

Appendix G

Economic/Market Summary from Redevelopment Concept Plan 05-2003



Economics Research Associates

Memorandum

DATE: April 28, 2003
TO: Jim Stickley, WRT
FROM: Steve Spickard, ERA
RE: Oroville Waterfront Development Plan – Economic/Market Setting and Recommended Protection, Mitigation, and Enhancement Projects

PROJECT #15032

ECONOMIC/MARKET SETTING

On March 19th, ERA presented the economic and market setting for the waterfront development strategy to a workshop of citizens and community leaders in Oroville. The tables, charts and data collected to describe the economic setting are attached to the back of this memorandum. Highlights of the presentation are as follows:

- While population in Butte County has continued to grow over the last 20 years, the population within the incorporated limits of Oroville has remained relatively stable. The growth that has occurred in Oroville has been due more to annexation of existing residential areas than it has been to new development or immigration.
- Oroville serves a larger market than its incorporated city limits, however. Oroville itself is approximately 13,000 in size, but there are 45,000 people in the immediate vicinity. Most of the growth in recent years has occurred in the unincorporated areas around the city limits of Oroville.

- Median household income in Oroville is relatively low at approximately \$22,000. This is less than half of the California statewide median of \$47,000.
- The structure of the Oroville economy was charted in both 1990 and 2000 using U.S. Census Data. The most significant changes are the decline in manufacturing employment, and an increase in employment within the service industries. While the shift away from higher paying manufacturing jobs to lower paying service jobs is unfortunate, it is typical of much broader changes throughout not only Butte County, but California and the United States as a whole.
- Major private sector employers were researched, and found that the largest companies tended to be in such basic industries as fruit canning, metal fabrication, wood products, and packaging materials.
- In the realm of public employment, Oroville is the Butte County seat, and hosts a significant hospital, creating a relatively large employment base in public administration, medical and utilities industries.
- Housing prices have increased in Oroville over the last decade, but remain relatively low. The median house in Oroville is still under \$100,000, compared to a \$250,000 in the Roseville/Sacramento area and over \$500,000 in the San Francisco Bay Area.
- The disparity in housing prices has stimulated a recent surge in home buying and construction of new homes in the Oroville area. New residents include retirees, pre-retirees, and even families with children who are moving to Oroville in order to buy much more home for the money than they can get in either the Sacramento metropolitan area or the Bay Area.
- Oroville currently has over 400 motel rooms in commercial grade transient properties.
- Visitation to the recreation areas in Oroville remains one of the most significant draws to the region. The California State Parks

Department identified over a million visitors to Lake Oroville Park units last year, up from about half a million visitor just four or five years ago. (Note, however, this total includes recreational day-visitors from within Butte County.)

ERA'S RECOMMENDED CANDIDATES FOR ECONOMIC DEVELOPMENT PROJECTS (LEADING TO PROTECTION, MITIGATION AND ENHANCEMENT MEASURES)

General Principals

1. Projects should be logically connected to the Department of Water Resources, Oroville Dam, the lake, and/or the river.
2. Costs should be reasonable.
3. Potential projects should prioritize sites that are currently in public ownership and avoid acquiring expensive private property.

CANDIDATE PROJECTS

Project 1: Flexible Event Staging/Group Camping Space

- Located north of Diversion Channel, abutting diversion pool on the west side, up to the two cemeteries on the north.
- Utilizes existing Department of Water Resources (DWR) property (does land ownership need to be confirmed?).
- Users would have access to diversion pool, bike trails, etc.
- "Campground" would be relatively undeveloped: only restrooms/ water sources, movable tables and fire rings (an example of this type of space is the privately operated Dillon Beach).
- Could eventually include boat house(s) for rowing clubs, kayak school, etc.

- Not just for events onsite: serves as staging area for events taking place throughout the region.

Project 2: White Water Park

- Located south of the Diversion Channel on the west side of the hatchery diversion pool.
- Connected by footbridge (and one lane vehicle bridge) to camping/event area over Diversion Channel as close to river as possible.
- State of the art, “world class,” man-made white water river experience(s) (is it possible to have flumes or stretches of different ability levels?).

Project 3: Equestrian Event Staging/Camping Area

- Located on the east side of the diversion pool on the 80+ acres.
- Users would have direct access to 40+ miles of equestrian trails.
- “Campground” would be relatively undeveloped: only restrooms/ water sources, movable tables and fire rings, but allowing for RV units, trucks with horse trailers, to create “wagon circles” and other configurations of camping units under the trees on the site.
- Limited corral and training ring areas could be developed onsite.
- Modular/movable bleacher seating could be used to create small event spaces as needed. Thus, some events could occur on site, as well as staging facilities for trail rides and other equestrian events, as well as non-equestrian events, occurring throughout the region.
- A privately operated boarding stable would be a compatible use for a small portion of the site.

Project 4: The Downtown Reach--Fluvial Geomorphology and Housing Opportunities

Technologies and sciences now exist that will allow the reshaping of some or all of flood control levies, with replacement by a carefully engineered river basin that maintains the same or even greater flood capacity, yet allows a river to flow naturally and riparian wildlife and vegetation to return in a more natural ecosystem.

Oroville has a very brief opportunity at this moment presented by the fact that development has not yet occurred immediately north of the river from downtown Oroville. A logical PM&E project for DWR would be to employ fluvial geomorphology techniques to modify the north bank of the river across from downtown; broadening the river in places on the north side; creating a meandering, more natural river past downtown, with the concomitant ability to be more flexible in using the river levy on the downtown (south) side of the river.

While this proposal may sound expensive and dramatic at this time from a 2003 perspective, from a 1962 perspective or a 1900 perspective it is a relatively small project. Fluvial geomorphology applied to the stretch of the river from the hatchery dam to approximately the old flash dam site, is completely dwarfed by the scale of environmental redesign that was used to build the dam, and would be a small fraction of the change in landscape compared with the dredge-mining of the entire region a century ago.

Other than flood events, the river flow in this stretch is controlled and consistent, creating a stable environment for natural processes to work. Obviously, the design would have to accommodate hundred-year plus flood events (thus requiring the larger land area and the take of property towards the bluffs on the north side of the river).

The remaining land on the north side of the river below the bluffs would become an even more attractive location for new housing. The more meandering river would create an amenity rich environment for a new neighborhood. More residents in the immediate vicinity of the traditional downtown would create more vitality and market support for eating, drinking

and entertainment establishments in the downtown area. Given the proximity to downtown and the river amenity, a relatively high density for new housing would be appropriate on the north side of the river.

Project 5: Gateway Parcel on the Southeast Quadrant of the Feather River and Highway 70

- This parcel is currently available for acquisition by the City (at what appears to be an affordable price).
- Although much of this valuable parcel should be reserved for revenue producing privately commercial development, it is large enough that it should be able to house a significant public or non-profit-owned and operated feature as well.
- A logical public attraction project would be a combination of visitor center and Native American interpretive facility. (An alternative location for these facilities would be a few blocks further east in the traditional downtown.)
- A logical commercial development at the Gateway Parcel would be a lodging property. In this high-visibility, and riverfront-amenity location, such a lodging facility could contain on-site food and beverage service, and perhaps banquet and small scale meeting facilities as well.

Project 6: Response by Downtown Oroville

- Each of the projects mentioned above will help attract more people into the Oroville marketplace. By enhancing community livability and providing more things to do from a recreation perspective, more, and more affluent, households will be enticed to move into the area. In addition, more people will visit the area both on a day-visit basis and for overnight and extended stays.
- It may be difficult to logically connect downtown redevelopment projects to DWR missions and thus directly to P,M&E's.

