

DOWNTOWN CHICO

PROPERTY BASED IMPROVEMENT DISTRICT (PBID)

Board Agenda

Date: Wednesday, April 17, 2024
Time: 10:00-11:30 am
Place: Municipal Building, 411 Main Street, 3rd Floor Conference Area
Chico, CA 95928

Downtown Chico PBID Board of Directors

Alan Tochterman, President
Greg Scott, Vice President
David Halimi, Treasurer
Chris Daniels, Secretary
Jennifer Mackall
Eric Hart

Board Directors Advisors

Megan Kurtz, CSU Chico
Erik Gustafson
Jennifer Macarthy

Copies of this agenda packet available for review at the following locations:

- PBID Meeting Location, 411 Main Street, 3rd Floor Conference Area, Chico, Ca 95928
- Downtown Chico Business Association, 338 Broadway, Chico, Ca 95928
- [Downtownchico.com/chico-pbid.htm](https://www.downtownchico.com/chico-pbid.htm)

Posted on: April 9, 2024
Posting Locations: 338 Broadway, Chico, Ca 95928,
<https://www.downtownchico.com/chico-pbid.htm>
Prior to: 5:00 p.m.

The Downtown Chico PBID Board welcomes you to this meeting and invites you to participate in matters before the Board. Request to be added to a mailing list for PBID meeting to DCBA@downtownchico.com, AlanTochterman@sbcglobal.net, Audrey@ChabinConcepts.com, with subject: Add to PBID Mailing List.

Information & Procedures

- All members of the public may address the board on any item listed on the agenda.
- All members of the public may address the board on non-agenda items under Public Questions/Comments of the agenda
- No action can be taken by the Board on any items brought forward at a meeting. The board may request an item to be brought back at a subsequent meeting.
- Agenda copies are available at the meeting, can be downloaded from the website.
- A special presentation may be made to the Board with prior approval and agenized.
- Any member of the PBID may request an item to be agenized and should be delivered to the President of the Board at least 8 days in advance of the meeting, or sooner, for copies to be included and the board has opportunity to review material in advance.

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AGENDA April 17, 2024

1.0 Call to Order – President Alan Tochterman

1.1 Welcome & Introductions

2.0 Oral Reports – No Actions. This item has been moved up on the agenda to allow those members to leave if there are other pressing matters for their duties.

2.1 Police, Downtown Target Team – Ben Love

2.2 Parking, cleaning, trash, and other items – Erik Gustafson

2.3 Chico State – Megan Kurtz

2.4 City of Chico – Jennifer Macarthy

2.5 Avery Williams, Block by Block

3.0 Consent Agenda – all matters listed under the consent agenda are considered routine in nature.

3.1 Financial Statements – Profit & Loss, Balance Sheet (attached)

3.2 February 2024 Month Board Minutes (attached)

ACTION: The Board should review, discuss, and vote.

4.0 Public Comments – no more than 5 minutes allocated for each speaker, no action can be taken on public comments.

5.0 Regular Agenda

5.1 **Parking Structure** – Greg Scott & Erik Gustafson

Update on the progress for maintenance of the downtown parking garage.

5.2 **Presentation** – Taylor Bunch, True North Housing Alliance, Inc.

The new bylaws were passed at the February 21, 2024, meeting. President will present some clean-up items needed for the Bylaws.

5.3 **Nominations Committee** – Eric Hart & Greg Scott

Report on Board candidate search.

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5.4 DCBA Report – Greg Scott

Greg Scott to report on DCBA activities that are also important to the PBID.

- 1) ABC License survey and presentation to Council
- 2) Choose Chico weekend.
- 3) Pressure to fill vacant buildings,

Question for discussion: how we move forward strategically as part of PBID charter on these properties, such as, El Rey Theater and other key sites.

5.5 Sample PBID Logo

6.0 Reports and Communications – The following reports and communications items were provided for the Board’s information. No action can be taken on items under this section unless the Board agrees to include it on a subsequent agenda.

7.0 Other Business – An item may be brought up to the Board, however no action can be taken by the Board. The item can be put on a future agenda for discussion or referred to an ad-hoc committee.

8.0 Adjournment

Attachments:

- PBID Financial – March Profit/Loss and Balance Sheet
- PBID March 27, 2024, Board Meeting Minutes
- Block by Block March Operations Report
- Letter to Jim Matthews
- Article El Rey Theater
- DCBA ABC License Survey

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PROPERTY BASED IMPROVEMENT DISTRICT (PBID)

Board Minutes

Date: March 27, 2024
Time: 10:00 – 11:00 am
Place: Municipal Building, 411 Main Street, 3rd Floor Conference Area
Chico, CA 95928

BOARD DIRECTORS IN ATTENDANCE: Alan Tochterman, Greg Scott, David Halimi, Eric Hart, Chris Daniels, Jennifer Macarthy-Deputy City Manager,

ABSENT DIRECTORS: Megan Kurtz, Erik Gustafson, Jennifer Mackall

Public: Jim Matthews, Property Owner; Ben Love, Chico Police, League of Women Voters Representative

1.0 Call to Order. Meeting was called to order by President Alan Tochterman. Board Directors, Advisors and guests made self-introductions.

2.0 Consent Agenda – M/S Greg Scott/David Halimi to accept the Consent Agenda. Unanimously passed. David Halimi report on status of assessment fees received, back payments to Block by Block made, and Tom DiGiovanni Loan was repaid personally delivered with a Thank You letter. The paperwork for the line credit to help manage cash flow between assessment fees payment is almost complete.

3.0 Public Comment. President called for any comments from the public. No comments from the public.

4.0 Regular Agenda Items

4.1 Bylaws Procedure Vote. Alan Tochterman reported that the Bylaws were being brought back to the board as there three areas in the Bylaws that needed to be completed:

- 1) Section 4(a) Member Meeting and Section 4(b) Notice of Meeting had been left blank, proposed that flexibility was needed versus a set date. The suggested wording was “the board should annual select a date for the annual meeting with date and location to be notice 60 days in advance.”
- 2) Section 4(c) Special Member Meeting may be called only by (was left blank) in the bylaws. The suggested wording was “President and in the absence of the President by the Vice President”.

M/S Greg Scott/Eric Hart. Unanimously passed

4.2 Letter from Jim Matthews. In response to Mr. Matthews letter regarding the voting process Alan Tochterman reviewed the laws that governed the PBID, State of California Constitution, Article 13d, Section 1-6 District Assessment Formation, Section E. Ballot

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not by person but by property. California Street & Highway Cod Dev 18, General Benefit, 36612 Owner Association contract with City. PBID is a non-profit organization and not public. Non-profit corporate law, Mutual Benefit 700110 members only governing rule. Bylaw voting can be but that is a different discussion.

Mr. Matthews asked that a letter stating all the was stated by written and signed explaining the Board's position.

Mr. Tochterman explained the board had elected to continue the same voting process as the formation. Jennifer Macarthy also explained the city process.

President entertained a motion to write a formal letter with the explanation as reviewed. M/S Greg Scott/David Halimi. Unanimously passed.

