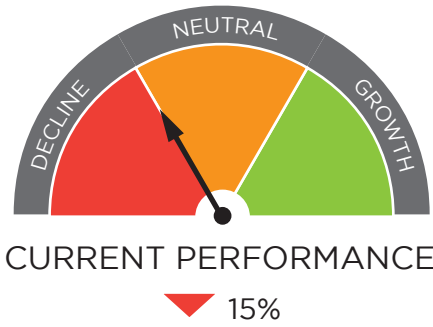


# ECONOMIC SNAPSHOT™

An overview of our local economy.

## PERFORMANCE THIS QUARTER



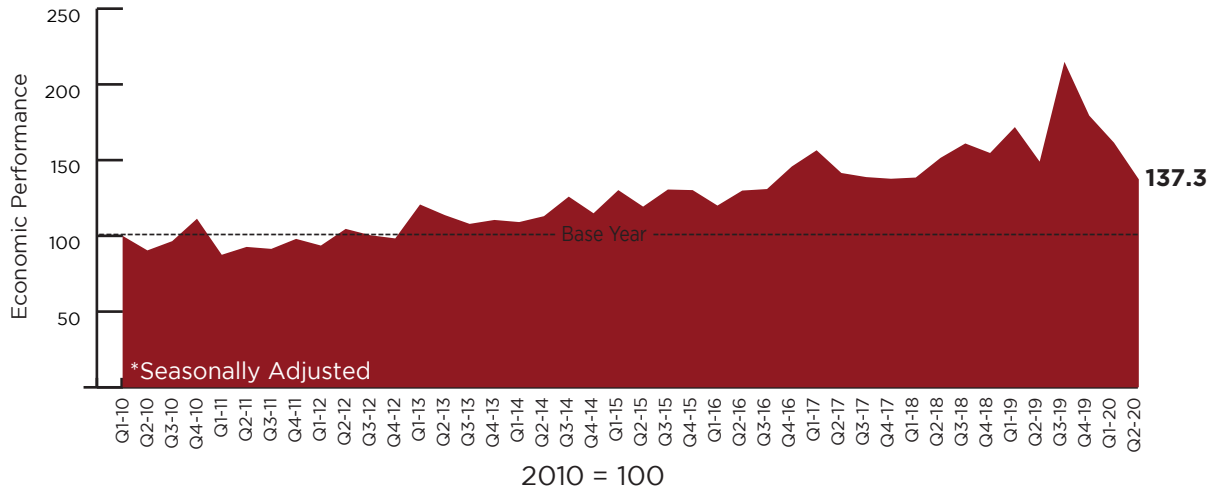
CURRENT PERFORMANCE  
▼ 15%

| SALES TAX                                   | BUILDING | HOUSING | TOT     | EMPLOYMENT |
|---|----------|---------|---------|------------|
|   |          |         |         |            |
| ▼ 26.5%                                     | ▼ 4.3%   | ▲ 1.8%  | ▼ 35%   | ▼ 11.9%    |
| <b>Performance Compared to One Year Ago</b> |          |         |         |            |
| ▼ 25.4%                                     | ▲ 86.8%  | ▲ 5.3%  | ▼ 48.3% | ▼ 16.7%    |

Detailed reports and Chico Business Confidence Survey™ at [www.goldenvalley.bank](http://www.goldenvalley.bank)



## CHANGES OVER THE YEARS



## CURRENT TRENDS



Impacts from COVID-19 started to show in Q2 2020 with overall performance down 15% from the previous quarter. Decreases were shown in four out of five components, with the local housing market showing the only increase.

Sales tax revenue was over \$4.7 million, down for the second consecutive quarter following a record high in Q4 2019. Transient Occupancy Tax revenue was over \$465k, down 35% from the previous quarter. Over \$36.6 million in building permits was issued in Q2 2020, a slight decrease of 4.3%. There were 82,243 Butte County residents employed in Q2 2020, down 11.9% with over 11k fewer residents employed. The average home sales price was at its highest level since Q1 2010. The average home sales price was \$443k with 311 closed sales and properties spent an average of 26 days on the market.

The newest September 2020 Chico Business Confidence Survey shows a 25.9% increase in optimism among local business leaders, compared to May 2020. Get the full report at [www.GoldenValley.Bank](http://www.GoldenValley.Bank).

