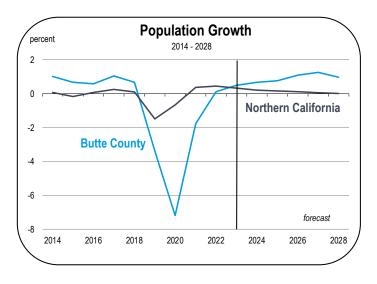
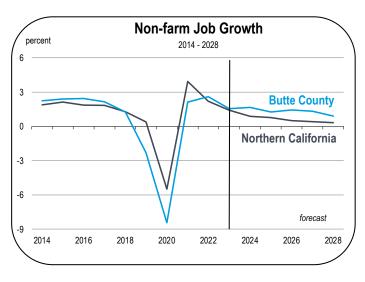
Forecast Summary

- On an annual average basis, almost 2,000 jobs were restored in Butte County during 2022 representing a 2.5 percent increase over the employment level in 2021. Most of these new positions came from the healthcare and public sectors.
- The county is on pace to gain 1,275 more jobs in 2023 representing a 1.6 percent gain. The dominant sector in terms of job creation is in healthcare.
- Job growth will continue in 2024 to increase at the same rate as 2023 and provide 1,300 jobs. 41 percent of these jobs will be in the leisure services industry.
- A full labor market recovery is expected in 2025 from the level prior to the pandemic. However, it will be 2027 before the employment level climbs back to where it was prior to the 2018 Camp Fire.
- Between 2024-2028, total employment in Butte County is expected to increase by 5,300 jobs.
- Healthcare, leisure services, and professional and business services will provide most of the job creation during this period.
- The unemployment rate averaged 4.5 percent in 2022. It is forecast to average 5.2 percent in 2023 and 5.4 percent in 2024.
- It should be remembered that the November 2018 Camp Fire destroyed 14,000 homes, including most of the homes in the town of Paradise and a total of 18,804 structures county-wide. This was the worst fire for the destruction of homes and buildings in California history. Estimates put the total damage at \$422 billion, and the total suppression cost of \$150 million.

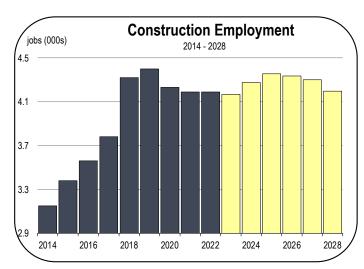


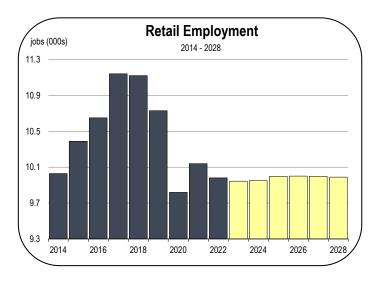


- As a result, the population was meaningfully impacted, along with school enrollments, and employment within the county.
- The town of Paradise is rebuilding thousands of homes but the restoration rate is slow. The county-wide forecast calls for an average of 1,700 new home permits per year to continue over the next five years.
- The median home price increased by 4.0 percent in 2022 to \$428,000 and will rise approximately 2.5 percent in 2023. Home prices are expected to increase 4.5 percent in 2024 to \$459,000.

Job Growth

- Total employment in Butte County expanded by 2.5 percent in 2022 with almost 2,000 jobs gained.
- The county employment is on pace to grow 1.6 percent in 2023 represented by 1,300 jobs. Between 2024 and 2028, annual job growth will average 1.3 percent resulting in 5,300 new jobs.



