

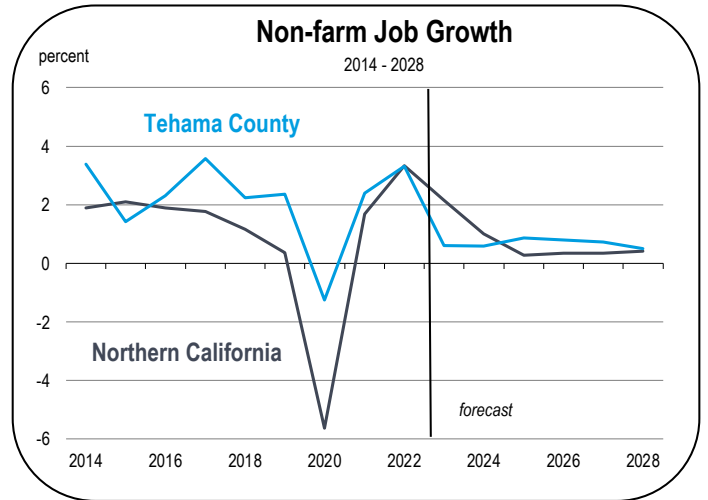
# Tehama County Economic Forecast

## Forecast Summary

- Employment in the non-farm sectors of Tehama County increased by 660 jobs in 2022. Farm employment rose by 50 jobs.
- No job creation is expected in 2023. In 2024 and 2024, the labor market will expand by 370 jobs.
- Employment gains will be led by manufacturing in the food processing sector, and healthcare.
- The unemployment rate averaged 4.9 percent in 2022. It is forecast to average 6.1 percent in 2023 and 6.2 percent in 2024.
- The median home price increased by 17 percent in 2021. The median selling price of single-family homes will rise 2 percent in 2022 to \$334,000.
- Because of its Mediterranean climate, Tehama County is ideally suited for growing olives. Summer temperatures usually exceed 100° Fahrenheit while winter temperatures hover around 40-50°. Olive trees were introduced to Tehama County in the late 1800's and early 1900's. By 2001, there were over 5500 productive acres of olives in Tehama County. A large majority of this acreage is harvested for the olive canning industry.

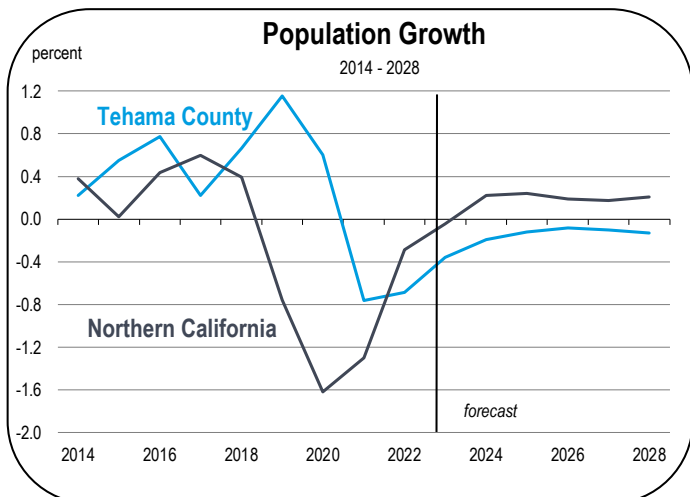
## Job Growth

- Total employment in Tehama County rose 3.2 percent in 2022 but no employment gain is expected in 2023. Employment is forecast to rise by an average 0.6 percent per year from 2023 to 2028.
- Manufacturing and healthcare will be the principal sectors of job growth over the next several years.

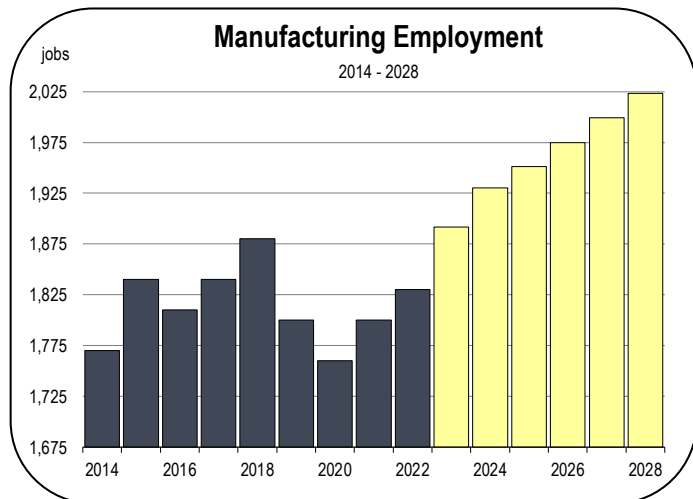


## Construction Employment

- Employment in construction has been steadily rising over the last 5 years. It is forecast to create approximately 90 jobs in 2023 and level off thereafter.
- There are a number of potential developments that will start relatively soon in the County, including two relatively large affordable housing projects. There is also road and bridge maintenance projects that have required construction services over the last several years.

