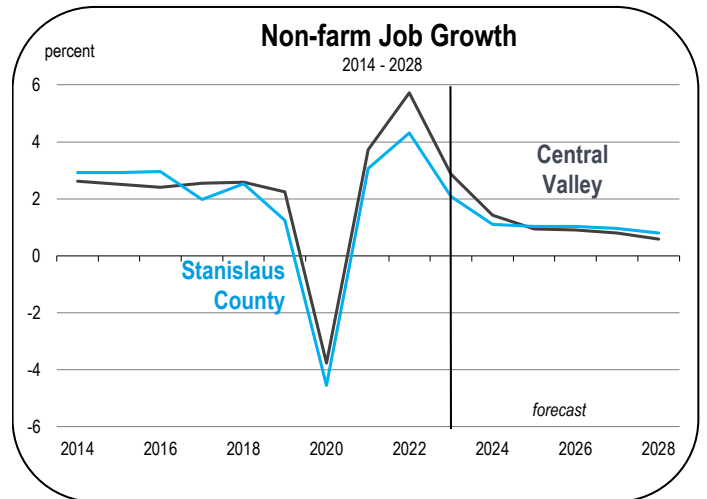


Stanislaus County Economic Forecast

Forecast Summary

- The workforce grew by 4.1 percent, adding 4,100 jobs in 2022. The trend will continue in 2023, albeit at a slower pace, with growth of jobs at 2 percent representing an additional 4,000 jobs.
- The strongest labor market sectors in 2022 were leisure and hospitality, state and federal government, transportation and warehousing, and construction. Job growth in 2023 will be led by healthcare and private education, and continued robust growth in manufacturing, leisure and hospitality, and transportation and warehousing.
- Over 1,800 jobs will be created in 2023 in the healthcare sector.
- The largest expanding benefit for the Central Valley economies is their geographical advantage for assembly and/or distribution centers in California. Due to this advantage, large industrial and warehousing firms are forecast to expand rapidly in Stanislaus County.
- Manufacturing will add 1,200 new jobs in 2023.
- Transportation and warehousing will generate 400 new jobs in 2023.
- Stanislaus County is already highly concentrated in food and beverage manufacturing companies and in fulfillment and distribution centers.
- New construction jobs are unlikely to increase in 2023 after hitting peak employment in 2022 with the onset of more housing in the County. The respite is due to the availability of construction workers in the region because of so many competitive projects in the region, including the High-Speed Rail.

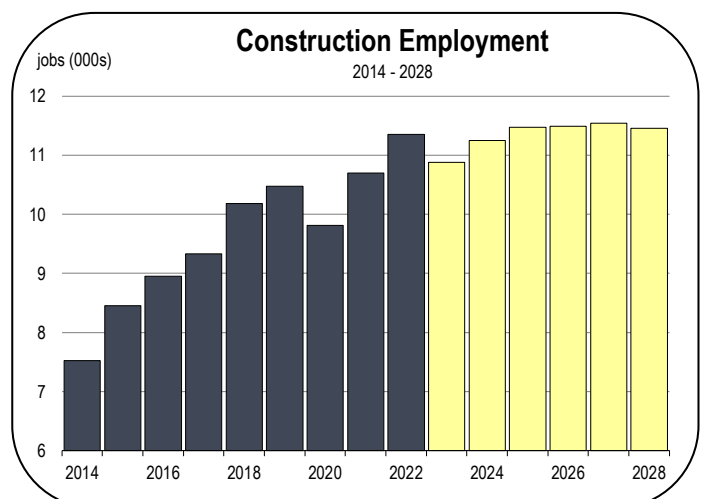
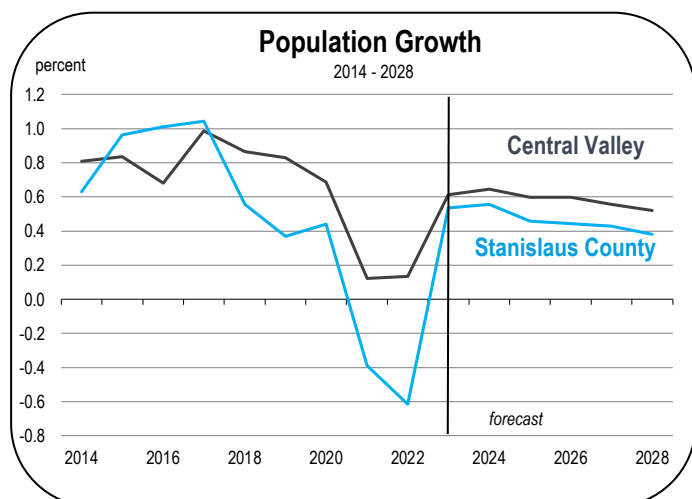


Job Growth

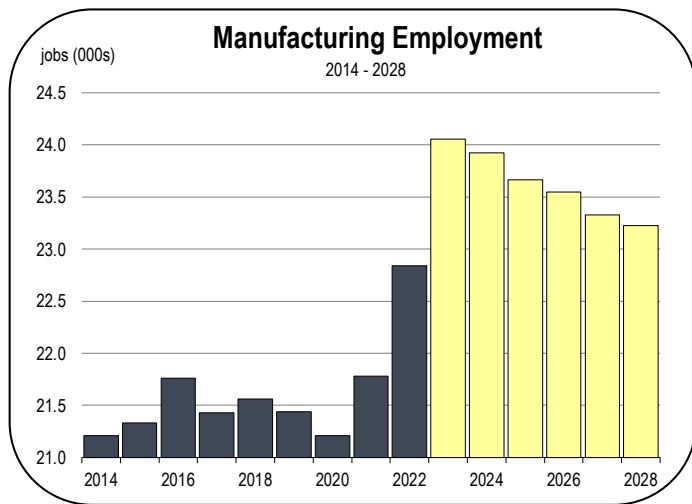
- Non-farm employment in Stanislaus County will increase by 2.0 percent in 2023, and 0.9 percent in 2024. Between 2024 and 2028, job growth will average 1.0 percent per year.