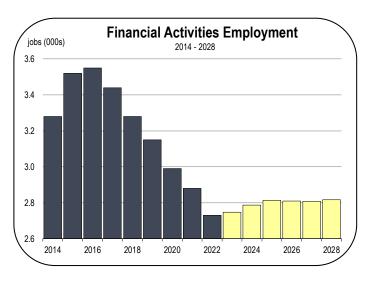




- The local industry employs 4,100 workers with more crews from out of county locations to address the Camp Fire rebuilding effort.
- The employment level in the construction sector has been relatively stable since 2020.
- The sector is forecast to rise by 100 jobs in 2024 as the employment level increases 2.6 percent. Construction sector employment will remain in demand as long as existing housing is restored and new housing is approved in Chico and Oroville.
- Employment of construction workers is forecast to peak in 2025, with 80 more jobs, and then gradually decline as the largest share of fire rebuilds are completed.

Retail Trade Employment

- The Butte 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 retail industry lost 160 jobs in 2022 representing in 1.6 percent decrease in the retail trade employment level.
- The retail sector is on pace to lose 40 more jobs in 2023.
- Between 2024-2028, the annual average gain will be 0.1 percent translating into 50 new jobs. Most of those will come in 2025 to accommodate the new development.
- Over the long term, the transition to online shopping will prevent the recovery of all local retail jobs that have been lost over the last few years.

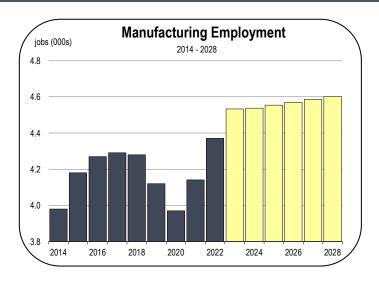


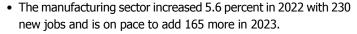
Financial Activities Employment

- Chico is a hub for the insurance industry. The largest firms are
 United Healthcare, which offers health insurance, and Butte
 Community Insurance Agency, which offers a range of personal
 and professional insurance products. Each firm employs more
 than 250 workers.
- The financial activities sector has been losing jobs for several years. Jobs consolidation continued into 2022 as the sector lost 150 jobs, a 5.2 percent decrease.
- Minimal growth is occurring in 2023 as the sector is on pace to add just 20 jobs.
- An additional 70 jobs are forecast between 2024-2028 with most of those coming in 2024.

Manufacturing Employment

- The Butte County manufacturing sector is home to a range of food and beverage producers.
- The most familiar manufacturing firm is the Sierra Nevada Brewing Company, which was founded in 1979 and employs 1,050 workers in Chico.
- The largest food manufacturer is Pacific Coast Producers in Oroville. The company is a combined farming and canning operation. The latter receives farm products from Butte, Sutter and Yuba Counties. It employs 169 workers year-around, and has a seasonal workforce of 1,243 employees.
- Wehah Farm is also a large food manufacturer with 255 workers employed at their rice milling operation in Richvale.

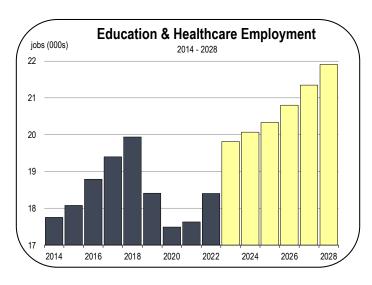


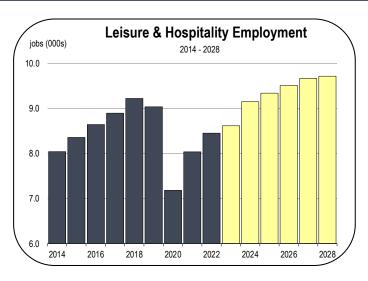


• Up to 70 new jobs are expected during 2024-2028 as the average annual rate of job growth will be 0.3 percent.

Private Education and Healthcare Employment

- Butte County has a high share of residents who are older than 75, and the elderly population is only expected to increase, ultimately necessitating a larger healthcare workforce in the county.
- Healthcare employment expanded 4.4 percent in 2022 with the generation of 770 new jobs.
- The sector is on pace to increase 7.7 percent in 2023 with the addition of 1,400 jobs. This will represent 111 percent of the net gains in employment for the year.
- Over the forecast period, average annual growth of 2 percent is expected resulting in 2,100 new jobs between 2024-2028.