4.3 County Assessment Collection Discussion. David Halimi and Alan Tochterman reported that the first installment of the calendar year was received from the county. There is a call into the county to review delinquency of taxes and cause of the delinquencies. If there is no potential to recover the delinquencies, there may need to be action such as cutting back on service unless there was a way to earn or collect revenue from other sources. Greg Scott, he has been in contact with Erik Gustafson (not in attendance) regarding a contract for the parking garage. To be put on the agenda for the next meeting.

4.4 Nominations. Greg Scott and Eric Hart reported they have reached out to potential candidates. Meetings being set up. Suggested posting call for candidates be put on the website.

4.5 DCBA Report & Request. Greg Scott reported on actions being taken by DCBA including:

- Working with Chamber and Lamar billboard to install window clings in boarded up buildings.
- Pressure on DCBA to address empty and abandoned buildings.
- Apr 4-5 Choose Chico, 3,500 families in town, DCBA has rented the plaza to vacate and clean.
- Report on the De-escalation training. Greg requested PBID contribute \$500 as sponsorship for the training for the ambassadors to attend. Alan Tochterman entertained the motion to support the De-escalation Training. M/S Greg Scott/David Halimi. Unanimously passed.

5.0 Oral Reports. No formal oral reports were provided as both Erik Gustafson and Megan Kurtz were absent. A general discussion was held with Lt. Ben Love regarding the process of moving encampments, target teams and department to be fully staffed. Greg Scott

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reported on the process with Complete Street Project and the survey regarding ABC Type 47 and 48 licenses to go to the Council. Suggested that Linda Herman attend a future meeting to discuss trash rules and regulations.

6.0 **Other Business.**

- Request that oral reports be moved to the top of the agenda so City staff such as Lt. Ben Love could adjourn to other matters.
- Alan Tochtermann reported that the next meeting Taylor Bunch, True North Housing would attend and make a presentation.

7.0 **Meeting Adjourned**

M/S David Halimi/Greg Scott to Adjourn 11:00. Unanimously approved.

Respectfully submitted,

Chris Daniels, Secretary

Downtown Chico PBID, Inc.

Profit and Loss January - March, 2024

	TOTAL
Income	
3200 City Contracts Assessments	247,878.04
Total Income	\$247,878.04
GROSS PROFIT	\$247,878.04
Expenses	
4800 CGL Insurance	1,870.00
6310 Prof. Services - BBB	104,189.61
6320 Prof. Services - Other	2,000.00
6330 Professional Fees - Accounting	92.50
7030 Utilities	256.80
Computer and Internet Expense	191.00
Total Expenses	\$108,599.91
NET OPERATING INCOME	\$139,278.13
NET INCOME	\$139,278.13

Downtown Chico PBID, Inc.

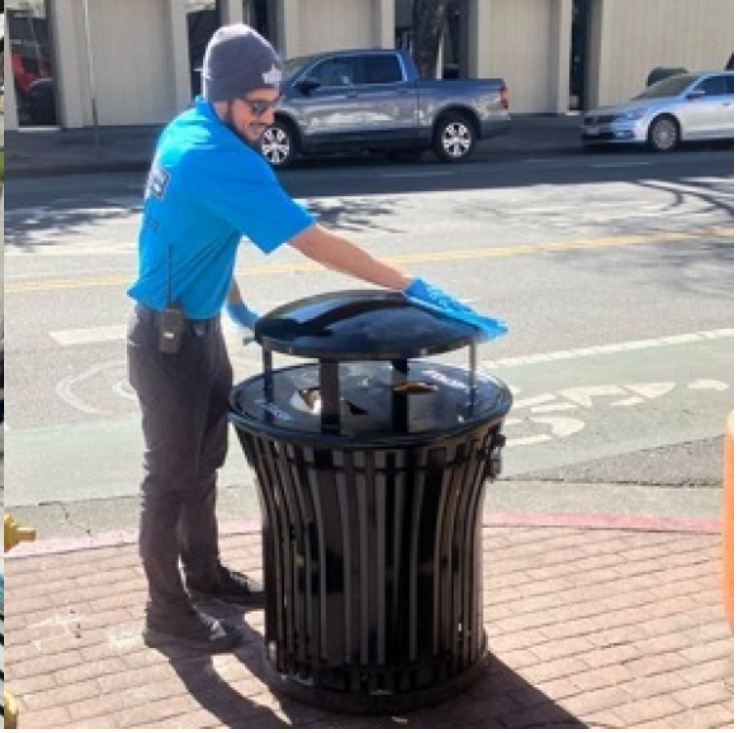
Balance Sheet

As of March 31, 2024

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1001 Checking Account - TCBK	147,364.49
Total Bank Accounts	\$147,364.49
Total Current Assets	\$147,364.49
TOTAL ASSETS	\$147,364.49
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable (A/P)	1,000.00
Total Accounts Payable	\$1,000.00
Total Current Liabilities	\$1,000.00
Total Liabilities	\$1,000.00
Equity	
Retained Earnings	7,086.36
Net Income	139,278.13
Total Equity	\$146,364.49
TOTAL LIABILITIES AND EQUITY	\$147,364.49

DRAFT – PBID LOGO





Downtown Chico Ambassadors

March 2023

Avery Williams



Highlights

Accomplishments

For the month of March 2024 Ambassadors removed 246 pieces of abandoned property and 339 graffitis and stickers. Our morning strike team has been working hard to remove overnight sleepers from in front of businesses before they open, and continue to coordinate with Downtown businesses to complete pressure washing projects through out Downtown. We have provided 489 Hospitality assistances providing Downtown guests with directions, information on kiosks, downtown businesses, and any other questions vistors may have.

Field Observations

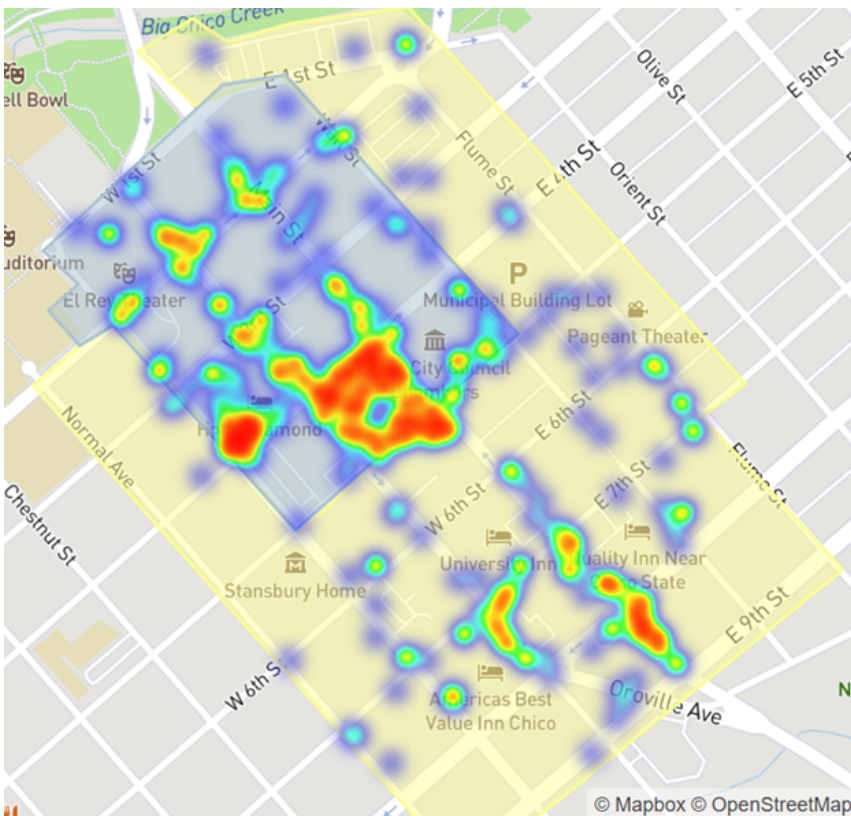
This month we saw a 26% decrease in bags of trashed picked up, and a 22% decrease in abandoned property removed throughout downtown. There was a 14% increase in the amount of contacts made with the unsheltered population, and a 32% increase in Hospitalitys.