**Mark Francis, President & CEO**

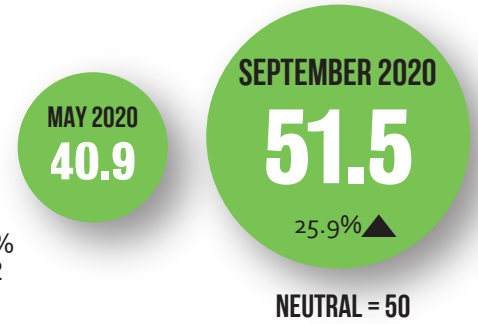


# BUSINESS CONFIDENCE SURVEY

Optimism among local business leaders was right back up in September 2020 with an increase of 25.9% from the May 2020 survey. Many leaders are expecting a stronger performance over the next 12 months.

In September 2020, 78% of leaders expected their sales to increase or remain the same over the next year, up from 55% in May 2020. As for profit, 74% of leaders expect to increase or remain the same, up from 55% in May. Employment is expected remain strong with 31% expecting to increase from their current levels, up from 25%, and 56% expecting their employment to remain the same, up from 53%.

General conditions in Chico / Butte County are expected to get better according to 30% of leaders, up from 20%. As for general conditions in the U.S., 39% expect the next 12 months to get better, up from 16% in May.

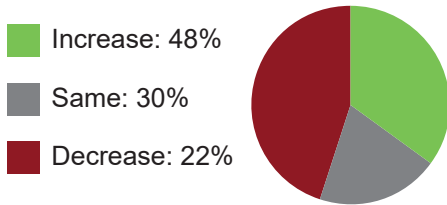


## WHAT LOCAL BUSINESS LEADERS ARE SAYING

What are expectations for the next 12 months?

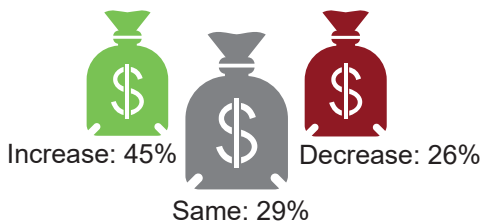
### SALES

How are top line sales expected to change in the next 12 months?



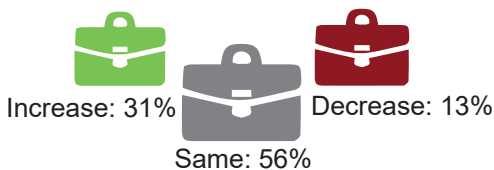
### PROFITS

How is profit expected to change in the next 12 months?



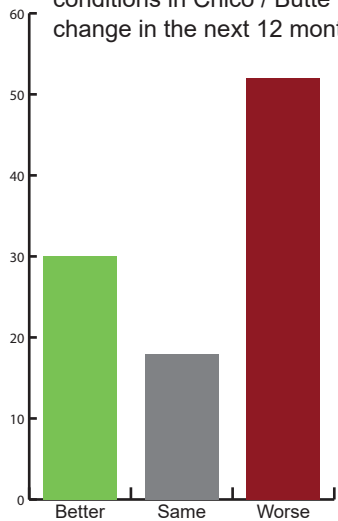
### EMPLOYMENT

How is the level of employment expected to change in the next 12 months?



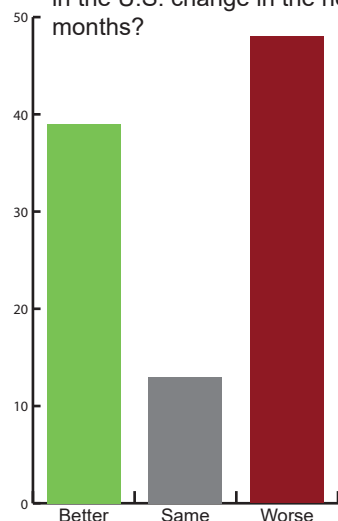
### LOCAL BUSINESS CONDITIONS

How will general business conditions in Chico / Butte County change in the next 12 months?



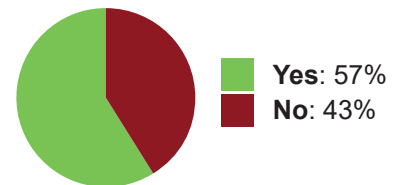
### US BUSINESS CONDITIONS

How will general business conditions in the U.S. change in the next 12 months?