- On the other hand, the presence of more, and more affluent people in the surrounding market area creates an opportunity for the downtown to capture spending by these people.
- The primary focus for downtown should be on development and enhancement of commercial businesses that provide food, beverage and entertainment services to residents and visitors alike. The historic district centered at Meyers and Bird Streets still has an intact architectural and urban fabric reminiscent of Gold Rush towns and a human pedestrian scale that could be an appropriate setting for a variety of restaurants and bars, and other interesting visitor-related businesses.
- Major retailers including community level shopping centers and regional serving retail will continue to prefer locations either on Highway 162/Oroville Dam Boulevard or in the Highway 70 corridor.
- The market for lodging development is currently depressed throughout the Western United States, not only by market demand but also by the dearth of financing available for hotel development. As the market for lodging properties regains strength in the Oroville region, appropriate locations for future hotel development would include the Gateway Parcel near the river and Highway 70 as described above or perhaps fronting the river with views over top of the levy in the downtown area.
- The downtown area would also serve as a possible location for the visitor center/Native American interpretive facility discussed for the Gateway Parcel.

Project 7: Regional Recreation Enhancements to the Forebay and Afterbay

A wide variety of recreational enhancements could also be part of the P,M&E's focused on the Thermalito Forebay and Afterbay. These are currently being investigated in the Dangermond Study and could include:

- Overnight camping facilities;
- Active sports fields including soccer and softball adjacent to the Forebay;
- Properly functioning warm water swimming facilities;
- Shade in shoreline areas;
- Bleachers (with shade) sited to serve water skiing events and other competitive aquatic activities in the Forebay or Afterbay; and
- Extension of boat ramps and facilities to accommodate access during fluctuating water level conditions.

Project 8: Swimming Pool

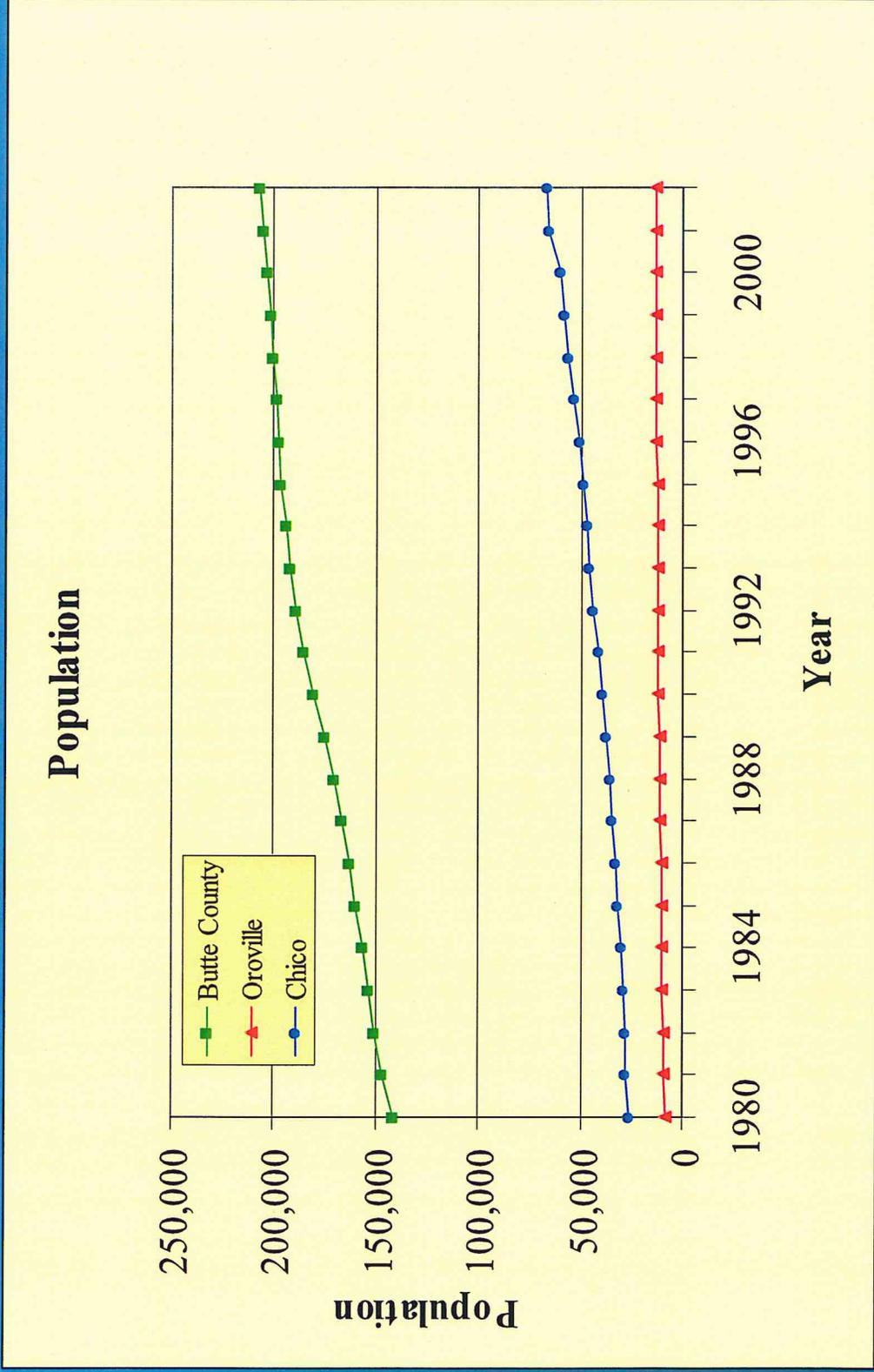
- By linking the loss of warm water swimming to the dam construction and river management post 1962, community members in Oroville have been lobbying for a swimming pool complex as part of the DWR's P,M&E's.
- A large swimming pool complex has the potential to attract competitive events bringing people from outside the area for swim meets and other activities. Many communities throughout Northern California have similar facilities, however, and Oroville is not particularly well located within the region to attract a large volume of competitive sports play. The primary users of a swimming pool complex will be local residents. As such, it would make the most sense to locate any swimming pool complex produced through the DWR P,M&E process next to an existing school or other major community facility to encourage frequent resident use.

Oroville Economic/Market Setting

Steve Spickard
Economics Research Associates (ERA)

