment, and recreational opportunities.

³ Oroville Facilities Relicensing FERC Project No. 2001 DEIR, dated May 2007.

License Application Scoping and Submittal Process

DWR began the ALP to commence the relicensing process. The ALP initiated Collaborative Work Groups, Task Forces, and a Plenary Group, including representatives from federal, State, and local governments; resource agencies; federally and non-federally recognized Indian Tribes; nongovernmental organizations; local special interest groups; and local residents.⁴ The work of the five Collaborative Work Groups involved extensive community outreach and took place during 2001 and 2002 culminating with DWR issuing Scoping Document 2 in fall of 2002.

During the period of 2002 through 2004 dozens of technical studies were prepared by state agencies, local governments, and other nongovernmental organizations. Using these studies, each Collaborative Work Group developed a set of proposed resource actions that were then merged together by consensus among the groups and recommended as protection, mitigation, and enhancement measures (PM&Es). DWR evaluated each PM&E to determine potential effects on developmental aspects of the Oroville Facilities, including water supply, flood management, and power generation.⁵ DWR included PM&Es as a part of the Preliminary Draft Environmental Assessment that was prepared to accompany the license application, which DWR submitted to FERC in January 2005.

Settlement Agreement for Licensing Oroville Facilities Federal Energy Regulatory Commission Project No. 2100

Following submittal of the license application, DWR and interested stakeholders continued to discuss and negotiate regarding the proposed terms of the relicensing. The DEIR refers to this process as the post-application scoping process. During this post application scoping process, multiple stakeholders with diverse interests worked with DWR to develop the Settlement Agreement. The Settlement Agreement, which was signed by over fifty stakeholders, sets forth the proposed terms and conditions of the Oroville Facilities relicensing with the purpose of resolving all issues that have or could have been raised by the Parties [to the agreement] in connection with FERC's order issuing a New Project License.⁶

In addition to specific terms of relicensing, the Settlement Agreement separated PM&Es that were requested to be a part of the license (Appendix A of the Settlement Agreement) from measures agreed to among the parties but not to be included in the new license, but subject to review by FERC, (Appendix B of the Settlement Agreement). Acknowledging that a PM&E may overlap with agreed-on measures, the Settlement Agreement includes provisions to account for this circumstance.

⁴ Ibid.

⁵ Ibid.

⁶ Settlement Agreement for Licensing of the Oroville Facilities FERC Project No. 2100, dated March 2006.

Supplemental Benefits Fund⁷

Appendix B of the Settlement Agreement is what created the SBF, which is the primary subject of this report. The City has been designated as the Fund Administrator. A Steering Committee has been formed that is composed of nine total members—five voting members (3 from the Oroville City Council and 2 from Feather River Recreation and Parks District Board) and four nonvoting members, one each from DWR, SWC, American Rivers, and the Oroville Area Chamber of Commerce. Appendix B Section G 1.0 states “at the direction of the Steering Committee the Fund Administrator shall develop a RFSP to guide the Steering Committee in selecting and funding proposed projects in a manner that optimizes the overall benefits to the local region consistent with the availability of the funds.”

At the beginning of the RFSP preparation process, EPS met with the SBF Administrator, SBF Coordinator, representatives of the Fund Administrator, and two members of the Steering Committee to initiate the work program. As part of that effort, the working group developed the working version of the SBF mission statement included on page 1. This mission statement, review of prior work completed, and the ongoing input of the Steering Committee and interested stakeholders has and will contribute to the RFSP. The following sections summarize the findings of this Opportunities Analysis. **Map 1-1** shows the boundaries of the Study Area related to recreation and infrastructure, as well as the boundaries of the Study Area related to demographics and economics.

Market Overview Conclusions

Recreation and Visitor Attractions

1. *The Study Area’s natural setting and abundant offering of outdoor activities provides a rich quality of life for local residents, as well as a recreation outlet for visitors.*

Historically, the River and its Northern Sierra Nevada west slope environs have offered people both a chance to boat, swim, play, and relax, and a connection to wildlife through hiking, bird-watching, and hunting. In more recent decades, the SWP has created water impoundment facilities adding other recreation activities; Lake Oroville, the Thermalito Forebay, and the Afterbay have become popular spots for other water activities, such as house boating and water skiing. Finally, hiking, biking, and walking trails throughout the entire area, the Oroville Wildlife Area (OWA), as well as an off-road vehicle park, offer scenic views and alternatives to water-based activities.

2. *Much of the recreation-related visitation tends to be seasonal and primarily linked to lake levels, the availability of fish, and overall natural conditions.*

The level of Lake Oroville during the summer months appears to affect the level of activity and visitation to the area. In addition to being seasonal, the ability of the Study Area to draw local and non-local recreation visitors is largely tied to factors outside of local agency control. In addition to lake and River levels, other factors, such as state decisions to limit

⁷ The beginning of this report contains a list of all abbreviated terms applied throughout the report.

fishing and the occurrence of wildfires, flood events, or other natural disasters, can also impact recreation patterns.

3. The Study Area's location and array of recreation opportunities creates potential to expand recreation beyond water-based activities.

The primary activities that occur in the Study Area lean heavily towards fishing, boating, and sightseeing. Going forward, local and statewide recreation trends suggest that people will continue to be interested in sightseeing and boating/fishing but also in other active and competitive water sports, such as kayaking and athletic competitions (e.g., biking and running). The Study Area is well-positioned to accommodate all these types of activities and would benefit from a diversification of recreation and tourism opportunities.

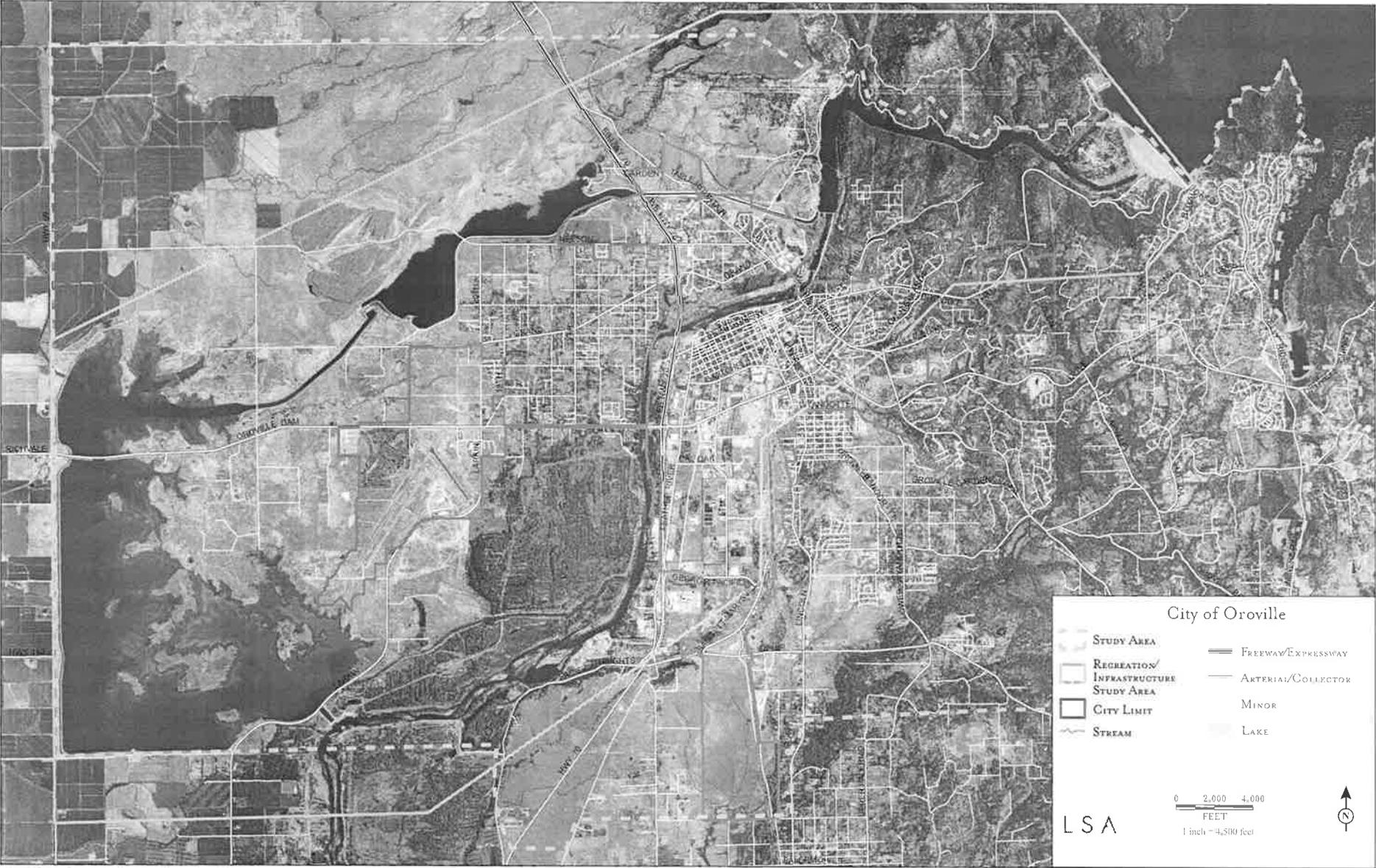
4. The existing scale and diversity of lodging, restaurants, and other commercial tourist attractions complementing the natural recreation resources limit the region's potential as a multiple-day visitor destination.

The Study Area has a variety of museums and cultural and historic attractions; however, visitors have limited choices regarding lodging and dining accommodations. While budget motels and bed and breakfast (B&B) accommodations appear plentiful, mid-scale hotels are limited and there are no "upscale" hotels. Further, dining options in the Study Area, particularly in downtown Oroville, are limited to only a few "sit-down" restaurants. The existing lodging and dining landscape is largely influenced by the region's visitor market, which primarily comprises day visitors coming from within a one- to two-hour driving distance. In the future, however, there is an expected statewide increase in multi-day recreation, including weekend travelers, family reunion groups, and baby boomers. Demand by these groups for high-end accommodations and eateries will likely increase, and rural settings like Oroville are positioned to accommodate travelers seeking respite from their busy urban lives.

Visitor Profile

5. Overall, recreation-related spending is primarily generated by local residents and reflects boating, fishing, and water recreation-based activities common in the Study Area.

Generally, visitor spending occurs in the categories of Lodging, Miscellaneous retail, Amusement and Recreation Services, Food stores, Eating and Drinking Establishments, and Automotive Dealers/Service Stations. Expenditures by County residents, who comprise the majority of recreation participants, occur at service stations, as well as food stores, which contain the types of goods that can be prepared on a boat or at a camp site. Visitors from outside Butte County (County) spend a higher amount of money on these goods, as well as on other miscellaneous retail and eating and drinking places. Recreation equipment (e.g., fishing bait and tackle) and fast-food options can be found on Oro Dam Boulevard on the way in and out of Lake Oroville.



1:19528811 GIS City of Oroville Aerial Base (4500 scale, InRoad) mxd (11/07/2009)

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6. Local lodging offerings do not appear to generate a significant amount of tax revenue for the Study Area, nor do they provide adequate space or amenities for large-scale business retreats or group trips.

The preponderance of budget motels reflects the price-consciousness of the visitor market; visitors currently choose between economy hotels and motels along California State Route 70 (SR-70), house-boats on or camping along the Lake, and a few B&Bs that provide a more intimate setting along the River. The new Holiday Inn Express will gauge the level of demand for mid-scale accommodations not tied to a casino. Also, existing lodging opportunities do not include adequate convention or meeting space required to host larger groups or conventions.

7. Oroville casinos draw visitors from a broader geographic area and offer mid-scale lodging opportunities for casino and other regular visitors, yet spending on casino properties generates no revenue for the local agencies.

The two casinos offer a non-recreation-based entertainment focus that can complement the Study Area's existing array of activities. By combining entertainment with mid-scale accommodations, golf, fitness, and restaurants, they also provide a resort-based setting that does not exist elsewhere in the Study Area. However, none of these activities generate public revenues from expenditures at the casino.

Economic/Infrastructure Conditions and Plans

8. Recreation/tourism represents a comparatively small portion of the local economy.

California's travel economy represents the state's second largest industry, and visitor-generated tax receipts account for 20 percent of the state's total tax receipts. In contrast, only approximately 4 percent of Oroville's economic output is tied to recreation and tourism, and visitor-generated tax receipts countywide represent only 13 percent of total tax receipts. According to detailed DWR economic and fiscal analyses associated with relicensing the Oroville dam, the City benefits more from recreation and tourism spending as compared to surrounding jurisdictions and as compared to the County as a whole, simply because Oroville is where most economic activities are centered.

9. The Study Area's limited dining scene impedes capture of both local and visitor sales tax revenues.

A recent leakage analysis prepared for the City suggests that residents in and around Oroville (i.e., the Study Area) are spending about \$14 million annually in restaurants with alcohol located outside of the City (e.g., Chico). Some level of additional restaurants could help retain local tax dollars and capture new dollars from outside visitors. Additional restaurants could stimulate economic development through the creation of additional jobs, generation of sales tax revenues, and enhancement of related visitor facilities.

10. The City, County, and other agencies are independently pursuing economic development strategies that include recreation and tourism components.

The general plans for the County and City reflect a coordinated approach to master planning of trails, though both jurisdictions are also actively engaged in independent economic development activities—while the City is creating a citywide economic development strategy, the County already has one in place that is linked to the larger tri-County area. Both

agencies also promote tourism, though on separate tracks; the County's efforts are focused heavily on promoting agriculture, nature, and local heritage, while the City provides annual funding to the Chamber of Commerce, which represents the entire Oroville area. California State Parks generally coordinates its planning in conjunction with DWR, though it exchanges visitor information with other local agencies. Going forward, these plans and programs can be coordinated with the SBF, serving as a source of information, identifying project opportunities, and creating resources that can leverage SBF funding.

11. Existing infrastructure is adequate to serve existing development; however, future development may be reliant on additional wastewater treatment conveyance and storage facilities.

Existing water, transportation, storm-water, and utility infrastructure appears to be adequate for current uses, but infiltration issues further exacerbated by wet-weather conditions place a strain on the Study Area's wastewater treatment plant and overall sewer system. The three sanitary sewer agencies, along with the Sewerage Commission—Oroville Region (SCOR), should consider new opportunities to provide additional capacity to accommodate future development in the Study Area.

Supplemental Benefits Fund Opportunities

The following SBF opportunities are intended to focus the direction of the Steering Committee and inform completion of the RFSP. As such, the opportunities presented below are not intended to be exclusive or limiting to the Steering Committee, but rather, used to shape the RFSP and to help author project selection and ranking criteria for Steering Committee use in selecting projects for SBF funding.

The SBF opportunities have been prepared based on the following information and tasks:

- Review and understanding of the history of the Settlement Agreement.
- Prior plans and studies prepared with extensive community outreach.⁸
- Interviews with key stakeholders.⁹
- Working version of the SBF mission statement.
- Recent assessment of Study Area demographics and regional market conditions.

Moving forward, selection and prioritization of these, or other opportunities, need to conform to the following four guiding principles:

- Opportunities should provide continuity and conformity with previous efforts on the Oroville Facilities relicensing effort.
- Opportunities should be viewed in the context of "nexus with the River."

⁸ See the "Bibliography" at the end of this document for a complete list of works reviewed.

⁹ See the "List of Persons Contacted" at the end of this document for a complete list of persons contacted.

- Opportunities should be evaluated as to the ability to mitigate for the impact of ongoing operations of the Oroville Facilities.
- Opportunities need to consider the ability to confer benefit broadly to areas in and adjacent to the River throughout the Oroville Region.

As the RFSP is completed, additional criteria may be included to supplement these guiding principles. In addition, implementation of the RFSP may require the development of additional criteria. The following SBF opportunities are not presented in order of priority and may be subject to further refinement following Steering Committee review and input.

1. SBF capital spending on existing facilities should prioritize connections between and the use of existing facilities.

The Study Area contains a significant number of physical recreation-related natural resources that provide opportunity for a diverse range of experiences for local and non-local visitors. Opportunities, such as improved signage and way-finding, as well as new trail connections, would create better linkages between existing facilities. Increased connectivity and signage would benefit local recreationists and help educate non-local visitors about the variety of natural resource opportunities available to visitors, thereby potentially leading non-local visitors to using multiple facilities in a single visit, making multiple trips to the Study Area, or increased overnight stays by non-local visitors.

2. SBF capital spending on new facilities should prioritize facilities that are unique to the region and complement rather than compete with existing and planned facilities.

By creating new recreation-related facilities in the Study Area, the Steering Committee has the opportunity to complement the master plans underway by the Feather River Recreation and Park District (FRRPD), City, and DWR. Depending on the number, type, and location, creation of new facilities also has the potential to ensure a nexus with the River and the opportunity to concurrently improve the quality of life for local residents while enhancing the Study Area's ability to attract non-local visitors. In some cases, additional studies may need to be completed to further evaluate specific opportunities that may be considered for SBF funding.

3. SBF funding could provide for a coordinated and focused marketing strategy for the region and its recreation and tourism assets.¹⁰

While many local and regional public and private organizations actively market business development and recreation/tourism in the region, the efforts are often not well collaborated or coordinated. Increased coordination could enable cost efficiencies in marketing efforts, as well as the ability to market to broader audiences or marketing through increased use of otherwise cost prohibitive mediums, such as television. A coordinated marketing effort could include the following strategies:

¹⁰ Includes several recommendations included in the *Tourism Marketing Coordination and Implementation Plan*, prepared by The Pacific Group, dated October 1, 2007.

- Create a marketing brand for the area—this effort was underway as of the writing of this report. The effort was being coordinated by DWR, the City, the Chamber of Commerce, and the Tourism Committee.
- Actively manage and coordinate media communications and publications.
- Improved signage and way-finding (orienting visitors toward and between existing and planned recreation and tourism assets)—a portion of this will be underway with the Greenline project funding approved by the City.
- Joint marketing of business development and tourism (e.g., market tourism while promoting quality of life attributes to prospective businesses and employers).
- Seek increases in local agency transient occupancy tax (TOT) rates, and target increased revenues to tourism marketing.
- Emphasize tourism marketing and promotion in the City and County General Plans with appropriate connections to the City and County economic development strategies.

4. SBF funding should leverage additional public and private investment in projects that are consistent with the SBF mission.

The way in which potential Settlement Agreement monetary amounts were determined and the specific Settlement Agreement terms make clear that SBF funds should be used to leverage additional funding. This premise extends beyond the SWC commitment to fund a half-time grant-writing position to solicit funding to complement SBF funding. Most grant and other funding sources similar to the SBF have specific requirements to ensure adequate funding leverage. The interim grant application and program guidelines include project leverage as an application criterion. Recognition of the need to leverage additional funding will lead to development of appropriate criteria to be used when evaluating candidate projects.

Next Steps and Policy Considerations

The following section contains a list of next steps such as actions or additional research that will be completed to prepare the RFSP.

1. Ensure, from a Steering Committee and community perspective, that the Opportunities Analysis has appropriately linked this current work effort with prior efforts.

The point here is to recognize the amount of time, effort, and community outreach and involvement that has taken place that has led to the Settlement Agreement and the SBF to ensure that this current work effort leverages that prior work and moves forward in a manner consistent with the stakeholders' intended direction.

2. Obtain Steering Committee direction.

Obtaining the Steering Committee input on the following items will be necessary before proceeding with the RFSP preparation:

- Determination of a refined definition of “nexus with the River” and Oroville region and how the Steering Committee wishes to operationalize that definition for purposes of guiding RFSP project selection criteria.
- Relative importance of recreation and economic development as input to development of the RFSP and associated project selection criteria.
- Standing of prior projects list and local versus regional benefit.

3. Determine completion schedule for several complementary planning documents.

Several plans and studies are being prepared that need to be considered in context of the SBF mission and RFSP:

- DWR Whitewater Recreation study.
- FRRPD Master Plan.
- City Park and Recreation Plan.
- City of Oroville 2030 General Plan
- State Parks Plan.
- DWR Master Plan.
- Fish & Game Wild Life Area Master Plan

However, the timing for completing these plans and studies is uncertain. Going forward it will be important to determine, assuming that the RFSP stays on the current schedule, how to integrate these efforts.

4. Carefully consider potential implications of climate change on the potential impact to the region and SBF mission.

Several factors beyond the control of the SBF, including the overall availability of water and lake levels, occurrence of natural fires, the level of fish populations, and other impacts associated with climate change, have the potential to affect the performance of SBF funded projects. Therefore, it will be important to consider the potential effects of climate change in making SBF funding decisions.

5. Consider further research on local agency organization and efficiencies.

In recent years, local jurisdictions, including the City, County, and FRRPD, have pursued and completed recreation-related projects. These projects can be evaluated as part of determining institutional capabilities and relevance to the SBF mission.

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2. DEMOGRAPHIC OVERVIEW: EXISTING CONDITIONS

This chapter provides a brief overview of the demographic conditions of the Study Area. It reveals the key characteristics of the residents and working population of the Oroville community.

Context

Oroville's origin dates back to the California gold rush when gold was discovered in Bidwell Bar in 1848 (now covered by Lake Oroville). Its location along the River helped move gold and supplies down the northern Valley; later, timber became a major industry. The next major town development occurred in 1951 when the Oroville Dam was authorized to control flooding, irrigation, water supply, and power.

Today, Oroville (the Study Area) is a community of approximately 38,000 residents. Oroville is located on SR-70, and is 65 miles north of Sacramento, 30 miles north of Yuba City, 24 miles east of Chico (home of California State University Chico). Oroville is also the seat of the County.

Key Findings

2-1. *The Study Area's growth patterns are influenced not only by the City, but also by the County.*

Approximately two-thirds of the Study Area's population lives in the unincorporated areas surrounding the City (primarily to the west and south). In addition, local projections anticipate that most of the future growth in the Study Area may occur in the County, not the City.

2-2. *The Study Area can be characterized as a predominantly white community, with Asian, African-American, and Latino minorities.*

Compared to California as a whole, the Study Area also has a higher share of older population and a lower share of working-age residents.

2-3. *The Study Area has relatively lower household incomes and educational attainment levels compared to statewide averages.*

Population and Growth Characteristics

Population Trends

With approximately 15,000 residents within the current city limits, Oroville represents approximately 6 to 7 percent of the County's total population (**Table 2-1**). The Butte County Association of Governments (BCAG), however, expects Oroville to accommodate an increasing share of growth; by 2030 Oroville is expected to accommodate nearly 10 percent of the County's population.

Table 2-1
Oroville RFSP - Opportunities Analysis
Historical and Projected Population for Butte County and City of Oroville

Jurisdiction	Historical		Current	Annual Avg.	Projected			Annual Avg.
	1990	2000	2008	1990-2008	2010	2020	2030	2010-2030
City of Oroville	11,885	13,004	14,490	1.1%	15,696	23,447	28,582	3.0%
Additional Uninc. Areas within Study Area [1] [2]	22,064	22,863	23,441		24,682	29,383	34,173	
Subtotal Oroville Study Area	33,949	35,867	37,931		40,378	52,830	62,755	TBD
Butte County	182,120	203,171	220,407	1.1%	232,075	276,277	321,315	1.6%
City Population as a % of County Population	7%	6%	7%		7%	8%	9%	
Study Area Population as a % of County Population	19%	18%	17%		17%	19%	20%	

"population"

Source: California Department of Finance, Demographic Research Unit (2006), Butte County Association of Governments (BCAG), Claritas, US Census, and EPS.

[1] The Oroville Study Area is defined as all areas within a 5-mile radius of City Hall.

[2] Projections for the additional unincorporated areas within the Study area were made by maintaining the 2008 ratio of unincorporated population to total County population.

2-2

A significant number of additional people reside outside of the current city limits, west of SR-70 in the unincorporated County area. The Environmental Impact Report (EIR) for the City's General Plan Update estimates that the Study Area, which includes both the current city limits, as well as the City's Sphere of Influence will accommodate about 32,000 new residents; most of this growth (about 24,000 residents) is anticipated to occur outside of the current city limits but in the City's sphere of influence. **Map 2-1** shows the boundaries of the General Plan Update Planning Area.

Existing and Projected Development

The City contains approximately 6.2 percent of the County's total residential units. There are approximately 13,800 existing residential units in the City and its surrounding sphere of influence. This is expected to double to approximately 27,600 units by year 2030, as shown in **Table 2-2**.

According to the California Department of Finance, in 2006, 56 percent of Oroville's housing stock was single-family units. Multifamily units comprised 37 percent, and the remaining 7 percent were mobile homes.

According to the US Census, in 2000, 57 percent of homes in Oroville were rented and 43 percent were owner occupied. This housing tenure breakdown had remained constant since 1990. The City's portion of renter-occupied homes is 18 percent higher than the County as a whole.

The EIR for the Oroville General Plan Update describes net growth of 10.6 million square feet of commercial and 4.7 million square feet of industrial development by 2025.

Housing Market Characteristics

To gain some insight into the dynamics of the Oroville housing market, EPS interviewed local real estate professionals. These professionals characterize new home buyers in Oroville predominantly as people from the Bay Area who are drawn to the Lake, a slower place of life, or a rural setting. The relatively high value of property in the Bay Area allows these buyers to trade in their existing (and often small) house or condominium for a less expensive, larger house in Oroville, perhaps on the Lake. These buyers can then afford a similar lifestyle, despite a lower-paying job, which is often supplemented by money left from the sale of their former home.

A large number of retirees also move to Oroville. Usually in their 50's, these retirees come not only from the Bay Area, but also from Orange County, San Diego, or Las Vegas. They are attracted to the active lifestyle offered by the larger region; the Sierras and the Bay Area are convenient week-end destinations, and the relatively proximity to the Sacramento International Airport still permits other travel.

Buyers tend to choose Oroville over other areas in the County because housing is a better value; while land prices are fairly reasonable in Oroville, nearby Chico has higher land prices and a higher fee structure. Some buyers commute to Sacramento, but many others make a short commute to Chico.

Real estate professionals also report that the Oroville area is also experiencing some demand for condominiums, though this product is not available in Oroville. However, there are several

projects in the pipeline that may include condos. If built, condos have the potential to attract three types of people:

- Buyers who desire lake views but want to avoid the maintenance associated with owning a single-family home.
- Weekenders who want to get away to a second home.
- Local residents who cannot afford a single-family home.

Major Planned and Proposed Projects

Several developments in the Oroville Planning Area are proposed at this time, including these:

- The Rio D' Oro development, to the south of the City, with 2,700 residential units and 24 acres of commercial development.
- Feather Hills, to the southeast, proposed to contain 1,700 homes.
- Oro Bay, to the east of the City, proposes 2,400 residential units.

All three of these major planned developments would be located in the unincorporated area of County but within the sphere of influence of the City of Oroville.

In addition, the Oroville Gateway project is a 14-acre mixed use development for which the City has accepted proposals. Located at the intersection of Montgomery Street and Feather River Boulevard adjacent to SR-70, the project includes plans for a 70-room hotel, restaurants, retail shops, and possibly a visitor center. The goal of the development is to cater to pass-by traffic and tourists visiting the area.

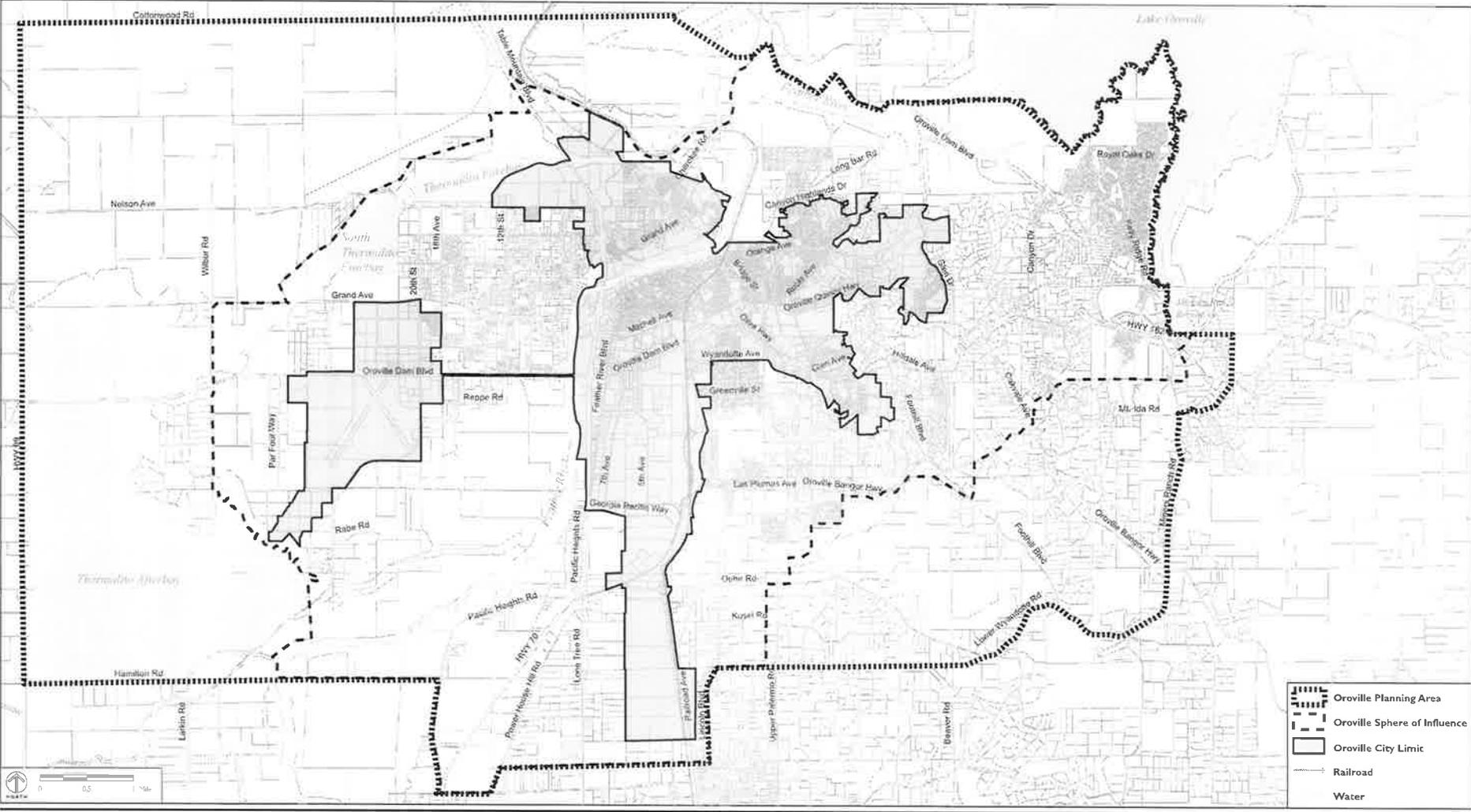
Additional major retail proposed in the City includes a Super Wal-Mart, Denney's Restaurant, a Fresh & Easy Market. An Applebee's restaurant was opened in 2007.

Racial Diversity

The state of California enjoys a high level of racial diversity; California is about half white, 12 percent Asian, 6 percent African-American, 1.5 percent American Indian/Native Hawaiian, nearly 20 percent of other races, and about five percent of people of two or more races (**Table 2-3**). In addition, nearly 40 percent of residents statewide are of Hispanic or Latino origin.¹¹

In contrast, the County is predominantly white (more than 80 percent), with a small share of Asian population and other races; only 12 percent of County residents are of Hispanic or Latino origin.

¹¹ The Census does not classify Hispanic or Latino Origin as a separate race.



Source: City of Oroville GIS 2005.

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Table 2-2
Oroville RFSP - Opportunities Analysis
Existing Housing and Buildout Projections [1]

Jurisdiction	Existing Residential Units (2006)	Projected Residential Units in 2030	Average Annual Change
Within City Limits	5,800	9,300	2.0%
Within City Sphere of Influence	8,000	18,300	3.5%
Total Oroville Planning Area	13,800	27,600	2.9%

"pop2"

Source: City of Oroville 2030 General Plan Draft EIR.

[1] Projected residential units based on the Draft 2030 General Plan. 46299

**Table 2-3
Oroville RFSP - Opportunities Analysis
Population by Race and Age Distribution - 2008**

Item	Percent		
	State Of California	Butte County	Oroville Study Area [1]
Race			
White	56.1%	82.1%	75.2%
Black or African American	6.3%	1.5%	2.7%
American Indian/Alaska Native	1.0%	2.0%	3.8%
Asian	12.2%	4.1%	9.2%
Native Hawaiian/Other Pacific Islander	0.4%	0.2%	0.3%
Other Race	18.9%	5.6%	3.5%
Two or more Races	5.2%	4.4%	5.3%
Total	100.0%	100.0%	100.0%
Hispanic or Latino Origin			
Hispanic	36.5%	12.3%	9.5%
Not Hispanic	63.5%	87.7%	90.5%
Total	100.0%	100.0%	100.0%
Age Distribution			
Age 0-17	26.0%	21.4%	26.0%
Age 18-54	53.2%	52.9%	47.4%
Age 55 and Over	20.9%	25.8%	26.7%
Total	100.0%	100.0%	100.0%

"race_age"

Source: Claritas, Inc.

[1] The Oroville Study Area is defined as all areas within a 5-mile radius of City Hall.

The Oroville Study Area's racial diversity generally mirrors the County, which has approximately 75 percent white residents, and a very small representation of African-Americans or people of Other races; Oroville also has a smaller share of people of Hispanic or Latino Origin than the County. Oroville does, though, have an Asian community comparable to the statewide average, a relatively larger share of American Indian/Alaska Native than the state, and a comparable share of residents of two or more races.

Age Distribution

Oroville's age distribution differs from the California as a whole in two age segments: Oroville has a smaller share of working-age residents (18-55) and a larger share of residents aged 55 and older (**Table 2-3**). The older residents may imply a larger retirement community which could influence recreation opportunities.

Labor Force Characteristics

Income Levels

At a macro level, both the County and the Study Area have generally lower income levels compared to California as a whole. In 2008, the average per-capita income in California was \$27,000, compared to \$22,000 in County and \$17,000 in the Study Area (**Table 2-4**).

Household income patterns suggest that roughly one-third of County and Study Area households earn less than \$25,000 per year, and another third earn between \$25,000 and \$50,000 annually. In contrast, only 20-25 percent of households statewide fall into each of these income brackets. At the opposite end of the income spectrum, a majority of California households earned \$50,000 or more, while, only about 40 percent of County and 32 percent of the Study Area household incomes were in these higher income brackets.

However, at a more micro level, earning patterns show that the County and Study Area have a similar proportion of middle-class, working households. About 30-35 percent of statewide, County and Study Area households have incomes from \$35,000 to \$75,000 annually.

Educational Attainment

Educational attainment levels of City residents aged 18 and older indicate a similar pattern to that of household income, in that Oroville has a higher proportion of less formally-educated residents, a lower proportion of more formally-educated residents, and a similar proportion of residents with some higher education as compared to State residents overall. Data from the 2000 Census suggests that about one-fourth of California residents aged 18 and older have less than a high school diploma, one-fifth receive a high school diploma, one-fourth have some college but no degree, and the remaining one-fifth have an associate's, bachelor's, or graduate/professional degree (**Table 2-5**).

In contrast, Oroville has a larger share of residents with less than a high school diploma, about the same share of high-school graduates and some college, and a smaller share of residents with post-secondary degrees. However, compared to the state, County as a whole has a larger proportion of high school graduates, residents with some college but no degree, and an

**Table 2-4
Oroville RFSP - Opportunities Analysis
Households by Household Income - 2008**

Income	Percent		
	State of California	Butte County	Oroville Study Area [1]
Average Per-Capita Income	\$27,345	\$22,484	\$17,041
% of State Per-Capita Income		82.2%	62.3%
Median Household Income	\$59,163	\$41,570	\$34,193
% of State Median Household Income		70.3%	57.8%
Household Income by Income Bracket			
Less than \$15,000	10.9%	16.2%	19.9%
\$15,000-\$24,999	9.2%	14.4%	17.6%
\$0-\$24,999	20.1%	30.7%	37.5%
\$25,000 - \$34,999	9.5%	12.7%	13.6%
\$35,000 - \$49,999	13.7%	15.2%	16.7%
\$25,000-\$49,999	23.1%	27.9%	30.3%
\$0-\$49,999	43.2%	58.5%	67.8%
\$50,000 - \$74,999	18.5%	18.6%	17.8%
\$50,000-\$74,999	18.5%	18.6%	17.8%
\$75,000 - \$99,999	12.9%	10.0%	7.1%
\$100,000 - \$149,999	14.5%	8.3%	5.2%
\$150,000 - \$249,999	7.6%	3.1%	1.4%
\$250,000 - \$499,999	2.2%	1.1%	0.6%
\$500,000 and more	1.1%	0.3%	0.2%
\$75,000 and Over	38.3%	22.9%	14.5%
Total	100.0%	100.0%	100.0%

"income"

Source: Claritas, Inc.

[1] The Oroville Study Area is defined as all area within a 5-mile radius of City Hall.