### HOT TOPIC!

I personally know someone who has tested positive for COVID-19:



Want to participate in our next survey?  
Email [mfrancis@goldenvally.bank](mailto:mfrancis@goldenvally.bank) for more information!

# ECONOMIC SNAPSHOT

An overview of our local economy.



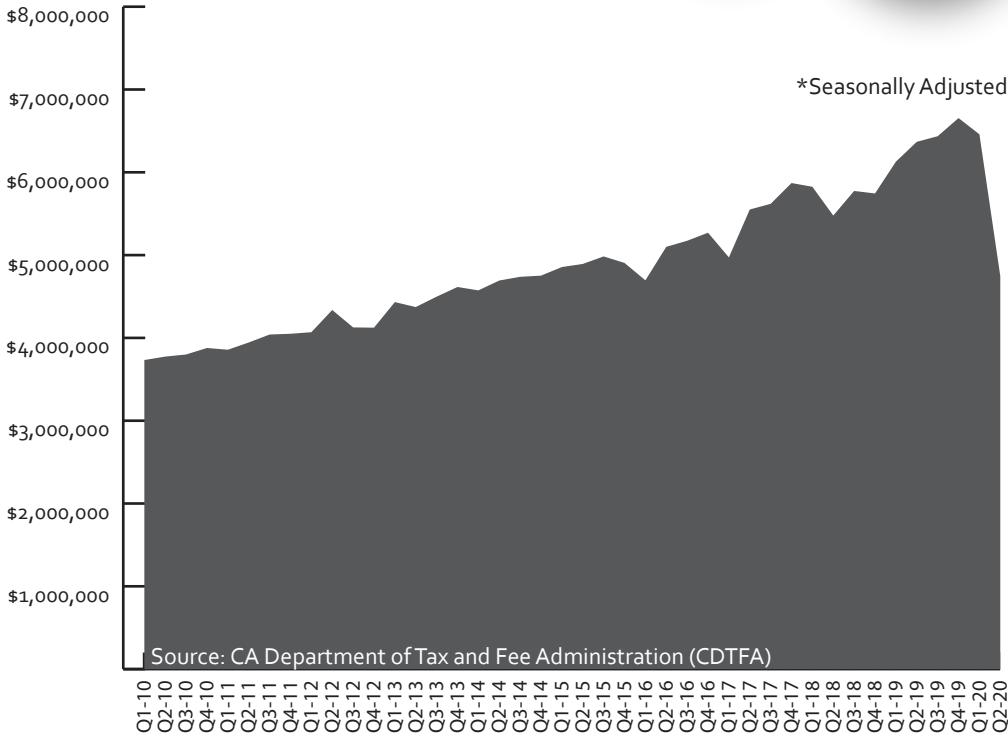
**SALES TAX**  
2010=100

26.5%

Q1 2019  
**173**

Q2 2020  
**127.2**

## SALES TAX AT A GLANCE...



- Sales Tax revenue was \$4,746,945 in Q1 2020, down 26.5% from the previous quarter.
- Current revenue is down 25.4% from one year ago and down 13.3% from two years ago.
- Compared to the base year in Q1 2010, total revenue is up 27.2% or just over \$1 million.
- Q2 2020 revenue was down more than \$1.9 million or 28.7% from the highest level in Q4 2019.

## 2ND QUARTER TREND

Sales tax revenue was down for the second consecutive quarter following a record high in Q4 2019. Total revenue in Q2 2020 was over \$4.7 million, down more than \$1.7 million from the previous quarter.

COVID-19 has had a significant impact on the economy and is one of the main factors for the strong decrease in revenue in Q2 2020. Other impacts on revenue include state sales tax deferrals and delayed filings that were allowed by the CDTFA.