ERA

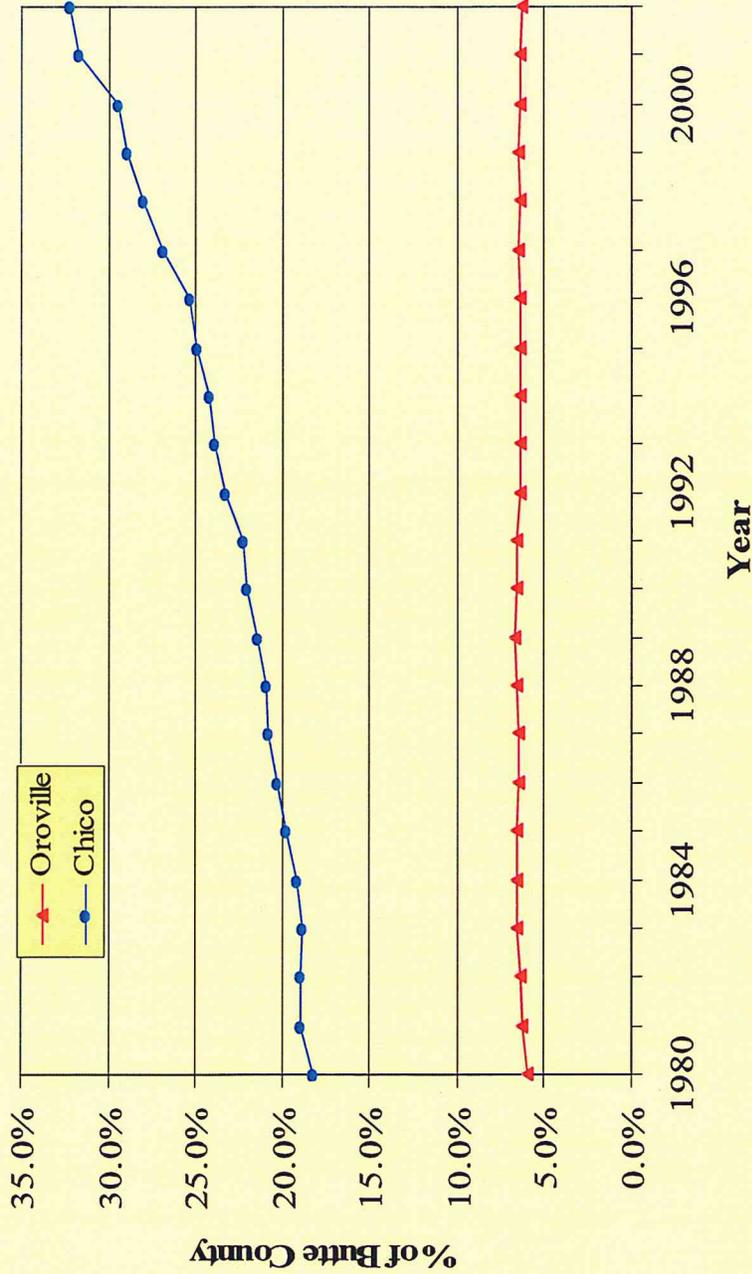
Population



Source: Center for Economic Development, CSU Chico

Population (% of Butte County)

Oroville and Chico as a Percent of Butte County Population



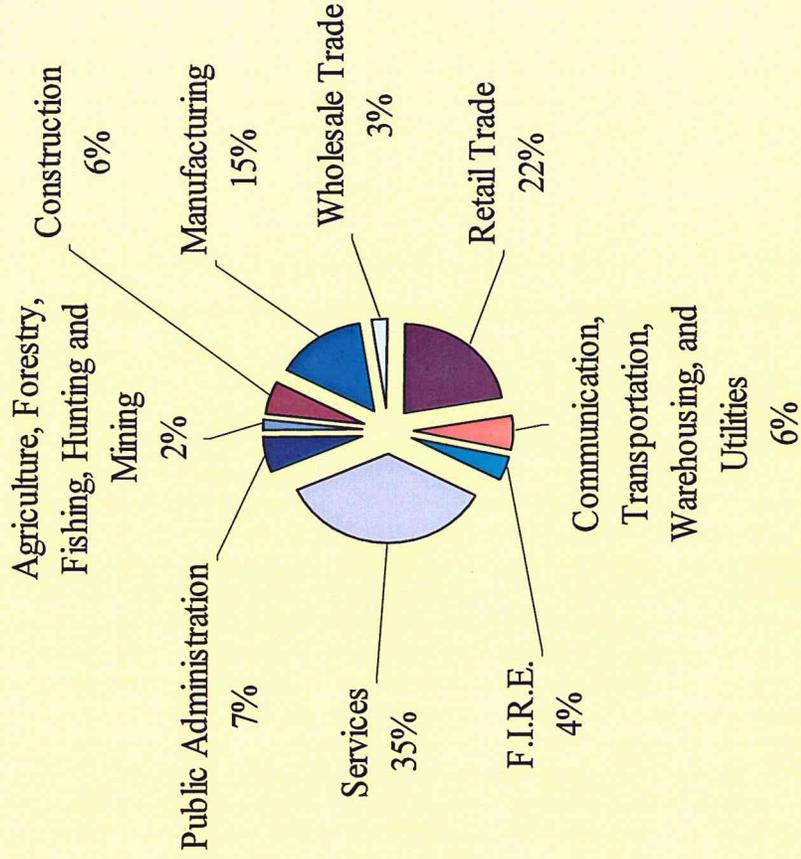
Economic & Demographic Statistics

Economic and Demographic Statistics, 2000

	Oroville	Butte County	California
Population	13,004	203,171	33,871,648
Average household size	2.5	2.5	2.9
Households with indiv under 18	37%	31%	40%
Households with indiv 65 and over	28%	28%	22%
Age			
Median (years)	32.6	35.8	33.3
Under 18	30%	24%	27%
Over 65	15%	16%	11%
Income			
Median household income	\$21,911	\$31,924	\$47,493
Per capita income	\$12,345	\$17,517	\$22,711
Labor force			
Population 16 and over	9,418	160,320	25,596,144
In labor force	4,726	91,098	15,977,879
Unemployed	607	8,494	1,110,274
Percent unemployed (in labor force)	13%	9%	7%
Percent unemployed (16 and over)	6%	5%	4%