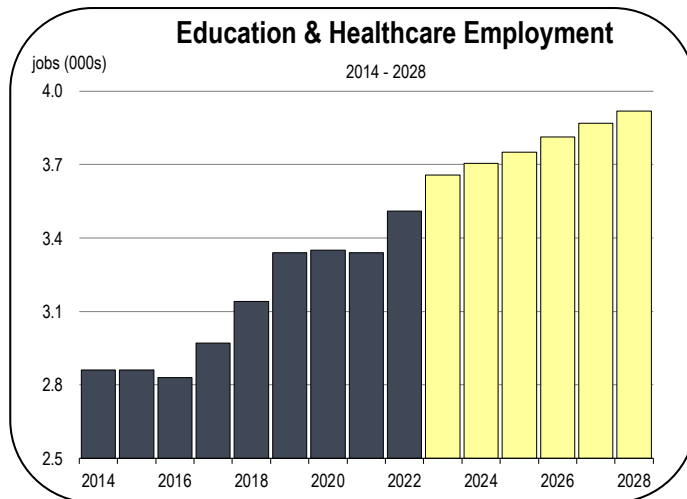


# Tehama County Economic Forecast



## Manufacturing Employment

- Tehama County manufacturing is concentrated in lumber production, and the largest employer is Sierra Pacific Industries, with over 500 employees.
- Sierra Pacific Industries is headquartered in Shasta County but has many workers located in Tehama County. The company manages more than 2 million acres of forest area in California and Washington.
- Sierra Pacific Industries has two mills in Tehama County, located in Corning and Red Bluff. These facilities process several varieties of trees and produce door frames, window frames, and other lumbar products.
- Bell Carter is the second largest manufacturing operation in the county. Located in Corning, the company produces and wholesales olives and olive products. They employ 300 workers.
- The manufacturing sector is expected to expand by 200 jobs over the forecast period. Miscellaneous manufacturing including packaging and paper products, along with canned olives and olive oil production will generate new job opportunities through 2028.



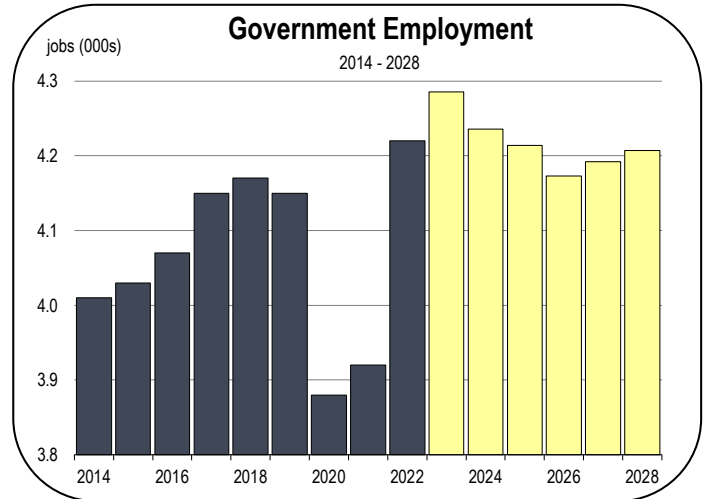
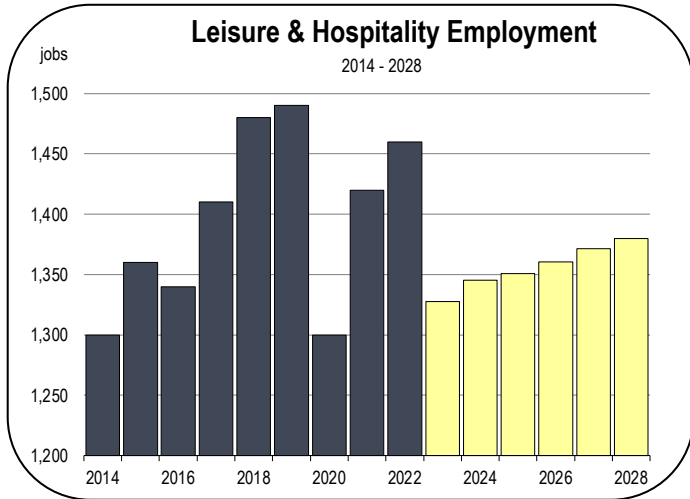
## Private Education and Healthcare Employment