The September 2020 Chico Business Confidence Survey shows 78% of local business leaders are expecting their sales to increase or remain the same over the next 12 months, up from 55% in May 2020. Make sure to view the full results of the survey report at [www.GoldenValley.Bank](http://www.GoldenValley.Bank)

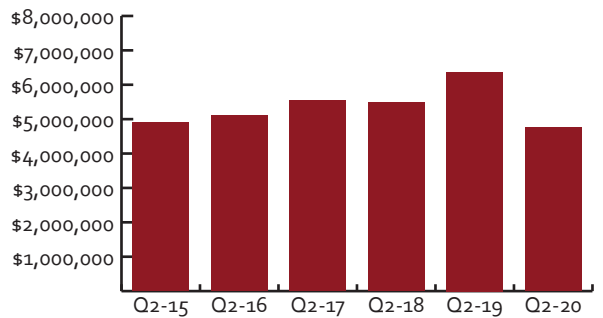
Mark Francis  
President and CEO | Golden Valley Bank

More Snapshot information available at [www.goldenvalley.bank](http://www.goldenvalley.bank)



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## Q2 SALES TAX PERFORMANCE



Total decrease of 3% from Q2 2015.



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## BUILDING PERMITS

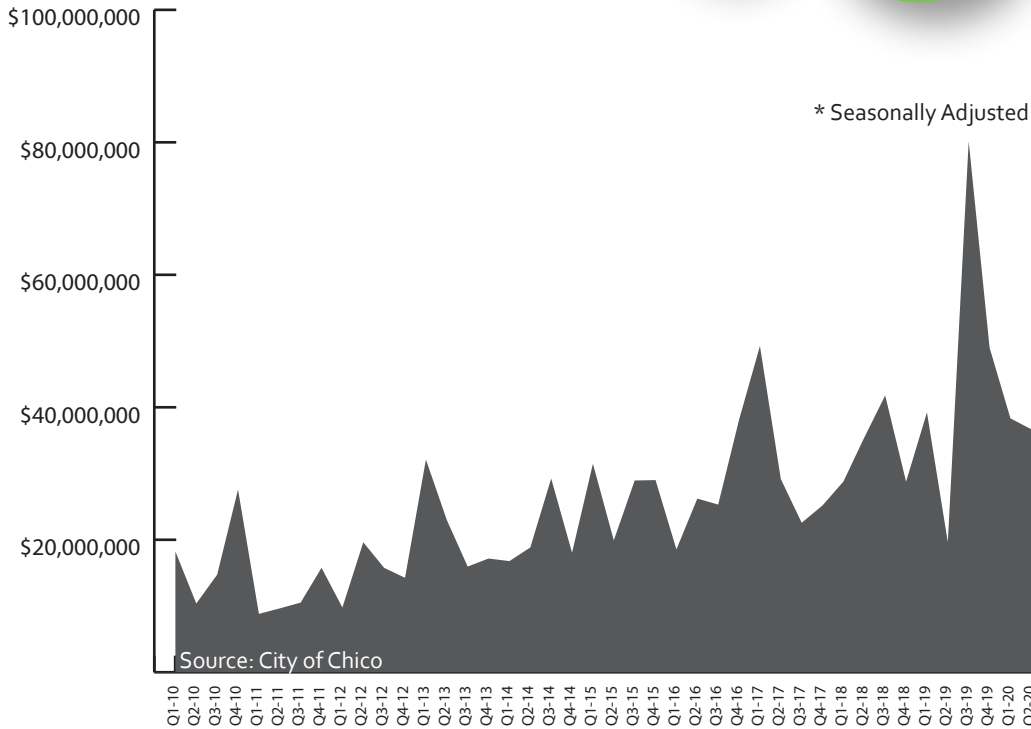
2010=100

4.3%

Q1 2020  
210.3

Q2 2020  
201.2

## BUILDING PERMITS AT A GLANCE...



Total value of permits issued was over \$36.6 million in Q2 2020, down 4.3% from the previous quarter.

Current valuation is up 86.8% from a year ago and up 3.4% from two years ago.

Compared to Q1 2010, total valuation has increased 101.2% or more than \$18.4 million.

Q2 2020 was the third consecutive quarterly decrease following the record high in Q3 2019.

## 2ND QUARTER TREND

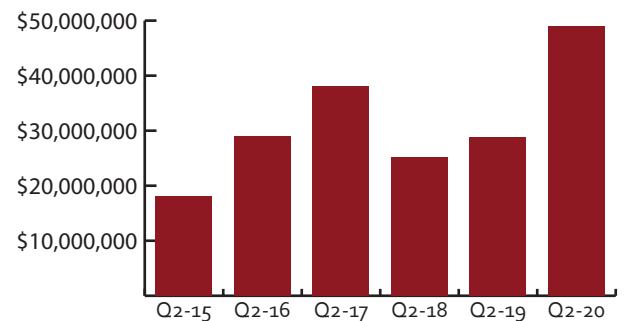
In Q2 2020, the total valuation of building permits issued was more than \$36.6 million. Although down 4.3% from the previous quarter, current revenue has doubled from the base year in Q1 2010, up 101.2% or more than \$18.4 million since that time.

