

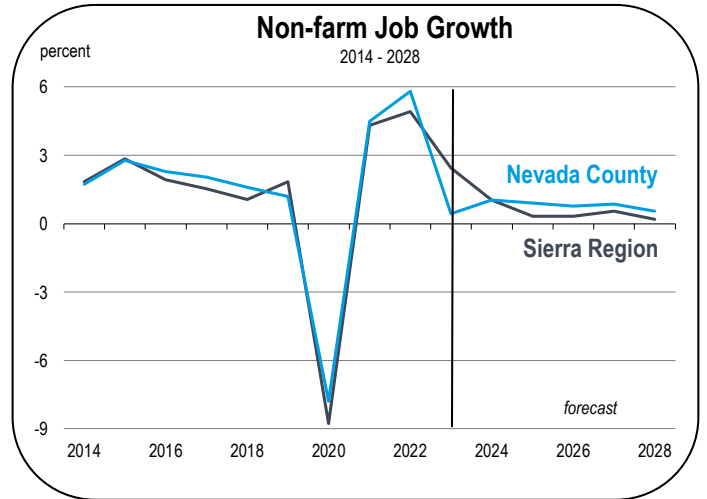
Nevada County Economic Forecast

Forecast Summary

- During 2022, 1,900 jobs were gained in Nevada County to reach a record level of employment
- Between 2024-2028, net employment in Nevada County is expected to increase by over 1,600 jobs. Leisure services, healthcare, professional business services, and construction will be responsible for most of these new jobs.
- The unemployment rate averaged 3.4 percent in 2022. It is forecast to average 3.9 in 2023 and 4.1 in 2024.
- Eastern Nevada County is a bustling tourism center for winter skiing. Leisure and hospitality employment is the third largest labor market behind the public sector and healthcare. Employment within the three industries accounts for 51 percent of all jobs in Nevada County.
- The Nevada County population is expected to increase during the forecast period.
- The median home price increased by 0.8 percent in 2022 to \$638,000. Home prices are expected to fall 2.1 percent in 2023 and increase by 3.2 percent in 2024 to \$645,000.

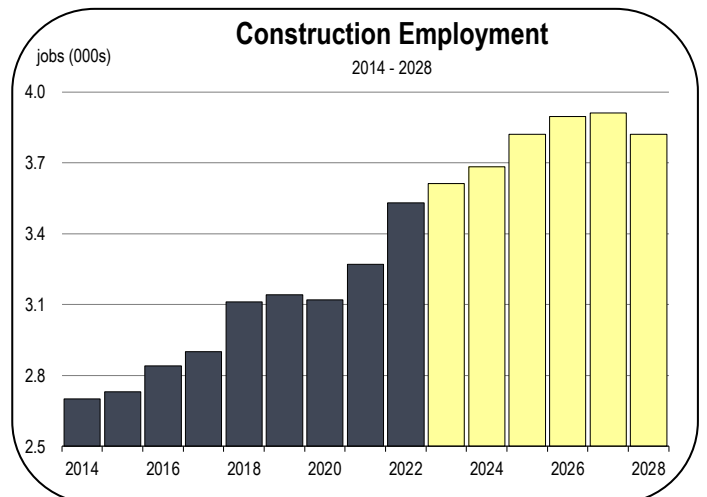
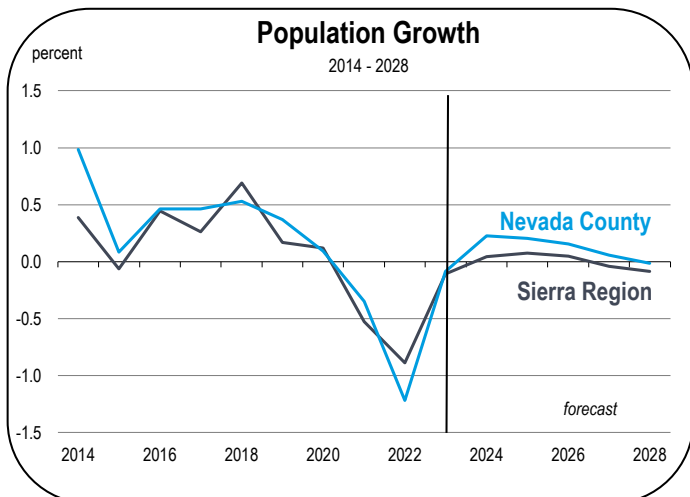
Job Growth

- Total employment in Nevada County expanded by 5.9 percent in 2022. Minimal growth of 0.5 percent is expected in 2023 resulting in 60 new jobs.
- Between 2024 and 2028, job growth will average 0.9 percent per year culminating in 1,600 new jobs.

