

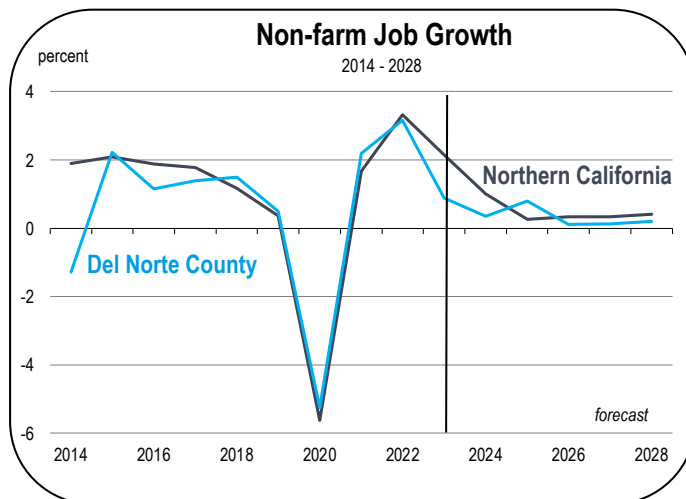
Del Norte County Economic Forecast

Forecast Summary

- Employment in Del Norte County is on pace in 2023 to be fully recovered from the Coronavirus recession.
- Over the 2023-2028 forecast period, total employment in Del Norte County is expected to increase by approximately 200 jobs.
- Most employment is concentrated in five sectors: healthcare, prisons, other government services, retail trade, and education.
- Leisure services, healthcare and manufacturing will be responsible for virtually all job creation during the forecast period.
- The unemployment rate averaged 5.1 percent in 2022. It is forecast to average 5.9 percent in 2023 and 6.2 percent in 2024.
- The Del Norte County population is expected to decline during the forecast period due to a low birth rate and consistent out-migration.
- The median home price declined by a scant 1.3 percent to \$342,600 in 2022 and is on pace to rise 2.8 percent in 2023. Home prices are expected to rise 2.7 percent per year between 2024-2028.

Job Growth

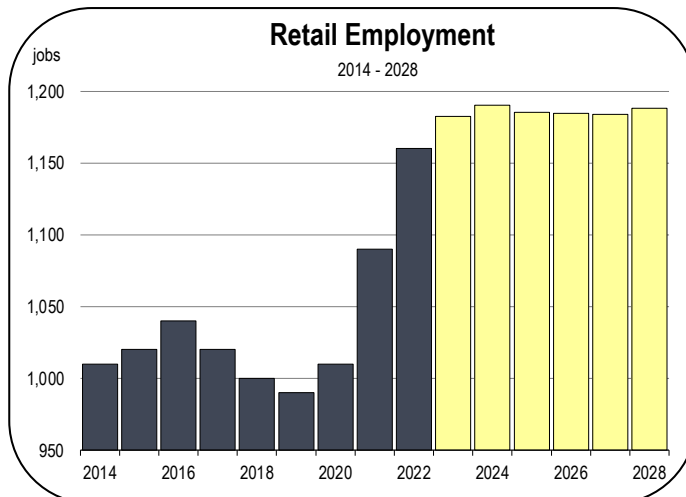
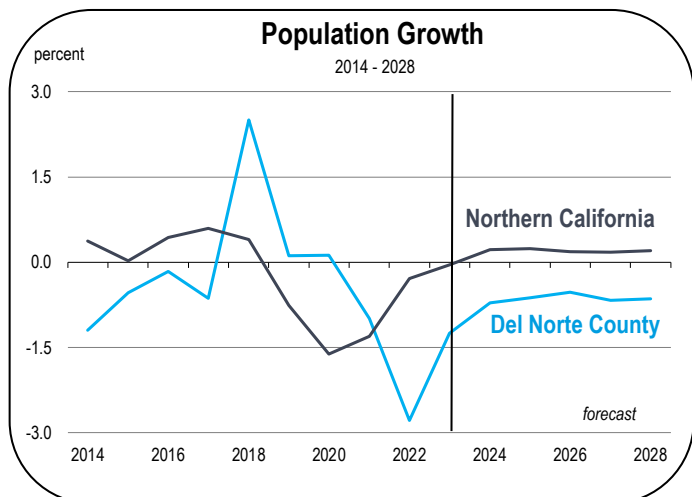
- Total employment in Del Norte County increased by 250 jobs or 3.0 percent in 2022. The public sector added 80 jobs; the retail sector added 70 jobs; and the leisure and hospitality sector added 70 jobs.
- Total county employment is on pace to rise 0.9 percent in 2023 represented by 75 new jobs.



