ATTACHMENT 1



CITY OF NAPA: DASHBOARD CITY COUNCIL PRESENTATION

NAPA, CA

MARCH 2023

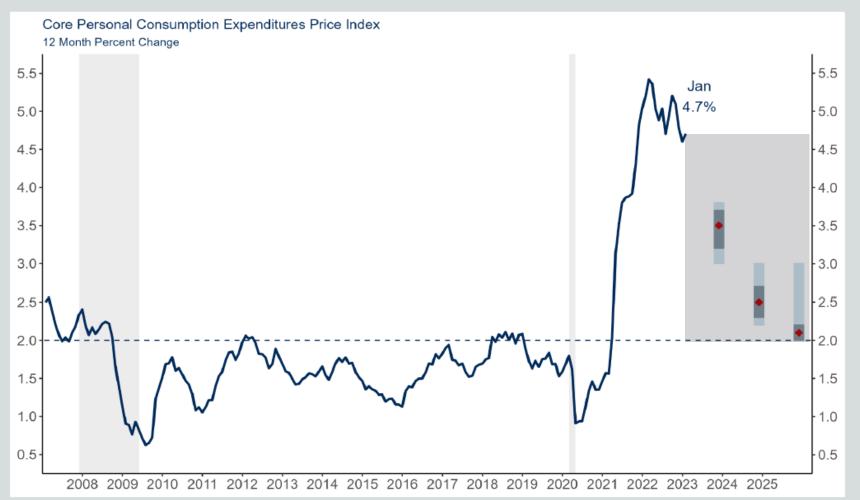
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Professor, Economics, Sonoma State University
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How the FED fares: Inflation on the Mend?

Richmond • Baltimore • Charlotte

Economic Forensics & Analytics

Core Personal Consumption Expenditure Price Index



Notes: FOMC projection is the median, range, and central tendency for Q4/Q4 percent changes, from the December 2022 meeting. Red dots indicate median projections. Core PCE Price Index excludes expenditures on gasoline and food services. Page 2 of 11

Source: Bureau of Economic Analysis & Board of Governors via Haver Analytics 4

What's Next?

- Confusing inflation signals means rates more likely to stay put
- Housing markets to give back gains (think 10-15% in 2023)
- Job losses slowly coming, expect more

Federal Reserve Philadelphia Forecast, Survey of Professional Forecasters



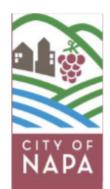
These data are from February 2023 For US Economy

	Real GDP (%)		Unemployment Rate (%)		Core PCE Inflation (%)	
Annual data (pr						
	Previous	New	Previous	New	Previous	New
2023	0.7	1.3	4.2	3.8	3.0	3.0
2024	1.8	1.4	4.3	4.2	2.4	2.3
2025	2.2	2.2	4.2	4.2	N/A	2.1
2026	N/A	1.5	N/A	4.1	N/A	N/A

Source: Federal Reserve Philadelphia Branch

Napa at a Glance: end of Q4 2022





Economic Development Dashboard

These key indicators gauge the City of Napa's economic performance and are updated on a quarterly basis as needed



The City's Economy at a Glance



\$353

Hotel Average Daily Rate (Dec 2022)



44.5%

Hotel Occupancy Rate (Dec 2022)



+4.5%

Hotel Occupancy Rate past year difference (2021-22)



+22.6%

Hotel Occupancy Rate past 2 year difference (2020-22)



\$6.67 Billion

Napa County's Gross Regional Product Economic Output in 2021



+3.8%

City of Napa Taxable Sales Percent Increase (2021 Q3 to 2022 Q3)



+6.2%

Napa County Taxable Sales Percent Increase (2021 Q3 to 2022 Q3)



+7.0% Page 4

California Taxable Sales Percent Increase (2021 Q3 to 2022 Q3)



\$843,210

Median home price within the City as of Jan 2023 (Zillow Research)



+2.4%

City of Napa one year home price growth rate (Jan 2022-Jan 23)



+13.9%

City of Napa two year home price growth rate (Jan 2021-Jan 23)