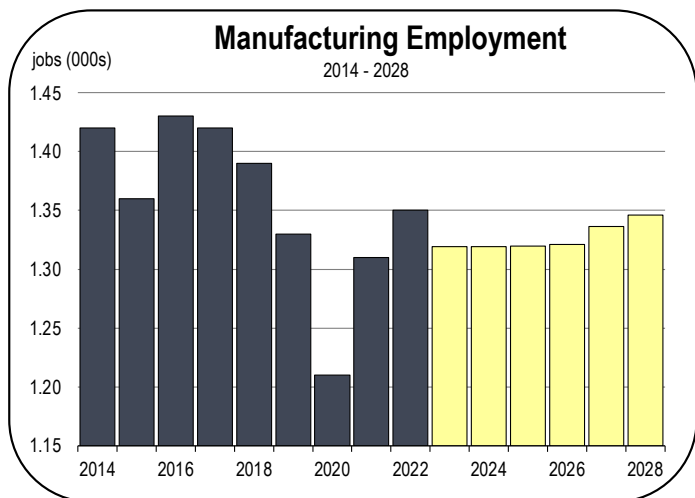


Construction Employment

- Construction employment in Nevada County has grown every year since the Great Recession except for the temporary downturn during the pandemic. Growth will continue through 2027.
- In 2022, employment grew 3.1 percent with 40 new jobs.
- The sector is on pace in 2023 to add 80 jobs representing growth of 2.3 percent.
- Average annual growth of 1.1 percent is forecast for 2024-2028 resulting in 200 more jobs.

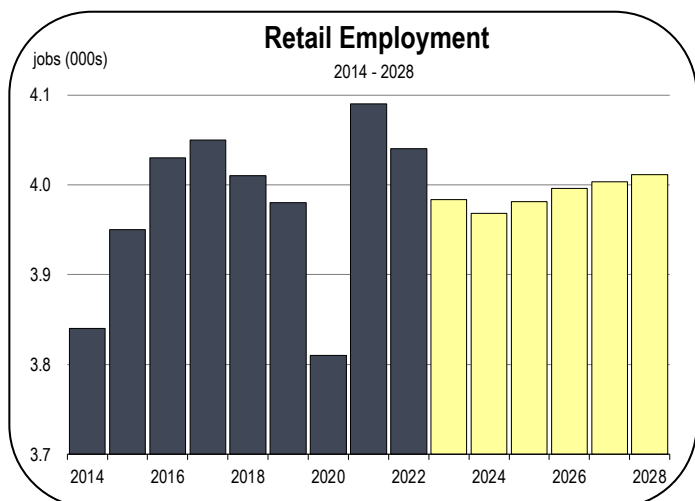


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Manufacturing Employment

- Nevada County manufacturing includes timber production and telecommunications equipment manufacturing which are both in general decline.
- However, in recent years, a growing cluster of firms that manufacture and produce a wide spectrum of products, from low to high tech in nature, and then ship them all over the world have emerged. There are an estimated 200 such companies. These range from companies that manufacture products such as semi-conductors, varied machinery and equipment, and a variety of machine shops as well as others that specialize in plastic, glass, metal and concrete.
- The largest manufacturing companies are Aja Video with 189 workers, and Robinson Enterprises with 158 employees. Aja makes television broadcasting equipment and Robinson provides logging, trucking and forest management services.
- Total employment in the Nevada County manufacturing sector will be in the range of 1,300-1,400 employees for the next 10 years as job growth is expected to be minimal over the long term.

