

# OUTDOOR RECREATION/TOURISM GROWTH AND ECONOMIC IMPACT ANALYSIS

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&  
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# EXECUTIVE SUMMARY

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Butte County is situated in the Sacramento Valley about 60 miles north of Sacramento and 150 miles northeast of San Francisco. The Mediterranean climate makes it an ideal location for the production of tree fruits and nuts, especially almonds, pistachios, kiwi, plums, walnuts, and citrus. The lowlands drained by the Sacramento River provide a perfect environment for growing rice and for wintering birds and fowl migrating south along the Pacific Flyway each winter.

Butte County is predominantly a rural county. In 2005, its agricultural production totaled over \$439 million, mostly due to almonds and rice. The County's 217,000 people reside primarily in one of its four incorporated cities: Chico, Gridley, Oroville, and Paradise.

The purpose of this report is to provide Butte County with a comprehensive analysis of its tourism industry, to document the potential growth in tourism and recommend strategies for realizing and benefiting from that growth. There are several reasons why this study is timely. First, Butte County just embarked on a process of updating its General Plan. The General Plan does not currently address tourism as key driver of the County's economy. This report provides some guidance on policies to adopt that would support the growth of tourism.

Secondly, the Oroville Dam re-licensing process has brought much-needed attention to the under-development of Lake Oroville's recreation assets and the deleterious economic impacts that has had on the county. The new Lake Oroville Recreation Management Plan addresses the economic potential and the plans to provide for the development of more recreational venues around the lake, which will have a positive economic impact on Butte County. This report's recommendations support the efforts of the County and the Cities to continue to work with State Parks to implement that Plan. This report's recommendations focus primarily on investments that the County can make in unincorporated areas outside the FERC project area that would support the growth of tourism.

Agriculture is the chief economic driver of Butte County's economy. This industry is dynamic. It is constantly evolving to respond to changes in the global marketplace and in development of new technologies. To keep Butte County agriculture viable and to provide recreational opportunities for residents and visitors, the General Plan needs to provide the flexibility that agricultural proprietors need to respond to the changes in the marketplace. This report addresses the opportunity that farm stays offer farm and ranch proprietors to diversify their businesses and take advantage of the growing interest in agri-tourism.

Finally, the County's policy of preserving agricultural and ranch lands has, by necessity, limited urban development to the incorporated cities. As such, when tourists visit Butte County, their spending on lodging, meals, gifts and entertainment occurs in the cities. Butte County's budget does not benefit from tourism spending in the same way that the cities' budgets do. The primary attraction for visitors to Butte County is its natural beauty and outdoor recreational activities. These are, primarily, in the unincorporated areas. This report addresses the role that both the cities and the County have in promoting countywide tourism and funding these promotion efforts.

## **Current Demand for Recreation and Visitor Services**

In 2005, there were approximately 2.1 million visitor stays in Butte County. Total spending by visitors was about \$211 million. Of this, about 24 percent was spent on food and beverages and 17 percent was spent on lodging. Another 19 percent was spent at retail establishments for gifts, recreation equipment, clothing, and other supplies.

The economic impact of visitor spending is significant. Tourism makes up 4% of the County's total economic output, about \$388 million of the \$10.25 Billion dollar gross county output. The total employment impact of tourism, including indirect and induced employment is 5,700 jobs. Tourism generates \$4.13 million annually in local sales taxes. Of this, \$1.5 million goes to the County. Tourism also generates \$2.3 million in TOT revenue. Of this, the County receives only 2%, about \$42,000 since lodging facilities are primarily in the cities.

## **Projected Demand for Recreation and Visitor Services**

By 2030, it is estimated that there will be approximately 2.7 million visitor stays in Butte County. Total new spending by an additional 600,000 visitors is estimated to be \$371 million (see Table 6). New resident spending on eating out and on entertainment is estimated to be approximately another \$189 million. The total net new spending is estimated to be \$560 million (see Table 10).

The total economic impact of tourism in 2030 is projected to be about \$720 million. The total projected employment impact, including indirect and induced employment effects, is just under 11,400. In that year, tourism could generate \$7.7 million in sales tax and another \$5.5 million in TOT. Should the County allow more guest lodging and retail sales in the unincorporated areas, its share of the sales tax and TOT tax will increase. Currently, the County's share of sale tax is about 13 percent and its share of TOT is 2 percent.

## **Recommendations**

- 1) Conduct countywide marketing funded through city-county contributions of TOT revenues.
- 2) Establish appropriate policies that support the further development of agri-tourism.
- 3) Promote the packaging and marketing of rural bike tours.
- 4) Conserve natural areas for wildlife viewing and hunting.
- 5) Develop an economic development element for Butte County that includes policies to support and promote tourism.
- 6) Consider updating the Recreation Element of the General Plan to further support the development of tourism in Butte County.

# INTRODUCTION



Butte County, the “Land of Natural Wealth and Beauty” is situated in the Sacramento Valley about 150 miles northeast of San Francisco and about 60 miles north of Sacramento. The county is bounded on the west by the Sacramento River and on the east by the western slopes of the Sierra Nevada foothills. The County has three distinct regions. The west side is dominated by agriculture on the flat lands drained by the Sacramento River. The middle third consists of rolling hills and volcanic buttes and the eastern third is comprised of forested mountains and deep river valleys.

Butte County’s climate is Mediterranean, with cool wet winters, and dry, hot summers, making it an ideal climate for almonds, olives, citrus fruits, and rice. As such, the major industry is food production. In 2005, agricultural production exceeded \$439 million. Butte County’s major commodities are almonds, rice, walnuts, plums, peaches, timber, olives, and kiwis. Cattle are raised on ranch lands. Major processed foods include olive oil, lavender oil, honey, rice meals, and natural beef.



In 2006, Butte County’s population was 217,000 with a little over half the population living in one of four incorporated cities: Chico, Gridley, Oroville, and Paradise.

The purpose of this report is to provide Butte County with a comprehensive analysis of its outdoor recreation and tourism resources, to assess the size of the recreation and tourism market opportunity and to recommend appropriate actions to realize this opportunity.

The first section of the report identifies the current and future market for outdoor recreation and tourism in Butte County in terms of number of visitors and total spending. To do this, ADE used population and household growth projections from the Butte County Association of Governments and the California Department of Finance to calculate the increasing demand for outdoor recreation and tourism by Butte County

residents. To identify the future demand for outdoor recreation and tourism assets by visitors, ADE calculated average growth rates for visitor spending and visitor stays over the last 15 years and projected those rates into the future.

The second section assesses the existing recreation and tourism venues throughout Butte County, tabulating attendance data where available. This summary of major recreation and tourism assets includes:

- Water-based recreation assets, including Lake Oroville, the Feather River and the Sacramento River;
- Land-based recreation assets, including water-fowl hunting areas; bicycling events and routes; equestrian facilities; off-road vehicle facilities;
- Cultural and heritage assets, such as Chico State University facilities and performances; museums; interpretive centers; and festivals.
- Agri-tourism assets, such as farms and wineries that offer tours;
- Evaluation of lodging facilities, including hotels, motels, bed & breakfast inns, and RV Parks
- Live performance venues, including those at the two Indian casinos;
- Business meeting and convention facilities.

The third section is an analysis of Butte County's lodging industry. The analysis looks at occupancy and room rates for all hotel, motel, B&B and travel park facilities.

The fourth section discusses the economic contribution of recreation and tourism to the Butte County economy. Visitor spending at lodging facilities, restaurants, retail shops, travel and attractions has a total economic impact of \$388 million and accounts for 4 percent of the Butte County economy. In addition, sales taxes and Transient Occupancy Taxes provide \$1.64 million annually to the County's budget. The future economic impact is projected to be about \$720 million and the future fiscal impact to the County of \$3.1 million.

The fifth section assesses the potential fiscal benefits of three conceptual recreation-related visitor services: farm stays; travel parks; and, packaging and marketing bicycle tours.

The last section recommends a set of collaborative implementation initiatives that would help Butte County realize opportunities for growth in tourism. The recommendations in this report are meant to advise the County Board of Supervisors on possible amendments to the County General Plan so as to more fully support agri-tourism, nature tourism and bike touring outside of the County's incorporated jurisdictions.

# EXISTING & PROJECTED DEMAND FOR RECREATION AND VISITOR SERVICES

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Demand for recreation and visitor services is a function of both the number and quality of attractions in the local area and how well they are marketed as well as the size and growth of the population visiting these attractions. This section of the report will focus on the current size and projected growth of the population visiting these attractions. The following section will describe existing attractions in Butte County and historical visitor statistics, where available.

Visitors to Butte County include leisure travelers and business travelers. In general, leisure travelers visit Butte County to participate in recreational or cultural activities, such as fishing, hunting, bicycling, camping, hiking, horseback riding, boating, visiting museums, attending live performances, and viewing nature. Business travelers attend business meetings, conventions, seminars, or retreats. There is overlap, as business travelers will extend their stay in Butte County to attend performances, visit museums, or interpretive centers or participate in recreational activities, especially fishing. According to D.K. Shifflet, a consulting firm that tracks the number of visitors to California on an annual basis; there were about 2.1 million visitor stays<sup>1</sup> in Butte County in 2005. This includes both business and leisure travelers. These visitors spent over \$210 million in Butte County on lodging, food, recreation, travel and other purchases.

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<sup>1</sup>A visitor stay is defined by DKS&A as number of people in each travel party multiplied by the length of stay (number of days.)

**TABLE 1**  
**DOMESTIC VISITOR VOLUME, 2005 (MILLIONS OF PERSON-STAYS)**

	Total Travel	Business Travel	Leisure Travel
<b>Butte</b>	2.1 million	0.3 million	1.8 million

Source: D.K Shifflet & Associates, Ltd., 2006.

**TABLE 2**  
**DOMESTIC VISITOR PROFILE**

	CA Leisure Travel to Butte County/Chico MSA (Avg. 2000-2004)
<b>Non-CA resident travelers</b>	7%
<b>Avg. length of stay (all trips)</b>	2.25 days
<b>Avg. length of overnight stay</b>	3.6 days
<b>Avg. party size</b>	2.46 persons
<b>% Traveling with children</b>	37%
<b>% Day trips</b>	47%
<b>Mean household income</b>	\$58,290
<b>Used rental car</b>	2%
<b>Hotel / motel stay</b>	30%

Source: D.K Shifflet & Associates, Ltd., 2006.

**TABLE 3**  
**DOMESTIC VISITOR SPENDING**  
**(AVERAGE EXPENDITURES PER PERSON PER DAY, LESS TRANSPORTATION)**

	Total	Leisure Travel
<b>Butte County (Avg. 2000-2004)</b>	\$70.66	\$62.64

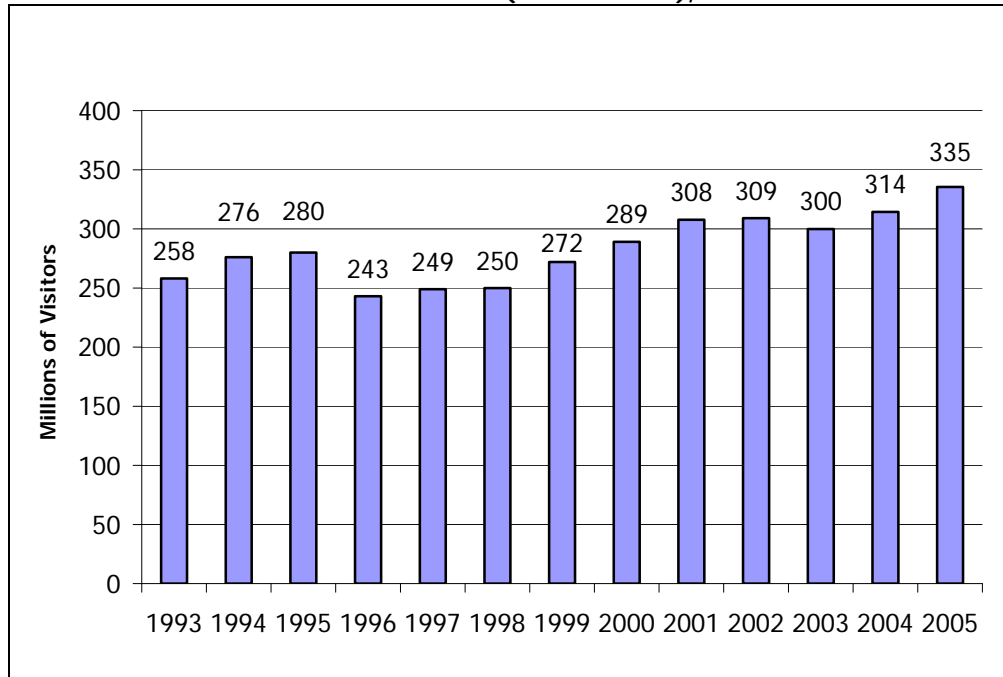
Source: D.K Shifflet & Associates, Ltd., 2006.

## **HISTORICAL TRENDS IN CALIFORNIA AND BUTTE COUNTY TRAVEL**

California offers a wide range of attractions to both business and leisure travelers. From the beaches and amusement parks in southern California to the rugged, mountainous regions of the Sierra Nevada and the deserts in between, no other state in the nation offers the breadth of attractions to visitors. Travel to California has increased measurably between 1993 and 2005, from 258 million visitors to 335 million visitors, an average annual increase of 3 percent.



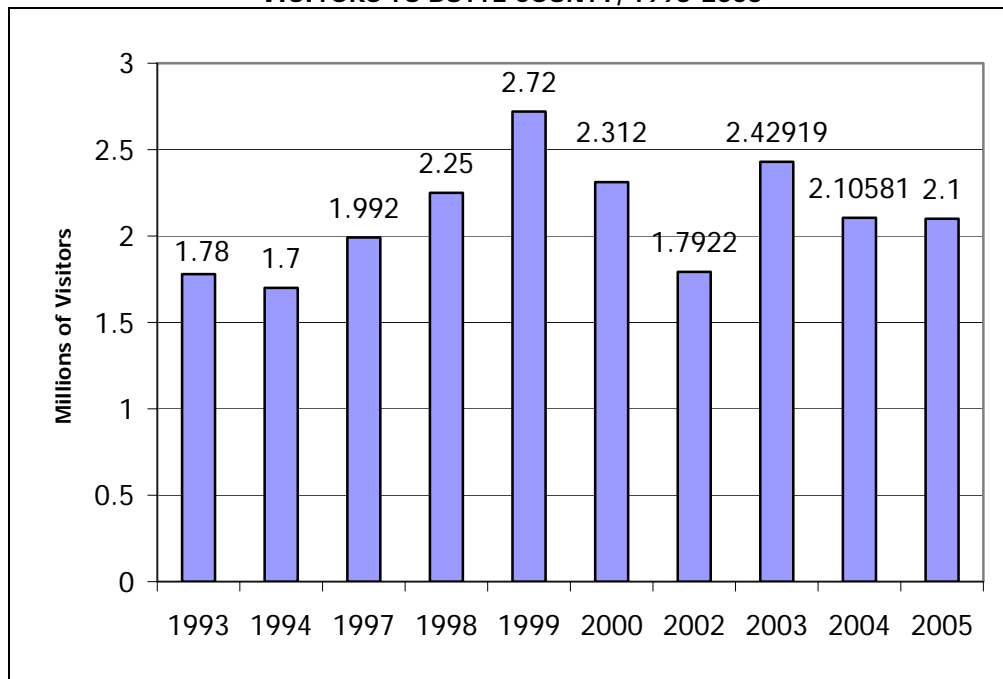
**FIGURE 1**  
**VISITORS TO CALIFORNIA (IN MILLIONS), 1993 - 2005**



Source: ADE, 2007; based on data from D.K. Shifflet & Associates.

Visitor travel to Butte County also increased, but more sporadically. While in some years, the number of visitors increased by over 20 percent, in others, it dropped almost just as much. The total number of visitors to Butte County increased by about 1 percent annually from 1.78 million in 1993 to 2.1 million in 2005.

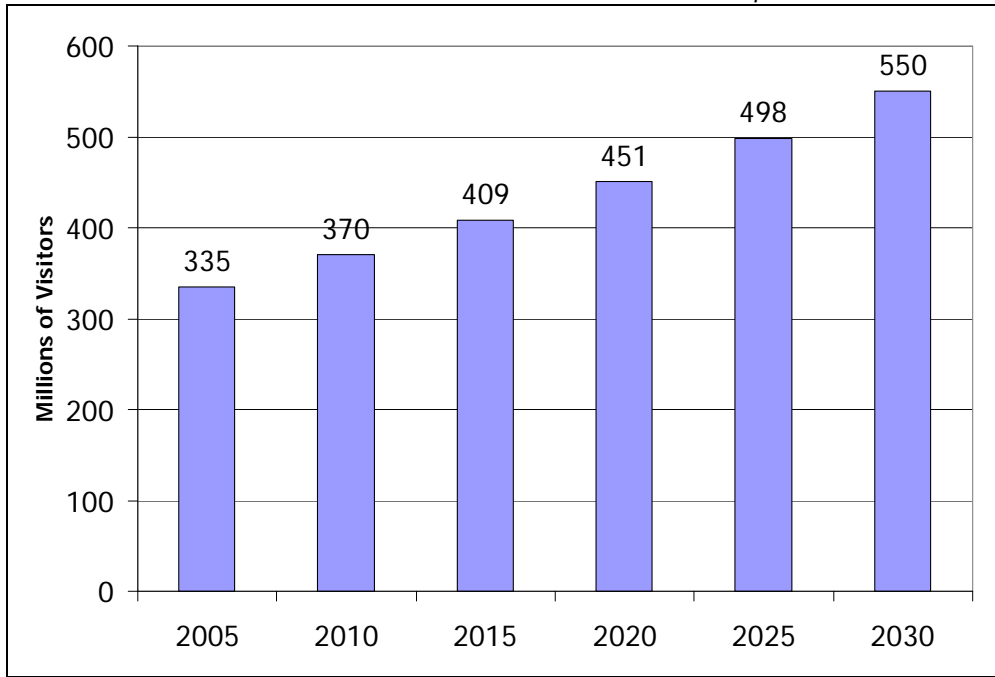
**FIGURE 2**  
**VISITORS TO BUTTE COUNTY, 1993-2005**



Source: ADE, 2007; based on data from D.K. Shifflet & Associates.

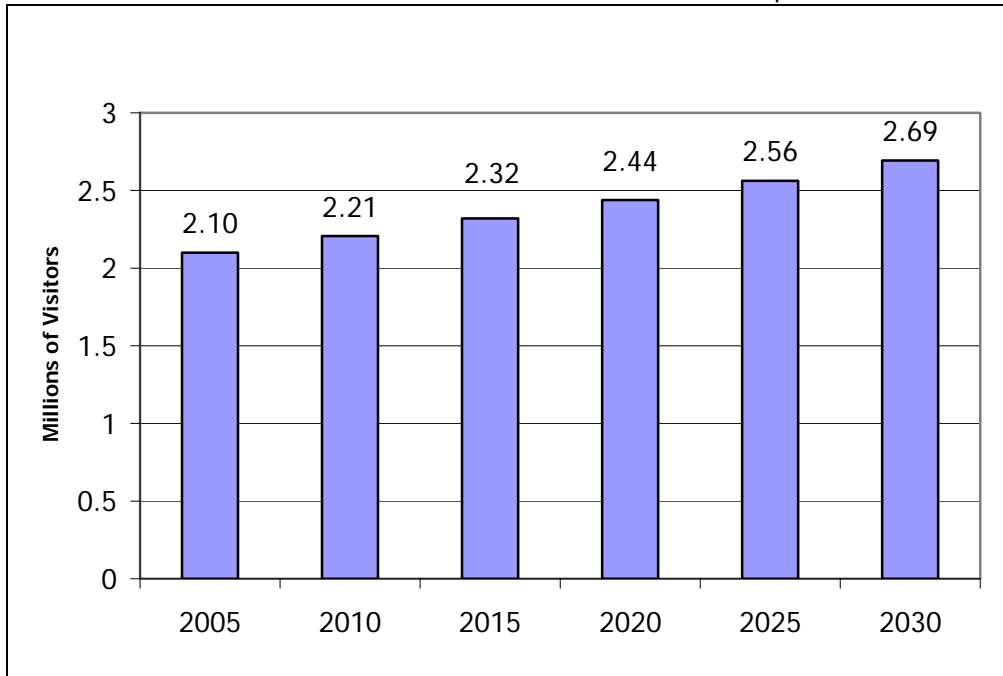
In general, less than one percent of all California visitor stays occur in Butte County. Between 1993 and 2005, Butte County's share of California visitor stays ranged from about .58 percent to .90 percent. If Butte County were to continue to attract this same share of California visitor stays into the future, the total number of visitors to Butte County would increase to over 2.7 million by 2030.