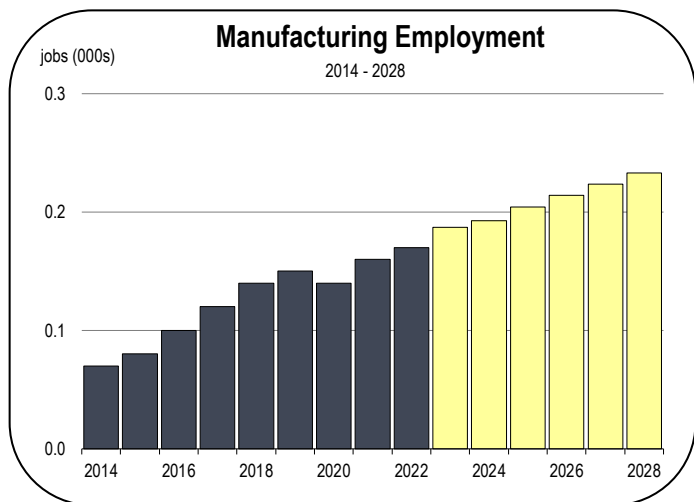
- Between 2024 and 2028, annual job growth will average 0.3 percent resulting in 120 new jobs.
- Job creation will slow principally because population will continue to contract.

Retail Trade Employment

- Contrary to state and national trends, employment in the retail sector is expected to increase, albeit slightly, over the forecast period.
- The retail industry gained 70 jobs in 2022 representing a 6.4 percent increase in the employment level.
- The largest retail operations are the Walmart Supercenter followed by Home Depot, both in Crescent City.



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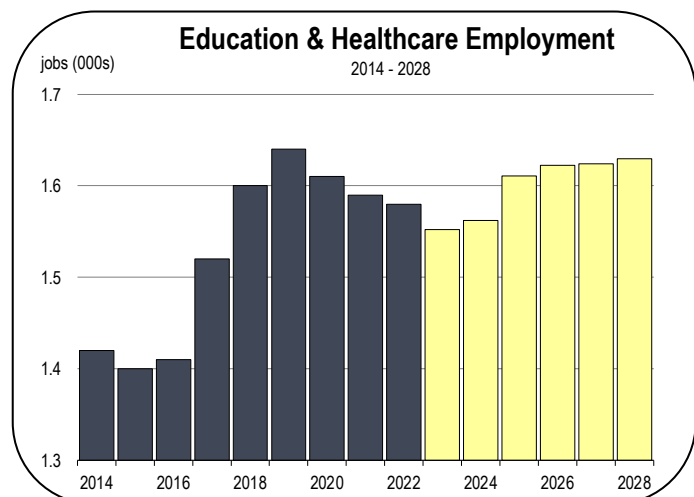
- The sector is on pace to gain 25 more jobs in 2023.
- Between 2024-2028, the annual average gain will be 0.1 percent translating into 5 new jobs.

Manufacturing Employment

- The manufacturing sector increased 6.3 percent in 2022 with 10 new jobs and is on pace to add 20 more in 2023.
- The largest manufacturer is Alexandre Dairy (milk production).
- Up to 50 new jobs are expected during 2024-2028 as the average annual rate of job growth will be 4.5 percent.