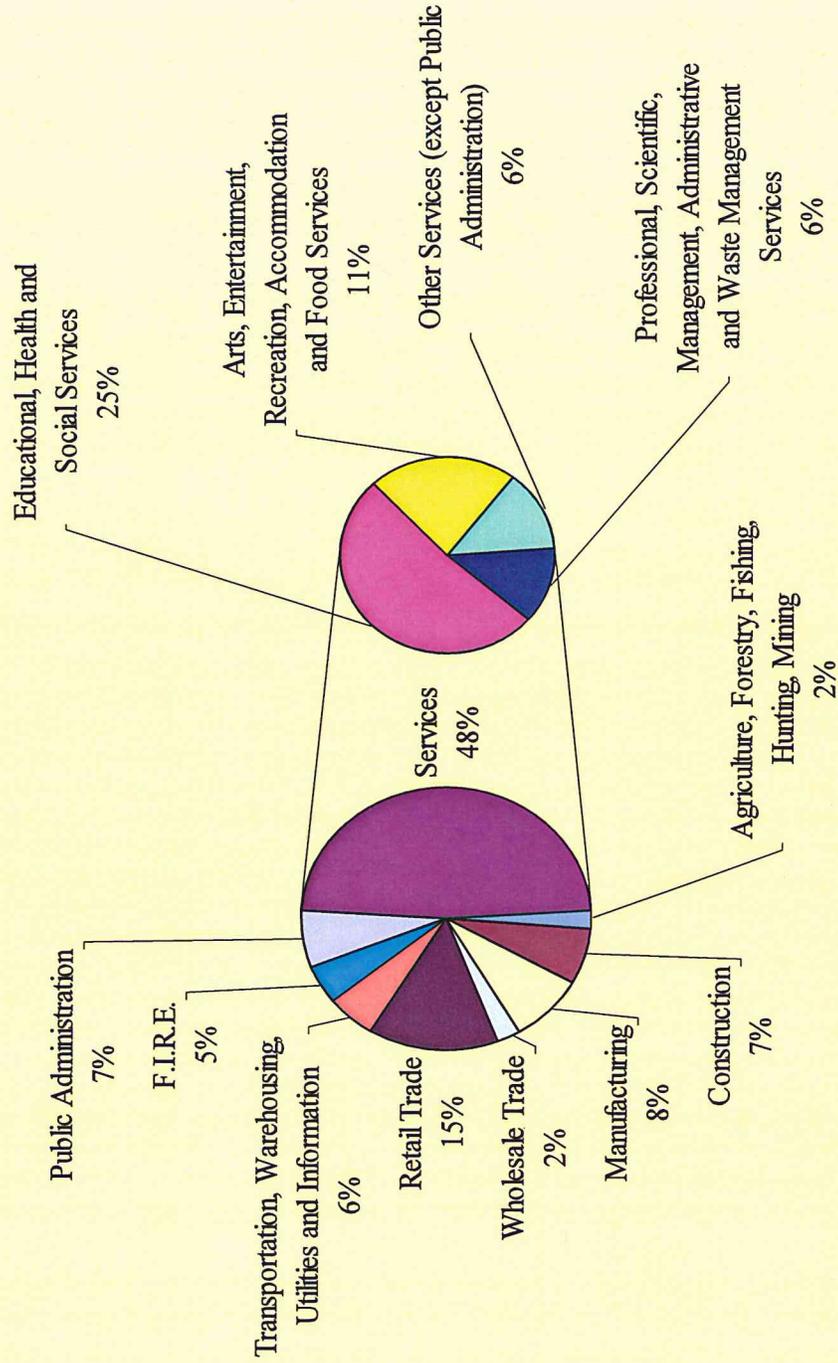
Oroville Economic Structure, 1990

Oroville Economy, 1990



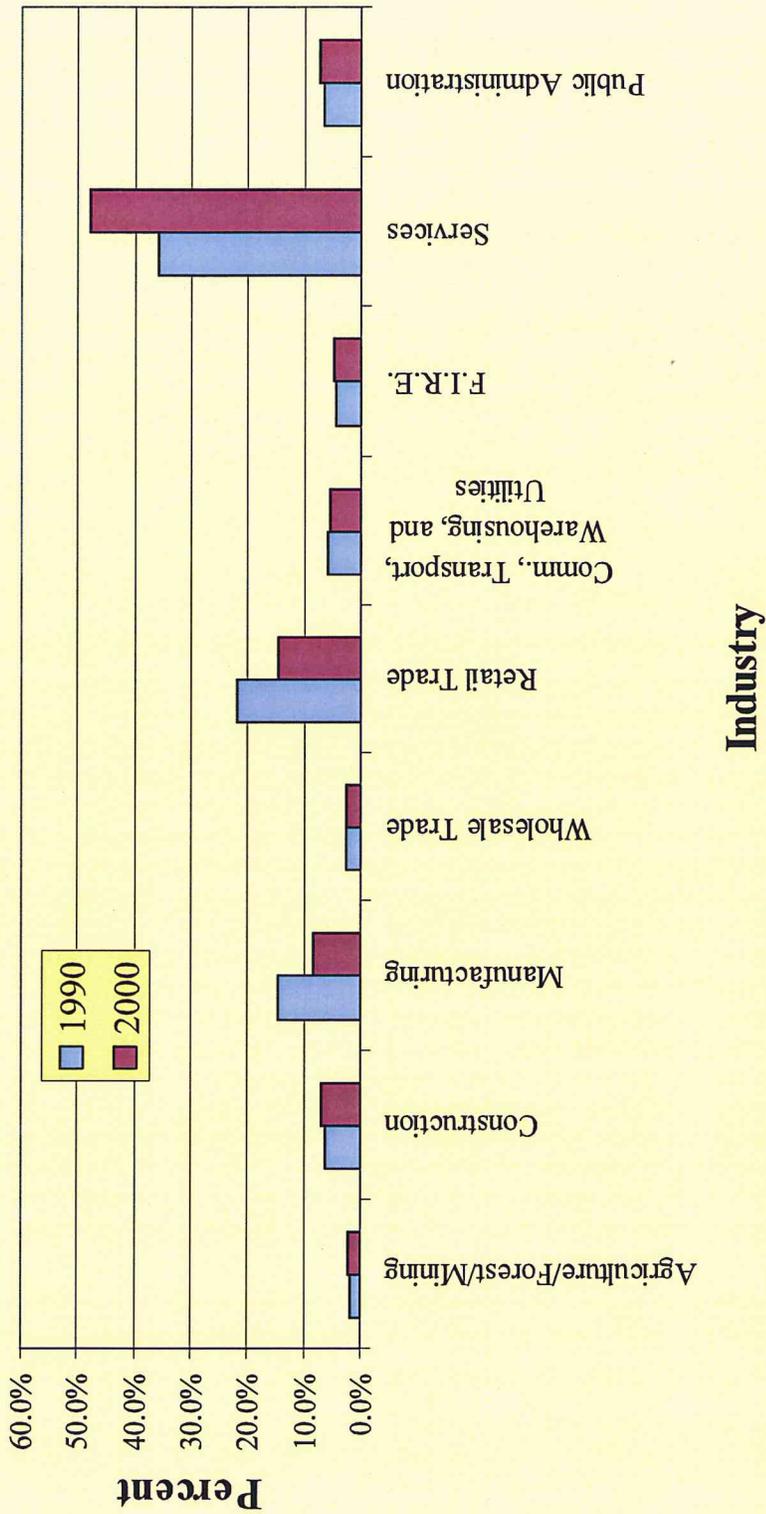
Oroville Economic Structure: 2000

Oroville Economy, 2000



ERA Oroville Economic Structure, 1990-2000

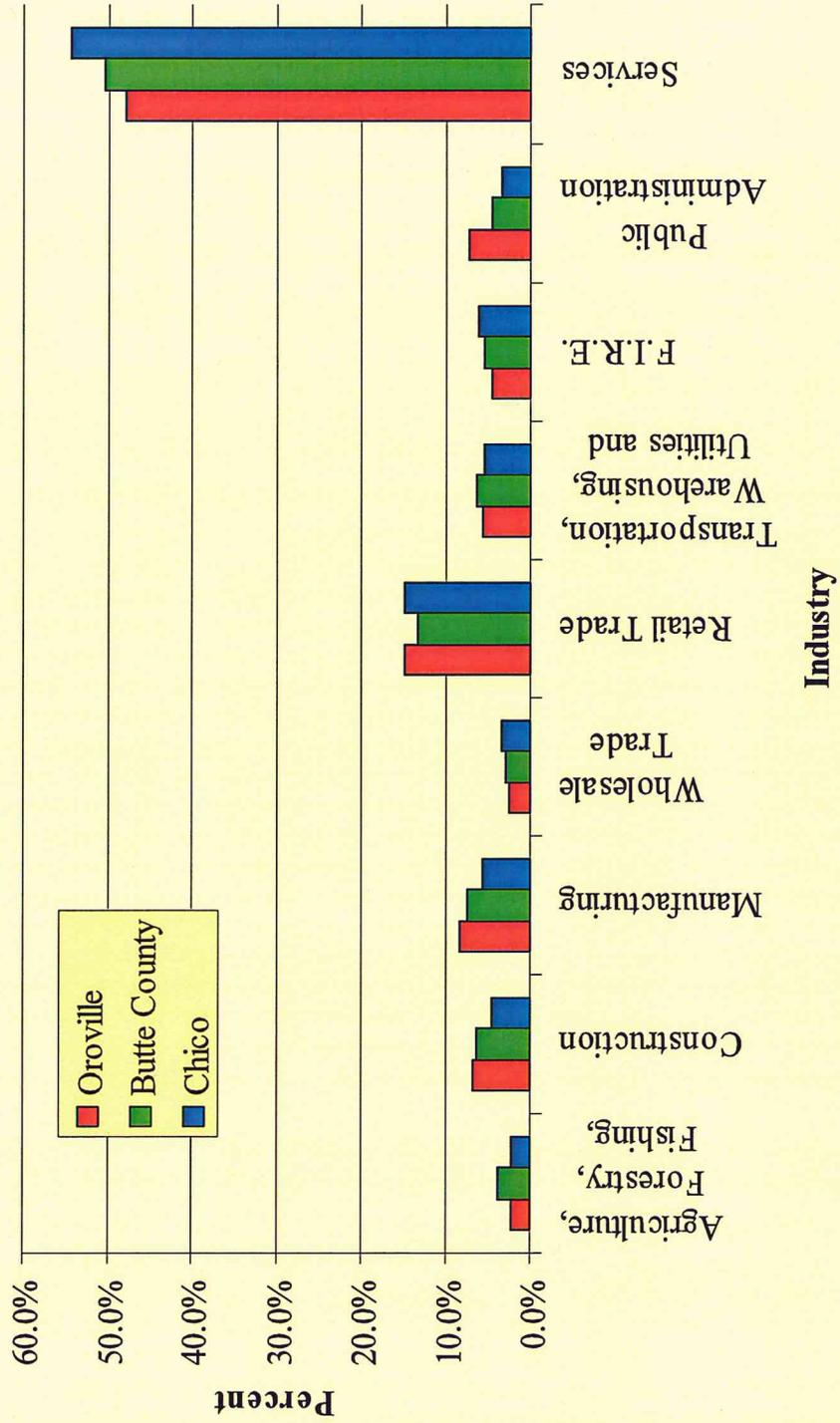
Orville Economy, 1990-2000



Source: U.S. Census (2000)

Comparison of Economies

Comparison of Oroville, Butte, and Chico Economies, 2000



Source: U.S. Census, 2000.

