

| DOCKETED | |
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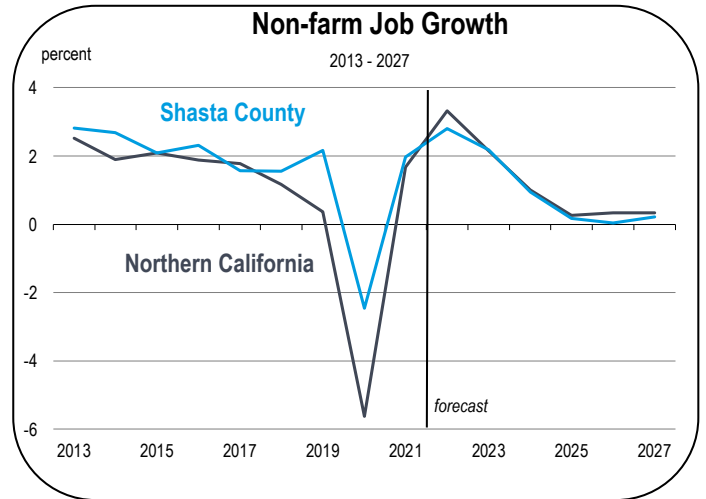
Shasta County Economic Forecast

Forecast Summary

- On an annual average basis, 1,800 jobs will be restored in Shasta County in 2022. This will constitute a full labor market recovery from the Coronavirus Recession.
- Over the 2022-2027 forecast period, total employment in Shasta County is expected to increase by 2,200 jobs.
- Government, leisure services, professional business services, and healthcare will be responsible for virtually all job creation during the forecast period.
- The unemployment rate averaged 6.8 percent in 2021. It is forecast to average 4.0 percent in 2022 and 4.1 percent in 2023.
- The median home price increased by 16 percent in 2021. Home prices are expected to increase by another 9 percent in 2022 and 2 percent in 2023.
- Shasta County was struck by several wildfires in 2020 and 2021 that burned hundreds of structures and interfered with tourism. The Zogg fire destroyed 146 structures.
- The County was spared from major fires in 2022. The most significant was the July 2022 Peter Fire which burned 304 acres and destroyed 16 structures.
- The fire rebuilding process, especially from the 2018 Carr fire, which destroyed 1,600 structures, continues to support construction jobs today and over the next 3 years.

Job Growth

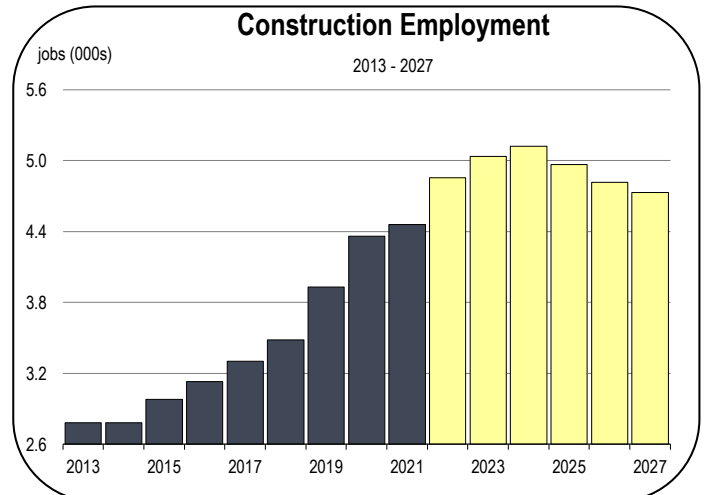
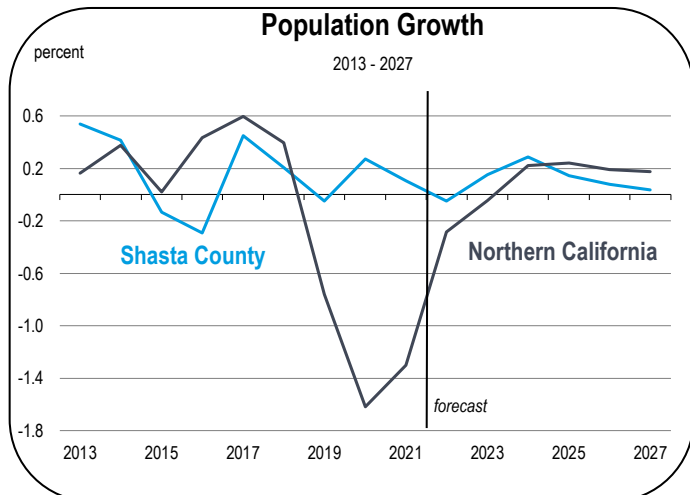
- Total employment in Shasta County will expand by 2.8 percent in 2022 on an annual average basis.