Private Education and Healthcare Employment

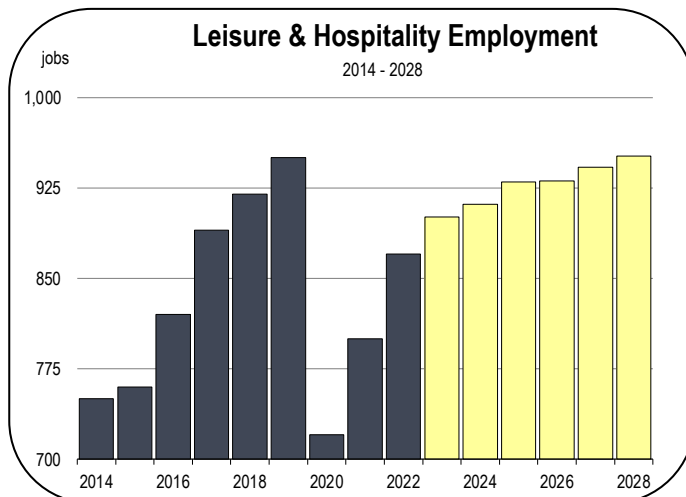
- Healthcare employment contracted in 2022 with the loss of 10 jobs. The sector is on pace to lose 30 more jobs in 2023.
- The average annual rate of growth of healthcare jobs will be 1.0 percent between 2024-2028 resulting in 80 new jobs.



- Job creation will partially depend on the willingness and availability of local residents to enter the healthcare workforce.
- The largest employer is Sutter Coast Hospital in Crescent City with 250 employees.
- There are very few jobs in private educational institutions in Del Norte County (public schools are included in the government sector).

Leisure and Hospitality Employment

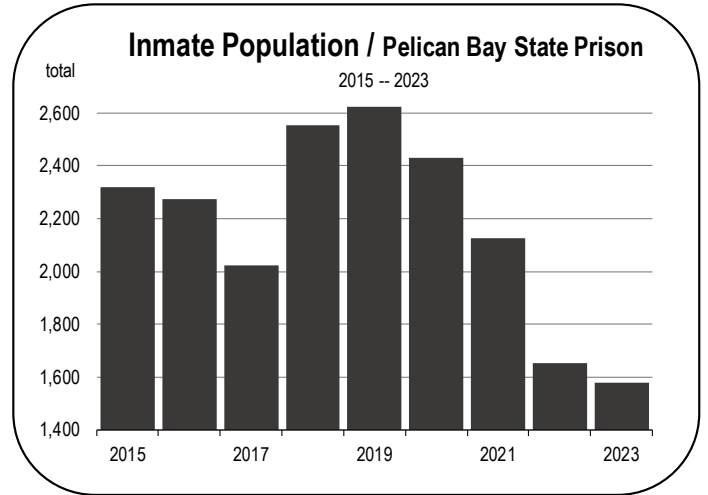
- The principal visitor draws in the county are three casinos, the Ocean World Aquarium, the Redwood National Forest, and the annual county fair.
- At the foreground of Del Norte's state parks are Jedediah Smith Redwoods State Park and Del Norte Coast Redwoods State Park.
- Jedediah Smith Redwoods State Park is 10,000 acres in size and contains the longest major free-flowing river in California: The Smith River. Visitors to the park are encouraged to fish, snorkel, and kayak in the Smith River. Cabins and camping are also available at the park.
- The leisure services industry was one of the third largest contributors to new employment in the county in 2022 providing 70 new positions, representing job growth within the sector of 8.7 percent.
- The sector is on pace to add 30 jobs in 2023, representing 3.6 percent job growth.
- In 2023 the first Forest Moon Festival was held in Crescent City and Eureka in June. With over 6,500 attendees, and a social media reach of over 80,000 people, the event was an unexpected success. The two-county festival celebrates the Star Wars final