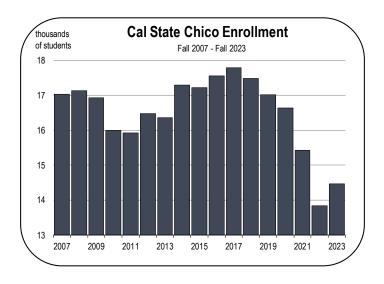
 By 2024, with 260 new jobs expected, healthcare employment will reach the level it was at prior to the Camp Fire.

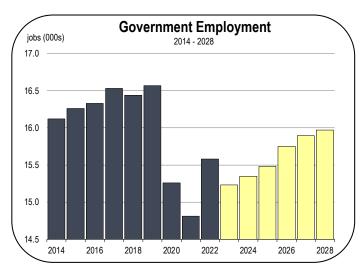
Leisure and Hospitality Employment

- The leisure services industry was the third highest contributor to new employment in the county in 2022 providing 420 new positions, representing job growth within the sector of 5.2 percent.
- The sector is on pace to add 160 jobs in 2023, representing 1.9 percent job growth.
- The average annual rate of job growth between 2024-2028 will be 2.5 percent with the creation of 1,100 jobs, 48 percent of which are expected in 2024.

Government Employment

- The largest public sector employer in Butte County is the California State University at Chico. There has been a general decline in enrollment over the last several years though a reversal occurred in the fall of 2023.
- The school employs 1,913 staff and faculty.
- Government employment increased 5.2 percent in 2022 with 770 new jobs.
- In 2023, employment is consolidating, and is on pace to shed 350 jobs, a decline of 2.2 percent.
- Public school enrollments are increasing in 2023 for the first time since 2019. The forecast calls for continued increases over the forecast period.

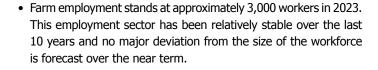


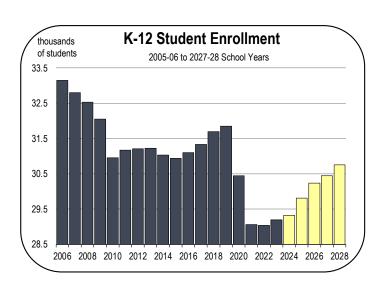


- Employment is forecast to rebound in 2024 and over the remainder of the forecast period, due principally to the rebuilding effort from the Camp Fire, the restoration of the population, and continued increases in student enrollment at the university and the K-12 level.
- Consequently, the average annual rate of public sector job growth between 2024-2028 will be 0.9 percent.

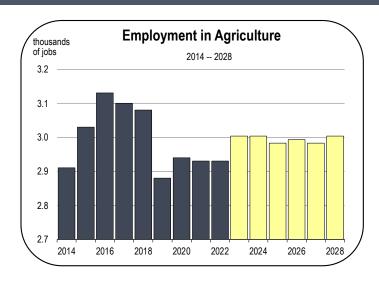
Agriculture

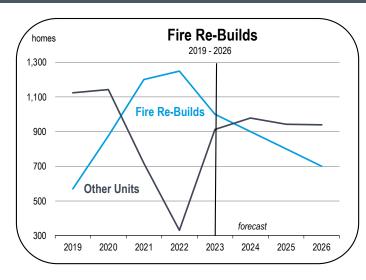
- The total value of farm products jumped 14 percent to \$692 million in 2022. Rice farmers in Butte managed to produce 30 percent more of the crop than the year before while receiving prices that were 61 percent higher than in 2021. The combination of higher rice yields combined with higher prices caused the value of rice to surge 109 percent.
- Butte County emerged as the leading rice producing county in California which ranks 2nd in the U.S. in rice production.
- The fruit and nut crop is the second largest farm product in the county, contributing \$234 million in sales during 2022. Almonds and walnuts account for 80 percent of total fruit and nut sales.