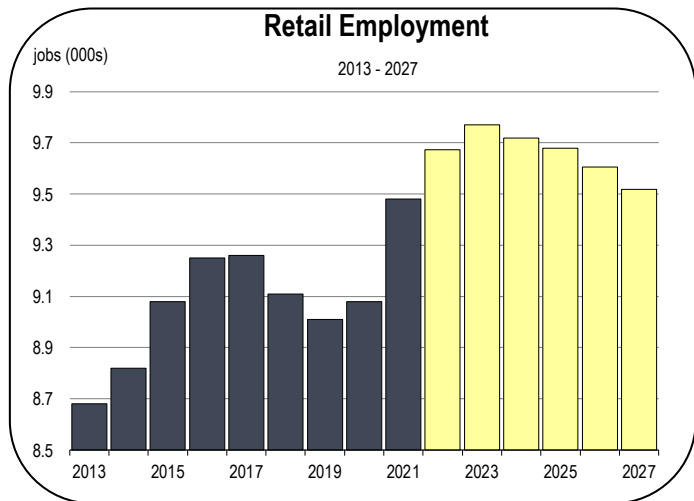
- Between 2022 and 2027, job growth will average 1.0 percent.

Construction Employment

- Construction employment in Shasta County increased rapidly between 2013 and 2021, expanding faster than any other sector.
- Since 2018, more than 2,000 structures have been destroyed by wildfires in Shasta County. More than 400 had already been rebuilt by the end of 2020, and the rebuilding process will extend into the 2022-2027 forecast period.
- As of 2022, the local construction workforce was fully employed. Total construction employment will remain at elevated levels throughout the forecast period, but construction firms will struggle to hire and grow.



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Retail Trade Employment

- The retail industry rebounded in 2021 and recovered all jobs lost in the Coronavirus recession.
- The Shasta County retail industry was already under pressure before the onset of the Coronavirus Recession, as competition from online stores has led to lower levels of employment at local brick-and-mortar shops.
- The transition to online shopping will lead to further consolidation of local retail jobs over the long-term.

Professional and Business Services Employment

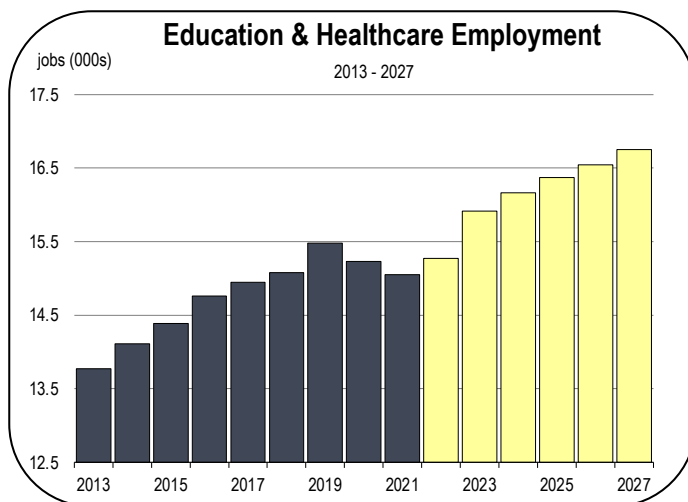
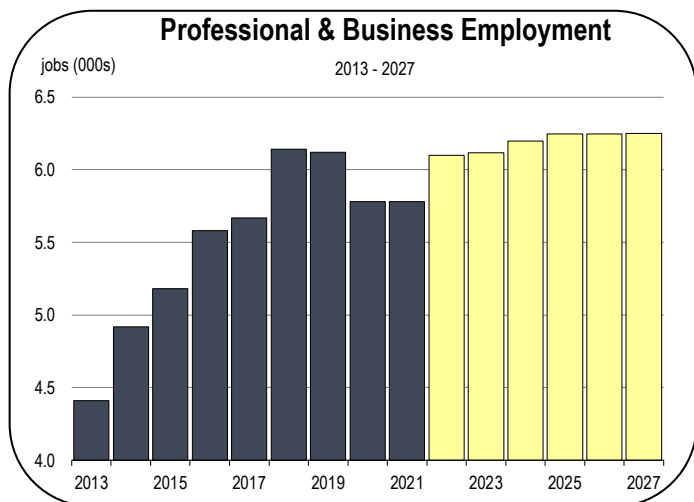
- The professional and business services sector has a wide array

of organizations that include accounting firms, engineering companies, law offices, business and technical consulting firms, temporary staffing agencies, corporate security companies, landscaping businesses, and janitorial agencies.