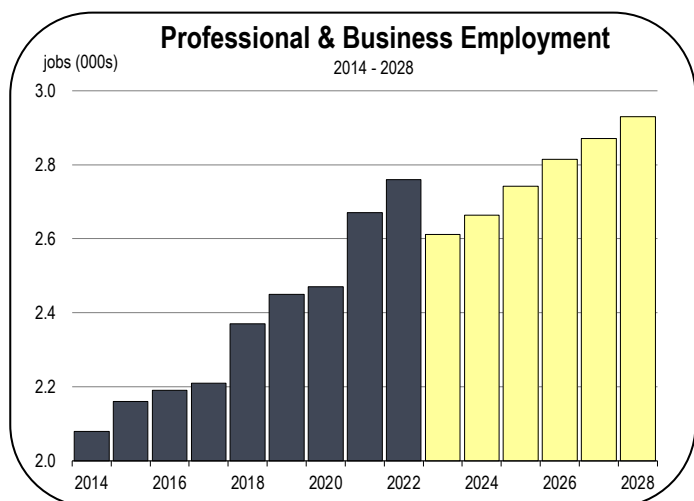


Retail Trade Employment

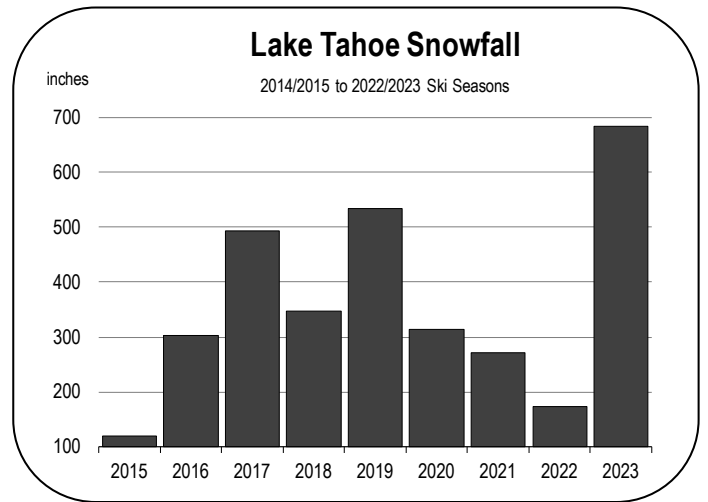
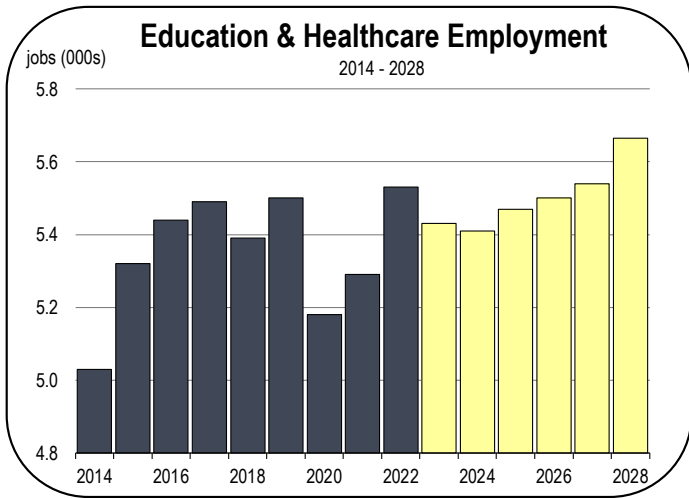
- Competition from online stores has led to lower levels of employment at local brick-and-mortar shops, and the transition to online shopping will lead to further consolidation of local retail jobs over the long-term.
- The retail sector declined by 50 jobs in 2022 and is on pace to lose another 50 in 2023. Slight growth is expected for the duration of the forecast resulting in approximately 30 new jobs by 2028.
- The largest retailers in Nevada County that employ approximately 25 percent of all retail employment are:
 - BriarPatch Community Market in Grass Valley
 - Raley’s in Grass Valley
 - Safeway in Truckee and Grass Valley
 - Target in Grass Valley
- Target opened up its first store in the County in March 2023 in Grass Valley, replacing the last Kmart in California that closed in December 2021. Within the Target store is a CVS Pharmacy and Starbucks Coffee.

Professional and Business Services Employment

- The professional and business services sector added 90 jobs in 2022. However, the sector will shrink by 150 jobs, or 5.4 percent in 2023, due to fewer admin support and temporary job placements.
- Nevada County has a growing professional business services industry that will generate a meaningful number of jobs over the forecast period. Average annual growth of 2.3 percent is expected to result in over 300 new jobs between 2024-2028.
- Jobs in the professional business services sector tend to pay above average wages. As it captures a rising share of the overall labor market, this industry will contribute to rising incomes in the county.



Nevada County Economic Forecast



Private Education and Healthcare Employment

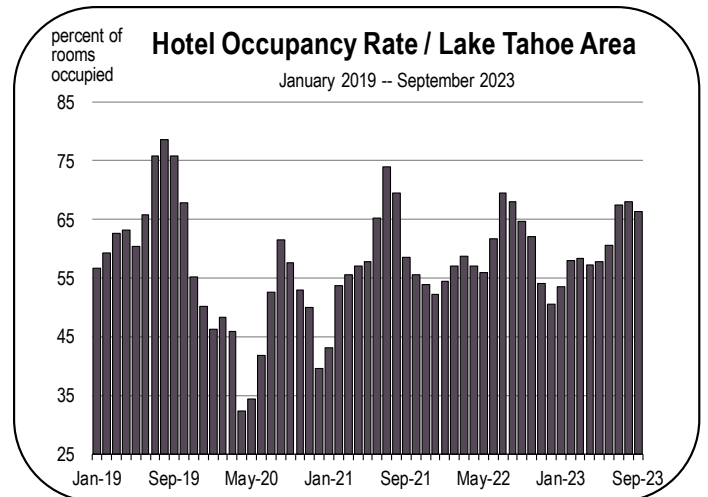
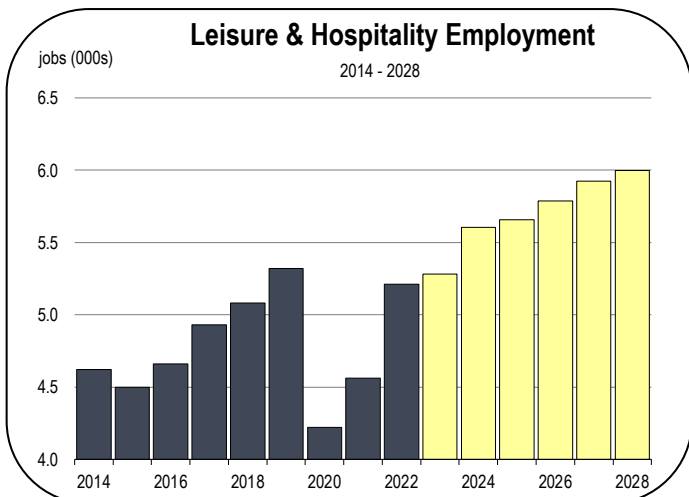
- Because a large share of the Nevada County population is in retirement age, the local economy has a meaningful number of jobs in nursing homes and senior centers.
- Employment in the healthcare sector grew 4.5 percent in 2022, adding 250 new jobs.
- The sector is on pace to contract by approximately 100 positions in 2023, largely due to the inability to fill open positions.
- Over the forecast period, average annual growth of 1.3 percent is expected resulting in 350 new jobs between 2024-2028.