County	Rice Product	Rice Production in Tons		production	Average Price per Ton		
	2021	2022	2021	2022	2021	2022	
Sutter	330,807	219,500	163,419,000	153,637,000	494.00	699.94	
Yuba	146,212	162,782	100,886,000	113,948,000	690.00	700.00	
Glenn	321,491	105,956	155,280,000	76,606,000	483.00	723.00	
Colusa	562,543	81,398	271,146,000	54,211,000	482.00	666.00	
Butte	316,465	410,131	155,067,850	324,003,490	490.00	790.00	
Yolo	68,900	27,000	38,791,000	20,763,000	563.00	769.00	





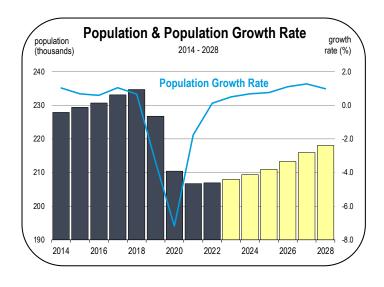
Population Growth

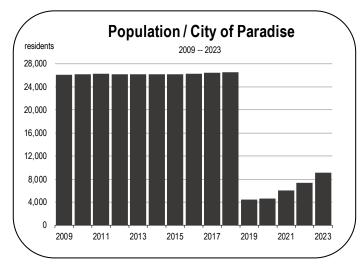
- The population increased by 250 residents in 2022. This was the first increase in population since 2018, the year of the Camp Fire. From its peak, the county's population has fallen by 28,000 residents.
- The population is expected to increase at an annual average rate of 0.95 percent over the 2024 to 2028 period as (1) residents return to homes that are rebuilt, (2) some construction workers relocate to Butte County as part of the rebuilding effort, and (3) school employees return to their jobs or are newly hired by Butte County. Over 10,000 new residents are expected during this period.
- Even in the foreseeable long-run, the county is not expected to return to the 2018 population level.

Camp Fire Aftermath

• The Camp fire, which charged through the Butte County town of Paradise, killed 85 people and razed more than 90 percent of the

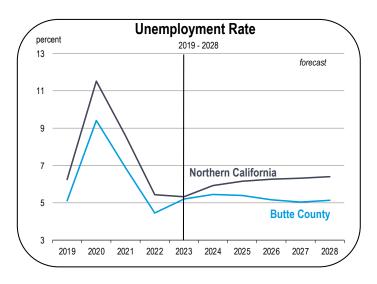
- community's homes. It was the deadliest and most destructive wildfire in the history of California.
- Five years after the fire, the numbers have not returned. The
 population has fallen to 9,142 in Paradise from roughly 26,000
 prior to November 2018. Today, there are fewer than 4,000 houses
 and 450 businesses, compared with 12,000 homes and 1,500
 businesses before November 2018.
- Through 8 November 2023, \$10.5 billion in insurance and PG&E settlement money has been distributed to approximately 92,651 people in Butte County. These distributions are principally from the destruction caused by the Camp fire but include other fires that impacted Butte County from 2017 to 2021, starting with the Ponderosa Fire.
- By 2028, the Butte County population will surpass 218,000 residents, but the overall population will still be considerably smaller than it was prior to the Camp Fire.