QUICK VIEW

Mar 01, 2024 -- Mar 31, 2024

- 246 Abandoned Property Picked Up
- 165 Bags of Trash & Leaves
- 47 Glass Clean Up
- 73 Service Call
- 108 Cardboard
- 339 Graffiti/Stickers Removed
- 31 Hazardous Waste Clean-up (human)
- 37 Hazardous Waste Clean-up (pet)
- 502 Business Contact
- 494 Hospitality Assistance
- 235 Plaza Monitor
- 236 Parking Garage Monitor
- 580 Homeless Contacts
- 175 Street Population Count



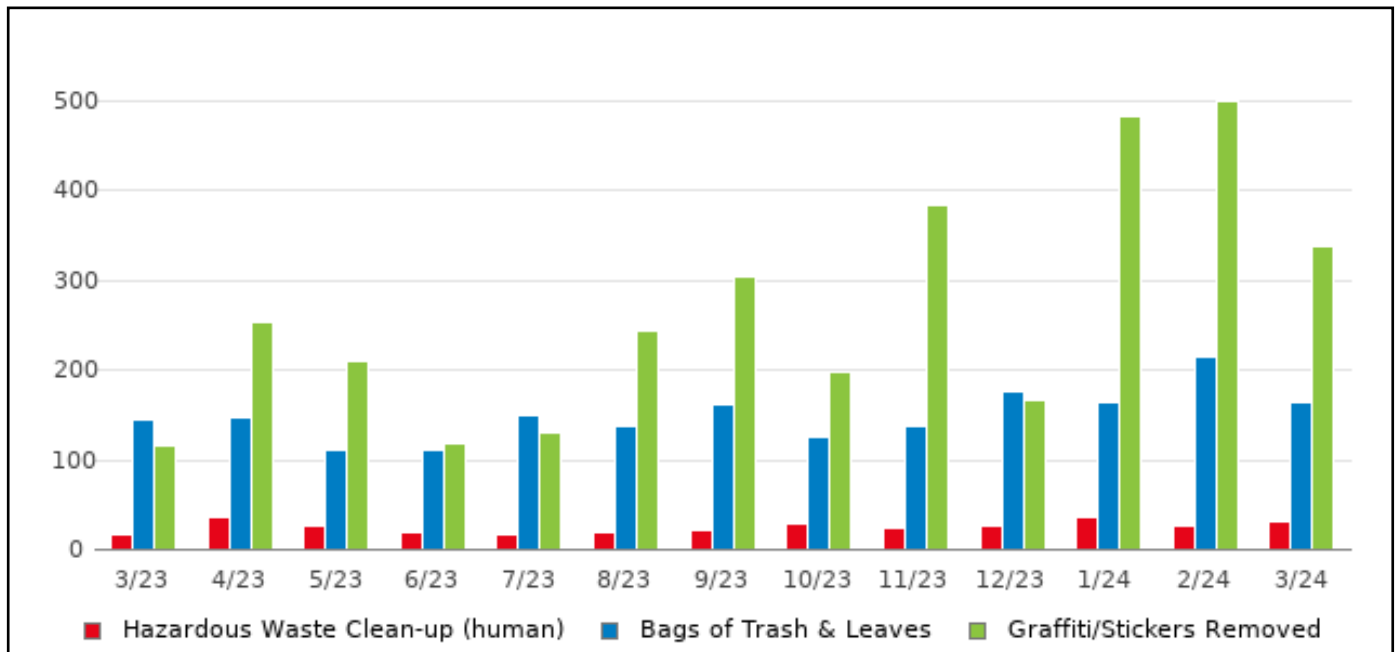
The above heat map shows the hot spots for abandoned property picked up, and homeless contacts, throughout the Month of MARCH 2024.

Cleaning Highlights

March 2023 through March 2024

		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Abandoned Property Picked Up	'23	--	--	60	71	68	92	133	104	132	107	88	137	992
	'24	186	316	246	--	--	--	--	--	--	--	--	--	748
Bags of Trash & Leaves	'23	--	--	146	147	111	111	150	138	161	126	137	176	1403
	'24	152	226	165	--	--	--	--	--	--	--	--	--	543
Cardboard	'23	--	--	166	130	80	61	98	129	145	81	158	108	1156
	'24	109	174	108	--	--	--	--	--	--	--	--	--	391
Garbage Cans Cleaned	'23	--	--	273	249	163	92	109	203	856	852	582	482	3861
	'24	500	563	800	--	--	--	--	--	--	--	--	--	1863
Glass Clean Up	'23	--	--	35	64	36	19	54	24	41	58	32	24	387
	'24	40	44	47	--	--	--	--	--	--	--	--	--	131
Graffiti/Stickers Removed	'23	--	--	117	253	210	118	130	238	311	197	371	179	2124
	'24	483	500	339	--	--	--	--	--	--	--	--	--	1322
Hazardous Waste Clean-up (human)	'23	--	--	17	36	26	19	18	19	22	29	25	26	237
	'24	35	27	31	--	--	--	--	--	--	--	--	--	93
Hazardous Waste Clean-up (pet)	'23	--	--	13	7	6	--	19	11	17	11	8	15	107
	'24	29	34	37	--	--	--	--	--	--	--	--	--	100
Service Call	'23	--	--	67	65	75	82	85	88	96	83	57	65	763
	'24	69	88	73	--	--	--	--	--	--	--	--	--	230
Shopping Carts	'23	--	--	13	12	4	9	6	8	21	5	11	15	104
	'24	11	29	24	--	--	--	--	--	--	--	--	--	64
Spill - Clean Up	'23	--	--	52	80	76	57	45	40	32	40	33	41	496
	'24	85	70	68	--	--	--	--	--	--	--	--	--	223