**FIGURE 3**  
**PROJECTED GROWTH IN CALIFORNIA VISITOR STAYS, 2005 - 2030**



Source: ADE, 2007; based on a two percent annual growth rate starting from 2005.

**FIGURE 4**  
**PROJECTED GROWTH IN BUTTE COUNTY VISITOR STAYS, 2005 - 2030**



Source: ADE, 2007; based on a one percent annual growth rate starting from 2005.

## VISITOR SPENDING

Between 1992 and 2004, spending by visitors to Butte County increased at an average annual rate of about 4 percent. Dean Runyan and Associates, a firm that tracks visitor spending in California, estimated that in 1992, visitors spent \$125.6 million in Butte County; by 2004, spending increased to \$211.5 million.

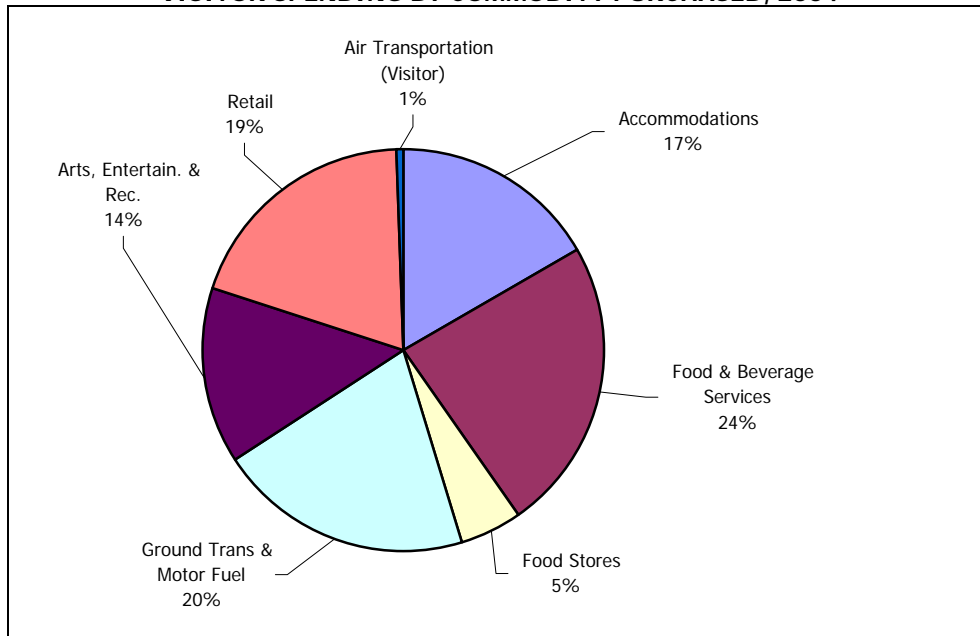
**TABLE 4**  
**VISITOR SPENDING PROJECTIONS FOR BUTTE COUNTY**

Year	1992	1999	2000	2001	2002	2003	2004
<b>Visitor Spending in Millions</b>	\$125.6	\$173.9	\$186.9	\$186	\$189.7	\$197.7	\$211.5

Source: Dean Runyan Associates

Visitor spending is divided into six categories: accommodations; food & beverage; arts, entertainment & recreation; retail; ground transportation and food stores. As shown in Figure 5 below, about 17 percent of visitor spending is on accommodations, while 24 percent is on food and beverage services.

**FIGURE 5**  
**VISITOR SPENDING BY COMMODITY PURCHASED, 2004**



Source: ADE, 2007; based on data from Dean Runyan Associates

If visitor spending increases at the same rate in the future, total visitor spending in Butte County could reach approximately \$591 million by 2030.<sup>2</sup> Net new spending of over \$371 million<sup>3</sup> would support additional visitor attractions and services.

**TABLE 5  
PROJECTED VISITOR SPENDING IN 2030 BY COMMODITY, 2004 DOLLARS**

Year	Visitor Spending (in millions of 2004 \$)	Accommodations	Food & Beverage	Arts, Entertainment, Recreation	Retail	Ground Transport	Food Stores
2004	\$211.5	\$36.0	\$48.6	\$29.6	\$40.2	\$42.3	\$10.6
2005	\$220.0	\$37.4	\$50.6	\$30.8	\$41.8	\$44.0	\$11.0
2010	\$268.2	\$45.6	\$61.7	\$37.5	\$51.0	\$53.6	\$13.4
2015	\$326.8	\$55.6	\$75.2	\$45.8	\$62.1	\$65.4	\$16.3
2020	\$398.3	\$67.7	\$91.6	\$55.8	\$75.7	\$79.7	\$19.9
2025	\$485.5	\$82.5	\$111.7	\$68.0	\$92.2	\$97.1	\$24.3
2030	\$591.7	\$100.6	\$136.1	\$82.8	\$112.4	\$118.3	\$29.6

Source: ADE, 2007; based on historical data from Dean Runyan Associates

**TABLE 6  
BUTTE COUNTY VISITOR SPENDING, 2005 & 2030, IN 2004 DOLLARS**

Year	Visitor Spending (in millions of 2004 \$)	Accommodations	Food & Beverage	Arts, Entertainment, Recreation	Retail	Ground Transport	Food Stores
2005	\$220.036	\$37.406	\$50.608	\$30.805	\$41.807	\$44.007	\$11.002
2030	\$591.699	\$100.589	\$136.091	\$82.838	\$112.423	\$118.340	\$29.585
Net New Spending	\$371.663	\$63.183	\$85.482	\$52.033	\$70.616	\$74.333	\$18.583

Source: ADE, 2007; based on historical data from Dean Runyan Associates

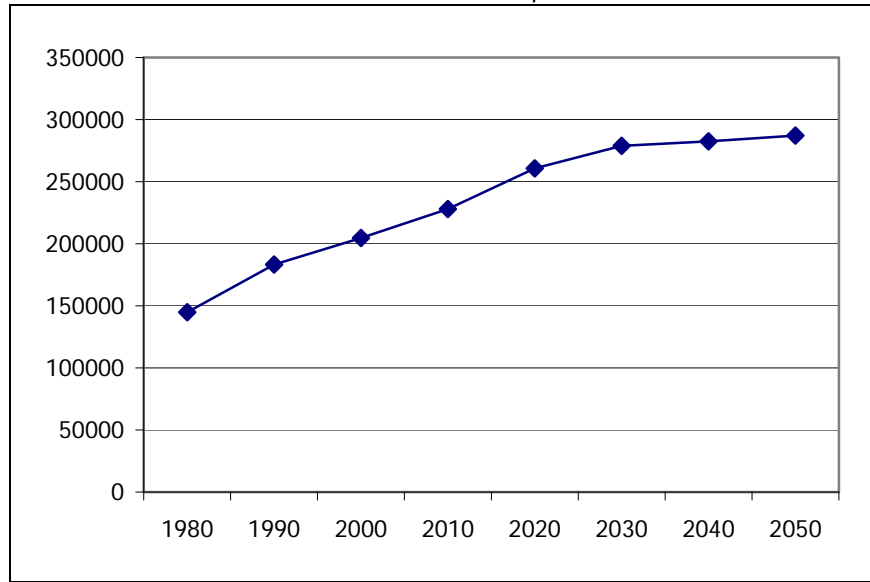
## SPENDING BY LOCAL RESIDENTS

In projecting the demand for recreation and entertainment services, it is necessary to take into account use by local residents. The attractions in Butte County are visited as much as or more so by residents than by non-residents. Between 1980 and 2005, Butte County's population grew from 144,900 to 215,000. Butte County's population is expected to continue to grow throughout the planning period. The California Department of Finance has prepared a set of population projections for each county in California. According to those projections, Butte County's population is expected to grow to about 287,000 by 2050.

<sup>2</sup> In 2004 dollars

<sup>3</sup> In 2005 dollars

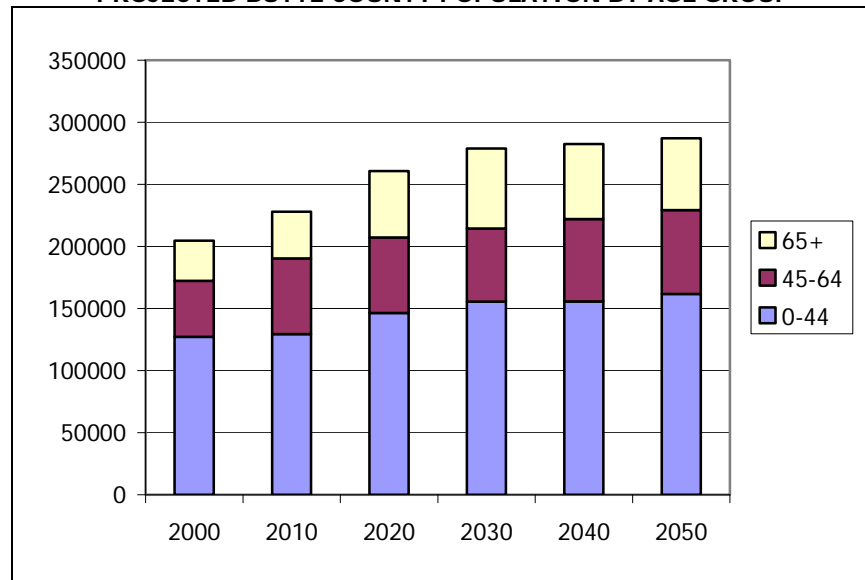
**FIGURE 6  
BUTTE COUNTY POPULATION, 1980 TO 2050**



Source: ADE, 2007; based on data from the California Department of Finance

An increasing share of that population growth will be comprised of adults over the age of 44. Recent migration studies by the CSU Center for Economic Development indicate that much of Butte County’s recent growth is due to the in-migration of active adults, usually over the age of 44. If this trend continues, as the DOF expects it to, it will have an impact on the demand for certain types of housing and for recreation and entertainment services.

**FIGURE 7  
PROJECTED BUTTE COUNTY POPULATION BY AGE GROUP**



Source: ADE, 2007; based on data from the California Department of Finance

## LOCAL HOUSEHOLD SPENDING ON EATING OUT AND ENTERTAINMENT

The average American household spends about 4 percent of its income on food away from home, usually at restaurants, and another 4 percent on entertainment. (See Table 7 below)

**TABLE 7**  
**EXPENDITURES BY MAJOR CATEGORY, UNITED STATES**

<b>U.S. Average Household Income: \$54,453</b>			
<b>Average Annual Expenditures per Consumer Unit</b>			
	<b>2004</b>	<b>Percent of Consumer Expenditures</b>	<b>Percent of Total Income</b>
Food	5,781	13.32%	10.62%
Food at home	3,347	7.71%	6.15%
Food away from home	2,434	5.61%	4.47%
Alcoholic beverages	459	1.06%	0.84%
Housing	13,918	32.07%	25.56%
Apparel and services	1,816	4.18%	3.33%
Transportation	7,801	17.98%	14.33%
Healthcare	2,574	5.93%	4.73%
Entertainment	2,218	5.11%	4.07%
Personal care products/service	581	1.34%	1.07%
Reading	130	0.30%	0.24%
Education	905	2.09%	1.66%
Tobacco & smoking	288	0.66%	0.53%
Miscellaneous	606	1.40%	1.11%
Cash contributions	1,408	3.24%	2.59%
Personal insurance & pension	4,823	11.11%	8.86%
<b>Total</b>	<b>\$43,395</b>	<b>100.00%</b>	<b>79.69%</b>

Source: U.S. DOL, Bureau of Labor Statistics, April, 2006

ADE estimated Butte County household expenditures on eating out and entertainment, based on national patterns of consumer expenditures. Based on an average annual household income of \$50,800, the average Butte County household spends about \$2,000 per year on food away from home and another \$2,000 per year on entertainment. (See Table 8, below) In 2005, there were approximately 83,000 households in Butte County. In aggregate, those households spent \$371 million on eating out and entertainment in 2005.

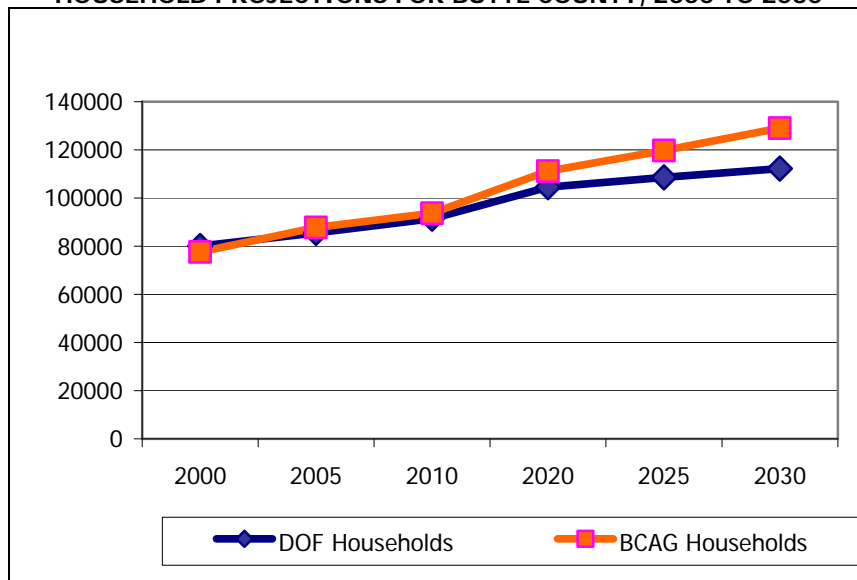
**TABLE 8  
BUTTE COUNTY HOUSEHOLD EXPENDITURES, 2005**

<b>Butte County Average Household Income 2005:*</b>	
	<b>\$50,878</b>
Food	\$5,401
Food at home	\$3,127
Food away from home	\$2,274
Alcoholic beverages	\$429
Housing	\$13,004
Apparel and services	\$1,697
Transportation	\$7,289
Healthcare	\$2,405
Entertainment	\$2,072
Personal care products/service	\$543
Reading	\$121
Education	\$846
Tobacco & smoking	\$269
Miscellaneous	\$566
Cash contributions	\$1,316
Personal insurance & pension	\$4,506
<b>Total</b>	<b>\$40,546</b>

Source: ADE, 2007; \*Avg. Household Inc. Source: U.S. Census, American Community Survey (ACS)

The number of Butte County households is expected to grow significantly by 2030. The California Department of Finance (DOF) estimates a total of 112,000 households by that year and the Butte County Association of Governments (BCAG) estimates about 129,000 households. The BCAG has estimated a larger number of households, because they factor in the recent growth in the number of approved subdivisions.

**FIGURE 8  
HOUSEHOLD PROJECTIONS FOR BUTTE COUNTY, 2000 TO 2030**



Source: ADE, 2007; based on data from the California Department of Finance and the Butte County Association of Governments (BCAG)



Using the BCAG estimate of 129,000 households in 2030, total household spending on eating out and entertainment will reach about \$561 million.<sup>4</sup> The net new spending of nearly \$190 million will support new restaurants and recreation and entertainment venues.

**TABLE 9  
BUTTE COUNTY RESIDENT SPENDING, 2005 & 2030, IN 2004  
DOLLARS**

<b>Year</b>	<b>Resident Spending (in millions \$)</b>	<b>Eating Out</b>	<b>Entertainment</b>
2005	\$371.83	\$193.35	\$178.48
2030	\$560.84	\$291.64	\$269.20
Net New Spending	\$189.01	\$98.28	\$90.72

Source: ADE, 2007

Together, new visitor spending and new household spending could reach over \$560 million by 2030. This is a significant growth of spending in Butte County and will support new entertainment, recreation and cultural attractions as well as new lodging services and restaurants.

**TABLE 10  
BUTTE COUNTY TOURISM IMPACTS  
ADDITIONAL VISITOR AND RESIDENT  
SPENDING, 2005-2030**

New Resident Spending	\$189,004,851
New Visitor Spending	\$371,662,655
<b>Total</b>	<b>\$560,667,506</b>

Source: ADE, 2007

**TABLE 11  
NET NEW VISITOR & RESIDENT SPENDING, BUTTE COUNTY 2005 – 2030 (IN MILLIONS 2004\$)**

<b>2005 – 2030</b>	<b>Total</b>	<b>Accommodations</b>	<b>Food &amp; Beverage</b>	<b>Arts &amp; Entertainment</b>	<b>Retail</b>	<b>Ground Transport</b>	<b>Food Stores</b>
New Visitor Spending	\$371.6	\$63.1	\$85.5	\$52.0	\$70.6	\$74.3	\$18.6
New Resident Spending	\$189.0	-	\$98.3	\$90.7	-	-	-
	\$560.6	\$63.1	\$183.8	\$142.7	\$70.6	\$74.3	\$18.6

Source: ADE, 2007

<sup>4</sup> In 2005 dollars.

# **EXISTING ATTRACTIONS, VENUES AND SERVICES**

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## **BUTTE COUNTY ATTRACTIONS**

One purpose of this study is to provide information about the anticipated demand for new visitor attractions and services. The previous section discussed the historical and anticipated growth in the number of visitors as well as the growth in visitor spending. This section will discuss what attracts current visitors to Butte County. From this, we can draw some conclusions about the likely preferences of future visitors.

Butte County visitors come for many reasons. For the purpose of this study, we have grouped visitor activities into three categories: outdoor recreation, including hunting and fishing; arts, culture and heritage; and, business, education and convention. Where available, ADE collected the attendance figures at many of the Butte County visitor attractions. Based on ADE's research, one-half come for outdoor recreation, hunting and fishing, about one-fourth come for arts, culture and heritage, and, one-fourth come for business, education and conventions, usually associated with CSU Chico.

## **OUTDOOR RECREATION**

For most of the communities in Butte County, outdoor recreation is the primary attraction. This is especially the case in Oroville, Paradise, Gridley, and Stirling City. The major areas for outdoor recreation include the Lake Oroville State Recreation Area, the Feather River, Table Mountain, and the farm land and open space on the western side of the County that serves as a winter home for migrating birds and fowl.

### **Lake Oroville State Recreation Area (SRA)**

The most significant Butte County outdoor recreation venue is Lake Oroville and the adjoining State Recreation Area. Lake Oroville was created when the Oroville Dam was built on the Feather River. The lake, when it is filled to a maximum elevation of 900 feet above sea level, extends to 15,500 surface acres for recreation and 167 miles of shoreline<sup>9</sup>. The Lake Oroville State Recreation Area attracts over one million visitors per year to its waters, campsites, picnic areas, horse camps, and trails. In 2005, the Oroville SRA, attracted 1.28 million visitors. Of these, 5% are overnight campers, 25% are paid day users, and 70% are non-paid day users.

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<sup>9</sup> Source: Department of Water Resources.

**TABLE 12  
LAKE OROVILLE SRA ATTENDANCE, BY YEAR**

<b>Year</b>	<b>Paid Day Use</b>	<b>Free Day Use</b>	<b>Overnight Camping</b>	<b>Total Attendance</b>
1996	296,766	456,693	54,023	807,482
1997	224,595	345,048	47,998	617,640
1998	200,635	267,002	43,465	511,101
1999	183,645	257,352	54,332	495,329
2000	190,107	202,649	45,832	438,587
2001	255,166	399,351	56,869	711,386
2002	203,885	1,102,268	39,903	1,346,056
2003	326,545	874,728	50,537	1,251,810
2004	294,468	920,721	53,281	1,268,470
2005	317,652	898,728	61,615	1,277,995
<b>Total Attendance:</b>	<b>2,493,464</b>	<b>5,724,539</b>	<b>507,854</b>	<b>8,725,856</b>
<b>Average Attendance:</b>	<b>249,346</b>	<b>572,454</b>	<b>50,785</b>	<b>872,586</b>

Source: California Department of Parks and Recreation

**Visitor Center.** Over the last 10 years, the Oroville Dam Visitor Center had, on average, about 900,000 visitors each year. From the Center, visitors can view Oroville Dam, the nation's tallest earthen dam at 770 feet.