Table 2-5
Oroville RFSP - Opportunities Analysis
Population by Educational Attainment, Population 18 and Over, 2000

Jurisdiction	Less than 9th Grade	9th to 12th No Diploma	High School Graduate	Some College No Degree	Associate's Degree	Bachelor's Degree	Graduate/ Professional Degree	Total
City of Oroville	7.2%	19.9%	33.4%	24.1%	6.1%	6.4%	3.0%	100.0%
City of Chico	3.6%	6.7%	15.7%	40.6%	9.2%	17.0%	7.1%	100.0%
Butte County	5.2%	11.8%	23.6%	32.9%	7.8%	13.0%	5.8%	100.0%
California	10.9%	13.1%	21.1%	24.3%	6.7%	15.6%	8.3%	100.0%

"edu"

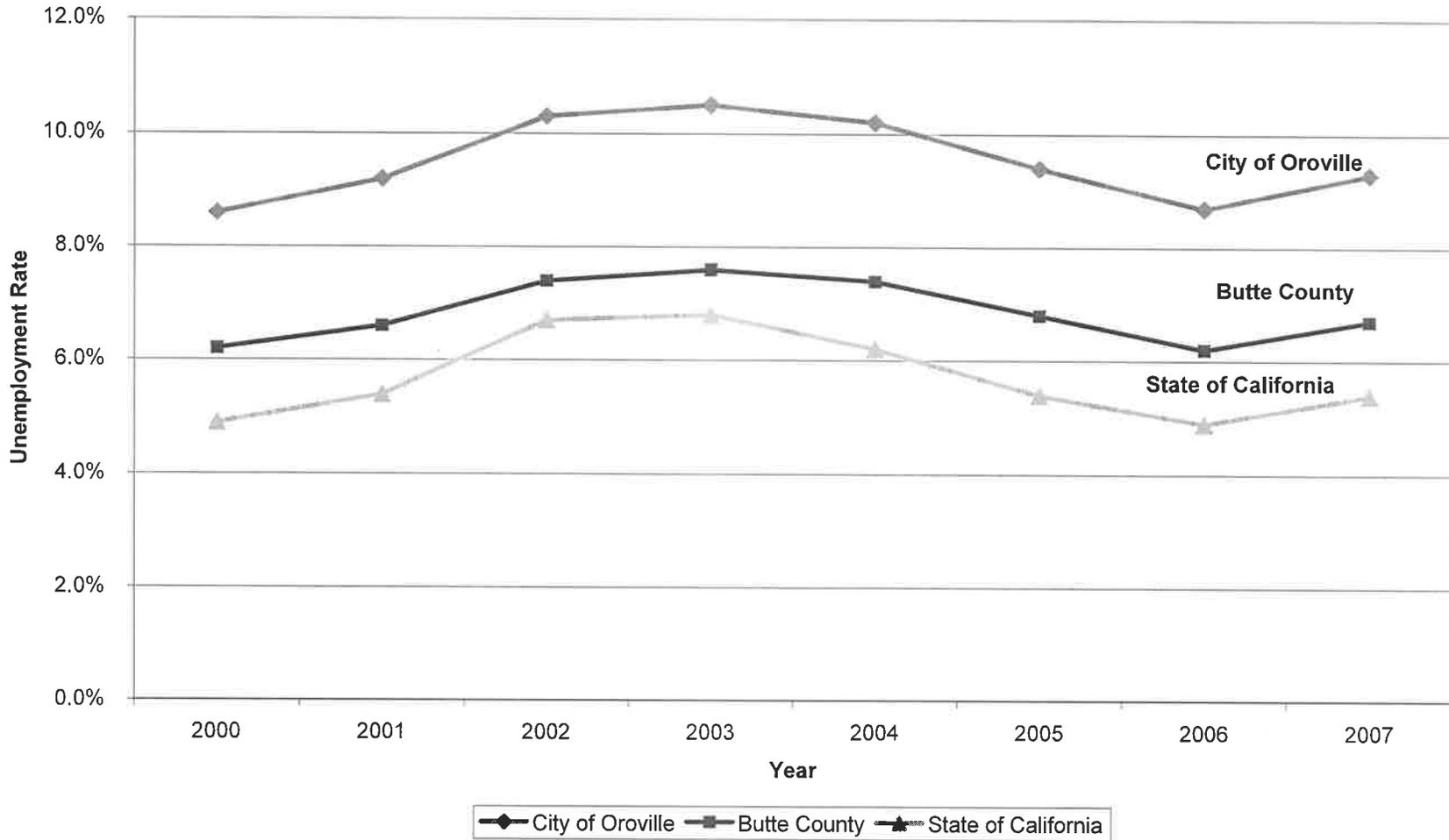
Source: Economic & Demographic Profile for Butte, Glenn, and Tehama Counties, prepared by the Center for Economic Development, CSU Chico, 2007.

associate's degree. This data suggests that other areas of the County have larger concentrations of more-educated residents and also suggests that graduates of local educational institutions like Butte College and CSU Chico tend to not live in Oroville as much as other areas of the County.

Unemployment Rates

Figure 2-1 shows historical unemployment rates for the City, County, and California. As this figure indicates, unemployment rates have been consistently higher in the City (ranging from 8 to 10 percent) compared to the County (6 to 7 percent) and the state as a whole (5 to 7 percent).

Figure 2-1
Oroville RFSP - Opportunities Analysis
Historical Unemployment Rates (2000-2007)



2-13

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3. REGIONAL MARKET ECONOMICS AND ECONOMIC DEVELOPMENT TRENDS

Introduction

The City is the third largest city in the County. This chapter highlights the major economic drivers in Oroville's economy, explores economic development efforts underway by the City's agencies, and looks to identify potential opportunities for the area.

Historically, the City's economy has been driven by manufacturing and government related jobs. The public sector still plays a large role in the economy, as the County Seat and several other local agencies are located in the City. Manufacturing, however, has been in decline over the past 10 years, beginning with the closure of the Georgia Pacific Plant in 1998.

Today, Oroville's economy is primarily driven by the government sector, which provides about 46 percent of the City's employment. Employment in the services sector is also significant, making up about one-third of all employment. A portion of these jobs are in the medical services field, however many of the jobs are typically low-wage, customer service jobs.

Key Findings

3-1. *The City's employment base relies heavily on local government and retail trade, while manufacturing continues to decline.*

Unless the Oroville region can reposition its industrial employment base, this trend is likely to be extended. The City is actively engaged in creating economic development policies to attract new development and business, and retain and expand existing activities.

3-2. *Oroville's casinos bring new visitors to the area on a daily basis.*

It is unclear, though, whether these visitors participate in any activities outside the casinos.

3-3. *Multiple agencies in the Oroville region are engaged in economic development activities.*

While some of these efforts are coordinated, many others are pursued independently of one another and in certain cases overlap with each other.

3-4. *A host of existing financial tools carry the potential to be leveraged for the SBF.*

To the extent that the purpose of the SBF coincides with the purpose of other funding efforts, opportunities to leverage additional monies exist.

Primary Regional Economic Drivers

Employment and Major Industries

The City contains approximately 4 percent of the County's total job base (**Table 3-1**). As discussed above, the industries that dominate the current economy are service sector jobs and government jobs.

Table 3-2 examines the City's job landscape as of 2001; at that time, Local Government jobs comprised approximately 45 percent of the job base, while manufacturing represented approximately 11 percent. Various types of service sector jobs were also important sources of employment, including health care and social assistance, retail trade, accommodation and food service, arts, entertainment, and recreation and other services.

A comparison with the job industry outlook in 2007 reveals a very similar distribution, with one significant exception. **Table 3-3** shows that in 2007, manufacturing's share of the job base had fallen from 11 percent to 8 percent, while retail trade had surpassed manufacturing to make up 9 percent of the City's employment base.

Major employers located in the City include the County government offices, Butte Community College, and Oroville Hospital. Major employers in County are primarily associated with the area's Community College and hospitals. Major employers in the County consist of Butte Community College, Enloe Hospital, and the Enloe Medical Center, as summarized in **Table 3-4**.

Casino Development

Casinos are also a major player in the economic development of the Oroville Planning Area. Oroville is home to two gaming casinos: Feather Falls Casino and Gold Country Casino & Hotel.

Feather Falls Casino is located outside of the City of Oroville, 3 miles east of SR-70 and approximately 5 minutes from the downtown area. Feather Falls opened in 1996, and features an 84-room lodge and operates an on-site Kampgrounds of America (KOA) campsite with 43 full hook-up campsites. There are also conference facilities with a capacity of 150 people, and a showroom that can host larger events if needed. The casino has a charter sales department that coordinates daily bus service from several outside areas, including Oakland and San Jose. Feather Falls also attracts many of gamblers from Sacramento.

Gold Country Casino & Hotel is located off of Olive Highway outside of the City of Oroville. It has conference/banquet facilities that can seat up to 240 people, as well as a showroom for larger events. It also features a bowling alley and a hotel with 87 rooms. Additional information about this casino's activities, outreach, and marketing efforts was not available.

Downtown Oroville

Downtown Oroville is the location of the Historic State Theater, as well as museums and specialty shops that feature items such as gifts, collectibles, jewelry, clothing, and antiques.

Table 3-1
Oroville RFSP - Opportunities Analysis
Employment for Butte County and City of Oroville

Jurisdiction	Historical		2007	Projected [1]	
	1995	2000		2015	2030
City of Oroville	3,470	4,400	4,000	4,935	5,815
Butte County	74,100	87,600	98,700	121,777	143,475
Oroville as a % of County Employment	4.7%	5.0%	4.1%	4.1%	4.1%

"employment"

Source: California Employment Development Department; Economic & Demographic Profile for Butte, Glenn, and Tehama Counties, prepared by the Center for Economic Development, CSU Chico, 2007.

[1] Projected employment for the City of Oroville has been estimated based on the 2007 Oroville to County Employment ratio of 4%.

Table 3-2
Oroville RFSP - Opportunities Analysis
Employment by Industry - City of Oroville (2001)

Major Industry [1]	City of Oroville [2]	
	Total	% of Total
Agriculture, Forestry, Fishing & Hunting	116	0.8%
Mining	n/a	n/a
Utilities	n/a	n/a
Construction	483	3.4%
Manufacturing	1,450	10.3%
Wholesale Trade	120	0.9%
Retail Trade	1,380	9.8%
Transportation & Warehousing	95	0.7%
Information	99	0.7%
Finance & Insurance	173	1.2%
Real Estate & Rental & Leasing	112	0.8%
Professional, Scientific, & Technical Skills	154	1.1%
Management of Companies and Enterprises	n/a	n/a
Admin & Support & Waste Mgmt. & Remediation	173	1.2%
Educational Services	45	0.3%
Health Care & Social Assistance	1,999	14.2%
Arts, Entertainment, & Recreation	208	1.5%
Accommodation & Food Services	815	5.8%
Other Services	272	1.9%
Non-Classified	6	0.0%
Federal Government	5	0.0%
State Government	30	0.2%
Local Government	6,378	45.2%
Total Employment (All Industries)	14,113	100.0%

"employ_2001"

Source: California Employment Development Department and EPS.

[1] Based on the annual average employment for each industry.

[2] City of Oroville is defined as all area within zip codes 95965 and 95966.

Table 3-3
Oroville RFSP - Opportunities Analysis
Employment by Industry - City of Oroville (2007)

**Employment By
Industry (2007)**

Major Industry [1]	City of Oroville [2]	
	Total	% of Total
Agriculture, Forestry, Fishing & Hunting	168	1.1%
Mining	n/a	n/a
Utilities	n/a	n/a
Construction	600	3.9%
Manufacturing	1,226	8.0%
Wholesale Trade	114	0.7%
Retail Trade	1,377	9.0%
Transportation & Warehousing	177	1.2%
Information	76	0.5%
Finance & Insurance	219	1.4%
Real Estate & Rental & Leasing	156	1.0%
Professional, Scientific, & Technical Skills	122	0.8%
Management of Companies and Enterprises	26	0.2%
Admin & Support & Waste Mgmt. & Remediation	187	1.2%
Educational Services	28	0.2%
Health Care & Social Assistance	2,172	14.2%
Arts, Entertainment, & Recreation	170	1.1%
Accommodation & Food Services	831	5.4%
Other Services	269	1.8%
Non-Classified	7	0.0%
Federal Government	85	0.6%
State Government	265	1.7%
Local Government	7,027	45.9%
Total Employment (All Industries)	15,302	100.0%

"employ_2007"

Source: California Employment Development Department and EPS.

[1] Based on the annual average employment for each industry.

[2] City of Oroville is defined as all area within zip codes 95965 and 95966.

Table 3-4
Oroville RFSP - Opportunities Analysis
Butte County Major Employers, 2009

Employer	Number of Employees
Butte Community College	1,000-4,999
Butte County Government Center	1,000-4,999
Enloe Hospital	1,000-4,999
Enloe Medical Center	1,000-4,999
Enloe Medical Center (Clinics)	500-999
Feather Falls Casino	500-999
Feather River Hospital	500-999
Lifetouch	500-999
Oroville Hospital	500-999
Pacific Coast Producers	500-999
Baldwin Contracting Co. Inc.	250-499
Behavioral Health Department (Chico)	250-499
Bettendorf Trucking	250-499
Butte County Behavioral Health [1]	250-499
Butte County Comm Employment [1]	250-499
Chico High School	250-499
County Sheriff	250-499
Do-It Leisure	250-499
Enloe Rehabilitation Center	250-499
Gold Country Casino & Hotel	250-499
Good Life	250-499
Home Health Care Management	250-499
National Heritage Insurance Co.	250-499
Northern California Homes	250-499
Walmart (Oroville)	250-499
Walmart (Chico)	250-499
City of Oroville	100-249
Currier Square Spe LLC	100-249
Home Depot	100-249
Roplast Industries, Inc.	100-249
Sierra Pacific Industries	100-249
Wilkerson Ranch & Packing Co	100-249

"major_employers"

Source: America's Labor Market Information System Employer Database, 2009 1st Edition, compiled by InfoUSA, California EDD, and the City of Oroville Redevelopment Agency.

[1] Could overlap with the Butte County Government Center.

Oroville is known as a center for antiques shops, and there are approximately 11 shops located in downtown.¹² Local owners sponsor an annual antique show. The antique shops, however, do not draw significant tourists as typical for this type of shop. About 90 percent of sales in the antique shops are estimated to be to local residents.

There are very few fine restaurants in downtown Oroville. There are a few smaller restaurants in the downtown, mostly catering to workers at lunchtime, or to families. The majority of Oroville's restaurants are located along Oro Dam Boulevard.

Retail Leakage

A retail leakage study conducted by the Center for Economic Development at the California State University at Chico shows that Oroville appears to have a sufficient retail supply of service stations, lumber, building material suppliers, and automotive parts suppliers. However, the area is experiencing significant leakage in the apparel, household and home furnishings, and restaurant industries. **Table 3-5** summarizes the findings of the study, and suggests several industries where expansion may be supportable. **Table 3-6** contains a preliminary estimate of additional supportable space estimated in the Comprehensive Economic Development Strategy (CEDS).

Other Current Economic Development Planning Efforts and Strategies

Butte County and City of Oroville Economic Development Efforts

Both the County and the City are planning their economic development strategies to guide future economic development in the Study Area.

Butte County Economic Development Efforts

County staff and the County Economic Development Corporation (EDC) have worked together with the Tri-County EDC to create a list of priority economic development projects for the County. The CEDS is a required element of the County's participation in the Tri-County EDC.

The Fiscal Year (FY) 2008–09 CEDS contains three priority levels: near term, 5 years, and long term. The first priority is to develop an economic development element for the County General Plan, which is underway and anticipated to be completed in 2009. Other near-term priorities are listed below:

- Continue to pursue Business Research Park Development Opportunities.
- Work toward implementation of the County Economic Development Plan.
- Pursue renewable energy sources.

¹² Phase 2 Background Report Economic and Fiscal Conditions. Study Plans R-18 and R-19 Oroville Facilities Relicensing Prepared by Harza/EDAW Team, January 2004.

Table 3-5
Oroville RFSP - Opportunities Analysis
Taxable Retail Leakage in the Oroville Market Area

Retail Sector	Oroville Market Area		
	Potential Taxable Sales	Actual Taxable Sales	Taxable Sales Surplus/(Leakage) [1]
Apparel stores	\$17,768,817	\$2,542,900	(\$15,225,917)
Gifts, art goods, & novelties	\$1,865,751	\$480,800	(\$1,384,951)
Household and home furnishings	\$11,785,477	\$2,175,500	(\$9,609,977)
Household appliance stores	\$4,414,157	\$4,636,800	\$222,643
Second-hand merchandise	\$547,550	\$402,700	(\$144,850)
General merchandise stores	\$50,189,909	\$53,362,500	\$3,172,591
Drug stores	\$6,409,841	\$7,080,100	\$670,259
Sporting goods	\$3,779,070	\$3,112,600	(\$666,470)
Jewelry stores	\$2,369,227	\$1,328,900	(\$1,040,327)
Farm and garden supply stores	\$2,781,386	\$642,400	(\$2,138,986)
Restaurants with no alcohol	\$20,732,718	\$20,418,100	(\$314,618)
Restaurants with beer & wine	\$11,205,626	\$6,727,700	(\$4,477,926)
Restaurants & drinking places w/ full bar	\$13,150,240	\$3,069,300	(\$10,080,940)
Packaged liquor stores	\$2,354,042	\$2,130,600	(\$223,442)
Automotive supplies and parts	\$5,607,204	\$10,425,500	\$4,818,296
Used motor vehicle dealers	\$6,599,188	\$2,633,100	(\$3,966,088)
Service stations	\$39,873,690	\$53,532,900	\$13,659,210
Lumber & building materials	\$27,420,620	\$34,649,800	\$7,229,180
Hardware stores, paint, glass & wallpaper	\$5,024,047	\$4,826,100	(\$197,947)
All other categories	\$290,071,622	\$114,742,100	(\$175,329,522)
Total All Outlets	\$523,950,182	\$328,920,400	(\$195,029,782)

"leakage"

Source: California State University, Chico, Center for Economic Development, 2007.

[1] Calculated as actual taxable sales minus potential taxable sales.

Table 3-6
Oroville RFSP - Opportunities Analysis
Estimated Additional Supportable Square Feet

Retail Sector	Taxable Sales Leakage	Sales Per Sq. Ft [1].	Supportable Sq. Ft.
Apparel stores	(\$15,225,917)	\$350	43,503
Household and home furnishings	(\$9,609,977)	\$325	29,569
Restaurants with beer & wine	(\$4,477,926)	\$450	9,951
Restaurants & drinking places w/ full bar	(\$10,080,940)	\$450	22,402
Total (Rounded)	(\$39,400,000)		100,000

"total_sqft"

Source: California State University, Chico, Center for Economic Development, Urban Land Institute, and EPS.

[1] Figures from Dollars and Cents published by the Urban Land Institute.

- Pursue development of value-added agriculture products/facilities in the County.
- Develop a web-based tool for promoting County to interested businesses.
- Support business development/expansion through business mentoring/consulting services.
- Pursue business development of arts, agriculture, nature, and heritage tourism opportunities online utilizing various partners.
- Pursue a designation under the Heritage Corridor concept for the County.
- Pursue development of a Cultural & Performing Arts Center in the County-owned Chico Memorial Hall.
- Use the County Cultural Assessment document to develop a cultural tourism plan that will enhance arts, agriculture, nature, and heritage tourism opportunities in the County.
- Improve rail infrastructure to provide industrial site access in the area.

Five-year priorities include these:

- Promote the jobs/ housing balance.
- Investigate options for more reliable expanded airplane service to the County.
- Develop a Visitor Center along SR-70 and State Route 99 (SR-99) with ties to state visitor centers throughout the state.
- Develop whitewater recreation venues on the River capable of hosting national and international sporting events.

Long-term priorities include these:

- Storm drainage rehabilitation.
- Creation of a Community Center to facilitate senior, teen, and park activities.
- Improvement of aesthetics of Highway 162.

City of Oroville Economic Development Efforts

The City is also trying to plan its economic development strategies. The City has an active contract with the Rosenow Spevacek Group to prepare a 2014 Economic Development Strategy and ultimately an Economic Development Policy. The Study is anticipated to provide an implementation plan for economic development in the City; this plan will be used by various agencies and private entities in the area as a strategic action plan that will help the City effectively leverage financial capital as well as personnel to invest in economic development and facilitate business attraction, expansion, and retention strategies.

The goals of the study are to identify and evaluate these:

- Show developers the best locations for new projects.
- Attract new businesses and retain existing businesses.

- Establish economic development priorities and desired outcomes.
- Assess the City's economic development opportunities and constraints
- Identify targeted opportunity sites and develop a corresponding implementation plan

Other Agencies and Organizations

Several local agencies promote economic development in the Study Area. These agencies play a significant role in the promotion of Oroville, and will continue to do so in the future. This section summarizes the role of each agency and the scope of its current planning efforts.

Oroville Chamber of Commerce

The Chamber of Commerce seeks to promote economic development through tourism in the City and in the Oroville sphere of influence. The Chamber facilitates almost all of the City's major events, as well as its own events, including the Bounty of Oroville—a 2-year-old event which showcases the assets of the area (e.g., wine, olive oil). The Chamber also continues to attempt to bring new events to Oroville. For instance, it recently secured a major fishing tournament, and is hoping to attract a similar tournament for many years to come. Other major events that occurred in 2008 include these:

- Old Time Fiddler's Contest
- Feather Fiesta Days
- Nature Festival
- Fourth of July Celebration
- Bounty of Oroville
- Salmon Festival
- Christmas Lights Parade
- Fishing Tournaments on Lake Oroville
- Oroville Business Showcase

Oroville Downtown Business Association

The Downtown Business Association provides support to other agencies, such as the Chamber, to promote Oroville. For example, it helps the Chamber by preparing promotional materials at an event, or it provides staffing at an event. The Downtown Business Association assisted in several events in 2008, including the Sportsman's Expo in Sacramento, the Fiddler Championships, the Feather Fiesta Days parade, movies in the park, and First Fridays.

Oroville Economic Development Corporation

The Oroville EDC focuses primarily on promoting job growth and commercial and industrial development. It is holding an upcoming luncheon on opportunities in the green industry. The Oroville EDC also does some work with the Chamber to promote events, and has some committees with other agencies to explore business retention and expansion.

Butte County Economic Development Corporation

The County EDC is relying on several strategies to promote recreation and tourism. It has been heavily involved in the County's General Plan Update, and the strategy of incorporating tourism into this update. Other strategies include these:

- **Promotion of agricultural tourism.** Promotional projects include a California Visitor's Center, the Sierra Oro Farm Trail, the Lake Oroville Spa and Resort, a whitewater rafting park, and improvements to the Lake Oroville marina.
- **Major outreach effort with the Urban Land Institute.** The County EDC sees Urban Land Institute (ULI)'s upcoming conference in San Francisco as a major opportunity to promote Oroville to a large audience of influential land developers who will attend the conference.
- **Promotion of the Oroville area to Chinese tourists looking to visit the United States.** The County EDC is working with a major investor in the Oroville area who has contacts in China and is working to promote the area to Chinese tourists. In the late 1800's, Oroville had the largest population of Chinese immigrants north of Sacramento¹³. Therefore, Oroville has several historical sites, such as the Chinese Temple, which might be attractive to such tourists.
- **Promotion of the Oroville airport.** Conveniently located near an off-road vehicle park and a shooting range, the Oroville airport, along with the Lake, may make Oroville an attractive destination for someone looking to fly in to a recreation-based vacation destination.

Private Industry Council

The County Private Industry Council (PIC) has two primary focuses:

- **Assist the business community by providing services to local businesses.** Some of the service provided includes assistance in obtaining funds for growth, using enterprise funds to their advantage, and assisting with creation of guiding materials such as personnel handbooks and business plans.
- **Assist the unemployed in the area,** through job search workshops, career exploration assistance, and providing labor market information needed for an individual to make a career decision.

PIC runs several work training programs for youth (typically aged 18 to 24). It has a construction program with Butte College which helps train construction students to re-model existing homes. An entrepreneurial program aims to teach youth what its like to run a business. An alternative energy program explores work in fields involving green energy sources. A new program starting soon involves coordinating events and hospitality at the Historic State Theater, and will provide students skills in this field by allowing them to assist with the coordination of area events.

City of Oroville Enterprise Zone

The City's Enterprise Zone boundaries include most of the City, as well as portions of the unincorporated Oroville area. The main goal of the Enterprise Zone is to help businesses create higher paying jobs and to maintain employment through tax incentives. In 2008, there were

¹³ <http://www.cityoforoville.org> Chinese Temple and Museum description.

550 employees vouchered as part of the tax incentive program. A detailed description of the types of Enterprise Zone incentives are described later in this chapter.

Waterfront Development Strategy (Prepared for the City of Oroville Redevelopment Agency)

The City Redevelopment Agency (RDA) commissioned a Waterfront Development Strategy to examine how to best use the natural resources provided by the River.

The study, prepared by Wallace Roberts & Todd, LLC, identifies a continuous public green space along the entire length of the riverfront on both sides of the River in the downtown area as the most critical waterfront project. This space will allow for recreational uses such as walking, jogging, biking, and fishing. The strategy also includes a downtown riverfront park, an amphitheatre, and an aquatic center. It also describes the benefits of additional infill development in the downtown area, especially mixed use projects.

Outside of the downtown area, the study promotes the creation of a whitewater park and an equestrian event area.

Existing Local Financial Tools

The purpose of this section is to identify existing and new potential financing mechanisms/tools for recreation and economic development projects that could complement the SBF funds. Following a summary of potential opportunities to leverage existing funding mechanisms consistent with the SBF mission, the remainder of this section summarizes existing sources and includes an assessment of each mechanism's potential to complement SBF funding. **Figure 3-1** identifies and provides key characteristics of existing and potential funding mechanisms that are further described throughout this section.

Summary of Existing Funding Sources

The opportunities to leverage existing funding sources with SBF funding to implement the SBF mission varies by program. Below is a summary of potential opportunities by existing program. A detailed description of each existing funding mechanism is included following this summary section.

City Business Loan Program—Community Development Block Grant. City business loans could provide capital (building and infrastructure) and operations and maintenance funding, in the form of loans, to new businesses locating or expanding in the City. This funding could be combined with SBF funding to attract or retain recreation-related businesses in the Study Area.

Butte County also has a CDBG program, and there may be opportunities to coordinate City and County efforts.

City RDA Funds. Most areas adjacent to the River are included within the City RDA project area boundaries. RDA funding (provided the project is within the city limits) could be combined with SBF funding to facilitate specific redevelopment projects related to recreation and tourism with a nexus to the River. Types of projects may include a kayaking company, fishing supply store, boat/kayak repair, bicycle/scooter rental, wildlife/nature center, B&Bs, restaurants, or recreation center and green type industrial applications.

**Figure 3-1
Oroville SBF Regional Fund Strategic Plan
Funding Mechanisms Matrix**

Agency/Department/Organization	Funding Type(s)	Revenue Source(s)	Restrictions/ Criteria for Funding	Potential for SBF Leverage/ Partnerships
City Revolving Loan Fund (CDBG)	Revolving Loan Funding	CDBG CDBG Program income	Compliance with national requirements to create/retain jobs for persons making less than 80 percent of the County's median household income. Private dollars must be leveraged from equity and/or debt. (Requirement can be waived)	High - Could provide capital and operations and maintenance funding to new businesses locating or expanding in the City that are a part of the recreation and tourism industry. Collaborative funding opportunities between the SBF and CDBG exist.
City Redevelopment Agency (RDA)	Loans and/or grants	Secured & Unsecured Taxes Investment Earnings Bond Proceeds Grants	Project to be developed or receive funding must be located in the RDA Project Area boundaries. Funding based on Council and RDA Commission discretion.	Moderate/High - Some collaborative opportunities through RDA loans and/or grants to recreation projects that would potentially increase tourist visitors to the City.
City Enterprise Zone	Hiring Tax Credits Sales and Use Tax Credits Business expense deductions Net operating loss carryover Net interest deductions for lenders	N/A	Business must be located within the Enterprise Zone boundaries.	Moderate - Some collaborative opportunities for the Enterprise Zone to provide credits and deductions to recreation & tourism businesses. SBF is a good direct funding candidate because direct funding opportunities through the Enterprise Zone do not exist due to nature of funding opportunities (tax credits & deductions) and type of funding and uses (business development).
Private Industry Council (PIC) of Butte County	Grants	State Work Force Investment Act Funds	Unknown	Moderate/High - Potential collaborative opportunities for job training and hiring services and job training funds for recreation and tourism businesses whose development benefits from SBF funds.
State of California (Proposition 1A-E)	General Obligation Bonds	Bond Proceeds	Varies based on proposition	Low - Prop 1A-E bond proceeds are geared towards transportation, public housing, education, and flood prevention projects. While all of these elements can be indirectly related to economic development, revenues and the projects they fund are not likely to be directly related to the mission of the SBF.

"mech_matrix"

Source: Business Loan Program Guidelines for CDBG California Community Enterprise Fund and Micro-Enterprise Revolving RLF, March 20, 2007; City of Oroville, State Enterprise Zone, and Private Industry Council of Butte County websites; and EPS,

Enterprise Zone Funds. SBF funding could be a direct funding source to help attract or retain recreation or tourism related businesses in the Study Area. The Enterprise zone covers most areas included in the Study Area. Enterprise zone benefits are primarily indirect benefits such as tax incentives, which could help alleviate financial burdens of new or small businesses and aid in retaining jobs and businesses in the Study Area.

PIC Grants. Existing PIC events/hospitality and entrepreneurial training programs are especially geared towards the training of employees to enter the recreation/tourism industry. Continued opportunities exist to collaborate with the PIC to provide incentives and business/employee services to new recreation/tourism-related businesses.

California Infrastructure Bonds. Voter-approved propositions have the potential to fund improvements related to transportation, housing, public education, and disaster preparedness and flood protection.

Detailed Descriptions Existing Sources

The following are existing funding mechanisms for economic development opportunities in the City. A description of each funding mechanism is provided along with a discussion on the potential for partnership or leverage with SBF funds. In addition, there are also other funding sources available for economic development that do not present direct leverage opportunities with SBF funds. These other funding sources are evaluated, however, because the funds and agencies/organizations that provide those funds present opportunities for collaborative economic development efforts with the SBF.

City of Oroville Business Loan Program—Community Development Block Grant

The City's Business Loan Program (Loan Program), comprising the Community Development Block Grant (CDBG) Revolving Loan Fund (RLF), Micro-Enterprise RLF, and California Community Enterprise Fund (Enterprise Fund), was established to provide critical and necessary capital needs to businesses and development projects.¹⁴ The purpose of the Loan Program is to increase the City's tax base by providing loans to businesses and development projects that create or retain jobs for persons identified as making less than 80 percent of the County's median household income (Target Income Group, or TIG).

The RLF loan allows the City to use loan repayments from Loan Program projects to lend monies to other Program projects in need of funding. The primary source of funding for the Loan Program is State CDBG program funds but funding is also supplemented by the City's CDBG program income including, loan principal and interest that is repaid to the City and then used for other loans.

The Program has several eligibility requirements or criteria specified for loan approval. Loan applicants must be existing or start-up private, for-profit businesses that are locating or

¹⁴ Loan Program Guidelines for CDBG Enterprise Fund and Micro-Enterprise Revolving RLF, March 20, 2007.

expanding in the City. The following sections provide a brief description of key loan requirements/ criteria for each component of the Program:

- **RLF and Enterprise Funds**

- **Leverage:** The Program requires in most cases that private dollars be leveraged from equity or debt. Equity can be in the form of cash or land. This requirement can be waived.
- **Job Creation/Retention:** The Program requires that one full-time equivalent job for every \$35,000 in loan be achieved. This requirement can be split into two part-time jobs. In addition, for loans that meet the objective of employing persons in the TIG, at least 51 percent of the jobs shall be held by TIG persons.

- **Micro-Enterprise and Micro RLF**

- **Definition:** The Program requires that a business employ five or fewer persons to be considered a Micro-Enterprise.
- **Fund Uses:** Loan funds may be used for the establishment, stabilization, or expansion of a Micro-Enterprise.
- **Leverage:** The Program requires in most cases that private dollars be leveraged from equity or debt. Equity can be in the form of cash or land. This requirement can be waived.
- **TIG Benefit:** The Program requires that the business meet the TIG income criteria discussed previously.

The Loan Program has approximately \$3 million loaned to businesses in the City, mostly to housing programs. Current infrastructure projects include loans for hospital and Pacific Coast Producers infrastructure improvements.

City of Oroville Redevelopment Agency Funds

The purpose of a RDA is to promote, organize, or provide funding for the revitalization of blighted neighborhoods and communities. Through several revenue sources, RDAs can acquire property, build public improvements and infrastructure, clean-up contaminated soil, and assist in providing other necessary improvements to a property.¹⁵ RDAs define geographic redevelopment areas or zones that are identified as key areas in need of redevelopment organization and funding.

The City's RDA has defined one RDA Project Area that encompasses the majority of the City. Based on interviews with the RDA, the main focus for redevelopment in the Project Area is in the Downtown and Gateway neighborhoods.

The City applies revenues from several sources for the financing of redevelopment projects including these:

- **Secured and Unsecured Taxes.** Tax increment revenue is the additional property tax generated from increases in assessed value of the property from the time a Redevelopment Area is established until the Agency's ability to receive tax increment ceases at the termination of the redevelopment project area. Twenty percent of the tax increment is required to be set aside for low- and moderate-income housing. Other portions of the tax increment must be passed through to other agencies and a portion of the increment is also typically used for administrative or financial expenses. The remaining uncommitted increment is available for redevelopment projects consistent with the RDA's Redevelopment Plan and 5-year Implementation Plan. Such projects may include housing, developer project assistance and qualifying public improvements.
- **Tax Allocation Bond Proceeds.** The RDA can issue tax allocation bonds based on the increased property value and correspondingly increasing property taxes associated with projects undertaken in a redevelopment area. Tax allocation bond proceeds can be used to fund eligible RDA projects, including recreational facilities.
- **Grants.** A variety of State and Federal grants are typically available to redevelopment agencies.

The City's 2008 RDA revenues are estimated to be approximately \$5.2 million while expenditures, in the form of distributions to six departments and two projects, are anticipated to be \$4.9 million. Revenues provided for capital projects are typically used to fund nonresidential infrastructure and public space improvements in the core of the City.¹⁶ Other major projects being funded at the time of the analysis include improvements to Highway 70 (funded through a roughly \$500,000 grant) and to the State Theater Façade Renovations (funded through a \$125,000 State Parks grant, a \$197,000 National Parks Service grant, and a \$306,000 grant from the Oroville Redevelopment Agency¹⁷.

At this time, the City has not created a list of existing or future redevelopment projects or project application criteria. The RDA will develop a future project list with application criteria in the next months as the five year implementation plan is currently being prepared. There are no set eligibility requirements, beyond being located in the RDA Project Area, for receiving funds from the RDA. The City Council and RDA Commission are responsible for project approval and funding allocation. **Map 3-1** shows the boundaries of the RDA Project Area.

Enterprise Zone Funds

Enterprise Zones are State-designated economic development areas. The Oroville Enterprise Zone is one of 42 in the State and covers a large portion of the City and several smaller portions of unincorporated County along the City limits. The purpose of any Enterprise Zone is to foster economic development by assisting in job creation and business development. An Enterprise

¹⁵ California Redevelopment Association Web site.

¹⁶ Information gathered from the City's Web site and discussions with RDA staff.

¹⁷ Information provided by the City Redevelopment Agency.

Zone uses several tax incentives to encourage job creation and business development including these:

- **Hiring Tax Credit:** Provides tax credits to businesses for employees.
- **Sales and Use Tax Credit:** Provides tax credits for qualified machinery and machinery parts purchased in the Enterprise Zone.
- **Business Expense Deduction:** Allows businesses to classify 40 percent of qualified property as a business expense.
- **Net Operating Loss Carryover:** Allows for 100 percent of net operating losses by a business to be carried forward for up to 15 years.
- **Net Interest Deduction for Lenders:** Allows for net interest earned on a qualified loan made to an Enterprise Zone business to be deducted.¹⁸

To be eligible for City Enterprise Zone Funds, a business must be located within the boundaries of the Enterprise Zone. **Map 3-1** shows the boundaries of the Enterprise Zone.

Private Industry Council Grants

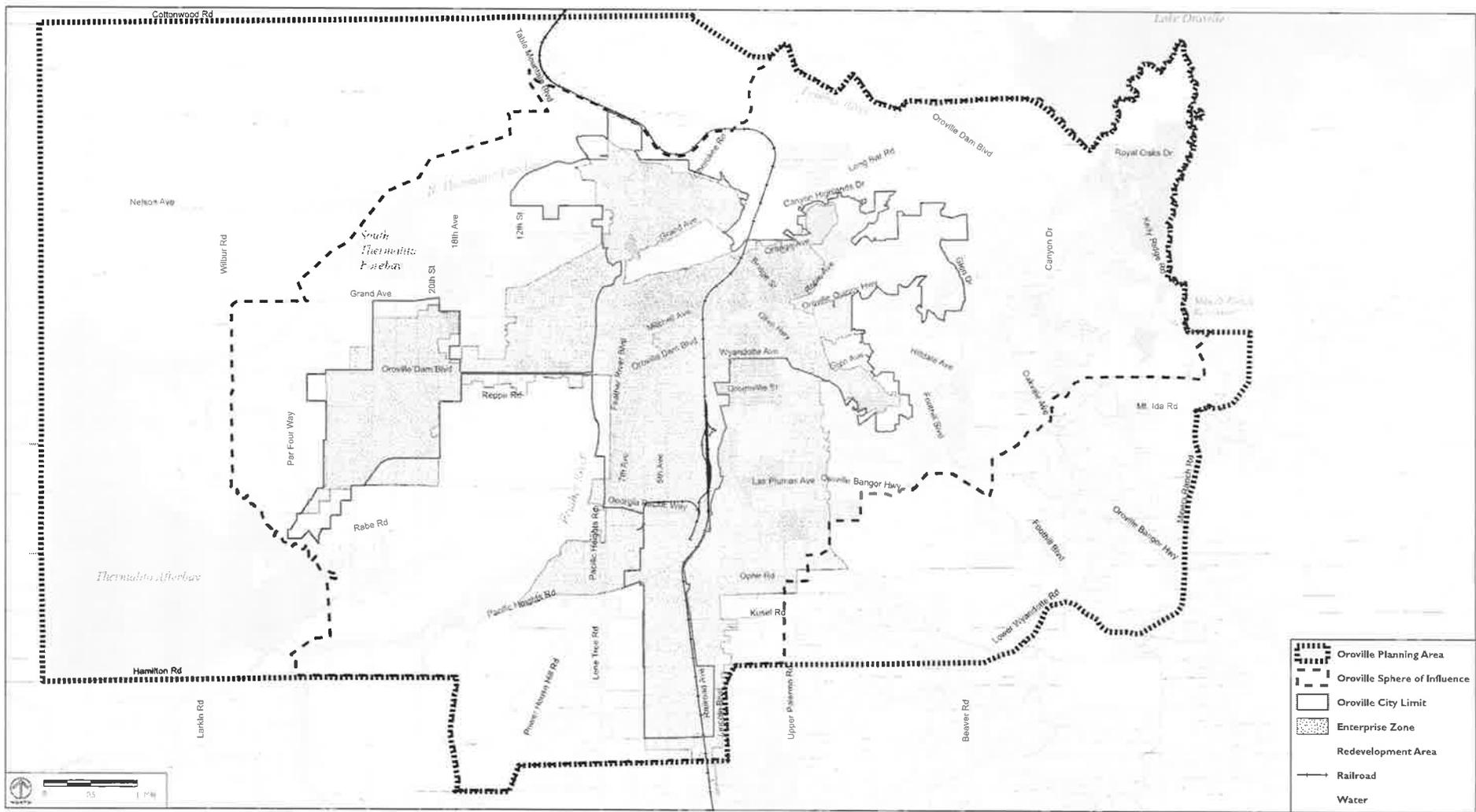
PIC is a private non-profit corporation that provides job training and employment opportunities for unemployed workers and job recruitment and training for businesses. For businesses, the PIC offers funds for business growth and development, including employee salary reimbursement, and helps businesses take advantage of tax credits provided through the Enterprise Zone. They also assist businesses in the creation of business plans. State Work Force Investment Act funds are the main source of funding for the services the PIC provides.¹⁹ The PIC also uses CDBG funds and has received private grants to employ persons for specific projects.