March 2023 through March 2024

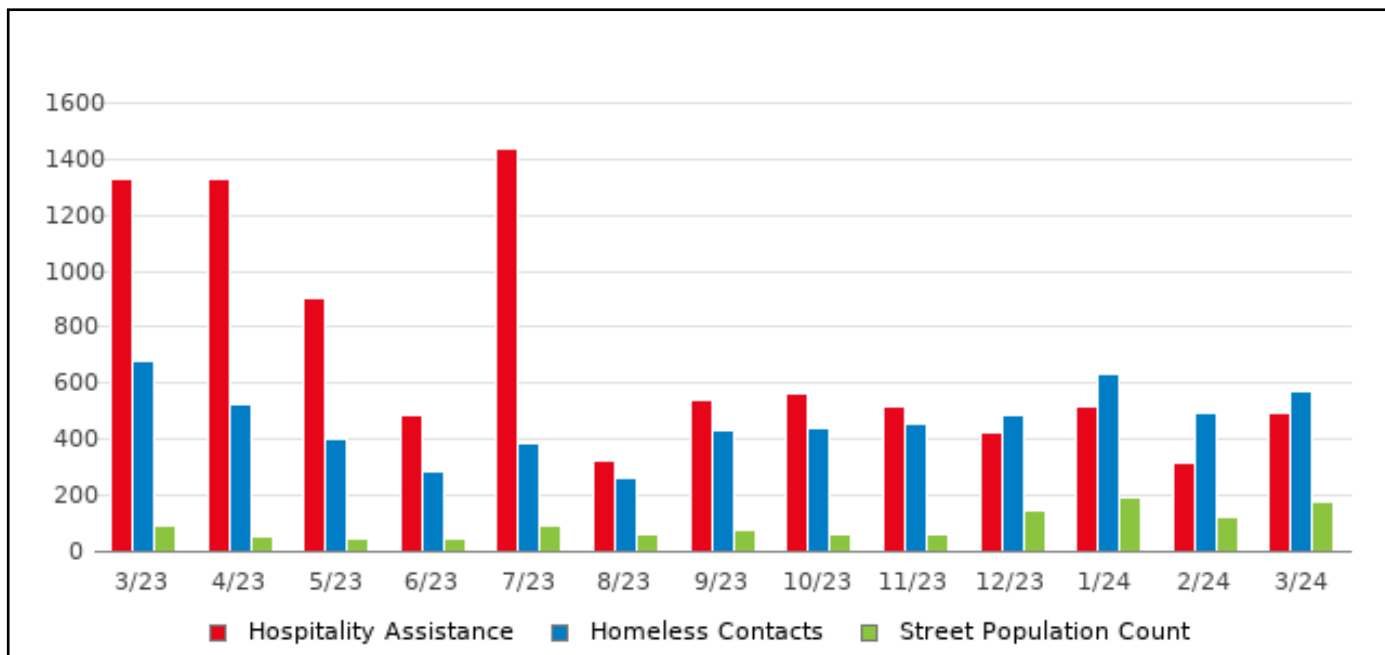


Hospitality/Safety Highlights

March 2023 through March 2024

		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Business Contact	'23	--	--	780	618	428	307	396	400	590	682	609	575	5385
	'24	598	485	502	--	--	--	--	--	--	--	--	--	1585
Homeless Contacts	'23	--	--	671	538	391	291	387	264	423	440	464	487	4356
	'24	622	505	580	--	--	--	--	--	--	--	--	--	1707
Hospitality Assistance	'23	--	--	1288	1371	895	479	1453	326	532	562	502	440	7848
	'24	508	330	494	--	--	--	--	--	--	--	--	--	1332
Parking Garage Monitor	'23	--	--	154	165	144	111	173	159	178	185	172	155	1596
	'24	158	135	236	--	--	--	--	--	--	--	--	--	529
Plaza Monitor	'23	--	--	137	208	132	116	153	147	179	223	135	127	1557
	'24	135	161	235	--	--	--	--	--	--	--	--	--	531
Street Population Count	'23	--	--	94	56	50	47	91	61	77	64	65	148	753
	'24	193	123	175	--	--	--	--	--	--	--	--	--	491

March 2023 through March 2024



DOWNTOWN CHICO

PROPERTY BASED IMPROVEMENT DISTRICT (PBID)

April 8, 2024

Mr. Jim Matthews
665 Bryant Ave.
Chico, CA 95926

Via US Mail and email Jim.Matthews@hotmail.com

Dear Mr. Matthews:

At our last meeting of the Downtown Chico P-Bid we discussed your questions from your previous letter regarding membership and board voting. Your two main questions were regarding why membership voting could not be one vote per member as opposed to the current system of proportional voting and that the membership should be involved in the voting for the bylaws as well as the board of directors. Additionally, you had commented at the meeting and at previous meetings that you had been informed that the four largest property owners in the downtown district controlled over one-half of the total real estate within the district and by implication controlled the decision making of the district.

With your kind permission, I would like to address your second comment first, as it may be relevant to the concerns in your letter. After our board meeting, I requested a copy of our last ballot. The information was provided to me in the form of a spreadsheet which included parcel numbers, owners' names and mailing addresses, and proposed assessments. There are 315 properties (based on assessor's parcel numbers) that comprise our district. It then became a rather simple task to group owners because their names and mailing addresses were together. My research yielded the following results:

1. The largest single entity or owner within the downtown is the City of Chico, comprising 14.81% of the voting rights.
2. Second largest entity (actually a group of owners) came in at 8.63% followed by 3.36%, 2.29%, 1.93%, and 1.41%.
3. After that the figures get pretty small.
4. Including the City, the four largest property owners within the district only have voting rights comprising 29%.
5. If you take the city out of the mix, the four largest private owners collectively account for only 16% of the vote.
6. With the majority of property owners contributing significantly less than 1% of the total revenue, it took a great deal more than 50% of the actual owners (not just assessments) in order to reach the necessary threshold to create the district.

I only bring this up to alleviate any concerns you may have a minority of people have most of the control within the district.

As to voting, there are three primary laws under which we operate.

1. The first being the California Constitution. Specifically, **ARTICLE XIII, SECTIONS 1 THROUGH 6** inclusive which deal only with the formation of these types of districts.
2. The second is the California Streets and Highways Code, as amended in 1994, **Division 18, Part 7.**
3. The third is the California Corporations Code, **Sections 7110 through 8910 inclusive.** The Corporations Code deals more specifically with the organization and structure of the Non-Profit Mutual Benefits Corporations, which is what the Downtown P-Bid is and which is at the heart of your concerns.

California Constitution

The creation of the district was voluntary. It is not a tax that is imposed on the property owners within the district, but an assessment that the owners willingly entered into by a vote of the owners of the properties that were to be affected.

Section 4, subsection (e) establishes proportional voting for the purpose of establishing the district.

"In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property."

The provision only applies to the *creation of the district* which you correctly acknowledged at our meeting. Without mincing in semantics, the concept is that the voting is to be based upon the obligation created by the property not the total potential payment of the owner.

Additionally, Section 4 also states:

The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.

We have two service areas (zones) within the district, and two separate assessment formulas based upon the needs and foot traffic within those areas.

I reference these two sections primarily because we have, to the best of our ability, attempted to make the assessments relate to the needs of the assessment district based on the properties. Which in turn related to the proportional voting in the creation of the district.

Again, as you correctly acknowledged, the proportional voting system as outlined in the California Constitution only related to the establishment of the district. I will say however that it is based on a principal of fairness. Each owner in the proposed district is being

asked to contribute a varying dollar amount. For that reason, the vote to create should consider the potential expense to those affected.

California Streets and Highways Code Division 18

Section 36600 creates the title of the sections that follow. The code is to be referred to as the "Property and Business Improvement District Law of 1994".

Section 36601 explains the legislative intent of the law and outlines that for which the law could be used. Specifically sub-section (e) (paraphrased) lists:

- Crime Reduction
- Job creation
- Business attraction
- Business retention
- Economic growth
- New investments

These were the items listed in the original documentation soliciting the property owners for their support.

Section 36606.5 defines an "Assessment" as a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and providing activities that will provide certain benefits to the properties or business, is located within a property and business improvement district.