As expected, total valuation has decreased over the past few quarters following an abnormally high peak in Q3 2019 when many large projects were issued around the same time. As an example, more than \$48 million in new apartments were issued in the month of August 2019 alone, far more than we normally see.

COVID-19 may have also had an impact this quarter, though overall the construction industry seems to have remained strong.

Mark Francis  
President and CEO | Golden Valley Bank  
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## Q2 BUILDING PERMIT VALUATION



Total increase of 171.5% since Q2 2015.



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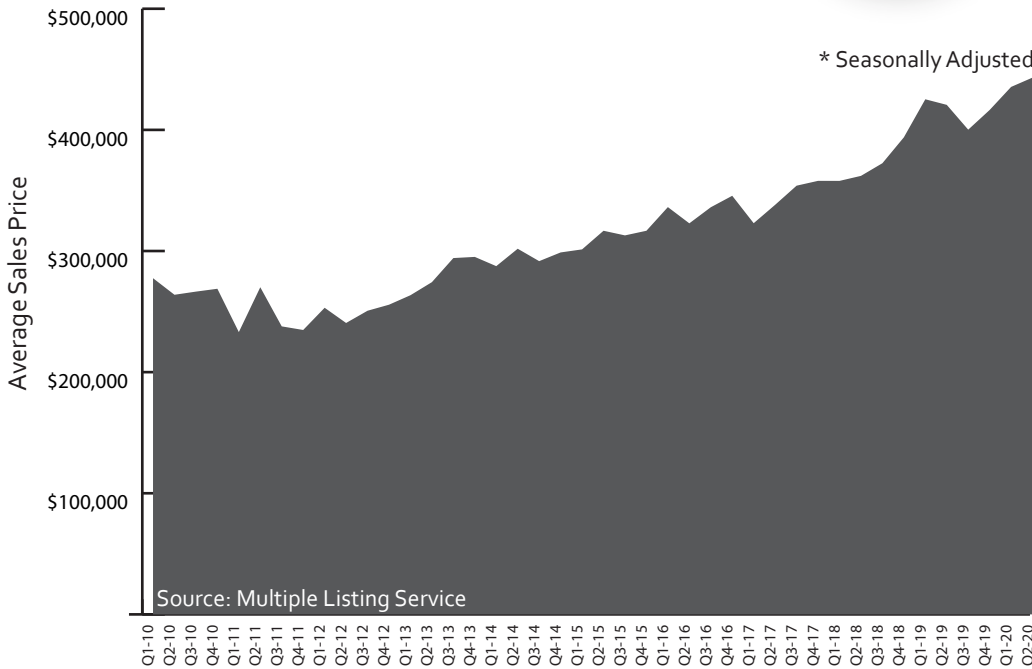
**HOUSING**  
2010=100

▲  
1.8%

Q1 2020  
156.9

Q2 2020  
159.7

## HOUSING MARKET AT A GLANCE...



Average home sales price was \$443,178 in Q2 2020, up 1.8% from the previous quarter.

Current prices are up 5.3% from a year ago and up 22.5% from two years ago.

There were 311 closed sales in Q2 2020, down from 319 closed sales in Q1 2020.

Residential properties stayed on the market an average of 26 days, down from 42 days in the previous quarter.

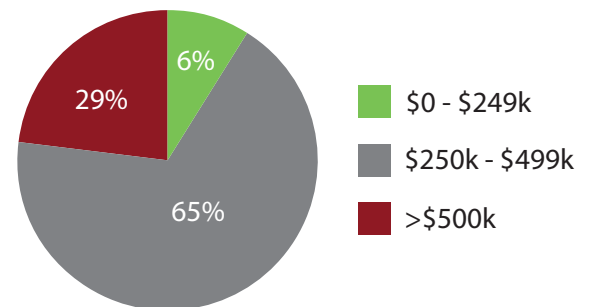
## 2ND QUARTER TREND

Local housing prices were at their highest level since Q1 2010. The average home sales price was just over \$443k in Q2 2020, up 1.8% or \$7,700 from the previous quarter.