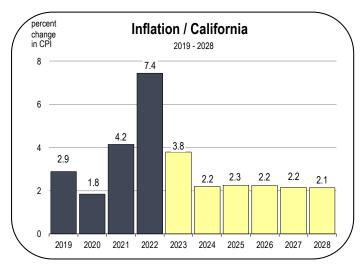




Unemployment and Inflation Rates

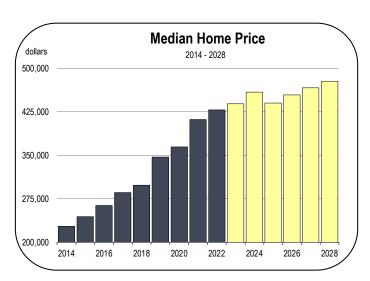
- The unemployment rate in Butte County averaged 4.5 percent in 2022.
- An unemployment rate below 6.0 percent signifies a fully employed workforce in Butte County.
- The unemployment rate is expected to average 5.2 percent in 2023 and 5.4 percent in 2024.
- Inflation in California, including the Northern California Region, soared to 7.4 percent in 2022, but is expected to decelerate in 2023 to 3.8 percent due largely to declining energy costs, the restoration of supply chains, and stagnant housing costs.
- Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, which limits the growth potential of the economy in 2023.
- The rate is forecast to continuously decelerate over the forecast period as the labor force is restored, interest rates subside, and wage inflation is contained.
- A risk to the forecast is whether Congressional spending will subside. During 2021 and 2022, this was a principal contributor to the surge of inflation nation-wide. Another risk is whether the economic slowdown will moderate the demand for labor, leading to lower wage inflation.
- Average general inflation rates eventually decline to 3 percent again by 2024.

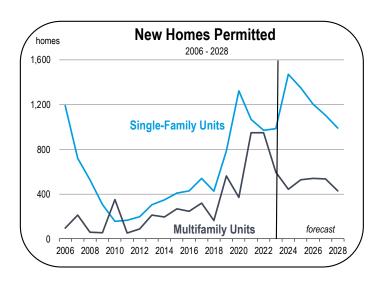


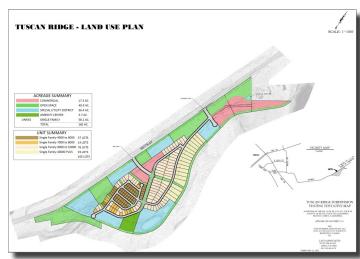


Home Prices and New Housing Production

- In 2022 the median home price in Nevada County was \$428,000, increasing 4.0 percent from the previous year.
- Home values are continuing to rise in 2023 and are pace to finish the year up 2.5 percent to \$439,000.
- Price appreciation of 4.5 percent is expected in 2024 with the average annual appreciation rate between 2024-2028 forecast to be 1.8 percent.
- With the shortage of housing due to the fires, many residents moved to apartment rentals. A steady rise in the price of rent has ensued since 2018. Average rents are now 41 percent higher in 2023 than in 2018.
- From 2017 to 2022, an average of 1,400 new homes were started per year in Butte County. 61 percent were single-family homes.







- Housing production is expected to average 1,700 homes per year from 2023 to 2028 of which 70 percent will be single-family homes.
- It must be remembered that the 2018 Camp Fire destroyed 18,661 structures, including 13,696 homes. The re-building process, which began in 2019, has required hundreds of new construction workers and through November 2023, 2,128 homes and 434 apartment units have been rebuilt since the fire.
- Paradise is slowly recovering, but many destroyed homes are likely to never get rebuilt. Currently 978 homes are under construction and 400 are waiting for construction crews to break ground.

New Development Projects

Tuscan Water District

 The Tuscan Water District is currently a proposal for a new water district in Butte County. The Tuscan Water District will contain approximately 97,113 acres much of which is prime agricultural land and held under the Williamson Act Contract.

Tuscan Ridge

- The Tuscan Ridge Project is a proposed mixed-use project consisting of 163 acres located in the unincorporated Butte County. The project site is situated between Chico and Paradise.
- Plans for Tuscan Ridge call for the development of 165 single-family homes ranging in size from 4,000 to 40,000 square feet. Commercial development is also proposed to take up 31 acres of the project site, totaling around 53,000 square feet in storage space.

 Tuscan Ridge was issued a Notice of Preparation of a draft EIR report in late February 2022.