- Healthcare is the second largest labor market in Tehama County, behind only the public sector.
- Healthcare employment rose 5.1 percent in 2022 and is on pace to rise another 4.2 percent in 2023.
- The largest healthcare organization is St. Elizabeth Community Hospital, which employs more than 400 workers and has approximately 50 patient beds.
- Over the forecast period, healthcare employment will increase by 400 jobs, leading all other labor markets in job creation.

## Leisure and Hospitality Employment

- One of the main visitor attractions in Tehama County is the Red Bluff Rodeo. In 2023, the Red Bluff Rodeo had its 102nd anniversary. It is estimated that the rodeo attracts 30,000 visitors each year. The Rodeo is held in April over a 3 day period.
- The town of Corning is the capital of California's olive oil industry, and local vendors have established a hospitality and food-services subsector around olive oil tasting. According to Trip Advisor, Corning is where most of the high quality olive oils are processed in the United States.

# Tehama County Economic Forecast



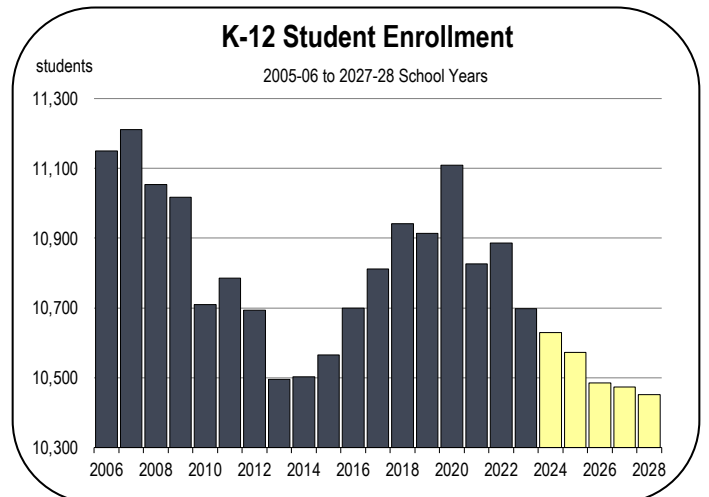
- The Corning Olive Festival and Car Show is held annually in July. An estimated 7,000 people attended the 76th annual event in 2023.
- Just southwest of Corning lies Black Butte Lake, an accessible recreational area on the west side of the Sacramento Valley. The lake is seven miles long and has a shoreline of 40 miles. Camping, picnicking, swimming, boating, fishing, hunting and sightseeing are just some of the many activities available.
- Employment within the broad industry declined by nearly 125 positions in 2023. The fallout is due largely to the difficulty of filling open jobs.
- Over the forecast, some growth is expected, but no significant job creation is forecast.