Manufacturing Employment in Oroville

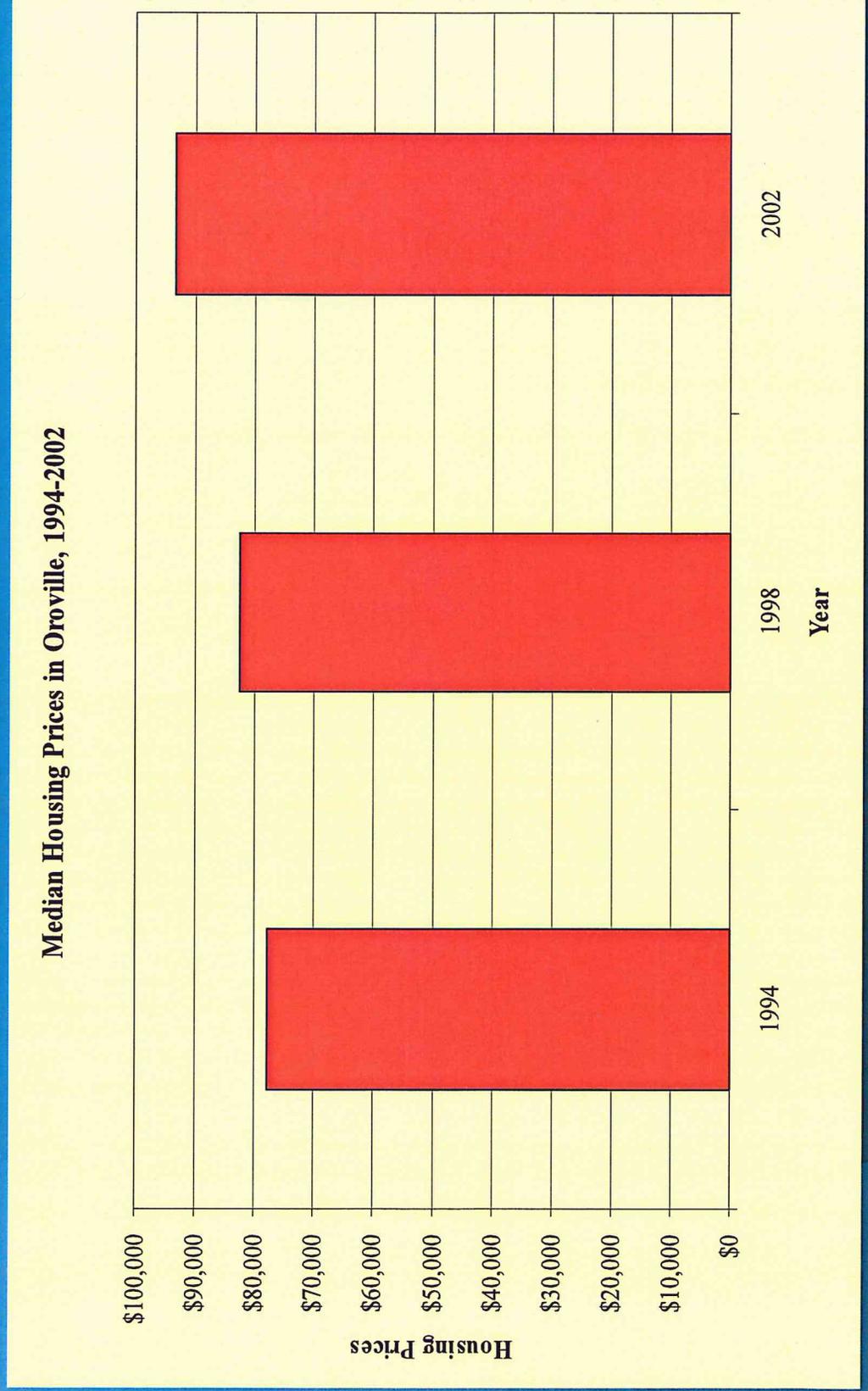
Employer	Products/Service	Employment	
		Full Time	Part-time
Manufacturing			1400
Pacific Coast Producers	Fruit canning	280	
Spectra-Physics Lasers, Inc.	Laser components	115	
Roplast	Plastic bags	160	
Blount Inc. - RCBS	Ammo, Reloading equip.	95	
Setzer Forest Products	Construction materials	105	
Sierra Pacific Industries	Cedar fencing	74	
Sierra Pacific Packaging, Inc.	Folding cartons	70	
Metals Works	Metal fabrication	53	
Compass Equipment, Inc.	Recycling equip.	45	
Air Filtration	Filtration systems	30	
Feather River Industries	Wood products	105	
Pacific Oroville Power	Co-generation	23	
All Metals	Metal products	22	
Endeavor Homes	Housing components	17	
Mineral Resources		11	
Vinyl Fabrications	Pool liners, domes	10	
Cal-Flor Accessory Systems	Flooring accessories	9	
Total		1,224	1,400

ERA Non-Manufacturing Employers in Oroville

Employer	Products/Service	Employment	
		Full Time	Part-time
Non-manufacturing			
Butte County	Public administration	2,100	1,000
Oroville Hospital	Hospital	1,000	
State of California			
Dept of Water Resources	Public administration	117	
Dept of Parks and Recreation	Public administration	100	
City of Oroville	Public administration	101	8
Pacific Gas & Electric Co.	Utilities	75	
Nor Cal Waste Systems of Butte County	Utilities	65	
Oroville-Wyandotte Irrigation District	Public administration	60	
Feather River Recreation and Parks District	Public administration	9	20
University of California	Education	10	
Thermalito Irrigation District	Public administration	10	
California Water Service Company	Utilities	8	
Total		3,655	1,028