With the increased prices, properties also sold much quicker than the previous quarter. In Q2 2020, properties spent an average of 26 days on the market, a decrease of 16 days from the previous quarter and equal to a year ago. There were 311 closed sales, down from 319 in the previous quarter and down from 423 a year ago (post Camp Fire).

Housing was the only component of the snapshot to increase in Q2 2020.

## PERCENTAGE OF SALES



Mark Francis  
President and CEO | Golden Valley Bank

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# ECONOMIC SNAPSHOT

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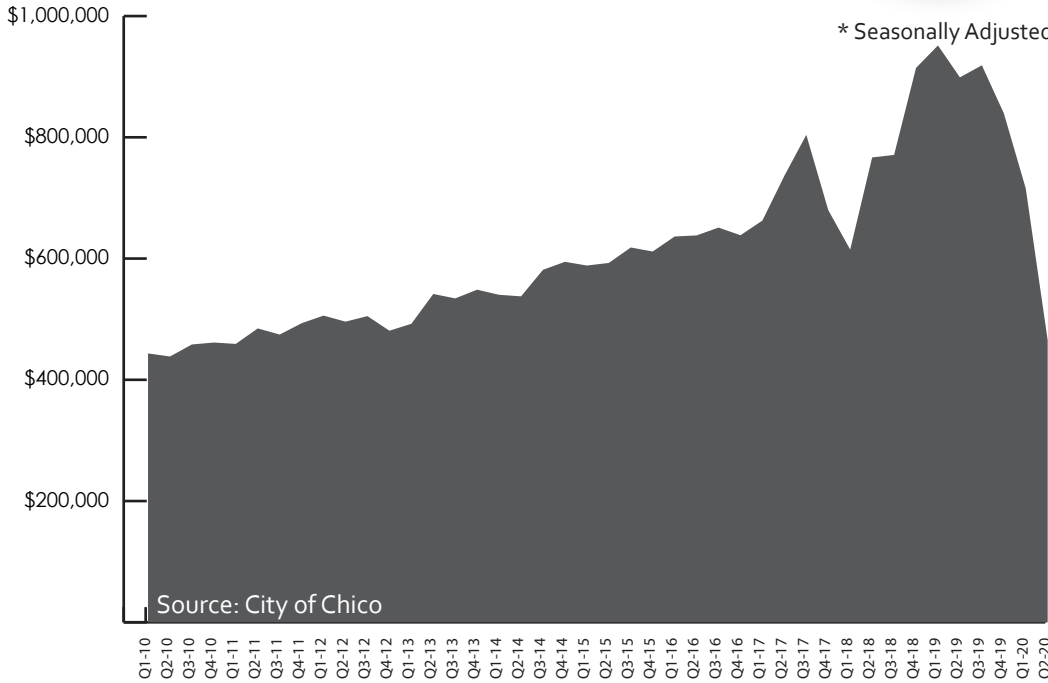
**TOT**  
TRANSIENT OCCUPANCY TAX  
2010=100

35%

Q1 2020  
161.4

Q2 2020  
104.9

## TOT AT A GLANCE...



TOT revenue was \$465,203 in Q2 2020, down 35% from the previous quarter.

Revenue was down 48.3% from a year ago and down 39.3% from two years ago.

Compared to the base year in Q1 2010, current revenue is up 4.9%.

Compared to the record high in Q1 2019, current revenue has decreased 51.1%.

## 2ND QUARTER TREND

Transient Occupancy Tax revenue was down for the third consecutive quarter following record highs. In Q2 2020, total revenue was over \$465k, a decrease of 35% from the previous quarter.

Some decreases were to be expected following a period of inflated growth in 2019, some of which can be attributed to displaced Camp Fire survivors and workers in town to help rebuild Paradise. The most recent and significant decrease is likely the direct result of the COVID-19 pandemic, which has had a major impact on TOT revenue.

Although down overall, the City stated our occupancy remained a bit better than most areas due to the essential construction workers who have been here to continue working in Paradise.