- In Nevada County, there are very few jobs in private educational institutions (public schools are classified in the government sector).

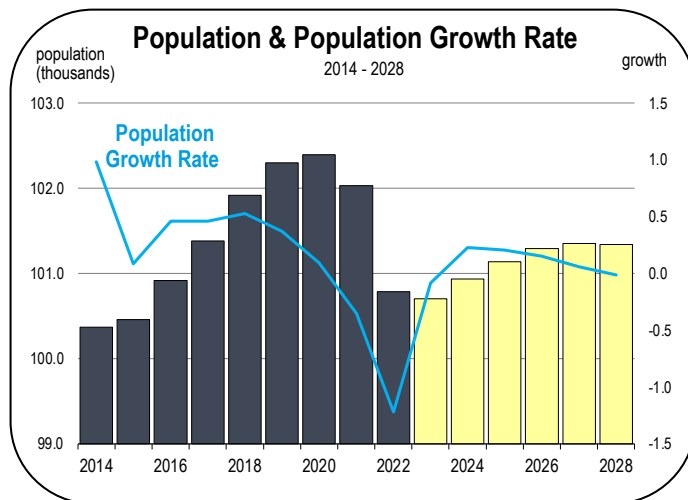
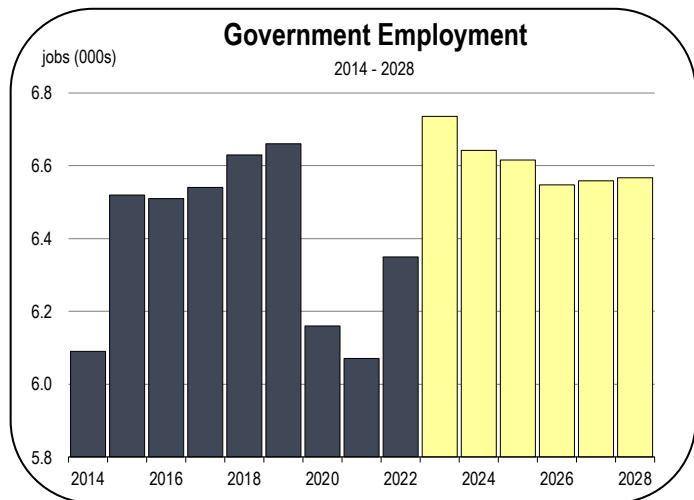
Leisure and Hospitality Employment

- The Sierra Nevada Mountain Range is the largest tourism attraction in Nevada County, and the winter ski season is the peak for visitor traffic.
- Each year, thousands of skiers and snowboarders descend on Boreal Mountain Resort, which employs up to 1,000 workers during the winter months.
- The service-providing sector is heavily dependent on the winter ski season, as ski resorts are the primary economic engine of the county.
- Snowfall hit a record level in the season of 2022-2023, ultimately leading to a larger number of people traveling to Nevada County and generating higher levels of demand for leisure and hospitality workers.

Largest Healthcare Employers	Employee Headcount
Sierra Nevada Memorial Hospital (Dignity Health)	807
Tahoe Forest Health System	750
Golden Empire Nurse & Rehab	175
Spring Hill Manor	150



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- The leisure services industry was the leading contributor to new employment in the county in 2022 providing 650 new positions, representing job growth of 14.3 percent. The increase in jobs was highly correlated to the increase in snowfall, which paved the way for a record ski-visitor season.
- The sector is on pace to add 75 jobs in 2023, representing 1.4 percent job growth.
- The average annual rate of job growth between 2024-2028 will be 2.6 percent with the creation of over 700 jobs, 45 percent of which are expected in 2024.