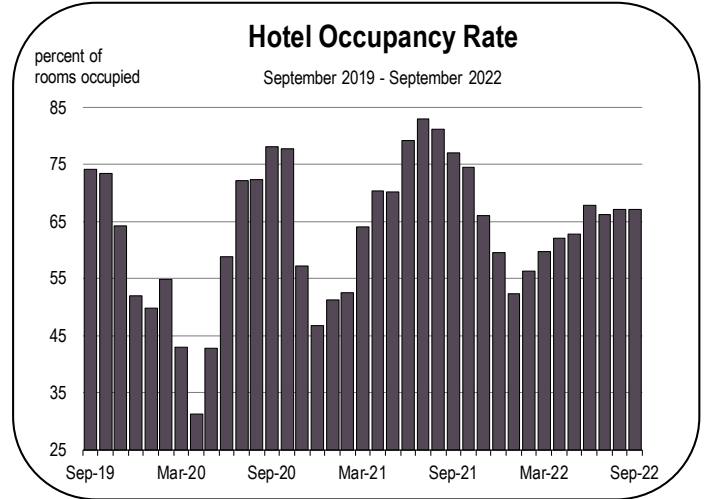
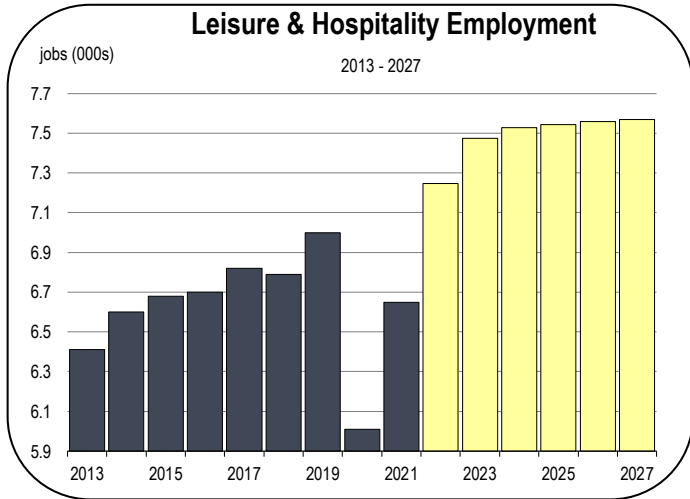
- The industry is rapidly recovering in 2022 and will create more jobs (in the healthcare sector) over the forecast than any other labor market sector.
- Jobs in the professional business services sector tend to pay higher than average wages, and as it captures a rising share of the overall labor market, this industry will contribute to rising incomes in the county.

Private Education and Healthcare Employment

- Healthcare is the largest employment sector in Shasta County, representing more than 20 percent of the local job market.
- The largest healthcare organization is Mercy Medical Center Redding, which employs 1,800 workers and has 267 patient beds.
- Shasta Regional Medical Center and Dignity Health Mercy Oncology, both located in Redding, employ up to 1,000 workers.
- Recruitment and retention issues, which have led to a declining workforce, are expected to be short lived. Employment has already increased by 200 positions in 2022.
- Over the forecast period, healthcare employment will increase by approximately 1,500 jobs, which is more than any other sector.
- In Shasta County, there are very few jobs in private educational institutions. Most teachers and education administrators work in the government sector or are affiliated with religious organizations.



Shasta County Economic Forecast



Leisure and Hospitality Employment

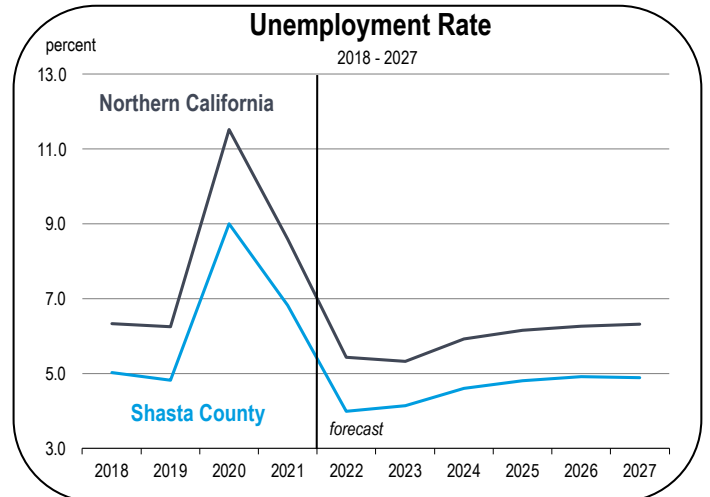
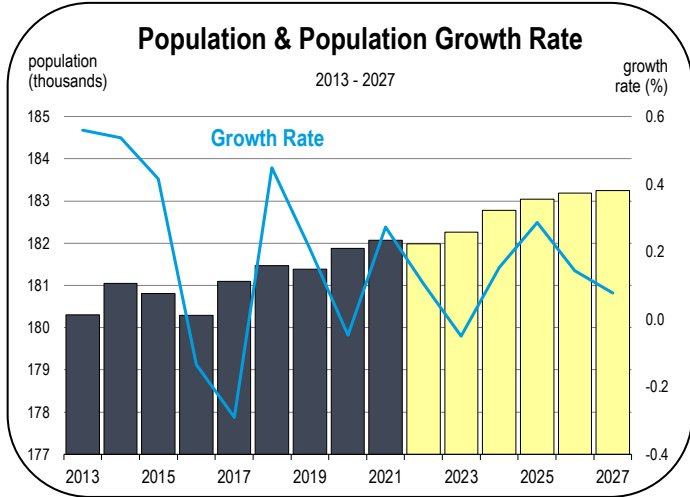
- Shasta County is home to an expansive forest, a mountain range, a growing wine and beer industry, and Shasta Lake. Combined, these attractions draw millions of visitors each year and support thousands of jobs.
- Shasta Lake has 365 miles of coastline and is among the largest recreation destinations in California. It offers boating, fishing, and a variety of other activities. Alone, it attracts an estimated 2 million visitors each year.

- Shasta County has an expanding wine and beer industry. As of 2021, the county had approximately 20 wineries and 10 breweries near the town of Redding.
- The number of visitors to the county declined sharply in early 2020, but by the summer of 2021, the tourism industry was setting new records.
- The leisure and hospitality industry is expected to regain all jobs lost in 2020 by 2022.