City of Paradise

 Of the 11,000 homes destroyed in the Camp Fire, as of November 2023, only 2,115 have been rebuilt. In 2022, 659 total units were permitted in Paradise and those homes are now under construction. In 2023, through June, a total of 355 homes have been issued building permits. At the current rate of rebuild, a complete restoration from the Camp Fire would occur in 2031

City of Chico

 Most of the new building in the county is occurring in Chico. During 2022, a total of 259 homes were issued building permits along with 558 apartment units. Through October of 2023, there has been a meaningful slowdown in home starts with only 81 residential units permitted in Chico.

Valley's Edge Specific Plan

- Approved on January 3, 2023 by the Chico City Council, Valley's Edge Specific Plan is planned to become a development that could ultimately accommodate up to 7,500 residents.
- It is a proposed housing and commercial development on more than 1,450 acres of wooded hills between lower Honey Run Road and Stilson Canyon. Total housing buildout is planned for 2,777 units of various typifies including single family homes and apartments.
- The commercial and office buildout is planned for 447,000 square feet. 751 acres or approximately half of the site would be set aside for parks, preserves and open space.
- The environmental impact report is completed.

Barber Yard

- This old 100 year-old factory site would be restored as a new specific plan development with up to 1,200 residential units and 210,000 square feet of commercial space. Existing space of 20,000 square feet would be restored, modernized and reused. Parks and extensive recreational facilities are part of the overall plan.
- The EIR is underway by the City of Chico. The EIR will be completed in early 2024 and public hearings will be underway.
 Implementation of the project would occur from 2024 to 2041.

Town Place Suites Hotel

- The project is approved and the architectural design is currently under review. The project is a 4 story 112 room hotel.
- The City of Chico had 1,922 single-family and 1,064 multifamily units in its pipeline under some form of development as of June 2023. Furthermore, Chico also had 247,000 square feet of commercial and warehouse space in its pipeline, most of which is under construction.



Rendering of Old Engineering Building re-use as a food court, part of the Barber Specific Plan

Larger Residential Projects

Project	Units	Status
Stonegate	469	approved
Oak Valley (phase 1B and 2)	317	under construction
Meriam Park North	239	approved
Creekside Landing	101	under construction
Hicks Lane Subdivision	157	under construction
Amber Lynn Estates	109	under construction

Larger Non-residential and Multifamily Projects

Project	Size	Status
Courtesy Motors	15,000 SF	plan check
Oxford Suites Expansion	82,000 SF	under construction
Sierra Nevada Warehouse	80,000 SF	under construction
Stonegate Apts	233 units	in planning
Deer Creek Apts	204 units	under construction
North Creek Crossing	160 units	under construction
Foothill Ranch Apts	136 units	proposed
Oak Park Senior Housing	136 units	proposed
Tonea Senior Housing	103 units	under construction