Section 36612 relates to an "Owners' Association". "Owners' association" *means a private nonprofit entity that is under contract with a city to administer or implement improvements, maintenance, and activities specified in the management district plan. An owners' association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners' association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose.* (italics added by me). Notwithstanding this section, an owners' association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code), for all records relating to activities of the district.

I really want to stress that we are not a governmental agency. While our assessments are collected by the county, and the City of Chico has graciously allowed us to use the City Offices for our meetings, and while we do have to comply with the Brown Act, we are nevertheless at liberty to create our own rules of operation. Since we elected to form a Corporation, we are subsequently required to operate within the guidelines and requirements of the California Corporations Code.

California Corporations Code, Sections 7110 through 8910 inclusive

As a general rule of corporate law, the person or entity that forms the corporation is called the incorporator. The incorporator may be an attorney, or an individual affiliated with the

organization, or even an outside consultant. At the time of incorporation, the incorporator will submit to the state, Articles of Incorporation (which today is just a standard form with a few "check the boxes") and bylaws. If one were to think of a corporation as if it were a person, then the Articles are like the birth certificate. The bylaws are like operating instructions. There is a tremendous amount of latitude in how the organization may be structured, with the exception of those rules relating to activities that may potentially violate the non-profit status of the organization.

The original by-laws of the organization limited membership to the board of directors only and only permitted voting by the board. That was completely legal. Upon becoming a member of the board, I questioned the validity of such an arrangement and to my surprise discovered it was allowable.

I proposed to the then board of directors that the definition of "membership" should be expanded to include those people whose properties are within the geographical boundaries of the district and to expand voting for the board of directors to be comprised by the members. I also did some further research and rather than reinvent the wheel, looked to other P-Bids in California to see how their bylaws are worded. The ones from San Jose were the ones that could be best adapted to our needs and so with a little revision, that is how they became adopted.

After this lengthy discussion of how the Downtown Chico P-Bid has gotten to where we are, I will attempt to address your two primary questions.

Proportional Voting in general

Once the entity has been created, voting would be governed by the by-laws which the Corporations Code allows for different classifications of voting status. Technically, nothing in the Code prohibits nor requires Proportional Voting for the members of a Non-Profit Mutual Benefit Corporation. In a publicly traded corporation voting is by shares of stock. The more stock that one owns, the greater proportional vote he/she has. We do not issue shares of stock, nor does the Corporations Code require that we allow our members voting rights, but it is the right thing to do to allow those impacted by the district's activities have a say in its management.

I firmly believe that the logic behind the Constitution's requirement for proportional voting in the establishment of these private districts should be applied to the management and operation of the district. Those who have a larger stake in the district, or stated differently, those who have more property affected by the district's operations should have the opportunity to have a greater say. Again, we are not a government agency, nor are we government officials.

As to voting on the bylaws, I will defer to efficiency. After the new bylaws were put into place, a clerical error was discovered. If it were to take a vote of a majority of the members to make changes to the bylaws, because of sheer apathy, nothing would ever get accomplished.

You and perhaps one other person have expressed interest in the activities of the board. I wish more people would take an interest. But the practical matter is that the downtown

property owners are either satisfied or dissatisfied with the operations of the P-Bid. Those that are satisfied, probably don't want to upset the apple cart. Those that are dissatisfied always have the opportunity to attend meetings or become a member of the board.

I am pretty sure that my explanation may not prove satisfactory to you. You have asked why we can't do things differently. That is one person, one vote. And member participation on amendments to the by-laws. The answer is that there is no reason, legally, that we couldn't do things differently.

From a practical standpoint and from a fairness standpoint, Proportional voting and limiting amendments to the by-laws to the board is both fair and efficient. You are free to disagree with me, but that is how things are going to be.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Alan Tochterman", with a large, sweeping flourish above the name.

Alan Tochterman
President, Downtown Chico PBID

ADT/s

THINGS TO DO > THEATER

SUBSCRIBER ONLY

El Rey Theater up for sale

When it was built, it was “by far the most elegant” theater in Chico, local historian says



El Rey Theater event intern Teo Lincoln swaps out letters on the marquee Tuesday, April 2, 2024 in Chico, California. (Michael Weber/Enterprise-Record)



By **MICHAEL WEBER** | mweber@chicoer.com

April 3, 2024 at 4:10 a.m.



CHICO — It's known several names in its time; currently, the El Rey Theater. And it's up for purchase for just under \$2 million to the right person.

Located one block from Chico State in the heart of downtown, the venue at 230 W. Second St. held its first film screening April 23, 1906 and was at one time the longest running theater in California, according to its website, and third longest in the nation.

In the course of years, it's been known as the Majestic Theater, the National Theater, the American Theater and, of course, El Rey.

Keller Williams realtor Alisha Simpkins said the owner of the venue since 2017, Tyrone Galgano, is looking to sell the property after moving out of state during COVID-19 lockdowns operating the theater through a local manager.

A listing published March 27 prices the property at \$1,950,000 to include all the nooks and crannies in the theater itself plus two storefronts.

Simpkins said the building does need some "boots on the ground" work, preferably from someone from Chico who can get it back up to a state of the art theater once again.

Local history

Chico Historian Dave Nopel said the theater first opened in 1905 as a Vaudeville theater and at the time was "by far the most elegant and the biggest theater in Chico," built before the Senator Theater — though there may have been smaller theaters nearby.

"It's before movies," Nopel said, where traveling groups or solo artists in theater, music, and would come for all kinds of performances. Large groups would visit to perform, including John Philips Sousa, who wrote "The Stars and Stripes Forever," he said.

The building was commissioned by the Chico Elks Club in 1903; it was home to its members, who would lodge in the top floor of the building, Nopel said.

As movies came along, the theater was retrofitted with screens; it suffered a fire around 1947 as the American Theater, and in turn was renovated into El Rey, according to Nopel.

DOWNTOWN CHICO BUSINESS ASSOCIATION

SURVEY OF DOWNTOWN BUSINESS 3.1.24 TO 3.29.24

SUBJECT: Code Amendment 23-01 Removing Prohibition on new Alcoholic Beverage Establishments (ABE's), Title 47-Bars not serving food, Title 48-Bars serving food.



1. BACKGROUND

Currently there is a prohibition limiting the number of bars (establishments without food service) in Chico Downtown North (DN Zoning District).

At the November 16, 2023, Planning Commission meeting, the commission voted 4-1-2 to recommend that the City Council adopt Code Amendment 23-01 and hold a public hearing. In accordance with CEQA Guidelines Section 15162, the proposed amendments were within the scope of the EIR that was certified for the General Plan.

On January 16, 2024, the Chico City Council was asked to introduce an ordinance that would **delete** Chico Municipal Code Section 19.44.040 (Downtown North (DN) District Special Standards) removing the prohibition on new Alcoholic Beverage Establishments (ABEs)—or bars—in Downtown Chico (Code Amendment 23-01). Both the City's Alcoholic Beverage Establishment Zoning Verification and Public Convenience or Necessity processes provide mechanisms for City staff and Council to actively oversee and apply conditions to proposed new bar licenses in the Downtown. Several downtown businesses spoke at the public hearing against removing the prohibition and allowing only new bars that serve food, i.e., restaurants.