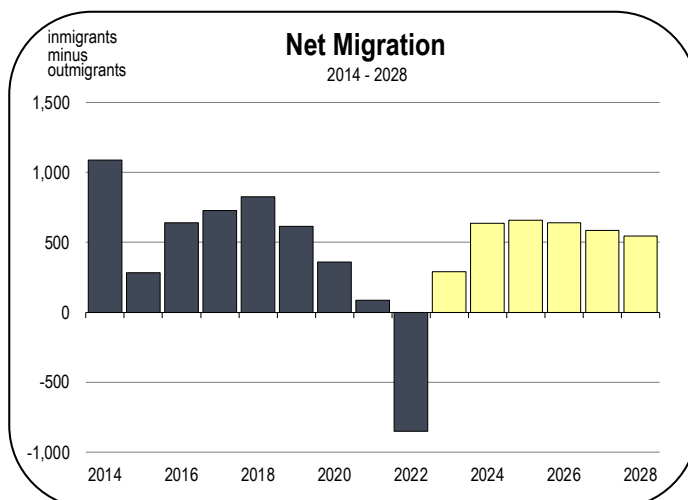
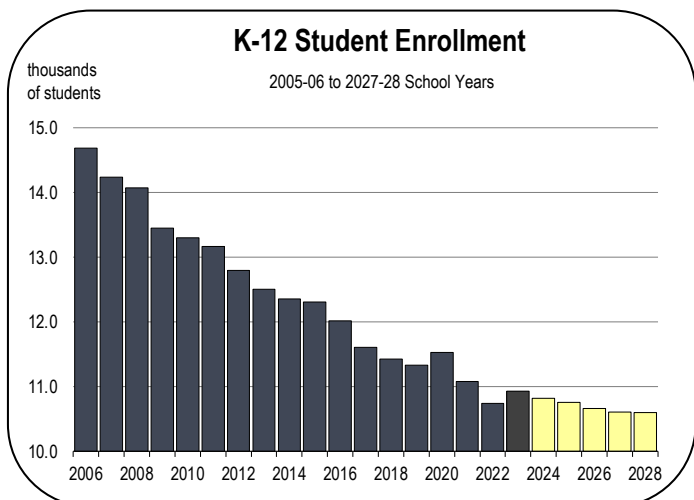
- Public school enrollments have been declining steadily since 2005. Consequently, there will be less demand for teachers and staff within K-12 schools over the forecast. This is reflected in the forecast for an average annual decline in employment of 0.5 percent resulting in 170 lost jobs between 2024-2028.

Government Employment

- Government employment increased 4.6 percent in 2022 with 280 new jobs.
- In 2023, employment is expanding, and will rise by 380 jobs, an increase of 6.1 percent.

Population Growth

- Nevada County's population is much older than the statewide average. As of 2022, more than 13 percent of the population was age 75 or older, compared to just 7 percent of California's population.
- Because the age structure of Nevada County has a high share of residents aged 75 and older, the number of deaths has begun to exceed the number of births.
- Between 2017 and 2022, there were almost 1,700 more deaths than births. Between 2023 and 2028, there are expected to be 2,800 more deaths than births. Births are expected to rise 5 percent between the two periods of time, while deaths are expected to increase 21 percent.

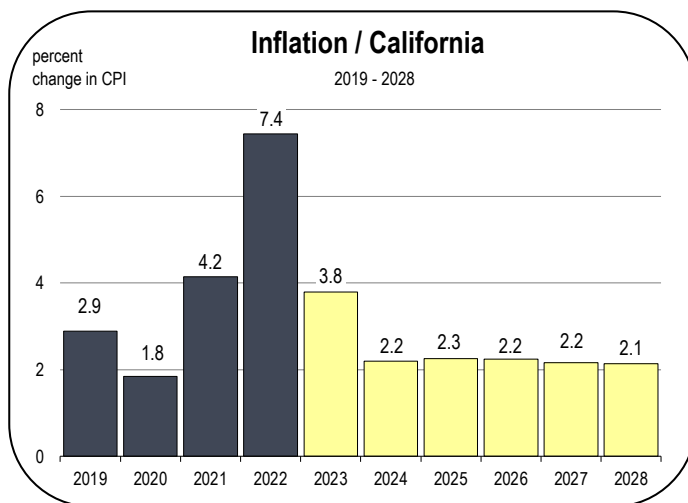


Nevada County Economic Forecast

- More people will move into the county than people who move out during the forecast period, but that has not been enough to offset the negative natural population rate causing the population to decline through 2023.
- The population declined 1.22 percent in 2022 with the loss of 1,250 residents. Most of this population loss was due to net out-migration. This was only the second year since 1979 that net in-migration was negative.
- In 2023, the county is on pace to lose another 100 residents in 2023.
- Between 2024-2028, the net in-migration will double in comparison to 2023 causing population to average 0.13 percent growth, resulting in 640 new residents.