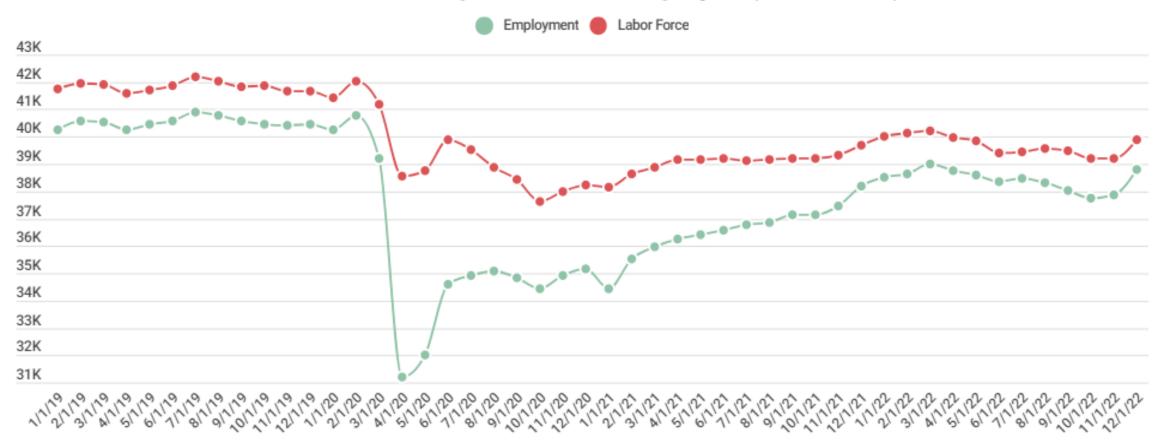
-2.6%

City of Napa Housing Market Forecast (% change in median home price) to Jan 2024





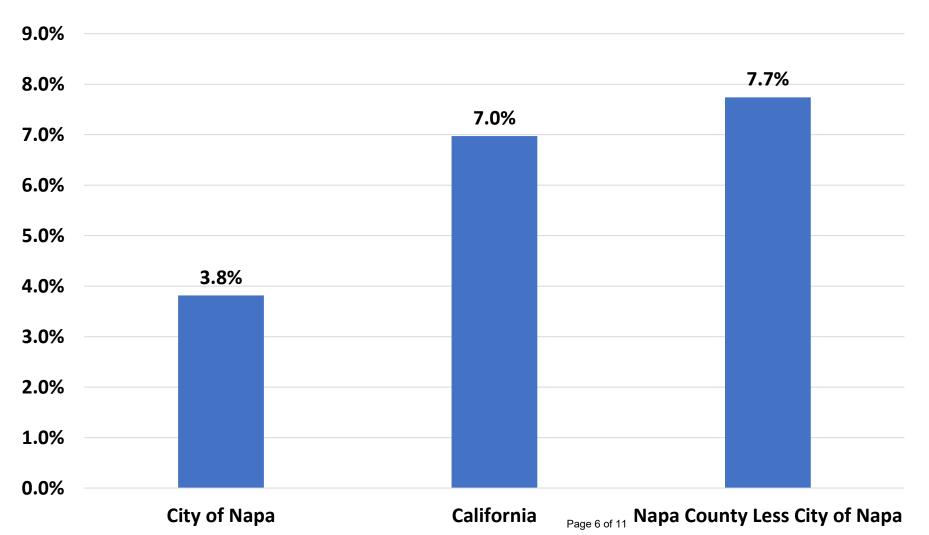
Labor Force and Napa Residents Employed (2019-2022)



Source: California EDD and Bureau of Labor Statistics. Seasonally adjusted. Page 5 of 11

Taxable Sales % Change, Q3 2022 from Q3 2021 City of Napa, Napa County (outside City of Napa), California





Some tradeoffs here:

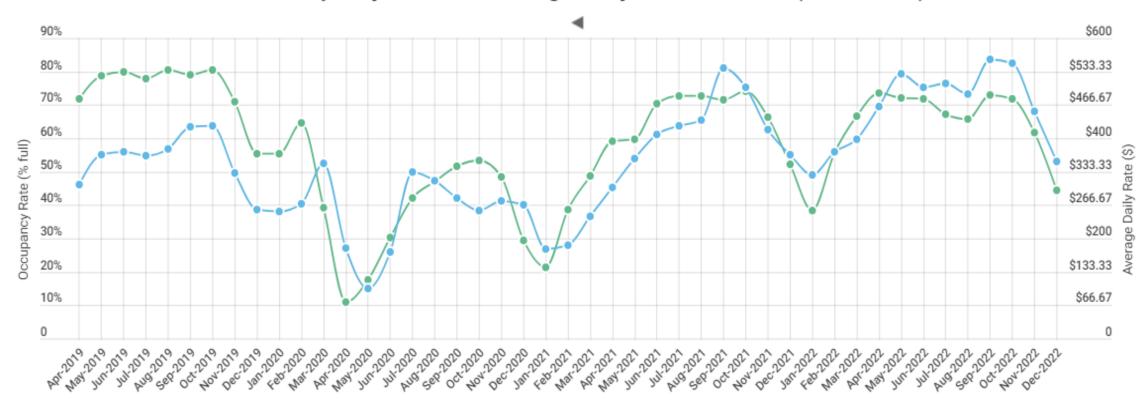
- Taxable sales are up but some of this driven by inflation
- 2. Slower pace of growth after 2020 and 2021 spending
- 3. Expansion of restaurants and other retail outside city in Napa County likely to continue (American Canyon)

Source: California Department of Tax and Fee Administration (CDTFA)

Tourism, Average Daily Rate (\$) and Occupancy Rate (%), April 2019 to Dec 2022



Hotel Occupancy Rate and Average Daily Rate in Dollars (2019-2022)