## Government Employment

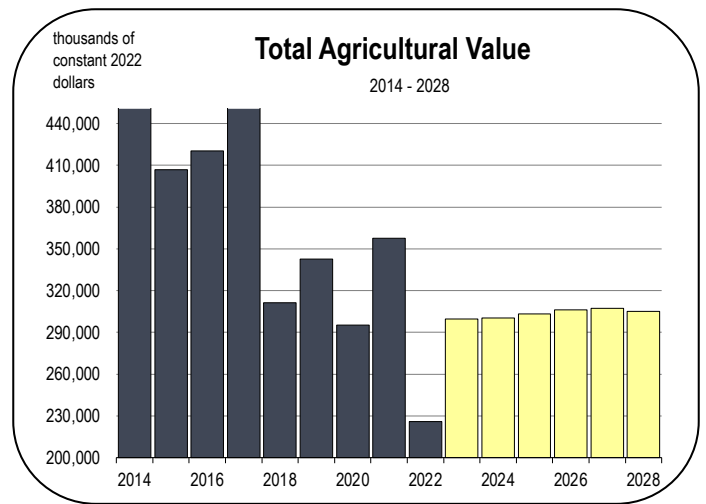
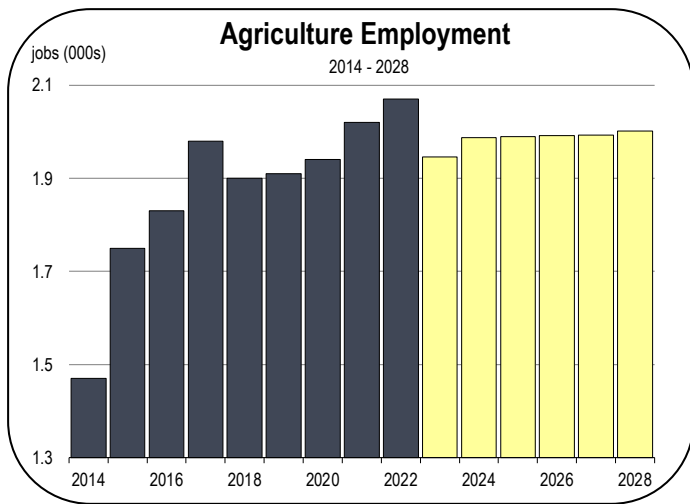
- Public sector agencies restored 300 jobs during 2022. Another 50 to 60 jobs will be created in 2023.
- The largest government agencies in Tehama County are the local school districts, The Sherriff Department, and the Tehama County Health Services Agency.
- Government departments collectively will remain the largest employers in the county, but are not forecast to create many new jobs.
- K-12 student enrollment rose sharply in the 2017 to 2020 period, due in large part to the fires in Butte County which moved populations to adjacent counties like Tehama. As rebuilds occur and populations return to fire struck counties, enrollment is predicted to decline over the forecast, limiting the growth of public sector employment.



Bottle of Olio Nuovo extra virgin olive oil, pressed and bottled by Corning Olive Oil Company in the city of Corning, the Olive Capitol of California



# Tehama County Economic Forecast



## Agriculture Employment

- Overall the county's agricultural revenues leaped 26 percent in 2021, to \$333 million, but fell back to \$226 million in 2022. Almonds and Walnuts were the top crops bringing in a total value of \$69 million.

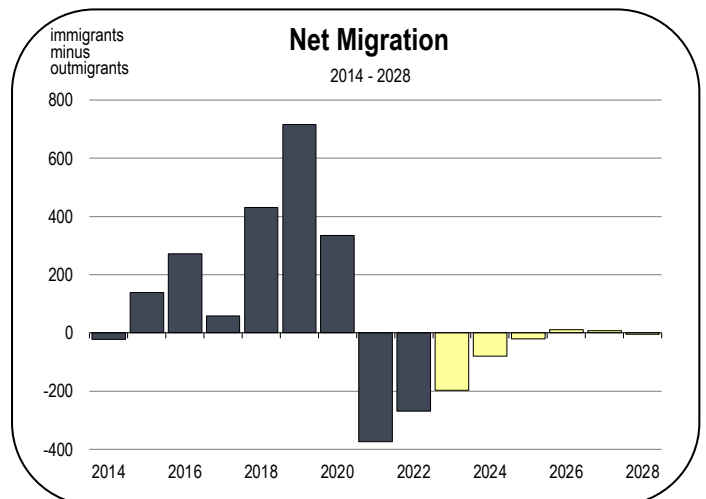
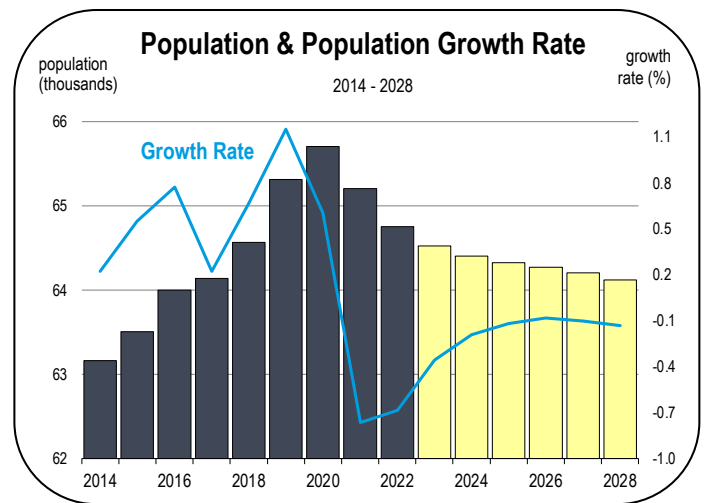
Principal Crops in 2022	millions of dollars
Walnuts	\$45.3
Almonds	\$24.0
Cattle, Calves, Poultry	\$23.3
Prunes	\$22.6
Apiary products	\$21.0
Apiary services	\$20.9
Nursery products	\$14.8