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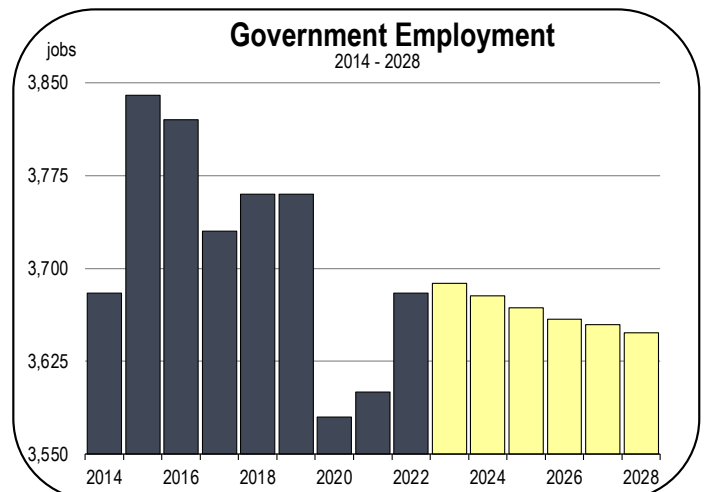
The Forest Moon Festival, Sequoia Park



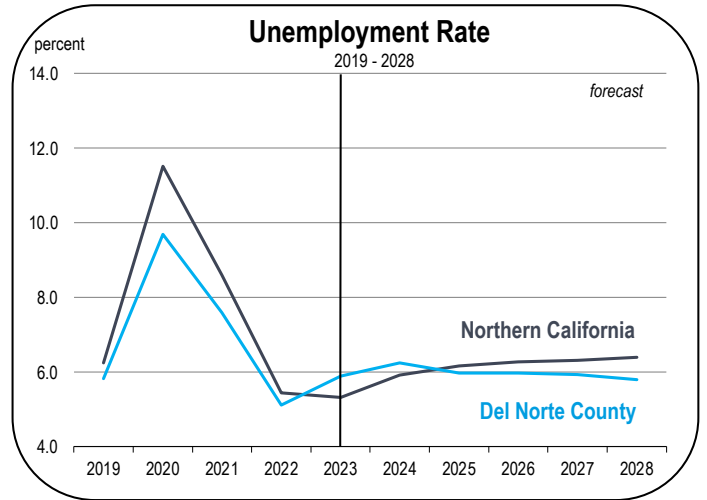
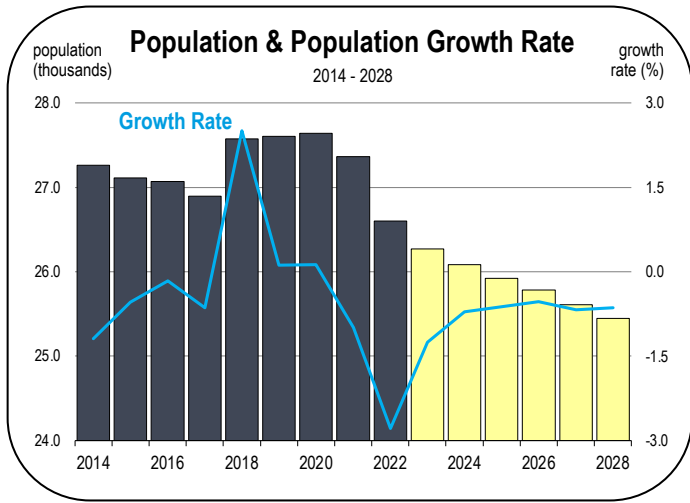
Government Employment

- Government employment increased 2.2 percent in 2022 with 80 new jobs.
- In 2023, employment is on pace to increase by 10 jobs.
- The largest public sector institution is Pelican Bay State Prison. In July 2023, it employed 1,163 workers. Other large public sector employers are the elementary, middle, and high schools, and the Del Norte County Health Department.
- During 2024-2028, government employment is expected to consolidate with an average annual rate of growth of -0.2 percent resulting in the loss of 40 jobs. The decline in government jobs is due to the declining K-12 enrollment and the declining prison population.
- Public school enrollment has been decreasing since 2020. The forecast calls for continued declines over the forecast period.