Economic Indicators							2015-20	022 Hi	istory, 2	2023-2050 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)	Unemploymer Rate (percent)	Real It Farm I Production (millions)()	
2015	229,359	89.6	1,362	679	232	\$8.9	\$2.2	\$3.1	\$1.1	\$49,513	7.2	\$971	1.4
2016	230,681	90.2	1,270	676	237	\$9.3	\$2.3	\$3.2	\$1.4	\$50,181	6.6	\$872	2.3
2017	233,080	90.8	2,414	857	234	\$9.5	\$2.4	\$3.4	\$1.5	\$49,464	5.8	\$846	3.0
2018	234,627	91.4	1,634	591	234	\$9.8	\$2.5	\$3.5	\$1.3	\$48,845	5.1	\$740	3.7
2019	226,714	78.5	-7,866	1,348	228	\$10.0	\$2.6	\$3.8	\$1.6	\$50,142	5.1	\$784	2.9
2020	210,426	83.3	-16,298	1,694	224	\$10.8	\$2.7	\$3.9	\$1.3	\$57,379	9.4	\$699	1.8
2021	206,694	82.8	-3,254	2,017	227	\$11.4	\$3.1	\$4.5	\$1.4	\$59,172	6.9	\$655	4.2
2022	206,932	84.2	808	1,917	218	\$11.7	\$3.1	\$1.2	\$1.4	\$56,691	4.5	\$693	7.4
2023	207,955	86.1	1,533	1,580	219	\$11.9	\$3.1	\$4.9	\$1.4	\$54,900	5.2	\$694	3.8
2024	209,346	87.5	1,923	1,913	221	\$12.5	\$3.2	\$3.7	\$1.4	\$55,649	5.4	\$696	2.2
2025	210,928	89.3	2,137	1,879	222	\$13.1	\$3.4	\$4.5	\$1.4	\$56,438	5.4	\$697	2.3
2026	213,236	91.1	2,880	1,742	224	\$13.6	\$3.6	\$4.7	\$1.4	\$56,912	5.2	\$700	2.2
2027	215,914	92.7	3,266	1,639	226	\$14.2	\$3.8	\$4.9	\$1.4	\$57,281	5.0	\$702	2.2
2028	218,009	94.3	2,703	1,418	228	\$14.7	\$4.0	\$5.3	\$1.4	\$57,686	5.1	\$702	2.1
2029	219,412	95.6	2,035	1,208	229	\$15.3	\$4.2	\$5.5	\$1.4	\$58,337	5.2	\$704	2.2
2030	219,955	96.7	1,190	1,045	230	\$15.8	\$4.4	\$5.8	\$1.4	\$58,810	5.2	\$706	2.2
2031	220,053	97.7	752	1,013	230	\$16.3	\$4.5	\$6.0	\$1.4	\$59,303	5.2	\$707	2.3
2032	219,852	98.6	453	1,014	230	\$16.8	\$4.7	\$6.3	\$1.4	\$59,655	5.1	\$709	2.3
2033	219,434	99.6	239	962	229	\$17.2	\$4.9	\$6.5	\$1.4	\$60,334	5.1	\$710	2.4
2034	219,134	100.5	359	900	229	\$17.8	\$5.0	\$6.7	\$1.4	\$60,976	5.1	\$711	2.4
2035 2036 2037 2038 2039	218,861 218,669 218,611 218,670 218,697	101.3 102.1 102.7 103.3 104.0	386 476 608 720 683	790 679 646 704 746	229 229 229 229 229 229	\$18.3 \$18.9 \$19.5 \$20.1 \$20.8	\$5.2 \$5.3 \$5.5 \$5.6 \$5.8	\$6.9 \$7.1 \$7.3 \$7.4 \$7.6	\$1.4 \$1.4 \$1.4 \$1.4 \$1.4	\$61,613 \$61,954 \$62,292 \$62,755 \$63,054	5.2 5.2 5.3 5.4 5.4	\$711 \$712 \$712 \$712 \$712	2.5 2.5 2.6 2.6 2.7
2040	218,814	104.7	766	735	229	\$21.5	\$5.9	\$7.8	\$1.4	\$63,420	5.4	\$712	2.7
2041	218,866	105.4	692	728	229	\$22.1	\$6.0	\$8.0	\$1.4	\$64,031	5.5	\$713	2.8
2042	219,010	106.1	775	717	229	\$22.8	\$6.2	\$8.2	\$1.4	\$64,619	5.4	\$713	2.8
2043	219,194	106.7	802	707	229	\$23.5	\$6.4	\$8.5	\$1.4	\$65,163	5.4	\$713	2.9
2044	219,428	107.4	845	696	229	\$24.2	\$6.6	\$8.8	\$1.4	\$65,805	5.4	\$713	2.9
2045	219,726	108.0	905	686	230	\$24.9	\$6.8	\$9.1	\$1.4	\$66,355	5.5	\$713	3.0
2046	219,999	108.7	879	678	230	\$25.6	\$7.0	\$9.4	\$1.4	\$66,801	5.5	\$713	3.1
2047	220,261	109.3	862	670	230	\$26.3	\$7.2	\$9.7	\$1.4	\$67,098	5.5	\$713	3.1
2048	220,524	110.0	859	661	230	\$27.0	\$7.5	\$10.0	\$1.4	\$67,313	5.5	\$713	3.2
2049	220,833	110.6	899	651	230	\$27.8	\$7.7	\$10.3	\$1.4	\$67,699	5.5	\$714	3.2
2050	221,362	111.2	1,119	635	231	\$28.5	\$8.0	\$10.7	\$1.4	\$68,028	5.5	\$714	3.3