For unemployed persons, PIC works both individually and with schools, such as Butte College, to provide training programs and job search and skill identification workshops. The PIC offers on-the-job and classroom-based training. The PIC has specific "youth projects" that provide job training and skill services and employ persons between the age of 18 and 24. One of the youth program projects was the renovation of the Chinese Temple, funded by a private grant.

The PIC works closely with the City to identify community projects that allow for on-the-job training and employment for unemployed persons. Projects include upgrading park amenities, public amenities improvements, and home remodeling.

¹⁸ City Web site and State Enterprise Zone Web site.

¹⁹ PIC of County Web site (www.buttepic.org).



Source: City of Oroville GIS, 2005.

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The PIC has several new programs including these:

- **Events and hospitality industry employee training program.** This program provides training for working in the event and hospitality industry and for bringing events to the City.
- **Entrepreneurial training program.** This program provides training on the tools and steps needed to start your own business or undertake other entrepreneurial activities.
- **Alternative energy training program.** This program partners with the airport to provide training on the alternative energy industry and skills needed to work in the industry.

California Infrastructure Bonds—Propositions 1A through 1E

In 2006, California voters approved Propositions 1A through 1E, a package of various infrastructure measures to fund improvements ranging from transportation, housing, to flood protection. Combined, these measures have generated approximately \$37.3 billion in public works investments throughout California.²⁰ The section below provides a brief summary of each measure and types of improvements that may be eligible for funding.

- **Proposition 1A—Transportation Funding Protection.** Proposition 1A increases funding stability for state and local transportation projects associated with traffic congestion relief, safety improvements, and local streets and roads. It prohibits the state sales tax on motor vehicle fuels from being used for any purpose other than transportation improvements and authorizes loans from these funds only in the case of severe state fiscal hardship. It does not authorize the sale of bonds.²¹
- **Proposition 1B—Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006.** Proposition 1B provides for a bond issue not to exceed \$19.9 billion. The measure allocates 85 percent of funds for highway and traffic projects, including:
 - Improvements to congested state highway corridors.
 - Improvements to bus, commuter rail, and light rail systems.
 - State Transportation Improvement Program highway or transit capital.
 - Trade corridor infrastructure.
 - Improvements to SR-99, a 400-mile road in the Central Valley.
 - City transportation priorities, with all cities guaranteed at least \$400,000.
 - State matching funds for counties that generate local funds for transportation.

²⁰ *SacValley Planner, November/December 2006 Edition.* Sacramento Valley Section, California Chapter, American Planning Association.

²¹ "November 7, 2006 Propositions." The California Partnership.

Funding from the remaining 15 percent share includes security and safety enhancements to public transit systems and ports, local bridges, and improvements of railroad track grade separations.²²

- **Proposition 1C—Housing and Emergency Shelter Trust Fund Act of 2006.** Proposition 1C provides for a bond issue of \$2.85 billion for the following State housing programs:
 - Rental housing for low-income households.
 - Emergency housing assistance.
 - Housing of homeless youth.
 - Support of persons moving from emergency shelters or transitional housing.
 - Farmworker housing.
 - CalHome home ownership program.
 - California Homebuyer’s down payment Assistance Program.
 - New Affordable Housing Innovation Fund, to be used in competitive grants or loans to create housing and demonstration projects for new ways to create and preserve affordable housing.
 - Building Equity and Growth in Neighborhoods program.
 - Incentive grants related to infill and transit-oriented development.²³
- **Proposition 1D—Kindergarten-University Public Education Facilities Bond Act of 2006.** Proposition 1D authorizes issuance of \$10.416 billion in general obligation bonds for public education facilities, including those listed below:
 - \$7.329 billion for K-12 facilities, including new construction, charter schools, modernization, career and technical facilities, overcrowding relief grants, and promotion of green design.
 - \$3.087 billion for higher education facilities, including \$1.5 billion for community colleges, \$890 million for the University of California, and \$690 million for California State University.²⁴
- **Proposition 1E—Disaster Preparedness and Flood Prevention Bond Act of 2006.** Proposition 1E helps fund efforts to define the scope of flood hazards through testing and floodplain mapping, as well as provide money to repair high risk levees. It authorizes

²² “November 7, 2006 Propositions.” The California Partnership.

²³ Ibid.

²⁴ Ibid.

issuance of \$4.090 billion in general obligation bonds for infrastructure projects for flood prevention and levee repair and improvement, including these:

- Levees and flood control facilities in the Central Valley and Sacramento-San Joaquin River Delta.
- Flood control for projects outside the Central Valley.
- Flood protection corridors and bypasses.
- Storm-water flood management projects.²⁵

²⁵ "November 7, 2006 Propositions." The California Partnership.

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4. INFRASTRUCTURE CONDITIONS

The provision of adequate infrastructure is a critical component to successful development. Available connectivity to potable water, sanitary sewer, and electricity make developable sites more attractive to potential investors because they do not require significant investment to connect new facilities. Connections to transportation infrastructure from potential development areas provide immediate access to construction materials and equipment, provide the site with roadway frontage for signs and ingress/ egress points, and enable both goods and users to access the site easily.

To identify the internal and external conditions applicable to infrastructure systems in the Study Area and how these systems may impact future recreation and tourism-related development through the SBF's RFSP, an analysis of strengths and weaknesses related to each infrastructure system was prepared to identify potential limiting factors or opportunities for these assets. As part of this analysis, the following discussion provides a general overview of infrastructure systems in the Study Area; describes in detail each infrastructure system, including a qualitative assessment of the existing infrastructure; and discusses identified strengths, weaknesses, opportunities, and threats to future development that may arise because of existing infrastructure capacities, locations, or planned future system development. These are the infrastructure systems discussed in this chapter:

- Potable Water
- Sanitary Sewer
- Storm-water
- Motorized Transportation
- Non-Motorized Transportation
- Energy

In this analysis, qualities included as strengths are resources and capabilities that can be used as a basis for developing a competitive advantage. The absences of certain strengths are viewed as potential weaknesses. Opportunities are external factors that may promote growth or system success; threats are external changes or circumstances that may contribute negatively to achieving the desired end state.

Key Findings

- 4-1. Sufficient potable water supply currently exists across the Study Area, although there are discrepancies concerning whether sufficient supply exists to accommodate significant levels of new growth such as that estimated in the City's 2030 General Plan.**
- 4-2. Potential wet weather capacity concerns at the SCOR's wastewater treatment plant, as well as concerns over increased infiltration/inflow to local sanitary sewer systems, may restrict future development until sufficient capacity is achieved.**

- 4-3. Excessive impermeable surfaces throughout the Study Area are increasing storm-water runoff loads, reducing groundwater recharge and exacerbating infiltration/inflow concerns to sanitary sewer systems.**
- 4-4. High quality roads and streets, ample free parking, and limited public and non-motorized transportation infrastructure and access promote private vehicle use and discourage other forms of transportation in and to/from the Study Area.**
- 4-5. The Study Area contains an abundance of bicycle trails and paths but little to no connectivity exists among them, intersections with roads and streets are cumbersome and poorly signed, and management of these assets is fragmented across multiple agencies.**

Data used for this infrastructure assessment and analysis comes from a variety of sources, including these:

- City 2030 General Plan (Draft).
- County General Plan 2030 (Draft).
- City Municipal Service Review (MSR) (November 2008).
- State of California DWR's Assessment of Regional Recreation and Barriers to Recreation.
- GIS data made available by the City.
- Physical site surveys conducted by LSA staff on November 19-20, 2008, December 9-10, 2008, and January 14, 2009.

Because of the established nature of the greater Oroville Area and the surrounding communities, the Study Area is generally well-served by all infrastructure systems identified for this assessment; no major infrastructure component necessary for future development is absent from the Study Area. All systems are of generally high quality comparable to other systems in the surrounding area, and continued investment in updating the existing systems will ensure the Study Area's infrastructure promotes new development according to applicable plans and policies of the Study Area's governing agencies.

The following sections describe in greater detail the extent and quality of each infrastructure system, identified strengths and weaknesses related to future development by each system, and any considerations for additional system development. Potential opportunities to enhance these systems as well as potential threats to future development posed by existing infrastructure are then discussed in the last two sections of this chapter, respectively.

Infrastructure Assessment

Six primary infrastructure systems were evaluated as part of the RFSP: potable water; sanitary sewer; storm water; roads, streets, and parking; bicycle transportation; and energy provision. These systems represent the key infrastructure necessary or advantageous to promoting future development of recreation and tourism resources in the Study Area. **Table 4-1** lists local service providers and the key issues identified for each of these providers.

**Table 4-1
Local Service Providers and Key Issues**

Service Provider	Key Issues
Potable Water	
California Water Service—Oroville District	Potentially insufficient supply if future development meets or exceeds general plan or BCAG projections
South Feather Water & Power	None identified
Thermalito Water & Sewer District	Potentially insufficient flow capacity to support new development
Sanitary Sewer	
City	Current collection system is insufficient to support additional growth (including growth anticipated in the general plan)
Thermalito Water & Sewer District	Potentially insufficient capacity if full general plan buildout occurs or 4,600 "will serve" letters are fulfilled
SCOR	System is at or exceeding capacity during wet weather conditions
Stormwater	
City	Infiltration/inflow to sanitary sewer systems
County	Infiltration/inflow to sanitary sewer systems
Motorized Transportation	
City	Excess parking in the study area Signage and way-finding are incomplete
Non-motorized Transportation	
City	Little, if any, connectivity to other recreation resources No comprehensive planning or oversight
Energy	
Pacific Gas & Electric	None identified

Source: City, 2008, and LSA Associates, Inc.

Potable Water

Three water districts provide potable water supply to the Study Area: California Water Service—Oroville District (District), South Feather Water & Power, and the Thermalito Water & Sewer District (formerly the Thermalito Irrigation District.) **Map 4-1** shows the boundaries of the water districts.

(a) District

The District supplies water to much of the City south of the River, including portions of the Study Area containing the downtown area and lands east of downtown. In 2005, the District served an estimated 10,000 residents and projected an increase to approximately 16,700 residents by 2025.²⁶ Within the District's boundaries are several vacant and undeveloped lots where future growth could occur. The District treated and distributed just over 1.1 billion gallons of potable water in 2004; approximately 30 percent of this supply is drawn from groundwater, with the remaining 70 percent drawn from surface water sources, including the west fork of the River.²⁷ Surface water resources are purchased from Pacific Gas & Electric Company (PG&E) and processed through a conventional treatment plant. There is no set limit to the amount of water that may be purchased. The District operates four wells, a treatment facility, and distribution pipelines. No plans for expansion of the water treatment facility currently exist.

There is some disagreement among the City's planning documents regarding the rates of projected growth and the ability of the District to adequately meet anticipated future demands. According to the City's 2030 General Plan, the District's potable water treatment plant has a current production potential of 10.7 million gallons per day (MGD), more than 40 percent greater than the current maximum daily demand of 6.3 MGD required for the District's service area. The District projects that maximum daily water demand will reach 10.5 MGD by 2025, which will approach but not reach the District's production potential.²⁸ The City's General Plan notes, however, that complete buildout of the City limits and sphere of influence would result in a total of 45,000 residential units (there are 13,800 residential units in the City limits and sphere of influence), as well as more than 18 million square feet of industrial development and more than 32 million square feet of commercial development.²⁹ Were this to occur, the District would have insufficient potable water capacity to provide service to the full buildout area.

Contrary to the City's General Plan estimates, the BCAG projected that the City will grow an average of 4.6 percent per year through 2030; this level of development would almost double the existing development and would require approximately 12.6 MGD, exceeding the District's production potential.³⁰ In the City's MSR of November 2008, the City noted under Determination 3.7-3 (of the California Water Service Company) that the population in the

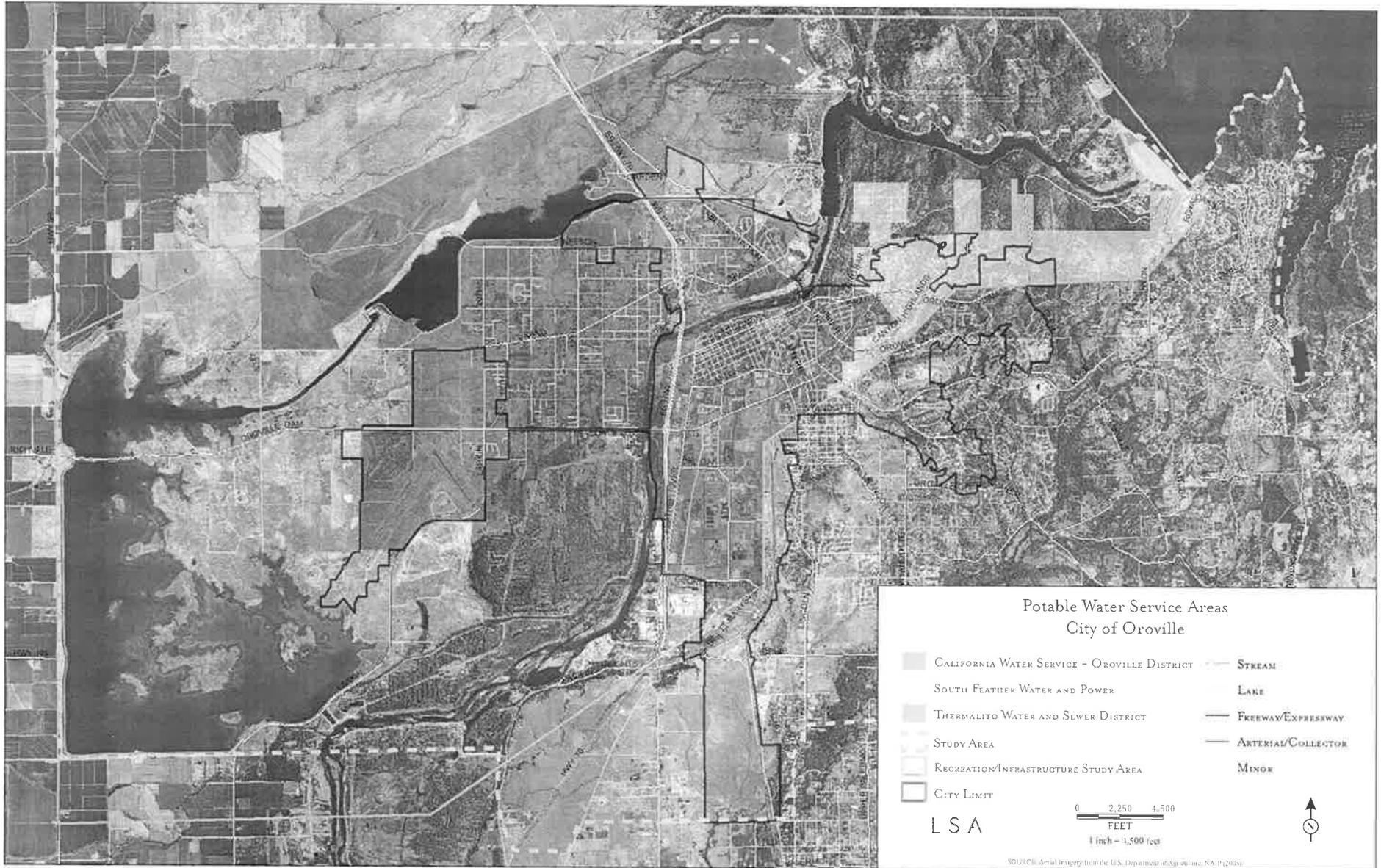
²⁶ City, 2008. *2030 General Plan Public Review Draft; Public Facilities and Services Element*. March.

²⁷ City, 2004. *2003-2008 General Plan; Housing Element*.

²⁸ City, 2008. *Public Facilities and Services Element*. Op cit.

²⁹ City, 2008. *2030 General Plan Public Review Draft; Land Use Element*. March

³⁰ Ibid.



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Oroville District is anticipated to grow at a rate of only 2.6 percent annually and that the District can provide adequate potable water supply sufficient to meet current demands, as well as projected growth.³¹

(b) South Feather Water and Power Agency

South Feather Water and Power Agency (SFWP) supplies water to the eastern and southern portions of the City; its service area predominantly includes lands outside the Study Area for this report. SFWP serves approximately 17,000 residents through 6,700 domestic accounts and 600 irrigation accounts.³² Water is sourced from the south fork of the River and from the Yuba River system, and is stored in reservoirs at Little Grass Valley, Sly Creek, Lost Creek, Ponderosa, Miner's Ranch, and Lake Wyandotte. These six storage areas comprise approximately 171,500 acre-feet of storage capacity. SFWP also has four potable water storage tanks with a combined capacity of 5.2 million gallons. SFWP currently supplies approximately 28,000 acre-feet of water annually (approximately 17 percent of its storage capacity) and has the available capacity to treat approximately 14.5 MGD. SFWP is engaged in a strategic planning process to accommodate future growth in the SFWP's sphere of influence, including a strategic financial plan for funding rehabilitation, improvement, and expansion of infrastructure to meet current and future demand.

The City's MSR, prepared for the County Local Agency Formation Commission on November 14, 2008, found SFWP to have adequate water supplies, treatment facilities, and delivery infrastructure to serve its service areas and sphere of influence.³³

(c) Thermalito Water and Sewer District

Thermalito Water and Sewer District (TWSD) serves areas of the City and adjacent unincorporated areas to the north and west of the River. TWSD serves approximately 9,500 residents and projects an increase to 15,272 residents by 2025, based on growth rates provided by the BCAG.³⁴ TWSD's service area includes multiple large subdivision developments proposed and under construction to the west of the Oroville Municipal Airport; significant growth is also anticipated in TWSD's service area north of the Thermalito Diversion Canal. TWSD has rights to approximately 8,200 acre-feet of surface water from Concow Lake/Wilnore Reservoir, with a 3.0 MGD backup supply available from five groundwater wells. Total water consumption for TWSD's service area is 2.5 MGD annually, with an anticipated increase to just more than 5.0 MGD by 2025. TWSD's water supply is sufficient to meet anticipated future demand through its secured water rights to 7.3 MGD annually.

TWSD's water treatment plant was expanded in 2007 to accommodate 10.0 MGD, sufficient to meet current demand as well as any growth anticipated for TWSD's service area.³⁵ In addition

³¹ City, 2008. *Oroville Municipal Services Review*. November.

³² City, 2008. *2030 General Plan Public Review Draft; Public Facilities and Services Element*. March.

³³ City, 2008. *Oroville Municipal Services Review*. November.

³⁴ City, 2008. *Public Facilities and Services Element*. Op cit.

³⁵ City, 2008. *Oroville Municipal Services Review*. November.

to the treatment plant, TWSD also maintains approximately 50 miles of water distribution pipelines, and aging pipelines are being replaced in phases as necessary. Although TWSD has sufficient water supply to meet future demands, the system may have insufficient flow capacity to support new development.³⁶ Impact fees have been collected in the past to improve the water treatment plant, but have not been collected to install new pipelines. Developers are required to either upgrade existing infrastructure or dig new wells to supply potable water to new development in TWSD's sphere of influence.

For this analysis, the desired end state for the potable water infrastructure systems in the Study Area is to provide an adequate potable water capacity for additional development in the Study Area that may result through implementation of the RFSP.

(i) Potable Water—Strengths

- Sufficient supply exists from SFWP and TWSD to meet current and future potable water demands.
- Additional capacity is available, if needed, through both groundwater wells and surface water sources from TWSD.
- Multiple agencies provide potable water to the Study Area, limiting potential service disruptions over the entire Study Area.
- Plans to repair and replace pipelines, where needed, are in place and being executed.

(ii) Potable Water—Weaknesses

- There is potentially insufficient flow capacity for new development in the TWSD service area.
- Plentiful available supply promotes wasteful uses and discourages operational changes to promote conservation and reduce potable water use.
- Discrepancies among future growth and demand projections for the District preclude determining whether sufficient capacity to accommodate future growth is available.

Sanitary Sewer

The Study Area is served by two wastewater collection agencies: the City and the Thermalito Water & Sewer District. Together with the Lake Oroville Area Public Utility District (LOAPUD), these two agencies share a Joint Powers Agreement with SCOR to handle wastewater treatment and disposal for the City and surrounding unincorporated areas of County. LOAPUD serves customers to the east and south of the City, outside the Study Area of this report. Several properties north of the City limits in the Study Area are served by individual septic systems. **Map 4-2** shows the boundaries of the wastewater service providers.

³⁶ City, 2008. *Public Facilities and Services Element*. Op cit.

(d) City

The City provides wastewater collection services to approximately 13,500 residents within the City limits (other residents are served by existing septic systems). The number of residents served by the City is anticipated to increase to more than 25,888 residents by 2025³⁷. Wastewater flows collected by the City are 1.9 MGD and are anticipated to increase to approximately 3.2 MGD by 2025.³⁸ The City's wastewater collection system is operated by the Engineering Division of the Department of Community Development and Public Works; this system consists of approximately 85 miles of sanitary sewer lines with approximately 1,400 manholes and more than 2,300 feet of force main. The City also maintains seven sewer lift stations and two flow meters.³⁹

The City's collection system discharges into the SCOR main interceptor pipe for treatment at SCOR's plant. According to the City's 2030 General Plan and EIR, the City's collection system is in generally good condition, except for isolated areas of older pipe; no additional investigation into the City's sanitary sewer system was conducted for this report. Any problems discovered pertaining to the City's sanitary sewer lines or systems are addressed via the City's ongoing repair and upgrade program. In 1996, the City repaired 9,160 linear feet of sanitary sewer pipe that contained approximately 2,300 defects.⁴⁰ The City's system is sufficient to meet current demands but is not sufficiently large to support additional growth.⁴¹ The City has no plans to significantly expand its collection system.

As is typical with any older sanitary sewer system, pipes that have not been rehabilitated are increasingly subject to infiltration and inflow, which occurs when stormwater and groundwater enter the system through cracks or leaks in pipes. Infiltration and inflow can significantly increase the total load on the sanitary sewer system when damage to pipes is severe. It also can create back-ups in the system or cause treatment plants to release untreated water into receiving water bodies. To address the potential infiltration and inflow concerns affecting the City's sanitary sewer system, the City has conducted two Sanitary Sewer Reline Projects to rehabilitate and reline an additional 17,500 linear feet of sanitary sewer pipeline over the past 10 years.⁴²

Significant development projects are required to submit plans and may be required by the City to provide detailed sewer capacity studies during the permitting process. If new development is to occur that would require use of the City's collection system, developers would need to upgrade the existing collection system or pay appropriate development impact fees to provide the additional capacity needed.⁴³

³⁷ <http://www.bcag.org/Demographics/Growth-Projections/index.html>

³⁸ Ibid.

³⁹ Ibid.

⁴⁰ Ibid.

⁴¹ City, 2008. *Oroville Municipal Services Review*. November.

⁴² Ibid.

⁴³ City, 2008. *Public Facilities and Services Element*. Op cit.

(e) Thermalito Water and Sewer

TWSD provides wastewater collection services to approximately 1,985 customers or 2,650 equivalent dwelling units (EDUs).⁴⁴ Wastewater flows collected by TWSD average 0.37 MGD and are anticipated to increase to 0.67 MGD by 2025. TWSD's collection system consists of 40 miles of sanitary sewer line with approximately 560 manholes; the system is considered to be in generally good condition. This collection system discharges into the SCOR west interceptor pipe for treatment at SCOR's plant. Dry weather wastewater flows are at approximately 30 percent capacity, while wet weather flows are at approximately 70 to 80 percent capacity. During peak wet weather flows, the system experiences some infiltration and inflow at the east trunk line, which has almost overflowed during major storm events.

TWSD is expecting growth westward along Oroville Dam Boulevard (SR-162) to SR-99. Multiple large subdivision developments are proposed and under construction on the west side of the Oroville Municipal Airport. The airport is in TWSD's service area, but the area between the Thermalito Afterbay and the airport is outside TWSD's service area. Significant additional growth is not anticipated north of the Thermalito Diversion Canal in TWSD's service area in unincorporated areas of the County.⁴⁵

TWSD has issued "will serve" letters committing the District to serving an additional 4,600 EDUs within its boundaries. Although these letters have been issued, TWSD has no plans for future infrastructure capacity expansion. Were all 4,600 EDUs to be connected, the system would exceed capacity by approximately 0.34 MGD. There are no known plans for capacity-related capital improvements in TWSD's collection system. As a result, developers are required to either upgrade existing infrastructure or install new infrastructure for development in TWSD's sphere of influence.⁴⁶

(f) SCOR

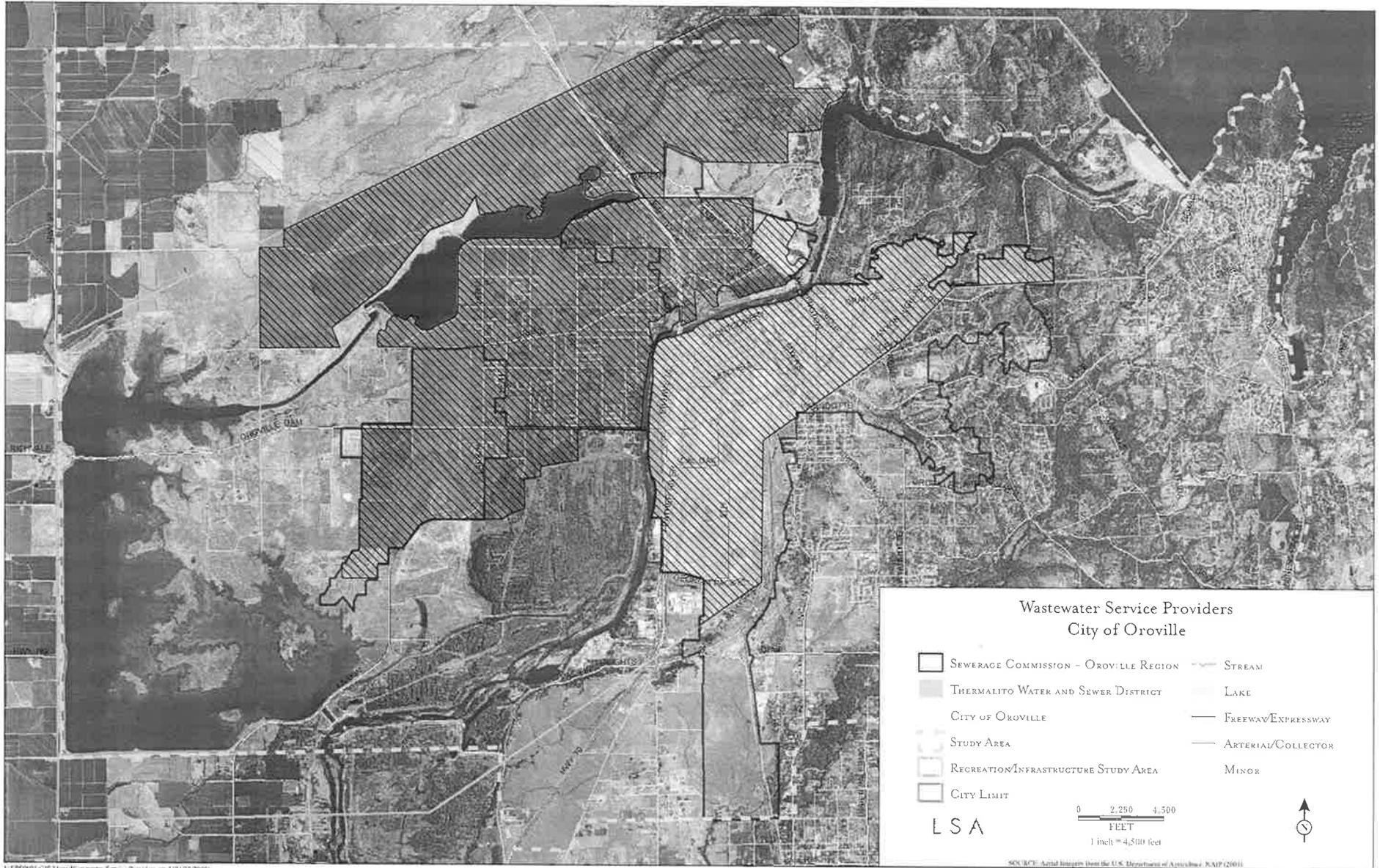
The SCOR system and its Regional Wastewater Treatment Plant is the single regional wastewater treatment facility for the City and the Study Area. As noted above, SCOR operates under a Joint Powers Agreement with the City, TWSD, and the LOAPUD. SCOR is responsible for the operation and maintenance of the wastewater treatment plant and three interceptor lines that collect wastewater discharges from the three Joint Powers Agreement entities. The three interceptor lines and treatment plant are less than 30 years old and are generally in good condition.⁴⁷ SCOR currently serves approximately 17,500 EDUs in the City and its Planning Area and has

⁴⁴ Ibid.

⁴⁵ City, 2008. *Oroville Municipal Services Review*. November.

⁴⁶ Ibid.

⁴⁷ Ibid.



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additional dry weather flow capacity to accommodate 2,800 additional EDUs. New connections using the SCOR interceptors and treatment plant have averaged a rate of 1.0 percent per year, or 175 additional EDUs per year.⁴⁸

In 2004, the treatment plant discharged a flow of 3.09 MGD to the River, and effluent discharge from the plant is expected to increase to approximately 5.16 MGD by 2025. The treatment plant is capable of treating 6.5 MGD, which corresponds to both the permitted discharge (as reported by the State Water Resources Control Board) and the hydraulic capacity for the facility, and is therefore adequate to accommodate increased dry weather flows from expected growth through 2025. Wet weather flow conditions, however, already reach the treatment plant's capacity. When the treatment plant receives wastewater in excess of its capacity, sanitary sewer overflows can occur. An overflow event occurred in December 2005 associated with the east interceptor line connecting TWSD's sewer network to the SCOR collection system. Such significant variations between dry and wet weather flows appear to be caused by infiltration and inflow in the collection lines operated by SCOR's three Joint Powers Agreement members, which in turn overload SCOR's interceptor lines during storm events. Such issues indicate that SCOR's collections and treatment systems are already at capacity.

Because the system appears to be at or exceeding current capacity, SCOR is in the process of conducting a capacity study and adjusting its connection fee structure to plan for and fund additional improvements to increase capacity in both the interceptor lines and at the treatment plant. Once these actions are completed, SCOR will set in place an improvement and funding plan to enable the accommodation of an additional 13,000 EDUs. SCOR anticipates that final certification of its Sanitary Sewer Management Plan will be received in August 2009, a draft of the improvement and funding plan will be available in mid-2009, and needed improvements will be implemented incrementally to meet increased capacity needs.

The desired end state for sanitary sewer is adequate sanitary sewer capacity to accommodate additional growth in the Study Area that may result from implementation of the RFSP.

(i) Sanitary Sewer—Strengths

- The City already has a plan in place and is replacing older/damaged pipes to reduce infiltration and inflow to the system.
- The Study Area is well-served by sanitary sewer; only outlying areas currently rely on septic systems for sewage disposal.
- Multiple agencies provide sanitary sewer services to the Study Area, limiting potential service disruptions across the entire Study Area.

⁴⁸ Ibid.

(ii) Sanitary Sewer—Weaknesses

- Multiple agencies provide sanitary sewer services to the Study Area, but all feed into one combined treatment system and plant (SCOR) which creates potential service disruptions over the entire Study Area (e.g., problems at SCOR impact all providers, rather than only one provider).
- Potential capacity concerns at SCOR exist during wet weather seasons.
- Infiltration and inflow are a significant concern and contribute to capacity issues.
- Outlying areas are still using septic systems, which can potentially cause environmental hazards to groundwater.
- Size of single treatment plant and interceptor system may limit further development.

Storm-water

Storm-water collection and retention in the Study Area is handled by the City within its city limits and by County outside the city limits. The City currently maintains six regional detention basins that were constructed along different branches of Dry Creek to retain water from peak storm events. To accommodate the impacts of increased impervious surfaces from new development, the City requires installation of storm-water detention/retention ponds or underground storage tanks to retain peak storm-water runoff. The storm-water drainage system eventually discharges into local creeks and rivers. Oroville's Grading Ordinance ensures erosion control measures are in place during land disturbing activities to comply with State and federal water quality regulations intended to reduce the amount of sediment in storm-water discharge.

County's Storm-water Management Program is a requirement of Phase II of the National Pollutant Discharge Elimination System (NPDES) Program as ordered by the US Environmental Protection Agency. The County's program was required by federal law to be fully implemented in 2008. The City could become part of the Phase II EPA Storm-water Regulations Program in the next several years as part of a smaller community designation by the State. Under this program, Oroville would be required to develop and implement a comprehensive storm-water management program to promote storm-water pollutant load reduction.

Much of the storm-water runoff in the Study Area results from the high amount of impervious surfaces present, including surface parking lots, roads, other paved areas, and buildings. Along the east and south banks of the River, storm-water runoff is exacerbated by runoff from SR-70, parking and constructed areas in Riverbend Park, paving and parking areas along or adjacent to the levee east of SR-70 to the eastern edge of the downtown area, and the large surface parking lots and paved areas along Oroville Dam Boulevard. These areas contribute not only significant amounts of storm-water runoff during storm events, but also contribute non-point source pollution from vehicle fluids and other contaminants that fall on and adhere to pavement.

Storm-water runoff in Oroville is expected to increase with new development because of increased impermeable surfaces. The City requires that on-site storm drainage from new developments be collected and detained on-site and then transported via underground conduit to a City-approved drainage facility. Drainage calculations are also required to support the size of the detention/retention facility and orifice calculations to support the design size of the storm-

water flow control device. The City began conditioning projects in this manner in 2004.⁴⁹ To mitigate increased storm-water flow, the City will continue to require that new development provide drainage detention/retention facilities sufficiently sized to ensure that there is no increase in the pre-project peak storm-water discharge from the site for 2-year, 10-year, and 100-year design storm events.⁵⁰ Based on information provided in the City's Master Facilities Plan (2003) and Master Drainage Plan (1991), the City has the ability to provide adequate storm-water drainage service to the existing population and policies to ensure that adequate storm-water drainage service is provided to future development.

The desired end state for storm-water is an efficient and effective collection system that promotes groundwater recharge while minimizing inadvertent infiltration and inflow to sanitary sewer systems.

(iii) Storm-water—Strengths

- Existing regulations and ordinances are in place to limit or control storm-water runoff during construction.
- The City has a comprehensive collection system; surrounding unincorporated areas are also well-served.
- Detention ponds and storage tanks collect additional runoff that can be used for other non-potable water needs.

(iv) Storm-water—Weaknesses

- Infiltration and inflow from storm-water are contributing to sanitary sewer capacity issues.
- Little, if any, publicly-available data exist on storm-water capture and release/discharge.
- High amounts of impervious surfaces increase storm-water runoff and decrease natural percolation during weather events and water table recharge.

Motorized Transportation

Local conditions and development patterns in the Study Area demonstrate that automobile travel is, and will likely remain, the primary mode of transportation in Oroville and the surrounding area. The scale and density of development in the Study Area are reinforced both by the types and styles of roadways as well as by the relative ease with which vehicle travel is afforded, both in the denser downtown area as well as the suburbs and outlying areas.

With the City, roads and streets are constructed and maintained by the City's Department of Community Development and Public Works. The City maintains 87 miles of paved streets;

⁴⁹ City, 2008. *Oroville Municipal Services Review*. November.

⁵⁰ Ibid.

40 miles of curbs and sidewalks; 79 alleyways; 6 public parking lots; 8 bridges; 8 traffic signals; 1,200 street lights; and 1,500 signs, guard rails, and pavement markings.⁵¹

In the Study Area, the roadway network consists predominantly of local streets in the downtown area and residential areas west of the River. Major arterials and connectors in the Study Area include Oroville Dam Boulevard, Feather River Boulevard, Table Mountain Boulevard, and Orange Avenue. These arterials and connectors handle the majority of traffic flow in and across the Study Area and provide primary access to the recreation resources identified and discussed in Chapter 4 of this report. Primary access to the downtown area is via Montgomery Street, which intersects with SR-70 at its western terminus and Table Mountain Boulevard/Washington Avenue near its eastern terminus. SR-70 traverses the Study Area north-south along the eastern bank of the River, crossing the River to the west of the downtown area near Riverbend Park.