Construction Employment

- In 2022 construction employment grew by 6.1 percent. During 2023, a slight contraction in the workforce is due to the lack of availability of workers due to competing projects in the region.
- Over the next 4 years, thousands of new units and several major logistics projects will be started and completed in Modesto and the unincorporated areas of Stanislaus County.
- Employment within the construction trades is forecast to expand from 2024-2027 with the onset of more housing and industrial demand.

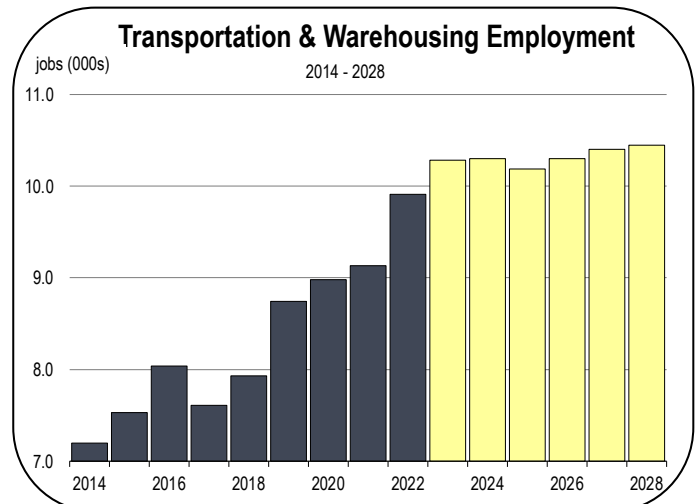


Stanislaus County Economic Forecast



Manufacturing Employment

- Manufacturing employment expanded by 4.9 percent in 2022 and will continue to grow by 5.3 percent in 2023. However, over the 2024-2028 period, employment within the sector will average a 0.7 percent contraction per year.
- Employment in food and beverage processing comprises 47 percent of all manufacturing jobs in the county. It will remain a significant component of this sector over time.
- The largest employers in food manufacturing and wholesaling are:
 - E & J Gallo : 4,600 workers in Modesto.
 - Bartles & James: 2,500 workers in Modesto
 - Bronco Wine Company, 300 workers in Ceres
 - Frito-Lay : 1,100 workers in Modesto
 - Sysco Central California: 250 workers
 - Del Monte Foods: 2,200 workers
 - Foster Farms in Turlock employs an estimated 2,500 workers.
- Frito-Lay is part of PepsiCo company and the new 500,000 square foot plant completed in Modesto in January 2023 is one of the largest in North America.
- Pacific Southwest Containers in Modesto creates all types of packaging for all types of products including food, wine, and beer. The company employs an estimated 450 workers.
- Gallo is the largest winery in the world today, with \$50 billion in sales. In 2021 it merged with Constellation Brands to acquire more wineries and wine making capacity in California. It now owns Clos du Bois in Geyserville, and Ravenswood and Mark West wines in Sonoma County. The operation in Modesto is its headquarters.



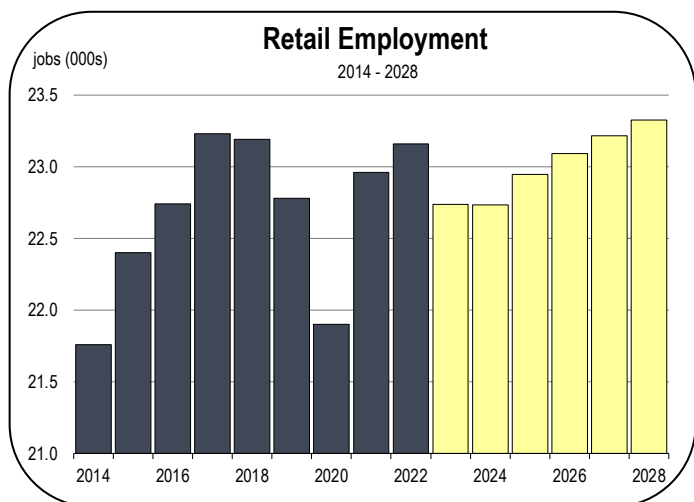
Transportation and Warehousing Employment

- 800 new jobs were created in this sector in 2022, and an additional 400 jobs will be added in 2023. This sector will experience limited growth of jobs averaging 0.3 percent between 2024 and 2028.
- Most transportation jobs in Stanislaus County are in trucking and warehousing, where firms deliver goods to and from businesses and store these goods in logistics facilities.
- The largest company in warehousing and distribution is Amazon, with an estimated 2,500 workers at its fulfillment center in Patterson.
- There are three additional fulfillment centers in Tracy in neighboring San Joaquin County that employ 4,600 workers.