Unemployment and Inflation Rates

- The unemployment rate in Nevada County averaged 3.4 percent in 2022.
- An unemployment rate below 5.0 percent signifies a fully employed labor force in Nevada County. The unemployment rate is expected to average 3.9 percent in 2023 and 4.1 percent in 2024.
- Inflation in California, including the Sierra 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

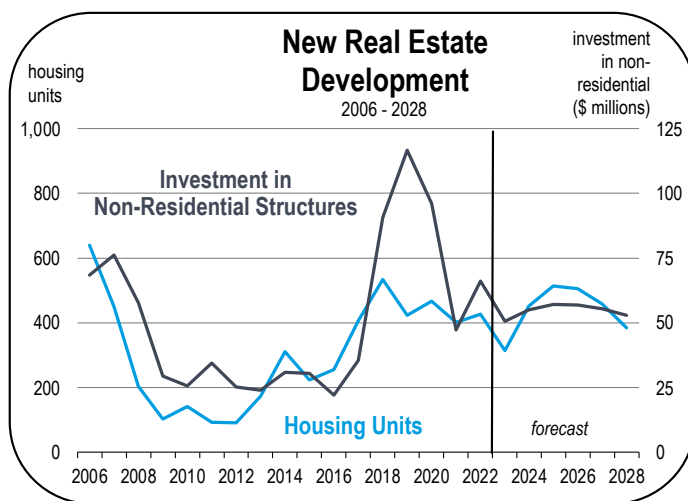
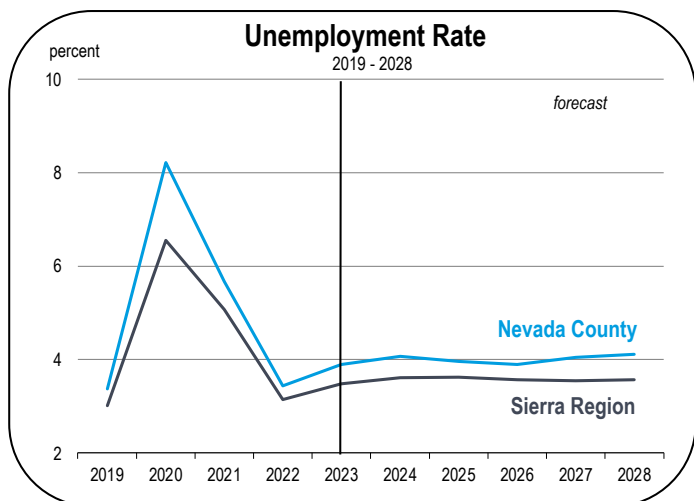


subside. During 2021 and 2022, this was a principal contributor to the surge of inflation nation-wide. Another risk is whether the economic slowdown will moderate the demand for labor, leading to lower wage inflation.

- 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 Nevada County was \$638,000, increasing 0.8 percent from the previous year.
- Home values are falling in 2023 and are pace to finish the year down 2.1 percent to \$625,000.
- Price appreciation will resume in 2024. The average annual appreciation rate between 2024-2028 is forecast to be 2.9 percent.
- From 2017 to 2022, an average of 400 new homes were started per year in Nevada County. 90 percent were single-family homes.
- Housing production is expected to average 400 homes per year from 2023 to 2028 of which 93 percent will be single-family homes.



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New Development in Nevada County

Dorsey Marketplace

- One of the largest mixed-use projects in Nevada County is the Dorsey Marketplace. The development will be located between Dorsey Drive and Grass Valley highway in Grass Valley. Plans call for 172 apartments, approximately 105,000 square feet of retail space, and 8,500 square feet of office space.
- Plans for the Dorsey Marketplace were approved in April 2020. Litigation, however, has delayed the project. The initial lawsuit was dismissed in 2021 by the Nevada County Superior Court, but appeals were filed, and construction cannot yet begin.

Loma Rica Ranch Specific Plan

- The other biggest mixed-use development in Nevada County is the Loma Rica Ranch Development in Grass Valley. Loma Rica Ranch is a 452-acre, mixed-use development that is currently underway. The development plans to incorporate 235 residential units, 51 will be single-family homes.
- The Loma Rica Ranch also has plans for a neighborhood center, a network of trails, and an organic farm. Construction is underway.

Other Projects in Truckee

- Below are notable projects in Truckee's pipeline. The following projects have now been approved:
 - Truckee Springs Master Plan (40 single-family or 80 multifamily units)
 - Soaring Ranch Phase 3 (109 multifamily units, plus 7,834 SF commercial)
 - Frishman Hollow (68 mixed affordable income residential units)
 - Raley's Grocery Store (40,000 SF store and 19,000 sf retail)
 - Estates Meadows (30 units, community building)
 - Rocker Memorial Skate Park (24,686 SF outdoor skateboarding park)
 - Downhill Ski Lodge Replacement project at Tahoe Donner (new 24,500 square foot lodge)