### **Bidwell-Sacramento River State Park (SP)**

The Sacramento River crosses the north end of Bidwell Park in Chico. This is a popular place for boating, fishing hiking and camping. In 2005, there were approximately 97,000 visitors to this park. Overnight campers make up less than 1% of all park users.

**TABLE 13  
BIDWELL-SACRAMENTO RIVER SP ATTENDANCE, BY YEAR**

<b>Year</b>	<b>Paid Day Use</b>	<b>Free Day Use</b>	<b>Overnight Camping</b>	<b>Total Attendance</b>
1996	13,463	46,448	0	59,911
1997	0	864	614	1,478
1998	10,824	42,862	152	53,838
1999	17,079	127,109	0	144,188
2000	16,530	91,300	0	107,830
2001	19,254	128,085	67	147,406
2002	21,696	94,045	78	115,819
2003	34,032	109,809	196	144,037
2004	34,269	100,742	76	135,087
2005	26,127	71,118	30	97,275
<b>Total Attendance:</b>	<b>193,274</b>	<b>812,381</b>	<b>1,213</b>	<b>1,006,868</b>
<b>Average Attendance:</b>	<b>19,327</b>	<b>81,238</b>	<b>121</b>	<b>100,687</b>

Source: California Department of Parks and Recreation

### **Clay Pit State Vehicle Recreation Area (SVRA)**

The Clay Pit SVRA, located south and west of Chico, attracts nearly 50,000 off-road vehicle enthusiasts each year.

**TABLE 14  
CLAY PIT SVRA ATTENDANCE, BY YEAR**

<b>Year</b>	<b>Paid Day Use</b>	<b>Free Day Use</b>	<b>Overnight Camping</b>	<b>Total Attendance</b>
1996	0	1,531	0	1,531
1997	6,867	63,961	84	70,912
1998	375	33,002	0	33,377
1999	0	4,695	0	4,695
2000	0	3,784	0	3,784
2001	0	1,575	0	1,575
2002	0	13,602	0	13,602
2003	0	32,430	0	32,430
2004	0	47,841	0	47,841
2005	2,742	46,734	0	49,476
<b>Total Attendance:</b>	<b>9,984</b>	<b>249,155</b>	<b>84</b>	<b>259,223</b>
<b>Average Attendance:</b>	<b>998</b>	<b>24,916</b>	<b>8</b>	<b>25,922</b>

Source: California Department of Parks and Recreation

### **Outdoor Recreation Activities**

Major outdoor recreation activities in Butte County include: boating; fishing; horseback riding; cycling; off-road vehicle racing and camping.



**Boating.** In 2005, there were 77,191 boats launched at Lake Oroville. This includes only boats launched at drive-in boat ramps, including Bidwell Marina, Lime Saddle Marina, Loafer Creek, Enterprise, the Spillway, and the South and North Forebays. There were another 4,858 boats launched at the Bidwell-Sacramento River State Park. In the last 10 years, the number of boat launchings at State Parks in Butte County has doubled from about 41,000 to 82,000 per year.

**TABLE 15  
ANNUAL BOAT LAUNCHES AT STATE PARKS IN BUTTE COUNTY**

<b>Year</b>	<b>Lake Oroville SRA</b>	<b>Bidwell-Sacramento River</b>	<b>Annual Total</b>
1996	39,457	2,147	41,604
1997	58,906	1,888	60,794
1998	55,766	4,447	60,213
1999	54,784	8,445	63,229
2000	43,594	5,216	48,810
2001	37,355	7,215	44,570
2002	56,620	8,681	65,301
2003	62,466	5,866	68,332
2004	52,233	6,481	58,714
2005	77,191	4,858	82,049
<b>10-year Total</b>	<b>538,372</b>	<b>55,244</b>	<b>593,616</b>
<b>Average Annual</b>	<b>53,837</b>	<b>5,524</b>	<b>59,362</b>

Source: California Department of Parks, 2007

There are two marinas on Lake Oroville, one at Lime Saddle, just off of Pentz Road in Paradise and the other at Bidwell Marina, off of Kelly Ridge Road in Oroville. These marinas rent motorized houseboats for half-day, full-day and week-long stays. There are 8 houseboats for rent at Lime Saddle and another 16 houseboats for rent at Bidwell Marina.



**Fishing.** As indicated in Table 16, approximately 24,000 annual fishing licenses were issued in Butte County in 2005. This number has remained stable since 1992.

Reflecting the importance of outdoor recreation in Butte County, there are 29 retail outlets throughout the County where fishing and hunting licenses can be purchased. (See Table 16, below)

**TABLE 16  
ANNUAL FISHING LICENSES PURCHASED IN  
BUTTE COUNTY**

Year	Resident	Non-Resident	Total
1992	24,577	70	24,647
1993	26,374	75	26,449
1994	26,321	79	26,400
1995	25,710	84	25,794
1996	25,493	82	25,575
1997	24,824	64	24,888
1998	24,624	65	24,689
1999	25,623	87	25,710
2000	25,982	91	26,073
2001	24,870	89	24,959
2002	25,414	95	25,509
2003	24,763	97	24,860
2004	25,211	89	25,300
2005	23,903	97	24,000

Source: California Department of Fish & Game

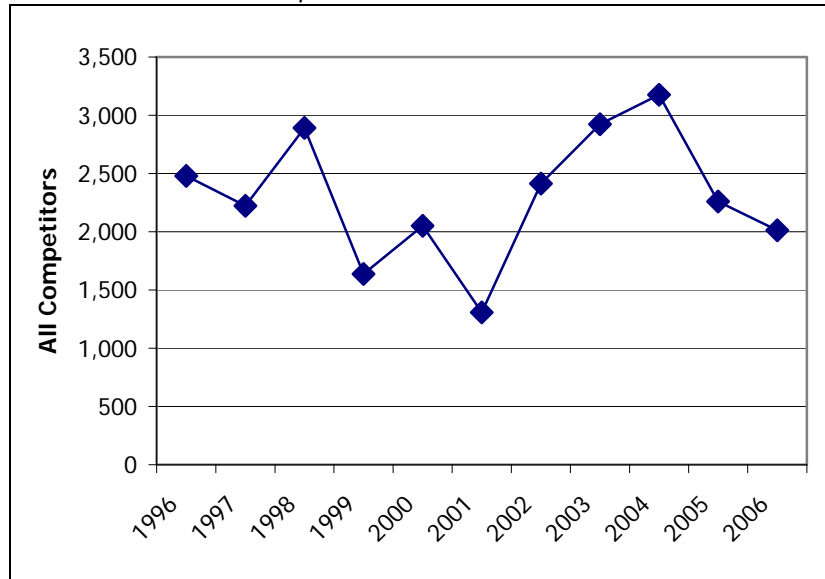
**TABLE 17  
PLACES TO PURCHASE HUNTING/FISHING  
LICENSES**

<b>Chico</b>	Albertson's
	Big 5 Sporting Goods
	Blue Oval Foodmart
	Chico Fly Shop
	Chico Sportsmans Den
	Fish First
	H&A Outdoors
	Kmart
	Longs Drugs
	RALEY'S
	Sportsmans 76
Tackle Box	
Wal-Mart	
<b>Gridley</b>	Bremer Hardware of Gridley
	Longs Drugs
	Mac's Market
<b>Magalia</b>	De Sabla Market
<b>Oroville</b>	Franks Beacon
	Fun Time-Full Time
	Huntington's Sportsmen Store
	Lakeside Market & Gas
	Longs Drugs
	McGraths Fishing & Divers
	Raley's
Wal-Mart	
<b>Paradise</b>	Lake Oroville Marina
	Lime Saddle Stagestop
	Longs Drugs
	Paradise Sporting Goods

Source: California Department of Fish & Game

**Fishing Tournaments on Lake Oroville.** Lake Oroville is known as the best place for bass fishing. Each year, there are approximately 50 fishing tournaments at Lake Oroville, about one for each week of the year. Fishing clubs and tournament promoters from throughout northern California sponsor these annual tournaments. While black bass, salmon, and trout are plentiful, data is available only for black bass tournaments. Together, these tournaments bring about 2,500 competitors to Lake Oroville each year. Figure 10, below, indicates how the number of fishing tournament participants fluctuates from year to year. Participation numbers are based on self reports by tournament permit holders and may not be accurate. The availability of fish to catch also varies from year to year.

**FIGURE 9  
TOTAL COMPETITORS, LAKE OROVILLE FISHING TOURNAMENTS**



Source: California Department of Fish & Game

Table 18, below, lists all the clubs and promoters that purchased event permits in 2006.

**TABLE 18  
FISHING CLUBS AND TOURNAMENT  
PROMOTERS**

**Oroville Lake Fishing Contest Permittees, 2007**

- 100% Bass
- ABA
- Anglers Choice
- Bass Busters of Santa Clara
- Bass Busters of Yuba City
- Bass Classics of Santa Clara Valley
- Bass Club of San Diego
- California Bass
- California Bass Contenders
- Chico Bass and Conservation
- Cottonwood Bass Team
- Folsom Bass Team
- Future Pro Tour Tournament Trails
- Great Basin Bassers
- Loomis Basin Bass Club
- Mountain Bass Association
- Northern CA Angling Club of the Deaf
- Sacramento Bass Wranglers
- Sacramento Valley Angling Camping for the Deaf
- San Diego Stokers
- Westside Anglers
- Won Bass

Source: Department of Fish and Game, 2007



**Camping.** There are four major campgrounds around the lake. These are located at Loafer Creek, Bidwell Canyon, Spillway, and Lime Saddle. In addition to these drive-in campgrounds there are several boat-in or hike-in campgrounds located at Goat Ranch, Bloomer Primitive Area, Foreman Creek, and Craig Saddle. Approximately 5% of Lake Oroville SRA visitors use the overnight camping facilities. In 2005, this was about 62,000 people.

## Feather River



**Feather River Fish Hatchery.** The Hatchery was constructed in 1967 to compensate for spawning grounds lost to returning salmon and steelhead trout with the construction of Oroville Dam. The first salmon and steelhead entered the hatchery in September 1967. Today, the facility accommodates an average 8,000 fish. Salmon and steelhead raised at the hatchery are released in the Feather and Sacramento Rivers, or in the Delta near the San Francisco Bay Area. Hatchery salmon are also planted in Lake Oroville. These fish account for 20 percent of the ocean sport and commercial catch in the Pacific Ocean. The Fish Hatchery is open for tours

year round. The number of visitors touring the hatchery varies from about 144,487 to 219,276 per year.<sup>10</sup>

**Feather River Falls.** Approximately 30,000 to 35,000 people visit the Feather Falls each year. The peak season is during spring runoff. The Falls are the sixth largest in the nation at 640 feet in height.

**River Kayaking.** Despite the fact that neither state nor federal agencies officially allow kayaking on the Feather River, it has attracted extreme kayakers from all over the world. The river runs fast and the drops range from 20 to 40 feet, making it extremely dangerous for even the most experienced kayakers.

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<sup>10</sup> John Ford, Department of Water Resources, Oroville Field Division.



## Hunting



### Gray Lodge State Wildlife Area

The Gray Lodge State Wildlife Area is located at the southernmost point of Butte County, west of Gridley. Gray Lodge encompasses over 9,100 acres of marshes, ponds, and fields. Approximately 300 different kinds of resident and migratory animals call Gray Lodge home. Gray Lodge is one of several managed wetlands in the Central Valley that provide resting and foraging space to waterfowl, shorebirds, hawks and songbirds that migrate along the Pacific Flyway. In the early

1900s, farmers built a gray clubhouse and started a hunting club, the Gray Lodge Gun Club. In 1931, the state purchased it, adding more land over the years to reach its present size of 15 square miles. As a wintering destination for migrant waterfowl, the population can reach nearly 2 million ducks and geese.

Gray Lodge attracts 65,000 wildlife hunters and viewers each year. Approximately 50,000 visit for wildlife viewing and 15,000 hunt. The number of hunters and wildlife viewers is greatest during the winter months, from October to February. Gray Lodge has parking spaces for overnight campers, including RVs, to enable hunters to stay warm and dry while waiting for their turn to hunt. Gray Lodge allows only 400 hunters each day.

**TABLE 19**  
**2005-06 PERCENT USAGE/MONTH (ON-SITE ONLY)**

Month	Consumptive (15,000)	Non-consumptive (50,000)	Total Usage (65,000)
Sept	6.23%	0.81%	3.52%
Oct	10.42%	8.02%	9.22%
Nov	21.45%	28.31%	24.88%
Dec	20.33%	13.79%	17.06%
Jan	22.56%	22.05%	22.31%
Feb	3.03%	10.17%	6.60%
Mar	2.83%	6.00%	4.42%
Apr	1.32%	1.17%	1.24%
May	3.89%	5.51%	4.70%
June	2.20%	1.34%	1.77%
July	3.47%	2.28%	2.87%
Aug	2.27%	0.55%	1.41%
<b>Total:</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Source: Lori Dieter, Naturalist, Gray Lodge Wildlife Area, 2006

Other popular public hunting areas in Butte County include Howard Slough, Little Dry Creek, and Llano Seco. In addition to these public hunting areas, there are many private hunting clubs throughout the Central Valley. Many of these are owned by farmers who collect an annual fee from hunting club members.

**TABLE 20**  
**HUNTERS BY PUBLIC WILDLIFE HUNTING AREA AND YEAR**

	1996	1997	2004	2005
Gray Lodge	14,033	14,892	9,082	9,891
Howard Slough	1,527	1,857	2,138	1,923
Little Dry Creek	2,039	2,849	4,079	3,648
Llano Seco	994	1,344	1,346	1,505
All Butte County	18,593	20,942	16,645	16,967

Source: California Department of Fish and Game, Wildlife Programs Branch

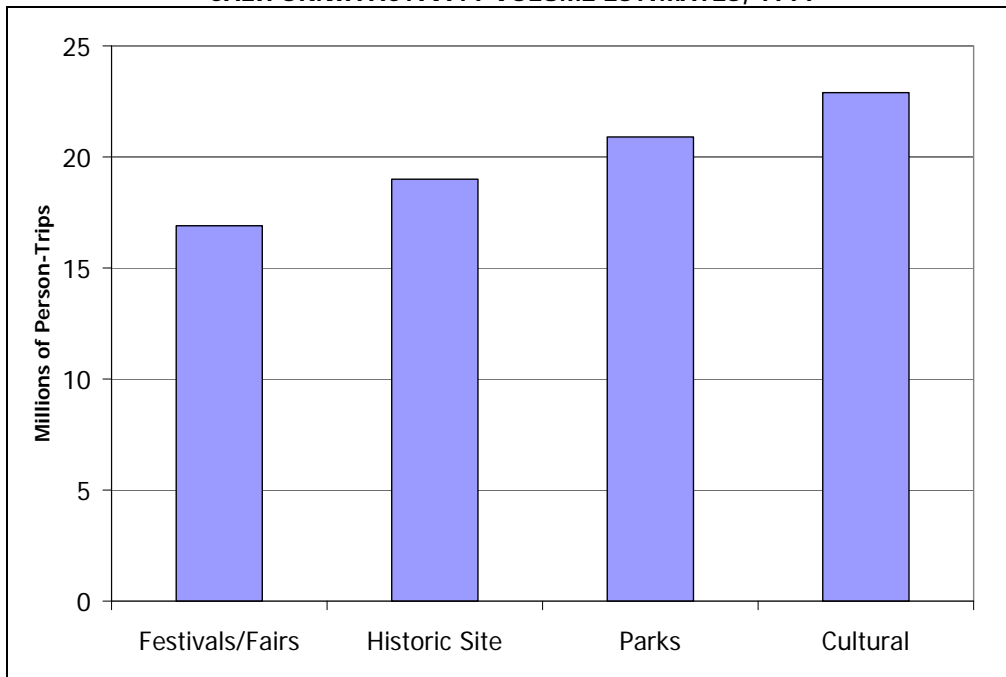
## **ARTS, CULTURE AND HERITAGE TRAVEL**

In 1999, the California Travel and Tourism Commission hired D.K. Shifflet & Associates (DKSA) to prepare a comprehensive analysis of California's heritage travel market. According to DKSA, heritage travel involves engaging in the following activities: visit national/state park; historic site, festival/craft fair, or attend a museum, play, or concert. Increasing Butte County's share of heritage travel will have a beneficial impact on tourism income and employment.

In 1999, California attracted 62.8 million heritage travelers. Of these, 81% were California state residents who traveled 50 or more miles from their home. Heritage travelers contributed \$17.7 billion to the state's economy. The typical heritage traveler had an annual household income \$61,200 in 1999, held white-collar jobs, traveled in couples or with families and participated in 3 or 4 activities per trip. The average one-way trip was about 410 miles; for CA residents the average one-way trip was 170 miles. A CA resident would stay, on average, 2 days, while non-residents would stay 4 days. The top origin states for heritage travelers to California were Arizona, Nevada, Oregon, Texas, and Washington.

Visiting National and State Parks was the most popular activity among California heritage travelers, attracting 61.4 million person-days in 1999. Cultural activities (museums, plays, concerts) attracted 56 million person-days, historic sites attracted 46.8 million person-days, and festivals and fairs attracted 37.1 person-days.

**FIGURE 10**  
**CALIFORNIA ACTIVITY VOLUME ESTIMATES, 1999**



Source: DK Shifflet & Associates

Complementing Butte County’s abundant outdoor recreation opportunities are a plethora of museums, interpretive centers, festivals, arts, and entertainment venues. There is always something going on in Butte County. Recently, the Butte County Friends of the Arts completed the “Butte County Cultural Assessment” which inventories and assesses the hundreds of cultural resources within Butte County. That cultural assessment fulfills the community’s need to document all cultural assets in the community, increase awareness of cultural tourism and help to coordinate the activities of the many arts and cultural heritage organizations that serve to provide and promote the arts in Butte County.

This report, rather than duplicating what has already been accomplished, will contribute to the on-going dialogue about the link between cultural tourism and economic vitality. From an economic development perspective, cultural tourism contributes to a community’s economic vitality in two ways. First, it improves the quality of life for its residents in many ways, some of which include: opportunities for self-expression; intellectual growth; entertainment; joy; and, community-building. The arts add to a community’s appeal as a place to live. For this reason, the arts also add to the community’s appeal as a place to do business. A community’s investments in improving its quality of life for its residents, is the most basic, the most fundamental, of all economic development strategies.

Secondly, cultural tourism brings wealth into the community through purchases made by visitors. An earlier section of this report documents the historical and projected spending by visitors to Butte County. A later section discusses how that spending—at restaurants, hotels, retail shops, art galleries—affects the entire economy, not just tourism-oriented businesses.



Among the hundreds of cultural activities happening within Butte County, ADE has selected a sampling of these to highlight, and, where practicable, present attendance data that may help in better understanding why people travel to Butte County. These activities have been divided into three groups: museums and interpretive centers; festivals and events; and, entertainment and performing arts.

The set of museums selected for this report had more to do with the availability of attendance data than their inherent value to the community. These museums are some of those known to non-residents—potential visitors—because of their advertising and promotion efforts. This list includes: Bidwell Mansion State Park; Gold Nugget Museum; Chinese Temple; Lott Home and Pioneer Museum. The Bidwell Mansion is operated by the California Department of Parks and Recreation and has kept historical attendance figures since 1996.