Frito-Lay Modesto Facility

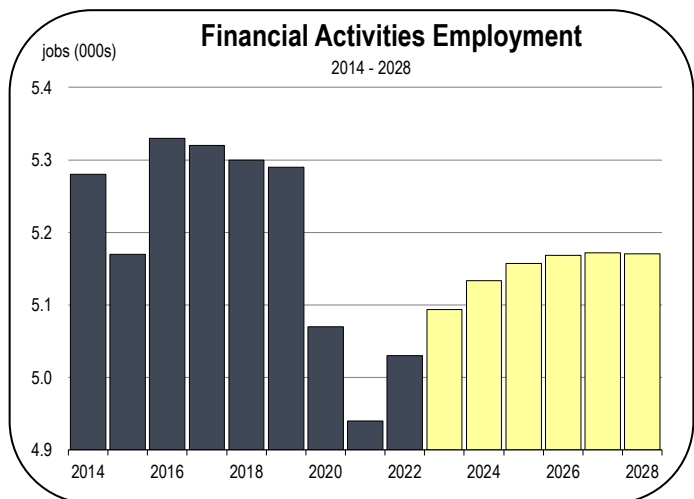
Stanislaus County Economic Forecast



- In October 2022, Amazon opened another million-square-foot center in Turlock and was in process of hiring another 1,000 workers to staff that location as of early 2023.
- Also, in Modesto and Patterson are the two Sierra Pacific Warehouse facilities for food products including frozen foods and wine. The Modesto operation is 800,000 square feet and the Patterson warehouse is 450,000 square feet.

Retail Trade Employment

- Retail jobs rose marginally in 2022 by 0.9 percent, and are forecast to contract by 1.8 percent in 2023.
- Principally due to the opening of retail storefronts in new residential developments, this sector will grow by an average of 0.6 percent between 2024 and 2028.

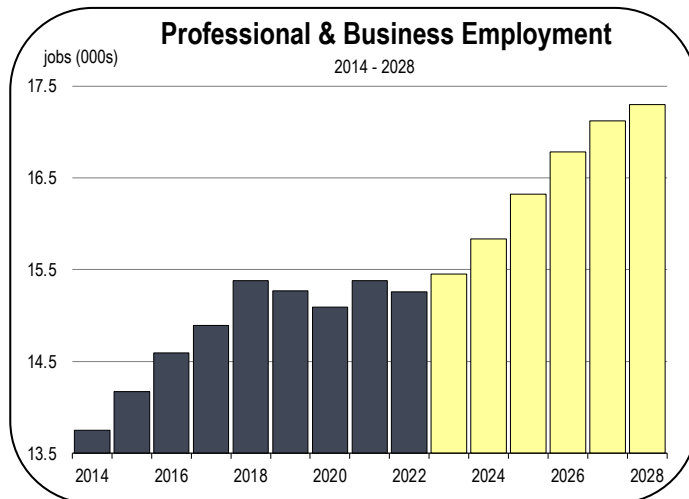


Financial Activities Employment

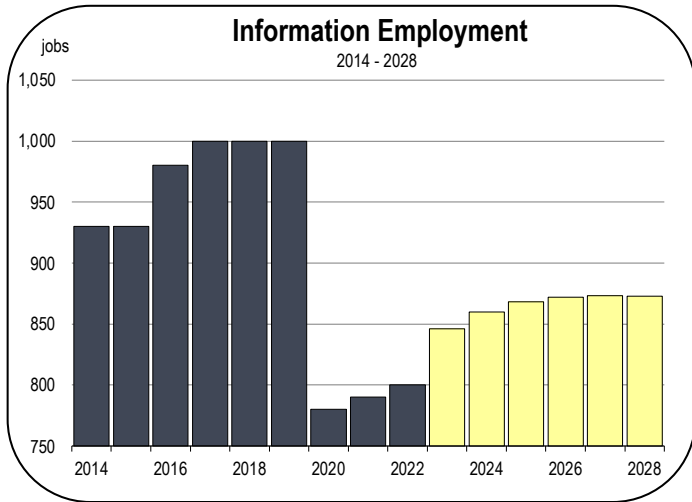
- The Stanislaus County financial activities industry is mostly comprised of real estate companies, banks, and insurance firms.
- Jobs grew by 1.8 percent in 2022. Growth will continue over the forecast, mostly in the real estate sector to accommodate a modestly growing population, averaging 0.5 percent annually between 2023-2028.

Professional and Business Services Employment

- The professional and business services industry workforce declined by 0.8 percent in 2022 resulting in a loss of 120 jobs.
- In 2023, the sector will recover the pace of job creation with 200 positions, mostly from professional and technical services.
- The professional and business services sector will create a major share of future jobs in Stanislaus County over the next several years as the region receives transplanting tech and professional workers from the Bay Area.
- Job growth will average 2.1 percent between 2023 and 2028.
- Professional services represent many of the technology services companies that provide design and consulting services to high tech product manufacturers both domestically and internationally.

