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Chico property owners asked to vote on new downtown district

Property-based improvement district proposed to address problems caused by vagrants

By Laura Urseny, Chico Enterprise-Record

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Chico >> While most residents think Chico is wonderfully unique, it is not when it comes to a downtown dealing with sticky, unending issues.

That's why what's worked in other communities is being considered here to deal with conditions that scare away new businesses and downtown shoppers.

Over the next few weeks, about 180 property owners are being asked to vote on a property-based improvement district. Basically, it will assess property owners — not business owners — based on the value of their downtown holdings.

Already there are avid supporters and avid opponents.

Opponents say the proposed assessments are financially burdensome for them, and shouldn't be required because those services should be provided by the city.

The money raised, estimated at about \$450,000, will be used toward downtown's cleanliness and safety. Roughly 85 percent of the budget will fund the existing Clean and Safe program downtown, giving it about \$400,000. The rest would be used for administration and other costs like graffiti removal and continuation of the Ambassadors program.

Assessments in the district would range from \$75 to about \$18,000, according to advocate and downtown property owner Tom DiGiovanni, with the average being about \$1,375.

In talking about the program, DiGiovanni says most objections he's heard focus on the argument the city should already be doing cleanup and safety patrols. That's what comes from paying taxes, they say.

There's a sense that property owners are shouldering what the city should be doing, and that the city will withdraw further from its obligations if the district is formed.

That's not going to happen, said DiGiovanni.

DiGiovanni said the service agreement will keep the city's level of service downtown the same.

In the eyes of DiGiovanni and the Downtown Chico Business Association, which is supportive, a

property-based improvement district looks like the only hope.

It boils down to money — dedicated dollars to pay for what the city can't provide. Already a volunteer donation program called R Town was paid for by a few businesses and owners survived for the holiday shopping, raising about \$60,000.

"That just isn't enough," said DiGiovanni.

As much as Chico loves its downtown, it is damaged. Vagrants hang out in City Plaza, Lost Park and on downtown sidewalks. Shoppers and residents are often vocal about not feeling safe downtown, and the internet offers plenty of shopping choices that make it easy not to do business in downtown.

Business owners face needles, vomit and human waste most mornings in their opening routines on good days. On bad days, there are vagrants sleeping in their alcoves, who — when disturbed — threaten to kill the person or block the entrance and harass customers.

"It's not going to get better from what is now," DiGiovanni stated.

Asked how the district can work, DCBA President David Halimi said having more of a presence streetside can go a long way to discouraging vagrancy.

The first PBID

Success means having a bigger presence in downtown, says consultant Nancy Horman of Arizona, who helped write the legislation to form the first district in California — in Sacramento. She is also helping in Chico.

"We were the guinea pigs. The first in California," she said during a phone interview about her nine years in Sacramento. After that, she helped 15 other California communities' form districts. There are about 60 in California, she said.

"What starts PBIDs almost everywhere is homelessness. The whole idea is to figure out solutions, not just push them around," she said.

Horman has heard an array of objections to district formations, and many seem to focus on the city's responsibilities.

The city can't spend more on a certain area to the detriment of others, she pointed out.

"If a property owner was in a shopping center, they'd be paying a common area management (CAM) charge for maintenance, marketing and more. This is a CAM for downtowns," she said.

Horman said that Chico's Clean and Safe program is what many communities have adopted, but there has to be constant money behind it.

In Sacramento, which she called "a disaster" initially, change was evident by the end of the first year, and "things were rolling" by the second. Part of the motivation is to create an atmosphere downtown that entices retail. A PBID does it, she said.

It's not a matter of pushing homeless people elsewhere, but trying to find them help. Sacramento developed a Clean and Safe program similar to what Chico has but has struggled to fund.

Horman pointed out that a presence downtown is a powerful tool. Perception is too.

If shoppers see people out cleaning, pushing a broom or see uniforms out, there's a perception, she says, that a place is clean and inviting. People will want to be there, she said.

While the district sunsets at five years without an extension vote, property owners can at any time call for a vote and dismember the district, she said. To renew the district, the same process will have to be replayed.

"The burden is on the PBID to extend it. If we don't do a good job in operating and communicating, it won't continue," DiGiovanni said, adding that board meetings will be open to the public.

Opposition

Last month, a number of property owners and businesses received an anonymous letter of opposition that notes the services proposed under the district should be provided by the city.

The letter points out that much of the downtown litter is in public places that the city is responsible for, and blames the transient situation for the continuing problems. The district does not present any solution for transient issues.

It also points out that the assessments could increase over the five-year implementation period. It also states that less costly alternatives have not been pursued.

Tom Hall of the Garden Walk Mall, told the council before it voted in May that this program costs too much for property owners. He said it could force property owners to pass the cost onto their tenants and hurt downtown businesses.

Teri DuBose of Broadway Pawn has voted no on the ballot to form the district, bringing up a number of unanswered questions.

She's concerned about the money and who will actually be making decisions about the spending and delivery of services. She also wants to know how the board of the nonprofit will be chosen, and wonders if larger members like the university and city will sway decisions over the small business voice.

Having the informational meetings and a chance for questions before the ballots went out would have been better, she felt.

"There just wasn't enough information."

She's also feeling more positive about where downtown is going with the recent announcement of additional downtown coverage — on foot and bike — by the Chico Police Department, as well as business owners and property owners taking a more involved approach at "taking back" downtown.

"I can't call for someone to clean up feces and wait until 10 a.m. I get here at 7 a.m. and have to be

ready for customers by 9 a.m.”

As far as a security force, she noted, “Their presence is good but they can’t enforce laws, cannot arrest anyone. They would have to call the Chico Police Department, just like I would.”

City supports

At the end of May, ballots were sent out to property owners, with a due date in July. The City Council will oversee the final ballot counting at its July 5 meeting.

It’s a weighed vote, and must have more than a majority of the property valuations to pass. The city collects and verifies the votes, paying for that process.

Before that, all the costs have been covered by a few downtown businesses and property owners.

With success there, the district would be put in place by January 2018.

A new nonprofit organization — a 501(c)6 — with a board of directors would be created to administer the district.

At a recent meeting, city councilors voted to supported the district — and pay the city’s proposed annual assessment of \$69,000 if it passes — but wanted to see the board filled with property owners, not anyone without an vested interest.

DiGiovanni points out Chico State University is part of the assessment area but doesn’t own property — the state does. Nevertheless, DiGiovanni can see the argument for having the university on the board, along with the city.

Councilor Mark Sorensen wanted to know more about the bylaws, which DiGiovanni said will be taken on by the steering committee after reviewing the legal documents from other districts.

The district would contain an A zone in the central core and then a U-shaped B zone surrounding it. The services in both districts would be the same kind, but those in A would be more frequent because of conditions there.

At least two more meetings about the district are planned to help property owners in their decision, although dates have not been set. An existing district manager will also visit.

New police patrols

Asked about the new downtown patrols that Chief Mike O’Brien announced recently, DiGiovanni said, “The recent Chico PD’s safety efforts for downtown are certainly a welcomed news, especially the bike patrols for the summer months.

“We feel such steps are very much in line with downtown PBID’s year-round goals of making downtown Chico a much more desirable place to visit, shop, and dine. We plan to continue to coordinate our efforts with Chico PD, as was done with the R-Town initiative in 2014 and commonly practiced in other California PBIDs.”

Contact reporter Laura Urseny at 896-7756.

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