

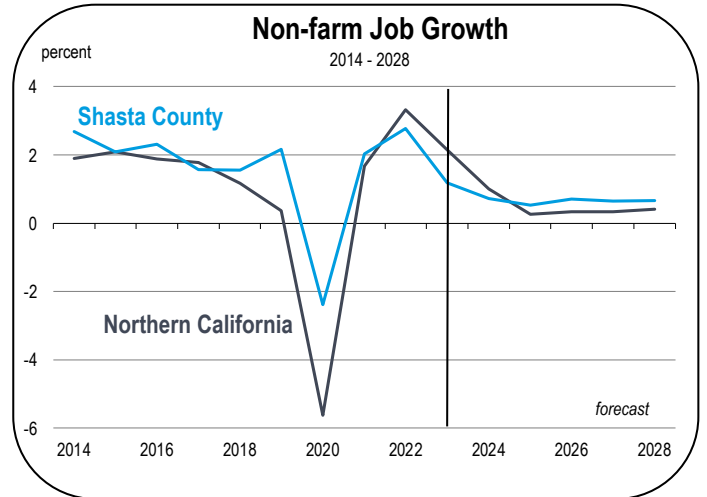
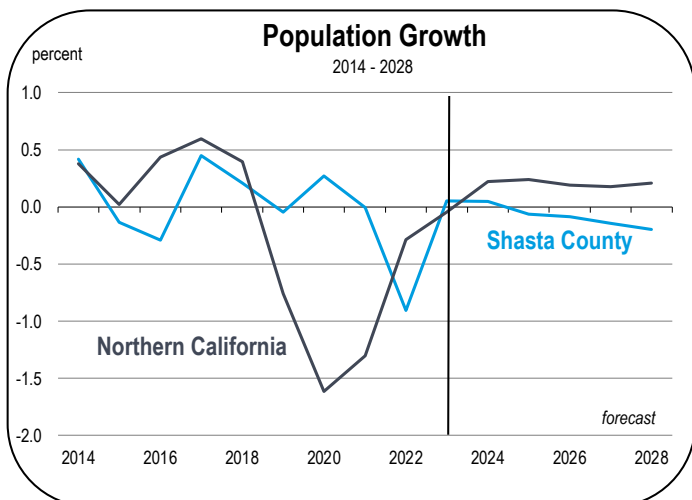
Shasta County Economic Forecast

Forecast Summary

- In 2022 the Shasta County employment level gained 1,950 jobs, an increase of 2.9 percent. The county now has recovered all the jobs lost due to the Coronavirus Recession. Healthcare and leisure services were the two leading sectors providing jobs and responsible for over half of the new employment.
- Over the 2023-2028 forecast period, total employment in Shasta County is expected to increase by over 3,000 jobs. Most of this new employment will be in healthcare.
- The unemployment rate averaged 4.6 percent in 2022. It is forecast to average 5.2 percent in 2023 and 5.4 percent in 2024.
- The median home price increased by 4.8 percent in 2022 to \$375,000.
- Home prices are on pace to fall by 3.0 percent in 2023 and appreciate 3.2 percent in 2024 back up to \$375,000.
- The County was spared from major destructive fires in 2022 and 2023. The most significant was the July 2022 Peter Fire which burned 304 acres and destroyed 16 structures.
- A significant ongoing economic event in the county is the fire rebuilding process, especially from the 2018 Carr fire, which destroyed 1,083 homes and a total of 1,600 structures in Shasta County. The rebuilding effort has supported construction jobs over the last several years.

Job Growth

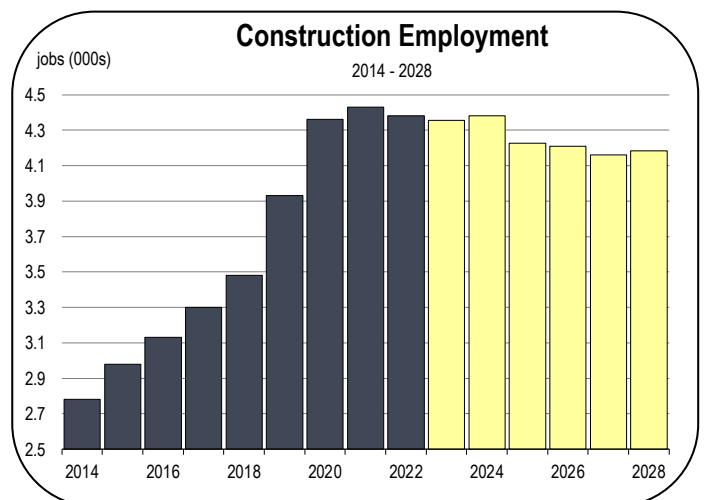
- Total employment in Shasta County rose 2.9 percent in 2022 providing 1,950 new jobs.
- The county is on pace to add 870 jobs in 2023, representing growth of 1.2 percent.