Shasta Lake

Shasta County Economic Forecast



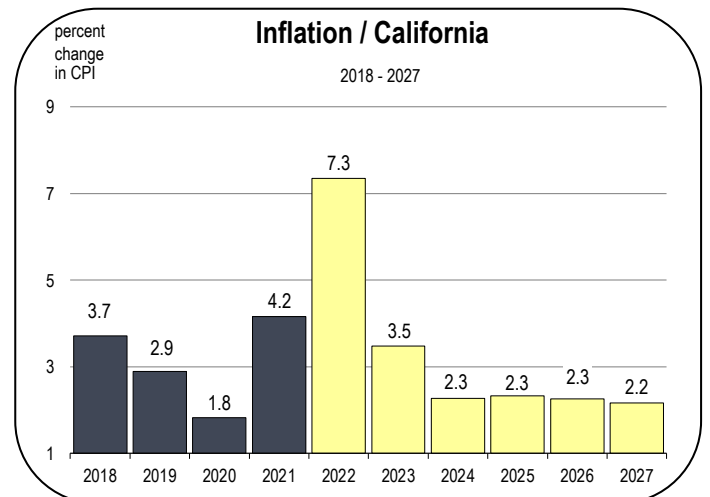
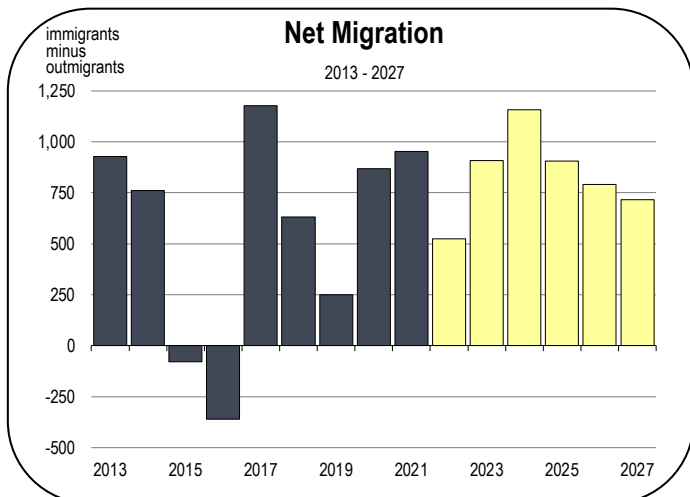
Population Growth

- The population is expected to increase slowly over the forecast, or through 2027.
- Net migration is expected to be positive during the forecast period, with the number of people moving into the county exceeding the number of residents moving out.
- The natural increase in the population has now turned negative. This will create a drag on population growth for the rest of this decade.

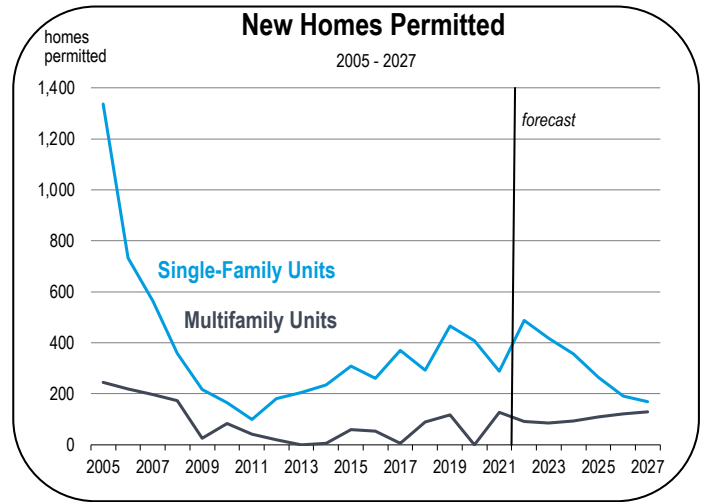
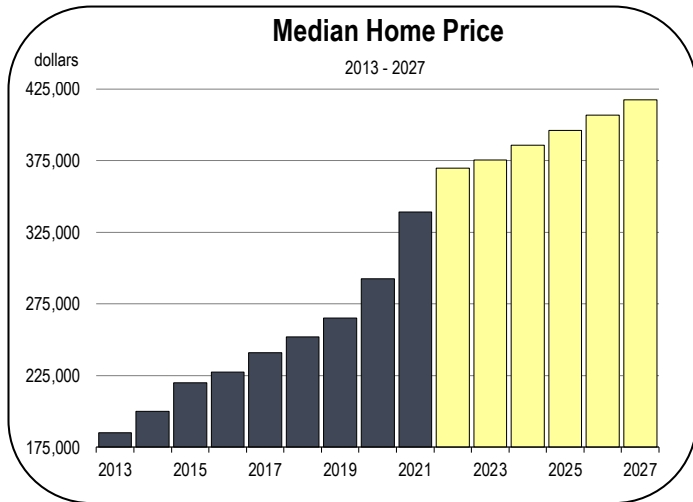
Unemployment and Inflation Rates

- The unemployment rate in Shasta County averaged 6.8 percent in 2021. It is expected to average 4.0 percent in 2022 and 4.1 percent in 2023.