- In 2022 walnuts rebounded to the number one spot due to almond growers reporting a dismal crop, going from 17,384 tons in 2021 down to 7,589 tons in 2022. Beef cattle values contributed \$23 million and Livestock and poultry products added another \$28.3 million
- The agriculture sector has thrived in recent years as global commodity prices have sharply increased for almonds, walnuts, and prunes, leading to rising sales and the creation of farming jobs.
- Employment unexpectedly contracted in 2022 but is forecast to remain a stable job sector over the forecast.

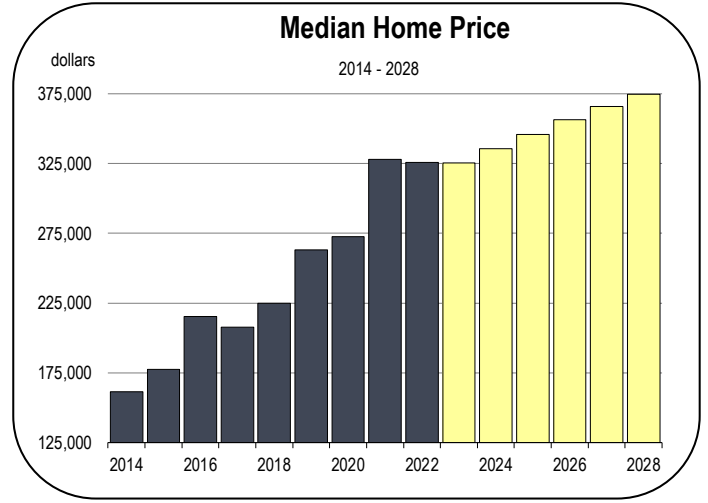
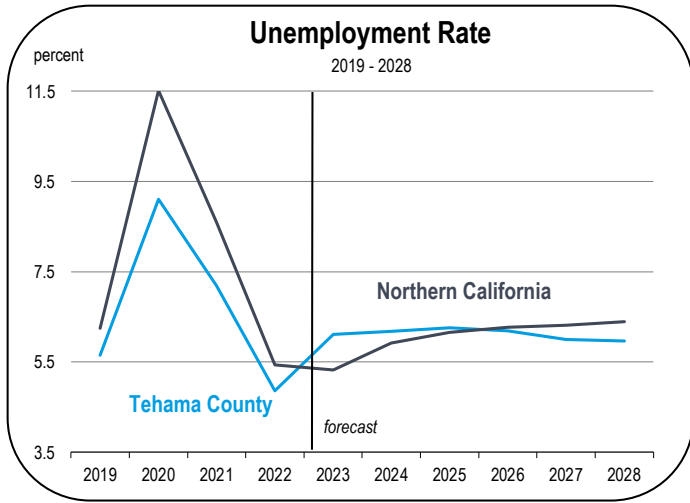
## Population Growth

- Like many counties in Northern California, the Tehama County population is expected to contract over the forecast, averaging -0.2 percent per year through 2028.

- Net in-migration will be negative in 2023 and 2024. In and out migration then become a non-factor for the remainder of the forecast. Because the natural rate of population growth has now turned negative, population will decline over the forecast.
- By 2028, the population is forecast to fall to 64,100 residents.