Roads and streets in the Study Area are generally well-maintained and operate at less than full capacity except at peak times and during high tourism seasons, such as during summer holidays when Lake Oroville-bound traffic creates slower conditions along Oroville Dam Boulevard.⁵² Street signs and vehicle-oriented way-finding in the downtown area are generally clear and consistent; the downtown area includes a gridded street pattern of approximately 6 east-west and 12 north-south streets which further simplify way-finding in this area.

As vehicles travel to the west of the River, however, way-finding becomes less consistent and somewhat confusing. Streets east of the downtown area take more organic pathways and generally meander east-west. Way-finding and signage in this area provides directions to Lake Oroville and other major features, rather than to local neighborhoods and amenities. Road access to the northern and western banks of the River becomes increasingly difficult south of Oroville Dam Boulevard and north of Table Mountain Boulevard where properties are more sparsely developed or are used for limited-access purposes, such as the Oroville Wildlife Area. Vehicular access to the North and South Thermalito Forebay is predominantly via Nelson Avenue and Garden Drive from SR-70 and Table Mountain Boulevard, respectively. The Thermalito Afterbay is accessible primarily from Oroville Dam Boulevard, SR-99, Larkin Road, East Hamilton Road, and Sprig Lane. Signage and way-finding surrounding the Forebay and Afterbay primarily provide directions to the Oroville Municipal Airport and SR-99, the two major regional features in this area.

Large amounts of free parking are available throughout the Study Area, including large surface lots at several locations in the downtown area, a large paved lot and a large paved lot at Riverbend Park, and several unpaved parking areas throughout the parks located along the southern bank of the River east of the downtown area. Several designated parking areas, both paved and unpaved, exist along the shores of the Forebay and Afterbay, although parking potential is virtually unlimited along these shores because of the presence of wide road shoulders and extensive gravel areas. Along the northern bank of the River, parking is available adjacent to the Fish Hatchery. North of the Thermalito Irrigation Canal, parking is readily available along unpaved gravel roads.

⁵¹ City, 2005. <http://www.cityoforoville.org/traffic.html>, accessed December 12, 2008.

⁵² City, 2008. *Oroville Municipal Services Review*. November.

Public transportation in the Study Area is provided via the Butte Regional Transit System, which operates intercity/regional and local fixed-route services. Service frequency and average daily ridership on the local Oroville transit routes is low.⁵³ Regional service between Chico and Oroville, however, is well used with peak hour ridership at or near capacity. Butte Regional Transit also provides paratransit services, which offers on-demand ride-sharing services for seniors and persons with qualifying disabilities who are not able to use the fixed-route service. One park-and-ride facility is also available in the Study Area at the intersection of SR-70 and Grand Avenue. The lot is well-used, with annual counts by Caltrans from 2003 and 2004 showing 80 to 90 percent capacity.⁵⁴

The desired end state for this system is an efficient transportation network that promotes the flow of travelers and goods from regional transportation networks to local resources/uses.

(v) Motorized Transportation—Strengths

- The comprehensive street network throughout the Study Area is generally in good condition.
- The downtown area includes a street network organized on a grid pattern for ease in way-finding.
- Ample parking exists throughout the Study Area.
- Multiple access points to SR-70 and SR-99 are located in the Study Area.
- Additional capacity on existing arterials and connectors exists during all but the busiest times of year.
- Signage and way-finding is clear in the downtown area and to major attractions along arterials and connectors.

(vi) Motorized Transportation—Weaknesses

- SR-70 creates a consistent level of ambient noise affecting the surrounding areas.
- Placement of parking lots in the downtown area hinders connections between the central business district and the levee and River.
- The extensive road network and available parking discourages alternative transportation use.
- Signage and way-finding outside of the downtown area and along Oroville Dam Boulevard and Montgomery Street is disjointed and confusing.
- There is insufficient ridership to economically support public transportation.

⁵³ City, 2008. *2030 General Plan Public Review Draft; Circulation and Transportation Element*. March.

⁵⁴ Ibid.

Non-Motorized Transportation

The Study Area contains options for bicycle travel, primarily along paved roads as well as on the bicycle paths found throughout the area. The quality and convenience of cycling paths vary widely, however, across the Study Area as the network consists of a discontinuous mix of on- and off-street paths, lanes, and unpaved routes. The Study Area's bicycle paths can be categorized using the standard Caltrans bikeways classifications:

- Class I—Off-street bike paths.
- Class II—On-street bike lanes marked by pavement striping.
- Class III—Signed on-street bike routes that share the road with motorized vehicles.

Class I bike paths include the paved multi-use path along the south bank and levee of the River, extending from the southern end of Riverbend Park to an eastern terminus behind the Veteran's Memorial Building, as well as the approximately 41-mile Brad Freeman Trail. As discussed further in **Chapter 5** of this report, the Brad Freeman Trail is a mostly-unpaved multi-use recreation trail running along the River, the Thermalito Diversion Canal, the North and South Thermalito Forebay, and the Thermalito Afterbay. This trail was constructed in the 1990s and was intended for use as a mountain biking, walking, and running trail, but portions of it have recently been opened for equestrian use. The majority of this trail's surface is ¼ to 1-inch crushed rock with intermittent areas of decomposed granite and exposed soil.

There are short segments of Class II bike lanes on Lincoln Boulevard and Foothill Boulevard at the southeastern boundary of the Study Area, and a Class III bike route on Washington Avenue at the eastern end of the downtown area. The City 2030 General Plan identifies several conceptual or proposed additions to the existing bicycle network, consisting mostly of Class II bike lanes. In the Study Area, the conceptual bicycle paths and lanes identified in the General Plan are as follows: Class I, extending from the southern end of Riverbend Park along the River's eastern bank to Pacific Heights Road, and along the northern bank of the River from approximately SR-70 to Table Mountain Boulevard; Class II lanes along Table Mountain Boulevard from the River to approximately Garden Drive, along Oroville Dam Boulevard from Wilbur Road to Olive Highway; and Class III bicycle routes north along 10th Street from Oroville Dam Boulevard to Grand Avenue, and east along Grand Avenue from 10th Street to approximately SR-70.

For this analysis, the desired end state of the bicycle transportation network is *a continuous, well-signed, and safe bicycle network that promotes and enables bicycling as a means of recreation as well as daily mobility and transportation for residents and visitors.*

(vii) Non-Motorized Transportation—Strengths

- An extensive trail network exists in the Study Area, including the 41-mile Brad Freeman trail.
- The paved portion of the Brad Freeman Trail connects Riverbend Park and the downtown area.
- A conceptual plan for a more comprehensive bicycle network is included in the City's 2030 General Plan and the Parks, Trails, Open Space Master Plan.

- Existing street network and ready access to bicycle paths improves non-motorized transportation options in the Study Area.
- Scenery and views exist along most of the bicycle paths and trails.
- Few cities comparable in size have such an extensive bicycle path/trail network.

(viii) Non-Motorized Transportation—Weaknesses

- The system is composed of discontinuous paths with limited connectivity.
- Surface materials on most of the trails are difficult for recreational riders to maneuver.
- Signage and way-finding along bicycle paths and trails is inconsistent, confusing, or incomplete in most areas, particularly at road crossings and other critical connections.
- Little if any connectivity to other recreation resources exists; visitors are unable to take bicycle paths from one recreation area or resource to another.
- Bicycle parking and lockup are not readily available along trails and paths.
- Surface conditions over most of the bicycle paths and trails limits their use to mountain biking only.
- No comprehensive plan exists for this system.

Energy

PG&E provides most of the County with its electricity. Electricity purchased from PG&E by local customers in the Study Area is generated and transmitted via a statewide network of power and transmission lines, including a 500-kilovolt (kV) line that is part of the Pacific Intertie System. This line consists of four transmission lines that cross the County from north to south, and pass through the Study Area approximately midway between the downtown area and the Lake Oroville Dam (near the eastern terminus of Long Bar Road) before reaching a major substation on Cottonwood Road west of Table Mountain. Several 60-230 kV lines conduct electricity from the 500 kV lines and local substations to serve users in the County. The siting of transmission lines is evaluated on a case-by-case basis as there are no designated transmission line corridors identified in the County. PG&E also supplies most of the natural gas used in Oroville; data concerning available electricity and natural gas supply and usage were not made available by PG&E for this report.

The desired end state for this system is *plentiful capacity and reliable connectivity for new and existing development powered by renewable energy sources, where appropriate, and supplemented by the regional supply, as needed.*

(ix) Strengths

- Existing capacity is sourced through the Pacific Intertie System.
- The Study Area contains a well-established power grid.
- PG&E has a plan and process in place for undergrounding power lines.⁵⁵
- Available development areas, grants, and funding exist for renewable energy facilities.
- There is a history of renewable energy development and use in the Study Area.

(x) Weaknesses

- Electricity is sourced almost entirely from PG&E and, as such, is subject to business fluctuations and the rate policies of one provider.
- Readily available energy capacity and infrastructure could further contribute to growth in outlying areas.

Enhancement Opportunities

Each infrastructure system presents several unique or additional opportunities for enhancement external to the strengths and weaknesses identified above. Several may simply be identified efficiencies in operation or planning, although most are improvements that can be made to increase the competitive advantage of the system in the regional market. These opportunities are consistent with those identified in the City's Waterfront Concept Plan and other applicable planning documents. Identified opportunities are as follows.

Potable Water

- Connections could be made among separate systems to diversify supply potential and decrease need for additional new wells/surface water.
- Expand services to new areas via development impact fees, where feasible, to reduce private well demand.
- Encourage adoption of Leadership in Energy and Environmental Design (LEED) standards and concepts for potable water use reduction in landscaping and sewer uses.
- Encourage recycled/reclaimed water use where feasible to reduce potable water demands.
- Set use restrictions to promote environmentally friendly development.

⁵⁵ Ibid.

Sanitary Sewer

- Require all new development to connect to existing sewer systems, not on-site septic systems, to reduce potential impacts to groundwater.
- Increase coordination among sanitary sewer agencies and SCOR to address and resolve capacity and infiltration/inflow issues.
- Create appropriate development impact fees for new development to fund additional capacity if not already in place.

Storm-water

- Complete a comprehensive storm-water management program under the Phase II EPA Storm-water Regulations Program.
- Develop regulations and implement a system for capture and reuse of stormwater for irrigation, sewer, and other non-potable water uses.
- Require inclusion of LEED concepts for storm-water planning and management in new development to reduce impervious surfaces, capture and use storm-water runoff, and promote natural groundwater recharge.
- Remove excess paved areas along the levee in the downtown area and other areas of high storm-water runoff to promote storm-water capture and groundwater recharge.

Motorized Transportation

- Improve signage and way-finding to local attractions and areas.
- Close a portion of downtown streets to create a pedestrian-only area.
- Locate and design future downtown development to replace some of the surface parking lots and increase connectivity of the central business district with the River.
- Eliminate motor vehicle access on the levee in the downtown area to create more pedestrian-friendly spaces.
- Limit additional new road development in the Study Area; focus transportation funding on improving sidewalk availability and repairing existing streets.

Non-Motorized Transportation

- Improve connections between bicycle trails and paths to improve overall quality of the trails and paths.
- Pave or otherwise improve the surface of trails currently covered in crushed rock to improve the user experience.
- Increase access to and in the OWA for bicycle trails.
- Improve signage and way-finding for bicycle trails and paths throughout the Study Area.

- Improve Class II bicycle paths to include access to eastern neighborhoods.
- Identify potential activities to attract visitors to and showcase the area's highlights, such as mountain bike races, marathons, farmer's markets, and harvest festivals.
- Open additional trail lengths to other uses, including equestrian use.
- Connect the Brad Freeman Trail to other regional trails and locations to create a larger regional trail network.
- Provide lighting along bicycle paths/trails in urbanized areas to increase safety and encourage additional use.

Energy

- Promote additional renewable energy development in the Airport Business Park and other industrially zoned areas, including parcels located along Feather River Boulevard.
- Encourage small-scale photovoltaic system use for new development.
- Include LEED concepts during design and construction phases of new development to promote appropriate siting, day-lighting, and passive solar concepts to reduce energy requirements.
- Use PG&E transmission corridors as limited-use open space and day use areas.

Potential Threats to Infrastructure Systems

The following items are potential external threats to infrastructure systems in the Study Area, or threats to new development resulting from the systems themselves.

Potable Water

- Global climate change may impact the amount of yearly rainfall received, as well as evaporation rates of exposed surface waters, reducing future available supply.
- Infiltration and inflow to sanitary sewer lines and improved efficiency of stormwater capture could decrease amounts/rates of groundwater recharge.
- Increasing development impact fees for utilities and services could artificially hinder new development and decrease the Study Area's viability for attracting new businesses.
- Some new development choices could significantly impact potable water supply, either through excessive use (e.g., aquatic center) or potential contamination (e.g., manufacturing facilities).

Sanitary Sewer

- Data discrepancies concerning wet weather capacity at SCOR could inhibit identification of actions being taken to address actual causes of the capacity issue.
- The need for additional wet weather treatment capacity could hinder further development; it is not likely for one development to be expected to finance an entire treatment plant.
- Additional development impact fees may pose a barrier to new development without the provision of some financial assistance or additional incentives.

Storm-water

- An abundance of potable water discourages consideration and reuse of captured storm-water for non-potable uses.
- Issues between City and County storm-water management efforts are hindering effective capture and reuse of storm-water, as well as identification and management of actual infiltration and inflow to sanitary sewer systems.

Motorized Transportation

- Very little incentive exists for residents and visitors to not drive in the Study Area.
- The Study Area's vehicle-oriented population places a stigma on residents not using personal automobiles; bicycles and pedestrians are perceived negatively.
- Continued sprawl to surrounding undeveloped areas exacerbates vehicle use.
- The overabundance of available free parking discourages other modes of transportation.
- The availability of existing infrastructure inhibits investment to remove or change what has already been set in place (e.g., remove excess parking areas in the downtown to reconnect the City with the River).

Non-Motorized Transportation

- High-speed, low-volume streets and continued sprawl to outlying areas discourages bicycle commuting.
- Arterials and connectors are too dangerous for bicycles, particularly at crossings and intersections.
- Competition from other transit options in the area limits pedestrian and bicycling as commuting options for many residents.
- Competition from other recreational bicycle paths and trails in the region (e.g., Chico and Sacramento) limits the use of facilities in the Study Area.

- Potentially high costs to improve bicycle path surfaces could hinder their renovation.
- Regional trails are planned for and managed by multiple agencies, rather than being coordinated under one comprehensive trails plan and manager.

Energy

- Little publicly available data exist concerning energy distribution and use in the Study Area, City, or County.
- Transmission line corridors are not officially designated in the County and so could be adjusted, impacting new development.
- Construction costs of new photovoltaic systems may discourage development if these systems are required but not subsidized or additional financial incentives provided.

Conclusions

As noted above, the Study Area is generally well-served by all necessary infrastructure systems and is almost fully capable of supporting new development. One major factor likely to impact the rate and types of new development, however, is the wet weather capacity surrounding the SCOR treatment plant. If sufficient capacity does not exist to handle additional sanitary sewer inputs to this system, a new treatment plant or an increase in capacity will certainly be necessary to prevent development from stagnating. If additional wastewater capacity is not achieved, new development will only occur where existing development is removed to make sewer capacity available. The three sanitary sewer agencies, along with SCOR, may need to pursue alternative funding to construct an additional treatment plant, which would reduce the existing burden on the current plant, as well as make additional capacity available for new development, or expand the existing treatment plant to provide additional capacity.

The City's historical development patterns, including the placement of various infrastructure systems, have created significant barriers to reconnecting the Study Area with and promoting use of the River. Evidence of these patterns includes these:

- Height and bulk of the levee through the downtown area.
- Placement of automotive uses (e.g., repair lots and garages, surface parking lots, and car dealerships) between the central business district and the levee, which effectively cut off any pedestrian connections between the walkable downtown street grid and the River.
- Placement of SR-70 along the eastern bank of the River, which effectively cuts off Riverbend Park from the rest of the City.
- Construction of Oroville Dam Boulevard, which effectively removes visitor traffic from the downtown area.
- Greater Oroville Area's traditional sprawling residential and commercial development patterns, similar to that seen throughout the U.S. and detrimental to pedestrian, bicycle, and other forms of non-automotive transport.

While these historical development patterns cannot be changed, the RFSP can be used to promote new infrastructure and other development that undertakes a thoughtful approach to further the area's environmental and socioeconomic well-being. The Study Area contains numerous developable spaces ready to accommodate a host of new ideas, and these areas are already well-served by the necessary infrastructure, but additional consideration for including the River should be incorporated into any new development. For example, new commercial space along the River should include a front façade facing the River, with a second floor opening onto the levee in the downtown area. Solar collection fields could be constructed along the southern end of Feather River Boulevard in the industrial area to provide power for light industrial and manufacturing facilities nearby.

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5. RECREATION AND TOURISM CONDITIONS

Recreation and tourism assets are important facets of a destination's well-being that can stimulate local economies and serve as sources of civic pride in the local community. A destination's resources can include local and regional parks, trails, and outdoor recreation areas, as well as historic sites and buildings, downtown commercial districts, hotels, restaurants, and other more "passive" options (e.g., wildland and agrarian landscapes and vistas) that appeal to a broader spectrum of visitors. Locally and regionally, competitive service offerings that provide a broad mix of activities throughout the year and are logically and conveniently connected are integral to a destination's ultimate success in providing recreation and tourism opportunities to residents and visitors alike.

The Study Area is generally well-served by both recreation and tourism assets, many of which are conveniently located near one another and establish a nexus to the River that is critical to the overall mission of the SBF. **Map 5-1** shows a variety of key recreation assets in the Oroville Study Area. The City enjoys a large number and variety of both recreation and tourism assets, more so than typically found in communities of similar size, which can be used in partnership with additional development to stimulate economic development in the Study Area. The City has continued to improve its service offering in recent years by beginning to use the River waterfront with the completion of Centennial Plaza, Bedrock Park, Riverbend Park, and the paved portion of the Brad Freeman Trail along the downtown area. These features not only link the City to the River but serve as part of the basis on which the SBF can achieve the RFSP's goals of improving the area's quality of life and stimulating economic development. The City's challenges generally lie not in establishing new areas for recreation and tourism (that could ultimately compete against those assets, which already exist) but in enhancing and connecting existing assets to create a more cohesive recreation and tourism-related experience for both residents and visitors.

To identify the internal and external conditions applicable to recreational assets in the Study Area and how these assets may impact future recreation and tourism-related development through the SBF RFSP, an analysis of strengths and weaknesses related to each recreation and tourism asset was prepared to identify potential limiting factors or opportunities for these assets. As part of this analysis, the following discussion provides a general overview of recreation and tourism assets in the Study Area; describes each asset in detail, including a qualitative assessment of the asset; and discusses identified strengths, weaknesses, opportunities, and threats to asset improvements that may arise because of an asset's location, cost of improvement, or other barriers. Existing or potential synergies with similar or complementary resources are described where noted. Assets discussed in this chapter are divided into two categories:

- Recreation Assets (e.g., parks, trails, and other generally active-use areas).
- Tourism Assets (e.g., historic sites and other generally passive-use areas).

In this analysis, qualities included as strengths are resources and capabilities that can be used as a basis for developing a competitive advantage in the asset's local and regional market. Absences of certain strengths are viewed as potential weaknesses. Opportunities are external

factors that may promote growth or success; threats are external changes or circumstances that may contribute negatively to achieving the asset's desired end state.

Relationship to the Settlement Agreement Recreation Management Plan

The analysis in this chapter also accounts for the Department of Water Resources (DWR) Settlement Agreement Recreation Management Plan (RMP), which was completed as an amended component of the DWR's application for a new license to operate the Oroville Facilities. The RMP dedicates \$438 million towards protections, mitigations, and enhancements (PMEs) for the development and ongoing maintenance (for the term of the 50-year license) of water- and reservoir-based recreational resources,⁵⁶ and is intended to "guide and facilitate the management of existing and future recreation resources associated with the Oroville Facilities."⁵⁷ The RMP focuses specifically on DWR's responsibilities related to the funding, development, and operation of recreational resources – including both individual and programmatic improvements to facilities – as opposed to commitments of other local, State and federal agencies. In other words, DWR is solely responsible for implementing the RMP, and funding the PMEs contained within it (unless otherwise noted).

As discussed in Chapter I of this Opportunities Analysis, Appendix B of the Settlement Agreement is what created the SBF. Appendix B also provides guidelines and restrictions for how SBF funds should be spent, and on which kinds of projects. The following text is excerpted directly from Appendix B, Section B, Fund Usage and the Oroville Facilities Boundary.⁵⁸

1. Subject to subsection 2.0 below, the Fund shall be used solely to support projects that are selected in accordance with Section D⁵⁹ or as otherwise provided herein and that supplement the benefits provided by the Oroville Facilities, but which are located outside of the Oroville Facilities' boundary.
2. At DWR's sole discretion and subject to FERC approval, the Fund may be used to support projects located within the Oroville Facilities' boundary, but which are not within the jurisdiction of FERC, i.e., a non-project use of project lands. Any such use of the Oroville Facilities' lands shall be subject to such terms and conditions as DWR or FERC deems appropriate.

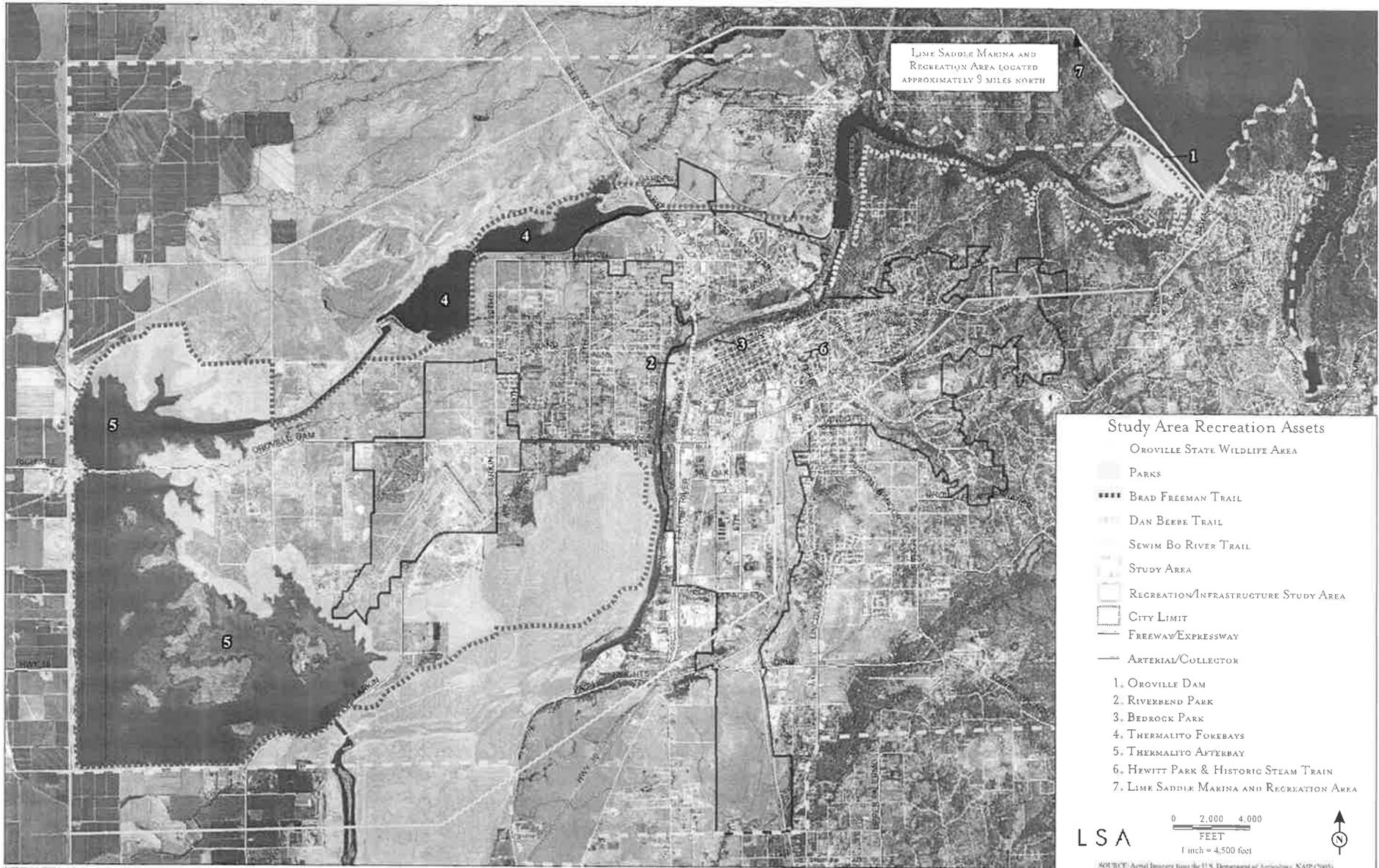
⁵⁶ The RMP contains PMEs for recreational resources both within and outside the recreation and infrastructure Study Area, as defined Chapter I and shown in Map 1-1 of this Opportunities Analysis. However, the analysis in this chapter only addresses those PMEs identified in the RMP that relate to recreational resources within the Study Area.

⁵⁷ State of California, The Resources Agency, Department of Water Resources. Settlement Agreement Recreation Management Plan; Oroville Facilities FERC Project No. 2100, dated March 2006.

⁵⁸ Settlement Agreement for Licensing of the Oroville Facilities FERC Project No. 2100, dated March 2006.

⁵⁹ Section D, Fund Steering Committee, describes the creation, duties, and operation of the Fund Steering Committee.

MAP 5-1
Study Area Recreation Assets



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In other words, the SBF is intended to provide funding for projects that extend the benefits of operation of the Oroville Facilities to the area outside the FERC (Oroville Facilities) project boundary (see Map 1-1), though it can fund projects within the FERC boundary in some cases. As stated in Appendix B, Section G, Regional Fund Strategic Plan, the Fund Strategic Plan was developed to guide the selection of funding of proposed projects to “complement” the implementation of DWR’s RMP, including consideration for the development of the recreational and economic benefits of the Feather River.⁶⁰

In light of these guidelines, this opportunities analysis (which identifies strengths, weaknesses, and opportunities for each recreational resource identified within the Study Area) is intended to serve the following purposes: 1) identify, evaluate, and propose improvements to recreational resources outside the FERC boundary, the enhancement of which could extend the benefits of the Oroville Facilities to these areas and the surrounding community; and 2) identify opportunities for the SBF to provide additional funding to further enhance/accelerate projects (PMEs) within the FERC boundary identified in the RMP. In order to incorporate information from the RMP into this chapter, the Enhancement Opportunities section includes descriptions of PMEs identified in the RMP which relate to recreational facilities discussed in this chapter; this juxtaposition (of the opportunities identified in this chapter’s analysis with the PMEs from the RMP) is intended to provide the Steering Committee further information and context for selecting projects to be funded by the SBF. In addition, the full list of PMEs contained in the RMP (including recreational resources both within and outside the Study Area) is included as Appendix B, for the reader’s reference.

Key Findings

- 5-1. *The Study Area contains a significant number of recreation and tourism assets that afford a diverse set of potential experiences to local and regional visitors, but the lack of a comprehensive strategy for managing, improving, and marketing these assets hinders their competitiveness in the regional market.***
- 5-2. *A lack of connectivity among assets in the Study Area decreases visitor awareness of each asset’s location and service offering—a visitor’s experience at one asset, for example, does not induce corollary visitors to nearby assets because the connection is not well-established or made clear through signage and way-finding.***
- 5-3. *Automotive uses along Montgomery Street, existing motorized transportation infrastructure, and free parking throughout the downtown area decrease visitor willingness to explore the area on foot or bicycle and hinder possible connections between downtown tourism assets and recreational assets along the River.***

⁶⁰ Settlement Agreement for Licensing of the Oroville Facilities FERC Project No. 2100, dated March 2006.

Data used for this analysis were taken from a variety of sources, including these:

- City 2030 General Plan (Draft).
- County General Plan 2030 (Draft).
- State of California DWR's Assessment of Regional Recreation and Barriers to Recreation.
- Agreement Recreation Management Plan; Oroville Facilities FERC Project No. 2100, dated March 2006.
- GIS data made available by the City.
- City of Oroville Tourism Marketing Coordination and Implementation Plan 2007
- Oroville Waterfront Concept Plan & General Plan Amendment 2004
- Physical site surveys conducted by LSA staff on November 19–20, 2008, December 9–10, 2008, and January 14, 2009.

In addition, background information on recreation assets was collected from several background documents completed as part of the Oroville Dam relicensing,⁶¹ in particular, the *SP-R10 Final Report: Recreation Facility Inventory and Condition Report*. Information on tourism assets in the downtown Oroville central business district was obtained from the City's Web site and the Chamber of Commerce, as well as background documents completed as part of the Oroville Dam relicensing.^{62 63}

This chapter includes an analysis of the Study Area's major recreation and tourism assets. The following section describes each asset included for this analysis, identifies the asset's strengths and weaknesses, and discusses any observations noted where additional improvement is needed. Potential opportunities to enhance these assets, as well as potential threats to future development posed by existing conditions, are discussed in the next two sections of this chapter, respectively, followed by a set of recommendations that can be used to guide future projects funded through the SBF.

Recreation Assessment

Assets described in this section are subdivided into the two categories noted above, namely Recreation Assets and Tourism Assets. Because of the close proximity of many of these assets

⁶¹ DWR, 2008. Oroville Facilities Relicensing; Documents; Recreation & Socioeconomic Work Group. Web site: <http://orovillereLICensing.water.ca.gov>. Accessed November and December 2008 and January 2009.

⁶² Oroville, City of, 2008. Web site: www.cityoforoville.org. Accessed November and December 2008, and January 2009.

⁶³ DWR, 2008. Op. cit.

to one another, their strengths and weaknesses may overlap. The following notes these circumstances when relevant.

Recreation Assets

Recreation assets are considered to be those that provide users with opportunities for more active experiences, including physical exercise, as well as interactions with nature and outdoor surroundings. Each asset's physical location and qualities relative to complementary and competing assets were used to inform the identified strengths and weaknesses of the asset.

Brad Freeman Trail

The Brad Freeman Trail is a 41-mile multiple-use trail that generally forms a loop around the North and South Thermalito Forebay, the Thermalito Afterbay, and the Diversion Pool, passes through the OWA, and crosses the crest of the Oroville Dam. The trail was constructed in the mid-1990s and was intended for mountain biking and walking/running, but several portions of it are now open for equestrian use. In addition, from Riverbend Park to the southern end of the Diversion Pool, the trail is paved and amenable to recreational uses other than mountain/off-road biking. However, the vast majority of the trail's surface is un-paved. The most common surface materials are packed dirt (south side of the Diversion Pool and around the dam), decomposed granite and crushed rock (around the Forebay, the Afterbay, and north of the Diversion Pool), and other rocky surfaces (through the OWA). The trail is accessible via 12 officially designated access points located throughout the Study Area; however, the trail is also accessible at other points through long stretches where it is open to its surroundings. Basic restroom facilities are located throughout the Brad Freeman Trail loop. Parking is available at multiple access points along the entire length of the trail.

(xi) Strengths

- Offers a unique, comprehensive tour of the Study Area's natural and scenic resources.
- Provides paved, non-motorized access from the downtown area to Bedrock and Riverbend Parks.
- Links to many other paths and trails in the Study Area, as well as to other developed areas in the City and Greater Oroville Area.
- Approximately 30 of the trail's 41 miles are flat, making it accessible to all levels of recreational intensity (the steeper areas of the trail are located near Oroville Dam and offer a more challenging mountain biking and hiking route).
- Plentiful parking available throughout the length of the trail.

(xii) Weaknesses

- Lack of continuity throughout the trail's entire length; despite its loop status, it is used primarily in non-contiguous segments.
- Fails to connect the downtown area with the Feather River Nature Center or the bicycle/pedestrian bridge at Washington Avenue.

- Surface materials on most portions of the trail are difficult for recreational riders to maneuver and limit bicycle use to mountain/off-road bicycles.
- Many of the trail's access points are unwelcoming or poorly maintained, particularly in the OWA and along the Diversion Canal.
- Bicycle parking and lockup along the trail is not readily available.

Dan Beebe Trail

The Dan Beebe Trail is an unpaved 14.3-mile equestrian and hiking trail that winds along the eastern side of the Diversion Pool, across Oroville Dam, past the Lake Oroville Visitors Center, and along the Bidwell Canyon Recreation Area. The total rise in elevation is 800 feet (from 200 to 1,000 feet). The trail includes both flat and hilly terrain and begins at the Lakeland Boulevard Trailhead Access point, near the Diversion Dam and east of the Diversion Pool. Informal parking is available at this trailhead, although there is no shoreline access for vehicles. The trail is also accessible at various points along its path, and it intersects with the Brad Freeman Trail at three points along the southeast side of the Diversion Pool. Basic restroom facilities are located at several points along the Dan Beebe Trail.

(xiii) Strengths

- Near the River, Oroville Dam, and Lake Oroville.
- Challenging and hilly terrain is attractive for athletic trail users.
- Scenic views throughout the trail's length, including views above the railroad truss crossing the Diversion Pool.
- Generally in good condition, with increased user visibility where the trail runs along the PG&E transmission line corridor.
- Several connections with the Brad Freeman Trail.
- Parking available throughout the length of the trail.

(xiv) Weaknesses

- The Lakeland Boulevard Trailhead Access point has incurred substantial vandalism and has been poorly maintained.
- The Lakeland Boulevard Trailhead Access point has insufficient way-finding for vehicles traveling from Orange Avenue and Long Bar Road and is located in a residential area.
- The Lakeland Boulevard Trailhead Access point is not readily visible from other roads or public spaces, limiting perceived safety of vehicles and users.

Sewim Bo River Trail

The Sewim Bo River Trail is a ½-mile pedestrian trail along the southern bank of the River, just north of the Feather River Nature Center. The trail runs adjacent to the Brad Freeman Trail and crosses the Lakeland Boulevard Trailhead Access point. Amenities along the trail include picnic tables, shading structures, restrooms, and interpretive signs.

(xv) Strengths

- Near the River.
- Numerous amenities to support a variety of active and passive recreation activities.
- Parking available at the Feather River Nature Center.

(xvi) Weakness

- Because of its short length, this trail serves as a connector from the Brad Freeman and Dan Beebe Trails to the Feather River Nature Center area rather than as a distinct trail.

Oroville Dam

The 770-foot earth-fill Oroville Dam is the tallest earthen dam in the United States. The 6,920-foot crest of the Oroville Dam is paved with a road and sidewalk. In addition to providing vehicle access to the boat launch area at the west end of the dam, the crest is used for sightseeing, walking, jogging, cycling, and fishing. Picnic tables are located at the east and west ends of the dam crest, and the east end includes four toilets and one drinking fountain. There are parking spots located on the dam crest, but parking has been disallowed since September 2001 for security reasons.

(xvii) Strengths

- Offers dramatic panoramic views to the City, the Thermalito Afterbay, and vistas to the south and southwest.
- Is a prominent feature and dramatic backdrop to the open space area south of the River, between the spillway and power plant.
- Facilities are well-maintained.
- Night-time lighting along the roadway.

(xviii) Weaknesses

- Facilities at the dam crest do not include shade or other features to provide relief and rest areas for picnickers, fishermen, joggers, and cyclists during hot weather.
- Accessibility is restricted for security reasons to through-traffic along the dam crest; access at the base of the dam is also restricted.
- No parking is available along the dam crest.

Riverbend Park

Riverbend Park is a relatively new park in Oroville. It is located just to the west of downtown, where the River flow changes from a westerly to a southerly direction. The park, which is still undergoing construction, is equipped with the following facilities: a playground area; a picnic shelter and other picnic tables; an overlook shelter; a boat launch; two 18-hole disc golf courses; a paved trail (a portion of the Brad Freeman Trail), which connects the park to Bedrock Park and downtown Oroville to the east; public restrooms; grassy areas for passive recreation; and ample parking. Future plans for the park include the construction of at least three soccer fields; initial construction began on these fields in late 2008.

Riverbend Park is accessible via Montgomery Street (the park is located at the street's western terminus). As previously noted, the park is also accessible for pedestrians and cyclists via the Brad Freeman Trail. An ornate gateway welcomes visitors entering the park from Montgomery Street.

(xix) Strengths

- The park's disc golf courses are one of the most popular recreational destinations in the Study Area.
- Connected to Bedrock Park and the downtown area by a paved section of the Brad Freeman Trail.
- Provides access to the River for a variety of recreational activities, including kayaking, canoeing, fishing, and swimming.

(xx) Weaknesses

- Pedestrian and bicycle access is only available via the Brad Freeman Trail; there is not a clearly marked, safe path for non-motorized vehicles and pedestrians to follow below the highway overpass and across the on- and off-ramps of SR-70.
- SR-70 creates a perceived barrier between the park and the downtown area.
- Insufficient signage exists along SR-70 and arterials and connectors to the east of SR-70 signaling the park's presence.
- No pedestrian/bicycle connection from Montgomery Street to the Brad Freeman Trail west of Fifth Avenue.

Bedrock Park

Bedrock Park is located on the southern bank of the River, near the intersection of Feather River Boulevard and Fifth Avenue. It is located west of the downtown area and east of Riverbend Park. Bedrock Park includes a large parking lot along its southern edge, grassy areas that run up to the riverbank, landscaped areas, picnic tables, and a small amphitheater. The park also provides swimming access in a shallow pool fed by and partially separated from the River's main channel. The paved stretch of the Brad Freeman Trail runs through Bedrock Park and provides non-motorized access to nearby Riverbend Park, as well as the downtown area.

(xxi) Strengths

- Location on the banks of the River.
- Well-designed landscape includes a variety of spaces for multiple uses.
- Brad Freeman Trail provides access to the downtown area and Riverbend Park.
- Bedrock Skate Park is located across Feather River Boulevard from the park.
- Provides swimming access close to downtown residential areas.
- Amphitheater space for small presentations and outdoor performances.