Conceptual Drawing of the Downhill Ski Lodge

Nevada 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 (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	100,456	41.9	281	223	130	\$5.4	\$0.9	\$1.3	\$366	\$68,681	5.5	\$25	1.4
2016	100,919	42.1	639	256	134	\$5.7	\$0.9	\$1.3	\$389	\$70,016	4.8	\$26	2.3
2017	101,384	42.2	726	406	131	\$5.7	\$1.0	\$1.4	\$403	\$68,861	4.1	\$29	3.0
2018	101,920	42.3	825	534	132	\$5.9	\$1.0	\$1.4	\$399	\$67,415	3.5	\$30	3.7
2019	102,298	42.5	613	423	135	\$6.3	\$1.1	\$1.5	\$360	\$69,625	3.4	\$27	2.9
2020	102,392	42.8	358	466	133	\$6.7	\$1.2	\$1.7	\$343	\$73,281	8.2	\$22	1.8
2021	102,033	42.2	87	401	134	\$7.1	\$1.3	\$1.9	\$365	\$75,118	5.7	\$23	4.2
2022	100,788	42.4	-851	427	130	\$7.2	\$1.4	\$2.0	\$360	\$71,686	3.4	\$19	7.4
2023	100,703	43.0	291	313	131	\$7.6	\$1.4	\$2.0	\$359	\$72,386	3.9	\$26	3.8
2024	100,932	43.3	637	452	131	\$8.0	\$1.5	\$2.1	\$360	\$73,725	4.1	\$28	2.2
2025	101,140	43.6	656	514	132	\$8.4	\$1.6	\$2.2	\$361	\$75,232	4.0	\$28	2.3
2026	101,295	44.0	640	505	132	\$8.7	\$1.7	\$2.4	\$361	\$76,528	3.9	\$29	2.2
2027	101,354	44.5	583	459	132	\$9.1	\$1.8	\$2.5	\$363	\$77,876	4.0	\$29	2.2
2028	101,341	44.8	544	385	132	\$9.4	\$1.9	\$2.7	\$364	\$79,111	4.1	\$29	2.1
2029	101,300	45.1	541	374	132	\$9.7	\$2.0	\$2.8	\$367	\$80,132	4.1	\$30	2.2
2030	101,204	45.4	513	360	132	\$10.0	\$2.1	\$3.0	\$371	\$80,927	3.9	\$30	2.2
2031	101,080	45.7	504	352	131	\$10.3	\$2.1	\$3.1	\$371	\$81,675	3.9	\$30	2.3
2032	100,940	46.0	505	349	131	\$10.6	\$2.2	\$3.2	\$372	\$81,946	3.7	\$30	2.3
2033	100,777	46.3	501	345	131	\$10.8	\$2.3	\$3.3	\$372	\$82,499	3.7	\$30	2.4
2034	100,598	46.6	497	341	131	\$11.1	\$2.4	\$3.4	\$372	\$83,083	3.8	\$30	2.4
2035	100,412	46.9	494	338	130	\$11.4	\$2.4	\$3.5	\$372	\$83,592	3.9	\$31	2.5
2036	100,207	47.1	470	329	130	\$11.7	\$2.5	\$3.6	\$372	\$83,744	3.9	\$31	2.5
2037	99,997	47.4	468	325	130	\$12.0	\$2.6	\$3.7	\$372	\$83,835	4.0	\$31	2.6
2038	99,788	47.7	467	323	129	\$12.3	\$2.6	\$3.8	\$372	\$84,125	4.1	\$31	2.6
2039	99,573	47.9	454	317	129	\$12.6	\$2.7	\$3.9	\$372	\$84,127	4.0	\$31	2.7
2040	99,363	48.2	453	314	129	\$13.0	\$2.7	\$4.0	\$372	\$84,362	4.1	\$31	2.7
2041	99,153	48.4	441	308	128	\$13.3	\$2.8	\$4.0	\$373	\$84,810	4.1	\$31	2.8
2042	98,956	48.7	444	307	128	\$13.6	\$2.9	\$4.2	\$373	\$85,361	4.0	\$31	2.8
2043	98,754	48.9	432	301	128	\$14.0	\$2.9	\$4.3	\$373	\$85,972	4.0	\$31	2.9
2044	98,558	49.2	423	297	127	\$14.3	\$3.0	\$4.4	\$373	\$86,694	4.0	\$31	2.9