- Inflation decelerated sharply in 2020, largely because energy prices declined when the demand for fuels plunged.
- Inflation soared in 2021 and is expected to remain elevated for several years.
- During 2022 and into 2023, there will be a number of factors that will contribute to higher inflation. The most prominent will be:
 - Record spending by consumers and the federal government during 2021 and 2022
 - Fractures in the global supply chain that raise the cost of production for many businesses
 - Sharp increases in the cost of housing and energy
 - Labor market recruitment challenges that force companies to raise wages



Shasta County Economic Forecast



- Combined, these factors have pushed inflation to its highest rate in 40 years. Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting the growth potential of the economy in 2022.
- However, inflation will begin to decelerate after 2022 as supply chains and the labor force are restored, eventually falling to below 3 percent again by 2024.

Home Prices and New Housing Production

- In 2021, the median home value for all homes in Shasta County was \$339,000. For single family detached homes, the median selling price was \$359,000.
- The median price is expected to reach \$369,000 in 2022 and gradually increase to \$417,000 by 2027.
- The housing industry slipped into recession in 2022 with the sharp increase in mortgage rates. However, through October, selling values for single family homes in Shasta have not been meaningfully impacted.



Shasta-Trinity National Forest

Shasta County Economic Forecast

- Despite these price increases, homes in Shasta County are much more affordable than homes in many other parts of California. In Shasta County, the typical household spends less than 20 percent of its income on housing costs. In Coastal California, households often spend 35-50 percent on mortgage payment or rent.
- From 2017 to 2022, an average of 470 new homes were built in the county each year. Almost 90 percent were single-family homes.
- Housing production is expected to average 450 to 500 units from 2022 to 2027, consisting mostly of single-family homes.

New Development

Shasta County Courthouse

After years in development and under construction, the new Shasta County Courthouse in Redding was completed in September. The new courthouse is 166,887 square feet and contains 14 courtrooms. The budget for the courthouse was \$173 million.

Demolition of the old courthouse started in 2018 with construction of the new courthouse following in 2019.

Redding Downtown Revitalization Project

The City of Redding is engaged in multiple development projects that will further enhance the downtown area.

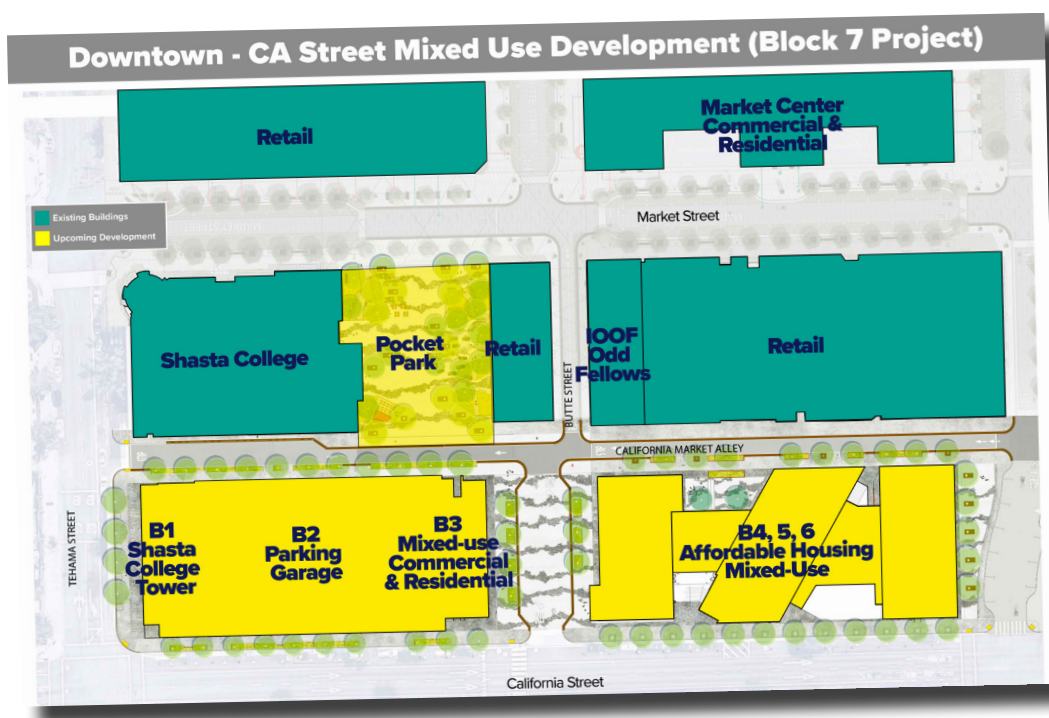
The CA Street Mixed-Use Development project is the latest project in the revitalization project. The project is located on California Street and its intersection with Tehama Street. The mixed-use development is delivering residential, retail, office, and commercial space. Below are all the projects in the mixed use development.

Shasta College Tower is a 29,000 square foot office and retail building currently under construction. The building was 55% complete in July and is expected to be finished in December.

Directly next to Shasta Tower, a 138,000-square-foot parking structure was just finished and opened in August.

To finish the block, a mixed-use commercial and market rate housing building is undergoing redesign. Current plans call for 20 units and 3,500 square feet of commercial space.

The last building in the CA Mixed-Use Development Plan is another mixed-use project. This project will encompass 102,000 square feet, most of it going towards 78 units or affordable housing. 11,000 square feet is planned for commercial space. The project completion is scheduled for November 2022.