(xxii) Weaknesses

- Location is somewhat obscured from Feather River Boulevard.
- Large parking area cuts off park from residences to the south.
- River is often too cold for comfortable swimming.

Thermalito Forebay

The 630-acre Thermalito Forebay is an off-stream reservoirs completed in 1968 and is divided into the North Thermalito Forebay and the South Thermalito Forebay by a southeasterly road crossing (Nelson Avenue, although small non-motorized watercraft can pass under the road bridge). The Forebay is located just northwest of the City and are contained by the Thermalito Forebay Dam to the east and the Campbell Hills to the north and west. The forebay provides regulated storage and surge damping for the Hyatt-Thermalito power complex and is a site for aquatic recreation activities.

North Thermalito Forebay: The 300-acre North Thermalito Forebay allows non-motorized boating and other recreation activities. It is equipped with 2 paved boat ramps—one with two lanes, the other with three lanes—as well as 6 public restrooms, 59 parking spaces, 25 car/trailer parking spaces, an overflow lot, and 15 RV parking spaces with RV hookups. The forebay area also includes a swimming beach, picnic areas, barbeque grills, shade trees, drinking fountains, and a public telephone. Fishing is allowed in all areas of the North Thermalito Forebay.

South Thermalito Forebay: The 330-acre South Thermalito Forebay is located directly southwest of the North Thermalito Forebay. This forebay is open to motorized boating and includes a self-registration pay station, gravel parking area, a 2-lane boat ramp, 10 picnic tables, shade trees, a public restroom, and a fish cleaning station. Fishing is allowed in all areas of the South Thermalito Forebay.

(xxiii) Strengths

- Scenic location northwest of a large residential area.
- Brad Freeman Trail runs along both sides of the North Thermalito Forebay and passes along the south side of the South Thermalito Forebay.
- Facilities are in good condition.
- Diverse opportunities for boating and other aquatic activities.
- Multiple picnicking and other passive amenities.

(xxiv) Weaknesses

- Water is often too cold for comfortable swimming.
- Not accessible from the River for watercraft because of the Thermalito Forebay Dam.
- Facilities are underutilized in spite of the breadth of amenities.
- Access via the Brad Freeman Trail is disconnected and confusing at the Garden Drive/SR-70 interchange.

Thermalito Afterbay

The 4,300-acre Thermalito Afterbay is an off-stream reservoir completed in 1968. It is located to the southwest of the Thermalito Forebay, to which it is connected via a canal. The approximate boundaries are Hamilton Road to the south, SR-99 to the west, foothills and agricultural uses to the north, and the OWA to the east. The afterbay provides water storage for pumpback operations to Lake Oroville, releases controlled flows into the River, serves as a warming basin for water used for local farmland, and is a regional recreational destination.

The afterbay allows motorized boating and provides water access for boats at three boat ramps on its eastern shoreline, all of which are in good condition: the Afterbay Outlet boat ramp, the Wilbur Road boat ramp, and the Larkin Road boat ramp. The Brad Freeman Trail emerges from the OWA and forms a loop around the afterbay to the south, west, and north, before cutting back toward the Thermalito Forebay to the northeast.

(xxv) Strengths

- Ideal location for birding and fishing.
- Motorized boating area more accessible (from SR-99 and SR-70) than Lake Oroville.
- Less crowded boating area than Lake Oroville.
- Scenic location adjacent to new development areas to the east.
- Brad Freeman Trail provides access for non-motorized transportation and recreation.

(xxvi) Weaknesses

- Absence of a wind break to the west creates windy conditions on the water and in recreation areas to the east of the water.
- Brad Freeman Trail's surface is primarily crushed rock, making the trail inaccessible and difficult to maneuver without a mountain/off-road bicycle.

Oroville Wildlife Area

The OWA is located southwest of downtown Oroville, to the west of the River. The State Department of Fish and Game and DWR manage the area under a cooperative agreement. The OWA includes ponds, levees, and a portion of the Brad Freeman Trail (and several off-shoot trails), as well as areas for fishing, hunting, hiking, swimming, and other recreation associated with the River. The area is used as an emergency floodplain for releases from the Oroville Dam, which, coupled with the presence of the River, has resulted in steep banks, washes, and deep channels along the length of the River.

The OWA contains boat ramps in three spots along the River, as well as three informal camping areas for tents and recreational vehicles. The Afterbay Outlet Camping Area, located where the River meets the Thermalito Afterbay, is the Oroville Wildlife Area's (OWA) sole formal tent camping area.

(xxvii) Strengths

- Prime hunting destination that is open to the public.
- Scenic location for birding, hiking, and other outdoor activities.
- Multiple access points for fishing and swimming in the River.
- Sweeping views of the River and surrounding lands.
- Diverse terrain, including oxbow lakes and other water features.

(xxviii) Weaknesses

- The Brad Freeman Trail's surface in the OWA is composed of crushed rock, making it difficult to maneuver by bicycle and uncomfortable from inside most automobiles.
- Poor way-finding and signage for road and trail connections.
- Terrain on either side of roads and trails in the OWA often slope steeply to either side, making it difficult or impossible in some locations to descend into the OWA.
- The Afterbay Outlet Camping Area consists mainly of unattractive paved and crushed rock surfaces (including locations for tent-staking) amidst an otherwise scenic natural area.

Hewitt Park and Historic Steam Train

Hewitt Park is located on Baldwin Avenue, just southeast of downtown Oroville. The park contains play structures, horseshoe pits, bocce courts, barbeque pits, large grassy areas, and a large parking lot. The portion of Hewitt Park closest to Baldwin Avenue also contains a historic steam engine that ties the park to the nearby railroad uses, which are just north of the park.

(xxix) Strengths

- Offers a variety of active and passive recreation options.
- Facilities are new and in good condition.
- Location ties into nearby railroad tracks and other related features.

(xxx) Weaknesses

- No signage directing visitors to the park's existence.
- Oversized parking lot reduces available space for additional amenities.
- Steam engine is closed off from public use and access by unattractive cyclone fence and barbed wire.

Lime Saddle Marina and Recreation Area

The Lime Saddle Marina and Recreation Area are located off Lime Saddle and Nelson Bar Roads, respectively, and are approximately 5 miles southeast of the Town of Paradise. The marina and recreation area are accessible via SR-70 and Pentz Road and provide a variety of recreation options, including group, tent, and RV camping; picnicking facilities; and boat launch facilities and a marina. Also provided at this area are modern restrooms, seasonal concessions, and fish-cleaning stations.

(xxxix) Strengths

- Facilities are new and in good condition.
- Marina and recreation area are easily accessible from SR-70.
- Northwestern fork of Lake Oroville provides dramatic views and scenery for the recreation area.

(xxxii) **Weaknesses**

- Comingling of RV and tent camping is counter-productive; tent campers and RV campers tend to prefer separation from one another.
- Oversized parking lot reduces available space for additional amenities.
- When Lake Oroville experiences extremely low water levels, as seen historically, the boat launch is unusable and access to the marina is treacherous.

Relation of Recreation Assets to Supplemental Benefits Fund

The SBF mission is to invest in recreational and related projects with a nexus to the River to improve the quality of life and stimulate economic development in the Oroville region. As described above, the Study Area contains a substantial amount and variety of recreational assets that have a nexus to the River. However, some of the recreational assets with the strongest connections to the River, such as the Brad Freeman Trail, the OWA, and Riverbend Park, suffer from poor connections to other recreation and tourism resources, as well as to urban areas. The absence of logical access points to urban areas—particularly downtown Oroville, which contains the highest concentration of tourism assets—greatly diminishes each recreational asset’s potential to contribute to economic development, tourism, and improved quality of life for Oroville residents. Furthermore, the recreational assets closest to downtown (e.g., the Brad Freeman Trail, Bedrock Park, and Riverbend Park) are rendered invisible because of physical barriers (e.g., the River levee, SR-70, automotive uses, and excessive surface parking along Montgomery Street). While the levee is a flood control measure and cannot be removed, other waterfront enhancements (e.g., footbridges across the Feather River) could improve pedestrian connectivity in the area.

Nevertheless, existing recreational assets in the Study Area are numerous and diverse. The City could more likely achieve economic development if these assets are better linked with tourism assets in the downtown area, and if the central business district is presented as the gateway to the Study Area’s recreational resources. As noted in the 2004 Oroville Waterfront Concept Plan and General Plan Amendment, this connection could be better bridged by redeveloping automotive uses and surface parking lots along Montgomery Street, as well as vacant land at the foot of the levee, with pedestrian-friendly cultural attractions (e.g., cultural center/museum, amphitheater) and a downtown riverfront park that provides a direct link from the downtown to the River. This plan also proposes a gateway park at the intersection of Montgomery Street and SR-70, which would help visual connectivity between the downtown area and Riverbend Park, as well as easier access for pedestrians and cyclists.⁶⁴ (Please see the Enhancement Opportunities section later in this chapter for a list of ways to achieve these linkages).

⁶⁴ Wallace Roberts & Todd, LLC. *Oroville Waterfront Concept Plan & General Plan Amendment*, prepared for Oroville RDA. October 2004.

to the River, which afford visitors uninterrupted views of the River and its southern bank. The facility is accessible by car, bicycle, or foot because of its location near Feather River Crossing and contains a large parking area with spaces for automobiles, as well as larger car/trailer combinations or buses. Public restrooms and water fountains are available at the Visitor Area.

(xxxv) **Strengths**

- Fish ladder and underwater viewing area offer a unique seasonal tourist experience.
- Accessible location adjacent to the bicycle/pedestrian bridge.
- Riverfront access and viewpoints throughout the facility.
- Visitor Area is clean and well-maintained.

(xxxvi) **Weaknesses**

- No way-finding for non-motorized vehicles between the pedestrian/bicycle bridge and the Visitor Area.
- River access is provided only by scrambling down large rocks, which can be treacherous.
- Presence of fish in the fish ladder is subject to seasonal fluctuations.

Chinese Temple

The Oroville Chinese Temple, located at 1500 Broderick Street, was constructed in 1863 as a place of worship for Oroville's approximately 10,000 Chinese residents. However, a major flood in 1907 displaced most of these residents to other metropolitan areas in Northern California. A local Chinese family, who had taken over the temple's operations after the flood, deeded the facility to the City in 1937. The City opened it to the public in 1949.

The temple includes three chapels, each dedicated to the worship of different Chinese faiths: Taoism, Confucianism, and Buddhism. In 1968, a new Tapestry Hall was completed to display the temple's collection of embroidered tapestries, parade parasols, and other Chinese folk art items. The facility includes landscaping and a meditation garden with native Chinese plantings. The temple is a registered California historic landmark and is listed on the National Register of Historic Places. It is open daily from 12 noon to 4 p.m. and has a small admission fee.

(xxxvii) **Strengths**

- Facility is in good condition and is well-maintained.
- Peaceful setting close to the downtown area and other local museums.
- Location adjacent to the levee offers a potential connection to the Brad Freeman Trail and other recreational activities associated with the River.
- Parking available across the street.

(xxxviii) **Weaknesses**

- No signage or way-finding connecting the Chinese Temple and the Brad Freeman Trail, which is located atop the levee nearby.
- Way-finding to the Chinese Temple exists but is ambiguous after the turn-off at Montgomery Street onto First Avenue.

Map 5-2
Downtown Area Assets, Opportunity Areas, and Barriers



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- Limited daily hours of operation.
- Parking lot's location repeats a pattern of disconnecting attractions from the nearby River.

County Pioneer Memorial Museum

The County Pioneer Memorial Museum, dedicated in 1932, is located at 2332 Montgomery Street at the northeastern edge of the downtown area. The building itself is historical because it was constructed and embellished with materials collected from historic sites around town, and it is located at the site of Oroville's first sawmill. The museum's collection dates from the days of the Gold Rush through the early 20th century and includes period items, such as home furnishings, children's toys, firearms, quilts, mining equipment, and historical photographs. The museum was deeded to the City in March 1999 and is now operated and maintained by the City's Department of Parks and Trees.

(xxxix) Strengths

- Short walking distance from the downtown central business district.
- Facility is in good condition and is well-maintained.
- Extensive collection of period items detailing the area's history.
- Brad Freeman Trail located behind the facility.

(xl) Weaknesses

- Automotive uses along Montgomery Street separate the museum from the downtown central business district, obscuring its location.
- No other tourism assets nearby to provide a locational advantage.
- Insufficient signage alerting visitors to the museum's location.
- No façade or other connection to the Brad Freeman Trail, located behind facility.

C.F. Lott Home and Sank Park

The C.F. Lott Home and Sank Park are located at 1067 Montgomery Street, several blocks west of the downtown central business district. The C.F. Lott Home is a cottage in the Victorian gothic revival style and serves as a museum and cultural repository for furniture, paintings, rugs, textiles, and other period items typically found in Oroville's pioneer homes. The City now owns and operates the home.

The Sank Park area, which surrounds the C.F. Lott Home, includes a Victorian garden, a rose garden, an herb garden, brick walks, fountains, a gazebo, and a covered patio for parties. The park plays host to the Victorian Tea event the first Sunday of each February, the Mistletoe Party each Christmas, the Craft Fair/Flea Market in the spring, and the Bounty of Oroville in the fall. Portions of the C.F. Lott Home and Sank Park are also available to reserve for private events.

(xli) Strengths

- Largest urban park space in downtown Oroville.
- Facilities are in generally good condition.

- Architectural quality contributes to Montgomery Street's scenic area (from Fifth Avenue to Oak Street).
- Historic setting for festivals and gatherings.

(xlii) Weakness

- Signage is ambiguous whether the property is private or open to the public.

Feather River Nature Center and Bath House

The Feather River Nature Center is located on Old Ferry Road immediately northeast of the roundabout, along the southern bank of the River. Old Ferry Road, which is paved, also serves as a portion of the Brad Freeman Trail at this location. The facility includes the stone Bath House Museum, as well as landscaping, benches, picnic tables, and pathways around the bath house and overlooking the River. Tours of the Bath House Museum are available on weekends during summer months and by appointment.

(xliii) Strengths

- Location next to River and along the Brad Freeman Trail makes it an ideal stopping point for pedestrians and cyclists.
- Location near downtown area.
- Across from Feather River Fish Hatchery Visitor Area; this is accessible via two nearby bridges on Table Mountain Boulevard (one for motorized vehicles, one for pedestrians and cyclists).
- Facilities are in generally good condition and well-maintained.

(xliv) Weaknesses

- Access is confusing and difficult because of the entrance of Old Ferry Road at the northeast section of the roundabout.
- Limited periods of access to the Bath House.
- Informational signage is limited or obscured.
- Primary access is down the main drive, which is unwelcoming for pedestrians and cyclists.
- Alternate connection to the Brad Freeman Trail under the bridges is treacherous and unwelcoming.
- Overgrowth of brush and dense landscaping create blind spots and dark spaces, lending a perception of limited safety to visitors.
- Lighting is high-intensity during evening hours, creating glare and dark spaces.

State Theater

The State Theater is located at 1489 Myers Street in downtown Oroville. It was constructed in 1928 in the Spanish Colonial Revival architectural style and serves as a venue for both movies

and theater productions. The City purchased the State Theater in 1983, and it was listed on the National Register of Historic Places on September 13, 1991. The State Theater is undergoing a renovation of its Myers Street façade, which features ornate stonework.

(xlv) Strengths

- Location in the heart of downtown Oroville, near other tourist and recreation attractions.
- Building is one of the architectural centerpieces of Oroville.
- Common gathering point for local organizations.
- Theater space can accommodate a range of productions and audience sizes.

(xlvi) Weaknesses

- Interior is in generally poor condition but is undergoing renovation.
- Limited tie-in to surrounding uses, such as restaurants and other establishments, could benefit from theater patrons before or after shows.
- Intermittent use from lack of regular programming.

The Depot and California Display Garden

The Depot is a converted train station at 2191 High Street that now serves as a restaurant. The California Display Garden is located across the street from the Depot.

(xlvii) Strengths

- Popular dining location in downtown Oroville.
- Point of historical interest because of the building's former function as a train station.
- Position next to still-used railroad tracks contributes to the location's charm.

(xlviii) Weaknesses

- Lack of publicly available information concerning the California Display Garden.
- No signage directing visitors to these attractions.
- Frequency of trains on adjacent tracks can be off-putting to restaurant patrons.

Municipal Auditorium

The Municipal Auditorium is located at the northern terminus of Myers Street at the foot of the River levee. The building contains a combination gymnasium/auditorium with a 1,000-person capacity, other multi-purpose rooms, and the FRRPD offices. The Recreation and Park District provides numerous classes, organized sports, and other activities for adults and children at the Municipal Auditorium, and multi-purpose rooms are available by reservation for other classes and activities.

(xlix) Strengths

- Serves as the community center for sports and other activities.
- Central and attractive location at the terminus of Myers Street view corridor.
- Only downtown structure built close to the levee that is a popular destination, making it the strongest link between the downtown area and the River.

- Breadth of activities is widely attended.
- Brad Freeman Trail located directly behind the facility.

(I) Weaknesses

- Surrounded by paved surfaces to the east, west, and north, and expansive but seldom full parking lots to the southwest and east.
- Weak visual and physical linkages to surrounding recreational assets and points of interest (River and levee, Brad Freeman Trail, Centennial Plaza, and the downtown central business district).
- North-facing façade is windowless and provides no access to or from the Brad Freeman Trail immediately north of the building.
- Building design and south plaza area does little to encourage pedestrian activity from Montgomery Street.
- Overall façade and exterior areas are visually “hard” and unwelcoming; dated building design does little to improve the downtown’s visual landscape.

Centennial Plaza

Centennial Plaza is a landscaped area atop the levee on Arlin Rhine Drive near the northern terminus of Lincoln Street. The plaza was dedicated on November 29, 2007, to celebrate Oroville’s 100th anniversary. The plaza includes walkways, plantings and hardscape, a central circular area with decorative stones and lattice structures, and racks for bicycle parking. Surrounding the central area of the plaza are informational placards about the area’s native people, as well as information on local flora and fauna. Additional artwork is planned for the central plaza area but has not yet been installed.

(ii) Strengths

- Provides the only pedestrian-friendly leisure space on the levee.
- Views of the River directly below the plaza to the north, as well as of Oroville Dam to the east.
- Strong link to the Brad Freeman Trail, which crosses between the plaza and the River.

(iii) Weaknesses

- Pedestrian-friendly environment does not continue to other parts of the levee beyond Centennial Plaza.
- Excessive hardscape blends into surrounding parking and other nearby paved areas, increasing the amount of impervious surfaces in this area.
- Adjacent telecommunication tower and related infrastructure detract from scenic quality of the plaza.

Bolt's Antique Tool Museum

Bolt's Antique Tool Museum is located at 1650 Broderick Street, at the foot of the River levee. The museum, which opened in 2006, contains thousands of tools from owner Bud Bolt's personal collection, including ones used to construct and maintain railroads, gas stations, and Ford Model Ts. The museum is open from 11:45 a.m. to 3:45 p.m. Tuesday through Sunday, and street parking is available.

(liii) **Strengths**

- Offers unique tourism product.
- Facilities are well-maintained.
- Location next to levee and near downtown provides connection opportunities.

(liv) **Weaknesses**

- Pedestrian connection to the levee is not obvious.

Artists of Rivertown

This non-profit group works cooperatively to showcase and promote local visual artwork. The Artists of Rivertown has approximately 80 members, some of whom use a workspace in the local community center downtown to create their pieces. The group shows individual works at the State Theatre and has previously coordinated with select wineries for special events. The group is now exploring the possibility of expanding to include performing artists, and opened a gallery in downtown Oroville in July 2009. The group has also expressed interest in creating passive art (e.g., sculptures) along the planned green-space envisioned by the Waterfront Master Plan.

Relation of Tourism Assets to Supplemental Benefits Fund

As previously noted, the SBF mission is to invest in recreational and related projects with a nexus to the River to improve the quality of life and stimulate economic development in the Oroville region. Existing tourism assets located in the downtown area (e.g., State Theater, Municipal Auditorium, Depot and California Display Garden, Chinese Temple, etc.) benefit from their location in or near the area's the charming street grid of historic façades, murals, and alleyways. However, most of these tourism assets do not offer easy connections to the River or to nearby recreation assets, such as the Brad Freeman Trail, Bedrock Park, and Riverbend Park. As previously noted, physical barriers—such as the levee, SR-70, and automotive uses and public parking along Montgomery Street—separate the majority of the Study Area's tourism assets from recreational activities along the River.

Economic development in the downtown area is dependent on achieving better physical and visual connections between tourism attractions and the River. As previously noted, the Oroville Waterfront Concept Plan and General Plan Amendment proposes to redevelop land close to the River with cultural buildings and a riverfront park, which would mark the downtown area as the gateway to the region's recreational assets. Please see the Enhancement Opportunities section below for a list of ways to achieve these linkages, as well as other areas for improvement in tourism resources.

Recreation and Tourism Assets Outside the Study Area

The Oroville area includes many other recreation and tourism assets that lie outside the Study Area. Although these facilities are not directly tied to the River, they can be used in partnership with additional development to stimulate economic development in the Study Area. The assets are included in the following list.

Casinos

- Feather Falls Casino—3 Alverda Drive, Oroville, California, 95966
- Gold Country Casino & Hotel—4020 Olive Highway, Oroville, California, 95966

Wine and Olive Oil

- Grey Fox Winery—90 Grey Fox Lane, Oroville, California, 95966
- Long Creek Winery—233 Ward Boulevard, Oroville, California, 95966
- Quillici Vineyards—72 Quail Hill Place, Oroville, California, 95966
- Butte View Olive Oil Company—2950 Louis Avenue, Oroville, California, 95966
- California Olive Ranch—2675 Lone Tree Road, Oroville, California, 95965
- Giannecchini Sunset Olive Oil—111 Hart Lane, Oroville, California, 95966
- Lodestar Farms Olive Oil—3723 Foothill Boulevard, Oroville, California, 95966
- Bonasera Wine and Olive Oil Tastings—1442 Myers Street, Oroville, California, 95965

Golf

- Lake Oroville Golf and Country Club (9 Holes)—5131 Royal Oaks Drive, Oroville, California, 95966
- Table Mountain Golf (18 Holes)—2700 Oro Dam Boulevard, Oroville, California, 95965
- Dingerville USA (9 Holes)—5813 Pacific Heights Road, Oroville, California, 95965

Lake Oroville Area

- Bidwell Marina—801 Bidwell Canyon Drive, Oroville, California, 95966
- Bidwell Bar Suspension Bridge—South End of Lake Oroville in Bidwell Canyon, off Kelly Ridge Road, Oroville, California
- Feather Falls—Plumas National Forest—Olive Highway east to Forbestown Road, north on Lumpkin Road, Oroville, California
- Feather River Canyon National Scenic Byway—SR-70 towards Belden, California
- Bald Rock—Plumas National Forest—Highway 162 North to Berry Creek, right on Bald Rock Road
- Loafer Creek Horse Camp Lake, Oroville Recreation Area, Oroville, California

Historic Resources

The downtown Oroville central business district includes several designated historic resources, some of which are described in this chapter. These historic resources can be used in partnership

with additional development to stimulate economic development in the downtown area. **Table 5-1** includes a list of historic resources in the central business district.

Enhancement Opportunities

Each recreation and tourism asset presents several additional opportunities for enhancement informed by the strengths and weaknesses identified above. When considered in combination with one another, these assets present a complete yet inconsistent set of amenities throughout the Study Area that can be improved as a whole through modifications of individual assets. Several opportunities identified in the following discussion are simply efficiencies in operation or planning identified through this assessment, although the majority are physical improvements that can be implemented to increase the competitive advantage of the recreation and tourism systems in the regional market. As previously noted in this chapter, this section also includes descriptions of Protections, Mitigations, and Enhancements (PMEs) contained in the Settlement Agreement Recreation Management Plan (RMP) as they relate to the recreation and tourism resources identified in this chapter. Each PME is accompanied by an estimated phasing period, categorized by decade after the license is issued. The RMP was published in March 2006, so the phasing periods begin in 2007. P1 = 2007 to 2016; P2 = 2017 to 2026; P3 = 2027 to 2036; P4 = 2037 to 2036; and P5 = 2047 to 2056. Please see **Appendix B** of this document for a complete list of PMEs from the RMP.

Recreation Assets

The following opportunities were identified for the Study Area's recreation assets.

Brad Freeman Trail

- Improve physical connections between the trail and other trails and paths to improve overall quality, such as the removal of barriers, cyclone fencing, and barbed wire at access points north of the Diversion Canal and east of the forebay.
- Connect the trail to other regional trails and locations to create a larger regional trail network.
- Pave or otherwise improve the trail's surface where it is covered in crushed rock to improve maneuverability and make the trail more accessible to a broader group of users.
- Increase access to and connections in the OWA.
- Improve signage and way-finding to designated trailheads, as well as along the trail, especially in the vicinity of the tourism assets identified above.
- Provide lighting along the paved portion between Riverbend Park and the Feather River Nature Center to increase safety and encourage additional use.

Table 5-1
Historic Resources in the Central Business District

Name of Resource	Address	Register
Oroville Public Library	1675 Montgomery Street	NRHP, A CRHRB
Gov Perkins Building	1864 Montgomery Street	NRHP, CRHR
Gardella Reece Building	1877 Montgomery Street	NRHP, CRHR
Fong Lee Co	1215 Lincoln Street	NRHP, CRHR
Hendee & Gaskill Building	1347 Huntoon Street	NRHP, CRHR
U.S. Post Office	1735 Robinson Street	NRHP, CRHR
(Name Unknown)	1850 Montgomery Street	NRHP, CRHR
(Name Unknown)	1858 Montgomery Street	NRHP, CRHR
(Name Unknown)	1346 Myers Street	NRHP, CRHR
The Oroville Inn	2066 Bird Street	NRHP, CRHR
The State Theater	1489 Myers Street	NRHP, CRHR
The Depot	2191 High Street	NRHP, CRHR
The Chinese Temple	1500 Broderick Street	NRHP, CRHR, SHLC
C.H. Lott Home & Sank Park	1067 Montgomery Street	PHID

Source: City 2030 General Plan Draft EIR, 2007

- a: National Register of Historic Places
- b: California Register of Historical Resources
- c: California State Historic Landmark
- d: California Points of Historical Interest

- Explore opportunities to better “brand” the trail with recognizable signs located throughout the 41-mile loop, particularly at access points and connections with other trails or roads.
- Seek out organized activities that can use the trail, such as trail runs and bicycle races, which will both increase visitors to the Study Area, as well as market the trail’s existence to a broader set of users.

Protection, Mitigation, and Enhancement Measures from Recreation Management Plan:

- Realign a section of the trail in the vicinity of the Hyatt Powerplant Switchyard in response to security concerns. (P1)

Dan Beebe Trail

- Improve facilities and maintenance at the Lakeland Boulevard Trail Access area, including adding new signs and creating an official parking area.
- Remove brush and improve maintenance of the Lakeland Boulevard Trail Access area to increase visitor comfort and safety.
- Improve way-finding and signage in the surrounding neighborhood and along Orange Avenue to increase access to the Lakeland Boulevard Trail Access area.
- Incorporate additional amenities for equestrian users on this trail, such as watering troughs and hitching areas at scenic viewpoints.

Protection, Mitigation, and Enhancement Measures from Recreation Management Plan:

Dan Beebe Trail:

- Open the Dan Beebe Trail to bicycle use. (P1)
- Investigate the feasibility (e.g., topographical, jurisdictional, and ownership/easement constraints) of constructing a new 2- to 4-mile bicycle and pedestrian trail that would run in a westerly direction from Lakeland Boulevard, connecting with portions of the Dan Beebe Trail and/or the Brad Freeman Trail near the Diversion Pool. Portions of this trail would run outside the FERC boundary, and would require outside (e.g., SBF or other agency) funding. If constructed, portions of the Dan Beebe Trail would be closed to bicycle use and would be managed for equestrian and hiking use only. (P1)

Lakeland Boulevard Trailhead Access:

- Install non-potable stock watering trough at Lakeland Boulevard Trail Access area. (P1)
- Install fencing, as appropriate, to separate the existing trail and the new access road (through railroad grade upstream of the Union Pacific Railroad bridge crossing of Diversion Pool) and day use facilities from the railroad tracks. (P1)
- *Programmatic PME:* Provide annual operations and maintenance (P1 to P5)

Sewim Bo River Trail

- Improve the trail's surface and connections to the Brad Freeman Trail to increase the number of users.
- Provide designated viewpoints along the River.

Oroville Dam

- Add shade structures along the crest of the dam.
- Provide informational placards along the crest of the dam detailing various facts and figures about the dam's history, use, and benefits.
- Add telescopes along the crest of the dam to enhance the dam's visual experience.
- Improve access to the open space at the base of the dam (between the spillway and the power station) by adding tent camping areas and related amenities for seasonal use.

Protection, Mitigation, and Enhancement Measures from Recreation Management Plan:

- Provide approximately 100 new parking spaces, 4 to 5 picnic tables with shade ramadas, interpretive panels, and access routes/stairs at the overlook facility. (P1)

Riverbend Park

- Implement signage along SR-70, Montgomery Street, and Feather River Boulevard directing visitors toward Riverbend Park and noting its amenities.
- Improve non-motorized access to the park along Montgomery Street.
- Create a connection for pedestrians and bicyclists between Montgomery Street and the Brad Freeman Trail.
- Implement Crime Prevention through Environmental Design (CPTED) strategies at the southern end of the park to decrease illegal activities taking place there and open the area to community use.
- Continue the paved path from the southern end of the park to adjoining open space and recreation areas, including the OWA.
- Limit the number of soccer fields to a maximum of three fields to maintain the remaining open space as public access to the River and surrounding environment.
- Limit additional paving or hardscape in the park.
- Improve signage along the disc golf course to include permanent course markers throughout, as well as permanent hole guides at each tee area.
- Improve signage for kayak rentals and other aquatic opportunities; make available additional small watercraft, such as canoes and paddleboats, to broaden the potential user base.

- Create and implement a tree planting plan for the park to increase the tree canopy and provide shade for users.
- Improve the access road in the park that runs south from the Montgomery Street gateway to the southern parking lot; consider using pervious pavement in place of crushed rock to provide an improved surface while reducing potential storm-water runoff amounts.
- Provide regular policing of the park and surrounding areas, not only by law enforcement personnel but also through the use of at-risk spaces (such as the southern end of the park) by organized classes and activities, such as art or fitness classes.
- Promote and execute disc golf tournaments and activities designed to attract those users displaced by the closing of similar courses in Chico and elsewhere in the region.

Protection, Mitigation, and Enhancement Measures from Recreation Management Plan:

- Provide primary funding for planning, design, and construction at the park. (P1)
- Construct new non-motorized boater put-in/take-out. (P1)

Bedrock Park

- Introduce more active uses to the park, such as horseshoe pits and bocce courts.
- Promote more regular use of the park by school and community groups for small-scale performances at the park's amphitheater space.
- Add bioswales and trees/plantings in the parking area and surrounding the public restroom area to capture storm-water and reduce the amount of runoff creating erosion near the Brad Freeman Trail below.
- Coordinate future expansion or development of the park with the planned activities identified for the nearby skate park.

Protection, Mitigation, and Enhancement Measures from Recreation Management Plan:

- Construct new non-motorized boater put-in/take-out. (P1)

Thermalito Forebay

- Introduce new signs and other marketing materials in downtown Oroville directing local residents and visitors to the forebay to increase usage.
- Pave or otherwise improve the surface of the Brad Freeman Trail around the forebay.
- Improve the shoreline to provide designated fishing access along the shore, such as creating fishing piers or concrete pads for users to place chairs or coolers, for example.

Protection, Mitigation, and Enhancement Measures from Recreation Management Plan:

North Thermalito Forebay:

- Conduct feasibility study to evaluate warmer water swimming options at the day use area. If feasible and cost-effective, construct new swimming area. (P1)
- Provide a fish cleaning station at the day use area. (P1)
- Construct short shoreline access hiking trails for fishing access. (P1)
- Construct a new loop trail (approximately 1 mile in length) near the shoreline, as well as other new trails. (P1)
- *Programmatic PME:* Monitor water quality and maintain coordination with public agencies at existing swimming facilities; and provide annual operations and maintenance. (P1 to P5)

South Thermalito Forebay:

- Provide ADA-accessible fishing pier or platform at the South Thermalito Forebay day use area. (P1)
- Provide improved landscaping, a sandy beach, 5 to 10 picnic tables, shade trees, and shrubs at the South Thermalito Forebay day use area. (P1)

Thermalito Afterbay

- Introduce new signs and other marketing materials in downtown Oroville directing local residents and visitors to the Afterbay to increase use.
- Pave or otherwise improve the surface of the Brad Freeman Trail around the Afterbay.
- Plant trees or otherwise construct a windbreak at the western edge of the Afterbay to reduce wind speeds across the Afterbay and surrounding recreation areas.
- Identify additional classes and activities that can use the Afterbay, including new uses that could be provided by Butte College and California State University, Chico, students and faculty.

Protection, Mitigation, and Enhancement Measures from Recreation Management Plan:

- Provide roadway directional signs at the Wilbur Road Boat Ramp and Larkin Road Car-Top Boat Ramp day use areas. (P1)
- Based upon monitoring results, construct 5 to 10 vehicle parking spaces at the Wilbur Road Boat Ramp day use area, if needed. (P2 to P5)
- Construct 5 to 10 new picnic tables with pole stoves and shade ramadas at the Larkin Road Car-Top Boat Ramp day use area. (P1)
- Provide a new sandy beach at the Larkin Road Car-Top Boat Ramp day use area. (P1)
- Provide new designated primitive RV/tent camping area at the Oroville Wildlife Area north of the Thermalito Afterbay Outlet Area. (P1)

- Provide a new designated day use area at the Thermalito Afterbay Outlet Area, including 5 to 10 picnic tables, vault toilet buildings, and roadside directional signs. (P1)
- Apply new gravel to existing access roads in the Thermalito Afterbay Outlet Area. (P1)

Oroville Wildlife Area

- Construct new formal drive-in campsites in locations throughout the OWA close to the Brad Freeman Bicycle Trail and other access roads.
- Improve the surface of the Brad Freeman Trail surrounding the OWA.
- Improve and implement clear way-finding signage to mark connections between roads and trails in the OWA.
- Designate and construct official areas for accessing the OWA from elevated roads and trails.
- Increase pedestrian and hiker access to the various features of the OWA by conducting volunteer-led nature hikes.
- Create permanent duck blinds and other hunting resources along oxbow lakes and other known bird and animal habitats.

Protection, Mitigation, and Enhancement Measures from Recreation Management Plan:

- Provide two Watchable Wildlife sites, including new trash receptacles, vehicle barriers, gravel shoulder parking, signs, and possible site hardening and closure measures. (P1)
- Designate existing non-motorized boater put-ins/take-outs at the OWA Outlet area and add one river access site downstream. (P1)
- *Programmatic PMEs:* Prepare and implement an OWA Management Plan in conjunction with the Department of Fish and Game (DFG); provide operations and maintenance; and coordinate with DFG to maintain and enhance existing access opportunities for hunting and fishing. (P1 to P5)

Hewitt Park and Historic Steam Train

- Improve way-finding and signage to inform and direct visitors.
- Remove cyclone fencing and barbed wire to make public interaction with the steam engine possible.
- Identify organized uses for the park, such as horseshoe or bocce tournaments, barbeques, and craft fairs, which make use of the park's amenities.
- Improve pedestrian connections to the park from surrounding neighborhoods.

Lime Saddle Marina and Recreation Area

- Improve way-finding and signage along SR-70 and Pentz Road to alert travelers to these areas' existence and service offerings.
- Separate RV and tent camping areas at the Recreation Area to provide greater privacy and amenity provision for each group.
- Integrate a waterborne connection between the Lime Saddle area and the lower Lake Oroville area near the dam.
- Consider establishing a road bicycling route along Cherokee Road from the spillway or dam to the Lime Saddle area, with a waterborne shuttle to return cyclists and equipment to their starting point.

Protection, Mitigation, and Enhancement Measures from Recreation Management Plan:

- Provide American Disabilities Act (ADA) improvements at the Marina and boat ramp day use picnic sites. (P1)
- Conduct a feasibility study of potential swim facility options (P1) and, depending upon the results of the study, provide and operate a new swim facility. (P2 to P5, threshold dependent)
- Provide one additional boarding dock to supplement the existing gangway and dock system. (P1)
- Provide new day use picnic area with tables, ramadas, and pole stoves. (P2 to P5, threshold dependent)
- Provide a non-motorized trail linking the existing campground with the boat ramp area around Parish Cove. (P1)
- Upgrade and replace older picnic tables and pole stoves. (P1)
- Provide 10 additional standard RV campsites and one 6-unit group (50-person) campsite. (P1)
- Evaluate feasibility of a concessionaire-operated campground activity center and store. (P1)
- Provide 25 to 60 new RV/tent campsites (P2 to P5, threshold dependent)
- Construct approximately 60 new Boat Ramp/Marina parking spaces near the existing parking lot. (P1)
- Provide 1 new group campsite. (P2 to P5)
- *Programmatic PME:* Ensure adequate debris removal at boat ramp and adjustment of boarding docks; provide boaters with information about substitute boating facilities; provide annual operations and maintenance. (P1 to P5)

Tourism Assets

The following opportunities were identified for tourism assets in the Study Area.

Lake Oroville Visitor Center

- Improve connections between the facility and the Dan Beebe Trail with clear and effective signage.
- Consider tying historic and other local assets into viewpoint placards on the observation tower.