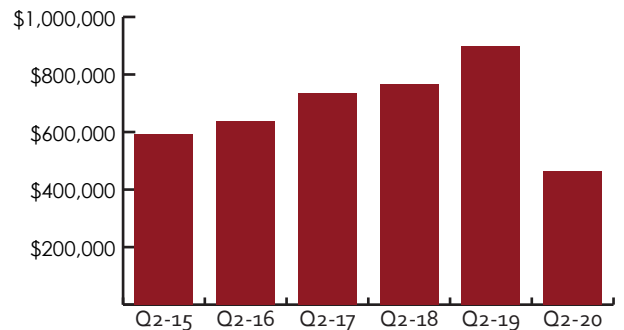
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## Q2 TOT PERFORMANCE



Total decrease of 21.5% from Q2 2015.



# ECONOMIC SNAPSHOT

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## EMPLOYMENT

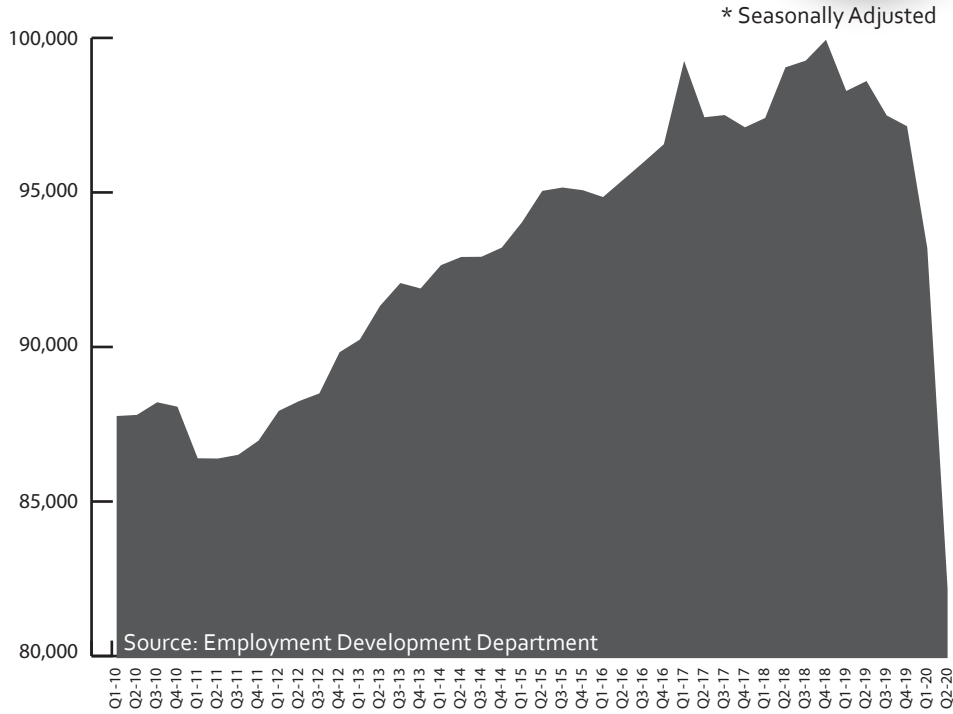
11.9%

2010=100

Q1 2020  
106.2

Q2 2020  
93.6

## EMPLOYMENT AT A GLANCE...



- There were 82,243 Butte County residents employed in Q2 2020, down 11.9% from the previous quarter.
- Employment was down 16.7% from a year ago and down 17% compared to two years ago.
- Compared to the base year in Q1 2010, employment was down 6.4%.
- Goods Producing employment increased 1% while Service Providing employment decreased 1%.

## 2ND QUARTER TREND

Employment started to show the impacts of the COVID-19 pandemic in Q2 2020, down 11.9% from the previous quarter. There were 82,243 Butte County residents employed in Q2 2020, a decrease of just over 11k residents from the previous quarter.

Local employment reached its record high in Q4 2018 when more than 100k residents were employed. Since then, employment remained strong up until the past two quarters, which are likely direct results of the pandemic.

Looking forward, employment is expected remain strong with 31% of local business leaders expecting to increase from their current levels and 56% expecting their employment to remain the same over the next 12 months. Make sure to view the September 2020 Chico Business Confidence Survey results on our website.

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President and CEO | Golden Valley Bank

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## INDUSTRY BREAKDOWN