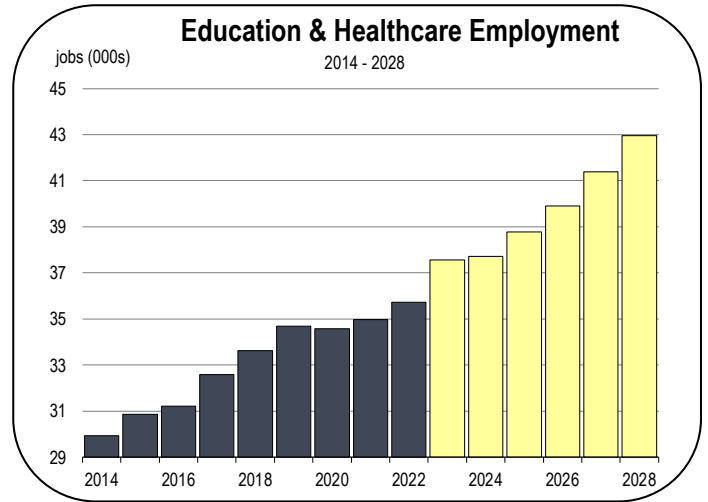


Stanislaus County Economic Forecast



Information Employment

- In Stanislaus County, the information sector is largely comprised of movie theaters and telecommunications firms. There are also a small number of jobs in software development & TV/radio stations.
- Jobs in the sector will grow by 5.8 percent in 2023, and ultimately level off in the next 5 years.
- Employment growth will remain in some radio, TV, and video production, with small numbers of jobs also created in software publishing and data/Internet services.



Private Education and Healthcare Employment

- Healthcare employment rose by 75 jobs in 2022 but that pace has accelerated in 2023. It is estimated that 1,800 new jobs will be created in 2023.
- The largest healthcare providers in the County include:

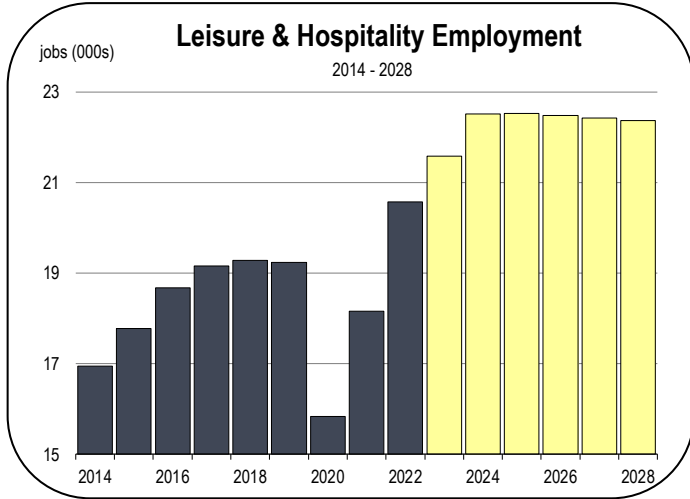
Facility	Employees
Emanuel Medical Center	3,000
Memorial Medical Center	2,400
Stanislaus County Health Services Agency	600
Oak Valley Hospital District	550
Stanislaus Surgical Hospital	350

- Because population growth is forecast to remain positive over the indefinite future, largely due to the natural increase but also as a result of net in-migration, healthcare services will remain in steady demand. The sector will average 3.1 percent in job growth per year between 2023 and 2028 creating approximately 5,400 jobs.



Emanuel Medical Center

Stanislaus County Economic Forecast

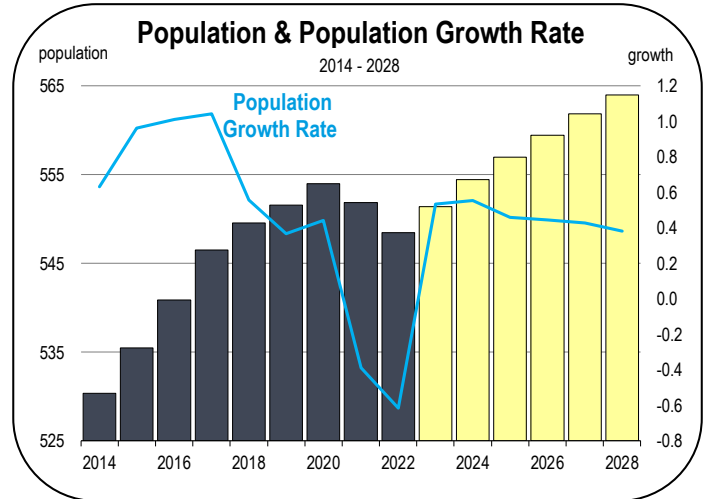
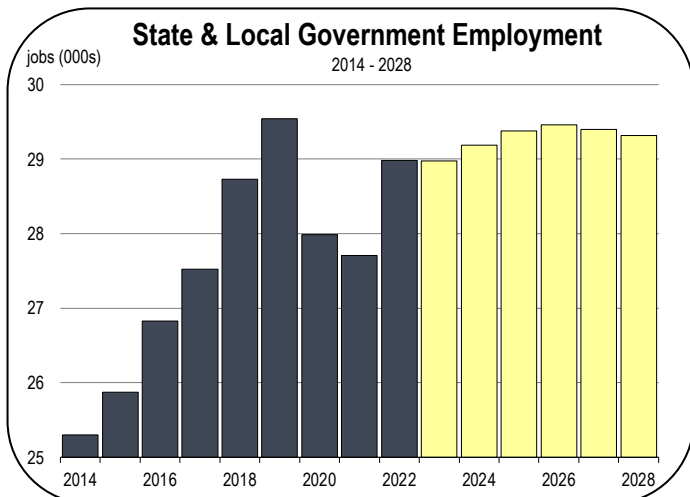


Leisure and Hospitality Employment

- Over 2,400 jobs were created in leisure and hospitality in 2022 and another 1,000 new jobs are forecast in 2023.
- The surge in travel throughout the state has generated substantial demand for dining, drinking and recreation in the Central Valley. Some slowdown has occurred in 2023 but rising demand is expected in 2024 with anticipated improvement in overall statewide economic growth.