Protection, Mitigation, and Enhancement Measures from Recreation Management Plan:

- Provide Interpretation and Education (I&E) Program and other enhancements(P1)
- Provide additional parking if needed. (P2 to P5, threshold dependent)

Feather River Fish Hatchery Visitor Area

- Designate clearly marked paths from the bicycle/pedestrian bridge across Table Mountain Boulevard to the Fish Hatchery Visitor Area.
- Improve access points to the River by providing a boardwalk, stairs, or viewing decks from the Visitor Area to the River's edge.
- Update Visitor Area signage with current information regarding hatchery operations.
- Improve signage to include a walking tour through the Visitor Area so that visitors can follow a clearly defined path with progressive informational placards and engage in a more complete experience.

Protection, Mitigation, and Enhancement Measures from Recreation Management Plan:

- Construct a paved trail from the Fish Hatchery downstream to the edge of the FERC (Oroville Facilities) boundary, potentially linking to another paved trail (completed by an agency other than DWR) on the north side of the Feather River from Riverbend Park north to the FERC boundary. (P1)
- Enhance existing non-motorized boater put-in at the Fish Hatchery day use area (or vicinity). (P1)
- Provide additional interpretive signs and/or kiosks. (P1)

Protection, Mitigation, and Enhancement Measures from Appendix A of the Settlement Agreement:⁶⁵

- Feather River Fish Hatchery Improvement Program, as detailed in Appendix A, Article A107 of the Settlement Agreement, requires DWR to oversee or complete the following environmental provisions associated with the Feather River Fish Hatchery: continued operation of the Fish Production Program; ensuring appropriate water temperatures at the facility; completion of a Management Program for the facility; installation of a water supply disinfection system, if necessary; and annual operations and maintenance.

Chinese Temple

- Construct a clearly marked pedestrian path between the levee and the temple to improve access to the Brad Freeman Trail and thereby improve connectivity between the temple and other assets along the trail.
- Add signage at the temple, as well as along the Brad Freeman Trail, noting the presence and location of each other.
- Improve way-finding along Montgomery Street, Broderick Street, and other areas directing visitors to the temple.
- Consider increasing operational hours, as well as providing guided horticultural or botanical tours of the gardens.
- Expand the City's property holding to vacant areas adjacent to the temple, and construct traditional Chinese landscaping or garden designs, such as a Ming Dynasty scholar's garden.
- Identify other historical Chinese assets in the local, or regional area, and coordinate or tie-in these assets to the temple through an expanded local tour or regional marketing effort.

Pioneer Memorial Museum

- Seek out opportunities to transition the north side of Montgomery Street away from automotive uses and encourage additional tourism uses along this area.
- Increase or otherwise improve signage along Montgomery Street, Orange Avenue, and Oroville Dam Boulevard alerting visitors to the museum's location and attractions.
- Consider relocating the museum, if feasible, near the Chinese Temple and Antique Tool Museum or along the levee between Downer Street and Pine Street.

⁶⁵ Appendix A of the Settlement Agreement includes PME's "recommended to be included in the new project license." Settlement Agreement for Licensing of the Oroville Facilities FERC Project No. 2100, dated March 2006.

C.F. Lott Home and Sank Park

- Update signage on-site and establish signage along Oroville Dam Boulevard, western Montgomery Street, and Feather River Boulevard alerting visitors to the asset's location and service offering.
- Consider removing fencing around the park to blend the asset into the surrounding area and remove the barrier between public spaces (park and sidewalk).
- Create a walking tour of historic assets in the downtown area.
- Open the C.F. Lott Home to Sunday afternoon tea year-round; expand the service offering to not only include tea and snacks, but also gift shop-style items (e.g., tea and accoutrements, infusers, or tableware in period styles).

Feather River Nature Center and Bath House

- Improve access to Old Ferry Road from the roundabout for pedestrians and cyclists.
- Increase visitor access to the Bath House and improve interpretive signage in the Bath House gardens.
- Create a more obvious entrance to the area with signage and a designated bicycle/pedestrian path.
- Remove underbrush and crowded vegetation to increase lines-of-sight and visitor safety.
- Expand lighting design to brighten darkened areas of the grounds, as well as trail access under the bridge.
- Improve trail access under the bridge and connect to the Brad Freeman Trail to the west.
- Close unsafe access to the railroad tracks above the Nature Center grounds.

State Theater

- Renovate the building's lobby area.
- Increase regular use of the facility by incorporating daily events (e.g., movies), which will attract local visitors away from similar amenities in Chico and surrounding areas.
- Identify partnerships with local businesses and restaurants to provide retail and food services before and after theater events.

The Depot and California Display Garden (privately owned)

- Create way-finding to and signage for the Depot and California Display Garden.
- Improve the garden's service offering and landscaping and initiate guided horticultural or botanical tours of the garden.
- Create a walking tour of public gardens in the downtown area, including the California Display Garden and Chinese Temple garden, as well as others, where possible.

Municipal Auditorium

- Pursue a long-term planning process in the area around the Municipal Auditorium to achieve the following goals:
 - Change land uses to include less parking and more commercial activity.
 - Ensure that building density on all sides of the Municipal Auditorium reflect the scale and urban form of the adjacent central business district.
 - Improve the pedestrian environment by adding new pathways and linkages to the levee and the Brad Freeman Trail.
 - If possible, reconstruct the Municipal Auditorium’s north-facing façade to be more open to the levee, including adding new windows, providing public access from the Brad Freeman Trail and the levee, or constructing an addition to the facility with classrooms overlooking the River.
 - Remove excess paving along the Municipal Auditorium’s eastern and western sides to incorporate grassy areas with benches, bio-swales to capture storm-water runoff, and shade trees covering parking and new grassy areas.
- Consider adding new or relocating existing fitness and art classes during favorable weather periods to nearby underutilized park spaces, such as the southern end of Riverbend Park or the Feather River Nature Center area.
- Update the building’s south façade to reflect architectural elements found in the downtown area.

Centennial Plaza

- Extend pedestrian landscaping and lighting along the levee beyond the plaza.
- Create additional pedestrian elements, such as a stone labyrinth path or meditation garden, to broaden the plaza’s appeal to visitors.
- Establish a connection between the plaza and the downtown area, specifically the civic uses along Montgomery Street and the Municipal Auditorium.
- Identify seasonal events for the plaza, such as wine and olive oil tastings, small-group music performances, and art or other educational classes.

Bolt’s Antique Tool Museum

- Increase signage downtown directing visitors to the museum.
- Larger and brighter signs on the building itself could more obviously indicate its function as a museum.
- Pedestrian facilities (e.g., sidewalks and pathways) could be improved in the museum’s immediate vicinity to provide connectivity to both downtown and the adjacent levee.

Potential Threats to Recreation and Tourism Asset Improvements

Map 5-3 highlights some of the potential challenges for recreation assets. Listed below are potential external threats to recreation and tourism assets in the Study Area that could negatively affect these assets' use or competitiveness in the local and regional markets:

- Paving or otherwise improving large portions of the Brad Freeman Trail (particularly in the OWA and around the Thermalito Afterbay and Thermalito Forebay) could prove to be cost-prohibitive.
- Negative or absent perception of Oroville among non-residents.
- Oroville's recreation and tourism assets are not well-marketed outside the local area.
- Traveling distance to the Study Area from major metropolitan areas increases regional competition from other destinations of a similar distance.
- No cohesive planning or strategy for the Study Area's recreation or tourism assets.
- No locational efficiency among tourism assets; facilities are spread out across the downtown area sufficiently to make walking infeasible.
- The presence of SR-70 could prevent Riverbend Park from ever establishing a strong connection with downtown Oroville.
- Economic considerations could prevent further development in the downtown business district, particularly in the area around the Municipal Auditorium.
- Continued development and a majority of travelers along Oroville Dam Boulevard reduces attractiveness of the downtown commercial area to local businesses.
- Automotive uses along Montgomery Street significantly reduce the pedestrian experience along the downtown's main thoroughfare.
- Excess vehicle-oriented infrastructure reduces residents' and visitors' willingness to walk and bicycle between assets.
- Entry to the Study Area along SR-70 is visually unappealing and detracts from showcasing the area's service offerings.
- Underutilized property on the northeast corner of Montgomery Street and SR-70 gives travelers a perception of limited service offerings in the area (the Oroville RDA is working with developers and investors to improve this property with a hotel, restaurants, and other commercial opportunities for both local residents and visitors, as well as highway travelers).
- Locating the majority of hotels and motels along Feather River Boulevard constrains visitor travel to or awareness of assets in the downtown area and along the River.
- Little to no connection among local recreation assets and regional recreation assets (i.e., no regional trail connections and no connection of historic assets to others in the region).

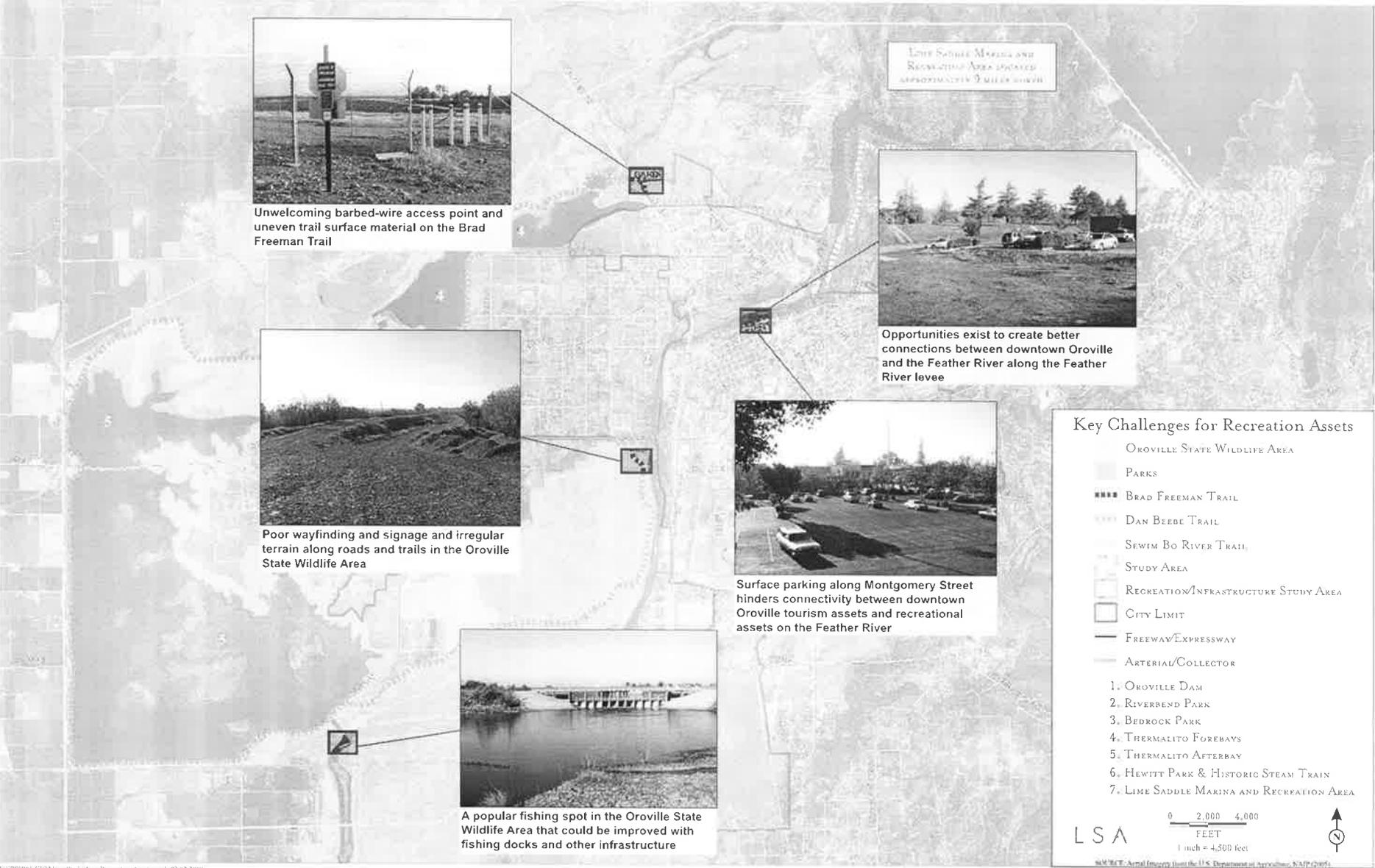
- Underutilized properties in the downtown area, as well as properties used for other than designed purposes (e.g., county government offices in commercial locations, housing in the former hotel) are unattractive to visitors.
- Perception of safety concerns along trails and in parks detracts additional visitors.
- Lake Oroville's service offerings compete with those provided at the Forebay and Afterbay.
- Formal gateway along Feather River Boulevard is not easily seen from SR-70; no formal gateway at Montgomery Street introducing visitors to the Study Area's service offerings.

Conclusions

The Study Area contains a significant number of both recreation and tourism assets that afford a diverse set of potential experiences to local and regional visitors, but the lack of a comprehensive strategy for managing, improving, and marketing these assets hinders their competitiveness in the regional market. Entryways to the area fail to showcase what the area has to offer visitors, and the existing infrastructure and development patterns inhibit pedestrian and bicycle travel between assets, limiting the amount of time visitors spend in the area. Similarly, a lack of connectivity among assets decreases visitor awareness of each asset's location and service offering—a visitor's experience at one asset, for example, does not induce corollary visitors to nearby assets because the connection is not well-established or made clear through signage and way-finding.

A long-term strategy for improving the marketing and use of both recreation and tourism assets would identify synergies among each group of assets, build connections among assets, and identify target markets for the various service offerings according to the types of visitors likely to use each type of asset. Better regional connectivity of recreation assets, for example, coupled with improved regional marketing of the OWA, Thermalito Afterbay, Brad Freeman Trail, and the various parks throughout the Study Area would attract overnight visitors seeking a variety of active recreation opportunities. Improving the visual aspect of entryways to the area by creating a formal gateway at Montgomery Street and SR-70 and blocking unattractive land uses adjacent to SR-70 with plantings would improve traveler perceptions along SR-70. The planned Gateway Project for the vacant property at Montgomery Street and SR-70 (such as a restaurant, a hotel, or other highway-commercial use with local appeal) could induce travelers to stop in Oroville and create opportunities for these visitors to further explore the area.

Seasonal events, attractions, and activities that are promoted at a regional level can bring new visitors to the area and expose them to additional assets the Study Area has to offer. Examples of such activities include marathons, triathlons, bicycle races, fishing tournaments, and disc golf tournaments, as well as harvest festivals, olive oil pressing, wine tastings, historical events, and craft fairs. Year-round additions to the service offerings should also be considered, including movies and other performances at the Municipal Auditorium and art and fitness classes held at local parks. Increased regular use of park spaces, coupled with the incorporation of CPTED



Unwelcoming barbed-wire access point and uneven trail surface material on the Brad Freeman Trail



Opportunities exist to create better connections between downtown Oroville and the Feather River along the Feather River levee



Poor wayfinding and signage and irregular terrain along roads and trails in the Oroville State Wildlife Area



Surface parking along Montgomery Street hinders connectivity between downtown Oroville tourism assets and recreational assets on the Feather River



A popular fishing spot in the Oroville State Wildlife Area that could be improved with fishing docks and other infrastructure

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techniques at high-risk areas of parks and open spaces, can increase perceptions of visitor safety and elevate daily use of underutilized spaces.⁶⁶

As noted in **Chapter 4** of this report, automotive uses along Montgomery Street, existing motorized transportation infrastructure, and available free parking throughout the area decrease visitor willingness to explore the area on foot or bicycle. Exploring options to transition the automotive uses from the downtown area to Oroville Dam Boulevard, coupled with the creation of additional pedestrian-focused amenities along Montgomery Street, would improve the visitor experience in the downtown area and create opportunities to reconnect the downtown with the River. Similarly, creating a pedestrian-only mall in the downtown area by closing off a portion of one or two streets to vehicle traffic could induce additional visitors to the downtown commercial district. Examples of this pattern can be seen in many metropolitan areas, such as Sacramento and San Diego, as well as in smaller communities, such as Davis and Santa Monica. Inducing commercial activity in this area with ties to the River and its use can increase use of and connections between the City and the River.

A comprehensive management strategy and implementation plan for improving the cohesion of the parks and recreation areas as a whole can identify synergies between assets and identify areas of improvement. The Study Area is well-served by recreation assets; additional park space is unlikely to provide any tangible benefit to the local community or its recreational service offering. Instead, improving access to underutilized spaces and increasing opportunities for camping, fishing, and boating at various points throughout existing park spaces can make these assets more competitive in the regional market. Additional camping areas could be created between the spillway and the dam (in the open space adjacent to the power plant) for controlled, seasonal use, which would provide additional revenue. Constructing a fishing pier on the south bank of the River across from the afterbay outlet could increase access to this prime fishing spot for greater numbers of anglers, reducing competition among anglers and the potential safety concerns that have arisen in the past from overcrowding in this area.

Finally, actively seeking out new light manufacturing opportunities that could be located in vacant parcels along Feather River Boulevard and might produce recreation-focused products (such as kayak or canoe manufacture, fishing rod or reel construction, and other similar uses) could provide economic benefit to the local community and increase visitor awareness of the area's service offerings. Similar patterns have resulted in Winnebago County, Iowa; Park Falls, Wisconsin; and Ferndale, Washington, where manufacturing facilities have induced local use of products crafted in the area. Secondary opportunities for visitor experiences that can result include facility tours, product testing events, new product showcases and launches, and other activities designed to increase awareness of products and take advantage of local amenities. These activities can draw visitors to the area for overnight or multiple-day trips, further increasing the economic benefit of locating such facilities in the local area.

⁶⁶ Additional information regarding the concepts and practices of CPTED, including how design and landscape elements can increase safety and improve public perception of spaces, can be found through the International CPTED Association's Web site: <http://www.cpted.net>.

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6. RECREATION AND TOURISM IMPACTS ON THE LOCAL ECONOMY

Introduction

Recreation, and its associated tourism activities—particularly linked to Lake Oroville and the River—is a key asset of the Oroville area. This chapter discusses the role of recreation and tourism in the Study Area. It contains a profile of visitors and their recreational and tourism activities, forecasts future trends that may provide funding opportunities for the SBF, and contains an analysis of the economic impacts of these activities on the local economy.

Recreation and tourism impacts can be evaluated from several different perspectives. This chapter is broken up into four major segments, each of which represents a major perspective on existing and potential future impacts:

1. Visitor Trends, Profile, and Lodging.
2. Local and Non-Local Spending Patterns.
3. Economic Impacts of Recreation and Tourism and Operations and Maintenance Spending.
4. Recreation and Tourism Marketing.

For each of these segments, there is a set of key findings, followed by an analysis of relevant issues.

Information Sources

EPS reviewed several recently prepared reports analyzing tourism and recreation issues at the state, regional, and local levels:

- City documents related to tourism, economic development, and recreation.
- County documents related to tourism, economic development, and recreation.
- City and County General Plan Updates and supporting EIRs.
- State agency reports on tourism.
- Media articles regarding tourism and recreation.

Appendix A contains a complete list of these documents. At the local level, EPS also reviewed several additional studies and reports prepared in association with the relicensing of the Oroville Facilities, a process that required extensive, detailed analysis of local recreation and related tourism activities. Between 2002 and 2004, DWR conducted numerous studies regarding the existing level of facility use, visitor profiles, and the economic and fiscal impacts of recreation activities. To complete these studies, researchers relied not only on traditional economic modeling tools but also developed special models capable of analyzing impacts at a smaller geographic level than traditional tools allow. Specifically, DWR conducted numerous surveys during 2002 and 2003 to develop a detailed profile of visitors to the Oroville Facilities. The information gathered through surveys was also used to create an economic impact model capable of estimating fiscal and economic impacts, created by the Oroville Facilities, on the City and on other nearby cities benefiting from these facilities.

Because Oroville's recreation facilities are largely the same and visitor volumes have not changed dramatically since 2002, the structural findings of the DWR reports remain valid. As a result, the analysis of recreation and tourism impacts on the local economy described in this chapter draws heavily on DWR findings from the relicensing process. Specifically, these documents provided key, locally based analysis related to Oroville's recreation and tourism economy:

- R-3: Assessment of the Relationship of Project Operations and Recreation (Final).
- R-9: Existing Recreation Use (Final).
- R-12: Projected Recreation Use (Final).
- R-18: Recreation Activity, Spending, and Associated Impacts (Final).
- R-19: Fiscal Impacts (Final).

Where available, this chapter provides updated information. In addition to these and other secondary sources, this chapter contains original analysis for other topics that are important to the mission of the SBF that were not previously analyzed as part of the relicensing process or other economic development efforts.

Visitor Trends, Profile, and Lodging

Key Findings

6-1. Oroville offers many of the rural tourism assets that are anticipated to appeal to key target markets statewide.

6-2. Historic visitation levels appear to be tied to lake levels and have varied accordingly.

While the DWR projected conservative but steady growth in visitation over the next 40 years, it is more likely that visitation levels will depend on several other climate-related factors, including lake levels, fish populations, and other natural occurrences.

6-3. To date, visitors to the Oroville Region are predominantly from Northern California, share the same demographic characteristics as the County, and participate primarily in water-related activities.

6-4. Statewide recreation and travel trends suggest that Oroville is ideally suited as a visitor destination.

Oroville is well-positioned to provide active and passive recreation opportunities to families with children, for family reunions, and for weekend travel.

6-5. Local lodging offerings do not appear to provide adequate space or amenities for large-scale business retreats or group trips.

Visitors currently choose between economy hotels and motels along SR-70, house-boats on or camping along Lake Oroville, and a few B&Bs that provide a more intimate setting along the River. Also, existing lodging opportunities do not include adequate convention or meeting space required to host larger groups or conventions.

Statewide Rural Tourism Trends

According to the California Travel and Tourism Commission (CTTC), tourism in rural counties accounts for more than 30 percent of California's total travel spending and generates nearly 40 percent of tourism employment statewide. The CTTC identifies the following major sources of demand for rural tourism:

- State and national parks
- Outdoor recreation
- Festivals and events
- Agricultural tourism
- Environmental wonders
- Scenery
- Small-town atmosphere

Currently, the largest target market for rural tourism is the 45–64-age segment, though other segments include visitors to major gateway cities (e.g., San Francisco); out-of-state and international visitors; families; as well as people who have historical or cultural interests, enjoy camping, adventure, or environmental-based travel, and those interested in wine and food travel, outdoor recreation-based travel, and experiential vacations. In the future, rural tourism also has an opportunity to serve younger segments; the experiences offered by rural tourism can help shape the image of these places as destinations for younger people who have not yet determined specific locations for leisure travel.⁶⁷

Recreation and tourism in the Study Area fits the profile of rural tourism described above; as detailed in **Chapter 5**, Lake Oroville abounds with recreation opportunities and scenic views, while the small-town setting plays host to local events and promotes nearby wineries. The following sections contain specific detail regarding the number of visitors, their demographic traits and spending patterns, and available lodging in Oroville.

Oroville Recreation and Visitor Profile

Recent Visitor Volume

California State Parks tracks the annual number of visits (defined as the attendance by a person to one facility for any portion of one day⁶⁸) to the Lake Oroville State Recreation Area (Lake Oroville SRA). Regularly reported historical data for recreation facilities outside the Lake Oroville SRA, including the Thermalito Afterbay and other facilities, is unavailable. However, surveys conducted in 2002 estimate approximately 350,000 visits for these other facilities, raising the total number of visits to the Oroville Facilities to approximately 1.7 million in 2002.

⁶⁷ CTTC Rural Tourism Strategic Plan, 2007.

⁶⁸ Someone who visits Oroville for a weekend may visit multiple facilities and would, therefore, be counted multiple times.

As **Figure 6-1** shows, visitor levels to the Lake Oroville SRA since 1996 have been highly variable, ranging between 430,000 and 1.3 million annually. These rates appear to be cyclical, and are influenced by several factors:

- **Lake Levels.** Previous research, as far back as 1992, suggests that there is a tendency for visitation to be negatively affected by low lake levels, which impact people's ability to engage in water-related recreation, such as house boating, water skiing, and wake boarding.⁶⁹ This year, the annual Bass Tournament has been delayed because of low lake levels, and the anticipated drought will likely have a significant impact on activities at the lake this coming summer.
- **Other Natural Occurrences.** California State Parks attributes the extremely low number of boat launches in the Lake Oroville SRA during 2008 to the wildfires that occurred over the summer. These and other natural occurrences, some caused by climate change, have the potential to affect visitation patterns.
- **Availability of Fish.** Lake Oroville and the River are particularly known for salmon and steelhead trout fishing. In May 2008, the California Fish and Game Commission banned fishing of salmon on many rivers statewide, including the River, because of the staggering decline in the salmon population. Continuing low levels of fish could significantly impact residents' and visitors' ability to participate in one of the area's most popular recreation activities.

Visitor Projections

DWR projects recreation levels to grow by about 1.5 percent annually through 2050, by which time overall visitation levels are anticipated to reach about 3.5 million, more than double the level of recent counts (**Table 6-1**). However, these projections are based on an internal model that shows 2050 lake levels that are the same as today and an average growth rate ranging between only 1.4 and 2.0 percent annually. In fact, DWR's model adjusted the 2000–2003 baseline data to be consistent with Lake Oroville's 25-year historical average. The only independent variable in the DWR model was population growth, and the projections appear to be based largely on projected population growth and historical, average visitation data.⁷⁰ It is possible that future visitation patterns will continue to be highly variable and will be more closely linked to lake levels, availability of fish, and the overall ability to enjoy Oroville's natural setting.

Visitor Demographic Profile

Lake Oroville is primarily a destination for Northern California residents; about 80 percent of Lake Oroville's visits originate from Northern California (**Table 6-2**).

County residents comprise about half of the visits to the Lake Oroville SRA, while approximately 20 percent come from other northern Sacramento Valley counties within day-trip distance. The remainder originates from Bay Area counties (about 10 percent) or somewhere outside Northern California (20 percent). Statewide projections predict substantial population growth

⁶⁹ DWR R-3 Operation Impacts on Recreation.

⁷⁰ Projected Recreation Use (R-12) Prepared by DWR, May 2004, p. RS-2.

accompanied by increases in both personal and household income; in the short term, the Sacramento Region is anticipated to be the fastest-growing region statewide.⁷¹ The increased spending potential from these local and other Northern California residents in the future present an opportunity for rural tourism to capture a portion of this discretionary income.

About 80 percent of visitors are non-Hispanic Caucasians, followed by 8 percent Latino/Hispanic, and 3 percent Asian (**Table 6-3**). While this data cannot be compared directly to the racial profile of the Study Area,⁷² there appears to be some similarity in that both visitors and residents are predominantly non-Hispanic, while statewide, Hispanics made up about 35 percent of the population in 2005.⁷³ Statewide, Hispanics are expected to be the single largest ethnic segment by 2012; it is likely that the share of Hispanic visitors to the Lake Oroville SRA will increase over time, perhaps substantially. The growth of this ethnic group statewide presents the Study Area with an opportunity to attract a new and expanding population segment.

Household income data collected through the relicensing process suggests that visitors may enjoy relatively higher incomes than County and Study Area residents; while the data cannot be compared for most income brackets, about 15 percent of Oroville recreation facilities visitors have household incomes exceeding \$100,000 in 2003, compared to 13 percent for the County and 7 percent for the Study Area in 2008.

Visitor Activities

CTTC's Rural Tourism Program cites several key rural tourism assets, including a recreation setting, special events, and agricultural tourism. As **Table 6-4** indicates, the Study Area offers nearly every one of these assets and has the potential to expand or provide others.

Primary Recreation Activities

The bulk of Lake Oroville SRA visits are associated with water-related activities. As **Table 6-5** indicates, these visits are predominantly day-visits at the free facilities, which include the remote boat launch areas (Foreman, Nelson Bar, Vinton Gulch, Dark Canyon, Enterprise, and String Town) and the Lake Oroville Visitor Center. The remaining day-visitors frequent fee-based facilities, including Loafer Creek, the Spillway, Bidwell Canyon, the Forebay, and Lime Saddle Marina. Overnight campers comprise the smallest share of visitors.

Between the mid-1990s and early-2000s, visitors primarily engaged in fishing-related activities (**Table 6-6**). In 1996, about one-fourth of visitors cited boat fishing as one of their primary activities, followed by water skiing and wakeboarding, motor-boating, and relaxing. In 2002 and 2003, visitors cited bank fishing, motor-boating, and boat fishing as their single, primary activity; in 2003 and 2004, boating, sightseeing, and bank fishing were the most popular activities in the Lake Oroville SRA (**Table 6-7**).

⁷¹ CTTC Rural Tourism Program, p. 77.

⁷² The DWR survey included Latino/Hispanic as one of the racial/ethnic categories, whereas the Census and Claritas treat Latino/Hispanic solely as an ethnic category, not a racial category. As a result, the Census data includes Latino/Hispanic people in each of the racial categories.

⁷³ Woods & Poole Economics, Inc., 2008 State Profile.

Regular visitors primarily use Lake Oroville SRA for boat fishing, while occasional, infrequent, and first-time visitors primarily use Lake Oroville SRA for relaxing (likely in the form of house-boating) and tent-camping (**Table 6-8**).

California State Parks tracks the number of boat launches each year in the Lake Oroville SRA. Launches range between roughly 40,000 and 80,000 in any given year, as shown in **Table 6-9**. The number of boat launches appears to be related to lake levels; when Lake Oroville becomes very low by mid-summer, it can be difficult or even impossible to use the main boat ramps, many car-top ramps, and swimming areas.⁷⁴ To the extent that significant draw-down of water occurs, especially during the summer months, the amount of water recreation occurring on Lake Oroville will continue to vary.

Primary Non-Recreation Activities

Thirty percent of visitors to Lake Oroville's recreation facilities frequent restaurants, bars, go to a movie/theatre, or shop; generally, these are the most popular types of activities for families (**Table 6-10**). More than 60 percent of visitors to the Low-Flow Channel area (the upper section of the River, south of the dam) tend to participate in these same activities but also attend concerts/festivals. This rate is lower than the national average—about 75 percent of adult travelers engaged in a cultural activity or event in 2006 (e.g., performing arts events or visiting art museums or antique shops).⁷⁵

Future Activities and Travel Trends

Visitors expressed interest in additional beach access and swimming areas, as well as other active water sports activities (e.g., kayaking and athletic competitions), as shown in **Table 6-11**. DWR anticipates that future visitors will also seek a high level of hiking, walking, and sightseeing activities (**Table 6-12**).

The CTTC has identified some key demographic segments whose activities and interests align with the offerings of rural tourism:

- **Families with Children.** About one-fourth of trips in the U.S. include children. Predominantly leisure trips, these vacations are often centered on visiting friends and relatives; families primarily engage in shopping, attending a social/family event, outdoor activities, visiting the beach, and going to an amusement park. While the Study Area does not offer all of these activities, it does provide a significant source of family-oriented recreation opportunities and could accommodate other family-related events, such as additional amusement opportunities and athletic competitions.
- **Weekend Travel.** Weekend travel is becoming increasingly popular across the nation. These travelers prefer visiting cities (33 percent), small towns (26 percent), beaches (16 percent), mountain areas (10 percent), lake areas (4 percent), state or national parks

⁷⁴ DWR Report (R-3) Assessment of the Relationship of Project Operations and Recreation. May 2004.

⁷⁵ CTTC Rural Tourism Strategic Plan, p. 77.

(3 percent), and theme or amusement parks (3 percent).⁷⁶ The Study Area offers a combination of these features—small town, lake area, and state park—that have the potential to appeal to many weekend travelers coming from nearby areas, such as the fast-growing Sacramento Region and larger Bay Area Region.

- **Family Reunions.** Nationally, one in five adults took a trip to attend a family reunion in 2006; while about half of these reunions took place at someone's home, popular alternative locations included city/town parks (12 percent) or national/state parks (6 percent).⁷⁷ The Study Area offers an array of activities and a rich natural setting that would be suitable for family reunions.

In addition, two other travel trends cited by the CTTC may favor the Study Area as a destination in the future. First, Americans are increasingly aware and sensitive to environmental issues; particularly in California, residents value clean air, nature, and access to pristine wildlife areas. The CTTC contends that, as a result, rural areas will become increasingly significant to travelers. The Study Area provides many recreational activities occurring in a natural setting—to the extent that environmentally friendly activities are promoted and environmentally sensitive practices are incorporated into these activities, the Study Area has a chance to capitalize on this growing awareness and appreciation for nature.

The second trend relates to the ever-shrinking amount of vacation time people have and the desire to maximize the amount of time spent visiting and recreating while on vacation. This maximization can occur in one of two ways: by reducing travel time, which the Study Area can do by attracting visitors from less than a few hours driving distance, and by reducing the amount of hassle during the vacation through easy booking and convenient transportation to, from, and in the destination area. To the extent that the Study Area can provide easy access to and in recreation areas, sightseeing locations, and lodging and eateries, it can strengthen its image as an easy, hassle-free destination for Northern Californians.

Lodging Infrastructure

The Study Area has a variety of lodging options, including hotels/motels, camp sites, RV parks, and houseboats. This section focuses on motels, hotels, and inns by type of lodging segment; these establishments generally produce public revenues through the payment of TOTs and support more jobs per room, compared to other lodging (e.g., camping). In addition, these factors have a stronger ability to stimulate economic development in the Greater Oroville Area, as is discussed more later in this chapter.

Budget/Economy Segment

The Study Area has an estimated 675 hotel rooms, nearly all of which provide budget or economy accommodations (**Table 6-13**). Many of the budget/economy hotels are located along Oro Dam Boulevard near SR-70. Budget hotels have rooms that generally range in price from

⁷⁶ CTTC Rural Tourism Strategic Plan, p. 77.

⁷⁷ CTTC Rural Tourism Strategic Plan, p. 79.

\$40 to \$75 per night and have basic amenities, such as laundry facilities, a continental breakfast, and an outdoor pool. One of these hotels (the Days Inn) also has RV parking.

Research associated with relicensing the Oroville Dam reveals that most of these hotels and motels were originally constructed in the 1960s to meet needs associated with construction of the Oroville Dam; while occupancy initially appeared to strengthen after the dam was completed, the number of times that hotel/motel ownership has changed hands suggests that hotel performance has not been as strong as anticipated.⁷⁸

Previous research also indicates that about half of the customer base comprises recreational visitors from outside the Study Area. Secondly, occupancy is highly seasonal; summer months represent the peak season, while fishing tournaments in the late spring and early fall help bolster occupancy during other months.

Midscale Segment

The remaining hotels in Oroville are midscale and are either associated with local casinos or are B&Bs; in either case, the midscale accommodations provide a more direct link to recreation by offering additional facilities or services. Feather Falls and Gold Country Casinos each have a hotel with approximately 85 rooms. Rooms are priced at around \$90 or more per night, and the hotels offer multiple sources of entertainment, including gambling, fitness, indoor and outdoor swimming, golf, restaurants, or bowling. Occupancy data for these casinos is not available.

There are also two B&Bs in the Study Area. Rooms range from approximately \$100 to \$175 per night, and these establishments offer additional amenities including guest parlors and billiards, wood-burning stoves, massage services, and fly-fishing lessons. Interviews with one of the B&Bs suggested that their guests, many of whom come from the Bay Area or Sacramento Regions, are actively interested in recreation activities. The B&B also hosts many families and people with pets.

Finally, developers are expected to open a new Holiday Inn Express with 66 rooms on Oro Dam Boulevard. This brand-new, midscale hotel will have rooms priced around \$120 to \$150 per night and will offer a range of amenities—laundry, indoor and outdoor pool, business center, and a lounge. This hotel will test the depth of the market for midscale accommodations in the Study Area and has the potential to attract both leisure and business travelers.

Other planned hotel development includes the Gateway Project, at the corner of Montgomery Street and SR-70; this project would likely attract a hotel of similar caliber to the Holiday Inn Express. This project also has the potential to provide additional meeting rooms, which are in short supply.

Upscale Segment

The Study Area does not have any upscale lodging accommodations, though there is interest by the PIC to attract this type of user, as mentioned in a previous chapter.

⁷⁸ Phase 2 Background Report: Economic and Fiscal Conditions. Recreation and Tourism Economy in Oroville, Study Plans R-18 and R-19, January 2004, p. 8-11.

In addition, Downtown Oroville has a historic hotel building, which could be an engaging site for a luxury hotel in the future. However, this building is privately owned and is used as a multifamily residential rental complex. A significant amount of site and building improvements would likely be needed to bring the building to code, and the financial feasibility of an upscale hotel use has not been studied.

Meeting and Conference Space

The Study Area has very limited space for conferences and large meetings/events. As **Table 6-14** shows, the State Theatre holds more than 600 people, though seating cannot be rearranged. Other large spaces include the conference center at the Gold Country Casino and the Municipal Auditorium. Most of the spaces, both indoor and outdoor, can comfortably accommodate smaller groups.

The provision of additional group meeting space could serve to accommodate existing users (e.g., tournaments, business, and sports-related events), as well as other potential future users (e.g., family reunions, business retreats, and other special events). The Gold Country Casino's large meeting space gives its hotel a competitive edge compared to other midscale accommodations in the Study Area.

Local and Non-local Spending Patterns

Visitor spending supports local jobs and businesses and generates public revenues at the federal, state, and local level, primarily through expenditures on paid accommodations and the purchase of retail goods and services (e.g., food/dining, transportation, and entertainment/recreation). In the Greater Oroville Area, spending by outside visitors generates new dollars to the local economy, while spending by local residents helps to retain dollars that likely would otherwise be spent outside the local economy.

Key Findings

- 6-6. Per-visit spending in the County is less than half of the statewide average and is spread across every single spending category.** County visitors spend a higher level of funds on ground transportation and motor fuel and food stores. They also spend a relatively lower share of funds on arts, entertainment and recreation, as well as air transportation.
- 6-7.** Salmon fishing attracts a large number of outside visitors, who generally come for at least a weekend.⁷⁹ Tournament fishermen, as well as individuals who fish as a hobby, have been a significant source of demand for budget/economy hotels in the Study Area. If the Study Area can maintain fish populations, it will continue to be a popular destination for these visitors.