2045	98,376	49.4	411	291	127	\$14.7	\$3.1	\$4.5	\$373	\$87,339	4.0	\$31	3.0
2046	98,207	49.6	406	288	127	\$15.0	\$3.2	\$4.7	\$373	\$87,868	4.0	\$31	3.1
2047	98,060	49.9	405	285	126	\$15.4	\$3.3	\$4.8	\$373	\$88,241	4.0	\$31	3.1
2048	97,940	50.1	404	283	126	\$15.8	\$3.4	\$5.0	\$373	\$88,521	4.0	\$32	3.2
2049	97,842	50.3	401	280	126	\$16.2	\$3.5	\$5.1	\$373	\$88,968	4.0	\$32	3.2
2050	97,761	50.6	397	277	126	\$16.6	\$3.7	\$5.3	\$373	\$89,373	4.0	\$32	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	30.8	0.1	2.7	1.4	0.5	4.3	1.3	2.2	0.3	5.3	4.5	6.5
2016	31.5	0.1	2.8	1.4	0.5	4.4	1.3	2.2	0.3	5.4	4.7	6.5
2017	32.2	0.1	2.9	1.4	0.5	4.5	1.3	2.2	0.3	5.5	4.9	6.5
2018	32.7	0.1	3.1	1.4	0.5	4.4	1.4	2.4	0.3	5.4	5.1	6.6
2019	33.1	0.1	3.1	1.3	0.5	4.4	1.3	2.5	0.3	5.5	5.3	6.7
2020	30.6	0.1	3.1	1.2	0.5	4.2	1.3	2.5	0.2	5.2	4.2	6.2
2021	31.9	0.1	3.3	1.3	0.6	4.6	1.4	2.7	0.2	5.3	4.6	6.1
2022	33.8	0.2	3.5	1.4	0.7	4.6	1.4	2.8	0.3	5.5	5.2	6.4
2023	34.0	0.2	3.6	1.3	0.7	4.5	1.3	2.6	0.2	5.4	5.3	6.7
2024	34.4	0.2	3.7	1.3	0.7	4.5	1.3	2.7	0.2	5.4	5.6	6.6
2025	34.7	0.2	3.8	1.3	0.7	4.5	1.3	2.7	0.2	5.5	5.7	6.6
2026	34.9	0.2	3.9	1.3	0.7	4.5	1.3	2.8	0.2	5.5	5.8	6.5
2027	35.2	0.2	3.9	1.3	0.7	4.5	1.3	2.9	0.2	5.5	5.9	6.6
2028	35.4	0.2	3.8	1.3	0.7	4.6	1.4	2.9	0.2	5.7	6.0	6.6
2029	35.5	0.2	3.7	1.4	0.7	4.6	1.4	3.0	0.2	5.8	6.0	6.6
2030	35.6	0.2	3.6	1.4	0.7	4.6	1.4	3.0	0.2	5.8	6.0	6.6
2031	35.7	0.2	3.5	1.4	0.7	4.6	1.4	3.1	0.2	5.9	6.0	6.6
2032	35.7	0.2	3.4	1.4	0.7	4.6	1.4	3.2	0.2	6.0	6.0	6.5
2033	35.7	0.2	3.3	1.4	0.7	4.6	1.4	3.2	0.2	6.0	6.0	6.6
2034	35.6	0.2	3.2	1.4	0.7	4.6	1.4	3.2	0.2	6.1	6.1	6.5
2035	35.6	0.2	3.1	1.4	0.7	4.6	1.4	3.2	0.2	6.2	6.1	6.5
2036	35.5	0.2	3.0	1.4	0.7	4.6	1.4	3.2	0.2	6.2	6.1	6.5
2037	35.5	0.2	3.0	1.4	0.7	4.5	1.4	3.2	0.2	6.2	6.1	6.5
2038	35.5	0.2	2.9	1.4	0.7	4.5	1.4	3.2	0.2	6.3	6.1	6.5
2039	35.5	0.2	2.9	1.4	0.7	4.5	1.4	3.2	0.2	6.3	6.1	6.5
2040	35.5	0.2	2.8	1.4	0.7	4.5	1.4	3.2	0.2	6.4	6.1	6.5
2041	35.5	0.2	2.8	1.4	0.7	4.5	1.4	3.2	0.2	6.4	6.1	6.4
2042	35.5	0.2	2.8	1.4	0.7	4.5	1.4	3.2	0.2	6.5	6.2	6.4
2043	35.5	0.2	2.7	1.4	0.7	4.5	1.4	3.2	0.2	6.5	6.2	6.4
2044	35.6	0.2	2.7	1.4	0.7	4.5	1.4	3.3	0.2	6.6	6.2	6.4
2045	35.6	0.2	2.7	1.4	0.7	4.5	1.4	3.3	0.2	6.6	6.2	6.4
2046	35.7	0.2	2.6	1.4	0.7	4.5	1.4	3.3	0.2	6.7	6.2	6.4
2047	35.7	0.2	2.6	1.4	0.7	4.5	1.4	3.3	0.2	6.7	6.2	6.4
2048	35.8	0.2	2.6	1.4	0.7	4.5	1.4	3.3	0.2	6.8	6.2	6.4
2049	35.8	0.2	2.6	1.4	0.7	4.5	1.4	3.3	0.2	6.8	6.2	6.4
2050	35.9	0.2	2.6	1.4	0.7	4.5	1.4	3.3	0.2	6.9	6.2	6.4

Nevada County Economic Forecast

Socioeconomic Indicators