CA Street Mixed-Use Development

Shasta County Economic Forecast

Economic Indicators

2015-2021 History, 2022-2050 Forecast

| | Population (people) | House- holds (thousands) | Net Migration (people) | New Homes Permitted (homes) | Registered Vehicles (thousands) | Personal Income (billions) | Taxable Retail Sales (billions) | Total Taxable Sales (billions) | Real Industrial Production (billions) | Real per Capita Income (dollars) | Unemployment Rate (percent) | Real Farm Production (millions) | Inflation Rate (percent) |
|------|------------------------|--------------------------------|------------------------------|-----------------------------------|---------------------------------------|----------------------------------|--|---|--|---|-----------------------------------|--|--------------------------------|
| 2015 | 180,812 | 71.0 | -80 | 368 | 215 | \$7.6 | \$2.0 | \$2.9 | \$1.4 | \$49,782 | 7.8 | \$96 | 1.4 |
| 2016 | 180,287 | 71.1 | -360 | 315 | 219 | \$7.8 | \$2.2 | \$3.0 | \$1.6 | \$50,324 | 7.0 | \$95 | 2.3 |
| 2017 | 181,095 | 71.2 | 1,177 | 377 | 215 | \$8.0 | \$2.2 | \$3.1 | \$1.9 | \$50,235 | 5.8 | \$96 | 3.0 |
| 2018 | 181,472 | 71.4 | 632 | 383 | 216 | \$8.4 | \$2.3 | \$3.2 | \$1.7 | \$50,351 | 5.0 | \$89 | 3.7 |
| 2019 | 181,387 | 70.7 | 250 | 582 | 221 | \$8.7 | \$2.4 | \$3.4 | \$1.9 | \$51,013 | 4.8 | \$84 | 2.9 |
| 2020 | 181,881 | 70.9 | 868 | 407 | 221 | \$9.2 | \$2.6 | \$3.6 | \$1.8 | \$52,955 | 9.0 | \$81 | 1.8 |
| 2021 | 182,072 | 71.2 | 953 | 415 | 223 | \$9.6 | \$3.0 | \$4.1 | \$1.9 | \$52,991 | 6.8 | \$83 | 4.2 |
| 2022 | 181,982 | 71.7 | 524 | 579 | 222 | \$10.2 | \$3.4 | \$4.8 | \$1.9 | \$52,407 | 4.0 | \$82 | 7.3 |
| 2023 | 182,260 | 72.2 | 909 | 503 | 225 | \$10.9 | \$3.6 | \$5.0 | \$1.9 | \$53,670 | 4.1 | \$82 | 3.5 |
| 2024 | 182,782 | 72.7 | 1,158 | 449 | 226 | \$11.3 | \$3.6 | \$5.1 | \$1.9 | \$54,645 | 4.6 | \$82 | 2.3 |
| 2025 | 183,044 | 73.1 | 906 | 374 | 228 | \$11.8 | \$3.6 | \$5.1 | \$1.9 | \$55,442 | 4.8 | \$82 | 2.3 |
| 2026 | 183,186 | 73.5 | 790 | 311 | 228 | \$12.2 | \$3.6 | \$5.1 | \$1.9 | \$56,227 | 4.9 | \$82 | 2.3 |
| 2027 | 183,254 | 73.8 | 717 | 297 | 228 | \$12.7 | \$3.6 | \$5.1 | \$1.9 | \$57,102 | 4.9 | \$82 | 2.2 |
| 2028 | 183,207 | 74.0 | 612 | 278 | 228 | \$13.2 | \$3.6 | \$5.1 | \$1.9 | \$57,941 | 5.0 | \$82 | 2.2 |