- battle ground of the original Trilogy of films, occurring on the planet of Endor, which was entirely filmed in the Coastal Redwoods of Humboldt and Del Norte Counties.
- The largest year-round visitor attractions are the casinos in Crescent City and Smith River. Elk Valley Casino employs 119 workers, and the Lucky 7 Casino and Hotel employs 132.
- Elk Valley Casino is a brand new casino that opened in April 2022. The casino is 36,000 square feet and replaced an older casino that was located two miles away. Elk Valley Casino contains 300 slot machines, table games, and a separate room for poker tournaments.
- The Lucky 7 Casino has 330 slot machines, three blackjack tables, 4 poker tables, and 71 hotel rooms, along with restaurant and sports bar.
- The average annual rate of job growth between 2024-2028 will be 1.1 percent with the creation of 50 jobs.
- In 2028, the leisure services employment level will eclipse the previous peak established prior to the pandemic.



Del Norte County Economic Forecast



Population Growth

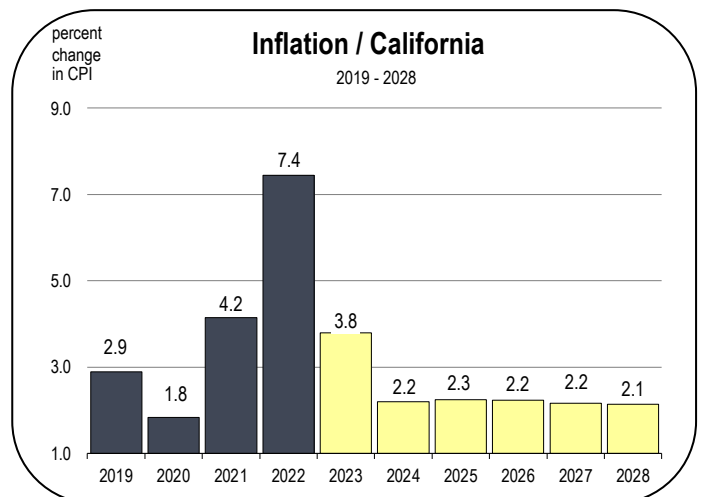
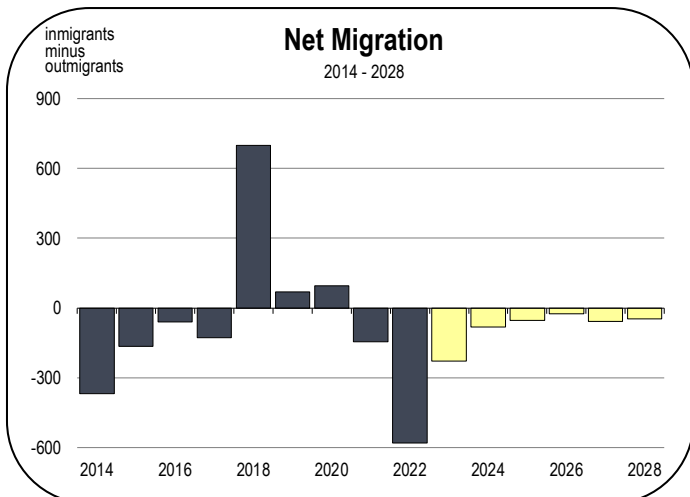
- The Del Norte County population peaked in 2020 amid a surge in estimated net migration from fire displaced residents from adjacent counties. In 2018, net in-migration was 700 people.
- With rebuilding in those nearby counties, amongst other factors, net in-migration is consistently turning negative beginning in 2021. In 2022, net out-migration was almost 600 residents.
- Del Norte County has an older population base with a low birth rate, and the number of deaths in the county has begun to surpass the number of births. This situation is expected to persist over the entire forecast period.
- With a negative natural population growth rate and consistent net out-migration, the county's population will be continuously declining in the long run.
- Between 2024 and 2028, the population is expected to decrease

at an annual average rate of 0.6 percent resulting in a loss of 825 residents.

- By 2028, the population of Del Norte County is expected to be 25,400. The last time the county's population was at that level was in 1991.

Unemployment and Inflation Rates

- The unemployment rate in Del Norte County averaged 5.1 percent in 2022.
- The unemployment rate is expected to average 5.9 percent in 2023 and 6.2 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.