**TABLE 21  
BIDWELL MANSION ATTENDANCE DATA**

<b>Year</b>	<b>Paid Day</b>	<b>Use Free Day</b>	<b>Total Attendance</b>
1996	16,610	19,059	35,669
1997	16,403	20,362	36,765
1998	20,094	12,157	32,251
1999	18,169	7,378	25,547
2000	17,637	6,821	24,458
2001	17,397	17,867	35,264
2002	13,210	31,519	44,729
2003	12,570	24,597	37,167
2004	10,057	26,365	36,422
2005	9,066	30,702	39,768
<b>Total Attendance:</b>	<b>151,213</b>	<b>196,827</b>	<b>348,040</b>
<b>Average Attendance:</b>	<b>15,121</b>	<b>19,683</b>	<b>34,804</b>

**TABLE 22  
APPROXIMATE MUSEUM ATTENDANCE**

<b>Attraction</b>	<b>2003-2004</b>	<b>2004-2005</b>	<b>2005-2006</b>
Gold Nugget Museum	10,000	10,000	10,000
Chinese Temple	5,473	5,353	5,386
Lott Home	1,198	998	1,213
Pioneer Museum	1,465	1,473	1,405

Source: Golden Nugget Museum: rough estimates Paradise Chamber of Commerce; Chinese Temple, Lott Home, Pioneer Museum, City of Oroville Parks & Trees Department.

According to David Dewey of the Oroville Parks and Trees Department, 1,018 groups visited the Oroville museums during FY '04-'05. On average, each group consisted of about 8 people. 813 groups originated from within California, and another 164 groups originated in other states, including Washington (20 groups), Oregon (12), Arizona (15), Nevada (9) and Florida (9). 41

groups originated from outside the United States. Of these, nine groups came from China, specifically to visit the Chinese Temple.

**TABLE 23  
CALENDAR OF EVENTS IN BUTTE COUNTY**

<b>Month</b>	<b>Event</b>	<b>Approximate Attendance</b>
January	Snowgoose Festival	-
February	Nut Festival	-
March	Chico Force Basketball	-
	Wildflower Century Ride	4,000
April	Gold Nugget Days, Paradise	10,000
	Gold Nugget Days	10,000
	Iris Spring Colors	-
May	CSU Chico Commencement	17,000
June	Chico Rooks Soccer	-
July	Chico Outlaws Baseball	-
August	Butte County Fair	54,000
September	World Music Festival	8,000
	Artoberfest	-
October	Johnny Appleseed Days, Paradise	10,000
	Johnny Appleseed Days	10,000
	National Yo-Yo Contest	-
November	Annual Farm City Celebration	3,000
December	Holiday Festivities all month	-

Source: 101 Things to Do.net; Butte County Agriculture Commissioner; California State Parks; Chico Performances; Paradise Chamber of Commerce; Chico Chamber of Commerce.

## Agri-Tourism

The popularity of touring farms and wineries is increasing, and Butte County is well-poised to attract its share of agricultural tourists. The publication of the Sierra Oro Farm Trail map provides visitors with ample information about interesting places to visit and things to do, including farm tours, winery tours, farmers markets, restaurants, lodging, museums, and nature tours. Butte County's unique agricultural heritage includes the oldest living orange tree in Northern California, said to be the tree that spawned the entire Northern California citrus industry; the Ehmann home in Oroville, where the mother of California's Ripe Olive industry lived; and the USDA Plant Introduction Center where the kiwi and pistachio plants were introduced to America.



Farms that offer tours include: Chaffin Family Orchards; Maisie Jane's; Lodestar Farms; Mountain View Christmas Tree Farm; Butte View Olive Company; Noble Orchards; California Olive Ranch; Hanson Orchards; Book Family Farm and Lavender Legacy.

Butte County Wineries that offer tours include: Grey Fox Vineyards; Long Creek Winery; Odyssey Winery and Vineyards; LaRocca Vineyards; and, Quilici Vineyards.

## Live Performances and Entertainment

Butte County’s greatest asset, in terms of access to performing arts and entertainment, is Chico State University. Chico State’s many performing arts venues attract thousands of locals and visitors alike to its diverse productions throughout the year. The largest venues on the University campus are the Bell Memorial Auditorium, the Laxson Auditorium, and the Harlen Adams Theatre. According to CSU Chico Associated Students, approximately 17,000 visitors attend AS-sponsored events throughout the year. This number is over and above the estimated number of students, staff, and faculty attending events.



The Laxson Auditorium sponsors 100 events throughout the year, each of which has an average attendance of 700 people. In all, Chico Performances sponsors approximately 60 events throughout the year, or roughly, six events per month. Each event will attract between 200 and 2,000 attendees.

In addition to events sponsored by Chico Performances, there are two Indian Casinos located in Oroville and the Sierra Nevada Brewery, which also has a lounge that accommodates up to 300 people. The Sierra Nevada Brewery hosts events and performances throughout the year.

The two casinos—the Feather Falls Casino and the Gold Country Casino and Hotel, each have entertainment venues.

**TABLE 24  
LIVE PERFORMANCE VENUES**

Venue	Seating Capacity	Performances per Year
Bell Memorial Auditorium	1,000	17
Laxson Auditorium	1,337	100
Harlen Adams	486	50
Wisner	206	75
Sierra Nevada Brewery	300	-
Feather Falls Casino	-	-
Gold Country Casino	-	-
Oroville State Theatre	600	12

## BUSINESS, EDUCATION AND CONVENTION

According to tourism research firm, DK Shifflet & Associates, about 300,000 people visit Butte County primarily for business. Accommodating business meetings requires meeting rooms, auditoriums, catering and banquet facilities. For the most part, these types of facilities are located only in Chico, either at Chico State University or in hotels in and around the city.

### Business and Convention Travel Facilities

#### Associated Students, CSU Chico

The Bell Memorial Union is the CSU Chico student union. The Associated Students operate, among other activities, the conference services. Bell Memorial has 12 meeting rooms and auditorium that are available for rent. The auditorium can accommodate 1,000 people lecture style or 450 for a banquet. The Associated Students has a staff and catering department to assist event planners with

conferences, meetings, and banquets. In 2005, Associated Students hosted events for 17,000 visitors from outside the area in addition to faculty, students, and local residents.

**Holiday Inn Hotel and Conference Center**

The Holiday Inn in Chico has 7 meeting rooms totaling 4,848 square feet of flexible space. One room can accommodate up to 250 people. The Conference Center has on-site catering staff.

**Manzanita Place**

Manzanita Place in Chico has 10,000 square feet of flexible meeting or banquet space that can accommodate from 25 to 750 people.

**Best Western Heritage Inn**

The Best Western Heritage Inn in Chico has 1 meeting room sizing at 640 square feet and can accommodate up to 45 people.

**Oxford Suites**

Oxford Suites in Chico has 3 meeting rooms. Each room can hold approximately 30-40 people and two rooms can be put together to make a larger room accommodating up to 60 people.

**Marriott Courtyard Chico**

The Marriott Courtyard in Chico has 1 meeting room and can accommodate up to 40 people.

**Gridley Inn & RV Park**

The Gridley Inn & RV Park in Gridley has 1 meeting room (called the Clubhouse) and can accommodate up to 75 people.

# LODGING FACILITIES

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## OVERVIEW OF LODGING MARKET SEGMENTS

In general, the lodging market consists of all types of transient accommodations outside of private residences. Butte County's lodging market consists of hotel/motel establishments, bed and breakfast facilities, and other facilities such as campgrounds and RV parks.

- Hotel/motel establishments have a wide range of facilities, rooms, amenities, and price ranges. At the lower priced end of the market, budget hotels and motels simply provide a room with a private bathroom and basic amenities such as a TV, phone, and closet space. The middle market hotels typically have better appointed room with more amenities, while luxury resort hotels typically add conference facilities, restaurants, distinctive architecture, and/or resort amenities.
- Bed and breakfast establishments are different from hotels and motels in that they often more closely resemble a private residence. This means that the rooms are not always private or separated from the rest of the facility like they typically are in a hotel or motel. The majority of B&B owners live on the premises with very little absentee ownership. Often, B&B rooms have shared restrooms and/or a common dining area. In addition, they typically accommodate no more than 20 rooms in a single facility.
- Other facilities such as campgrounds and RV parks are often used in conjunction with outdoor recreational uses. They typically provide limited site amenities, and rely on travelers bringing their own RVs, tents, and/or other equipment.

## BUTTE COUNTY HOTEL/MOTEL MARKET

Hotels and motels constitute the largest segment of the lodging market. In general, these facilities offer rooms with a wide range of accompanying amenities and locational options.

### Local Setting

Butte County is primarily a tourist/visitor-serving destination, with a total of 34 hotel and motel establishments, comprising nearly 1,900 guest rooms.<sup>11</sup> The vast majority of this lodging is located in the City of Chico, with 19 establishments and nearly 1,200 guest rooms.

**TABLE 25**  
**BUTTE COUNTY HOTELS AND MOTELS BY LOCATION**

City	Hotels/ Motels	Rooms
Chico	19	1,189
Gridley	2	40
Oroville	9	517
Paradise	4	142
Total	34	1,888

Source: ADE, data from Smith Travel Research

Note: Data only includes hotels and motels, and excludes bed & breakfast inns and vacation rentals.

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<sup>11</sup> Smith Travel Research; does not include bed & breakfast inns. Data includes one establishment listed as under construction.



## Recent Butte County Hotel/Motel Trends

Since 1990, Butte County has added a total of eight new hotels and motels, with 649 new guest rooms. This represents a 52 percent increase in the total room inventory.

Of these new facilities, Chico added five establishments with a total of 424 rooms, with 65 percent of the new inventory. During this same period, Gridley, Oroville, and Paradise each added one new lodging establishment. The largest new facility added to the County hotel/motel market since 1990 was the 183-room Oxford Suites in Chico.

## Hotel/Motel Market Segments

In general, the hotel market fits into one of three general classifications: budget/economy, midscale, and luxury. These classifications are typically defined based on room rates, level of service, amenities, and other on-site offerings.

### Budget/Economy Hotels

The largest market segment that is represented in the Butte County lodging market area is Budget/Economy Hotels. These facilities generally provide rooms with little public space, no on-site beverage service, and few amenities. Overhead costs are kept extremely low as the profit margin for these establishments is very small, it is a highly competitive market segment, and requires high turn over of rooms and cost savings. The typical room rates for these hotels are in the under-\$75 range. About 25 (74 percent) of the hotels/motel establishments, and about half of the total rooms (996 rooms) in the Butte County lodging market area serve this market segment.<sup>12</sup>

**TABLE 26**  
**BUTTE COUNTY HOTELS AND MOTELS BY BUDGET**  
**SEGMENT**

<b>Lodging Market</b>	<b>Hotels/ Motels</b>	<b>Rooms</b>
Budget	25	996
Mid Market	8	808
Upper Market	0	0
Under Construction	1	84

Source: ADE, data from Smith Travel Research and AAA.

Note: Data only includes hotels and motels with typical room rates posted in the AAA Travel Guide or on the establishment operator's website.

Budget hotels include establishments with typical room rates under \$75.

Middle market hotels include establishments with typical room rates under \$150. Upper market establishments include establishments with typical room rates \$150 and over.

Among the eight facilities built in Butte County since 1990, the majority of the facilities and rooms were aimed towards the middle market segment. This indicates that Butte County's lodging market has moved more towards the higher end of the market.

<sup>12</sup> "Rack rate" information derived from price ranges listed in AAA Tourbook and hotel websites.

**TABLE 27**  
**HOTELS AND MOTELS CONSTRUCTED IN BUTTE COUNTY SINCE 1990**

<b>Market Segment</b>	<b>Hotel/Motel</b>	<b>City</b>	<b>Rooms</b>
Budget	Budget Inn	Chico, CA	30
Midmarket	Courtyard Chico	Chico, CA	90
Midmarket	Hotel Diamond Chico	Chico, CA	43
Midmarket	Oxford Suites	Chico, CA	183
Midmarket	Residence Inn Chico	Chico, CA	78
Budget	Gridley Inn	Gridley, CA	25
Midmarket	Comfort Inn Oroville	Oroville, CA	54
Budget	Comfort Inn & Suites Paradise	Paradise, CA	62
<b>Total</b>			<b>649</b>

Source: ADE, data from Smith Travel Research

### **Middle-Market Hotels**

Middle-market hotels generally have more amenities than budget hotels, such as pools, restaurants, meeting rooms, better appointed rooms, and/or business services. The typical room rates for these establishments are over \$75. A total of 8 establishments in Butte County were identified as middle market establishments, and these establishments account for about 43 percent of the countywide room total. On average, these establishments have over 100 rooms.

### **Upper Market Hotels**

Upper market hotels generally provide high quality customer service, extensive room and shared amenities, and are often destination places due to their unique character or attractive location. These hotels generally include large-scale business hotels with on-site convention facilities, resort developments, historic inns, and small-scale boutique hotels. Butte County currently does not have any hotels that serve the upper market.

### **OCCUPANCY AND REVENUE**

As noted earlier, the supply of hotel rooms in Butte County has grown, and the market segment for most of the new hotel space serves the middle market. However, the occupancy rates reflect a generally steady market, characterized by relatively low room rates.

### **Butte County Market**

On a countywide basis, Butte County's lodging market has steadily increased its occupancy rate since 2000, but in general the market has not seen significant fluctuations in the overall occupancy rate, despite increased room supply.<sup>13</sup> This occupancy trend also ran counter to a general decline in the national and international tourism markets that occurred immediately after September 11, 2001.

<sup>13</sup>Data from Smith Travel Research; the occupancy rates are calculated from a sample of reporting hotels, encompassing 48 percent of the total hotel and motel room inventory in Butte County.

**TABLE 28  
BUTTE COUNTY AVERAGE ANNUAL OCCUPANCY AND  
ROOM RATES**

<b>Year</b>	<b>Average Annual Occupancy</b>	<b>Average Room Rate</b>
2000	58.6%	\$55.10
2001	60.2%	\$57.37
2002	62.8%	\$58.74
2003	61.5%	\$59.27
2004	63.9%	\$59.93
2005	61.3%	\$64.73
2006 YTD (through 9/30)	62.7%	\$68.72

Source: ADE, data from Smith Travel Research

Note: Data only includes hotels and motels, and excludes bed & breakfast inns and vacation rentals.

The occupancy rate in Butte County has generally hovered around 60 percent, with the recent peak of 63.9 percent in 2004. Even though the occupancy rate regressed to 61.3 percent in 2005, the year-to-date trend for 2006 showed a recovery to 62.7 percent.

The room rates have also seen a gradual, but steady upward trend since 2000. In 2005, the average room rate in Butte County was \$65 per night, which represents an 8.0 percent increase over the \$60 average room rate reported in 2004.

**TABLE 29  
BUTTE COUNTY AVERAGE MONTHLY  
OCCUPANCY**

<b>Month</b>	<b>2005 Average Occupancy</b>
January	53.1%
February	53.7%
March	59.2%
April	62.9%
May	62.7%
June	67.8%
July	68.8%
August	70.1%
September	64.8%
October	59.8%
November	57.8%
December	52.5%

Source: ADE, data from Smith Travel Research

Note: Data only includes hotels and motels, and excludes bed & breakfast inns and vacation rentals.

On a seasonal basis, the occupancy in Butte County generally peaks in July and August, with the lowest average occupancy reported in December. The peak month in 2005 was August with an average occupancy rate of 70 percent. December had an average occupancy rate of 53 percent. Compared to other tourism markets, this represents a relatively narrow occupancy rate range, indicating that Butte County attracts visitors all year round, but does not operate at capacity during the peak summer tourism season.

## **GENERAL POTENTIAL FOR NEW HOTEL/MOTEL DEVELOPMENT**

Typical rules of thumb for new hotel development require an average annual occupancy of between 60 and 70 percent in order for a project to break even. Judging by these standards, Butte County has a lodging market that currently meets the overall demand with some potential for new facilities. Most of the newer facilities built in recent years serve the middle market, and the consistent occupancy rate and rising room rates indicate that the overall lodging market in Butte County has attracted more upscale visitors.

However, the underserved market for Butte County is the upper market. There are currently no lodging facilities that provide a higher level of amenities that attract the most upscale visitors.

## **BED & BREAKFAST INN MARKET**

The bed & breakfast (B&B) lodging market generally serves a more upscale market than most of the other lodging options. Rather than physical amenities such as recreation and conference facilities, B&Bs typically offer highly personalized service and location amenities such as a historic neighborhood, historic architecture, or a natural setting.

### **Local Setting**

Butte County has identified a total of 11 lodging establishments in Butte County that are considered B&Bs.<sup>14</sup> These establishments account for a total of 55 guest rooms, or less than three percent of the countywide total. Seven of these establishments are located in Chico.

### **General Characteristics**

The aspects that distinguish a B&B from a typical hotel or motel are the high level of involvement by the owners, and the small scale of typical B&B operations. In California, about 68 percent of B&B owners live on the premises, with an additional 12 percent that reside within one-mile.<sup>15</sup> Because of this high degree of involvement by ownership, B&Bs typically maintain a small employee staff with an average of less than four full-time equivalent employees.<sup>16</sup> On average, a California B&B inn generated about \$232,300 of annual revenue in 2002.

In addition, B&B inns average eight guest rooms throughout California, with Butte County B&B inns averaging about five rooms per establishment. In contrast, Butte County hotels average 52 guest rooms. Clearly, a B&B establishment represents a smaller scale operation than even a budget/economy motel, and one that generates higher revenue per room on average.

### **Occupancy and Revenue**

The annual occupancy rate of California B&B establishments averaged about 44 percent in 2002, which is well below the typical break even benchmark for new hotel and motel developments. However, the average daily room rate for a B&B was about \$164. In Butte County, the typical range

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<sup>14</sup> This total is separate from hotels and motels.

<sup>15</sup> Professional Association of Innkeepers International (PAII), *Industry Study of Operations, Marketing, and Finances – California Report*, 2002

<sup>16</sup> California average is 6.3 employees working 145 total hours per week.

of posted room rates averages between \$90 and \$137, with room rates going as low as \$66 and as high as \$205 per night.

### Site Characteristics

In California, an average B&B occupies 6.5 acres with 7,200 square feet of total building space to accommodate eight guest rooms, common areas, and owner’s residences.<sup>17</sup> However, it should be noted that 58 percent of B&Bs sit on parcels of less than one acre, and only 18 percent of the B&B buildings were originally built as B&Bs. This illustrates the wide range of characteristics for B&Bs given that many of them are located on large rural estates, and most of them represent reuse of an existing building not originally constructed for guest lodging.

### GENERAL POTENTIAL FOR NEW BED & BREAKFAST INNS

The B&B option generally represents a very attractive option for reusing existing buildings, particularly for any underutilized structures that might exist in historic districts or scenic areas. A typical B&B inn would operate well within the small scale of a downtown area, as well as other small infill sites, in part because a B&B would not necessarily entail developing a new facility from the ground up. The B&B option can also diversify Butte County’s lodging market by moving the market further into more upscale options.

**TABLE 30  
BUTTE COUNTY BED & BREAKFAST INNS**

City	Name	Rooms	Rates (Low)	Rates (High)
Berry Creek	Lake Oroville Bed & Breakfast	6	\$125	\$165
Chico	Camelot Bed & Breakfast	1	\$145	\$205
Chico	Esplanade Bed & Breakfast	5	\$75	\$95
Chico	Goodman House	5	\$99	\$150
Chico	Johnson's Country Inn	4	\$80	\$130
Chico	L'abri Bed & Breakfast	3	\$75	\$100
Chico	Music Express Inn	9	\$66	\$125
Chico	The Grateful Bed	4	\$99	\$150
Oroville	Moonshadows Mansion	4	\$110	\$115
Oroville	Riverside Bed & Breakfast	9	\$95	\$165
Stirling City	Stirling City Hotel	5	\$75	\$125
Countywide Total		55		

Source: ADE, data from Butte County and lodging operator websites/contacts

### TRAVEL PARKS MARKET

Butte County currently has a total of 20 travel parks operating with a total of 547 spaces. They are generally located around Oroville and Paradise. Travel parks and campgrounds provide parking and utility hookups for RVs. They also provide outdoor recreational activities on-site. Compared to other forms of lodging, travel parks have considerably lower daily rates and less luxurious accommodations, but some of these parks include permanent rest room facilities, and meeting rooms.