| 2029 | 183,145 | 74.3 | 603 | 279 | 228 | \$13.6 | \$3.7 | \$5.2 | \$1.9 | \$58,565 | 5.0 | \$82 | 2.3 |
| 2030 | 183,030 | 74.6 | 558 | 279 | 228 | \$14.1 | \$3.8 | \$5.3 | \$1.9 | \$59,205 | 5.0 | \$82 | 2.2 |
| 2031 | 182,971 | 74.8 | 617 | 286 | 228 | \$14.5 | \$3.8 | \$5.4 | \$1.9 | \$59,840 | 5.0 | \$82 | 2.1 |
| 2032 | 182,872 | 75.1 | 574 | 278 | 228 | \$15.0 | \$3.9 | \$5.6 | \$1.9 | \$60,469 | 5.1 | \$81 | 2.3 |
| 2033 | 182,680 | 75.4 | 485 | 277 | 228 | \$15.4 | \$4.0 | \$5.7 | \$1.9 | \$61,193 | 5.1 | \$81 | 1.9 |
| 2034 | 182,328 | 75.6 | 333 | 257 | 228 | \$15.9 | \$4.1 | \$5.8 | \$1.9 | \$61,842 | 5.1 | \$81 | 2.1 |
| 2035 | 181,981 | 75.9 | 344 | 272 | 228 | \$16.4 | \$4.2 | \$6.0 | \$1.9 | \$62,506 | 5.2 | \$81 | 2.2 |
| 2036 | 181,598 | 76.1 | 315 | 278 | 228 | \$16.9 | \$4.4 | \$6.2 | \$1.9 | \$62,987 | 5.3 | \$81 | 2.6 |
| 2037 | 181,112 | 76.4 | 222 | 263 | 227 | \$17.4 | \$4.5 | \$6.3 | \$1.9 | \$63,375 | 5.3 | \$81 | 2.7 |
| 2038 | 180,606 | 76.6 | 208 | 263 | 226 | \$18.0 | \$4.6 | \$6.5 | \$1.9 | \$63,855 | 5.3 | \$81 | 2.5 |
| 2039 | 180,140 | 76.9 | 252 | 266 | 226 | \$18.5 | \$4.8 | \$6.7 | \$1.9 | \$64,256 | 5.3 | \$81 | 2.7 |
| 2040 | 179,725 | 77.1 | 296 | 271 | 225 | \$19.1 | \$4.9 | \$6.9 | \$1.9 | \$64,681 | 5.3 | \$81 | 2.6 |
| 2041 | 179,282 | 77.4 | 259 | 266 | 225 | \$19.6 | \$5.0 | \$7.0 | \$1.9 | \$65,217 | 5.3 | \$81 | 2.2 |
| 2042 | 178,946 | 77.6 | 351 | 278 | 224 | \$20.1 | \$5.1 | \$7.2 | \$1.9 | \$65,781 | 5.3 | \$81 | 2.1 |
| 2043 | 178,597 | 77.9 | 322 | 273 | 224 | \$20.7 | \$5.2 | \$7.4 | \$1.9 | \$66,385 | 5.3 | \$81 | 2.0 |
| 2044 | 178,211 | 78.1 | 271 | 267 | 223 | \$21.2 | \$5.3 | \$7.5 | \$1.9 | \$67,048 | 5.3 | \$81 | 1.8 |
| 2045 | 177,738 | 78.4 | 180 | 260 | 223 | \$21.8 | \$5.4 | \$7.7 | \$1.9 | \$67,697 | 5.3 | \$81 | 1.9 |
| 2046 | 177,422 | 78.6 | 329 | 280 | 222 | \$22.4 | \$5.6 | \$7.9 | \$1.9 | \$68,283 | 5.3 | \$81 | 2.0 |
| 2047 | 177,127 | 78.9 | 336 | 276 | 222 | \$23.0 | \$5.7 | \$8.0 | \$1.9 | \$68,711 | 5.3 | \$81 | 2.2 |
| 2048 | 176,807 | 79.2 | 297 | 272 | 221 | \$23.6 | \$5.8 | \$8.2 | \$1.9 | \$69,105 | 5.3 | \$81 | 2.3 |
| 2049 | 176,575 | 79.4 | 366 | 282 | 221 | \$24.2 | \$6.0 | \$8.4 | \$1.9 | \$69,604 | 5.3 | \$81 | 2.0 |
| 2050 | 176,417 | 79.7 | 418 | 291 | 221 | \$24.9 | \$6.1 | \$8.6 | \$1.9 | \$70,064 | 5.3 | \$81 | 2.1 |