- Between 2024 and 2028, job growth will average 0.6 percent resulting in 2,200 new jobs.
- Manufacturing, retail trade, healthcare, and professional services jobs will principally lead the labor market with job opportunities over the forecast.

Construction Employment

- Since 2018, more than 2,000 structures have been destroyed by wildfires in Shasta County. Only 254 homes destroyed in the Carr file have been rebuilt or permitted for building through May of 2023---nearly 5 years later. It is expected that the rebuilding process will extend into the 2023-2028 forecast period but many homes are unlikely to ever get rebuilt.
- As of 2022, the local construction workforce was fully employed. Total construction employment will remain at elevated levels throughout the forecast period, with some job consolidation occurring intermittently.



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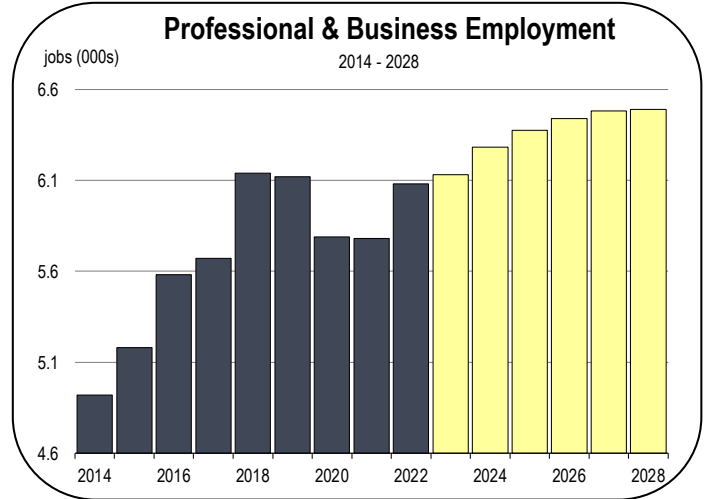
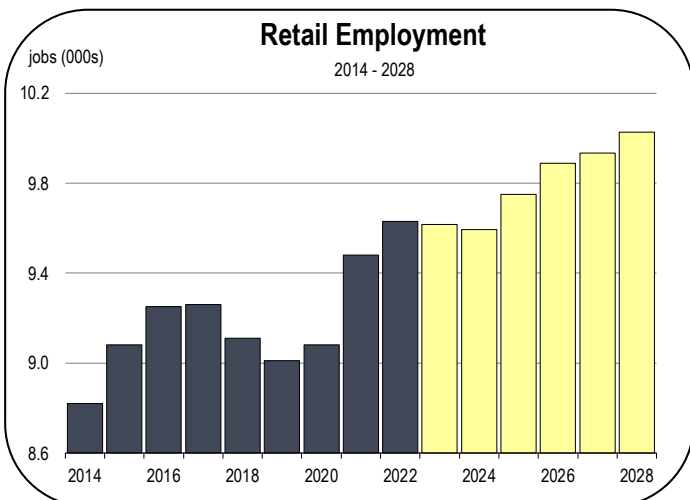
- In 2022, the total workforce shrank by 50 jobs; the industry will decline marginally in 2023, by approximately 25 jobs.
- The forecast calls for a normalization of the construction starting in 2023 and continuing through 2028. Some jobs, about 25--- will be restored in 2024, but the industry will consolidate as the rebuilding effort winds down. Employment declines an average of 0.8 percent per year resulting in a contraction of 175 jobs.

Retail Trade Employment

- The retail industry in Shasta County is resilient. The sector actually added jobs during the pandemic and is forecast to continue growing despite online competition and a declining population.
- Competition from online stores has led to lower levels of employment at local brick-and-mortar shops than might otherwise have been. The transition to online shopping will continue to be a challenge for Shasta retailers as well as retail businesses nationwide.
- The retail industry added 150 jobs in 2022 representing growth of 1.6 percent.
- With some job consolidation occurring in 2023 and 2024, the retail sector will net almost 400 new jobs between 2023-2028.