Source: The Source, Community Resource Directory

ERA Median Housing Prices in Oroville, 1994-2002

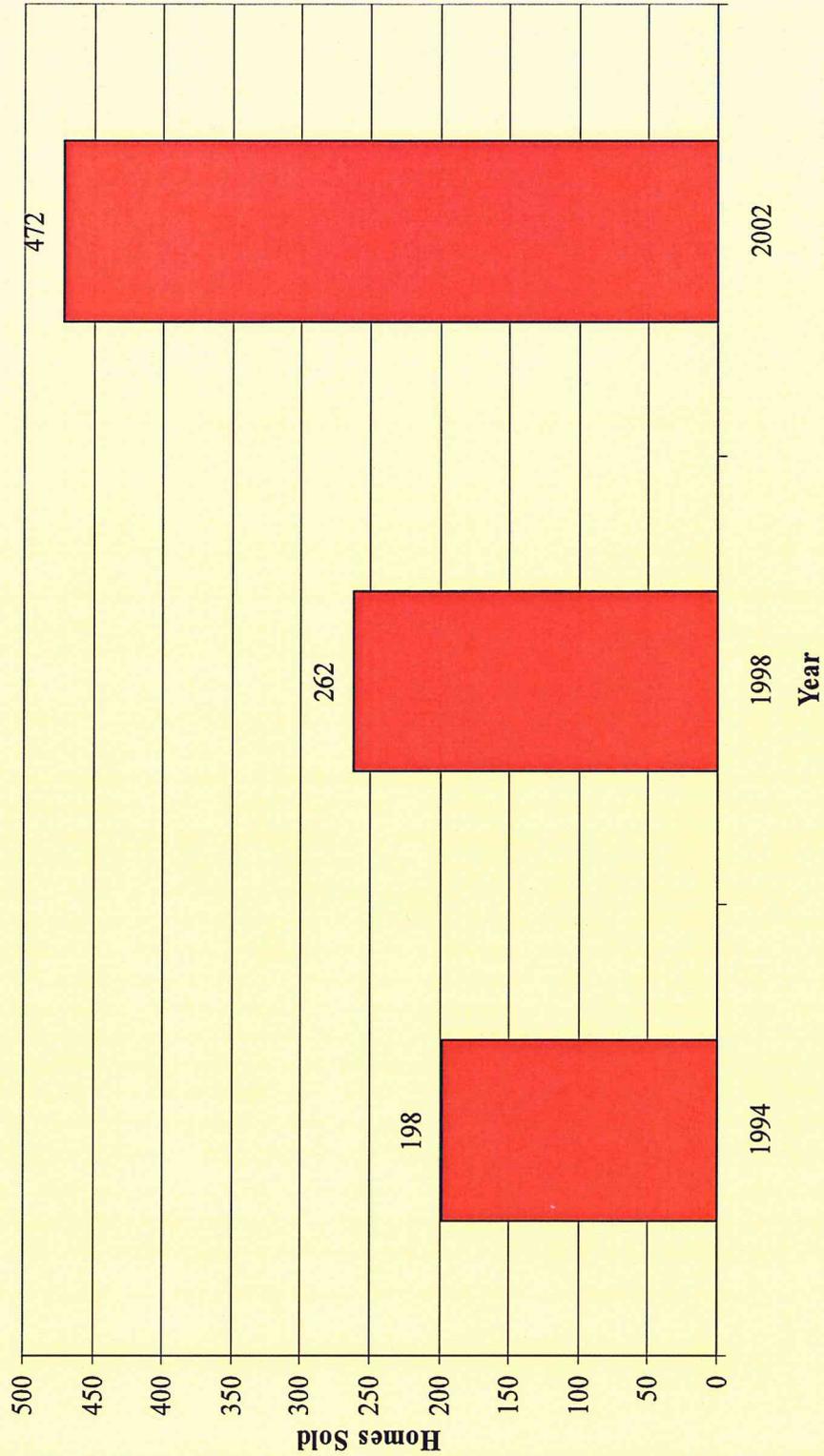


Source: Remax Altima Realty, 2002

ERA

Total Homes Sold in Oroville

Total Homes Sold in Oroville, 1994-2002



Source: Remax Altima Realty, 2002

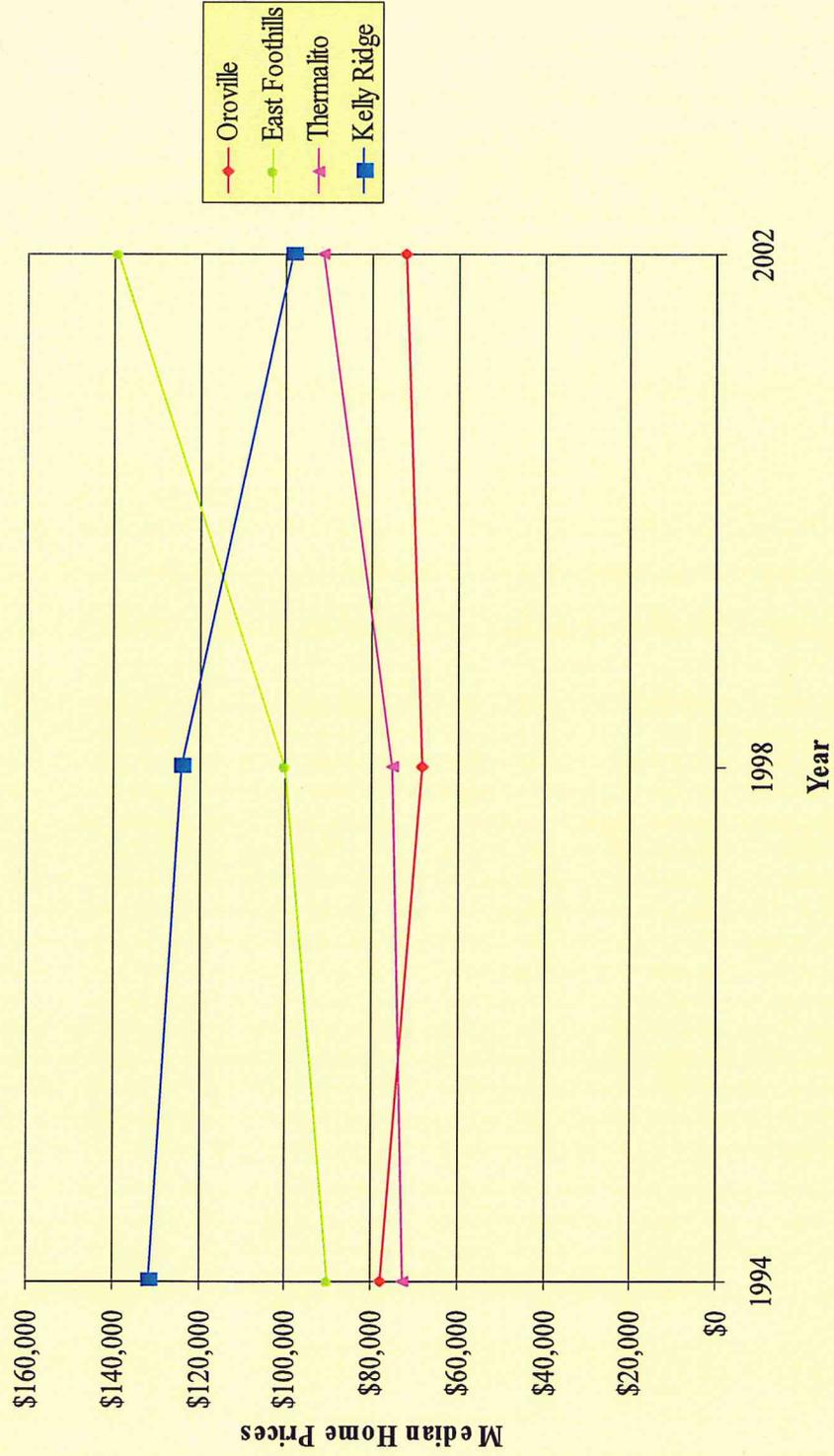
Comparison of Median Home Prices



Source: Dataquick, Natl Assoc. of Realtors, Remax Altima Realty

Comparison of Median Home Prices

Comparison of Median Home Prices, 2002



Broker Interview Comments

- Demand has been very strong over the past two years
 - Demand has been especially strong over last year
 - Before last two years, relatively stable
 - Relocations and 2nd homes Bay Area, Sacramento
 - Relocations from Butte County (Chico)
 - Many retirees looking, but broader demographic also interested (upgrading, vacation homes)
- Values have been increasing
 - Average value of sold homes in Oroville approx. \$135,000
 - Within 15-20 mile radius of Oroville - \$120,000
 - Average lot value: approx. \$35,000-\$45,000
 - Within 15-20 mile radius of Oroville - \$38,000
 - 5 acre unimproved parcels - \$35,000-\$45,000