The California Travel Parks Association (CTPA) tracks the occupancy levels for travel parks statewide, and the majority of Butte County (including Chico, Oroville, and Paradise) is included within the Central Valley region. Other outlying areas within Butte County include parts of the

<sup>17</sup> PAII.

Shasta Cascade region that extends all the way to the California-Oregon border, and a portion of the High Sierra region that extends east to the California-Nevada border.

**TABLE 31  
RV CAMPGROUNDS IN BUTTE COUNTY**

<b>Location</b>	<b>RV Campgrounds</b>	<b>Spaces Available</b>	<b>Full Hookups</b>	<b>No Hookups</b>	<b>Daily Rate</b>
Butte Meadows	Bambi Inn	9	9	0	\$25.00
Chico	Almond Tree RV Park	42	42	0	\$26.67
Gridley	Butte County Fairgrounds	-	-	-	-
Gridley	Gridley Inn RV Park	46	46	0	\$26.70
Oroville	Bidwell Canyon	68	-	-	\$24.00
Oroville	Dingerville USA RV Golf Park	30	30	0	\$23.00
Oroville	Falling Rock RV Park	16	16	0	\$20.00
Oroville	McGrath's RV Park	24	24	0	\$18.00
Oroville	Mount Vista RV Park	50	-	-	\$10.00
Oroville	River Reflections RV Park & Campground	91	91	0	\$15.00-\$25.00
Paradise	Acres of Paradise RV Park	1	1	0	\$19.00
Paradise	Cape Cod Estates & RV Park	3	-	-	\$15.00
Paradise	Feather West Travel Trailer Park	20	16	4	\$17.00
Paradise	Lime Saddle	11	-	-	\$24.00
Paradise	Paradise Pines Campgrounds & RV Park	36	-	-	\$17.00
Paradise	Pine Ridge Travel Trailer Park	43	43	0	\$19.00
Paradise	Pinecrest Mobile & RV Park	4	4	0	\$20.00
Paradise	Quail Trails Village	20	20	0	\$18.00
Paradise	Riffles RV Park & Campground	8	8	0	\$12.50-\$17.50
Paradise	Skyway Villa & RV Park	25	25	0	\$30.00
<b>Countywide Total</b>		<b>547</b>	<b>-</b>	<b>-</b>	<b>\$15 - \$30</b>

Source: ADE, data from Butte County

As shown in Table 32, the travel parks in the Central Valley region had an occupancy rate of 73 percent in 2005. By comparison, the Shasta Cascade region had a 42 percent occupancy, and the High Sierra region had a 37 percent occupancy rate in 2005. By comparison, the state as a whole had an average occupancy rate of 64 percent.

The Central Valley region maintains a relatively consistent high occupancy rate throughout the year, with no single month dropping below 67 percent. This is due to the large numbers of hunting, fishing, and nature watching enthusiasts who visit between November and February when nearly 2 million ducks, geese and birds are wintering along the Sacramento Valley in western Butte County.

**TABLE 32  
CALIFORNIA TRAVEL PARK OCCUPANCY RATE BY REGION**

<b>2005 Occupancy Rate</b>	<b>Central Valley</b>	<b>Shasta Cascade</b>	<b>High Sierra</b>	<b>California Average</b>
January	77.7%	24.4%	43.6%	57.7%
February	76.7%	40.0%	23.9%	61.4%
March	77.8%	35.8%	34.8%	62.6%
April	73.7%	31.3%	23.0%	58.4%
May	66.8%	33.5%	30.8%	59.8%
June	76.8%	48.7%	58.2%	69.8%
July	70.5%	62.8%	65.4%	80.4%
August	72.3%	53.3%	68.6%	75.8%
September	78.1%	50.1%	54.0%	64.3%
October	68.3%	57.2%	31.2%	61.0%
November	69.9%	33.8%	11.7%	55.1%
December	61.5%	40.0%	8.9%	57.6%
Annual Average	72.5%	42.3%	36.7%	63.8%

Source: ADE, data from California Travel Parks Association

# TOURISM'S CONTRIBUTION TO THE BUTTE COUNTY ECONOMY

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## TOTAL CURRENT AND PROJECTED ECONOMIC IMPACT

This section discusses the non-fiscal economic impacts of tourism in Butte County. The impacts are divided into two major groups. The first group includes economic impacts that are generated directly as a result of visitor spending. The second group includes the economic impacts that are ancillary to those resulting directly from visitor spending.

The economic impacts directly generated by visitor spending, the *direct impacts*, can occur in a number of ways. For example, the jobs created at local bed and breakfast inns due to increased revenue from visitors are a direct economic impact from tourism. The revenue that local restaurants generate from meals purchased by visitors to Butte County is another direct tourism impact.

Those impacts that are ancillary to those generated directly by visitor spending are called the *multiplier impacts*. These are the economic impacts that are generated by the direct impacts described above. The multiplier impacts are segmented into *indirect* and *induced impacts*. The indirect impacts are those that result from supplier purchases made by businesses. The induced impacts are those generated by visitor-serving employees who purchase local goods and services. Using an input-output model and other data sources, this section identifies these multiplier impacts.

To illustrate the differences between direct, indirect and induced impacts, let's take the example of a local restaurant that serves both Butte County residents and visitors. Some of the jobs the restaurant contributes to the economy are supported by revenue generated from meals purchased by residents; others are supported by visitor-purchased meals. The jobs supported by visitor-purchased meals are a direct impact of tourism. The supplies the restaurant purchases from other businesses (raw food materials, napkins, dishes, etc.) to service its clientele represent indirect economic impacts. The purchases that the restaurant's employees make represent the induced impacts.

## ANNUAL ECONOMIC IMPACTS

The impacts of tourism on the Butte County economy, discussed above, occur in a variety of areas. Those that are analyzed here include employment, industry output (business revenue), and labor income. A discussion of each follows.

### EMPLOYMENT IMPACTS

*Employment* refers to the jobs generated as a result of visitor spending in Butte County. Direct jobs include only those that would not exist but for visitor spending. The indirect jobs represent those



created in industries from which visitor-serving businesses purchase their supplies.<sup>18</sup> The induced jobs result from purchases made with income earned by employees holding the direct jobs.

Table 33 illustrates the total annual tourism-generated jobs in Butte County for 2006, as well as projections of growth in tourism-generated jobs through 2030. As of 2006, the total employment impact of tourism in Butte County is over 5,700 jobs. Visitor spending directly generates more the 60 percent of these jobs. Additionally, 59 percent of the total jobs generated (both directly and indirectly) from tourism provide accommodations; food services; and, arts, entertainment, and recreation services. Indirect and induced spending from tourism accounts for over 1,700 jobs annually in non-tourist serving industries.

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<sup>18</sup> Additionally, the indirect jobs discussed here represent only those supplier industry jobs that are generated through purchases of supplies intended for use in providing services to Butte County visitors.

**TABLE 33  
ANNUAL EMPLOYMENT AND MULTIPLIER IMPACTS BY YEAR AND INDUSTRY**

	<b>Direct Jobs</b>	<b>Indirect Jobs</b>	<b>Induced Jobs</b>	<b>Total Jobs</b>
<b>2006</b>				
Accommodations & Food Service	1,985	32	163	2,180
Arts, Entertainment, & Recreation	1,197	21	22	1,239
Ground Transportation	32	19	30	81
Retail	362	23	128	512
Balance of County Industries	-	657	1,082	1,739
<b>Total Annual Employment Impacts</b>	<b>3,576</b>	<b>752</b>	<b>1,425</b>	<b>5,752</b>
<b>2010</b>				
Accommodations & Food Service	2,188	38	191	2,417
Arts, Entertainment, & Recreation	1,275	24	25	1,325
Ground Transportation	37	22	36	95
Retail	365	27	150	542
Balance of County Industries	-	770	1,268	2,037
<b>Total Annual Employment Impacts</b>	<b>3,865</b>	<b>881</b>	<b>1,669</b>	<b>6,415</b>
<b>2015</b>				
Accommodations & Food Service	2,472	46	233	2,751
Arts, Entertainment, & Recreation	1,380	30	31	1,440
Ground Transportation	44	27	43	114
Retail	369	33	182	585
Balance of County Industries	-	938	1,545	2,483
<b>Total Annual Employment Impacts</b>	<b>4,265</b>	<b>1,074</b>	<b>2,034</b>	<b>7,373</b>
<b>2020</b>				
Accommodations & Food Service	2,793	53	272	3,119
Arts, Entertainment, & Recreation	1,493	14	36	1,542
Ground Transportation	52	29	51	132
Retail	374	42	213	629
Balance of County Industries	-	1,221	1,805	3,026
<b>Total Annual Employment Impacts</b>	<b>4,712</b>	<b>1,360</b>	<b>2,376</b>	<b>8,447</b>
<b>2025</b>				
Accommodations & Food Service	3,156	69	346	3,570
Arts, Entertainment, & Recreation	1,615	44	46	1,705
Ground Transportation	61	40	65	166
Retail	378	49	271	698
Balance of County Industries	-	1,394	2,295	3,688
<b>Total Annual Employment Impacts</b>	<b>5,211</b>	<b>1,595</b>	<b>3,021</b>	<b>9,827</b>
<b>2030</b>				
Accommodations & Food Service	3,566	84	421	4,071
Arts, Entertainment, & Recreation	1,748	53	56	1,857
Ground Transportation	72	49	79	200
Retail	383	60	330	772
Balance of County Industries	-	1,699	2,797	4,496
<b>Total Annual Employment Impacts</b>	<b>5,769</b>	<b>1,945</b>	<b>3,682</b>	<b>11,395</b>

Source: ADE calculations, Dean Runyan Associates, multiplier data from IMPLAN Impro Professional input-output model  
 Note: Data from Dean Runyan Associates is provided using the North American Industry Classification System (NAICS). The industry classification system used in the IMPLAN Impro Professional input-output model roughly approximates, but still differs from the NAICS. For this analysis, the industry classifications in the input-output model have been adjusted to more closely approximate the NAICS.

Between 1992 and 2004, employment in tourist-serving industries increased by approximately two percent per year.<sup>19</sup> If current trends hold, spending by Butte County visitors will directly account for almost 5,800 jobs annually by 2030. Indirect and induced spending from tourism will account for an additional 5,600 jobs. Nearly 40 percent of the tourism-generated jobs in 2030 will be in non-tourist serving industries.

<sup>19</sup> Based on data from Dean Runyan Associates' *California Travel Impacts by County, 1992 – 2004: 2005 Preliminary State Estimates*. This estimated annual growth rate accounts for year-to-year volatility in the tourism sector.

## **INDUSTRY OUTPUT IMPACTS**

Economic *output* represents the value of the overall economic activity that tourism generates on an annual basis. This total output value includes the value of all supplier purchases and business costs (inputs). It also includes labor income, property income, and other components that add value to a commodity or service and generate revenue as a result (outputs).

Table 34 details the industry output impacts of tourism in Butte County for 2006, projected through 2030. Direct output represents visitor spending at Butte County establishments. Indirect and induced output represents the value of additional economic activity generated by visitor spending, the multiplier impacts.

**TABLE 34  
ANNUAL OUTPUT AND MULTIPLIER IMPACTS BY YEAR AND INDUSTRY**

	<b>Direct Output</b>	<b>Indirect Output</b>	<b>Induced Output</b>	<b>Total Output</b>
<b>2006</b>				
Accommodations & Food Service	\$91,566,968	\$1,225,828	\$5,978,518	\$98,771,314
Arts, Entertainment, & Recreation	\$32,048,440	\$1,481,656	\$1,541,563	\$35,071,659
Ground Transportation	\$45,783,488	\$1,523,280	\$2,444,857	\$49,751,625
Retail	\$54,940,180	\$1,171,448	\$6,474,900	\$62,586,528
Balance of County Industries	-	\$55,555,002	\$86,659,598	\$142,214,600
<b>Total Annual Impacts</b>	<b>\$224,339,076</b>	<b>\$60,957,214</b>	<b>\$103,099,436</b>	<b>\$388,395,726</b>
<b>2010</b>				
Accommodations & Food Service	\$107,269,412	\$1,436,040	\$7,003,749	\$115,709,201
Arts, Entertainment, & Recreation	\$37,544,288	\$1,735,740	\$1,805,919	\$41,085,947
Ground Transportation	\$53,634,700	\$1,784,500	\$2,864,115	\$58,283,315
Retail	\$64,361,648	\$1,372,332	\$7,585,253	\$73,319,233
Balance of County Industries	-	\$65,081,896	\$101,520,488	\$166,602,384
<b>Total Annual Impacts</b>	<b>\$262,810,048</b>	<b>\$71,410,508</b>	<b>\$120,779,524</b>	<b>\$455,000,080</b>
<b>2015</b>				
Accommodations & Food Service	\$130,736,584	\$1,750,200	\$8,535,949	\$141,022,733
Arts, Entertainment, & Recreation	\$45,757,800	\$2,115,464	\$2,200,998	\$50,074,262
Ground Transportation	\$65,368,288	\$2,174,896	\$3,490,693	\$71,033,877
Retail	\$78,441,952	\$1,672,552	\$9,244,668	\$89,359,172
Balance of County Industries	-	\$79,319,766	\$123,729,983	\$203,049,749
<b>Total Annual Impacts</b>	<b>\$320,304,624</b>	<b>\$87,032,878</b>	<b>\$147,202,291</b>	<b>\$554,539,793</b>
<b>2020</b>				
Accommodations & Food Service	\$159,337,632	\$2,133,080	\$10,403,346	\$171,874,058
Arts, Entertainment, & Recreation	\$55,768,168	\$2,578,264	\$2,682,507	\$61,028,939
Ground Transportation	\$79,668,816	\$2,650,688	\$4,254,347	\$86,573,851
Retail	\$95,602,592	\$2,038,456	\$11,267,110	\$108,908,158
Balance of County Industries	-	\$96,672,433	\$150,798,212	\$247,470,645
<b>Total Annual Impacts</b>	<b>\$390,377,208</b>	<b>\$106,072,921</b>	<b>\$179,405,522</b>	<b>\$675,855,651</b>
<b>2025</b>				
Accommodations & Food Service	\$194,195,680	\$2,599,736	\$12,679,272	\$209,474,688
Arts, Entertainment, & Recreation	\$67,968,496	\$3,142,304	\$3,269,355	\$74,380,155
Ground Transportation	\$97,097,856	\$3,230,576	\$5,185,065	\$105,513,497
Retail	\$116,517,424	\$2,484,408	\$13,732,000	\$132,733,832
Balance of County Industries	-	\$117,821,329	\$183,788,118	\$301,609,447
<b>Total Annual Impacts</b>	<b>\$475,779,456</b>	<b>\$129,278,353</b>	<b>\$218,653,810</b>	<b>\$823,711,619</b>
<b>2030</b>				
Accommodations & Food Service	\$236,680,008	\$3,168,464	\$15,453,119	\$255,301,591
Arts, Entertainment, & Recreation	\$82,837,904	\$3,829,744	\$3,984,592	\$90,652,240
Ground Transportation	\$118,340,000	\$3,937,328	\$6,319,403	\$128,596,731
Retail	\$142,008,000	\$3,027,936	\$16,736,154	\$161,772,090
Balance of County Industries	-	\$39,377,210	\$44,389,587	\$83,766,797
<b>Total Annual Impacts</b>	<b>\$579,865,912</b>	<b>\$53,340,682</b>	<b>\$86,882,855</b>	<b>\$720,089,449</b>

Source: ADE calculations, Dean Runyan Associates, multiplier data from IMPLAN Impro Professional input-output model

Note: Data from Dean Runyan Associates is provided using the North American Industry Classification System (NAICS). The industry classification system used in the IMPLAN Impro Professional input-output model roughly approximates, but still differs from the NAICS. For this analysis, the industry classifications in the input-output model have been adjusted to more closely approximate the NAICS.

Currently, visitors to Butte County spend over \$224 million dollars annually. This spending generates an additional \$164 million in economic activity through supplier purchases and employee spending. By 2030, Butte County visitors are projected to account for nearly \$580 million economic activity annually. Total projected value of tourism-generated economic activity in 2030 is over \$720 million.

## INCOME IMPACTS

The final non-fiscal economic impact analyzed in this report is *labor income*. For the purposes of this analysis, labor income is defined as a combination of employee wage and salary compensation and proprietor income, which includes self-employment income. It should be noted that labor income is one component of industry output. Table 35 discusses the labor income impacts from tourism.

**TABLE 35**  
**ANNUAL INCOME AND MULTIPLIER IMPACTS BY YEAR AND INDUSTRY**

	Direct Output	Indirect Output	Induced Output	Total Output
<b>2006</b>				
Accommodations & Food Service	\$36,974,549	\$422,462	\$2,040,882	\$39,437,893
Arts, Entertainment, & Recreation	\$15,699,612	\$688,887	\$716,741	\$17,105,240
Ground Transportation	\$1,164,993	\$449,911	\$722,106	\$2,337,010
Retail	\$8,889,227	\$549,118	\$3,035,118	\$12,473,463
Balance of County Industries	-	\$22,451,257	\$37,310,118	\$59,761,375
Total Annual Impacts	\$62,728,381	\$24,561,635	\$43,824,965	\$131,114,981
<b>2010</b>				
Accommodations & Food Service	\$45,859,836	\$494,908	\$2,390,864	\$48,745,608
Arts, Entertainment, & Recreation	\$18,404,785	\$807,022	\$839,652	\$20,051,459
Ground Transportation	\$1,581,139	\$527,065	\$845,936	\$2,954,140
Retail	\$10,196,140	\$643,283	\$3,555,598	\$14,395,021
Balance of County Industries	-	\$26,301,324	\$43,708,279	\$70,009,603
Total Annual Impacts	\$76,041,900	\$28,773,602	\$51,340,329	\$156,155,831
<b>2015</b>				
Accommodations & Food Service	\$60,026,707	\$603,178	\$2,913,910	\$63,543,795
Arts, Entertainment, & Recreation	\$22,450,863	\$983,573	\$1,023,341	\$24,457,777
Ground Transportation	\$2,316,212	\$642,371	\$1,031,001	\$3,989,584
Retail	\$12,103,209	\$784,011	\$4,333,451	\$17,220,671
Balance of County Industries	-	\$32,055,226	\$53,270,271	\$85,325,497
Total Annual Impacts	\$96,896,991	\$35,068,359	\$62,571,974	\$194,537,324
<b>2020</b>				
Accommodations & Food Service	\$78,569,960	\$698,184	\$3,404,327	\$82,672,471
Arts, Entertainment, & Recreation	\$27,386,424	\$450,739	\$1,195,571	\$29,032,734
Ground Transportation	\$3,393,022	\$699,148	\$1,204,520	\$5,296,690
Retail	\$14,366,974	\$1,009,308	\$5,062,780	\$20,439,062
Balance of County Industries	-	\$42,672,800	\$62,235,773	\$104,908,573
Total Annual Impacts	\$123,716,379	\$45,530,179	\$73,102,971	\$242,349,529
<b>2025</b>				
Accommodations & Food Service	\$102,841,534	\$895,956	\$4,328,314	\$108,065,804
Arts, Entertainment, & Recreation	\$33,407,011	\$1,460,996	\$1,520,068	\$36,388,075
Ground Transportation	\$4,970,442	\$954,173	\$1,531,445	\$7,456,060
Retail	\$17,054,149	\$1,164,570	\$6,436,894	\$24,655,613
Balance of County Industries	-	\$47,614,734	\$79,127,496	\$126,742,230
Total Annual Impacts	\$158,273,135	\$52,090,429	\$92,944,217	\$303,307,781
<b>2030</b>				
Accommodations & Food Service	\$134,611,003	\$1,091,959	\$5,275,220	\$140,978,182
Arts, Entertainment, & Recreation	\$40,751,153	\$1,780,617	\$1,852,613	\$44,384,383
Ground Transportation	\$7,281,207	\$1,162,917	\$1,866,480	\$10,310,604
Retail	\$20,243,929	\$1,419,349	\$7,845,095	\$29,508,373
Balance of County Industries	-	\$58,031,430	\$96,438,252	\$154,469,682
Total Annual Impacts	\$202,887,292	\$63,486,272	\$113,277,660	\$379,651,224

Source: ADE calculations, Dean Runyan Associates, multiplier data from IMPLAN Impro Professional input-output model

Note: Data from Dean Runyan Associates is provided using the North American Industry Classification System (NAICS). The industry classification system used in the IMPLAN Impro Professional input-output model roughly approximates, but still differs from the NAICS. For this analysis, the industry classifications in the input-output model have been adjusted to more closely approximate the NAICS.