Professional and Business Services Employment

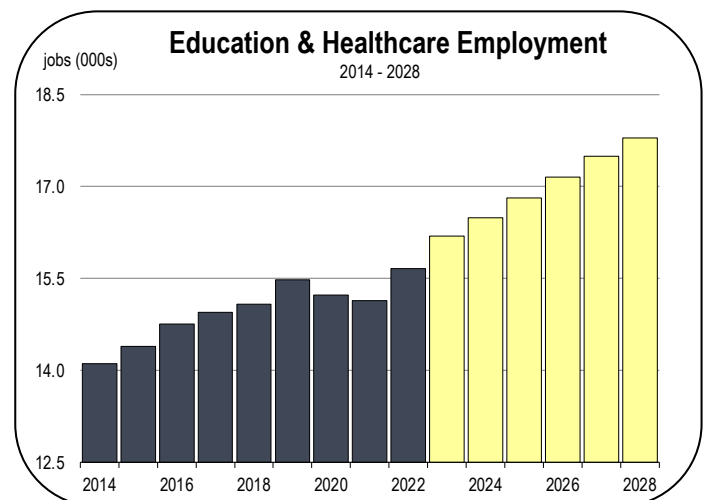
- The professional and business services sector includes accounting firms, engineering companies, law offices, business and technical consulting firms, temporary staffing agencies, corporate security companies, landscaping businesses, and janitorial agencies.
- The industry generated job growth of 5.2 percent in 2022 with the addition of 300 new jobs.



- Growth has continued into 2023 as the sector is on pace to add 50 additional jobs and will surpass its pre-pandemic level of employment.
- The sector will average 1.2 percent growth per year resulting in 360 new jobs between 2024-2028.
- 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 about 23 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.

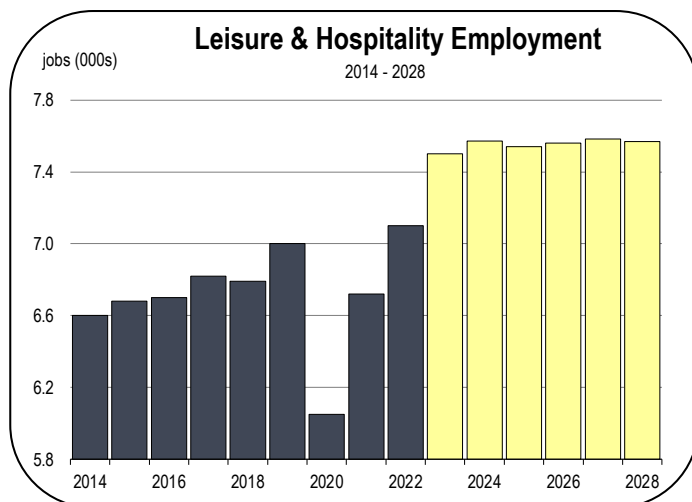


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- Shasta Regional Medical Center has 750 employees. Dignity Health Mercy Oncology employs a similar number. Both are located in Redding.
- Recruitment and retention issues, which have led to a declining workforce, are expected to be short lived.
- Employment increased 3.4 percent with the addition of 520 positions in 2022 to regain all the jobs lost during the pandemic.
- In 2023, the sector is again on pace to grow 3.4 percent adding 530 jobs to set a record employment level.
- Over the forecast period, healthcare employment will increase by approximately 1,600 jobs averaging 1.9 percent growth per year. The sector will be the source of about 73 percent of new employment during this period.
- 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.

Leisure and Hospitality Employment

- The leisure and hospitality industry gained 380 jobs in 2022 to surpass the pre-pandemic level of employment. This growth represented a 5.7 percent increase compared to the prior year.
- 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.