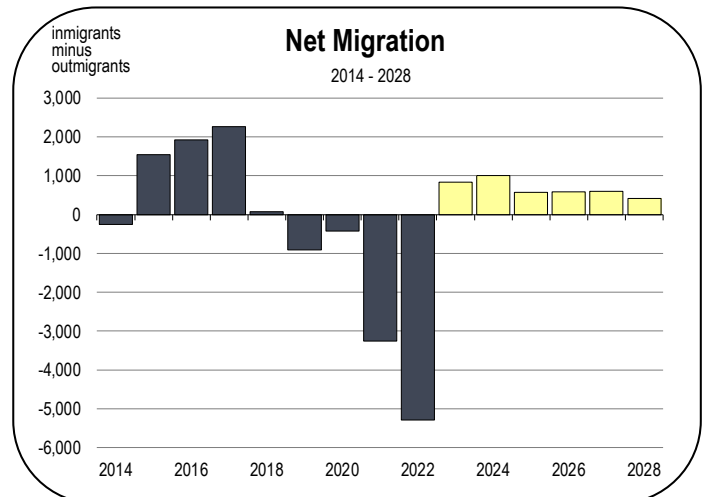
Government Employment

- State and local government jobs rose by almost 1,300 positions in 2022. No growth is forecast for 2023, and very little over the forecast period.
- Federal government jobs declined by 4.1 percent in 2022 and will continue to contract in 2023 by 5.6 percent. Employment is expected to stabilize during the forecast period.

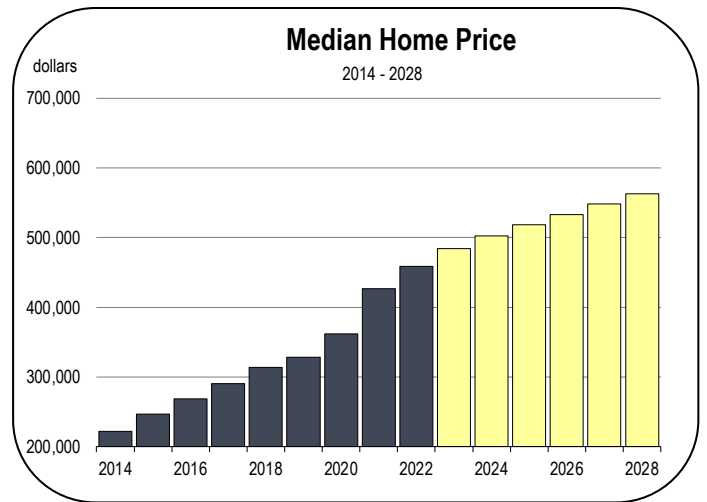
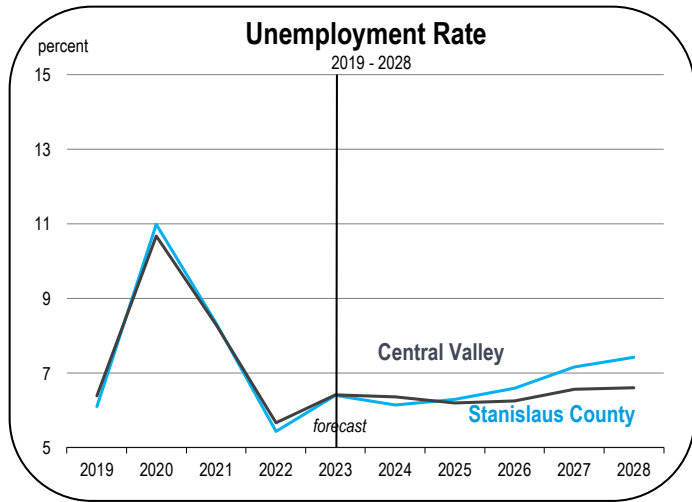


Population Growth

- Population growth in Stanislaus County will eclipse overall California population growth between 2023 and 2028.
- Net migration is expected to be a meaningful contributor to population growth as residents relocate from coastal counties and recently, from the Bay Area, for the affordable housing opportunities in Stanislaus County.
- The population will expand at an annual average rate of 0.5 percent per year from 2023 to 2028.
- By 2028 the Stanislaus County population will approach 565,000 residents.