Employment Sectors 2015-2022 History, 2023-2050 Forecast									ecast		
Total Wag & Salary 	e Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade (thou	Financial Activities sands of jobs	Professional Services s)	Information	Health & Education	Leisure	Government
2015 80. 2016 82. 2017 84. 2018 85. 2019 83. 2020 76. 2021 78. 2022 80. 2023 81. 2024 82. 2025 83. 2026 85. 2027 86. 2027 86. 2028 86. 2029 87. 2030 88. 2031 88. 2031 88. 2032 89. 2033 90. 2034 90. 2035 91. 2036 92. 2037 93. 2038 93. 2039 94. 2040 95. 2041 96. 2042 96. 2043 97. 2044 98. 2044 98. 2044 98. 2044 98.	9 3.0 9 3.1 6 3.1 5 2.9 8 2.9 3 2.9 3 2.9 5 3.0 8 3.0 8 3.0 8 3.0 5 3.0 1 3.0 2 2.9 9 2.9 6 2.9 9 3.0 9 2.9 9 3.0 9 9 3.0 9 3.	3.4 3.6 3.8 4.3 4.4 4.2 4.2 4.2 4.3 4.4 4.3 4.3 4.3 4.3 3.9 3.9 3.9 3.8 3.7 3.5 3.3 3.3 3.3 3.3 3.3 3.3 3.3 3.3 3.3	4.2 4.3 4.3 4.1 4.0 4.1 4.4 4.5 4.6 4.6 4.6 4.6 4.6 4.6 4.6 4.6 4.6 4.6	1.5 1.6 1.6 1.6 1.7 1.9 2.0 2.1 2.1 2.1 2.1 2.1 2.1 2.1 2.1 2.1 2.1	12.2 12.6 13.1 13.2 12.9 12.0 12.6 12.3 12.2 12.2 12.2 12.2 12.2 12.2 12.2	3.5 3.6 3.4 3.3 3.2 3.0 2.9 2.7 2.7 2.8 2.8 2.8 2.8 2.8 2.8 2.8 2.8 2.8 2.8		1.1 1.0 0.9 0.9 0.8 0.6 0.6 0.7 0.7 0.7 0.7 0.7 0.7 0.7 0.7 0.7 0.7	18.1 18.8 19.4 19.9 18.4 17.5 17.6 18.4 19.8 20.1 20.3 20.8 21.3 21.9 22.5 23.0 23.6 24.2 24.8 25.4 26.1 26.8 27.4 28.1 28.8 29.4 30.7 31.4 32.0 32.6 33.3	8.4 8.6 8.9 9.2 9.0 7.2 8.0 8.5 8.6 9.1 9.3 9.5 9.7 9.7 9.7 9.8 9.8 9.8 9.8 9.8 9.9 9.9 9.9 9.9 9.9	16.3 16.5 16.4 16.6 15.3 14.8 15.6 15.2 15.3 15.5 15.8 15.9 16.0 16.1 16.3 16.3 16.4 16.4 16.5 16.5 16.5 16.5 16.5 16.5 16.5 16.5
2047 100. 2048 100. 2049 101. 2050 102.	3 3.0 9 3.0 4 3.0	3.2 3.1 3.0 3.0	4.6 4.6 4.5 4.5	2.2 2.2 2.2 2.2 2.2	12.3 12.3 12.3 12.3	2.9 2.9 2.9 2.9 2.9	6.2 6.2 6.2 6.2 6.2	0.7 0.7 0.7 0.7	33.9 34.5 35.1 35.7	10.1 10.1 10.1 10.1	16.2 16.1 16.1 16.2

Socioeconomic Indicators