# Tehama County Economic Forecast



## Unemployment and Inflation Rates

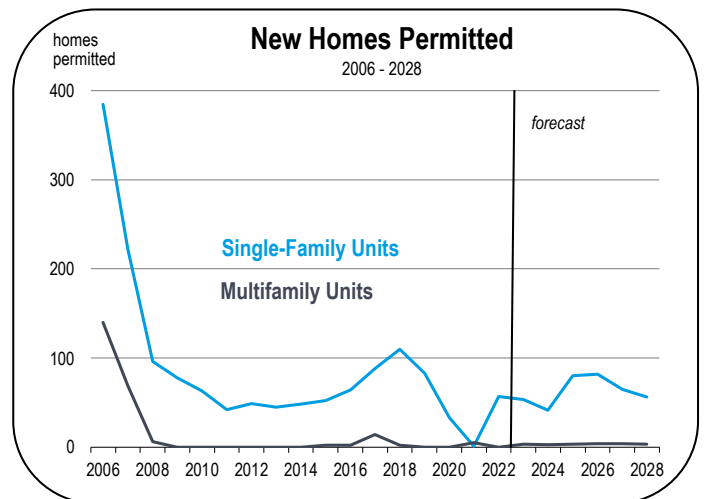
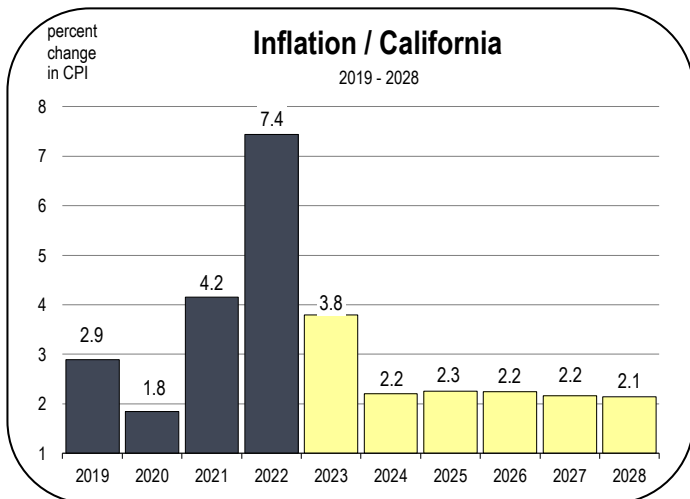
- The unemployment rate in Tehama County averaged 4.9 percent in 2022. It is expected to average 6.1 percent in 2023 and 6.2 percent in 2024.
- Inflation in California, including the Northern California Region, soared to 7.4 percent in 2022, but is expected to decelerate in 2023 to 3.8 percent due largely to declining energy costs, the restoration of supply chains, and stagnant housing costs.
- 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 Tehama County was \$328,000. Selling values peaked in May 2022 but have moderated and even contracted since.
- The median home value is expected to average \$323,500 in 2023 and rise modestly to \$363,600 in 2024.
- From 2017 to 2022, an average of 66 new homes were built in the county each year. Nearly all were single-family homes.
- Housing production is expected to average 60 to 70 units from 2023 to 2028 with more affordable housing projects occurring in the front end of the forecast period.



# Tehama County Economic Forecast

## New Development in Tehama County

- The Evergreen bridge replacement project is under construction. The project also includes replacing the bridge over the Anderson Cottonwood Irrigation Construction began in February 2023 and will conclude in December 2024.
- The Squaw Hollow Creek bridge rehabilitation project to repair storm damage on the eroded highway is underway. It will be completed sometime in 2024.
- Two commercial construction projects are now underway in Red Bluff. The palm Villas Apartment project is a 61-unit affordable housing community on a 3 acre site.
- This will be a 41-unit affordable housing complex with 15 units reserved for No Place Like Home supportive housing tenants and 25 units available for homeless adults, with one unit reserved for an onsite resident manager.
- Both projects will be completed in 2024.

### Nine Mile Hill Ranch

- One of the largest projects proposed for the entire Northern California region is by American Pacific Nine Mile for a 3,322 acre site, eight miles north of Red Bluff and 18 miles south of Redding. A total of 1,572 acres would be developed to create 3,700 homes over a 10 year period. The project includes an 18 hole golf course, 230,000 square feet for commercial development, 17 acres for parks, 26 acres for recreational facilities, and accommodation for emergency services facilities.
- The project is now the only fully approved, fully entitled active-adult, master-planned community in Northern California.
- A time table for the project start and phases has yet to be made available.