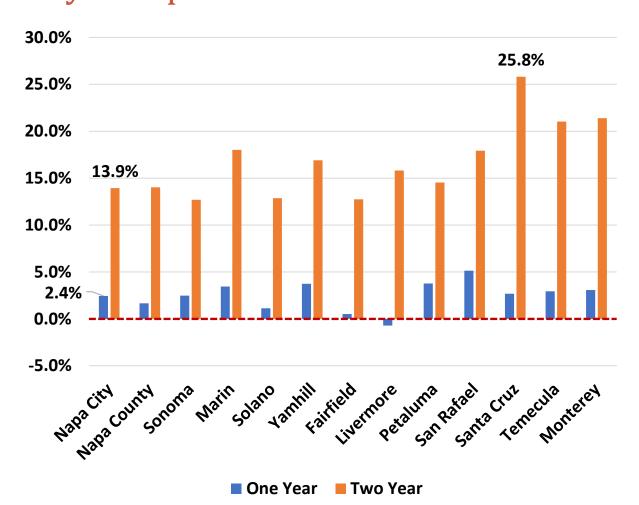


Occupancy Rate (% full) Average Daily Rate (\$)
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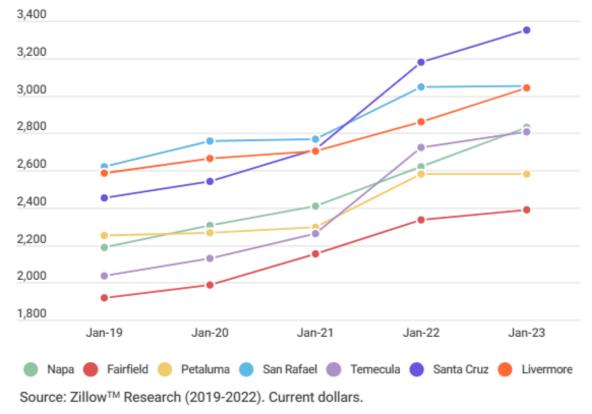
Source: Smith Travel Research

Housing: % Change Median Home Price Jan 2021 to Jan 2023 Median Rents, Jan 2019 to Jan 2023, City of Napa and Selected Cities and Counties









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% of Households with Rent as at least 30% of monthly income

least 30% of monthly income				
2010	2015	2020	2021	
53.1%	55.5%	52.6%	54.2%	
55.8%	56.9%	54.7%	54.7%	
54.2%	54.1%	50.5%	51.6%	
56.2%	57.0%	53.4%	54.2%	
49.6%	54.1%	50.7%	54.4%	
57.4%	55.5%	54.8%	57.5%	
50.7%	49.7%	50.3%	52.2%	
56.0%	50.5%	54.7%	58.2%	
56.3%	58.4%	54.2%	54.0%	
63.2%	67.5%	58.9%	56.3%	
54.4%	57.8%	53.9%	56.5%	
49.5%	52.9%	55.4%	54.4%	
55.1%	56.9%	54.2%	54.2%	
50.8%	51.8%	Pag 49 f. 1 1%	49.4%	
	2010 55.3% 53.1% 55.8% 54.2% 56.2% 49.6% 57.4% 50.7% 56.0% 56.3% 63.2% 54.4% 49.5% 55.1%	2010 2015 55.3% 55.3% 53.1% 55.5% 55.8% 56.9% 54.2% 54.1% 56.2% 57.0% 49.6% 54.1% 57.4% 55.5% 50.7% 49.7% 56.0% 50.5% 56.3% 58.4% 63.2% 67.5% 54.4% 57.8% 49.5% 52.9% 55.1% 56.9%	2010 2015 2020 55.3% 55.6% 53.1% 55.5% 52.6% 55.8% 56.9% 54.7% 54.2% 54.1% 50.5% 56.2% 57.0% 53.4% 49.6% 54.1% 50.7% 57.4% 55.5% 54.8% 50.7% 49.7% 50.3% 56.0% 50.5% 54.7% 56.3% 58.4% 54.2% 63.2% 67.5% 58.9% 54.4% 57.8% 53.9% 49.5% 52.9% 55.4% 55.1% 56.9% 54.2%	

Housing Burden

Housing Burden: % of after-tax income paid for rent or ownership (these data are just rentals)

- A percent over 30% is considered "burdened" in housing advocacy circles
 - Severe burden is considered over 50%
- Caveats
 - Burden is a function of housing costs and incomes
 - The key is how households are making budget decisions assuming taxes and housing are paid first
 - Napa is 5th highest of this group as of 2021 (the latest Census data)

City of Napa: Things to Watch



- Toward 2024
 - Macroeconomic context remains uncertain
 - Do interest rates rising matter as much to Napa housing market?
 - Inflation to persist to 2024 minimum
- Travel industry: is a slower economy ok for Napa tourism?
 - High airline prices and geopolitical concerns = stability or growth in 2023?
 - Cost pressures going to affect smaller, local business
- Housing mixed signals
 - Housing burden could be falling because of rising household incomes
 - Rents still rising: pressure on housing and workforce development/retention
 - This is the local public policy issue for the 2020s



Thanks! Questions? eyler@econforensics.com @bobby7007