⁷⁹ SWR R-18 Background Report.

Statewide and Butte County Trends

Table 6-15 shows the estimated amount of spending per visit statewide and in County; this table reveals several trends:

- Statewide, visitor spending appears to be spread across multiple categories. While the largest shares of spending are dedicated to food and beverage services (24 percent), about 17 to 18 percent of expenditures are spent on each of these categories: accommodations, ground transportation, arts, entertainment and recreation, and retail. On the other hand, relatively little is spent on food stores or air transportation.
- Per-visit spending in the County is less than half of the statewide average and is spread across every single spending category.
- Visitors to the County spend an equivalent portion of money on accommodations, food and beverage services, and retail.
- County visitors spend a higher level of funds on ground transportation and motor fuel and food stores. The high share of visitors to the County from Northern California and the level of boating activity associated with the Oroville Facilities probably drive these dynamics.
- Visitors to the County spend a relatively lower share of funds on arts, entertainment and recreation, and air transportation.

Local Trends

As part of the relicensing process, DWR created multiple models testing the impacts of recreation in Oroville and other cities. **Table 6-16** shows the portion of visitor spending associated with the Oroville Facilities dedicated to different types of goods and services by type of visitor. This table shows both the Oroville Model Area and the County Total, which reflects an aggregate of the models for Oroville, Paradise, Biggs-Gridley, and Chico.⁸⁰ This table illustrates these points:

- Spending in both the Oroville Model Area and total County Model Area is dispersed among multiple categories. The largest categories, comprising 18 percent or more of total spending, are food stores, auto dealers, and retail.
- Local Residents in the Oroville Model Area spend most of their recreation dollars on these same categories, while non-local residents spend a disproportionately high share (37 percent) on auto dealers/service stations. This data, along with other research conducted by DWR, suggests that many residents from other cities in the County spend most of their dollars in their respective cities and only buy fuel in Oroville.

⁸⁰ It is important to note that the County Total estimated by DWR in **Table 6-16** is simply an aggregation of the subcommunity models and solely reflects spending by visitors to the Oroville Facilities. The County Total discussed in the previous section and shown in **Table 6-15** reflects all visitors to the County and would include visits associated with California State University Chico and numerous other tourism and recreation destinations throughout the County.

Out-of-County residents spend a noticeably higher share of dollars on lodging, eating and drinking, and amusement and recreation. However, relative spending in these categories remains significantly lower than the statewide and countywide averages shown in **Table 6-15**.

Recreation-Related Spending in the Oroville Model Area

Table 6-16 shows DWR's estimate of County resident and non-resident daily spending for recreation at the Lake Oroville SRA. This table shows that a large share of these recreation dollars (\$20 to \$38 per resident) spent by residents of Oroville, Paradise, Biggs-Gridley, and Chico is retained by these cities; in other words, many of these residents recreating at the Lake Oroville SRA spend most of their associated dollars in their own cities before or after recreating at the Lake Oroville SRA.

- Because Oroville is closest to the Lake Oroville SRA, it also captures a larger share of dollars from residents of nearby cities (about \$7 per day per person) and residents outside the County (\$18 per day per person). This spending by non-Oroville residents represents new dollars added to the local economy.

Local Lodging

In 2007, visitors staying overnight in paid accommodations generated nearly 60 percent of total visitor spending statewide. In the County, approximately half of the leisure travelers spend the night. **Table 6-17** contains an estimate made by the City Tourism Plan of the number of leisure visitors to Oroville, based on County trends and City TOT levels; according to this estimate, approximately 80,000 people stayed in a hotel or motel in the City in 2007.

In the Study Area, hotels and motels are located in one of three jurisdictions: the City, the County, or sovereign territory. Guests of facilities in the City and County pay a TOT in addition to the price of the room—this tax revenue accumulates to the City or County and is used in different ways. The City spends a portion of this money to help fund the Chamber of Commerce, while the County uses its TOT revenue to fund tourism-marketing efforts. Guests staying at the casino do not pay TOT because the hotel is located in the sovereign territory of that tribe, nor do guests pay sales tax on any items consumed at the casino, such as food or recreation activities. It is because the casinos offer the only midscale hotel accommodations that they are capturing the demand of this entire segment (and any associated spending on-site) for this product type in the Study Area. The opening of the Holiday Inn Express will likely recapture a portion of this spending and generate additional public revenues for the City.

In addition to the general population segments described earlier in this chapter, the following segments will be key targets generating demand for lodging in the Study Area:

- Statewide, baby boomers are most likely to stay in a hotel, motel, or B&B on overnight trips (59 percent). These visitors will likely be attracted to the Study Area's proximity, natural setting, and range of low- and medium-impact activities (e.g., walking and fishing).

- Salmon fishing attracts a large number of outside visitors, who generally come for at least a weekend.⁸¹ Tournament fishermen, as well as individuals who fish as a hobby, have been a significant source of demand for budget/economy hotels in the Study Area. If the Study Area can maintain fish populations, it will continue to be a popular destination for these visitors.

Economic Impacts of Recreation and Tourism and Operation and Maintenance Spending

The California travel industry is the state's fifth-largest export-oriented industry; this industry accounts for 2.5 percent of the state's Gross Domestic Product. Statewide, visitors spent more than \$95 billion in 2007, which produced \$30 billion in industry earnings, supported nearly 1 million jobs, and generated approximately \$11 billion in tax receipts.⁸²

Table 6-18 shows these figures for California's rural counties. Spread across California's rural population, these figures translate to approximately \$2.05 in spending, 0.03 jobs, and \$0.12 in tax receipts per resident.⁸³ Within the domain of rural tourism, the County accounts for less than 1 percent of total rural spending, total rural tourism jobs statewide, and total rural tax receipts statewide.

Key Findings

- 6-8. *The cities in the County and the unincorporated areas of the County all benefit from local and non-local recreation-related expenditures, as well as the annual State spending to operate and maintain the Oroville Facilities.***
- 6-9. *With the majority of the activity centered there, the Oroville Model Area receives a greater proportion of benefit compared to remaining model areas of the County.***

In 2004, the level of recreation-related and operation and maintenance spending supported a total of 772 jobs and approximately \$19.2 million in annual earnings. Each of these totals represented between 4 and 5 percent of the Oroville Model Area's total jobs and earnings respectively. By comparison, the level of recreation-related spending and operation and maintenance spending in other model areas supported approximately 1 percent of the total jobs and earnings in those other model areas in the County.

Sources of Information

The following summary of the economic impacts of recreation and tourism and operation and maintenance spending is based on DWR's Recreation Activity, Spending, and Associated

⁸¹ SWR R-18 Background Report.

⁸² California Travel Impacts by County, 1992–2006 with 2007 Preliminary State Estimates. Prepared for CTTC by Dean Runyan Associates, March 2008.

⁸³ For purposes of analysis, EPS excluded San Francisco, Los Angeles, and San Diego counties because these three counties contain gateway cities that attract an unusually high number of visitors.

Economic Impacts Final R-18 (Economic Impact Study).⁸⁴ The economic impacts also include the effects of the State's spending on operation and maintenance of the Oroville Facilities. The Economic Impact Study was completed in May 2004 based primarily on data from 2002.

In addition to using traditional input-output economic impact modeling software from the Minnesota Implan Group (IMPLAN), the Economic Impact Study authors also constructed their models to analyze economic impacts at a subcounty or community level. While this approach takes account of spending between communities in the County, it enables the authors to make conclusions about the relative economic impacts from recreation and tourism spending on a community area by community area basis.

It is important to note that the Economic Impact Study authors highlight two primary limitations with economic impact assessment models. The first is that this type of static equilibrium model has a "shelf life" in that, as the components of an economy change over time, so too would the output change, even if there were no changes to the model inputs. Secondly, the data used in the model relied on visitor surveys and other data. Any projections about future impacts assumed that future visitor spending would remain similar to current spending patterns. Each of these caveats is duly noted. The summary of the Economic Impact Study provides background information about the overall economic impacts derived from recreation-related and State operation and maintenance expenditures.

The following sections focus on the Oroville Model Area of the analysis, which includes the City, as well as the unincorporated County area east of the City to the County line and west of the City to approximately SR-99, excluding the cities of Biggs and Gridley. While the Oroville Model Area of the DWR analysis is larger than the Study Area presented in this Opportunities Analysis, the economic impacts at a community level are more representative than if the analysis were done at a more typical countywide level.

Recreation-Related Spending

Recreation-related spending from activity at the Oroville Facilities is composed of spending by local and non-local residents. In 2004, approximately 41 percent of recreation-related expenditures were made by local residents (i.e., residents in the Oroville Model Area), 9 percent of expenditures were made by non-local visitors (in the County but outside of the Oroville Model Area), and 50 percent of expenditures were made by out-of-County visitors.

As shown in **Table 6-19**, 2004 estimates of recreation-related spending in the Oroville Model Area equaled approximately \$20.4 million. Of this, \$10.3 million was from out-of-County visitors, \$1.8 million was from non-local visitors, and approximately \$8.4 million was from local residents. Together, non-local spending (non-local visitors plus out-of-County visitors) comprised almost 60 percent of total recreation-related spending in the area.

Not surprisingly, non-local spending in the Oroville Model Area, at just under 60 percent of the total model area spending, is significantly higher than non-local spending in all other model areas

⁸⁴ Recreation Activity, Spending, and Associated Economic Impacts Final R-18 Oroville Facilities Relicensing FERC Project No. 2100, May 2004.

combined. This is so because approximately 84 percent of total non-local visitor recreation spending in the County is captured by the Oroville Model Area. Obviously, the Oroville Model Area benefits more greatly from non-local spending because the Oroville Facilities are located in the Oroville Model Area.

Overall, total spending captured in the Oroville Model Area equated to approximately 67 percent of total recreation-related spending for the entire County. Again, the Oroville Model Area captures the lion's share of recreation-related spending because of the location of the Oroville Facilities.

Recreation-Related Spending by General Retail Category

As stated in the Economic Impact Study, direct spending by non-local visitors in the Oroville Model Area occurs mostly in the following sectors:

- Lodging
- Miscellaneous retail
- Amusement and recreation services
- Food stores
- Eating and drinking establishments
- Automotive dealers/service stations

The Economic Impact Study also draws the following conclusions regarding the type of recreation-related spending that occurred in the Oroville Model Area:

- 63 percent of total recreation-related spending is made at service stations, food stores, and miscellaneous retail businesses.
- 54 percent of non-local visitor spending is at service stations and food stores.
- 71 percent of out-of-County visitor spending is at service stations, food stores, miscellaneous retail businesses, and eating and drinking establishments.

Estimated Jobs and Earnings from Recreation-Related Spending

Estimates of Oroville Model Area jobs and earnings derived from recreation-related spending exclude recreation-related spending by local residents. This approach assumes that if spending by local residents were not made locally on recreation-related activity, then spending would be made locally on other goods and services, thereby supporting local employment and earnings.

The Oroville Model Area economic impact model estimates that approximately 453 jobs are supported by non-local (including out-of-County) recreation-related spending. Of this total, out-of-County expenditures contribute to approximately 390 jobs, or approximately 86 percent of the total amount. Approximately 50 percent of the supportable jobs are in the trade sector and 25 percent are in the motel, eating and drinking places, and amusement and recreation services sectors. As compared to the County as a whole, Oroville Model Area jobs from recreation-related spending represent almost 70 percent of the total.

Total earnings from Oroville Model Area jobs supported by non-local visitor recreation-related spending equal approximately \$8.6 million annually. Overall, the average annual wage of a job

supported by non-local recreation-related spending is approximately \$19,000 annually. Similar to jobs, the majority of earnings come from jobs in the trade and recreation-related services sectors. While the average annual wage will vary by trade sector, the overall average is low, given the types of service jobs supported by recreation-related spending.

Estimated Jobs and Earnings from State Agency Operation and Maintenance Spending

Annually, the Oroville Model Area specifically, and the overall County generally, benefit from annual operation and maintenance expenditures made by the following Federal and State agencies:

- DWR
- California Department of Parks and Recreation
- California Department of Fish and Game

Based on annual averages between FY 1995–96 and FY 2002–03, the total estimated annual expenditure by State agencies to operate and maintain the Oroville Facilities is approximately \$15.4 million. These annual expenditures support approximately 319 jobs in the Oroville Model Area, equating to approximately 64 percent of the total. Just more than 75 percent of these jobs in the Oroville Model Area are in the government sector.

The earnings from jobs supported by state agency operation and maintenance spending equal approximately \$10.6 million annually. Overall, the average annual wage per supported job equals approximately \$33,000. This average is approximately 75 percent greater than that of the average annual wage supported by non-local recreation-related spending.

The majority of this difference can be explained by the types of jobs supported by each of the spending components. The government sector jobs supported by annual State agency operation and maintenance expenditures are higher wage jobs as compared to the retail and other services-sector jobs supported by non-local visitor spending on local goods and services. While each spending component supports local jobs, each contributes to the overall Study Area economy in different ways.

Fiscal Impacts of Recreation and Tourism and Operation and Maintenance Spending

In addition to the Economic Impact Study, DWR also commissioned a fiscal impact study (Fiscal Impact Study) to estimate the fiscal impact of economic activity from recreation-related spending and operation and maintenance spending on the local agencies in the County.⁸⁵ This report helps DWR and others to better understand the relation between the level of recreation activity at the Oroville Facilities and the resulting levels of public revenues and costs for local jurisdictions.

⁸⁵ Fiscal Impacts Final R-19 Oroville Facilities Relicensing FERC Project 2100. May 2004.

The Fiscal Impact Study separated the fiscal impact analysis into the analysis of direct effects and indirect effects. Direct spending and related revenues from visitors (non-residents of the County), along with the associated cost to serve visitors, were considered direct effects. Indirect effects included the impacts of growth and employment created by the recreation activity and State spending on operations and maintenance costs.

While the direct (visitor-driven) effects are easier to quantify and analyze, the indirect effects are not as straight forward. The Fiscal Impact Study notes that because the indirect effects only analyze costs associated with new employees and residents of an area (supported by recreation-related and State spending), it may overstate the impact of the indirect effects by including costs but not including associated revenues. Stated differently, the report does not include estimates of local revenues that would be generated by these employees and residents that could help offset costs that are included in the analysis.

For purposes of this Opportunities Analysis, the fiscal impact summary will focus solely on the direct fiscal effects associated with visitors.

Key Findings

6-10. Direct visitor-driven effects have different consequences for the general funds of the City versus the County.

In the 2004 Fiscal Impact Study, the estimated direct County expenditures of approximately \$370,000 exceeded estimated direct County revenues from visitors of approximately \$220,000 resulting in an annual fiscal deficit of \$150,000. While this amount was estimated at approximately \$150,000, it represented less than 0.1 percent of the County's FY 2002-03 general fund budget.

Conversely, annual visitor-driven revenues to the City of approximately \$532,000 exceeded City incurred costs to serve visitors of \$208,000, generating an approximate general fund surplus of \$324,000 annually. An annual surplus of approximately \$324,000 equated to approximately 0.4 percent of the City's FY 2002-03 annual general fund budget.

Major Revenue Categories

As indicated in the economic impact analysis, the majority of visitor-driven expenditures are in the retail and other services sectors. Correspondingly, local agency revenues derived from visitor spending generally fall into the following two major revenue categories:

- Sales and Use Tax
- TOT

Local agencies retain the 1-percent local option sales tax derived from taxable purchases made in their jurisdiction. In addition to sales and use taxes, local jurisdictions in the County and the City have TOTs ranging from 6 to 9 percent of the room rate.

Revenue Summary

Because most of the economic activity and retail expenditures of visitors occur in the City, the City realizes almost two and one half times the amount of sales and TOT revenue that the County does. The DWR Phase 2 Background Report for Recreation and Tourism, prepared in 2004, estimates that the City's annual visitor-driven revenue totals approximately \$532,000, as compared to \$220,000 for the County. The estimated \$532,000 in annual revenue equated to approximately 0.7 percent of the City's FY 2002-03 annual general fund revenues.

Major Expenditure Categories

Local agencies incur costs to serve local residents along with visitors. Local agency costs primarily affected by visitors include these:

- Law enforcement costs
- Fire protection costs
- Roadway maintenance costs

Law enforcement costs and types of services vary by jurisdiction based on the scope of services provided by a city as compared to a county. Law enforcement cost estimates for visitors are also complicated by the fact that rangers with the State Department of Parks and Recreation provide law enforcement services for the Lake Oroville SRA. In California, a city is responsible for municipal law enforcement along with traffic control within city limits. Counties are responsible for municipal law enforcement in the unincorporated areas of counties, while traffic control is primarily provided by the California Highway Patrol.

However, in addition to municipal law enforcement in unincorporated areas, counties must also provide countywide law enforcement services for events that occur in unincorporated areas, as well as in incorporated areas. For example, a county is responsible for detention, courts, and coroner services on a countywide basis. Consequently, the County would incur a greater cost per visitor for law enforcement services as compared to the City.

Fire protection costs are also somewhat complicated by multiple service providers, as well as inter-agency agreements for "first response" situations. Fire protection comprises both fire suppression, as well as emergency medical treatment. Visitor-driven calls for service affecting fire protection generally involve the following types of activities:

- Traffic accidents
- Medical aid for visitors
- Swift or other water rescues

Roadway maintenance costs are associated with visitors to the area using local roadways. Aside from the State highway system, the City and County are responsible for maintaining local roadways and do so primarily through dedicated sources of revenue (e.g., gas taxes or local assessment/special tax districts).

Recreation and Tourism Marketing

This section summarizes the existing recreation and tourism marketing efforts in the Study Area, as well as the strengths and weaknesses of those efforts. Based on this information, a series of recreation and tourism marketing findings are presented for consideration. In most of the reviewed literature, recreation and tourism marketing is simply summarized as "tourism marketing," so the remainder of this section uses this common terminology.

In preparing this section, EPS relied on its own research, as well as information provided in the following documents:

- "Tourism Marketing Coordination and Implementation Plan" (City Tourism Plan), prepared by the Pacific Group in October 2007.
- "Outdoor Recreation/Tourism Growth and Economic Impact Analysis" (County Recreation and Tourism Analysis), prepared by Applied Development Economics in March 2007.
- "Vision 2010" (County Economic Development Plan), prepared by the County EDC in 2007.
- "Rural Tourism Strategic Plan" (State Rural Tourism Plan), prepared by the CTTC in 2007.

Key Findings

The tourism marketing findings are presented as a series of opportunities that could be considered. These broad opportunities make reference to and include some specific recommendations included in the City Tourism Plan, as well as the County Recreation and Tourism Analysis reports. After the opportunities discussion, potential threats to tourism marketing efforts and opportunities are presented.

Tourism Marketing Opportunities

6-11. Increased communication and coordination is necessary between agencies that promote tourism in the Study Area.

The combination of state, regional, local, public, and private organizations attempting to market tourism in the region makes communication and coordination critical to the most cost efficient and effective marketing strategies. While each agency or organization may have its own specific purpose, all could benefit from increased communication and coordination.

6-12. Enhanced tourism marketing can be achieved through specific recommended strategies.

Several reports and recent stakeholder interviews have concluded that tourism marketing efforts could be enhanced to incorporate the following strategies:

- Create a marketing brand for the area.
- Actively manage and coordinate media communications and publications.
- Improved signage and way-finding (orienting visitors to and between existing and planned recreation and tourism assets).

- Joint marketing of business development and tourism (e.g., market tourism while promoting quality of life attributes to prospective businesses and employers).
- Seek increases in local agency TOT rates and target increased revenues to tourism marketing.
- Emphasize tourism marketing and promotion in the City and County General Plans.

6-13. Seek continued opportunities to expand existing or create new recreation and tourism opportunities.

While the area already contains an abundance of recreation and tourism opportunities, the Study Area public and private stakeholders should integrate efforts with those being developed by DWR and the FRRPD to expand existing or create new recreation and tourism opportunities.

Tourism Marketing Threats

In addition to the opportunities identified above, tourism marketing also may be subject to the following threats:

6-14. Communication and coordination plans could get "bogged down" in bureaucracy.

If clear goals and guidelines are not established for a coordinated marketing effort, the process could get mired in unnecessary delays.

6-15. One or more agencies could dominate the process.

If one or more agencies dominate the process, others may withdraw or otherwise not be willing to participate to their fullest extent.

6-16. Financial interests of one or more local agencies could inhibit effective collaboration and coordination on tourism marketing.

As described later in this chapter, local agencies are affected differently by recreation and tourism in the Study Area. Financial inequities may pose a threat to collaborative marketing efforts.

6-17. The Study Area region could be out-marketed by other regions in attracting out-of-area visitors.

Even with a coordinated marketing campaign, other regions that have collaborated for a longer period of time might successfully out-market the Study Area.

Existing Tourism Marketing Efforts

Presently, there are several different agencies or organizations that directly or indirectly market tourism for the Study Area. This section identifies the agencies/organizations that are involved, summarizes their activities, and quantifies, where possible, the amount of dollars expended on tourism marketing.

Several agencies and organizations currently market tourism in the Study Area, including these:

- Oroville Chamber of Commerce
- County EDC
- Oroville EDC
- FRRPD
- County Cultural Tourism
- Shasta Cascade Wonderland Association
- DWR
- DPR
- City
- County
- Feather Falls Casino & Lodge
- Gold Country Casino & Hotel

It is important to note that tourism marketing is not the primary mission of any of these agencies, except for County Cultural Tourism. In addition to these public agencies and organizations, private businesses, such as sporting goods retailers, hoteliers, and other recreation service providers, may also spend money to advertise tourism and recreation in the Study Area.

Each agency markets tourism in the region in different ways; however, most of the efforts fall into one of the following categories:

- Trade Show Attendance
- Media Communications, such as these:
 - Billboard advertising
 - Television and radio advertising
 - Printed materials
 - Internet promotions
- Participation in Regional or Statewide Organizations

The estimated amount that each agency spends specifically on tourism marketing was difficult to obtain. The Oroville Chamber of Commerce annually expends \$40,000 that it receives from DWR on tourism marketing. In addition, the County EDC expends approximately \$43,000 annually, and County Cultural Tourism expends approximately \$45,000 annually.

Strengths and Weaknesses of Existing Tourism Marketing

Existing efforts can be summarized by the following assessment of strengths and weaknesses.

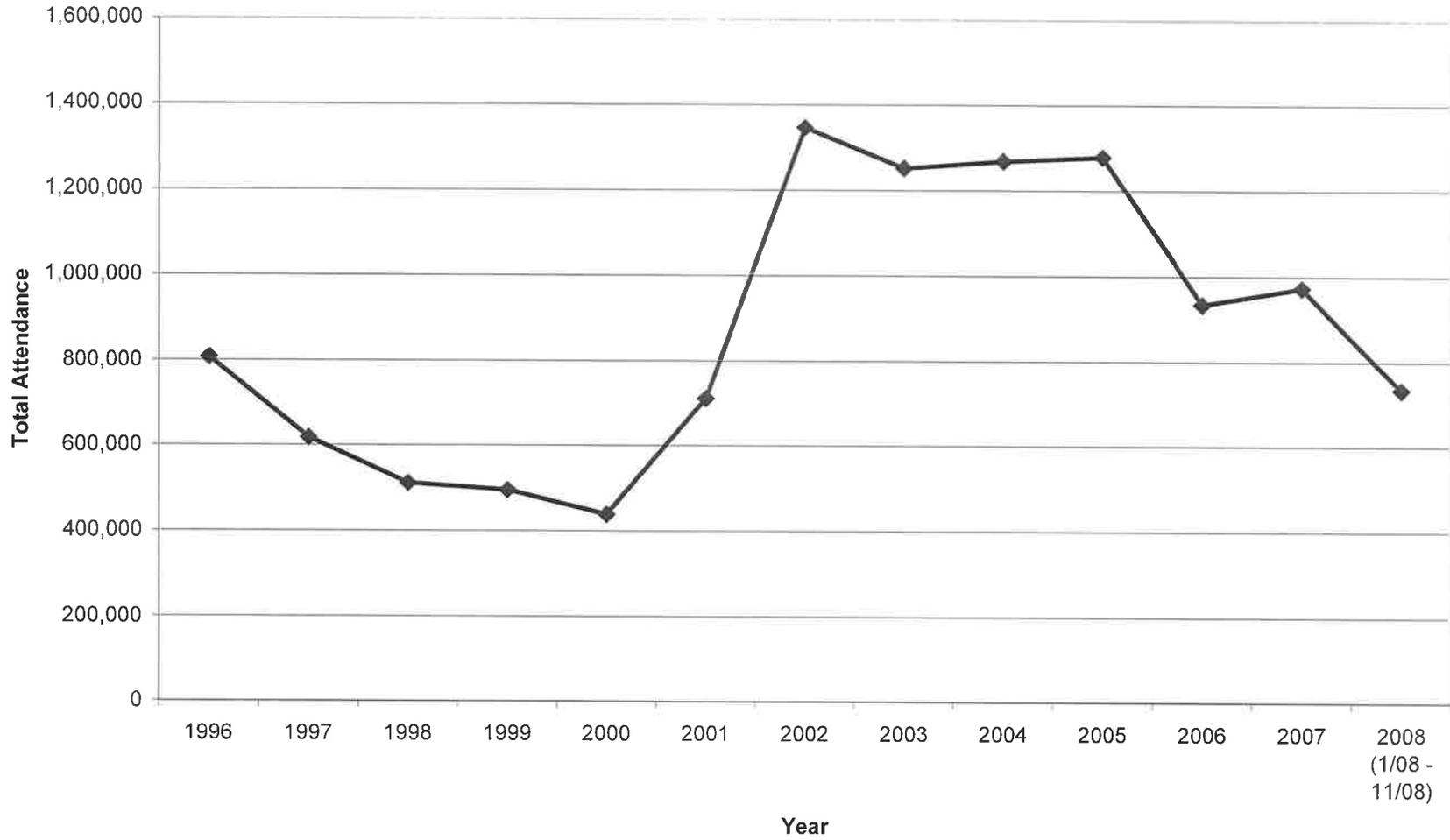
Strengths

- Multiple agencies expend time and financial resources promoting tourism in Oroville and the surrounding region.
- Each agency/organization appears to target different aspects of tourism (e.g., cultural tourism compared to community events).
- Increased awareness (through many recent reports) of the need to actively promote tourism in the Study Area.

Weaknesses

- Existing tourism marketing efforts are not adequately funded.
- Lack of coordination between agencies leads to inefficient use of resources.
- Marketing efforts may focus on existing tourists compared to new users.
- Lack of measurable standards or goals of existing marketing tourism efforts.

Figure 6-1
Oroville RFSP - Opportunities Analysis
Lake Oroville SRA Attendance by Year



6-22

**Table 6-1
Oroville RFSP - Opportunities Analysis
Projected Recreation Days for the Study Area**

Area	2002	2010	2020	2030	2040	2050
Project Area						
Lake Oroville	911,183	1,122,280	1,297,890	1,504,000	1,746,170	2,031,030
Diversion Pool	20,603	22,720	25,700	29,130	33,070	37,610
Thermalito Forebay	135,720	148,600	166,640	187,130	210,440	237,000
Oroville Wildlife Area	318,462	342,860	376,770	415,010	458,250	507,260
Subtotal Lake Oroville SRA	1,385,968	1,636,460	1,867,000	2,135,270	2,447,930	2,812,900
Thermalito Afterbay	93,368	104,290	119,960	138,220	159,540	184,470
Additional Sites within FERC boundary	179,205	204,270	240,920	284,570	336,540	398,410
Subtotal for Project Area	1,658,541	1,945,020	2,227,880	2,558,060	2,944,010	3,395,780
Additional Sites outside FERC boundary	69,145	74,150	81,020	88,640	97,140	106,620
Total for Study Area	1,727,686	2,019,170	2,308,900	2,646,700	3,041,150	3,502,400
<i>Average Annual Growth</i>	<i>n/a</i>	<i>2.0%</i>	<i>1.3%</i>	<i>1.4%</i>	<i>1.4%</i>	<i>1.4%</i>
<i>Average Annual Growth, 2002-2050</i>						<i>1.5%</i>

"use"

Source: DWR Projected Recreation Use (R-12), EDAW 2004.

Table 6-2
Oroville RFSP - Opportunities Analysis
County of Residence of Visitors to Lake Oroville

Item	% of Lake Oroville Visitors
County of Residence	
Butte	54%
Sacramento	6%
Sutter	5%
Placer	4%
Contra Costa	3%
Yuba	3%
Solano	3%
Santa Clara	2%
Total Northern California	80%
Other Origins	20%
Total	100%

"visitor_res"

Source: Tourism Marketing Coordination and Implementation Plan, October 1, 2007; prepared by Pacific Group.

**Table 6-3
Oroville RFSP - Opportunities Analysis
Racial Composition & Total Household Income of Visitors to Oroville Recreation Facilities**

Ethnicity	Percent DWR Model Area
Ethnicity	
White/Anglo/Non-Hispanic	81.0%
Latino/Hispanic	7.9%
Asian	3.0%
African American/Black	1.1%
American Indian/Alaskan Native	3.3%
Pacific Islander	1.2%
Other	2.5%
Total	100.0%
<hr/>	
Household Income	
Less than \$20,000	13%
\$20,000 - \$39,999	20%
\$40,000 - \$59,999	24%
\$60,000 - \$79,999	16%
\$80,000 - \$100,000	12%
Over \$100,000	15%
Total	100%

"visitors"

Source: Oroville Relicensing DEIR, DWR, 2004, and Claritas.

[1] See Table 2-4 for more information.

[2] The Oroville Study Area is defined as all area within a 5-mile radius of City Hall.

Table 6-4
Oroville RFSP - Opportunities Analysis
Major Assets for Rural Tourism [1]

Asset	Currently Offered in Study Area	Potential for Offering in Study Area
State Parks	Yes	
Monuments	Yes	
Classic Communities/Downtowns	Yes	
Festivals and Events	Yes	Yes
Scenic Drives	Yes	
History	Yes	
Culture	Yes	
Agricultural Tourism	Yes	Yes
Farmer's Markets	Yes	Yes
Wine Country	Yes	Yes
Bicycling	Yes	Yes
Sports Fishing	Yes	
Walking	Yes	
ATV/off-road Vehicle Riding	Yes	
Hiking	Yes	
National Parks	No	
Watching Sea Life (whales, sea otters)	No	No
Skiing	No	No
Snowshoeing	No	No
Snowmobiling	No	No
Natural Environmental Wonders	?	
Kite Flying	?	
Horseback Riding	?	Yes

"rural_assets"

Source: California Travel and Tourism Commission Rural Tourism Strategic Plan.

[1] Represents activities/items that are considered assets to rural tourism.

**Table 6-5
Oroville RFSP - Opportunities Analysis
Lake Oroville SRA Attendance by Year**

Item	Total Attendance	Paid Day Use [1]	Free Day Use [2]	Subtotal Day Use	Overnight Camping [3]
Year					
1996	807,482	37%	57%	93%	7%
1997	617,641	36%	56%	92%	8%
1998	511,102	39%	52%	91%	9%
1999	495,329	37%	52%	89%	11%
2000	438,588	43%	46%	90%	10%
2001	711,386	36%	56%	92%	8%
2002	1,346,056	15%	82%	97%	3%
2003	1,251,810	26%	70%	96%	4%
2004	1,268,470	23%	73%	96%	4%
2005	1,277,995	25%	70%	95%	5%
2006	934,434	37%	56%	93%	7%
2007	973,060	31%	63%	94%	6%
2008 (1/08 - 11/08)	733,751	23%	72%	95%	5%
Total	11,367,104	29%	65%	94%	6%

"attendance"

Source: California State Parks and EPS.

- [1] Includes day-visits at the free facilities, which include the remote boat launch areas (Foreman, Nelson Bar, Vinton Gulch, Dark Canyon, Enterprise, and String Town) and the Lake Oroville Visitor Center.
- [2] Includes fee-based facilities, including Loafer Creek, the Spillway, Bidwell Canyon, the forebays, and Lime Saddle Marina.
- [3] Camping areas include Loafer Creek, the Spillway, Bidwell Canyon, the north forebay, and Lime Saddle. There are also boat-in campgrounds and floating campsites.
- [4] Excludes 2008, as December 2008 data was not available.

Table 6-6
Oroville RFSP - Opportunities Analysis
Top 15 Activities Participated in at Oroville Facilities

Activity	Percent of Respondents in 1996	Percent of Respondents in 2002-03 [6]
Bank Fishing	7.6	16.6
Motor Boating	18.3	11.2
Swimming	17.0	11.0
Boat Fishing	25.2	10.8
Water-ski/Wakeboard	20.9	9.4
Relaxing	14.5	5.8
Horseback Riding	NA [1]	3.9
Personal Watercraft Use	8.6	3.8
House Boating	9.4	3.6
Tent Camping	6.0 [2]	3.3
Picnicking	10.1	2.7
RV Camping	NA [2]	1.8
Hiking	4.8 [3]	1.7
Sightseeing	4.1	1.3
Mountain Biking on Trails	1.5 [4]	1.1
Subtotal [5]	148.0	88.0

"activities"

Source: DWR Assessment of Regional Recreation and Barriers to Recreation (R-14), EDAW, Inc. 2003, and EPS.

- [1] Horseback riding did not fall in the top 20 primary activities.
- [2] Tent camping and RV camping were not separated in the 1996 survey.
- [3] This activity was listed as walking and jogging in the 1996 survey.
- [4] This activity was listed as bicycle riding in the 1996 survey.
- [5] 1996 Survey (Guthrie et al. 1997) had 1,361 respondents; respondents could list multiple activities. The 2002-2003 survey had 2,365 respondents to this question from the Recreation Visitor On-Site Survey; respondents could list only one activity as their primary activity.

Table 6-7
Oroville RFSP - Opportunities Analysis
Ranking of Activities in the Study Area (2003-2004)

Activity	Ranking [1]	Contribution to Total Use in Study Area (%)	Number of Recreation Days
Boating	1	29.2	504,458
Sightseeing	2	25.6	442,142
Bank Fishing	3	18.3	316,192
Picnicking	4	9.1	158,030
Other	5	6.6	113,180
Swimming	6	5.9	101,500
Camping	7	3.6	62,339
Trail Use	8	0.9	15,984
Hunting	9	0.8	13,861
Total		100	1,727,686

"ranking"

Source: DWR Final Assessment of Regional Recreation Proposed
 Final Report (R-12) and EPS.

[1] Based on percent contribution to total use.

Table 6-8
Oroville RFSP - Opportunities Analysis
Primary Activity Participation within the Project area by Frequency of Visitation

Item	Note	Percentage of Respondents		
		Boat Fishing	Relaxing	Tent Camping
Visitor Type				
Regular Visitor	[1]	12.9	4.4	1.6
Occasional Visitor	[2]	4.8	7.8	4.8
Infrequent Visitor	[3]	5.3	10.5	7.4
First Time Visitor	[4]	2.6	10.4	9.3

"participation"

Source: DWR Assessment of Regional Recreation and Barriers to Recreation (R-14), EDAW, Inc. 2003, and EPS.

- [1] Regular visits: 3 or more times per year. There were 1,463 respondents in this visitor category.
- [2] Occasional visits: 1-2 times per year. There were 333 respondents in this visitor category.
- [3] Infrequent visits: Less than 1 time per year. There were 95 respondents in this visitor category.
- [4] First visit to the area. There were 268 respondents in this visitor category.

Table 6-9
Oroville RFSP - Opportunities Analysis
Annual Boat Launches: Lake Oroville Scenic Recreational Area

Item	Lake Oroville SRA
Year	
1993 [1]	62,402
1994 [1]	81,047
1995 [1]	77,361
1996	39,457
1997	58,906
1998	55,766
1999	54,784
2000	43,594
2001	37,355
2002	56,620
2003	62,466
2004	52,233
2005	77,191
2006	63,365
2007	53,906
2008 (1/08 - 11/08)	20,784
Total	676,427

"launches"

Source: California State Parks and EPS.

[1] Reflects fiscal year data, as provided by the Northern Buttes District.

Table 6-10
Oroville RFSP - Opportunities Analysis
Activities of Visitors to Lake Oroville

Activity	% of Visitors	
	Lake Oroville	Low-Flow Channel
Activities Participated In		
Movie/theater	8%	16%
Shopping	8%	15%
Museums	3%	4%
Amusement Park	1%	5%
Dining out/bar	14%	20%
Concert/festival	4%	12%
Educational events	2%	7%
Total	40%	79%

"visitor_activities"

Source: Tourism Marketing Coordination and Implementation Plan, October 1, 2007; prepared by Pacific Group. Data was originally from DWR relicensing studies.

Table 6-11
Oroville RFSP - Opportunities Analysis
Visitor Preference for New Activities at the Study Area [1]

Activity	Percent of Respondents
Beach access/swimming area	25.7%
Paddleboat, canoe, and kayak rental	6.9%
Athletic competition	5.9%
Parasailing	5.9%
Shoreline/waterside camping	5.0%
Water-ski/wakeboard competition	5.0%
Equestrian events	4.0%
High speed boat races	4.0%
Water-ski slalom course	4.0%

"new_acts"

Source: DWR Oroville Facilities Relicensing Team (R-12), EDAW 2003.

[1] Based on 101 respondents. Additional activities were listed, but were preferred by only 3% of respondents or less.

