

## MEMORANDUM

To: Zachary Oates, El Dorado County  
Department of Transportation

From: Amy Lapin, Kate O’Beirne, and Salita Thao

Subject: Analysis of Local-Serving Share of  
Nonresidential Employment; EPS #232139

Date: June 10, 2024

*The Economics of Land Use*



At the request of El Dorado County (County), Economic & Planning Systems, Inc. (EPS) prepared an update to a memorandum, prepared in 2020, evaluating the relationship between residential and nonresidential growth.<sup>1</sup>

In the 2020 memorandum, EPS evaluated growth in residential, employed resident, and employment populations over a 10-year period, spanning from 2007 to 2017. In the previous update, EPS concluded that approximately 62 percent of commercial (retail/office) jobs in the County serve the local population. The County then used this percentage (62 percent) in the County’s Traffic Impact Fee (TIF) Program to shift all nonresidential equivalent dwelling units (EDUs) to residential uses to account for a local-serving share of nonresidential employment.

In this analysis, EPS evaluates growth in residential, employed resident, and employment populations over a 10-year period, using the most recent data from various data sources. This memorandum summarizes EPS’s updated analysis and determines if the percentage shift used in the TIF Program is still appropriate.

## Summary of Results

Similar to the 2020 memorandum, EPS evaluated recent trends in residential, employed resident, and employment populations. EPS derived data from the California Department of Finance for the 10-year period spanning from 2013 to 2023 and the United States Census 10-year period spanning from 2011 to 2021 and 2012 to 2022:<sup>2</sup>

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<sup>1</sup> EPS’s Analysis of Growth in El Dorado County: 2007–2017, dated January 17, 2020.

<sup>2</sup> The 10-year time periods are based on the availability of data.

- **Residential Growth.** As shown in **Table 1**, the County grew by slightly more than 9,300 residents between 2013 and 2023, representing a growth rate of 5.2 percent over the period. The County saw an increase of about 5,800 households over the same period, representing a growth rate of 8.2 percent.<sup>3</sup>
- **Employed Residents.** **Table 2** provides an overview of trends in employed residents from 2011 to 2021.<sup>4</sup> In total, there were about 70,450 employed residents in the County, a decrease of 8,500 employed residents between 2011 and 2021. Both workers living and working in the County and living and working outside of the County declined by about 10 to 11 percent over the past decade, maintaining a similar proportion of inflow and outflow.
- **Employment.** As shown in **Table 3**, as of 2022, the County had about 88,000 jobs, an increase of almost 300 jobs since 2012.<sup>5</sup> Approximately 61 percent of jobs in the County are considered local serving to the residential population. The proportion of local-serving jobs has increased from about 57 percent in 2012 to 61 percent in 2022, and it has increased by almost 1,900 jobs since EPS's 2020 analysis.

While the demographic trends indicate moderately slower population growth, a higher growth rate in household formations, and an increase in jobs, compared to the decrease in jobs in the previous analysis, the salient data point—the percentage of local-serving jobs—remains consistent with the percentage identified in EPS's previous analysis. In the previous analysis, EPS noted that approximately 62 percent of commercial (retail/office) jobs in the County serve the local population. In the current analysis, the percentage of local-serving jobs is approximately 61 percent.

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<sup>3</sup> Growth estimates may differ from estimates prepared by Bay Area Economics (BAE) in a memorandum dated November 21, 2023. BAE's figures are calculated using a combination of different sources, including Sacramento Area Council of Governments, CalTrans, and the California Department of Finance (DOF). In comparison, EPS's population, household, and persons-per-household figures in this study are solely from DOF's Report E-8, Population and Housing Estimates, April 1, 2010-April 1, 2020, released November 16, 2023, and Report E-5, Population and Housing Estimates January 1, 2021-2023 with 2020 Benchmark, released May 1, 2023.

<sup>4</sup> Estimates may differ from estimates prepared by BAE because of different sources, as noted above in footnote 3. Data presented in this report is according to U.S. Census Bureau OnTheMap and excludes home-based employees.

<sup>5</sup> Estimates may differ from estimates prepared by BAE because of different sources, as noted above in footnote 3. Data presented in this report is according to U.S. Census Bureau American Community Survey (ACS) and excludes home-based business jobs.

## Recommendations

EPS recommends considering using the current percentage of local-serving jobs in the County (61 percent) as the basis for shifting nonresidential EDUs to residential uses in the County's TIF. In addition, EPS recommends reviewing the employment data in conjunction with each future update of the TIF to determine if the percentage shift remains appropriate. Finally, the County should contemplate whether to retain its current methodology of shifting all nonresidential EDUs to residential uses or to apply the percentage shift attributable to local-serving jobs to only those land uses housing local-serving jobs (retail commercial and office uses).