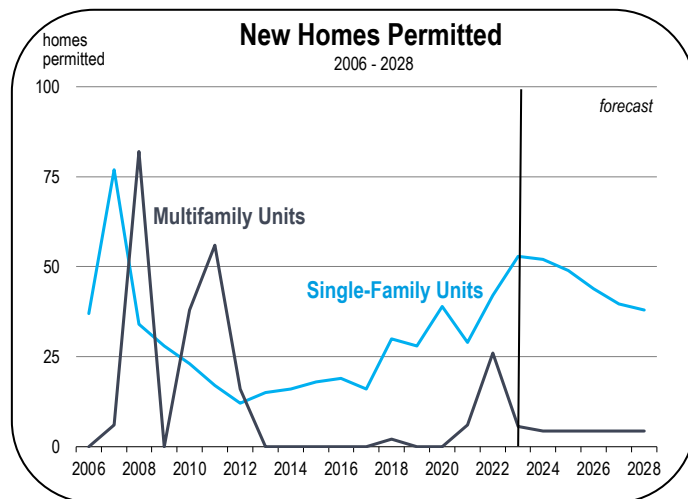
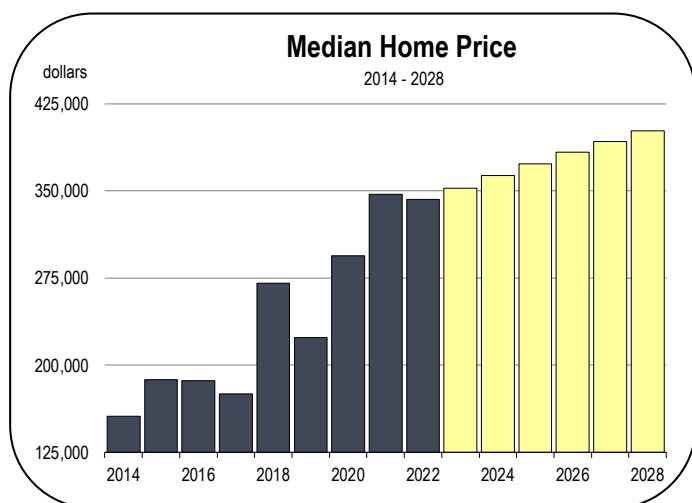


Del Norte County Economic Forecast

- Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting 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 value in Del Norte County was \$342,600, a 1.3 percent decrease compared to the 2021 value.
- The median home price is expected to rise 2.8 percent in 2023 to \$352,000. With the average annual appreciation rate expected to be 2.7 percent between 2024-2028, the median home value will reach over \$400,000 by 2028.
- Despite these price increases, homes in Del Norte County are much more affordable than homes in many other parts of California.



- In Del Norte 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 payments or rent.
- From 2017 to 2022, an average of 36 new residential units were started per year in Del Norte County. Eighty-four percent were single-family homes.
- Housing production is expected to average 50 units per year from 2023 to 2028. Ninety-one percent are expected to be single-family homes.

New Development in Del Norte County

- The Infill Infrastructure Grant which is aimed at providing development of affordable housing across California, has awarded North Coast Counties \$40 million to address affordable housing requirements.
- The funding includes \$7.5 million for a Crescent City housing project that will provide 160 units for seniors and low-income families.
- With the receipt of \$5 million in state funding, Danco Communities of Arcata will now construct a 27 unit, low-income senior housing project in Crescent City. Danco must purchase the vacant land for the appraised value, and enter into an agreement with the City. Construction will commence within 30 days after the project has been transferred. Housing will be completed within 18 months.