The total annual labor income derived directly from visitor spending in 2006 is approximately \$62.7 million. Labor income generated ancillary to direct income totals approximately \$68.4 million per year for a total labor income impact of more than \$131 million. By 2030, Butte County tourism is expected to generate nearly \$380 million a year.

## THE OVERALL CONTRIBUTION TO THE BUTTE COUNTY ECONOMY

In order to assess how significantly tourism impacts the Butte County economy, this section concludes with a comparison of the annual economic contribution of tourism with the existing economic base for the County. As shown in Table 36, the economy of Butte County had a total industry output of \$10.3 billion with an employment base of 98,201 jobs in 2006. Annually, approximately four percent of total industry output in Butte County is derived, either directly or indirectly, from tourism. Tourism also generates approximately six percent of total employment in Butte County and five percent of total labor income.

**TABLE 36**  
**COMPARISON OF CURRENT BUTTE COUNTY ECONOMIC BASE WITH DIRECT AND MULTIPLIER IMPACTS OF TOURISM (2006)**

<b>Economic Measure</b>	<b>Butte County (All Industries)</b>	<b>Butte County (Tourism)</b>
Total Employment	98,201	5,752
Total Industry Output	\$10,255,459,465	\$388,395,726
Total Labor Income	\$2,847,712,250	\$131,114,981

Source: ADE calculations, Dean Runyan Associates, multiplier data from IMPLAN Impro Professional input-output model

## CURRENT AND PROJECTED FISCAL IMPACT

Tourism contributes to at least three main sources of revenue for the County: the transient occupancy tax, the sales tax, and the property tax. Sales taxes are the largest of these contributions, estimated at \$1.5 million in 2006 (Table 37).<sup>20</sup>

The projections for retail sales and food service described in the section above would imply an 87 percent increase in sales tax by 2030 (including all restaurant sales to local residents).

**TABLE 37**  
**SALES TAX GENERATED BY VISITOR-SERVING SECTOR (\$000'S)**

<b>Taxable Sales Category</b>	<b>2006</b>	<b>2030</b>
Retail	\$40,551.1	\$104,815.4
Food Stores(taxable)	\$3,597.3	\$9,298.1
Food Services		
Visitors	\$52,651.0	\$136,091.0
Residents	\$193,354.0	\$291,636.0
Total Taxable Sales	\$290,153.4	\$541,840.6
<b>Sales Tax</b>		
Cities	\$2,538.8	\$4,741.1
County	\$1,595.8	\$2,980.1

Source: ADE, 2007

<sup>20</sup> This includes restaurant sales to County residents.

The TOT revenues for the County are much lower at about \$42,000 per year. Only two percent of lodging revenues are generated by lodging facilities in the unincorporated area, with the other 98 percent coming from hotels within the cities. Table 38 shows the long term trend in TOT revenues by jurisdiction in Butte County.

### **Use of Transient Occupancy Taxes**

The Transient Occupancy Tax is a sales tax that lodging facilities collect for each overnight stay. In Butte County the TOT tax ranges from a low of 6% to a high of 10%. The County collects the TOT tax from lodging facilities and distributes them back to each City based on that city's specific tax rate.

Each of the cities and the county use their TOT in different ways. Much of the TOT revenues go to the jurisdiction's general fund to pay for city services. Most give a share of the TOT to their Chambers of Commerce to market and promote their respective jurisdiction. Many use TOT to pay for the maintenance, management, and promotion of cultural attractions, including museums, performing arts centers, arts programs and festivals and events as well as parks and recreation facilities. Others use TOT to fund local and regional economic development activities and for downtown beautification and façade improvements. Each of the tourism marketing entities described above receives a part of their funding from one or more jurisdiction's TOT revenues.

**TABLE 38**  
**TRANSIENT OCCUPANCY TAX BY JURISDICTION**  
**FISCAL YEAR**  
**AMOUNTS IN \$000**

	<b>*Rate</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Butte County</b>		792.9	623.5	980.3	1,071.7	1,183.5	1,224.6	1,274.0	1,382.3	1,543.3	1,689.8	1,795.7	1,784.8	1,909.5	2,039.8	2,289.4
<b>Unincorporated</b>	6.0%	20.7	24.2	35.7	43.7	50.9	55.6	58.6	45.9	37.8	44.0	40.9	38.4	39.7	41.8	42.3
<b>Chico</b>	10.0%	614.2	444.4	724.8	817.3	842.5	886.3	951.0	1,046.9	1,141.1	1,247.2	1,329.6	1,309.9	1,389.7	1,449.1	1,708.5
<b>Gridley</b>	6.0%	-	-	-	-	-	-	-	3.9	19.6	26.6	25.5	26.2	25.1	21.7	27.2
<b>Oroville</b>	9.0%	107.3	105.3	156.8	163.4	239.5	230.6	211.3	232.1	250.1	269.1	294.9	308.8	331.8	352.4	336.5
<b>Paradise</b>	10.0%	50.7	49.6	63.0	47.3	50.6	52.1	53.1	53.5	94.7	102.9	104.8	101.5	123.2	174.8	174.9

Source: Dean Runyan Associates by the California State Controller's Office, various taxing jurisdictions, and visitor associations.

\*Current Rate corresponds to the rate in effect at the end of the last fiscal year. Many tax rates have changed over the reported time period, some jurisdictions have variable rates



Based on the lodging projections in the previous section, and assuming the distribution of lodging stay similar to the present, Table 39 indicates that TOT revenues for all jurisdictions in the County would increase by 160%, with an increase of about \$67,000 per year to County government. Total increase to all jurisdictions would be more than \$3.3 million per year.

**TABLE 39  
PROJECTED FUTURE TOT REVENUES**

<b>Jurisdiction</b>	<b>Tax Rate</b>	<b>2006 (000's)</b>	<b>Percent Dist</b>	<b>2030 (000's)</b>
Unincorporated	6.0%	\$42.1	2.0%	\$108.8
Chico	10.0%	\$1,491.3	70.6%	\$3,854.6
Gridley	6.0%	\$22.6	1.1%	\$58.5
Oroville	9.0%	\$374.0	17.7%	\$966.6
Paradise	10.0%	\$182.4	8.6%	\$471.4
<b>TOTAL</b>		<b>\$2,112.4</b>	<b>100.0%</b>	<b>\$5,460.0</b>

Source: ADE, 2007

# POTENTIAL FISCAL BENEFITS OF THREE CONCEPTUAL RECREATION-RELATED VISITOR SERVICES

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The lodging section of this report indicated that most lodging, eating, and drinking establishments and retail shops are within incorporated areas of the County. As a result, these cities capture 87% percent of the sales taxes generated by visitor spending and 98% of the TOT. A very small percentage of the benefits of tourism accrue to the County. On the other hand, the County is responsible for maintaining County roads and providing public safety and emergency response services to the unincorporated areas.

There are two ways that the County could generate its own tourism-related income. One would include a tourism revenue sharing agreement among the Cities and the County to share a portion of TOT and retail sales revenues with the county in return for countywide tourism marketing and the other would be for the County to develop its own tourism attractions that would collect sales taxes.

This section focuses on three options the County has in developing tourism spending and to generate its own TOT and sales taxes. The County's General Plan encourages urban development to locate within the incorporated areas. This policy limits what can be done outside of city boundaries. The following tourism revenue generators would be consistent with this policy and would leverage the county's existing tourism assets. They include: 1) increase the number of farm or ranch stays and B&Bs located in existing agricultural areas; 2) build recreational vehicle camping facilities, and 3) package and market bicycle tours that would connect the County's many attractions to each other along routes that are safe for the typical bicycle rider.

## FARM STAYS

Agricultural homestays or "farmstays" offer a different experience from other lodging in that guests stay in a bedroom inside of a farm residence. This entails a much greater level of interaction with the proprietor, and is more like staying at somebody's home than at a commercial establishment.

Farmstays have been a common form of lodging in many parts of the world, most notably New Zealand, Ireland, and other parts of Europe. This type of lodging entails staying at a house on a farm in a family guest room. In the US, farmstays are more common in the Northeast, and guests often participate in family chores around the house and on the farm. In California, farmstays are a very new lodging market that has only been officially recognized since 1999.<sup>21</sup> According to the UC Davis agri-tourism database, there are about nine farming establishments in California that offer farmstays. None of these farmstay establishments are located in Butte County; however, and nearby Placer and Mendocino Counties each have one<sup>22</sup>. Clearly, the farmstay market is in its formative stage.

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<sup>21</sup> California Agricultural Homestay Bill (AB1258); July 26, 1999.

<sup>22</sup> UC Davis Small Farm Center.

**TABLE 40  
CALIFORNIA FARM STAY ESTABLISHMENTS, 2007**

<b>Farm or Ranch</b>	<b>County</b>	<b>Low Rate</b>	<b>High Rate</b>
Sorensen's	Alpine	\$135	\$240
Fitzpatrick Winery & Lodge	El Dorado	\$89	\$155
Love Apple Guest Ranch	Kings	\$150	\$160
Highlands Guest Ranch	Mendocino	\$235	\$295
Flower Farm Inn	Placer	\$108	\$156
Work Family Ranch	San Luis Obispo	\$175	\$200
Starr Ranch	San Luis Obispo	\$150	\$150
McCall	San Luis Obispo	\$125	\$155
Hollyhock	San Luis Obispo	\$150	\$150
Average Rate		\$146	\$185

Source: UC Davis Small Farm Center

The advantage of a farmstay compared to a hotel or B&B establishment is the much lower level of investment and owner involvement needed to operate a farmstay. Because the experience offered by a typical farmstay is similar to staying with a family in their guest room, extensive renovation and construction of private guest facilities is not necessary. For farmers that offer farmstay accommodations, the room revenue is not a major part of their overall operating income. Unlike a B&B operation, a farmstay does not require the proprietor to be employed as the lodging operator. The proprietor will continue to focus on managing farm operations. Legally, the lodging and meal service for a farmstay must be incidental to the agricultural operations. Typically, a member of the family will market and host the farmstay operations on a part-time basis.



### **GENERAL POTENTIAL FOR FARMSTAYS**

Even though farmstays have been officially recognized under California state law since 1999, they are still regulated by city and county land use jurisdictions, many of which do not have farmstays defined in their existing regulations. This lack of recognition for farmstay uses can constitute an economic barrier to starting up a farmstay, and initially provided the impetus for the California Farm Bureau and the Community

Alliance with Family Farmers to push for the bill that recognized agricultural homestays.<sup>23</sup> For example, a jurisdiction might regulate a farmstay the same way as a B&B or other commercial establishment, with high permit fees that are more consistent with commercial fees than with the permit structure for other types of home-based businesses.<sup>24</sup>

For Butte County, including farmstays as part of the definition of approved uses in agricultural and rural zones will increase the economic diversification opportunities for agricultural establishments. It requires the least time and financial commitment by farm operators and, by definition, it is a supplemental use of agricultural land. The key to making farmstays an attractive option for farm operators is to recognize that these are incidental uses and not regulate them in the same manner as more intensive large-scale lodging operations.

<sup>23</sup> Rilla, Ellen; "Bringing the City & Country Together"; California Coast & Ocean; vol. 15 no. 2; 1999.

<sup>24</sup> Interview with George Work; Work Family Guest Ranch, San Miguel, California.

## DEMAND FOR FARM STAYS

Worldwide, tourism to rural and natural areas is growing in popularity. A 1998 survey of American households found that 48% had participated in nature-based activities during their vacation. One-third of these households planned their trip so that nature-based activities like hiking, biking, wild life viewing, canoeing, and going to parks would account for the majority of their time on vacation.<sup>25</sup> The World Resources Institute found that while international travel overall was growing at about 4% per year, nature travel is increasing at an annual rate between 10% and 30%. In the U.S. alone, domestic and international travelers made nearly 287 million recreation visits to the 378 recreation areas administered by the U.S. National Park Service (NPS) in 1998 compared to 275 million visits in 1997, an increase of 4.4%.

A number of factors have created an increased demand for nature travel. Today's travelers have a greater interest in learning more about their environment. This is partly due a growing desire for more experiential vacations that combine outdoor activities with learning experiences.

Agri-tourism is growing in popularity as well. The causes of this growth in demand for rural experiences are similar to those for nature tourism. People are seeking ways to learn about their natural environment, travel outside of urban areas and understand better how their food is produced. People are more aware than ever of the link between their health and their diet. Most people have never been on a farm or experienced farm life. While the rural experience may have been common several decades ago, now it is a novelty. More and more, vacationers are choosing to visit agricultural areas to enjoy the pastoral environment, learn about how food is grown, how to take care of animals or just have fun in an environment that is very different from their home.

This trend of increasing visits to rural and natural areas presents an opportunity to some farmers in some regions, especially those impacted by encroaching urbanization. As farming becomes less profitable, farmers are looking for alternative ways to maintain their rural lifestyle and continue to make a living from their land—and they've come up with lots of creative ideas. These range from offering farm stays to urbanites, to offering entertainment, to direct selling of specialty farm products.

The lodging analysis conducted for this study found that there are approximately 1,888 hotel and motel rooms and 55 B&B rooms in Butte County. The average annual occupancy rate is about 63 percent for hotels and motels and 44 percent for B&Bs<sup>26</sup>. About half of all lodging rooms are in the budget/economy market while the other half is in the mid-market range. There are no upper market properties in Butte County. The average room rate is just under \$70 for hotels and motels and the average room rate for B&Bs is about \$164 and ranges from a low of \$66 to a high of \$205. Based on the rising occupancy and room rates, there is some potential for additional lodging facilities in the current market. With the number of visitors increasing by about 1% annually, the demand for lodging will also increase, especially in the upper market segment. Promoting farmstays as an alternative to lodging in urbanized areas or along busy roadways could reinforce other countywide tourism marketing efforts, especially those focused on attracting family vacationers.

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<sup>25</sup> Visit Florida, Bruskin Goldring report, 1998.

<sup>26</sup> CABBI, 2007; this is a statewide occupancy rate.

An agricultural homestay, (farm stay) can not have more than six guest rooms or accommodate more than 15 guests. To accommodate more guests, the farm or ranch operator would have to meet the more stringent requirements of a Bed and Breakfast.

Assuming that Butte County were to have 5 farm stay establishments, each accommodating 15 guests in no more than 6 guest rooms, and an average occupancy rate of 40 percent and an average room rate of \$164, Butte County would collect about \$43,000 annually in TOT taxes from these farm stays alone.

**TABLE 41  
POTENTIAL ANNUAL FARM STAY REVENUES, BUTTE COUNTY**

<b>One Farm Stay Establishment</b>	<b>Total</b>	<b>Incorporated</b>	<b>Unincorporated</b>
Rooms per establishment	6		
Average room rate	\$164		
Average occupancy rate	40%		
Annual room nights	876		
Annual gross lodging receipts			\$143,664
County 6% TOT			\$8,619
<b>Five Farm Stay Establishments</b>			
Annual gross lodging receipts	\$718,320		\$718,320
Retail sales	\$105,120	\$91,454	\$13,666
Eating & drinking	\$131,400	\$114,318	\$17,082
Entertainment & recreation	\$78,840	\$68,591	\$10,249
Taxable sales	\$236,520	\$205,772	\$30,748
Sales tax (7.25%)	\$17,148		
Sales tax to Cities (1.0%)		\$2,365	
Sales tax to County (.25%)/(1.25%)		\$2,058	\$384
County 6% TOT			\$43,099

Source: ADE, 2007. Assumptions: 2 people per guest room; \$62 spent daily per person; \$12 for retail sales; \$15 for food & beverage; \$9 for entertainment and recreation. Unincorporated share of retail sales is 13%.

Butte County has no farm stay lodging facilities currently. The existing agri-tourism venues, the orchards, ranches and vineyards that currently open their facilities to visitors, would need to make additional investments in their operations to be able to offer lodging services. They would also need to market their services to a broader market area in order to achieve the occupancy rates required to be viable. They may need technical assistance in developing a business plan and marketing their services, they may need low interest start-up loans, and they may need assistance with County conditional use permits and with other needs. If they need to build lodging facilities, this would mean approvals for building permits. The County's role in facilitating and supporting farm stays would include:

- Providing technical assistance through the UC Davis Small Farm Center's extension economists for help with developing business plans and marketing strategies;
- Expediting building and use permits;
- Linking proprietors to providers of low-interest or no-interest loans for facility improvements.



## TRAVEL PARK

Travel parks are different from other types of lodging in that they generally cater to the recreational vehicle (RV) traveler and campers, and as such, they do not offer rooms and related amenities. However, they often offer a wide range of outdoor recreation opportunities, and some travel parks provide meeting facilities, business services, and retail stores on the premises.

Travel parks differ from other forms of lodging in that some offer long-term occupancies. These long-term occupancies range from seasonal travelers who follow the warm weather during winter months, to local residents who use travel parks in the same way as more permanent mobile home parks. Some travel parks serve as destinations in their own right—with outdoor recreation and natural site amenities—while others are mainly stopovers for long-distance travelers.

Butte County has 20 small travel parks, with a total of 547 spaces and an average of over 27 spaces per facility. Most of these spaces include full utility hookups (electricity, sewer, and water). Of all travel parks in Butte County, two are located in the Lake Oroville Recreation Area; comprising about 80 spaces (see Table 32 on page 43). Daily rates range from a low of \$15 per night to \$30 per night, half the average room rate at a hotel/motel. The average occupancy rate for travel parks was 73 percent in 2005 which did not vary appreciably during the year and which was higher than the state average. This would suggest that there is demand for additional travel parks with full-hookups marketed toward the higher end market.

New travel parks could include such amenities as spa facilities, exercise equipment, higher-end shower/bathing facilities, laundry facilities, recreation rooms, miniature golf or other on-site recreation, common dining/picnic areas and a general market for sundries. Ideally, newer travel parks would be located close to popular hunting, fishing and boating areas. Assuming five such travel parks existed in Butte County, each with at least 75 pads, the total gross receipts would be \$1.6 million and the County TOT tax, if collected, would be nearly \$180,000. In 2005, visitors spent about \$62 per day on everything but transportation. Assuming 2 visitors per occupied pad, about \$1,303 in retail sales would be generated per day or \$7.2 million per year. Assuming a 7.25% tax rate, sales of sundries such as ice cream, soda, frozen meals, toiletries etc. would amount to \$1.9 million in sales tax annually. Of this, the County would receive \$79,000 annually.

**TABLE 42  
POTENTIAL ANNUAL TRAVEL PARK REVENUES, BUTTE COUNTY**

<b>One Travel Park</b>	<b>Total</b>	<b>Incorporated</b>	<b>Unincorporated</b>
RV Pads per park	75		
Average nightly rate	30		
Average occupancy rate	73%		
Annual nights	19,984		
Annual gross lodging receipts	\$599,513		
County 6% TOT	\$35,971		
<b>Five Travel Parks</b>			
Annual gross lodging receipts	\$2,997,563		
Retail sales	\$2,398,050	\$2,086,304	\$311,747
Eating and drinking	\$2,997,563	\$2,607,879	\$389,683
Entertainment & recreation	\$1,798,538	\$1,564,728	\$233,810
Taxable retail sales	\$5,395,613	\$4,694,183	\$701,430
Sales tax (7.25%)	\$1,955,910		
Sales tax to Cities (1.0%)		\$46,942	
Sales tax to County (.25%)/(1.25%)		\$11,735	\$67,445
County 6% TOT			\$179,854

Source: ADE, 2007. Assumptions: 2 people per RV pad; \$62 spent daily per person; \$12 for retail sales; \$15 for food & beverage; \$9 for entertainment and recreation. Unincorporated share of retail sales is 13%.