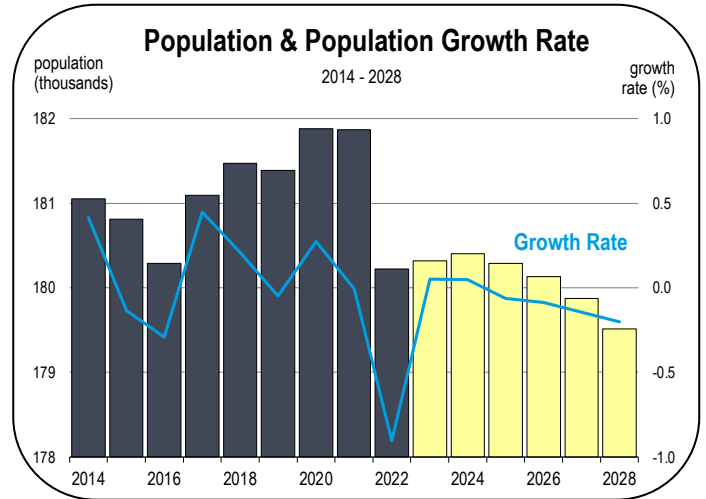
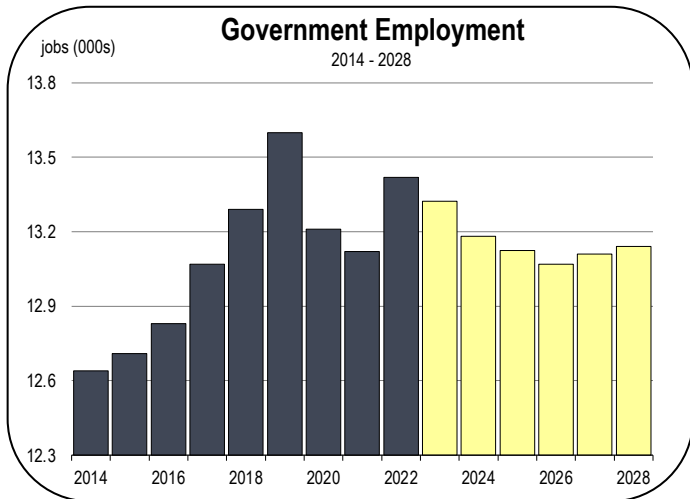
- In 2023, with water levels rising due to the deluge of rainfall during the winter of 2023, visitor demand was heavier at Shasta Lake, generating a surge in recreation jobs. The sector added 400 jobs in 2023.
- The wine and beer industry of Shasta County has been expanding. As of 2023, the county had approximately 26 wineries and 15 breweries in or within the vicinity of Redding.
- Win-River Casino is an Indian gaming casino owned by the Redding Rancheria. The casino is located in Redding, California, a few miles off Interstate 5 and directly off Highway 273. Win-River features 600 slot machines, 12 table games, a restaurant, pub, hotel, RV park and the River Tasalmi Golf Club.
- Job growth will slow between 2024-2028 to an average annual rate of 0.2 percent resulting in the addition of 70 jobs.



Shasta Lake

The water level reached 1,010 feet in elevation on December 20, 2023. It is rising again due to recent rains. A full lake is 1,067 feet above sea level.

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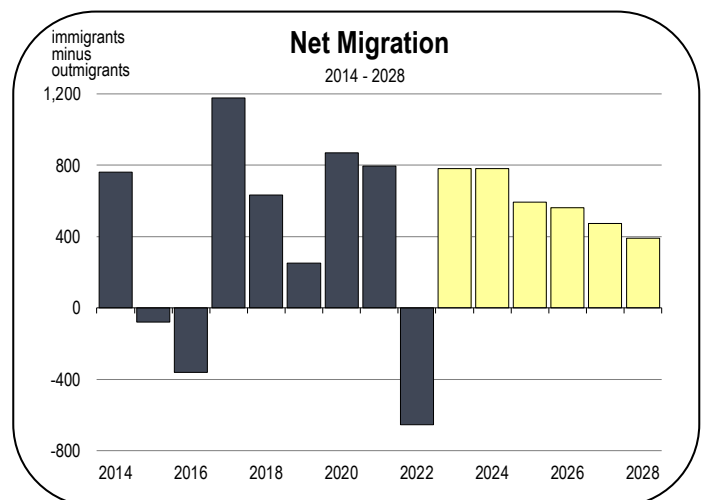
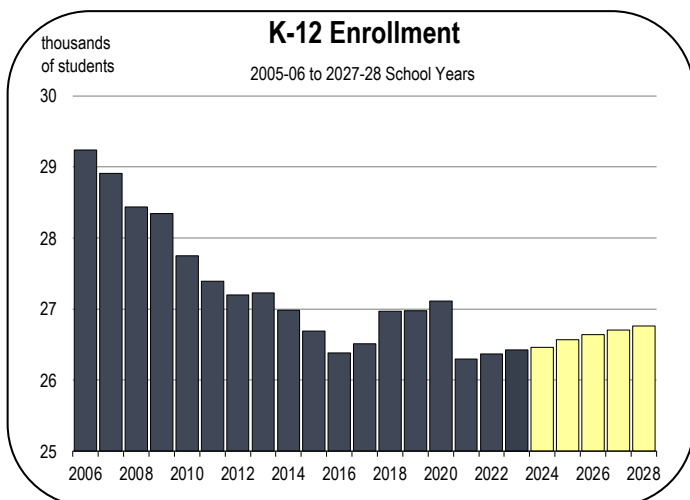
Government Employment

- Employment within the public sector sharply rebounded in 2022 with 300 jobs being restored from the pandemic recession.
- The sector is on pace to contract by 100 jobs in 2023. Over the forecast, no net gains in public sector jobs are expected. Though some positive growth in K-12 student enrollment is expected during the next 5 years, the overall population of the county will contract, and the size of the resident population is a principal driver of public sector employment.