Stanislaus County Economic Forecast

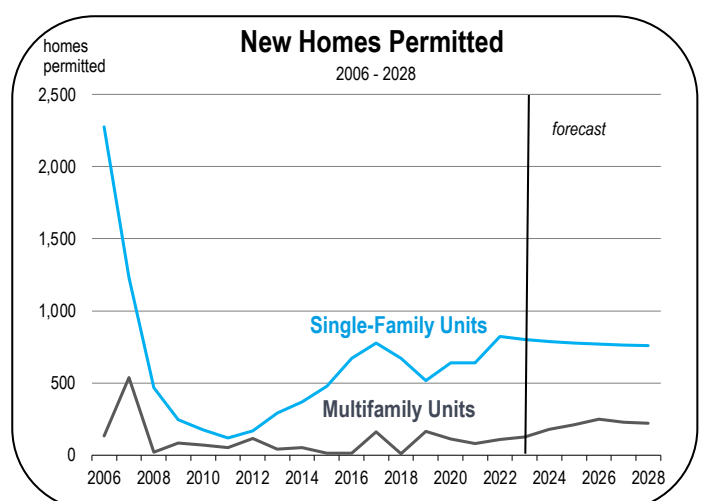
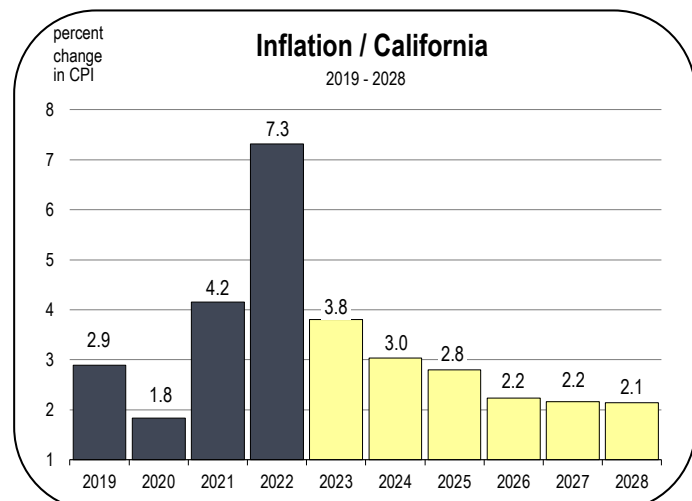


Unemployment and Inflation Rates

- The unemployment rate in Stanislaus County averaged 5.4 percent in 2022. An unemployment rate below 7.0 percent signifies a fully employed workforce in Stanislaus County.
- The unemployment rate is expected to average 6.4 percent in 2023 and 6.1 percent in 2024.
- Inflation soared to 7.3 percent in 2022, its highest rate in 40 years, but will decelerate in 2023 to 3.8 percent due largely to declining energy costs and the restoration of supply chains.
- Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting the growth potential of the economy in 2023.
- Disinflation will continue into 2024, and the inflation rate will eventually fall to below 3 percent by 2025 as the labor force is gradually restored and interest rates subside.

Home Prices and New Housing Production

- In 2022 the median home price in Stanislaus County was \$459,000, an increase of 7.6 percent from the previous year. In 2023, the median home price will increase 5.9 percent to \$486,000. Moderate price appreciation is expected over the forecast period to average 3.0 percent per year.
- Homes in Stanislaus County are more affordable than homes across California, especially Coastal California.
- In Stanislaus County, the typical household spends less than 25 percent of its pre-tax income on mortgage payments or rent.
- Along Coastal California the typical household spends more than 35 percent of income on housing costs, and in very expensive markets like San Francisco, housing costs often account for more than 50 percent of income.
- From 2017 to 2022, an average of 800 new residential units were started per year in Stanislaus County.



Stanislaus County Economic Forecast

- Approximately 87 percent were single-family homes.
- The annual rate of home building in 2023 is approaching 1,000 units.
- Housing production is expected to average a rate of 1,000 units per year from 2023 to 2028, principally due to all of the projects either underway or planned to start over the next year or two. This includes all of the projects in Modesto and the large Crows Landing Project that is currently underway.

New Development in Stanislaus County

Modesto

- The development of a new \$352 million Courthouse in Modesto is under construction. The new courthouse will include 27 courtrooms and 309,284 square feet. The completion date is January 2025.
- The City of Modesto has many long-term ranging projects and Specific Plans in its pipeline:
- Modesto Master Plan:
 - 640-acres, 1,550 new homes
 - The project will add parking, public space (parks, plazas) and new housing to the Downtown area.
- Tivoli Modesto Specific Plan
 - 454 acres
 - Between 1,855 and 3241 total residential units
 - 80 acres of office and regional serving commercial space
 - The project is estimated to accommodate between 5,300 and 9,300 residents.
- Woodglen Specific Plan
 - 72 acres, 353 single family units and 180 multifamily units
- Village One and Empire North are residential neighborhoods in Modesto that have been under construction, selling homes, and planned for future development of homes.
- Fairview Village
 - 364 acres
 - 2,250 homes to accommodate approximately 5,000 people
 - The annexation of 178 acres of land into Modesto and a rezoning must occur prior to new development



New Modesto Courthouse

Stanislaus County Economic Forecast

- Kiernan Business Park Specific Plan
 - 614 acres
 - 6.6 million square feet of business park including industrial uses
 - 282,100 square feet of office
 - 965,300 square feet of commercial
 - a 1.4 million square foot medical campus with center and hospital
 - 342 residential units in structures of medium high density
 - Kaiser Permanente is already an anchor tenant
 - Crows Landing encompasses 1,528 acres. The proposed land use for the site remains the same as the initial concept when construction began in December 2021:
 - Industrial – 350 acres
 - Logistics/Distribution – 349 acres
 - Business Park/office – 78 acres
 - Public Facilities (municipal office/professional office) – 68 acres
 - Airport (runways, taxiways, hangars) – 370 acres
 - Aviation-related (cargo, industrial, business park) – 46 acres
 - Multimodal greenspace/monument – 13 acres
 - Infrastructure (roads, drainage, etc.) – 254 acres
- Crows Landing
- The largest mega-project in the County is the Crows Landing Industrial Business Park and Airfield, now under construction.
 - The project location is considered ideal because it will include an airport, has close proximity to Silicon Valley and a Regional Port, and features a complete transportation infrastructure with connections to the I-5 corridor and the San Francisco Bay area.