## PACKAGING AND MARKETING BICYCLE TOURS IN BUTTE COUNTY



Butte County is an ideal location for bicycle touring. It offers an abundance of flat routes through the Sacramento River and Feather River valleys as well as challenging mountain rides in the forested areas on the western slopes of the Sierra Nevada range. The Experience Butte County website<sup>27</sup> lists 27 distinct bicycle routes in Butte County. In addition, there are several bicycle routes through Chico including four in Bidwell Park. The routes range from easy to challenging and from 2 miles to 100 miles long. Each year on the fourth Sunday of April, (April 22, in 2007) the Chico Velo Club hosts the Wildflower Century Tour. In 2006, this one-day event attracted 4,000 participants, a doubling of the participation from 10 years ago. The event attracts bicyclists from up to 400 miles away, including southern Oregon, Nevada, and central California.

Connecting the Butte County trails to each other and to popular attractions, lodging facilities, and restaurants would enable bike tours to be marketed as packages to a larger number of potential visitors. Linking Butte County trails to those in adjacent counties provides for a broader range of touring opportunities. Mapping these popular bike routes along with attractions, lodging and restaurants could attract additional visitors to Butte County. There is great diversity among bike touring enthusiasts. While some are happy with simple overnight accommodations and are willing to pack all their gear on their bikes, others insist on more comfortable accommodations in 2-star to 4-star hotels and dining at top-rated restaurants while having their bags delivered to next hotel by van. For now, Butte County does not have 4-star accommodations and will not be able to cater to this market segment. However, if marketed right, Butte County could successfully compete for a larger share of the bike touring vacationer who travels to Europe and New Zealand to bike because the opportunities in the United States are limited.

<sup>27</sup> [www.experiencebuttecounty.org](http://www.experiencebuttecounty.org)

Bicyclists purchase lodging, meals, and gifts. Butte County's agricultural products, especially wine, olives, rice, almonds, honey, and lavender could be sold in value-added packaging for purchase by visitors.

Assuming 100 bicyclists per week during the months of April through October, total annual lodging receipts would be \$487,500 and total room tax (TOT) would be \$29,250. Assuming the current distribution of lodging facilities and retail establishments between incorporated and unincorporated areas, the County's tax revenues would total \$2,124 annually (\$881 + \$658 + \$585).

**TABLE 43  
POTENTIAL ANNUAL REVENUES GENERATED BY BICYCLE TOURING  
VISITORS  
DURING A 25-WEEK SEASON, APRIL-OCTOBER, BUTTE COUNTY**

	Total	Incorporated	Un-incorporated
Bicyclists per week	100		
Room nights (2/room @ 6 nights)	300		
Room rate	\$65		
Annual gross lodging receipts	\$487,500	\$477,750	\$9,750
Retail sales	\$180,000	\$156,600	\$23,400
Eating & drinking	\$225,000	\$195,750	\$29,250
Entertainment & recreation	\$135,000	\$117,450	\$17,550
Taxable sales	\$405,000	\$352,350	\$52,650
Sales tax (7.25%)	\$29,363		
Sales tax to Cities (1%)		\$3,524	\$0
Sales tax to County (.25%)/(1.25%)		\$881	\$658
TOT tax (6%)	\$29,250	\$28,665	\$585

Source: ADE, 2007. Assumptions: \$62 spent daily per person; \$12 for retail sales; \$15 for food & beverage; \$9 for entertainment and recreation. Unincorporated share of TOT is 2%; unincorporated share of retail sales is 13%.



# RECOMMENDATIONS

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## 1. CONDUCT COUNTYWIDE MARKETING

Each City within Butte County addresses tourism planning and marketing in its own distinct way.

For instance, Gridley is in the midst of developing a downtown improvement strategy as a means of capturing a larger share of the region's tourism spending. There has been on-going dialogue about creating a visitor center that would leverage the area's proximity to the Gray Lodge Wildlife Area and attract wildlife viewing enthusiasts to the City's downtown shops, restaurants, and lodging facilities.

The City of Oroville has embarked on developing the area along the Feather River to leverage that community's chief tourism asset to capture an increasing share of tourism spending. Plans include a hotel, visitor center, a white-water rafting park and other amenities to attract outdoor enthusiasts to the City's downtown area shops and restaurants.

The City of Chico's tourism development strategy focuses on leveraging that City's key assets—Chico State and its concentration of visual and performing artists, galleries and artisans of all kinds—to promote Chico as a destination for arts, culture and heritage travelers.

Paradise is leveraging its key assets to create a highly desirable place to live, work and play. Those assets include, its location on Lake Oroville, a tight-knit community spirit, appreciation for and celebration of the arts, education and heritage and its large active adult community.

Local Chambers of Commerce conduct most of the marketing of activities and events within their cities. For instance, the Paradise Chamber produces a map of the City and Butte County that provides advertising space for local motels, restaurants, services, and shops. It also produces a visitor guide each year that provides information on parks, festivals, events at the City's Performing Arts Center and elsewhere, lodging and dining facilities, attractions, and shopping. The Chico Chamber of Commerce publishes similar pamphlets, maps and brochures and its offices double as a visitor center where visitors can walk-in and obtain information about lodging, attractions, events, and directions. Similarly, the Oroville and Gridley Chambers also provide visitor information. In Oroville, the City has placed the management and marketing of local museums and attractions within city government.

Existing recreational assets are primarily located outside of incorporated city boundaries and often within lands managed by the U.S. Forest Service, State Parks, Fish & Game, Department of Water Resources or a regional park district. These include wildlife hunting, viewing, and fishing areas, horse trails, camp sites, off-road vehicle parks and bike trails. Revenues collected by these agencies are minimal and barely cover the costs to manage their facilities. Limited funding and staff cuts preclude the possibility of improvements in either facilities or programs to accommodate visitor growth.

Visitors who travel to Butte County stay at a lodging facility, eat at a restaurant, and shop at stores and galleries within the incorporated areas. As such, 98% of the Transient Occupancy Tax and 87% of the retail sales taxes collected from visitors becomes revenue to the cities within Butte County, not to the County. Establishing and managing a county-wide tourism program, including a county-wide signage program, will require the sharing of resources among all the jurisdictions.

### **Recommendations**

- 1.1. Develop a marketing implementation strategy that clearly identifies target audiences and messages for each audience; consider establishing a brand for Butte County.
- 1.2. Develop a signage plan that directs tourists to tourism and recreation venues. Signage should be printed in a consistent format throughout the unincorporated areas, along State and County roadways.
- 1.3. Conduct visitor surveys to better understand the size, origin, and demographics of the Butte County tourism market and use the survey findings to refine the marketing strategy every 2 years.
- 1.4. Establish a countywide tourism marketing committee with representation from each of the incorporated jurisdictions' elected bodies. The role of the tourism marketing committee would be to:
  - a) prepare a countywide tourism strategy using this report as a basis;
  - b) implement the countywide tourism strategy;
  - c) fund countywide tourism marketing.

## **2. ESTABLISH APPROPRIATE POLICIES THAT SUPPORT THE FURTHER DEVELOPMENT OF AGRI-TOURISM**

Butte County has begun the process of updating its General Plan. This presents an opportunity to consider incorporating policies that support the growth of the agri-tourism industry.

Since the adoption of the Agricultural Element, much has changed in agriculture around the world and throughout California. Since its beginnings, agriculture in Butte County has continued to change and evolve to meet the ever changing markets. While a century ago, hay was required to feed horses that were necessary for transportation, the emergence of the automobile made the growing of hay unnecessary. Farmers responded by turning their hay fields into citrus and other fruit or nut orchards. The growth of the railroad industry made it possible to ship fresh produce to the large East Coast markets, spurring more growth in fruit, olive, and nut production.

We are now experiencing another major global change. The economic development of formerly third world nations has resulted in a larger number of producers of fruits, nuts, olives, and other commodities around the globe. This has driven down the price of all commodities. California almonds have escaped this trend because there are very few climates around the globe conducive to

almond production. Given the favorable price of almonds, however, there will be additional growers that will affect the competitiveness of California's almond growers.

As a result, farmers, once again, are changing their operations, to scan the environment for other more economically competitive crops and develop new business plans and marketing programs to achieve new goals. Once such alternative practice being considered by more and more farmers is inviting guests to stay at the farm or ranch. Farm stays have been a part of European and Australian agriculture for many decades. They are becoming more popular on the East Coast, especially in upstate New York and Connecticut. Farm stays, where guests pay to lodge at a working farm or ranch, are new to California. In fact, according to the UC Davis Agri-tourism website, there are only nine farm stay businesses in California.

Butte County is rich in agricultural heritage. That heritage is of increasing interest to a growing population of tourists. Agriculture occupies over 475,000 acres of land and agricultural products were valued at \$439 million in 2005, representing a significant increase over the prior year's production value. Major crops include almonds, rice, walnuts, nursery stock, peaches, kiwi, plums, and pistachios. Other major products include milk, hay, honey and seed crops.

There are a few trends in agriculture and tourism that provide opportunities for diversifying agricultural marketing in Butte County. *These include:*

- Preference for experience tourism
- Interest in learning how food is produced
- Interest in purchasing local products, including locally-grown food;
- Concern for food security, necessitating more food produced within commute distance of population centers.

Within Butte County, there are about 10 farms and five wineries that offer tours and/or sell produce directly to consumers. In addition, a collaborative of farm organizations, public agencies together with CSU Chico sponsor the Farm City Celebration, held each Fall, which provides tours of local farms, education about agriculture and events to celebrate the year's harvest. The Sierra Oro Farm Trail map is an exemplary accomplishment in marketing the county's agricultural heritage. As the population in local and nearby metropolitan areas increases, there will be greater demand for agri-tourism. Continuing the promotion and marketing of farm and winery tours offers visitors an opportunity for enjoyment, education, and discovery not found in other areas.

Based on the anticipated growth in travel to Butte County, there is support for additional lodging facilities, cafes, on-farm produce markets, and agriculture-related activities. Since all or nearly all of the agricultural activities are in the un-incorporated areas, the County would naturally be the agency responsible for facilitating the development of additional venues.

## Recommendations

2.1. Provide entrepreneurship development resources for individuals interested in succeeding in agri-tourism.

- Reserve a section of the county library for resources on entrepreneurship development, especially agri-tourism; provide training to County librarians on use of entrepreneurship development resources
- Sponsor training workshops on agri-tourism planning, operations and marketing

2.2. Ensure that county zoning, health and business codes allow lodging facilities, such as bed & breakfast inns and farm stays within the agricultural areas. There are currently no farm stay establishments in Butte County and, at this time, there are no state legislative barriers to establishing farm stays in the County.

To support the ability of farmers to continue with agricultural production, Butte County should allow more flexibility in the land use policies to allow for farm stay operations, guest accommodations on the farm. In 1999, California law was amended to allow farm stays. These are lodging facilities on a working farm or ranch, with no more than 6 guest rooms and accommodating no more than 15 guests. A farm or ranch meeting this requirement does not have to meet the more stringent health code requirements of a Bed and Breakfast or restaurant. The existing General Plan's policies that relate directly to farm stays are listed below. The County should consider amending these policies to ensure compatibility with state law and to support agri-tourism.

### **The Agricultural Element, adopted May, 1995.**

The purpose of the Agricultural Element is to support the continued viability of commercial agriculture.

Program 1.3: incorporate farm stays as an expressly permitted land use in all agricultural zones.

Policies 3.2: Allow riding stables as a permitted use in agricultural zones. Horse back riding is a popular recreational pastime and complimentary to agri-tourism.

Policies 3.5: While homes and lodging is secondary to agriculture in agricultural zones, this can not be a reason to dis-allow farm stays, per state law.

Program 3.5: The submission of an agricultural maintenance plan that provides for the continuation of existing agricultural activities should not be a requirement of a farm stay operation.

Program 3.6: Farm stays should be listed as an allowed use in all agricultural zones per state law.

Policies 6.2: To promote Butte County farm products, develop and implement a tourism marketing strategy to promote farm stays on Butte County farms and ranches.

Programs 6.2: As a means to promote Butte County agriculture, in addition to allowing direct on-farm marketing of agricultural products, also permit the marketing of farm stays.

Programs 7.3: In addition to allowing residences for farm employees and proprietors, the County should allow lodging for up to 15 farm guests.

#### **Land Use Element**

Orchard and Field Crops: allow additions to the single-family dwelling; or allow the construction of up to 6 guest bedrooms separate from the dwelling for up to 15 guests to accommodate farm stays.

### **3. PROMOTE THE PACKAGING AND MARKETING OF RURAL BIKE TOURING**

Butte County is an ideal location for bike touring. It's predominantly rural landscape, combined with its Mediterranean climate, varied topography, abundant wildflowers and orchards, and its rivers and lakes give Butte County the kind of beautiful amenities sought after by bicycling enthusiasts. So far, the Cities of Chico, Oroville and Paradise each have a approved bike plans that support the development, maintenance and promotion of their bike routes for recreation as much for commuting, if not more so.

#### **Recommendations**

- 3.1. Amend the General Plan so that its Scenic Highways, Open Space, and Circulation Elements support the development and marketing of safe, rural bike touring routes.
- 3.2. Implement the policies of the Scenic Highways, Open Space, and Circulation Elements of the General Plan to provide for the development and marketing of safe, rural bike touring routes.
- 3.3. Form a sub-committee of the Countywide Tourism Committee, to develop a map of rural bike routes. Promote these bike routes through the Countywide Tourism Marketing Campaign.
- 3.4. When selecting bike routes to map and promote, consider those routes that allow bicyclists of all abilities and that connect each of the County's major cultural and natural attractions, including the museums and natural amenities listed in this report.
- 3.5. Develop road maintenance and construction guidelines that allow safe bicycle travel along County roadways.
- 3.6. Develop road signage and traffic control devices and markings that allow for safe navigation of county roadways by bicyclists.
- 3.7. Develop and implement a signage program that directs tourists to attractions throughout the County, especially along travel corridors at major gateways to the County.
- 3.8. Consider reviewing the following General Plan policies for consistency with the above recommendations.

#### **Scenic Highways Element**

Implementation 1: Implement the Scenic Highways Element to include scenic highways that would accommodate bicycle riders of all abilities.

Implementation 7: Implement the Scenic Highways element to indicate scenic bike routes on public maps and plans.

### **Open Space Element**

#### Open Space for Outdoor Recreation

Implement all recommendations in the Open Space for Outdoor Recreation Element, especially the following: “the County should financially or politically assist the development of recreation facilities commonly used by people outside the City or district.”

### **Circulation Element**

Goal 10: Provide for a safe and convenient bicycle transportation system which is integrated with other transportation modes.

10.1: Provide for adequate bicycle circulation and facilities for recreation and tourism.

10. 1.2: Ensure that county roads accommodate bicycle paths of Class II or better.

## **4. CONSERVE NATURAL AREAS FOR WILDLIFE VIEWING AND HUNTING**

Among all tourism attractions, wildlife viewing, hunting, and fishing bring the largest number of visitors to Butte County. Hunting areas and housing subdivisions are incompatible uses. As the human population increases, the wildlife population declines. If Butte County desires to maintain its heritage as a place to hunt, fish, and view wildlife, it will need to work with incorporated areas to safeguard wildlife habitat from encroachment by urban development. To maintain a positive economic impact from these outdoor recreation activities, the County should do the following:

4.1 Create buffer zones between existing wildlife viewing, hunting and fishing areas and planned urban developments.

4.2 Establish procedures for ensuring that the County Planning Department, the California Department of Fish and Game, and/or the California State Parks Department are notified of potential urban development within a certain distance of their recreation or wildlife areas and that they be encouraged to advise on the impact of proposed development on outdoor recreation activity participation.

4.3 Since urban development is not compatible with farm operations, provide a buffer between agricultural areas and encroaching urban activities.

- Define an appropriately-sized buffer
- Allow transitional activities within the buffer, such as small organic operations, nurseries, u-pick operations, agriculture services, and grazing.

## **5. DEVELOP AN ECONOMIC DEVELOPMENT ELEMENT FOR BUTTE COUNTY THAT INCLUDES POLICIES TO SUPPORT AND PROMOTE TOURISM**

County revenues are partially dependent on the health of the businesses located in the unincorporated areas. As such, it is prudent for the County to encourage the diversification of

businesses to counteract the effect of economic cycles. Tourism is a key economic driver of the Butte County economy, comprising 4% of total economic output. While an economic development element does not yet exist, tourism-related economic development policies should be included in the new General Plan.

A new economic development element would include policies that:

- 5.1 Support the growth of the tourism industry and a range of agriculture-oriented businesses, including agri-tourism. Develop and implement a countywide tourism marketing strategy.
- 5.2 Work with County libraries, the Butte College SBDC and Tri-County EDC to provide entrepreneurship development assistance, including marketing and business planning technical assistance, workshops and seminars. Tri-County EDC has been managing a microenterprise program on the County's behalf since 2002.
- 5.3 Encourage the growth of quality jobs with career advancement opportunities within the tourism industry.
- 5.4 Encourage work force development and training for tourism industry employees to improve their skills and advance in their careers.

## **6. CONSIDER UPDATING THE RECREATION ELEMENT TO FURTHER SUPPORT THE DEVELOPMENT OF TOURISM IN BUTTE COUNTY**

Currently, the recreation element is the only part of the General Plan that is devoted, partially, to the development and maintenance of outdoor recreation assets that could be used to support tourism.

### **Recommendations.**

- 6.1 Update the Recreation Element to include policies that support the allocation resources to the acquisition, development, and maintenance of recreational facilities throughout the County that also support tourism.
- 6.2 Continue to develop off-road and on-road bicycle trails throughout the County, with particular attention given to connecting rural trails with trails already established by Cities.
- 6.3 Continue to develop horse trails;
- 6.4 Continue to develop RV parks in unincorporated areas close to hunting, fishing and outdoor recreation areas.
- 6.5 Continue to work with State Parks to develop marinas and boat launch areas on Lake Oroville.