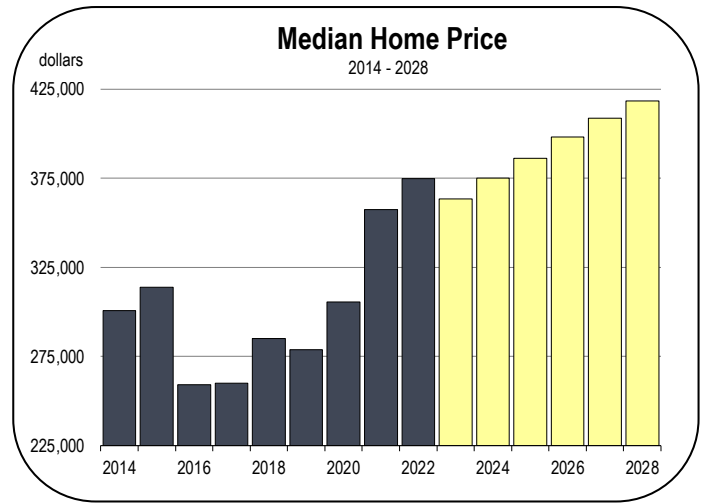
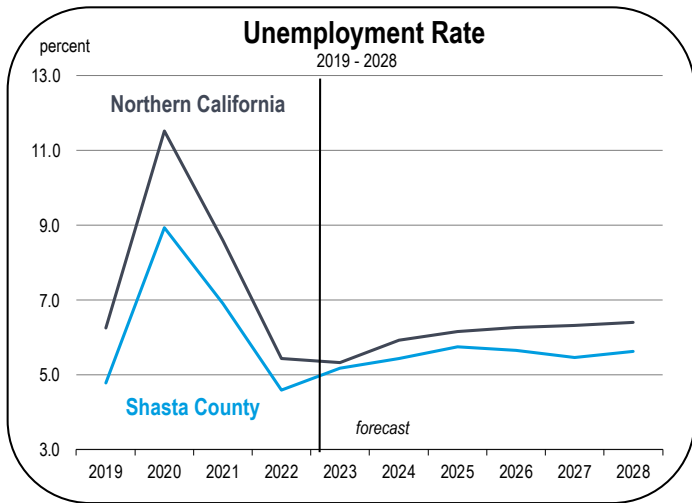
Population Growth

- The Shasta County population declined 0.9 percent in 2022 due to an unusually large amount of net out-migration, in tandem with the county’s now typical negative natural population growth rate. As a result, the population fell by an estimated 1,650 residents.

- The population is on pace to be relatively stable in 2023 with in-migration offsetting the natural population loss.
- Between 2024-2028, the population will decline at a minimal rate of 0.1 percent causing population to contract by 800 residents.
- The population by the end of 2028 is forecast to be 179,500.
- 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 been negative since 2013. The birth rate has been stable, but the number of deaths each year are trending upward. This will create downward pressure on population growth for the foreseeable future.



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Unemployment and Inflation Rates

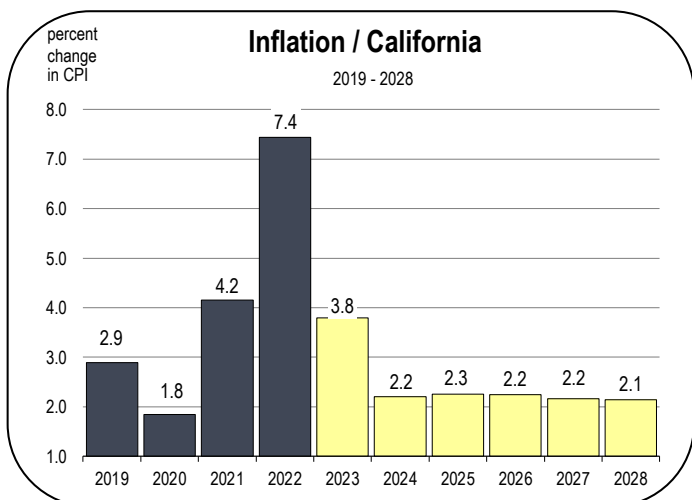
- The unemployment rate in Shasta County averaged 4.6 percent in 2022. It is expected to average 5.2 percent in 2023 and 5.4 percent in 2024.
- Inflation in California, including the Northern California Region, soared to 7.4 percent in 2022, but is expected to decelerate in 2023 to 3.8 percent due largely 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, 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.

