

BOS Report February 11, 2025

Business and Economic Development

- For the month of January 2025, the following districts had new business filings:
 - District 1 (Portola): 4
 - District 2 (Greenville) 3
 - District 4 (Quincy) 3
- In early January of this year, I attended the 25th Annual Economic Forecast Conference where we were told:
 - Interest rates won't go down significantly until the end of next year. In fact, on Friday, January 31st, interest rates on all USDA Single Family Home loans went up $\frac{1}{4}$ of 1% to 4.75%.
 - Inflation will drop slowly, if not actually increase.
 - CA will remain a high-cost state
 - CA Fair Plan Rates may go up after the LA Fires. On Monday, February 3rd, State Farm announced they were raising their homeowner policy rates by 22% in CA.
 - Housing prices rose roughly 30% between 2019 and 2023.
 - Housing prices may drop slightly, perhaps only 2% this year.
 - Population in the North State can be categorized as aging, low births, high deaths, and low in-migration.
 - Most North State counties have not fully recovered economically from pre-COVID days.
 - The brain drain continues to diminish rural capacity.
 - Housing and Childcare are major concerns in the North State.

- Technology moves quickly while businesses and governments do not.
- Data is precious; it drives policies, and it's crucial for startups.
- AI should amplify people's impact rather than replace them.
- AI Financial Literacy will be in more demand.
- Companies and governments may not embrace AI, but employees will bring it to work; could be conflicting.
- There has been a big growth in Cultural Districts in the North State. This has led to an expansion of arts and entertainment that are positively impacting economic development. Debra Lucero was credited with forming the Redding Cultural District, that is a model for the 14 Cultural Districts in CA.
- The Rural Conundrum is: Where do we go from here? Can we rebound from our wildfire disasters and how? Can we bring in niche manufacturing and other industry diversities?
- The North State will continue to be a slow-growth rate area.

Thank you.

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