Employment Sectors

2015-2021 History, 2022-2050 Forecast

| | Total Wage & Salary | Farm | Construction | Manufac- turing | Transportation & Utilities | Wholesale & Retail Trade | Financial Activities | Professional Services | Information | Health & Education | Leisure | Government |
|------|------------------------|------|--------------|--------------------|-------------------------------|-----------------------------|-------------------------|--------------------------|-------------|-----------------------|---------|------------|
| | (thousands of jobs) | | | | | | | | | | | |
| 2015 | 63.4 | 0.9 | 3.0 | 2.4 | 1.8 | 10.9 | 2.6 | 5.2 | 0.7 | 14.4 | 6.7 | 12.7 |
| 2016 | 64.8 | 0.9 | 3.1 | 2.5 | 1.8 | 11.1 | 2.6 | 5.6 | 0.7 | 14.8 | 6.7 | 12.8 |
| 2017 | 65.8 | 0.9 | 3.3 | 2.6 | 1.8 | 11.1 | 2.7 | 5.7 | 0.7 | 15.0 | 6.8 | 13.1 |
| 2018 | 66.9 | 0.9 | 3.5 | 2.6 | 1.9 | 10.9 | 2.7 | 6.1 | 0.6 | 15.1 | 6.8 | 13.3 |
| 2019 | 68.2 | 0.8 | 3.9 | 2.6 | 2.0 | 11.0 | 2.8 | 6.1 | 0.5 | 15.5 | 7.0 | 13.6 |
| 2020 | 66.5 | 0.8 | 4.4 | 2.5 | 2.1 | 11.0 | 2.8 | 5.8 | 0.5 | 15.2 | 6.0 | 13.2 |
| 2021 | 67.9 | 0.9 | 4.5 | 2.7 | 2.2 | 11.4 | 2.8 | 5.8 | 0.5 | 15.1 | 6.7 | 13.1 |
| 2022 | 69.9 | 1.0 | 4.9 | 2.8 | 2.2 | 11.6 | 2.8 | 6.1 | 0.5 | 15.3 | 7.2 | 13.0 |
| 2023 | 71.4 | 1.0 | 5.0 | 2.8 | 2.2 | 11.7 | 2.8 | 6.1 | 0.5 | 15.9 | 7.5 | 13.3 |
| 2024 | 72.0 | 1.0 | 5.1 | 2.8 | 2.2 | 11.6 | 2.9 | 6.2 | 0.5 | 16.2 | 7.5 | 13.5 |
| 2025 | 72.1 | 0.9 | 5.0 | 2.8 | 2.2 | 11.6 | 2.8 | 6.2 | 0.5 | 16.4 | 7.5 | 13.6 |
| 2026 | 72.1 | 0.9 | 4.8 | 2.9 | 2.2 | 11.5 | 2.8 | 6.2 | 0.5 | 16.5 | 7.6 | 13.6 |
| 2027 | 72.2 | 0.9 | 4.7 | 2.9 | 2.2 | 11.4 | 2.8 | 6.3 | 0.5 | 16.8 | 7.6 | 13.7 |
| 2028 | 72.4 | 0.9 | 4.8 | 2.9 | 2.3 | 11.3 | 2.8 | 6.3 | 0.4 | 16.9 | 7.6 | 13.8 |
| 2029 | 72.7 | 0.9 | 4.8 | 2.9 | 2.3 | 11.3 | 2.8 | 6.3 | 0.4 | 17.1 | 7.6 | 13.9 |
| 2030 | 73.0 | 0.9 | 4.8 | 3.0 | 2.3 | 11.3 | 2.8 | 6.3 | 0.4 | 17.2 | 7.6 | 13.9 |
| 2031 | 73.1 | 0.8 | 4.8 | 3.0 | 2.3 | 11.3 | 2.8 | 6.3 | 0.4 | 17.2 | 7.7 | 14.0 |
| 2032 | 73.2 | 0.8 | 4.8 | 3.0 | 2.3 | 11.3 | 2.8 | 6.3 | 0.4 | 17.2 | 7.7 | 14.0 |
| 2033 | 73.2 | 0.8 | 4.7 | 3.0 | 2.3 | 11.4 | 2.8 | 6.3 | 0.4 | 17.2 | 7.7 | 14.1 |
| 2034 | 73.2 | 0.8 | 4.7 | 2.9 | 2.3 | 11.4 | 2.8 | 6.3 | 0.4 | 17.2 | 7.7 | 14.1 |
| 2035 | 73.3 | 0.8 | 4.7 | 2.9 | 2.3 | 11.4 | 2.8 | 6.3 | 0.3 | 17.3 | 7.7 | 14.1 |
| 2036 | 73.3 | 0.8 | 4.7 | 2.9 | 2.4 | 11.4 | 2.8 | 6.3 | 0.3 | 17.3 | 7.8 | 14.2 |
| 2037 | 73.3 | 0.8 | 4.7 | 2.9 | 2.4 | 11.4 | 2.8 | 6.3 | 0.3 | 17.2 | 7.8 | 14.2 |
| 2038 | 73.3 | 0.8 | 4.7 | 2.9 | 2.4 | 11.4 | 2.8 | 6.3 | 0.3 | 17.2 | 7.8 | 14.2 |
| 2039 | 73.3 | 0.8 | 4.7 | 2.8 | 2.4 | 11.4 | 2.8 | 6.3 | 0.3 | 17.1 | 7.8 | 14.3 |
| 2040 | 73.2 | 0.8 | 4.7 | 2.8 | 2.4 | 11.4 | 2.8 | 6.3 | 0.3 | 17.0 | 7.8 | 14.3 |
| 2041 | 73.2 | 0.8 | 4.7 | 2.8 | 2.4 | 11.4 | 2.8 | 6.3 | 0.2 | 17.0 | 7.8 | 14.3 |
| 2042 | 73.1 | 0.8 | 4.7 | 2.8 | 2.4 | 11.4 | 2.8 | 6.3 | 0.2 | 16.9 | 7.9 | 14.3 |
| 2043 | 73.0 | 0.8 | 4.7 | 2.7 | 2.4 | 11.4 | 2.8 | 6.4 | 0.2 | 16.8 | 7.9 | 14.4 |
| 2044 | 73.0 | 0.8 | 4.7 | 2.7 | 2.4 | 11.4 | 2.8 | 6.4 | 0.2 | 16.7 | 7.9 | 14.4 |
| 2045 | 73.0 | 0.8 | 4.7 | 2.7 | 2.5 | 11.4 | 2.8 | 6.4 | 0.2 | 16.7 | 7.9 | 14.4 |
| 2046 | 73.1 | 0.8 | 4.7 | 2.7 | 2.5 | 11.4 | 2.8 | 6.4 | 0.2 | 16.7 | 7.9 | 14.5 |
| 2047 | 73.0 | 0.8 | 4.7 | 2.7 | 2.5 | 11.4 | 2.8 | 6.4 | 0.2 | 16.6 | 8.0 | 14.5 |
| 2048 | 73.0 | 0.8 | 4.7 | 2.6 | 2.5 | 11.4 | 2.8 | 6.4 | 0.2 | 16.6 | 8.0 | 14.5 |
| 2049 | 73.0 | 0.8 | 4.7 | 2.6 | 2.5 | 11.4 | 2.8 | 6.4 | 0.1 | 16.5 | 8.0 | 14.6 |
| 2050 | 73.1 | 0.8 | 4.7 | 2.6 | 2.5 | 11.4 | 2.8 | 6.4 | 0.1 | 16.6 | 8.0 | 14.6 |

Shasta County Economic Forecast

Socioeconomic Indicators