Project Site for Nine Mile Hill Ranch

# Tehama County Economic Forecast

## Economic Indicators

## 2015-2022 History, 2023-2050 Forecast

	Population (people)	Households (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	63,509	24.2	138	54	74	\$2.3	\$597	\$781	\$403	\$46,535	8.0	\$407	1.4
2016	63,999	24.4	272	66	75	\$2.4	\$608	\$794	\$414	\$45,933	7.2	\$420	2.3
2017	64,141	24.5	59	102	74	\$2.5	\$648	\$816	\$426	\$47,330	6.4	\$464	3.0
2018	64,568	24.7	430	112	75	\$2.6	\$682	\$837	\$418	\$46,523	5.7	\$311	3.7
2019	65,312	24.7	715	83	78	\$2.7	\$736	\$951	\$405	\$47,424	5.7	\$343	2.9
2020	65,706	24.9	334	33	77	\$3.0	\$787	\$1,002	\$419	\$51,229	9.1	\$295	1.8
2021	65,204	25.0	-373	6	79	\$3.2	\$896	\$1,144	\$507	\$52,821	7.2	\$358	4.2
2022	64,756	25.1	-269	57	76	\$3.2	\$887	\$1,170	\$487	\$49,071	4.9	\$226	7.4
2023	64,526	25.1	-198	57	76	\$3.3	\$901	\$1,152	\$489	\$49,342	6.1	\$300	3.8
2024	64,402	25.2	-80	44	77	\$3.5	\$929	\$1,188	\$514	\$50,233	6.2	\$300	2.2
2025	64,326	25.2	-21	83	77	\$3.6	\$976	\$1,249	\$528	\$51,159	6.3	\$303	2.3
2026	64,273	25.3	11	85	77	\$3.7	\$1,032	\$1,322	\$540	\$51,773	6.2	\$306	2.2
2027	64,206	25.4	8	68	77	\$3.9	\$1,074	\$1,377	\$545	\$52,350	6.0	\$307	2.2
2028	64,123	25.4	-6	60	78	\$4.0	\$1,126	\$1,445	\$548	\$52,836	6.0	\$305	2.1
2029	64,025	25.5	-9	54	78	\$4.1	\$1,169	\$1,501	\$550	\$53,350	5.9	\$310	2.2
2030	63,916	25.5	-10	50	78	\$4.2	\$1,213	\$1,558	\$547	\$53,797	5.7	\$310	2.2
2031	63,794	25.6	-18	47	78	\$4.3	\$1,255	\$1,613	\$545	\$54,216	5.7	\$312	2.3
2032	63,660	25.6	-20	45	78	\$4.4	\$1,297	\$1,667	\$544	\$54,517	5.4	\$313	2.3
2033	63,519	25.7	-23	44	78	\$4.5	\$1,336	\$1,717	\$543	\$54,946	5.4	\$314	2.4
2034	63,365	25.7	-26	42	79	\$4.7	\$1,374	\$1,767	\$541	\$55,366	5.4	\$314	2.4
2035	63,198	25.7	-26	41	79	\$4.8	\$1,413	\$1,817	\$539	\$55,747	5.5	\$314	2.5
2036	63,016	25.8	-26	39	79	\$4.9	\$1,450	\$1,865	\$539	\$56,004	5.5	\$314	2.5
2037	62,821	25.8	-26	38	79	\$5.1	\$1,488	\$1,913	\$540	\$56,225	5.6	\$314	2.6
2038	62,612	25.9	-24	37	79	\$5.2	\$1,524	\$1,959	\$540	\$56,513	5.7	\$315	2.6
2039	62,395	25.9	-22	36	79	\$5.3	\$1,562	\$2,009	\$541	\$56,712	5.7	\$315	2.7
2040	62,179	25.9	-17	36	79	\$5.5	\$1,603	\$2,061	\$541	\$56,978	5.7	\$315	2.7
2041	61,960	26.0	-18	35	79	\$5.6	\$1,637	\$2,105	\$542	\$57,302	5.8	\$315	2.8
2042	61,746	26.0	-15	34	79	\$5.7	\$1,680	\$2,161	\$542	\$57,672	5.7	\$315	2.8
2043	61,539	26.0	-12	33	79	\$5.9	\$1,725	\$2,219	\$542	\$58,065	5.7	\$315	2.9
2044	61,341	26.1	-9	32	79	\$6.0	\$1,773	\$2,282	\$543	\$58,536	5.7	\$315	2.9
2045	61,148	26.1	-5	32	80	\$6.2	\$1,822	\$2,345	\$543	\$58,991	5.7	\$315	3.0
2046	60,959	26.1	-3	31	80	\$6.3	\$1,869	\$2,406	\$543	\$59,411	5.8	\$315	3.1
2047	60,782	26.1	-1	30	80	\$6.5	\$1,921	\$2,474	\$543	\$59,735	5.8	\$316	3.1
2048	60,618	26.2	1	30	80	\$6.6	\$1,975	\$2,543	\$544	\$60,001	5.8	\$316	3.2
2049	60,463	26.2	4	29	80	\$6.8	\$2,031	\$2,616	\$544	\$60,352	5.8	\$316	3.2
2050	60,320	26.2	7	28	80	\$6.9	\$2,090	\$2,693	\$544	\$60,660	5.8	\$316	3.3