A decision was not made by the City Council. Instead, the Council asked for more details, the specifics on types of licenses, what can and cannot be done.

Additional background information can be found at the Council agenda report and Council meeting video <https://tinyurl.com/2zakhyaf>

2. DCBA Survey

DCBA is surveying downtown businesses on whether to removal this prohibition or keep in place. Your Voice is needed to provide Council wishes of the downtown businesses at their next meeting. A second questions was asked about allowing bars to be open past 12:00 midnight on Labor Day and Graduation.

Notes: If it is removed, a new bar looking to open downtown would still need a Determination of Public Convenience or Necessity (PCN) prior to the license being

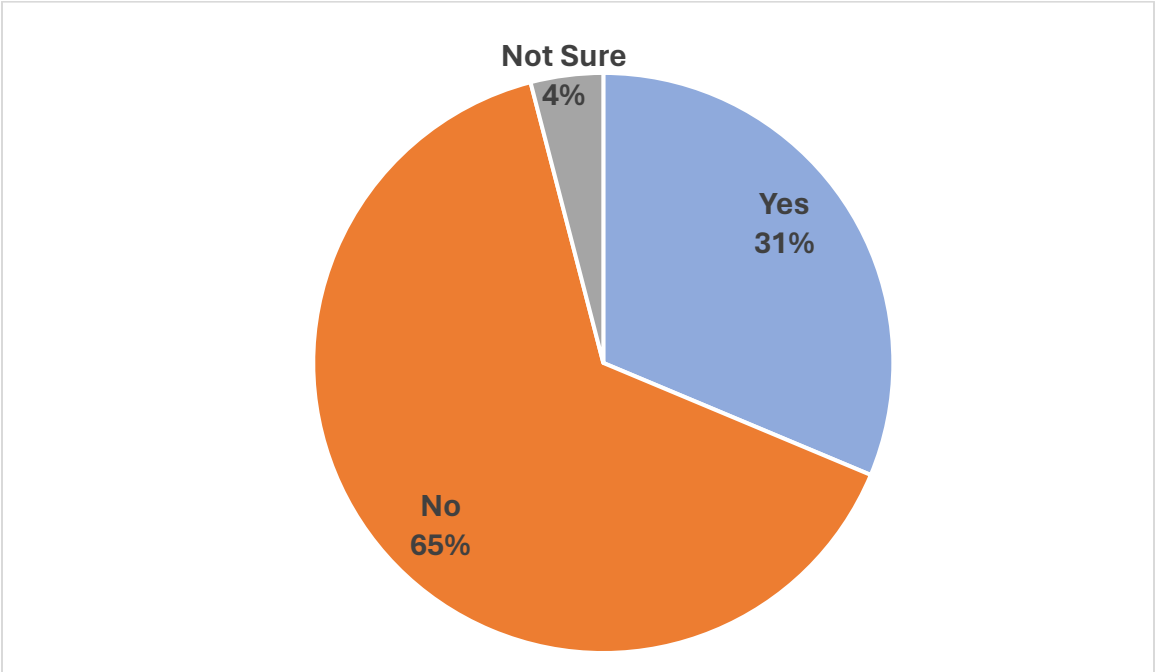
issued. In these cases, an applicant must coordinate with the Chico Police Department who prepares the PCN and supports findings for Council consideration.

The Downtown area is in a census tract (0010.00) that is deemed "oversaturated" primarily due to the low number of residents living in the area compared to the high number of businesses which sell alcohol. This means any request for a new Type 48 license (i.e., bar) in Downtown will have to go through the PCN process and receive Council approval. This puts the council in a position of approving or denying individual applications.

3. Survey Results - Total respondents: 101

Question1: Approve Proposed Code Amendment 23-01 – Ordinance Deleting Chico Municipal code Section 19.44.040 (Downtown North (N) District Special Standards)?

A vote Yes means you support lifting the prohibition,
A vote No means you support leaving it in place.



"Survey Insights: Downtown Chico Businesses Weigh In on Liquor License Prohibition"

The survey regarding the potential lifting of the moratorium on liquor licenses in downtown Chico, which is adjacent to a university, yielded diverse viewpoints from 101 respondents, reflecting the community's divided stance. Notably, 65% of respondents voiced opposition to lifting the moratorium, highlighting several concerns and reasons for their stance. Below is a detailed overview of the key insights drawn from the survey:

Against Lifting the Moratorium:

1. **Community and Social Concerns:** A significant majority, concerned about the implications of more alcohol-focused establishments without food, highlighted issues such as Chico's existing drinking problem, public intoxication, and the impact on safety and cleanliness.
2. **Impact on Downtown's Character:** Many responses emphasized that additional bars would not enhance downtown's aesthetic or historical charm. Instead, a preference was shown for retail businesses and restaurants that could improve the area's appearance and contribute to a more welcoming environment.
3. **Economic and Competition Worries:** There's a widespread concern that introducing more bars could exacerbate competition among already struggling businesses, with fears that this could negatively affect the local economy. Respondents called for initiatives that beautify downtown and increase daytime traffic, rather than focusing on nighttime bar activities.

In Favor of Lifting the Moratorium:

1. **Economic Revitalization and Equity:** Despite the majority stance, a substantial minority argued for the economic benefits of lifting the moratorium, suggesting it could promote business growth and revitalize the downtown area, especially in the wake of the pandemic. Critics of the current situation pointed to an unfair advantage for the few businesses holding type 48 licenses, stifling competition and innovation.
2. **Entertainment Diversity and Quality:** Some participants proposed that allowing more bars, including upscale establishments like cocktail bars and speakeasies, could diversify and enrich downtown's entertainment scene, attracting different demographics and contributing to a more vibrant community.
3. **Business Development Opportunities:** Proponents see lifting the moratorium as a chance for businesses to expand their offerings and enhance financial viability by accessing a broader range of alcohol licenses. There's an appeal to allow market forces to elevate the quality and diversity of bars through competition.

Compromise and Regulation:

Amidst the debate, some respondents advocated for a measured approach, suggesting modifications to the ordinance to ensure a balance between economic development and the maintenance of community well-being. The emphasis was on considering the broader impact on

downtown Chico and holding bar owners accountable for their establishments' effects on the community.

Conclusion Question 1 Survey Results:

The survey results reveal a complex web of opinions on the liquor license moratorium in downtown Chico, with a clear majority (65%) opposing the lifting of the moratorium.

However, comments also underscore arguments and considerations for adjusting the current policy to foster both economic growth and community health.