Crows Landing Industrial Business Park

Stanislaus 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 (billions)	Inflation Rate (percent)
2015	535,436	168.7	1,540	490	478	\$21.0	\$5.4	\$8.2	\$5.5	\$50,264	9.6	\$5.0	1.4
2016	540,856	170.1	1,926	686	496	\$21.7	\$5.7	\$8.7	\$5.5	\$50,148	8.6	\$4.1	2.3
2017	546,499	171.0	2,258	939	499	\$22.4	\$6.0	\$9.0	\$5.6	\$49,695	7.5	\$4.4	3.0
2018	549,544	172.4	71	680	508	\$23.0	\$6.2	\$9.3	\$5.8	\$48,911	6.5	\$4.2	3.7
2019	551,566	173.4	-914	680	526	\$24.1	\$6.4	\$9.7	\$5.9	\$49,831	6.1	\$4.1	2.9
2020	553,995	176.7	-422	751	532	\$27.2	\$6.9	\$10.7	\$5.5	\$54,807	11.0	\$3.9	1.8
2021	551,845	176.8	-3,255	719	540	\$29.0	\$8.6	\$12.3	\$6.0	\$56,403	8.3	\$3.8	4.2
2022	548,449	177.7	-5,296	930	547	\$29.1	\$8.6	\$13.0	\$5.9	\$53,103	5.4	\$3.6	7.3
2023	551,378	178.5	837	929	552	\$30.6	\$8.7	\$13.1	\$6.0	\$53,405	6.4	\$3.8	3.8
2024	554,437	179.5	1,009	966	556	\$32.1	\$9.1	\$13.6	\$6.0	\$54,210	6.1	\$3.9	3.0
2025	556,977	180.5	566	990	560	\$33.7	\$9.5	\$14.3	\$6.1	\$55,022	6.3	\$4.0	2.8
2026	559,446	181.6	589	1,018	564	\$35.0	\$9.9	\$14.9	\$6.2	\$55,635	6.6	\$3.9	2.2
2027	561,842	182.7	595	990	567	\$36.3	\$10.3	\$15.5	\$6.3	\$56,243	7.2	\$4.0	2.2
2028	563,983	183.7	413	979	570	\$37.6	\$10.7	\$16.1	\$6.3	\$56,832	7.4	\$4.0	2.1
2029	565,995	184.8	393	947	573	\$38.8	\$11.1	\$16.6	\$6.3	\$57,283	7.5	\$4.0	2.1
2030	567,767	185.7	334	933	575	\$40.1	\$11.4	\$17.2	\$6.4	\$57,679	7.6	\$4.1	2.2
2031	569,426	186.7	353	923	578	\$41.4	\$11.8	\$17.7	\$6.4	\$58,136	7.7	\$4.1	2.1
2032	570,925	187.7	321	912	579	\$42.7	\$12.2	\$18.2	\$6.4	\$58,443	7.8	\$4.2	2.3
2033	572,227	188.6	320	897	582	\$44.0	\$12.5	\$18.7	\$6.5	\$58,979	7.9	\$4.3	1.9
2034	573,316	189.6	306	886	585	\$45.3	\$12.8	\$19.2	\$6.5	\$59,452	8.7	\$4.3	2.1
2035	574,189	190.5	276	878	588	\$46.7	\$13.2	\$19.8	\$6.5	\$59,878	9.4	\$4.3	2.2
2036	574,898	191.4	282	879	589	\$48.2	\$13.6	\$20.3	\$6.6	\$60,139	9.9	\$4.4	2.6
2037	575,453	192.3	307	865	591	\$49.8	\$13.9	\$20.9	\$6.6	\$60,396	9.9	\$4.4	2.7
2038	575,775	193.2	290	858	593	\$51.4	\$14.3	\$21.4	\$6.6	\$60,749	9.9	\$4.5	2.5
2039	575,917	194.1	306	848	595	\$53.0	\$14.7	\$22.0	\$6.6	\$61,040	9.9	\$4.5	2.7
2040	575,835	195.0	313	852	596	\$54.7	\$15.1	\$22.6	\$6.7	\$61,380	9.8	\$4.6	2.6
2041	575,555	195.8	323	844	598	\$56.3	\$15.4	\$23.1	\$6.7	\$61,871	9.8	\$4.6	2.2
2042	575,111	196.7	339	831	600	\$58.0	\$15.8	\$23.7	\$6.7	\$62,426	9.8	\$4.6	2.1
2043	574,495	197.6	346	805	602	\$59.6	\$16.2	\$24.3	\$6.7	\$63,016	9.8	\$4.6	2.0
2044	573,700	198.4	331	803	605	\$61.2	\$16.6	\$24.9	\$6.8	\$63,695	9.8	\$4.7	1.8
2045	572,758	199.3	337	801	608	\$62.9	\$17.0	\$25.5	\$6.8	\$64,320	9.8	\$4.7	1.9
2046	571,706	200.1	343	800	610	\$64.6	\$17.5	\$26.1	\$6.8	\$64,880	9.7	\$4.7	2.0
2047	570,567	200.9	366	798	613	\$66.4	\$17.9	\$26.8	\$6.8	\$65,355	9.7	\$4.7	2.2
2048	569,294	201.7	377	793	615	\$68.2	\$18.4	\$27.5	\$6.9	\$65,779	9.7	\$4.8	2.3
2049	567,914	202.5	396	792	616	\$70.0	\$18.9	\$28.2	\$6.9	\$66,367	9.7	\$4.8	2.0
2050	566,408	203.3	395	790	619	\$71.9	\$19.4	\$29.0	\$6.9	\$66,913	9.7	\$4.8	2.1