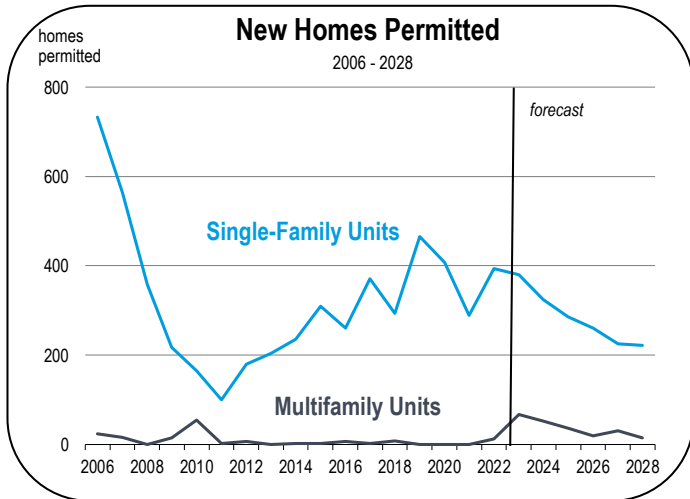
- Average general inflation rates eventually decline to 3 percent again by 2024.

Home Prices and New Housing Production

- In 2022, the median home price in Shasta County was \$375,000, a 4.8 percent increase from the previous year.
- Price appreciation is now reversing throughout California with most counties reporting selling price contractions in 2023. The median selling price for Shasta County is forecast to fall 3.0 percent to \$363,500.
- Home price appreciation is expected to resume in 2024.
- The average annual rate of appreciation between 2024-2028 is forecast to be 2.9 percent. The median home price is expected to be \$419,000 by the end of 2028.
- 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 35-55 percent on mortgage payment or rent.
- From 2017 to 2022, an average of 374 new residential units were built in the county each year. About 99 percent were single-family homes. Building permits issued in 2019, 2020 and 2022 included fire rebuilds.
- A total of 1,083 homes were destroyed by the Carr Fire. Many will not be rebuilt because a substantial portion of homeowners did not have sufficient insurance to cover the cost of construction.



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- Housing production is expected to average 320 units from 2023 to 2028. Most will be single-family homes but more housing is now being planned or permitted as affordable multi-family units.

New Development

Redding Downtown Revitalization Project

There are three cities in Shasta County. The largest is Redding which accounts for 52 percent of the county’s population. Despite 226 homes destroyed in the Carr Fire of 2018, the population of the city continued to grow into 2020. Since then, there has been a modest outflow of residents occurring in tandem with the greater population in the county.

The last major fire to impact the city was the Fawn Fire in September of 2021. Approximately 50 homes were destroyed but their location was closer to the City of Shasta Lake.

Rebuilding efforts are mostly complete, and more new housing is underway in Redding. Through October of 2023, of the 118 homes permitted in Shasta County, 79 are in Redding.

The City is currently undergoing an extensive multiple new- and re-development of the downtown area that will revitalize and modernize commerce, mobility, and parking.

The CA Street Mixed-Use Development project is the latest 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.

A number of large projects have been completed in the last 24 months, including the Shasta College Tower, the 138,000 square foot parking structure, over 100 housing units and approximately 20,000 square feet of new commercial space.

The Market Center Apartments were completed in 2023. The project consists of 82 units for low and very low-income families. However, another 94 units are under construction of which 79 will be affordable.

The Redding Market Center Public Market is now underway and will be completed in the summer of 2024. Fall River Brewing Company and the Bantam Kitchen & Cooler are the first tenants to commit to leasing space.



Rendering of the Public Market at 1551 Market Center

Shasta County Economic Forecast

Win-River Casino Relocation

In early 2023, Shasta County Supervisors agreed to support the proposed new casino project by Redding Rancheria, which plans to build a new casino, hotel, and convention center at a different site along the Sacramento River. The proposed 69,000 square-foot casino with 1,200 slot machines and 36 gaming tables is part of the 250 room hotel and 1,800 seat event center. There is also a 1,500-seat outdoor amphitheater.

The U.S. Department of Interior is currently reviewing the tribe's application and a final decision is expected at any time. Over the years, Redding Rancheria has resubmitted its application several times as the approval process started, paused, and restarted with each federal administration.

In October 2023, The Governor signed a bill which ratifies a new, 25-year gaming compact for the new Win-River location. Final approval must come from the Bureau of Indian Affairs.

Shasta Lake Downtown Revitalization

The \$50 million "Cascade Village" project in Shasta Lake received \$24 million in state tax credits to finance the construction.

The Village is a 49 housing unit and 7,500 square foot commercial center on Shasta Dam Blvd.