## Employment Sectors

## 2015-2022 History, 2023-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufacturing	Transportation & Utilities	Wholesale & Retail Trade (jobs)	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
2015	18,180	1,750	550	1,840	1,500	2,170	330	700	60	2,860	1,360	4,030
2016	18,640	1,830	560	1,810	1,570	2,350	360	810	80	2,830	1,340	4,070
2017	19,390	1,980	610	1,840	1,680	2,340	350	880	110	2,970	1,410	4,150
2018	19,700	1,900	690	1,880	1,690	2,350	320	820	100	3,140	1,480	4,170
2019	20,130	1,910	830	1,800	1,680	2,400	310	860	90	3,340	1,490	4,150
2020	19,930	1,940	950	1,760	1,710	2,410	330	840	90	3,350	1,300	3,880
2021	20,440	2,020	1,030	1,800	1,780	2,410	320	860	90	3,340	1,420	3,920
2022	21,100	2,070	1,050	1,830	1,870	2,400	320	820	70	3,510	1,460	4,220
2023	21,090	1,946	1,137	1,892	1,877	2,335	313	742	67	3,657	1,328	4,285
2024	21,240	1,987	1,137	1,930	1,881	2,334	322	798	66	3,705	1,345	4,236
2025	21,410	1,989	1,157	1,951	1,882	2,362	323	848	66	3,750	1,351	4,214
2026	21,570	1,992	1,148	1,975	1,881	2,402	327	893	67	3,812	1,361	4,173
2027	21,710	1,993	1,129	1,999	1,879	2,423	331	918	67	3,868	1,372	4,192
2028	21,820	2,001	1,115	2,023	1,877	2,454	332	933	66	3,919	1,380	4,207
2029	21,960	2,015	1,102	2,011	1,874	2,471	334	946	64	3,972	1,391	4,220
2030	22,090	2,026	1,090	2,020	1,877	2,485	336	949	64	4,024	1,405	4,246
2031	22,180	2,027	1,078	2,026	1,880	2,500	336	952	63	4,079	1,406	4,243
2032	22,290	2,028	1,067	2,030	1,882	2,512	339	955	63	4,147	1,405	4,253
2033	22,380	2,029	1,056	2,034	1,884	2,525	340	958	62	4,208	1,406	4,261
2034	22,460	2,029	1,045	2,039	1,886	2,535	339	961	62	4,271	1,407	4,269
2035	22,550	2,029	1,045	2,043	1,888	2,541	339	963	61	4,335	1,407	4,276
2036	22,620	2,029	1,044	2,046	1,890	2,542	339	966	61	4,395	1,408	4,282
2037	22,690	2,030	1,044	2,049	1,892	2,542	338	968	60	4,452	1,408	4,288
2038	22,760	2,030	1,043	2,052	1,894	2,542	337	971	60	4,504	1,409	4,293
2039	22,830	2,030	1,043	2,054	1,896	2,542	338	973	60	4,555	1,410	4,298
2040	22,910	2,030	1,042	2,056	1,901	2,543	338	975	59	4,601	1,414	4,314
2041	22,950	2,030	1,042	2,058	1,906	2,543	337	978	58	4,642	1,414	4,306
2042	23,010	2,030	1,041	2,060	1,910	2,548	338	980	58	4,679	1,415	4,309
2043	23,060	2,030	1,041	2,061	1,914	2,555	338	982	57	4,714	1,416	4,312
2044	23,110	2,030	1,041	2,063	1,917	2,564	338	984	57	4,747	1,416	4,315
2045	23,170	2,030	1,040	2,064	1,920	2,572	338	986	56	4,782	1,417	4,318
2046	23,220	2,030	1,040	2,065	1,923	2,577	338	988	56	4,815	1,417	4,320
2047	23,260	2,031	1,039	2,066	1,926	2,583	337	990	56	4,843	1,417	4,322
2048	23,300	2,031	1,039	2,067	1,929	2,588	338	991	57	4,867	1,418	4,324
2049	23,340	2,031	1,039	2,068	1,931	2,596	338	993	56	4,893	1,418	4,325
2050	23,390	2,031	1,038	2,068	1,933	2,604	338	995	56	4,918	1,418	4,327

# Tehama County Economic Forecast

## Socioeconomic Indicators