Del Norte County Economic Forecast

Economic Indicators

2015-2022 History, 2023-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (millions)	Taxable Retail Sales (millions)	Total Taxable Sales (millions)	Real Industrial Production (millions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	27,113	9.9	-165	18	27.2	\$904	\$176	\$240	\$22	\$42,667	8.6	\$60	1.4
2016	27,070	9.9	-61	19	28.0	\$939	\$178	\$246	\$23	\$43,363	7.6	\$60	2.3
2017	26,898	10.0	-127	16	27.1	\$940	\$180	\$247	\$24	\$42,445	6.5	\$58	3.0
2018	27,572	10.0	698	32	27.6	\$975	\$188	\$241	\$23	\$41,422	5.7	\$57	3.7
2019	27,604	10.0	69	28	28.3	\$1,021	\$193	\$250	\$25	\$42,101	5.8	\$57	2.9
2020	27,638	9.8	95	39	28.5	\$1,146	\$224	\$300	\$24	\$46,331	9.7	\$57	1.8
2021	27,365	9.8	-146	35	29.1	\$1,236	\$261	\$355	\$24	\$48,472	7.6	\$54	4.2
2022	26,604	9.9	-581	68	28.3	\$1,189	\$256	\$372	\$28	\$44,709	5.1	\$49	7.4
2023	26,271	9.9	-228	58	28.4	\$1,213	\$264	\$362	\$28	\$44,338	5.9	\$50	3.8
2024	26,083	10.0	-81	56	28.5	\$1,272	\$268	\$367	\$29	\$45,415	6.2	\$50	2.2
2025	25,921	10.0	-53	53	28.6	\$1,324	\$279	\$382	\$27	\$46,472	6.0	\$49	2.3
2026	25,784	10.1	-25	48	28.6	\$1,365	\$291	\$400	\$27	\$47,113	6.0	\$49	2.2
2027	25,611	10.1	-57	44	28.6	\$1,407	\$298	\$409	\$26	\$47,869	5.9	\$48	2.2
2028	25,446	10.1	-47	42	28.6	\$1,451	\$311	\$428	\$25	\$48,654	5.8	\$49	2.1
2029	25,283	10.2	-42	43	28.6	\$1,494	\$323	\$445	\$25	\$49,379	5.8	\$48	2.2
2030	25,107	10.2	-49	44	28.7	\$1,536	\$335	\$462	\$24	\$50,017	5.6	\$48	2.2
2031	24,941	10.3	-35	42	28.7	\$1,575	\$347	\$479	\$24	\$50,554	5.6	\$47	2.3
2032	24,783	10.3	-24	41	28.7	\$1,610	\$359	\$496	\$24	\$50,861	5.4	\$47	2.3
2033	24,624	10.3	-18	38	28.7	\$1,651	\$370	\$512	\$24	\$51,506	5.3	\$47	2.4
2034	24,452	10.4	-25	39	28.7	\$1,694	\$381	\$528	\$24	\$52,119	5.3	\$47	2.4
2035	24,282	10.4	-18	34	28.7	\$1,737	\$392	\$544	\$24	\$52,663	5.4	\$47	2.5
2036	24,112	10.4	-16	35	28.7	\$1,782	\$402	\$558	\$24	\$53,025	5.4	\$47	2.5
2037	23,932	10.5	-22	32	28.7	\$1,826	\$413	\$573	\$24	\$53,308	5.5	\$47	2.6
2038	23,755	10.5	-16	33	28.8	\$1,877	\$423	\$587	\$24	\$53,869	5.5	\$47	2.6
2039	23,581	10.5	-9	31	28.8	\$1,926	\$434	\$601	\$24	\$54,196	5.5	\$47	2.7
2040	23,394	10.5	-18	33	28.8	\$1,976	\$445	\$617	\$24	\$54,627	5.6	\$47	2.7
2041	23,212	10.6	-11	34	28.8	\$2,027	\$454	\$630	\$24	\$55,259	5.7	\$47	2.8
2042	23,032	10.6	-8	33	28.8	\$2,079	\$467	\$647	\$24	\$55,959	5.6	\$47	2.8
2043	22,843	10.6	-15	32	28.8	\$2,130	\$479	\$666	\$24	\$56,682	5.6	\$47	2.9
2044	22,660	10.7	-7	33	28.9	\$2,182	\$494	\$686	\$24	\$57,497	5.6	\$47	2.9
2045	22,479	10.7	-4	33	28.9	\$2,234	\$508	\$707	\$24	\$58,225	5.7	\$47	3.0
2046	22,289	10.7	-12	32	28.9	\$2,284	\$522	\$726	\$24	\$58,860	5.7	\$47	3.1
2047	22,105	10.8	-5	33	28.9	\$2,334	\$537	\$748	\$24	\$59,332	5.7	\$47	3.1
2048	21,914	10.8	-12	32	28.9	\$2,383	\$552	\$769	\$24	\$59,752	5.7	\$47	3.2
2049	21,730	10.8	-4	33	28.9	\$2,436	\$569	\$793	\$24	\$60,373	5.7	\$46	3.2
2050	21,548	10.8	0	33	28.9	\$2,488	\$586	\$818	\$24	\$60,922	5.7	\$46	3.3