Table 6-12
Oroville RFSP - Opportunities Analysis
Future Activity Demand in the Study Area

Activity	Demand Category
Boating	High
Sightseeing	High
Hiking	High
Walking	High
Camping	Moderate
Picnicking	Moderate
Swimming	Moderate
Biking	Moderate
Horseback riding	Moderate
Bank fishing & boat fishing	Low
Off-road driving	Low
Target shooting	Low
Hunting	Declining

Source: DWR Projected Recreation Use (R-12), and EDAW 2004. ^{"demand"}

Table 6-13
Oroville SBF Regional Fund Strategic Plan
Hotel Accommodations in the City of Oroville

Hotel	Location	Miles from City Center	Number of Rooms	Pricing (Range/Avg.)	AAA Rating	Amenities
Casinos						
Feather Falls Casino & Lodge	4 Alverda Dr.	3 miles	84	\$89 - \$290		Casino, Fitness center, Indoor/outdoor swimming area, Golf course, Free internet access, Entertainment venues, Restaurants
Gold Country Casino and Hotel	4020 Olive Hwy	3.5 miles	87	\$99 and up		Casino, Jacuzzis, Restaurants, Bowling alley, Entertainment venues
Hotels/Motels						
Comfort Inn Central	1470 Feather River Blvd.	0 miles	54	\$95 - \$100	2 Stars	Continental breakfast, Exercise gym, laundry facility, Outdoor pool, Sauna
<i>Holiday Inn Express Hotel & Suites (Opening Early Spring 2009)</i>	<i>550 Oro Dam Blvd.</i>	<i>1 mile</i>	<i>66</i>	<i>\$117 - \$150</i>		<i>Exercise gym, Laundry facilities, Indoor & outdoor pool, Business center, Lounge</i>
Oroville-Days Inn	1745 Feather River Blvd.	0 miles	38	\$65 - \$75	2 Stars	Continental breakfast, Outdoor pool, RV parking
Sunset Inn (Econo Lodge)	1835 Feather River Blvd.	0 miles	42	\$59 - \$68	1 Star	Pool
America's Best Value Inn & Suites	580 Oro Dam Blvd.	1 mile	69	\$75	2 Stars	Laundry facilities
Villa Court Inn	1527 Feather River Blvd.	0 miles	20	\$50	2 Stars	Laundry facilities, Outdoor pool
Motel 6 Oroville	505 Montgomery St.	1 mile	101	\$42	1 Star	
Dahl's Inn	2010 Feather River Blvd.	0 miles	13			
Budget Inn	1475 Feather River Blvd.	0 miles	22	\$42-50	Not Rated	
Western Motor Lodge	2255 Bird St.	0 miles	60			
Bed & Breakfasts						
Lake Oroville Bed & Breakfast	240 Sunday Dr., Berry Creek	16 miles	6	\$135 - \$175		Game room w/ pool table, Guest parlor, Sun room
Riverside Bed & Breakfast	45 Cabana Dr.	2.5 miles	9	\$95 - \$165		Jacuzzi bathtubs, Wood-burning stoves, Massage services, Fly fishing lessons
TOTAL ROOMS			671			

"hotels"

Source: Trails.com, Tripadvisor.com, Tourism, Marketing, Coordination and Implementation Plan (October 2007), telephone research, and individual web sites.

Table 6-14
Oroville SBF Regional Fund Strategic Plan
Meeting/Conference Facilities in the Study Area

Facility	Facility Type	Room Capacity	Meal Facility
Bedrock Park & Amphitheater	Theater	300	No
City Hall			
Council Chambers	Conference Center	107	No
Conference Rooms (2)	Meeting Rooms	28	No
Gold Country Casino and Hotel	Conference Center	240	Yes
Feather Falls Casino and Lodge		400	Unknown
Holiday Inn Express Hotel & Suites (Scheduled to open in July 2009)	Conference Center	100	Unknown
Monday Club	Theater	65	No
Municipal Auditorium	Theater	1,000	Kitchen
Southside	Community Center	400	Unknown
State Theatre	Theater	600+	No

"conference"

Source: Individual center web sites, City web site, and City Redevelopment Agency.

Table 6-15
Oroville RFSP - Opportunities Analysis
Estimated Spending By Type of Good (2005)

Item	California			Butte County		
	Total	Per Visit (Person-Stay)	% of Total	Total	Per Visit (Person-Stay)	% of Total
Number of Visitors (Rounded)	331,500,000			2,100,000		
Spending Category						
Accommodations	\$14,100,000,000	\$43	17%	\$38,900,000	\$19	17%
Food & Beverage Services	\$19,600,000,000	\$59	24%	\$53,900,000	\$26	23%
Food Stores	\$2,700,000,000	\$8	3%	\$11,300,000	\$5	5%
Ground Transportation & Motor Fuel	\$13,900,000,000	\$42	17%	\$51,900,000	\$25	22%
Arts, Entertainment, & Recreation	\$13,700,000,000	\$41	17%	\$31,700,000	\$15	14%
Retail Sales	\$14,500,000,000	\$44	18%	\$43,000,000	\$20	19%
Air Transportation	\$3,500,000,000	\$11	4%	\$1,000,000	\$0	0%
Total	\$82,000,000,000	\$247	100%	\$231,700,000	\$110	100%

"good_spend"

Source: California Fast Facts, p. 20 and California Travel Impacts by County, prepared by Dean Runyan Associates in March 2008, page 31 and page 7.

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Table 6-16
Oroville RFSP - Opportunities Analysis
Estimated Share of Spending Related to Visitation at the Oroville Facilities

Item	DWR Oroville Model Area				Butte County Model Total [1]			
	Local Residents	Non Local Residents	Out-of-County visitors	Total Rec-Related Spending	Local Residents	Non Local Residents	Out-of-County visitors	Total Rec-Related Spending
Spending Category								
Hotels and Lodging	1%	2%	9%	5%	0%	2%	9%	4%
Eating and Drinking	5%	11%	14%	10%	3%	9%	15%	9%
Food Stores	26%	17%	20%	22%	24%	23%	20%	23%
Auto Dealers and Service Stations	21%	37%	23%	23%	24%	31%	22%	24%
Amusement and Recreation Services	3%	4%	14%	8%	3%	4%	13%	7%
Apparel/Accessories	4%	1%	2%	3%	4%	2%	2%	3%
Miscellaneous Retail	24%	10%	14%	18%	20%	16%	14%	17%
Subtotal Retail	27%	12%	16%	20%	23%	18%	16%	20%
State Government	12%	5%	3%	7%	12%	4%	2%	8%
Other	6%	12%	2%	4%	9%	10%	2%	6%
Total	100%	100%	100%	100%	100%	100%	100%	100%

"visit_spend"

Source: DWR Report (R-18) Estimated Recreation-Related Spending Generated by Existing Visitation to the Oroville Facilities, May 2004. Data from page 5-2.

[1] Includes Oroville model as well as model for Paradise, Biggs-Gridley, and Chico. Includes only visits associated with the Oroville Facilities.

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Table 6-17
Oroville RFSP - Opportunities Analysis
Estimated Overnight Leisure Visitors in Butte County and Oroville

Item	Butte County	Oroville [1]
Number of Leisure Travelers	1,800,000	500,000
% Staying Overnight	53%	53%
% Staying in Hotel/Motel	30%	30%
Number Staying in Hotel/Motel	286,200	79,500
Average Number of Nights	2.6	2.6
Average People per Room	1.8	1.8

"overnight"

Source: Tourism Marketing Coordination and Implementation Plan,
 October 1, 2007; prepared by Pacific Group.

[1] Assumes the factors for the tourism sector in Butte County also
 apply to Oroville.

Table 6-18
Oroville RFSP - Opportunities Analysis
California Travel Impacts for Rural Counties, 2006

Rural County [1]	Travel Spending (Millions)	Earnings (Millions)	Employment (Jobs)	Tax Receipts (Millions)		
				Local	State	Total
Butte County	\$249.8	\$66.8	3,770	\$3.7	\$10.3	\$14.0
Other Rural Counties	\$27,685.4	\$8,289.7	345,580	\$529.8	\$1,122.9	\$1,652.8
Total	\$27,935.2	\$8,356.5	349,350	\$533.5	\$1,133.2	\$1,666.8
Per Capita for all Rural Counties	\$2.05	\$0.61	0.03	\$0.04	\$0.08	\$0.12
Per Capita for Butte County	\$1.15	\$0.31	0.02	\$0.02	\$0.05	\$0.06

"rural_tourism"

Sources: Dean Runyan Associates, California Travel and Tourism Commission, and CA Department of Finance.

[1] Rural counties were defined by the California Travel and Tourism Commission Rural Tourism Strategic Plan.

Table 6-19
Oroville RFSP - Opportunities Analysis
Estimated Recreation-Related Spending Generated By Existing Visitation to Oroville Facilities

Type of Spending/Model Sector	Oroville Model Area (\$1,000)
Spending by Local Residents	\$8,382
Spending by Nonlocal Visitors	\$1,781
Spending by Out-of-County Visitors	\$10,266
Total Recreation-Related Spending	\$20,430

"spend"

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7. SUPPLEMENTAL BENEFITS FUND FUNDING STREAM

The SBF Measures include a set of parameters describing the terms of payment by the SWC to the SBF. This chapter describes these terms and provides an illustrative revenue stream that estimates the level of net revenues anticipated to be available to the Steering Committee to fund projects over the term of the license. Please note that the tables for this chapter are included at the end of the chapter.

Gross Revenues

The total amount of SBF revenues will depend on the term of the license for the Oroville Facilities. As **Table 7-1** shows, a 50-year term would generate up to \$61.3 million, while a 30-year term would generate up to \$35.3 million. SBF revenues will commence with initial, lump-sum payments whose revenues will be the same regardless of duration of the license. Subsequent revenues will come from a series of annual payments; the amount of these annual payments will vary based on the term of the license. The third source of revenue, pre-allocated payments, reflects the cost of improvements that were previously funded by DWR during the negotiation relicensing the Oroville Facilities.

Table 7-2 shows the timing of availability for the various revenue components, which are described in additional detail below. This table summarizes the precise payment terms described in Section E of the SBF Measures.

Initial Payments

The State Department of Finance's approval of the executed Settlement Agreement for the Oroville Facilities will trigger release of the first lump-sum payment. Under the terms, the SWC will release up to \$1.9 million in the month of June following Settlement Agreement approval; these funds will be made available to reimburse the SBF for actual expenses incurred up until that time. Any funds not spent by that time will be released along with the second lump-sum payment described below.

The SBF has already funded select projects against this initial source of funding; **Table 7-3** contains a list of the projects previously funded and identifies the remaining funds. EPS understands that the SWC have already reimbursed the SBF for funding these projects. According to this list, there remains about \$500,000 to fund additional projects and cover administrative costs.

When FERC signs the new license for the Oroville Dam, DWR will release the second lump-sum payment to the SBF, amounting to \$4.1 million, in addition to the remaining funds from the first, initial payment.

Annual Payments

Annual payments will be made on June 30 of each year. The annual payment will be \$800,000 for a 30-year term, \$900,000 for a 40-year term, and \$1 million for a 50-year term. Because

the annual payment amount increases as the duration of the license increases, the SBF accumulates the largest amount of funding with the longest license term and the lowest amount of funding with the shortest license term.

Because the SBF Measures do not mention an escalation factor, it appears that the annual payments are not subject to escalation.

Pre-Allocated Payments

During the negotiation relicensing the Oroville Facilities, DWR provided \$5.2 million in funding for improvements to Riverbend Park, along the River in the City. These revenues were provided as a gesture of commitment by DWR and the SWC to improving recreational opportunities along the River for Oroville residents. In addition to DWR funding, Riverbend Park also received donations (e.g., soccer field grading fill) and other in-kind donations to complete the planned improvements.

Potential Revenue Adjustments

According to the SBF Measures, there are two scenarios that could affect the level of revenues generated from annual payments by the SWC. This section describes each of these scenarios.

California Department of Water Resources Water Allocation Adjustments

Each SWC has an entitlement for a maximum annual water allocation; DWR's *Table A: Water Entitlements* lists each contractor's entitlement. Each year, the SWCs request an amount of water, up to their maximum entitlement; in following, based on forecasted water levels, each May, DWR provides a water allocation to the SWC ranging from 0 to 100 percent of the requested amount.

The SBF Measures stipulate that as long as DWR's May allocation provides 36 percent or more of the SWC allocation request, the SBF will receive the annual payment according to the Settlement Agreement (\$800,000 to \$1 million depending on the license term). However, should the allocation fall under 36 percent, the SWC will reduce its payment to the SBF. **Figure 7-1** shows the level of DWR's water allocation percentages annually since 1968. Between 1968 and 1992, allocations were rarely less than 100 percent; since 1992, however, the SWC have begun to receive varying allocation levels.

Table 7-4 outlines the potential scale of the impact from a reduced water allocation. If an allocation is 26 to 35 percent of the requested amount, the SBF will only receive \$500,000 that year. This reduced payment would mean a drop of \$300,000 to \$500,000, depending on the license term, for that year. Similarly, if the annual allocation is less than 26 percent of the requested amount, the SWC would only provide \$300,000, resulting in a decrease of \$500,000 to \$700,000 in SBF revenue for that year.

According to the SBF Measures, the revenue reduction would be deferred to the future, not lost by the SBF. The SWC would replenish the SBF over a 5-year period following an allocation

exceeding 36 percent.⁸⁶ **Table 7-4** shows the amount of annual repayments for different license terms.

Had the SBF been in effect since 1968, there would have been 2 years (1991 and 2008) in which there would have been a reduction in payments by the SWC. **Table 7-5** identifies these years and the impact by Settlement Agreement category.

Oroville Facilities-Generation Adjustment

A second potential adjustment to SBF revenues would stem from any circumstances causing a stoppage in power generation at the Oroville Facilities, such as power outages or judicial or legislative actions. DWR's internal power-generation operations at the Oroville Facilities currently offset about one-third of DWR's demand for power from retail utility providers. Any sustained power loss would have the effect of creating an additional demand on public utilities because DWR is the largest power user in the State. A sustained power outage at the Oroville Facilities would result in significant increases in power costs. Any cost increases would subsequently be passed onto the SWC in the form of higher wholesale power costs. The portion of this cost that would be absorbed by SWC as opposed to passed onto retail customers is unknown; for this reason, the revenue adjustment described by this scenario implicitly assumes that the SWC would face a significant financial hardship and provides relief to the SWC in the form of reduced annual payments to the SBF.

Table 7-6 summarizes the potential adjustments to SBF revenues stemming from this type of adjustment. A loss of up to 10 percent of water-power generation would not impact the SWC's payment to the SBF; however, an 11-percent to 100-percent water-power-generation reduction would result in a corresponding payment reduction of 1 percent to 90 percent. **Table 7-7** shows the sliding scale effect on potential reductions.

According to the SBF Measures, any annual decrease in payment caused by water-power generation would *not* be repaid to the SBF. This reduction would simply be a loss to the SBF. Telephone interviews with DWR indicated that this situation has never occurred, nor is it anticipated to occur in the course of regular business. Catastrophic events, such as a major fire at the plant or a legislative decision to stop activities at the Oroville Facilities, cannot be predicted.

Estimated Net Revenues

EPS forecasted potential annual revenues that could be available for SBF project funding. **Table 7-8** shows the estimated gross revenues from initial lump-sum payments, annual payments, other pre-allocated revenues, and net revenues for a 50-year license.

Table 7-8 also shows, for illustrative purposes, potential adjustments to gross revenues caused by a decrease in water allocation (which are subsequently repaid) and a decrease in power

⁸⁶ Should DWR issue another substantially reduced allocation while the SWC is repaying a previous reduction, the SWC may further delay the original repayment until the allocation returns to a level of 36 percent or higher.

generation at the Oroville Facilities (which are not repaid). While the actual number and depth of any adjustments are unknown, this revenue stream helps show how revenues could be impacted.

In the sample revenue stream shown on **Table 7-8**, DWR's 2010 water allocation is only 30 percent of the SWC's requested amount, triggering a reduced SBF payment of \$500,000 instead of the \$1 million originally anticipated for a 50-year license. As a result, the SBF has \$500,000 less in 2010 to fund projects than it had expected; over the following 5 years, the DWR allocation remains above 36 percent, and the \$500,000 is repaid in five yearly increments.

The sample revenue stream also shows a power-generation reduction in 2016 and 2017 that results in a payment deficit of \$100,000; once again, this revenue is not subject to repayment and is simply lost.

Costs

It is anticipated that SBF funding will be used to fund several types of costs. These may include staffing, operations and maintenance, environmental planning and analysis, project studies, and funding of projects. The amount of funding anticipated to be used for each cost category will be addressed as part of the RFSP.

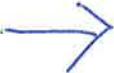
Additional Leveraging Opportunities

The SBF Measures emphasize a desire to use SBF revenues to leverage additional funding. These leverage opportunities could take many forms, including matching grants, federal, state, and local funding programs. In addition, the Steering Committee may want to consider the potential to use bond funding to provide upfront funding for a large project. This section discusses these types of additional leveraging opportunities.

Grants

Based on early successes of SWC grant-writing efforts, Section F of the SBF Measures stipulates that SWC and the Steering Committee form a partnership with a goal of obtaining grant funds to supplement the SBF. The SWC will provide a half-time equivalent staff position for 10 years to pursue additional funding sources to use in conjunction with SBF monies. The amount of additional revenues raised through this effort cannot be estimated at this time.

Revenue Bonds



The SBF could issue bonds using the expected revenue stream of SBF payments as a source of bond repayment. This would allow the SBF to receive a larger portion of funds up-front to complete major projects in the near term. The revenue bond would be repaid through the annual payments from the SWC. EPS conducted a preliminary evaluation of the potential for the SBF to issue revenue bonds.

At this time, it is not clear how underwriters would evaluate the credit of the SBF repayment revenue stream given the potential interruptions in the revenue stream. The SBF anticipates annual payments of \$800,000 to \$1 million annually; however, in any given year, a portion of

these funds may be held back if DWR issues a low water allocation to the SWC. Given the lack of underwriting detail, EPS analyzed two scenarios that could leverage SBF revenue in support of a bond sale:

- A conservative scenario, which assumes only \$300,000 annually, would be available for debt service.
- A moderate scenario, which assumes \$500,000 annually, would be available.

EPS used the above revenue scenarios to estimate the amount of bond proceeds that the SBF could generate assuming three different interest rates: 7 percent, 8 percent, and 9 percent.

The conservative scenario (**Table 7-9**), which assumes SBF revenue of \$300,000 per year, yielded \$2.3 million to \$2.8 million in bond proceeds, depending on the interest rate.

The moderate scenario (**Table 7-10**), which assumes SBF revenue of \$500,000 per year, yielded \$3.8 million to \$4.7 million in bond proceeds, depending on the interest rate.

With bond financing, not all revenues generated would be available for debt service. Administration costs, capitalized interest, pay-as-you-go-costs, and reserves would reduce the amount available for debt service. Each of these scenarios included the following assumptions that were used to calculate estimated bonding capacity:

- A 30-year bond term.
- A capitalized interest period of 12 months.
- Delinquency coverage of 10 percent.
- Bond issuance costs of 5 percent.
- Annual administration costs of 4 percent.

**Table 7-1
Oroville RFSP - Opportunities Analysis
Total Estimated Funds Available**

Item	50-Year Term	40-Year Term	30-Year Term
Total Initial Payments	\$6,070,000 total	\$6,070,000 total	\$6,070,000 total
Annual Payments			
Term of Annual Payments	50 years	40 years	30 years
Annual Installments	\$1,000,000 per year	\$900,000 per year	\$800,000 per year
Total Payment Over Term	\$50,000,000 total	\$36,000,000 total	\$24,000,000 total
Other Pre-Allocated Payments	\$5,200,000 total	\$5,200,000 total	\$5,200,000 total
Other Revenue Sources	TBD	TBD	TBD
Total Funds Available	\$61,270,000 total	\$47,270,000 total	\$35,270,000 total

"assump"

Source: SBF Measures and EPS.

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Table 7-2
Oroville RFSP - Opportunities Analysis
Timing of Availability of Funds

Revenue Source	Amount	Funding Trigger	SBF Measures Reference	Additional Comments
Initial Payments				
First Release	\$1,935,000	Dept of Finance approval of the executed Settlement Agreement	Section E, 2.0	Funding available in June (based on annual pmt schedule) for actual expenses up to \$1,935,000. Any remaining amount will be made available with second release.
Second Release	\$4,135,000	Acceptance by DWR of new license	Section E, 3.0	
Subtotal Lump Sum Payments	\$6,070,000			
Annual Payments				
50-year Term	\$1,000,000	June 30 of each year,	Section E, 4.1	
40-year Term	\$900,000	June 30 of each year,	Section E, 4.2	
30-year Term	\$800,000	June 30 of each year,	Section E, 4.3	
Other Pre-Allocated Payments				
Riverbend Park Improvements	\$5,200,000	Already expended?	Section E, 5.0	
Other Revenue Sources				
Grant Funds	TBD	n/a	Section F	Joint SWC/SBF effort to raise additional funds, particularly during first ten years of SBF.

"releases"

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**Table 7-3
Oroville RFSP - Opportunities Analysis
Funding Reconciliation for The First Lump-Sum Payment**

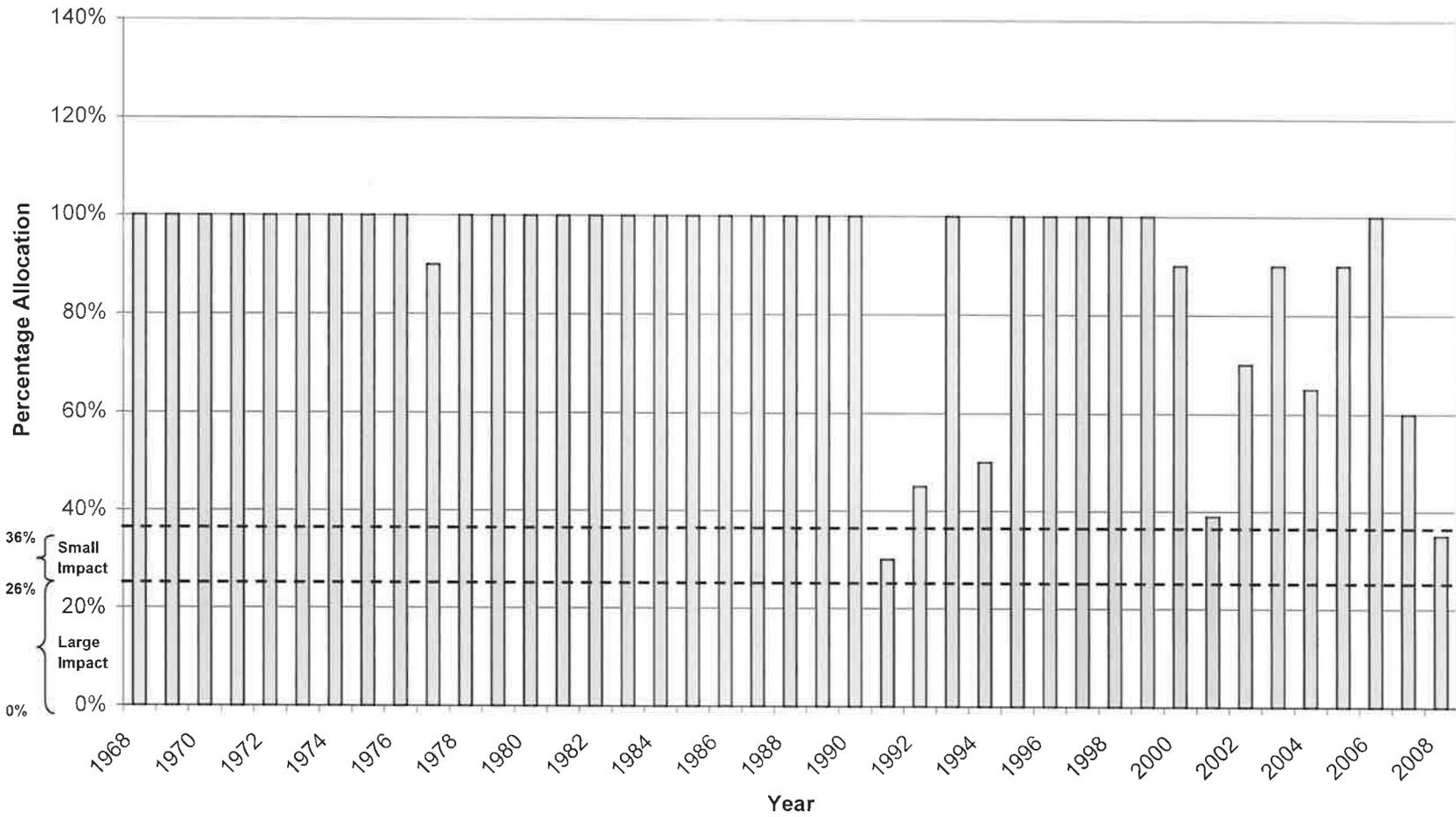
Project Description	Amount
FUNDS EXPENDED TO DATE	
Large Projects	
Table Mt. Golf Club, Inc.	\$30,000
FRRPD Riverbend North Park - Soccer Fields	\$1,020,000
Subtotal Large Projects Funded	\$1,050,000
Small Projects	
Oroville Gone Wild	\$5,000
Kids at Risk Sports Intervention Program	\$5,000
The Potter Project	\$4,400
YMCA Swimming Pool Repairs	\$5,000
Metal Sculpture Project	\$5,000
City Fire Rescue Equipment	\$4,637
Landscape/Chinese Brick/Bolt Museum Area	\$4,000
Oroville Library/Conf. Room	\$4,835
Subtotal Small Projects Funded	\$37,872
Other Projects/Funding Awards	
Oroville Area Chamber of Commerce	\$100,000
Administrative Costs [1]	\$265,113
Total Projects and Costs Funded	\$1,452,985
TOTAL FUNDS REMAINING	
Administrative Funds	\$271,897
Small Projects	\$12,128
Unallocated	\$197,990
Subtotal Funds Remaining	\$482,015
TOTAL FUNDS	\$1,935,000

"sbf_funded"

Source: SBF Coordinator, January 2009 and August 2009.

[1] Includes costs incurred and accrued through 6.30.2009.

Figure 7-1
Oroville RFSP - Opportunities Analysis
Historical DWR Water Allocations to the SWC



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**Table 7-4
Oroville RFSP - Opportunities Analysis
Potential DWR Water Allocation Adjustment**

Item	SBF Measures Reference	Status Quo	Circumstances Subject to Adjustment	
			Small Effect	Medium/Large Effect
<u>DWR Water Allocation Adjustment [1]</u>				
Percent of Maximum Allocation Granted by DWR	Section E, 6.0	36%-100%	26%-35%	0-25%
Resulting Reduced Annual Payment	Section E, 6.1-6.2	No Reduction	\$500,000	\$300,000
Change in Annual Payment from Maximum Amount [2]				
50-year term		\$0	(\$500,000)	(\$700,000)
40-year term		\$0	(\$400,000)	(\$600,000)
30-year term		\$0	(\$300,000)	(\$500,000)
Repayment Schedule (5 equal annual pmts) [3]				
	Section E, 6.3			
50-year term		n/a	\$100,000	\$140,000
40-year term		n/a	\$80,000	\$120,000
30-year term		n/a	\$60,000	\$100,000

"rev_red"

- [1] Pursuant to long-term water supply contracts, each May DWR approves a power allocation from the Oroville Facilities to the SWC.
 [2] Reflects the difference between the original annual payment and the reduced annual payment.
 [3] Repayment begins following DWR approval of an annual allocation greater than 35% of maximum contractual amount.

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**Table 7-5
Oroville RFSP - Opportunities Analysis
State Water Project Contractor Allocations by Year**

Item	Actual Percentage Allocation	Hypothetical Impact on SBF
Year		
1968	100%	No Impact
1969	100%	No Impact
1970	100%	No Impact
1971	100%	No Impact
1972	100%	No Impact
1973	100%	No Impact
1974	100%	No Impact
1975	100%	No Impact
1976	100%	No Impact
1977	90%	No Impact
1978	100%	No Impact
1979	100%	No Impact
1980	100%	No Impact
1981	100%	No Impact
1982	100%	No Impact
1983	100%	No Impact
1984	100%	No Impact
1985	100%	No Impact
1986	100%	No Impact
1987	100%	No Impact
1988	100%	No Impact
1989	100%	No Impact
1990	100%	No Impact
1991	30%	Small Impact
1992 [1]	45%	No Impact
1993	100%	No Impact
1994	50%	No Impact
1995	100%	No Impact
1996	100%	No Impact
1997	100%	No Impact
1998	100%	No Impact
1999	100%	No Impact
2000	90%	No Impact
2001	39%	No Impact
2002	70%	No Impact
2003	90%	No Impact
2004	65%	No Impact
2005	90%	No Impact
2006	100%	No Impact
2007	60%	No Impact
2008	35%	Small Impact

"dwr_alloc"

Source: Department of Water Resources and EPS.

[1] Prior to 1992, there was a distinction between agricultural and municipal/industrial allocations. Figures shown reflect municipal/ industrial allocations.

**Table 7-6
Oroville RFSP - Opportunities Analysis
Potential Facilities Generation Reduction Adjustment**

Item	SBF Measures Reference	Status Quo	Potential Impacts
<u>Oroville Facilities Generation Reduction [1]</u>			
Annual Water Power Generation Reduction	Section E, 8.0	0-10%	11%-100%
Corresponding Annual Payment Reduction		None	1%-90%
Repayment Schedule		n/a	No repayment

"power_adj"

[1] For circumstances in which power generation at the Oroville Facilities is reduced because of a forced physical outage or a regulatory, legislative, or judicial action.

Table 7-7
Oroville RFSP - Opportunities Analysis
Payment Reductions for Water Power Generation Reduction

Percent Power Reduction	Corresponding Payment Reduction	Percent Power Reduction	Corresponding Payment Reduction
1%-10%	0%	61%	51%
11%	1%	62%	52%
12%	2%	63%	53%
13%	3%	64%	54%
14%	4%	65%	55%
15%	5%	66%	56%
16%	6%	67%	57%
17%	7%	68%	58%
18%	8%	69%	59%
19%	9%	70%	60%
20%	10%	71%	61%
21%	11%	72%	62%
22%	12%	73%	63%
23%	13%	74%	64%
24%	14%	75%	65%
25%	15%	76%	66%
26%	16%	77%	67%
27%	17%	78%	68%
28%	18%	79%	69%
29%	19%	80%	70%
30%	20%	81%	71%
31%	21%	82%	72%
32%	22%	83%	73%
33%	23%	84%	74%
34%	24%	85%	75%
35%	25%	86%	76%
36%	26%	87%	77%
37%	27%	88%	78%
38%	28%	89%	79%
39%	29%	90%	80%
40%	30%	91%	81%
41%	31%	92%	82%
42%	32%	93%	83%
43%	33%	94%	84%
44%	34%	95%	85%
45%	35%	96%	86%
46%	36%	97%	87%
47%	37%	98%	88%
48%	38%	99%	89%
49%	39%	100%	90%
50%	40%		
51%	41%		
52%	42%		
53%	43%		
54%	44%		
55%	45%		
56%	46%		
57%	47%		
58%	48%		
59%	49%		
60%	50%		

"power_red"

Table 7-8
Oroville RFSP - Opportunities Analysis
Revenue Stream Forecast [1] (Constant 2008\$) (Figures in \$000s)

50-Year License
Assumption

Item	Assumption	Total	2006-2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020-2029	2030-2039	2040-2049	2050-2059
Gross Revenues [2]																	
Initial Payments																	
First Release		\$1,935	\$1,935														
Second Release		\$4,135		\$4,135													
Subtotal Initial Payments		\$6,070	\$1,935	\$4,135													
Annual Payments	50 years	\$50,000	\$0	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$10,000	\$10,000	\$10,000	\$10,000
Other Pre-Allocated Revenues [3]		\$5,200	\$5,200														
Other Revenue Sources		TBD	\$0														
Annual Gross Revenues		\$61,270	\$7,135	\$5,135	\$1,000	\$10,000	\$10,000	\$10,000	\$10,000								
Cumulative Gross Revenues		\$61,270	\$7,135	\$12,270	\$13,270	\$14,270	\$15,270	\$16,270	\$17,270	\$18,270	\$19,270	\$20,270	\$21,270	\$31,270	\$41,270	\$51,270	\$61,270
Revenue Adjustments																	
DWR Water Allocation Adjustment																	
% of Maximum Allocation Granted	0-35% triggers reduction			<i>Example</i>	30%	50%	75%	100%	100%	100%							
Reduced Annual Payment				\$500	\$0	\$0	\$0	\$0	\$0	\$0							
Adjusted Annual Payment				\$500	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000							
Subsequent Repayment				\$0	\$100	\$100	\$100	\$100	\$100	\$100							
Oroville Facilities Generation Adjustment [4]																	
Power Generation Reduction %	11-100% triggers reduction			\$0	\$0	\$0	\$0	\$0	\$0	<i>Example</i>	<i>Example</i>						
Corresponding Payment Reduction %				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payment Reduction				\$0	\$0	\$0	\$0	\$0	\$0	(\$50)	(\$50)	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Adjustments				(\$500)	\$0	\$0	\$0	\$0	\$0	(\$50)	(\$50)	\$0	\$0	\$0	\$0	\$0	\$0
Net Revenues																	
Annual Net Revenues		\$61,170	\$7,135	\$4,635	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$950	\$950	\$1,000	\$1,000	\$10,000	\$10,000	\$10,000	\$10,000
Cumulative Net Revenues		\$61,170	\$7,135	\$11,770	\$12,870	\$13,970	\$15,070	\$16,170	\$17,270	\$18,220	\$19,170	\$20,170	\$21,170	\$31,170	\$41,170	\$51,170	\$61,170

"gross_rev"

[1] For illustrative purposes only.
[2] Gross revenues are prior to any adjustments that may or may not be reimbursable.
[3] Comprises two commitments by DWR to fund \$3 million and \$2.2 million towards Riverbend Park improvements in 2006.
[4] Adjustment for facilities generation are not subject to repayment.

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Table 7-9
 Oroville RFSP - Opportunities Analysis
 Estimated Bonding Capacity - Conservative Scenario

\$300,000
Annual Payment

Item	Assumptions	Estimated Bonding Capacity - 30 Year Term [1]		
		7% Interest	8% Interest	9% Interest
Estimated Annual Payment		\$300,000	\$300,000	\$300,000
Less Estimated Administration Costs	4%	(\$12,000)	(\$12,000)	(\$12,000)
Less Delinquency Coverage	10%	(\$30,000)	(\$30,000)	(\$30,000)
Adjustment for Rounding		\$2,000	\$2,000	\$2,000
Estimated Gross Debt Service (Rounded)		\$260,000	\$260,000	\$260,000
Bond Proceeds and Bond Size				
Total Bond Size		\$3,226,351	\$2,927,024	\$2,671,150
Adjustment for Rounding		(\$26,351)	(\$27,024)	\$28,850
Total Bond Size (Rounded)		\$3,200,000	\$2,900,000	\$2,700,000
Total Bond Size (Rounded)		\$3,200,000	\$2,900,000	\$2,700,000
Estimated Bond Proceeds				
Rounded Bond Size		\$3,200,000	\$2,900,000	\$2,700,000
Less Capitalized Interest	12 months	(\$224,000)	(\$232,000)	(\$243,000)
Less Issuance Cost	5%	(\$160,000)	(\$145,000)	(\$135,000)
ESTIMATED BOND PROCEEDS		\$2,816,000	\$2,523,000	\$2,322,000
Estimated Opportunity Cost of Bond [2]				
Cumulative Revenues Over 30 Yrs. Without Bonds		\$9,000,000	\$9,000,000	\$9,000,000
Cost of Bond				
Interest		\$6,184,000	\$6,477,000	\$6,678,000
Issuance Costs		\$160,000	\$145,000	\$135,000
Total Opportunity Cost of Bond		\$6,344,000	\$6,622,000	\$6,813,000
Cost as a % of Total Revenues		70%	74%	76%

"bonds"

[1] Estimated bond sizing based on conservative assumptions. The actual interest rate will be determined at the time of bond sale.

[2] For purposes of this analysis, the opportunity cost of a bond was calculated using constant dollars. A full analysis would need to account for the present value of money.

Table 7-10
 Oroville RFSP - Opportunities Analysis
 Estimated Bonding Capacity - Moderate Scenario

\$500,000
Annual Payment

Item	Assumptions	Estimated Bonding Capacity - 30 Year Term [1]		
		7% Interest	8% Interest	9% Interest
Estimated Annual Payment		\$500,000	\$500,000	\$500,000
Less Estimated Administration Costs	4%	(\$20,000)	(\$20,000)	(\$20,000)
Less Delinquency Coverage	10%	(\$50,000)	(\$50,000)	(\$50,000)
Adjustment for Rounding		\$0	\$0	\$0
Estimated Gross Debt Service (Rounded)		\$430,000	\$430,000	\$430,000
Bond Proceeds and Bond Size				
Total Bond Size		\$5,335,888	\$4,840,847	\$4,417,671
Adjustment for Rounding		(\$35,888)	(\$40,847)	(\$17,671)
Total Bond Size (Rounded)		\$5,300,000	\$4,800,000	\$4,400,000
Total Bond Size (Rounded)		\$5,300,000	\$4,800,000	\$4,400,000
Estimated Bond Proceeds				
Rounded Bond Size		\$5,300,000	\$4,800,000	\$4,400,000
Less Capitalized Interest	12 months	(\$371,000)	(\$384,000)	(\$396,000)
Less Issuance Cost	5%	(\$265,000)	(\$240,000)	(\$220,000)
ESTIMATED BOND PROCEEDS		\$4,664,000	\$4,176,000	\$3,784,000

"bonds2"

[1] Estimated bond sizing based on conservative assumptions. The actual interest rate will be determined at the time of bond sale.

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APPENDIX A:
List of Works Reviewed
and List of Interview Sources



LIST OF WORKS REVIEWED

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APPENDIX H:

Supporting Information

- (1) Funding Reconciliation for the First Lump-Sum Payment from DWR and subsequent payments pending FERC License Signing
- (2) Historical United States Inflation, 1979-2008
- (3) Present Value of Annual Payments, 2010 -2059
- (4) Estimated Bonding Capacity – Conservative Scenario
- (5) Preliminary Derivation of Raw Technical Scores