Rendering of Cascade Village



Rendering of the Win-River Casino

Shasta 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 (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	311	215	\$7.3	\$2.0	\$2.9	\$1.5	\$51,775	7.8	\$104	1.4
2016	180,287	71.1	-360	268	219	\$7.5	\$2.1	\$3.0	\$1.7	\$52,229	7.0	\$101	2.3
2017	181,095	71.2	1,177	373	215	\$7.8	\$2.2	\$3.1	\$2.1	\$52,314	5.8	\$103	3.0
2018	181,472	71.4	632	301	216	\$8.0	\$2.3	\$3.2	\$1.8	\$51,799	5.0	\$95	3.7
2019	181,387	70.7	250	466	221	\$8.4	\$2.4	\$3.4	\$2.0	\$52,747	4.8	\$91	2.9
2020	181,881	72.8	868	407	221	\$9.4	\$2.5	\$3.6	\$1.9	\$57,603	8.9	\$87	1.8
2021	181,871	73.3	795	289	223	\$10.0	\$2.9	\$4.1	\$1.9	\$59,103	6.9	\$89	4.2
2022	180,225	73.4	-655	406	216	\$9.9	\$2.9	\$4.2	\$1.8	\$54,937	4.6	\$89	7.4
2023	180,318	73.8	780	448	218	\$10.3	\$3.0	\$4.3	\$1.8	\$55,020	5.2	\$89	3.8
2024	180,405	74.2	782	376	219	\$10.9	\$3.1	\$4.4	\$1.8	\$56,238	5.4	\$89	2.2
2025	180,289	74.6	594	321	221	\$11.3	\$3.3	\$4.7	\$1.8	\$57,027	5.7	\$89	2.3
2026	180,133	74.9	561	279	221	\$11.7	\$3.5	\$4.9	\$1.8	\$57,725	5.7	\$89	2.2
2027	179,874	75.1	473	255	220	\$12.1	\$3.6	\$5.1	\$1.8	\$58,498	5.5	\$89	2.2
2028	179,515	75.4	391	237	220	\$12.5	\$3.8	\$5.4	\$1.8	\$59,184	5.6	\$88	2.1
2029	179,118	75.6	371	230	219	\$12.8	\$3.9	\$5.6	\$1.8	\$59,767	5.8	\$88	2.2
2030	178,702	75.8	366	233	219	\$13.2	\$4.1	\$5.9	\$1.8	\$60,256	5.7	\$88	2.2
2031	178,365	76.0	455	245	219	\$13.5	\$4.3	\$6.1	\$1.8	\$60,763	5.8	\$88	2.3
2032	177,985	76.3	417	232	218	\$13.9	\$4.5	\$6.4	\$1.8	\$60,940	5.8	\$88	2.3
2033	177,568	76.5	387	238	218	\$14.2	\$4.6	\$6.6	\$1.9	\$61,281	5.8	\$88	2.4
2034	177,067	76.7	311	228	217	\$14.5	\$4.8	\$6.8	\$1.9	\$61,702	6.0	\$88	2.4
2035	176,466	76.9	223	230	217	\$14.9	\$4.9	\$7.1	\$1.9	\$62,052	6.1	\$88	2.5
2036	175,853	77.1	224	236	216	\$15.2	\$5.1	\$7.3	\$1.9	\$62,196	6.3	\$88	2.5
2037	175,232	77.3	225	231	215	\$15.6	\$5.2	\$7.4	\$1.9	\$62,292	6.5	\$88	2.6
2038	174,590	77.6	208	229	214	\$16.0	\$5.3	\$7.6	\$1.9	\$62,519	6.6	\$88	2.6
2039	174,020	77.8	282	234	214	\$16.4	\$5.5	\$7.8	\$1.9	\$62,488	6.5	\$88	2.7
2040	173,426	78.0	256	235	213	\$16.8	\$5.6	\$8.0	\$1.9	\$62,706	6.7	\$88	2.7
2041	172,771	78.2	190	223	212	\$17.2	\$5.7	\$8.2	\$1.9	\$63,036	6.8	\$87	2.8
2042	172,232	78.4	296	247	211	\$17.6	\$5.9	\$8.4	\$1.9	\$63,451	6.6	\$87	2.8
2043	171,747	78.7	339	251	211	\$18.1	\$6.1	\$8.7	\$1.9	\$63,884	6.7	\$87	2.9
2044	171,231	78.9	298	247	210	\$18.5	\$6.3	\$9.0	\$1.9	\$64,393	6.7	\$87	2.9
2045	170,746	79.1	320	252	209	\$18.9	\$6.5	\$9.3	\$1.9	\$64,860	6.7	\$87	3.0
2046	170,240	79.4	297	252	208	\$19.4	\$6.7	\$9.6	\$1.9	\$65,310	6.8	\$87	3.1
2047	169,749	79.6	305	252	208	\$19.8	\$6.9	\$9.9	\$1.9	\$65,657	6.8	\$87	3.1
2048	169,316	79.8	351	256	207	\$20.3	\$7.1	\$10.2	\$1.9	\$65,944	6.8	\$87	3.2
2049	168,870	80.1	325	256	207	\$20.8	\$7.4	\$10.6	\$1.9	\$66,363	6.8	\$87	3.2
2050	168,411	80.3	305	252	206	\$21.3	\$7.6	\$10.9	\$1.9	\$66,724	6.8	\$87	3.3