Broker Interview Comments

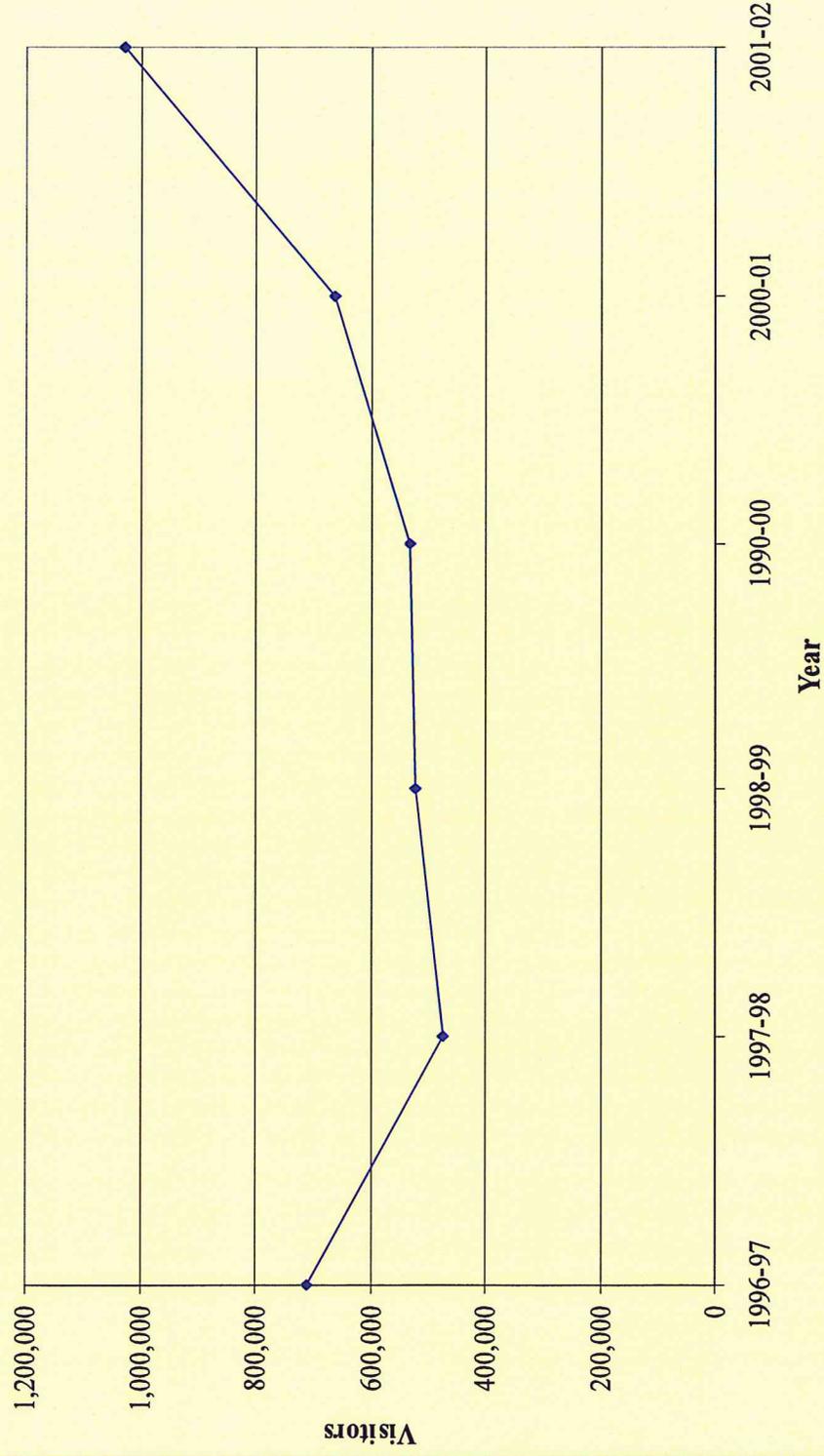
- **Location**
 - Most people seek the eastern foothills near dam
 - Lake Oroville is an attraction
- **Commercial Leases**
 - Along Olive Hwy and Oro Dam Blvd: approx. \$1.00/SF/month
 - Downtown: approx. \$0.50-\$0.75/SF/month
 - Shopping Centers: approx. \$1.20-1.50/SF/month
 - Industrial: approx. \$0.50/SF/month
- **Downtown**
 - Renovations in downtown - Victorians, bungalows
 - Considered safe, stable neighborhood

Hotels/Motels/B&Bs in Oroville

Name	Rooms	Meeting Facilities
Motel 6	101	No
Best Value Inn	71	No
Comfort Inn Central	54	Yes, 40 person capacity
Western Motor Lodge	50	No
Sunset Inn	42	No
Days Inn	38	No
Budget Inn	22	No
Villa Motel	20	No
Dahl's Motel	16	No
Riverside B&B	9	No
Lake Oroville B&B	6	Yes, 50 person capacity
Total	400+	

Lake Oroville Visitors

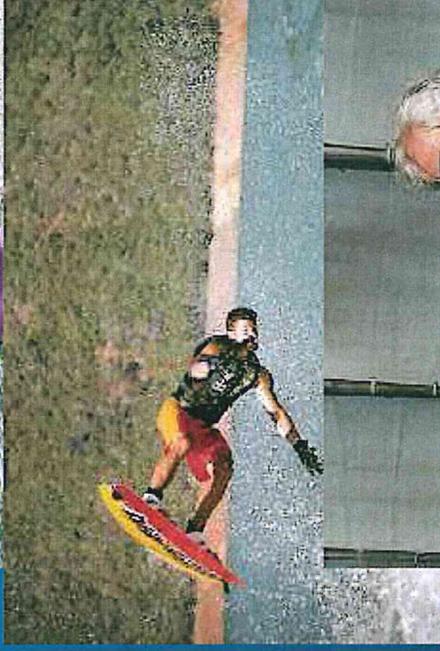
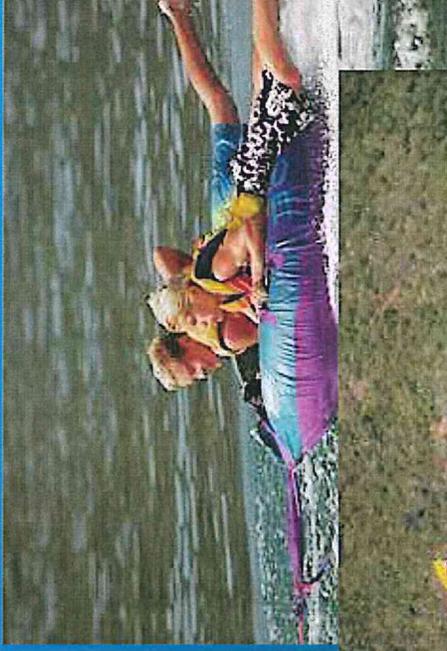
Lake Oroville Visitors



Source: State Parks Department, California

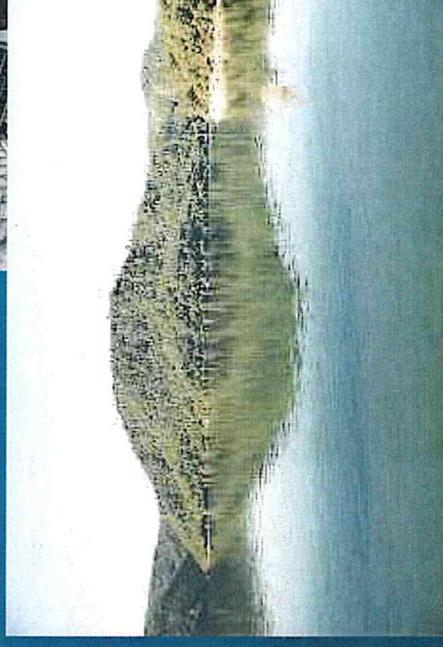
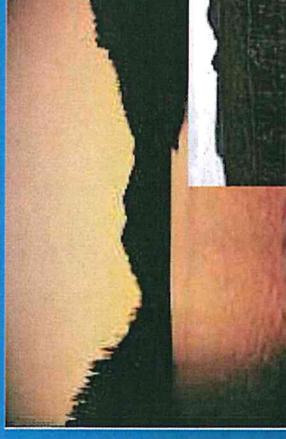
Opportunities

- **Recreation Sites**
 - Lake Oroville
 - Feather Falls/Whitewater
 - Feather River/Below dam
 - Forebay/Afterbay
- **Potential for increased tourism**
- **High number of visitors to Lake Oroville**
- **Growing demand for housing in Oroville**
- **Cost Advantage**
 - Housing/Cost of Living



Constraints

- **Demographic**
 - Small population growth
 - Small employment growth
 - “Graying” of population
- **Unpredictable water levels**
 - Potential for flood
 - Potential for drought
- **Levee**
 - Limited view
- **Environmental**
 - Anadromous fish concerns
 - Water temperature