Employment Sectors

2015-2022 History, 2023-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade (jobs)	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
2015	8,140	310	150	80	0	1,020	190	210	80	1,400	760	3,840
2016	8,230	310	160	100	0	1,040	180	220	80	1,410	820	3,820
2017	8,360	330	170	120	0	1,020	180	210	80	1,520	890	3,730
2018	8,480	330	190	140	0	1,000	170	190	70	1,600	920	3,760
2019	8,500	310	200	150	0	990	160	170	70	1,640	950	3,760
2020	8,070	310	210	140	0	1,010	160	160	60	1,610	720	3,580
2021	8,210	280	220	160	0	1,090	140	170	50	1,590	800	3,600
2022	8,460	280	240	170	0	1,160	140	160	70	1,580	870	3,680
2023	8,530	282	249	187	0	1,183	150	162	70	1,552	901	3,688
2024	8,560	277	246	193	0	1,190	158	163	70	1,562	912	3,678
2025	8,620	273	242	204	0	1,185	165	162	69	1,611	930	3,668
2026	8,630	271	236	214	0	1,185	168	162	68	1,622	931	3,659
2027	8,640	269	231	223	0	1,184	168	162	67	1,624	942	3,654
2028	8,650	268	229	233	0	1,188	166	162	66	1,630	951	3,648
2029	8,630	265	227	241	0	1,192	158	162	66	1,629	942	3,640
2030	8,670	264	226	249	0	1,195	153	161	65	1,662	942	3,639
2031	8,660	264	223	256	0	1,198	147	161	64	1,672	943	3,625
2032	8,670	265	221	262	0	1,201	140	161	64	1,682	942	3,623
2033	8,680	265	217	268	0	1,204	134	161	64	1,693	943	3,626
2034	8,690	265	216	273	0	1,206	129	161	63	1,699	943	3,622
2035	8,680	265	210	278	0	1,208	124	161	63	1,707	933	3,627
2036	8,700	265	211	282	0	1,210	119	161	63	1,720	934	3,631
2037	8,700	266	209	285	0	1,211	115	160	63	1,724	924	3,636
2038	8,730	266	210	289	0	1,213	111	161	63	1,750	924	3,639
2039	8,740	266	208	292	0	1,214	109	160	63	1,757	920	3,641
2040	8,750	266	210	294	0	1,215	107	161	62	1,758	917	3,646
2041	8,750	266	210	297	0	1,216	105	161	62	1,773	916	3,637
2042	8,770	266	209	299	0	1,217	104	161	62	1,786	916	3,638
2043	8,780	266	209	301	0	1,218	103	160	62	1,798	917	3,636
2044	8,790	266	209	303	0	1,219	102	161	62	1,811	917	3,634
2045	8,810	267	209	304	0	1,220	101	161	62	1,823	918	3,634
2046	8,820	267	209	306	0	1,220	100	160	62	1,834	918	3,631
2047	8,820	267	209	307	0	1,221	99	161	62	1,844	918	3,628
2048	8,830	267	209	308	0	1,222	98	160	62	1,854	918	3,622
2049	8,840	267	209	309	0	1,222	98	160	62	1,864	918	3,621
2050	8,840	267	209	310	0	1,222	97	161	62	1,873	918	3,614

Del Norte County Economic Forecast

Socioeconomic Indicators