Employment Sectors

2015-2022 History, 2023-2050 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	66.6	0.8	4.4	2.5	2.1	11.0	2.8	5.8	0.5	15.2	6.1	13.2
2021	68.0	0.9	4.4	2.8	2.1	11.3	2.8	5.8	0.5	15.1	6.7	13.1
2022	69.9	1.0	4.4	2.9	2.2	11.4	2.9	6.1	0.5	15.7	7.1	13.4
2023	70.8	1.0	4.4	2.9	2.2	11.3	2.8	6.1	0.5	16.2	7.5	13.3
2024	71.3	1.0	4.4	3.0	2.2	11.3	2.9	6.3	0.5	16.5	7.6	13.2
2025	71.6	1.0	4.2	3.0	2.2	11.5	2.9	6.4	0.5	16.8	7.5	13.1
2026	72.1	1.0	4.2	3.1	2.2	11.6	2.9	6.4	0.5	17.2	7.6	13.1
2027	72.5	0.9	4.2	3.1	2.2	11.7	2.8	6.5	0.5	17.5	7.6	13.1
2028	73.0	0.9	4.2	3.1	2.2	11.8	2.8	6.5	0.5	17.8	7.6	13.1
2029	73.4	0.9	4.2	3.1	2.2	11.8	2.8	6.5	0.5	18.0	7.6	13.2
2030	73.7	0.9	4.2	3.1	2.3	11.9	2.9	6.5	0.5	18.2	7.6	13.2
2031	74.0	0.9	4.2	3.1	2.3	12.0	2.9	6.5	0.4	18.4	7.6	13.3
2032	74.1	0.9	4.1	3.1	2.3	12.1	2.9	6.5	0.4	18.4	7.6	13.3
2033	74.2	0.9	4.1	3.1	2.3	12.2	2.9	6.5	0.4	18.4	7.6	13.3
2034	74.3	0.9	4.1	3.1	2.3	12.2	2.9	6.5	0.4	18.5	7.6	13.3
2035	74.5	0.9	4.1	3.1	2.3	12.3	2.9	6.5	0.4	18.6	7.6	13.3
2036	74.5	0.9	4.1	3.1	2.3	12.3	2.9	6.5	0.4	18.6	7.6	13.3
2037	74.5	0.9	4.0	3.1	2.3	12.3	2.9	6.6	0.4	18.6	7.6	13.3
2038	74.5	0.9	4.0	3.0	2.3	12.3	2.9	6.6	0.4	18.6	7.6	13.4
2039	74.4	0.9	4.0	3.0	2.4	12.3	2.9	6.6	0.4	18.5	7.6	13.4
2040	74.4	0.9	4.0	3.0	2.4	12.3	2.9	6.6	0.3	18.5	7.6	13.4
2041	74.3	0.9	4.0	3.0	2.4	12.3	2.9	6.6	0.3	18.4	7.7	13.4
2042	74.4	0.9	4.0	3.0	2.4	12.3	2.9	6.6	0.3	18.4	7.7	13.4
2043	74.5	0.9	4.0	3.0	2.4	12.4	2.9	6.6	0.3	18.4	7.7	13.4
2044	74.6	0.9	4.0	3.0	2.4	12.4	2.9	6.6	0.3	18.4	7.7	13.4
2045	74.7	0.9	4.0	3.0	2.4	12.5	2.9	6.6	0.3	18.4	7.7	13.4
2046	74.9	0.9	4.0	3.0	2.4	12.5	3.0	6.6	0.3	18.6	7.7	13.4
2047	75.1	0.9	4.0	3.0	2.4	12.6	3.0	6.6	0.3	18.7	7.7	13.4
2048	75.3	0.9	4.0	3.0	2.5	12.6	3.0	6.6	0.3	18.8	7.7	13.4
2049	75.5	0.9	4.0	3.0	2.5	12.6	3.0	6.6	0.3	18.9	7.7	13.4
2050	75.7	0.9	4.0	3.0	2.5	12.7	3.0	6.6	0.3	19.0	7.7	13.4

Shasta County Economic Forecast

Socioeconomic Indicators