**Table 1**  
**El Dorado County**  
**Analysis of Growth**  
**Population and Households Summary (2013 & 2023)**

Item	2013	2023	2013-2023	
			Total Change	Percentage Change
Population	179,663	189,006	9,343	5.2%
Households	70,850	76,649	5,799	8.2%
Persons per Household	2.54	2.47	(0.07)	(2.8%)

Source: California Department of Finance Demographic Research Unit, Report E-5, and E-8 County/State Population and Housing Estimates; EPS.

**Table 2**  
**El Dorado County**  
**Analysis of Growth**  
**Estimate of El Dorado County Residents Working Inside and Outside the County (2011 & 2021)**

Item	2011		2021		2011-2021	
	Number of Workers	Percentage of Total	Number of Workers	Percentage of Total	Total Change	Percentage Change
<b>Workers Living in El Dorado County</b>						
Working Inside El Dorado County	26,873	34.0%	24,259	34.4%	(2,614)	(9.7%)
Working Outside El Dorado County	52,086	66.0%	46,192	65.6%	(5,894)	(11.3%)
<b>Total Workers Living in El Dorado County [1]</b>	<b>78,959</b>	<b>100.0%</b>	<b>70,451</b>	<b>100.0%</b>	<b>(8,508)</b>	<b>(10.8%)</b>

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics 2011 and 2021; EPS.

[1] Data excludes uniformed military, self-employed, and informally-employed workers.

**Table 3**  
**El Dorado County**  
**Analysis of Growth**  
**Comparison of Jobs Located in El Dorado County by Industry (2012 & 2022)**

Item	2012		2022		2012-2022	
	Number of Jobs	Percentage of Total	Number of Jobs	Percentage of Total	Total Change	Percentage Change
<b>Population-Serving Jobs</b>						
Retail Trade	8,854	10.1%	8,401	9.6%	(453)	(5.1%)
Educational Services	16,061	18.3%	17,623	20.0%	1,562	9.7%
Information	1,760	2.0%	1,461	1.7%	(299)	(17.0%)
Other Services	3,575	4.1%	4,553	5.2%	978	27.4%
Public Administration	6,307	7.2%	6,214	7.1%	(93)	(1.5%)
Professional, Scientific, and Technical Services [1]	4,910	5.6%	6,178	7.0%	1,268	25.8%
Finance/Insurance/Real Estate [1]	3,336	3.8%	3,348	3.8%	13	0.4%
Arts, Entertainment, & Recreation, & Accommodation & Food Services [2]	5,356	6.1%	5,757	6.5%	401	7.5%
<b>Subtotal Population-Serving Jobs</b>	<b>50,159</b>	<b>57.2%</b>	<b>53,535</b>	<b>60.9%</b>	<b>3,377</b>	<b>6.7%</b>
<b>Export-Based Jobs</b>						
Agriculture/Forestry/Fisheries/Hunting/Mining	1,023	1.2%	1,451	1.6%	428	41.8%
Construction	6,513	7.4%	7,473	8.5%	960	14.7%
Manufacturing	6,369	7.3%	5,486	6.2%	(883)	(13.9%)
Transportation, Warehousing, and utilities	3,319	3.8%	3,349	3.8%	30	0.9%
Wholesale Trade	1,774	2.0%	1,382	1.6%	(392)	(22.1%)
Professional, Scientific, and Technical Services [1]	9,820	11.2%	6,178	7.0%	(3,642)	(37.1%)
Finance/Insurance/Real Estate [1]	3,336	3.8%	3,348	3.8%	13	0.4%
Arts, Entertainment, & Recreation, & Accommodation & Food Services [2]	5,356	6.1%	5,757	6.5%	401	7.5%
<b>Subtotal Export-Based Jobs</b>	<b>37,510</b>	<b>42.8%</b>	<b>34,424</b>	<b>39.1%</b>	<b>(3,086)</b>	<b>(8.2%)</b>
<b>Total Jobs [3]</b>	<b>87,668</b>	<b>100.0%</b>	<b>87,959</b>	<b>100.0%</b>	<b>291</b>	<b>0.3%</b>

Source: U.S. Census Bureau American Community Survey, Table C24050, 2012 5-Year Estimate and 2022 5-Year Estimate; EPS.

[1] The Professional, Scientific and Management, Management of Companies and Enterprises, and Finance/Insurance/Real Estate industries are likely divided between population-serving and export-based industries. For this analysis, EPS has allocated 50% of these workers to population-serving industries and 50% to export-based industries.

[2] Arts, Entertainment, & Recreation, & Accommodation & Food Services would likely be classified as population-serving; however, the Lake Tahoe area is a large tourism employer. Therefore, EPS has allocated 50% of these workers to population-serving industries and 50% to export-based industries.

[3] Data excludes uniformed military, self-employed, and informally-employed workers.