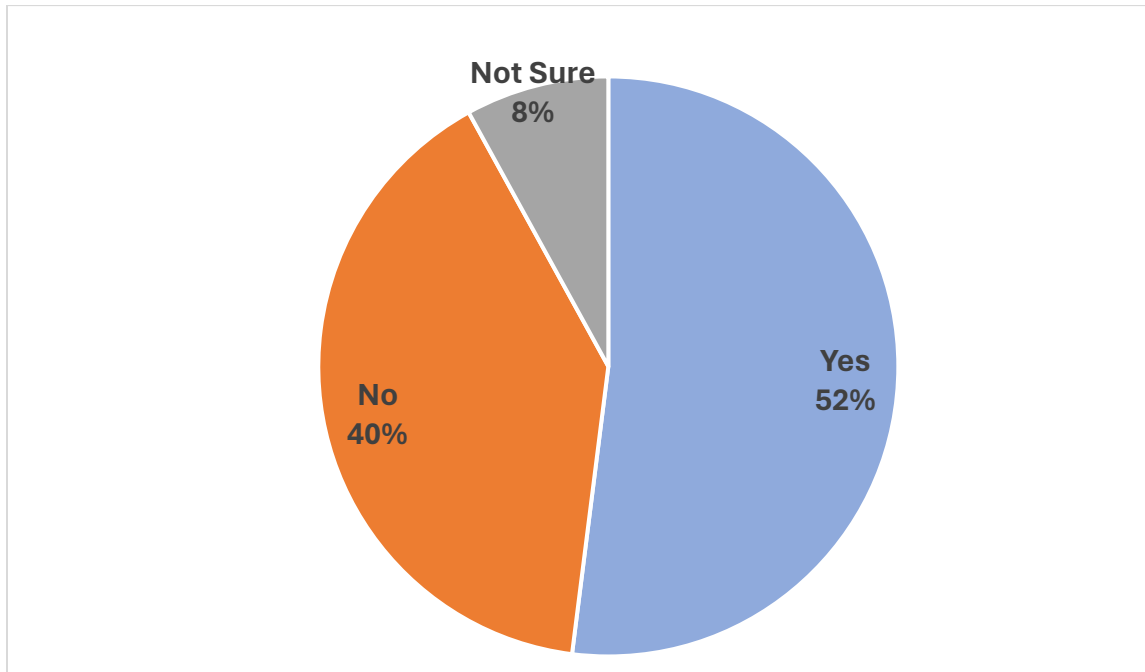
Type 48 licenses differ from Type 41 and Type 47 licenses in that they are designated for establishments that are not primarily eateries. This means that there is no stipulation under the California Department of Alcoholic Beverage Control (ABC) that states that a certain amount of your gross sales must be generated from the sale of food.

California Liquor License Type 48 licenses are typically issued for bars and nightclubs, or other adult venues where minors will not be present. The California Liquor License Type 48 permits the holder to serve liquor until 2:00 AM. The facility can only admit entry those 21 years of age and older. Unlike the Type 41 and Type 47 licenses, the California Liquor License Type 48 is designated as an on and off-premises license. Liquor, beer and wine may be sold for on-premises consumption, as well as beer and wine for off-premises consumption.

Type 47 licenses is a specific type of license that authorizes the sale of alcohol, wine, and distilled spirits to be consumed on the premises of the license. Additionally, the license allows for the sale of beer and wine to be consumed off the premises of the license. It's important to note that the licensee must operate and maintain the licensed establishment as a legitimate eatery.

This license is often referred to as a restaurant license, as it is typically issued to full-service restaurants and bars that serve food. To qualify for a Type 47 liquor license, the applicant must be able to demonstrate that the primary purpose of the establishment is to serve food and that alcohol sales are incidental to that purpose.

Question 2: Allow bars in downtown Chico to stay open past 12:00 am to 2:00 am on Graduation and Labor Holidays.



Survey Insights: Community and Business Perspectives on Extending Downtown Chico Bar Hours

There is a narrow margin of among the respondents with 52% voting to allowing extended hours. The survey comments are summarized below (specific comments included at end of report).

Reviving Downtown's Economic Vitality

There's a clear desire to restore downtown Chico as a vibrant destination, especially during key events and holidays that historically attracted significant numbers of visitors. This involves reconsidering restrictions that may deter people from visiting downtown, thereby supporting local businesses and reviving the area's economic vitality.

Addressing Public Safety and Nuisance Concerns

Balancing the economic benefits of nightlife with the need to maintain public safety and cleanliness is a major challenge. This includes managing issues related to alcohol consumption, such as rowdiness, violence, drunk driving, and the negative impact on downtown's appearance and safety.

Re-evaluating Operational Restrictions for Bars and Restaurants

The debate around the hours of operation for bars and restaurants highlights a need to revisit current regulations. Extending operation hours is seen by some as a way to enhance business revenue and provide a regulated environment for alcohol consumption, yet others fear it may exacerbate public safety issues.

Encouraging a Diverse Business Mix to Attract Different Demographics

There's a call for diversifying the types of businesses in downtown Chico to attract not just the nighttime crowd but also families and daytime visitors. This includes filling vacancies with businesses that operate during conventional business hours and contribute to a more inclusive and welcoming downtown atmosphere.

Fostering an Environment for Free Enterprise while Ensuring Community Well-being

Balancing the principles of free enterprise with the need to ensure the community's well-being presents a nuanced challenge. This involves finding a middle ground where businesses, particularly bars and restaurants, can thrive without negatively impacting the community's quality of life.

These challenges underscore the complexity of managing downtown Chico's business environment, particularly in relation to nightlife and alcohol sales and finding solutions that support economic growth while ensuring public safety and community well-being.