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	181.0	14.6	8.5	21.3	7.5	28.2	5.2	14.2	0.9	30.9	17.8	26.7
2016	186.2	14.9	9.0	21.8	8.0	28.7	5.3	14.6	1.0	31.2	18.7	27.6
2017	189.1	14.3	9.3	21.4	7.6	29.4	5.3	14.9	1.0	32.6	19.2	28.3
2018	193.6	14.4	10.2	21.6	7.9	29.5	5.3	15.4	1.0	33.6	19.3	29.5
2019	196.3	14.9	10.5	21.4	8.7	29.0	5.3	15.3	1.0	34.7	19.2	30.3
2020	187.6	14.5	9.8	21.2	9.0	27.8	5.1	15.1	0.8	34.6	15.8	28.8
2021	192.4	14.0	10.7	21.8	9.1	28.6	4.9	15.4	0.8	35.0	18.2	28.4
2022	200.3	14.2	11.4	22.8	9.9	28.9	5.0	15.3	0.8	35.7	20.6	29.7
2023	204.2	14.3	10.9	24.1	10.3	28.4	5.1	15.5	0.8	37.6	21.6	29.6
2024	206.1	14.1	11.2	23.9	10.3	28.5	5.1	15.8	0.9	37.7	22.5	29.9
2025	208.2	14.1	11.5	23.7	10.2	28.8	5.2	16.3	0.9	38.8	22.5	30.0
2026	210.4	14.3	11.5	23.5	10.3	29.0	5.2	16.8	0.9	39.9	22.5	30.1
2027	212.5	14.5	11.5	23.3	10.4	29.2	5.2	17.1	0.9	41.4	22.4	30.1
2028	214.3	14.7	11.5	23.2	10.4	29.3	5.2	17.3	0.9	42.9	22.4	30.0
2029	215.9	14.8	11.5	23.1	10.5	29.4	5.2	17.4	0.9	44.5	22.3	30.0
2030	217.4	14.8	11.4	23.0	10.6	29.4	5.2	17.5	0.9	46.0	22.2	29.9
2031	219.1	14.8	11.5	23.0	10.6	29.4	5.2	17.5	0.9	47.6	22.2	29.8
2032	220.7	14.8	11.5	23.0	10.7	29.4	5.2	17.6	0.9	49.2	22.1	29.8
2033	222.3	14.8	11.5	23.1	10.8	29.4	5.2	17.6	0.9	50.7	22.1	29.7
2034	224.0	14.8	11.7	23.0	10.9	29.4	5.2	17.7	0.9	52.2	22.0	29.6
2035	225.5	14.8	11.8	23.0	10.9	29.3	5.2	17.7	0.9	53.6	21.9	29.6
2036	226.9	14.8	11.8	23.0	11.0	29.3	5.2	17.8	0.9	55.0	21.9	29.5
2037	228.4	14.8	11.8	23.0	11.1	29.2	5.2	17.8	0.9	56.6	21.8	29.5
2038	229.8	14.8	11.8	23.0	11.1	29.2	5.2	17.9	0.9	58.0	21.7	29.5
2039	231.2	14.8	11.8	23.0	11.2	29.2	5.2	17.9	0.9	59.4	21.7	29.4
2040	232.6	14.8	11.8	22.9	11.2	29.1	5.2	18.0	0.9	60.9	21.6	29.4
2041	233.9	14.8	11.8	22.9	11.3	29.1	5.2	18.0	0.9	62.1	21.5	29.4
2042	235.2	14.9	11.9	22.9	11.3	29.1	5.2	18.0	0.9	63.5	21.4	29.3
2043	236.6	14.9	11.9	22.9	11.4	29.1	5.2	18.1	0.9	64.8	21.4	29.3
2044	238.0	14.9	12.0	22.9	11.4	29.1	5.2	18.1	0.9	66.1	21.3	29.3
2045	239.3	14.9	12.0	22.9	11.5	29.1	5.2	18.2	0.9	67.4	21.2	29.3
2046	240.6	14.9	12.1	22.9	11.5	29.1	5.2	18.2	0.9	68.6	21.1	29.3
2047	241.9	14.9	12.1	22.9	11.6	29.1	5.2	18.2	0.9	69.8	21.0	29.2
2048	243.1	14.9	12.2	22.9	11.6	29.1	5.2	18.3	0.9	71.0	21.0	29.2
2049	244.4	14.9	12.2	22.9	11.6	29.2	5.2	18.3	0.9	72.2	20.9	29.2
2050	245.6	14.9	12.3	22.9	11.7	29.2	5.2	18.3	0.9	73.3	20.8	29.2

Stanislaus County Economic Forecast

Socioeconomic Indicators