## APPENDIX A: PERSONS CONSULTED

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### Persons Consulted for This Report

Sharon Atteberry	Administrator, City of Oroville
Linda Braxton	U.S. Forest Service
Dan Breedon	Butte County Development Services
Eileen Burke Trent	Fourteen Angels Foundation, Inc.
Ginger Chew	California State Parks
Chris Devine	Butte County Association of Governments
Don DeWayne	Chico Performances, CSU Chico
David Dewey	City of Oroville
Lori Dieter	Gray Lodge Wildlife Area
Steve Feazel	California State Parks
Jerri Fichter	Councilmember, City of Gridley
John Ford	California Department of Water Resources
Jim Goodwin	Chico Chamber of Commerce
Balenda Gray	California State Parks
Charlotte Hilgeman	Stirling City Hotel
Robin Huffman	Councilmember, City of Paradise
Monya Jameson	City of Chico Parks Department
Ray Johnson	Oroville Chamber of Commerce
Phil Johnson	Altacal Audubon Society
Dennis Lee	California Department of Fish and Game
Bob Linscheid	Butte County Economic Development Corporation
Diane Long	Chico Area Recreation District
Debra Lucero	Butte County Friends of the Arts
Ed McLaughlin	Chico Velo
Alice Patterson	Chico Chamber of Commerce
Jean Pratt	Jean's Riverside B&B
Sue Proctor	Butte College Travel and Tourism Program
Diane Reynolds	Chico State Bell Memorial Student Center
Dan Ripke	Center for Economic Development
Doug Rischbieter	California Department of Water Resources
Martin Roland	Adventure Outings
Jason Rounsaville	Ducks Unlimited
Ed Salome	Paradise Chamber of Commerce
Richard Slavich	Butte College Parks and Recreation Program
Bud Tracy	Oroville Economic Development Corporation
Mike Trinca	Paradise Regional Park District
Glen Underwood	California Department of Fish and Game
Tiffany Urness	California Tourism Commission



## APPENDIX B: SOURCES OF DATA

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<u>Source</u>	<u>Type of Data</u>
Butte County Association of Governments	Housing and population projections
Butte County General Plan	Housing, population and land use
California Department of Finance	Housing and population
California Department of Fish and Game	Fishing and hunting licenses
California Department of Parks and Recreation	Attendance at State Parks
California Department of Water Resources	Lake Oroville statistics
California Tourism Commission	Travel patterns
Casino City's Gaming Business Directory	Casino facilities
D.K. Shifflet & Associates	Travel trends
Dean Runyan Associate	Visitor expenditures
Professional Associates of Innkeepers International	B&B lodging data
Minnesota IMPLAN Group	Economic impact
Experience Butte County	RV Campgrounds
Smith Travel Research	Lodging statistics
U.S. Census Bureau	Household income
U.S. Department of Labor	Consumer expenditures

## **APPENDIX C: DATABASE OF VISITOR ATTRACTIONS IN BUTTE COUNTY**

<b>Venue</b>	<b>Address</b>	<b>City</b>	<b>Zip</b>	<b>Location</b>
Bald Rock, Plumas National Forest	Countywide	Butte County	N/A	Hwy 162 north to Berry Creek, right on Bald Rock Rd
Buck's Lake	Countywide	Butte County	N/A	Hwy 70 via Quincy or Oro-Quincy Rd via Berry Creek
Dixon Ranch	Countywide	Butte County	N/A	
Duffy's	Countywide	Butte County	N/A	
Feather River Canyon National Scenic Byway	3 Countywide; Butte, Lassen & Plumas	Butte County		Table Mountain Blvd to Cherokee Rd and follow the "Bridge" signs; Hwy 70 to Belden Town and beyond
Highway 32	Countywide	Butte County	N/A	
Highway 70	Countywide	Butte County	N/A	
Highway 89	Countywide	Butte County	N/A	
Little Grass Valley Lake, Plumas National Forest	Countywide	Butte County	N/A	2 miles north of La Porte
Mountain House	Countywide	Butte County	N/A	9 miles north of Berry Creek on Oro-Quincy Hwy
Oregon City	Countywide	Butte County	N/A	Table Mountain Blvd to Cherokee Rd
Oroville Aviation Corporation	Countywide	Butte County	N/A	North Wilbur Rd at the Afterbay Canal
Paradise Lake	Countywide	Butte County	N/A	
Sierra Oro Farm Trail	Countywide	Butte County	N/A	
Skyway	Countywide	Butte County	N/A	
Sly Creek Reservoir, Plumas National Forest	Countywide	Butte County	N/A	14 miles south of La Porte on La Porte Rd
Sutter Buttes	Countywide	Butte County	N/A	
Table Mountain	Countywide	Butte County	N/A	Table Mountain Blvd to Cherokee Rd, to the mountaintop
AMF Orchard Lanes	2397 Esplanade	Chico	95926	
AVL Looms and Weaving School	601 Orange St	Chico	95928	
Bidwell Mansion State Historic Park	525 Esplanade	Chico	95926	
Bidwell Park	1968 E 8th St	Chico	95928	
Bidwell Park Golf Course	3199 Golf Course Rd	Chico	95973	
Bidwell Park Swimming Holes	1698 E 8th St	Chico	95928	
Bidwell-Sacramento River State Park	12105 River Rd	Chico	95973	
Blue Diamond Nut and Gift Shop	703 Miller Ave	Chico	95928	
Blue Room Theater	139 W First St	Chico	95928	
Butte Creek Brewing Company	945 W Second St	Chico	95928	
Butte Creek Canyon	13548 Centerville Rd	Chico	95928	
Cal Skate Family Fun Center Funland	2465 Carmichael Dr	Chico	95928	
California State University, Chico	400 W First Street	Chico	95929	W 2nd St and Hazel St in Chico
Chico Air Museum	160 Convair Ave	Chico	95973	
Chico Area Recreation and Park District	545 Vallombrosa Ave	Chico	95926	
Chico Art Center	450 Orange St	Chico	95928	
Chico Cabaret	2201 Pillsbury Rd	Chico	95926	
Chico Community Observatory		Chico		Near Horseshoe Lake in Upper Bidwell Park
Chico Creek Nature Center	1968 E 8th St	Chico	95928	
Chico Force Pro Basketball	2231 Saint George Ln	Chico	95926	
Chico Museum	141 Salem St	Chico	95928	

Venue	Address	City	Zip	Location
Chico Outlaws Baseball Team	800 College Dr	Chico	95926	
Chico Rooks Pro Soccer		Chico	95926	University Stadium on the Chico State campus
Chico Rotary Plaza	601 Wall St	Chico	95928	
Chico Skate Park	359 Humbolt Ave	Chico	95928	
Chico State University Farm	Hegan Lane	Chico	95926	On Hegan Lane between Park Avenue and Dayton Road
Chico Theatre Company	166 Eaton Rd	Chico	95973	
Chuck E Cheese's	966 East Ave	Chico	95926	
Colman (Centerville) Memorial Community Museum	12548 Centerville Rd	Chico	95928	
Community (20th Street) Park		Chico	95928	Access at east end of E 16th St near Chapman School or on Whitman Ave a block off E 20th St
Covered Bridge Gardens, National Day Lily Display	1821 Honey Run Rd	Chico	95928	
Creekside Cellars	250 Vallombrosa Ave	Chico	95926	
Cruce's Classic Cars	720 Main St	Chico	95928	
CSUC Pool, PE Building 15		Chico	95926	Warner between Rio Chico and Legion
David Sisk (Sisko) Jeb Sisk	117 W. 7th St	Chico	95929	
Diamond Alley	220 W 4th St	Chico	95928	
Diamond W Western Wear	181 E 2nd St	Chico	95928	
Downtown City Plaza	500 Main St	Chico	95928	
Frisbee Disc Golf Course		Chico	95928	5 miles east off Hwy 32 in Bidwell Park
Golden West Nuts Harvest Shop	3767 Hegan Lane	Chico	95928	
Great Harvest Bread Company	1223 Mangrove Ave	Chico	95926	
Honey Run Covered Bridge	1230 Creekside Ct	Chico	95928	
Honey Run Quilters	1230 Esplanade	Chico	95926	
Honey Run Winery and Honey Company	2309 Park Ave	Chico	95928	
Hooker Oak Recreation Area	1928 Manzanita Ave	Chico	95926	
Kids Kingdom Indoor Play	2201 Pillsbury Rd	Chico	95926	
Laxson Auditorium's Performances		Chico	95929	CSU, Chico Campus
Magic Moments and Keepsakes - A Scrapbook Store	2201 Pillsbury Rd	Chico	95926	Suite #B7
Maisie Jane's California Sunshine	1324 Dayton Rd	Chico	95928	
Museum of Anthropology		Chico	95926	CSU, Chico Langdon Hall 301 corner of First and Warner
National Yo Yo Museum	320 Broadway St	Chico	95928	
Orient and Flume Art Glass	2161 Park Ave	Chico	95928	
Patrick Ranch	10381 The Midway	Chico	95928	
Satava Art Glass Studio	819 Wall St	Chico	95928	
Scrapbook Avenue	664 E First Ave	Chico	95926	
Shubert's	178 E 7th St	Chico	95928	
Sierra Nevada Brewing Company	1075 E 20th St	Chico	95928	
Silver Dollar Fairgrounds and Speedway	2337 Fair St	Chico	95928	
Skyway Golf Park	1 Longest Yard Dr	Chico	95928	
Stansbury Home	307 W 5th St	Chico	95928	
String Bead	2201 Pillsbury Rd	Chico	95926	
Sunset Hills Golf Course	13301 Garner Ln	Chico	95973	
The Plant Barn	406 Entler Ave	Chico	95928	
The Rabbit Hole Quilting and Fabrics	2607 Esplanade	Chico	95973	

Venue	Address	City	Zip	Location
The Senator	517 Main St	Chico	95928	
The Wall Street Players	191 E 2nd St	Chico	95928	
TJ Farms	3600 Chico Ave	Chico	95928	
Tuscan Ridge Golf Club	3100 Skyway	Chico	95926	
Two by Two Ranch and Petting Zoo	13080 Hosler Ave	Chico	95973	
Upper Crust Bakery and Café	130 Main St	Chico	95928	
USDA Genetic Resource Center	2741 Cramer Ln	Chico	95928	
Colusa Indian Casino	3770 Highway 45	Colusa	95932	
Barry Kirshner Wildlife Foundation	1843 Laura Ln	Durham	95938	
Book Family Farm	8977 Highway 99	Durham	95938	
Cascade Inn	PO Box F	Feather Falls	95940	Olive Hwy to Forbestown Rd, Lumpkin Rd, follow signs
Feather Falls, Plumas National Forest	Countywide	Feather Falls	95940	Olive Hwy east to Forbestown Rd, north on Lumpkin Rd
Gold Trader Flat and Yuba-Feather Historical Museum	19096 New York Flat Rd	Forbestown	95941	
La Rocca Vineyards Tasting Room	PO Box 541	Forest Ranch	95942	Downtown in Forest Ranch
Butte County Fairgrounds	199 E Hazel St	Gridley	95948	
Gray Lodge Wildlife Area	3207 Rutherford Rd	Gridley	95948	
Gridley-Biggs Cemetery	2023 Hwy 99	Gridley	95948	
The Gridley Historical and Wildlife Museum	601 Kentucky St	Gridley	95948	
Paradise Pines Golf Course	13917 South Park Dr	Magalia	95954	
Farm Sanctuary	19080 Newville Rd	Orland	95963	
B & J Campgrounds	4360 Pacific Heights Rd	Oroville	95965	
Bidwell Bar Suspension Bridge		Oroville	95965	South end of Lake Oroville in Bidwell Canyon off Kelly Ridge Rd
Bidwell Marina	801 Bidwell Canyon Dr	Oroville	95966	
Birdcage Theater and Hocks Unlimited	1740 Bird St	Oroville	95966	
Brad Freeman Bicycle Trail		Oroville	95966	Western side of Lake Oroville
Butte College	3536 Butte Campus Dr	Oroville	95965	
Butte County Historical Society Archives	2335 Baldwin Ave	Oroville	95966	
Butte County Historical Society Museum	1749 Spencer Ave	Oroville	95965	
Butte County Pioneer Memorial Museum	2332 Montgomery St	Oroville	95965	
Butte County Pioneer Museum	2332 Montgomery St	Oroville		
Butte View Olive Company	2950 Louis Ave	Oroville	95966	
C.F. Lott Home in Sank Park	1067 Montgomery St	Oroville	95965	
California Olive Ranch	2675 Lone Tree Rd	Oroville	95965	
Chinese Temple Garden	1500 Broderick St	Oroville	95965	
Dingerville USA	5813 Pacific Heights Rd	Oroville	95965	
Ehmann Home Museum	1480 Lincoln St	Oroville	95965	
Feather Falls Casino	3 Alverda Drive	Oroville	95966	
Feather River Fish Hatchery and Nature Center	Table Mountain Blvd 7261 Lower Wyandotte Rd	Oroville	95965	Off of Table Mountain Blvd at Feather River Crossing
Giannecchini Sunset Olive Oil		Oroville	95966	
Gold Country Casino and Hotel	4020 Olive Hwy	Oroville	95966	
Grey Fox Vineyards	90 Grey Fox Ln	Oroville	95966	

Venue	Address	City	Zip	Location	
Hewitt Park Steam Engines		Oroville	95966	Between Myers Street and Spencer Avenue, Baldwin Avenue and Park Avenue, access on Daryl Porter	
Historic State Theater of Oroville	1489 Myers St	Oroville	95965		
Huntington's Sportsman's Store	601 Oro Dam Blvd	Oroville	95965		
Ishi Mural		Oroville	95965	Downtown on Robinson Street Between Lincoln & Huntoon & Oak Street	
Kelly Ridge Golf	5131 Royal Oaks Dr	Oroville	95966		
Lake Oroville Recreation Area	917 Kelly Ridge Rd	Oroville	95966		
Lake Oroville Visitor's Center	917 Kelly Ridge Rd	Oroville	95966		
Loafer Creek Horse Camp	400 Glen Dr	Oroville	95966		
Lodestar Farms Olive Oil	3723 Foothill Blvd	Oroville	95966		
Long Creek Winery	233 Ward Blvd	Oroville	95966		
Lott Garden in Sank Park	1067 Montgomery St	Oroville	95965		
Meier Orchards Olive Oil	PO Box 229	Oroville	95965		
Minasian Azalea Gardens	1681 Bird St	Oroville	95965		
Mitchell Park	Mitchelle Ave	Oroville	95965		Mitchelle Ave and Fifth Ave
Nelson Park	Nelson Ave	Oroville	95965		Sixth St and Nelson Ave
North and South Forebays	695 Garden Dr	Oroville	95965		
Oro West Racquet Club	4551 E Oro Dam Blvd	Oroville	95966		
Oroville Chinese Temple	1500 Broderick St	Oroville	95965		
Oroville Dam		Oroville	95965		Follow Oro Dam Blvd East
Oroville Municipal Airport	225 Chuck Yeager Way	Oroville	95965		
Oroville Sports Club	2600 E Oro Dam Blvd	Oroville	95966		
Oroville State Wildlife Area	Oroville Wildlife AR	Oroville	95965		Entrances off Oro Dam Blvd. W; Hwy 70; Pacific Heights Rd; Larkin Rd; Vance Ave; and Palm Ave
Outdoor Fitness Course	Countywide	Oroville			Riverbend Park West end of Montgomery St and Hwy 70 along the bike trail
Quilici Vineyards	72 Quail Hill Place	Oroville	95966		
Riverbend Park Disc Golf Course	1735 Montgomery St	Oroville	95965		
Robinson's Day and Night Driving Range	4740 Pacific Heights Rd	Oroville	95965		
Surplus City	4514 Pacific Heights Rd	Oroville	95966		
Table Mountain Golf	2700 W Oro Dam Blvd	Oroville	95965		
The Depot	2191 High St	Oroville	95965		
The Depot's California Display Garden	2191 High St	Oroville	95965		
The Last Yahi Indian	2547 Oroville Quincy Hwy	Oroville	95966		
YMCA Pool	1684 Robinson St	Oroville	95965		
Palermo Park	2350 Ludlum Ave	Palermo	95968		
Chrysalis Gallery and Art Studio	7323 Skyway	Paradise	95969		
Classical Flash Gallery	7855 Skyway	Paradise	95969		
Fir Street Gallery and Gifts	5564 Almond St	Paradise	95969		
Gold Nugget Museum	502 Pearson Rd	Paradise	95969		
Iris Spring	122 Valley View Dr	Paradise	95969		
Lava Creek Golf Course	5325 Clark Rd	Paradise	95969		
Lime Saddle Marina	3428 Pentz Rd	Paradise	95969		

<b>Venue</b>	<b>Address</b>	<b>City</b>	<b>Zip</b>	<b>Location</b>
Paradise Art Center	5564 Almond St	Paradise	95969	
Paradise Iris Gardens	867 Buschmann Rd	Paradise	95969	
Paradise Performing Arts Center	777 Nunneley Rd	Paradise	95969	
Skydive in Paradise	4405 Airport Rd	Paradise	95969	
Stan McEtchin Metal Sculpture	70 Wayland Rd	Paradise	95969	
Theatre on the Ridge	3735 Neal Rd	Paradise	95969	
Clotilde Merlo Park	200 Skyway Rd	Stirling City	95969	
Inskip Inn	16975 Skyway	Stirling City	95978	

Source: 101 Things to do in Butte County

## **APPENDIX D: ECONOMIC IMPACT METHODOLOGY**

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### **ECONOMIC IMPACTS**

The application used to interpret the data and generate the impact calculations is IMPLAN Impro Professional 2.0. This application calculates impacts and buyer-supplier relationships for 509 individual industry and commodity categories. The industry classification system used in the IMPLAN model roughly approximates, but still differs from the commonly used Standard Industry Classification (SIC) and North American Industry Classification System (NAICS). For the purposes of this analysis, ADE made adjustments to the industry classifications in the IMPLAN model to more closely approximate NAICS, the industry classification used by Dean Runyan Associates, on which ADE's visitor spending projections are based.

The output matrices that form the main database come from the 2002 Bureau of Labor Statistics dataset, and the analysis used an individual county-specific dataset for Butte County. At the time of the analysis, this dataset was the latest one available. These matrices contain assumptions regarding economic output per employee, the amount of commodity input that is purchased locally, and the production functions, which define the inputs and supplier services for each industry category.

The economic impacts estimated by the model fall into one of three categories – direct, indirect, and induced. These impacts are calculated on the basis of annual impacts. In this analysis, direct impacts represent total jobs, industry output, and labor income directly from tourism. Indirect impacts represent the estimated effects that result from demand for commodities and services by Butte County tourism industry suppliers. Induced impacts represent the potential effects resulting from household spending at local businesses by workers whose income is derived from visitor spending.

## **APPENDIX E: CALIFORNIA AGRICULTURAL HOMESTAY BILL (AB 1258)**

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The California Agricultural Homestay Bill, (AB 1258), passed in July 1999, paved the way for more farmers and ranchers to offer tourists overnight visits. The bill exempts farms and ranching operations that offer overnight stays from the more stringent requirements of operating a commercial restaurant. To qualify for overnight stays, the farms and ranches must produce agricultural products as their primary source of income. Additionally, farmers are limited to six guest rooms and 15 visitors a night - less than the amount allowed for a bed and breakfast operation.

The following information about AB 1258 is an excerpt from the Official California Legislative Information web site. For more details about the bill, go to: <http://www.leginfo.ca.gov/bilinfo.html>. For “Sessions” pull down and select 1999-2000PRIOR. For bill number, type in AB 1258, then hit “Search.”

BILL NUMBER: AB 1258 CHAPTERED BILL TEXT  
CHAPTER 180  
FILED WITH SECRETARY OF STATE JULY 26, 1999  
APPROVED BY GOVERNOR JULY 26, 1999  
PASSED THE SENATE JULY 15, 1999  
PASSED THE ASSEMBLY MAY 24, 1999  
AMENDED IN ASSEMBLY APRIL 15, 1999

INTRODUCED BY Assembly Member Strom-Martin

FEBRUARY 26, 1999

An act to amend Section 113870 of the Health and Safety Code, relating to public health.

### **LEGISLATIVE COUNSEL’S DIGEST**

AB 1258, Strom-Martin. Public health: agricultural homestay establishments.

The California Uniform Retail Food Facilities Law regulates sanitary standards in retail food establishments.

This bill would expand the definition of “restricted food service transient occupancy establishment” to include an agricultural homestay establishment. Because local health agencies are partially responsible for enforcement of the law’s provisions, the expansion of the law constitutes a state-mandated local program.

Because existing law makes a violation of any of its provisions a misdemeanor, by creating a new crime, this bill would constitute a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that



reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

**SECTION 1.** Section 113870 of the Health and Safety Code is amended to read:

113870. (a) “Restricted food service transient occupancy establishment” means either of the following:

(1) An establishment of 20 guest rooms or less, that provides overnight transient occupancy accommodations, that serves food only to its registered guests, that serves only a breakfast or similar early morning meal, and no other meals, and with respect to which the price of food is included in the price of the overnight transient occupancy accommodation.

(2) An agricultural homestay establishment that meets all of the following requirements:

(A) Has not more than six guest rooms or accommodates not more than 15 guests.

(B) Provides overnight transient accommodations.

(C) Serves food only to its registered guests and serves meals at any time, and with respect to which the price of food is included in the price of the overnight transient occupancy accommodation.

(D) Lodging and meals are incidental and not the primary function of the agricultural homestay establishment.

(E) The agricultural homestay establishment is located on, and is a part of, a farm, as defined in Section 52262 of the Food and Agricultural Code, that produces agricultural products as its primary source of income.

(b) Notwithstanding subdivision (a), a restricted food service transient occupancy establishment may serve light foods or snacks presented to the guest for self-service.

(c) For purposes of this section, “restricted food service transient occupancy establishment” refers to an establishment as to which the predominant relationship between the occupants thereof and the owner or operator of the establishment is that of innkeeper and guest. For purposes of this section, the existence of some other legal relationships as between some occupants and the owner or operator shall be immaterial.

**SEC. 2.** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because in that regard this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

However, notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.