Specific Comments Question 1: Lifting Prohibition

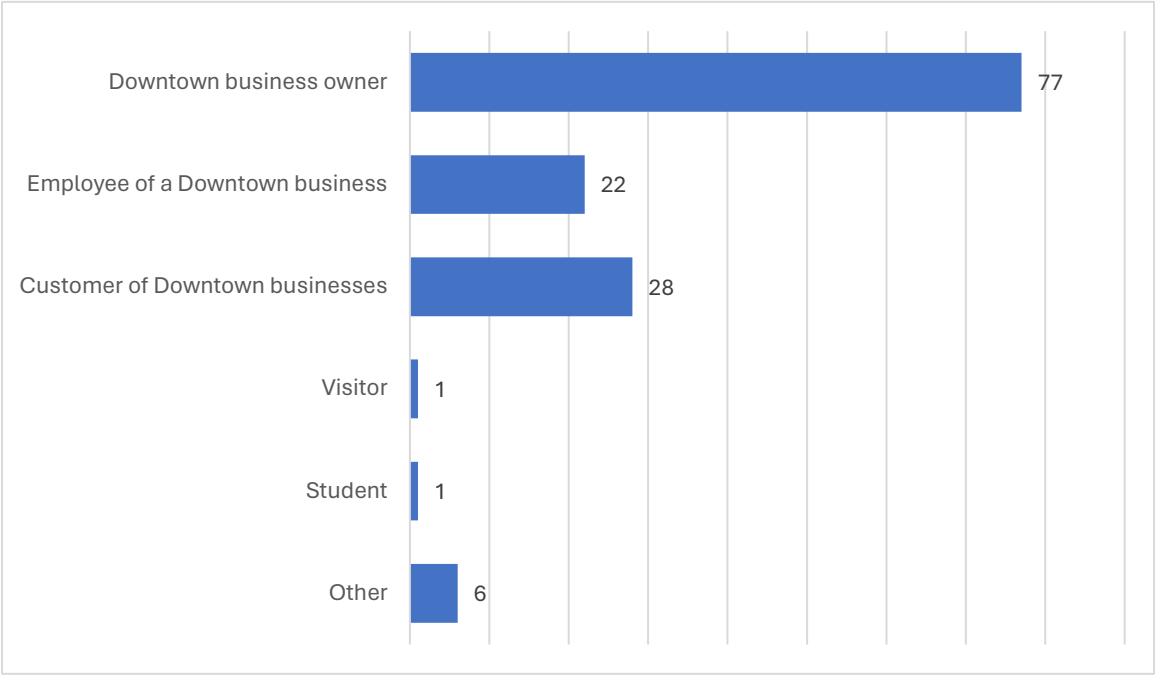
- No more bars in Downtown.
- We do not need more alcohol without food! Chico already has a drinking problem.
- "The downtown Chico business community has been significantly affected by the pandemic and the resulting economic changes. Many businesses are still struggling, and we still have many vacancies within downtown. Lifting the moratorium on ABC licenses in the downtown census track would encourage business growth, which would be a benefit to our community.
- Unnecessary regulatory hurdles to businesses in or entering downtown Chico are in contrast with the city's efforts to revitalize downtown. Fears of too many downtown bars is restrictive to landlords who are trying to fill their vacancies as well as to downtown businesses. A vibrant, well-visited downtown community is beneficial to all businesses in the area. And if we want more businesses to take on the heavy burden and lift of attracting people to visit downtown, there is no reason that we should restrict those that sell alcohol. Additionally, the current moratorium has created an unfair oligopoly, with only a few businesses holding type 48 licenses."
- Only licenses that should be ok are ones with food services!!
- We need more stuff to do downtown. Food and drink is a huge part of our economy and tourism.
- "The ordinance can be amended, but deleted opens it up to too much uncertainty.
- As a downtown restaurant that has been restricted to type 41 (beer and wine license) since we opened in 2011, I feel that this has, and continues to be detrimental to my business. Grana has been integral part of downtown for over 12 years. I could buy one for anywhere from \$75K to \$150K but having survived Covid and now dealing with the current economic situation that every small business is feeling, a small investment (fees to ABC) to increase margins could mean the difference in us being here another 12 years. I was astonished that this was not approved to begin with. Its time for the council to start considering moves that are good for the existing downtown businesses.
- Let's let natural capitalism play out... Right now, you have subpar bars in downtown Chico thriving because they have no competition. The free market would create an atmosphere where all businesses (bars in this case) would strive to be better and in turn, we'd have a better downtown Chico.
- That type of business doesn't positively affect retail in anyway shape or form. They go in and sit and take UPS parking and that's it.
- How many bars would be permitted to open?
- 48's should not be added in. They open late and do not bring additional business for normal existing businesses.
- We don't need more bars!
- We agree more alcohol consumption is not what downtown needs.
- It's important for people understand a great deal of profit margin in restaurants is from alcohol sales. I would love to draw, not discourage new restaurants downtown.
- Too many bars downtown now

- Downtown doesn't need more bar only establishments, there are enough Retail business & restaurants do more to improve the appearance of downtown, keeping their properties updated, clean, appealing and contribute to the quaintness of a historical downtown. Bars only do not do this.
- "I operated my business for almost 3 years under a bar and recently moved. My experience was horrible. The vomit, urine, and smell of alcohol was unbelievable.
- This particular bar has been storing their trash cans inside an alcove that blocks a fire escape. Fire marshal was notified, but the cans still block the exit. Alcohol has been running down the sidewalk and into the gutter for weeks from the trash cans that have holes in them.
- Sat and Sun mornings, downtown is covered with piles of vomit, urine running from doorways, and litter everywhere. Why on earth would we need more bars to contribute to this filth?
- Why are we not holding the current bar owners responsible for cleaning up our downtown on the weekends?
- Has anyone ever counted the bars we already have downtown?? We have more than enough...I vote NO on more bars..."
- Don't see a business that is primarily busy during evening and does most of its businesslike is a help to our core businesses
- Get rid of the parking meters if you want to see downtown thrive. People do not want to pay for parking and don't come to downtown to do shopping.
- TIME FOR A CHANGE
- We need new opportunities for other entrepreneurs.
- Our Downtown is full of empty businesses and the city should help fill these with ones that can succeed with consideration to the specific business plan and how it will impact crime.
- We need downtown beautified, daytime businesses & restaurants keep properties up and increase traffic both daytime & evening. Bars don't.
- Just feel that it will open up more bars in the downtown area and leave less rentable spaces for other business. if it passes I personally will purchase as many as I can buy
- There are plenty of places to get a drink downtown. We are all struggling to get people in the doors as it is already. There's no need to make it easier to bring more competition downtown when we are barely getting by as it is. If every place downtown had a line then I'd be all for more bars but that simply is not even remotely the case.
- I believe that allowing more bars to open in Downtown Chico could bring more liveliness to the downtown area. Bars don't always have to be college-ey either. Cocktail bars and Speakeasys are attractions for different ages and generations, and I could see this being another attractive addition to the downtown area. This could make the downtown area more hip and ideal.
- The current ordinance is originally passed for good reasons. Downtown is a better place due to it. Please do not change it.
- Since covid our business has suffered from a lack of revenue and this change would provide Grana a much-needed opportunity to develop a new revenue stream.
- Adding more bars will create a race to the bottom meaning the competition will lower its pricing in order to attract customers. This would be a move in the wrong direction for downtown and force many existing bar/restaurants out of business.

Specific Comments Question 2: Allowing Bars to be open until 2 AM on Labor Day and Graduation

- Business in Downtown Chico just get destroyed or vomited on.
- Staying open later will just increase rowdy and violent behavior and drunk driving.
- Those rules were put into place when the police could not regulate - our services are much more in tune!
- Those two hours that are currently closed local business lose thousands of dollars. Everybody that gets kicked out of the bar at 12am is always shocked at the silliness.
- By closing bars early the party goes elsewhere. At least in the downtown bars there is an amount of supervision to monitor alcohol consumption
- As a downtown business owner, my busiest times were when Chico had an influx of people from out of town coming to Chico for things like, Labor Day, St Patty's Day, Halloween etc. Downtown was a destination and I'd love to get that vitality back!
- Nothing good comes out of that combination of late to early morning hours and alcohol. In today's climate of criminality it leads to a higher crime rate resulting in misfortune for all parties involved, the victim, and the perpetrator, and the downtown business owners store front property. It does nothing to help keep downtown CLEAN and SAFE.
- Is this for existing businesses?
- This sounds like a disaster.
- Why is this even a good idea? What is the argument for? We need more families down here, not more drinking at night.
- I remember the number of people from neighboring towns that used to come to Chico to celebrate. All the restrictions have discouraged people from coming downtown, in turn hurting the business.
- Nothing after midnight is ever good..especially if alcohol is involved....just ask our police department.
- We don't need to fill vacancies with places that generally open after many of downtown spots are already closing. We need more 9-5's that draw people down during business hours
- WHAT IF YOU WORK UNTIL 11PM AND WANT TO GET OFF WORK AND HAVE A COCKTAIL
- Bars should be allowed to stay open until 2am in order to help them afford to stay open. Crime should of course be observed and appropriate steps taken if some businesses are negatively impacting this with their practices.
- We shouldn't be shutting our downtown down early on Grad Weekend, we should be showcasing how fun it is to live in Chico. Labor day is not what it used to be and doesn't pose an issue like it has in the past. Most people leave town anyway.
- Keep our city open.. What happened to free business in America? 2am is the state wide closure, why is the city restricting business for our downtown proprietors?

Respondent Profile:



Other:

- Property owner
- Resident
- Land owner
- Main Street property owner
- Former downtown business owner