Appendix H

Meeting Summary Notes from Redevelopment Concept Plan 05-2003

Meeting Notes: March 5, 2003 Stakeholder's Interviews

Prepared by: Land Image

Notes: Group A

- Bidwell Bar and Foreman Creek swimming area loss
- \$160 million retail sales “leak” out of Oroville to outlying shopping, mostly Chico
- Visitor's center along HWY 70 to corridor
- Visitors:
 - A. Don't know where dam is
 - B. Don't know where downtown is
- Limited access to river from downtown
- Redevelop apartments behind levee (apartments built for dam workers)
- Potential for commercial properties to move up on top of levee similar to garden Highway in Sacramento
- Don't take away prime commercial properties along HWY 70
- Huntoon Street has good potential for pedestrian bridge
- Area east of HWY 70 and north of Feather River
- Provide ADA access to river
- Historical facilities at Downer Street
 - A. Floating deck
 - B. Gold dredge (gold dredge was invented at Oroville)
- Recognition of Chinese contribution
- Operations and maintenance need to be considered in the costs of any program item
- Cultural center could go into existing building (adaptive use)
- Old time fiddlers is a big event
- Turn downtown into “Nevada City”
- Low flow portion next to downtown is a better site for whitewater due to better spectator potential.

- Talk to Jim Linhoff- He is local History buff
- Greenline cycles building is historic building
- Herbert Hoover worked / lived here as engineer
- Robinson Jewelry was the assay office with connection to Thomas Edison
- Edison came here looking for Tungsten for his light bulbs
- There is a puppet theatre from emperor of China in the Chinese temple
- State has put up fences to keep public out of public land for liability reasons
- In future, population center will move to south Butte County and commuting to Sacramento
- Flood in 1907, levee built in 1908

Notes: Group B

- Special event venue
 - Possible sites are North Forebay or Riverbend Park- need 20 acres
 - Day use and overnight camping, Rvcamping are needed to support special events
 - A. Motorcycle show
 - B. White water convention 1000+ people
- Overflow parking (Fiesta days)
 - A. Diversion Dam/ Event Center
 - B. Equestrian
 - C. Mountain Bike
 - D. Rodeo
 - E. Camping
 - F. Whitewater support
- Skulling at north forebay: great potential (S.F. State & other colleges would come if they knew about it)
- North Fork Feather River releases happen every other weekend during period between June to October. This has attracted 500 people each day
 - A. Potential use of Oroville as jumping off point

- B. Canyon limited in parking: very few pull outs, flat area
- C. Golly festival on East coast brings 60,000 people in, could happen out here as west coast version
- Bedrock to Afterbay overflow is class II recreational
- Spring only:
 - A. North fork POE to power house to reservoir –kayak- class III
 - B. Middle fork Feather River and rock creek, La Cresta II to V on same reach
- Site options for White Water Course:
 - Site #1-Diversion Pool to Fish Diversion
 - 60 ft. drop
 - Spring run vs. Fall run: Talk to Fish & Game
 - Site #2-Below South Forebay
 - 40-60 ft. of would-be longest course in world (John Anderson, Atlanta)
 - Site #3-Downstream of Fish Hatchery
 - Hard to get water to it.
 - Would need pumps
 - Pay off in two years
- NEED Feasibility Study: Focus Group with E.D.A.W.
 - A. Could be too cold
 - B. Pro's and cons of near / far to city
 - C. If in riverbed, must withstand flood flows
 - D. 5 to 10 million cost
- “Betterment of Oroville”
 - If it does not get accepted by DWR, we want it to work with Oroville either way
- Want river access
- Gateway “eye-catcher” starting point
- Regional park
- Forebay- opportunity!
- Feather River recreation and park district (FRRPD) 210 acres undeveloped park lands
- 1984 recreation Master Plan out of date

- Operations and maintenance needed
- RRPD's Board of Directors emphasis is downstream of dam not upstream

Notes: Group C

- Install flash dam to return this section of low flow to useable condition
- White water park
- Cold water could be mitigated at north forebay
- Develop ponds for warm water swimming
- Use existing nature and cultural center instead of a new one elsewhere
- Equestrians want to use south side of feather river to the east of nature center
- Rodeo is big in Oroville
- Trail system will have strong demand
- Need 300-400 unit RV area
- Control of facilities:
 - Above dam – should be State Parks
 - Below dam – FRRPD & City
- There currently is no permanent boat storage at south forebay due to DWR red tape
- The model for proper boating infrastructure is at Brown's Ravine in Folsom
- Water fluctuation of afterbay
 - 15' draw of 25' prevents adequate use
- Lakeland has car top access only
- Water ski at lake and afterbay is possible. There is a lot of debris at Lake Oroville
- Mountain bike – combined or separate need expanded trail network(equestrians don't like to share with mountain bikers)

Notes: Group D

- Linear park from flashboard dam to the diversion pool
- Commercial/retail build up building to view into riverfront – These need to be theme designed buildings with two to three stories. Parking under

- Equestrian
- A. Need trail head (non-pave)
 1. Large trailer parking RV revenue generation
 2. keep other trail heads –elsewhere at better non-spooking of the horse areas
 3. overflow –upstream
- B. Get the 83 acres (purchase ASAP –this 83 acres act as multi-use event area)
 1. rental stables
 2. concession
 3. camping / tent
 4. passive event area
 5. connect to downtown or bring down town toward the 83 acres
- C. Bridges over Railroad tracks multiple locations
- D. Caretaker on site – there is one now?
- E. Landmark at town center and from Hwy 70

Notes: Group E

- Downtown zoning / Residential with Commercial (Downtown dies in evening all go home - Crucial to create residential zoning and housing downtown. To support the residential – restaurants / bars / grills/ coffee shops / movie theater / theater etc... will support residents and new downtown users
- Senior Citizens
 - Input of thriving time
 - Flash dam –boat racing (Environmental concerns)
 - Lake 850' elevation in the day - Can we get DWR to give the City and Lake Users a actual elevation they can count on?
- View overlooks:
 - Mt. Diablo from Dam?
- Take warm water from top of diversion pool, for warm water use – Engineer a outflow pipe from the top
- Outdoor concert venue at Bedrock Park or Arline Rhine Drive
- Special events in river corridor

- A. Duck floats (yellow ducky)
 - B. Fireworks and special events to attract people to the river
 - C. Lake like Marysville with Gazebo, Fountain, Fishing
 1. Control water level of outflow (warm from top)
 2. Build water / flood resistance
 3. Facilities with stable water level
- Antique shows etc. Currently city has 1 event per month average. We need an event every weekend small or large.
 - Fish / Swim / Boat / Paddleboats
 - Hwy 70 / Montgomery can have a “Eye Catcher”
 - Green space / Public attractors and uses / restaurants
 - DWR – 0% interest loans for restoration of downtown buildings

Public Workshop Notes: March 18, 2003 at the Oroville Veteran's Hall

Prepared by: Land Image

- Area for 1,000 Recreational Vehical capacity needed
- Community Events
 - Vendor Booths
 - Overflow parking
 - Chili feed
 - Old time fiddlers
 - Fiesta days (parade)
 - Antique show
 - Salmon festival
 - Boating events
 - White water
- Enhance quiet, easy-going nature of community for visitors
- Windsurfing on afterbay
- Allow cars along length of levee
- Swimming pool/ aquatic center for swim meets, etc.
- Potential aquatic center sites:
 - Orange Grove site
 - Across river
- Horse trail circulation/ connection
- Reconsider event area adjacent to diversion dam – originally a staging area for equestrian and bike
- Already many good aspects on river
- Event area at Airport?
- Signage / logo address access to downtown from highway 70
- Rezoning in highway commercial adjacent to highway 70
- Restore flash dam vs. never restore flash dam

- Tourism is \$1million in 2002
- Fee structure for state recreation facilities discourages locals' use
- Trolley or fixed rail along river
- River for residents
- Restoration of downtown and river to what was there before the dam was built