

MEMORANDUM

To: Natalie Porter, El Dorado County Department of Transportation

From: Amy Lapin and Kate O'Beirne

Subject: Analysis of Local-Serving Share of Nonresidential Employment; EPS #192084

Date: January 17, 2020

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 2005 evaluating the relationship between residential and nonresidential growth.¹ In the 2005 memorandum, EPS evaluated growth in residential, employed resident, and employment populations over a 10-year period spanning from 1990 to 2000. EPS concluded that 65 percent of commercial (retail/office) jobs in the County serve the local population.

The County then used approximately this percentage (64 percent) in the County's Traffic Impact Mitigation (TIM) Fee Program to shift all nonresidential equivalent dwelling units (EDUs) to residential uses to account for a local-serving share of nonresidential employment.

The purpose of this memorandum is to summarize EPS's updated analysis and determine if the percentage shift used in the TIM Fee is still appropriate.

Summary of Results

Similar to the 2005 memorandum, EPS evaluated recent trends in residential, employed resident, and employment populations. EPS derived data from the California Department of Finance and the United States Census for the 10-year period spanning from 2007 to 2017:

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¹ EPS's Analysis of Growth in El Dorado County: 1990-2000, dated May 25, 2005.

- **Residential Growth.** As shown in **Table 1**, the County grew by slightly more than 10,000 residents between 2007 and 2017, representing a growth rate of nearly 6.0 percent. The County saw an increase of about 3,300 households over the same period, representing a growth rate of about 5.0 percent.
- **Employed Residents.** **Table 2** provides an overview of trends in employed residents.² In total, there were about 78,000 employed residents in the County, an increase of 8,400 employed residents between 2007 and 2017. Over that period, approximately 36 percent of all employed residents worked at jobs inside the County, a decrease from about 41 percent in 2007. Conversely, employed residents working at jobs outside of the County increased from about 60 percent to 64 percent.
- **Employment.** As shown in **Table 3**, as of 2017, the County has about 83,000 jobs, a decrease of about 6,000 jobs since 2007.³ As of 2017, about 62 percent of jobs in the County are considered local-serving to the residential population. The proportion of local-serving jobs has remained consistent since 2007, although it has decreased since EPS's 2005 analysis, likely because of the overall decrease in total jobs.

While trends in residential growth, employed residents, and employment indicate slower residential growth and job losses relative to the previous analysis, the salient data point—the percentage of local-serving jobs—remains consistent, although lower, than previously reported.

Recommendations

EPS recommends considering using the current percentage of local-serving jobs in the County (62 percent) as the basis for shifting nonresidential EDUs to residential uses in the County's TIM Fee. In addition, EPS recommends considering reviewing the employment data in conjunction with each future update of the TIM Fee 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).

² Data excludes home-based business employees.

³ Data excludes home-based business jobs.

Table 1
El Dorado County
Analysis of Growth
Population and Households Summary

Item	2007	2017	2007-2017	
			Total Change	Percentage Change
Population	176,226	186,403	10,177	5.8%
Households	68,666	71,931	3,265	4.8%
Persons per Household	2.57	2.59	0.02	1.0%

pop

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

Item	2007		2017		2007-2017	
	Number of Workers	Percentage of Total	Number of Workers	Percentage of Total	Total Change	Percentage Change
Workers Living in El Dorado County						
Working Inside El Dorado County	28,123	40.6%	27,825	35.8%	(298)	(1.1%)
Working Outside El Dorado County	41,174	59.4%	49,915	64.2%	8,741	21.2%
Total Workers Living in El Dorado County [1]	69,297	100.0%	77,740	100.0%	8,443	12.2%

workers

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics 2007 and 2017; EPS.

[1] Data excludes home-based business employees.

Table 3
EI Dorado County
Analysis of Growth
Comparison of Jobs Located in EI Dorado County by Industry

Item	2007		2017		2007-2017	
	Number of Jobs	Percentage of Total	Number of Jobs	Percentage of Total	Total Change	Percentage Change
Population-Serving Jobs						
Retail Trade	11,013	12.4%	7,986	9.6%	(3,027)	(27.5%)
Health Services	9,110	10.2%	10,026	12.1%	916	10.1%
Educational Services	5,769	6.5%	5,761	7.0%	(8)	(0.1%)
Information	2,202	2.5%	1,809	2.2%	(393)	(17.8%)
Other Services	4,740	5.3%	4,509	5.4%	(231)	(4.9%)
Public Administration	6,491	7.3%	6,315	7.6%	(176)	(2.7%)
Professional, Scientific, and Technical Services [1]	3,059	3.4%	3,749	4.5%	690	22.5%
Management of Companies and Enterprises [1]	36	0.0%	13	0.0%	(23)	(63.4%)
Administrative and Support and Waste Management Services	2,727	3.1%	3,681	4.4%	954	35.0%
Finance/Insurance/Real Estate [1]	3,836	4.3%	3,300	4.0%	(536)	(14.0%)
Arts, Entertainment, & Recreation, & Accommodation & Food Services [2]	5,698	6.4%	4,526	5.5%	(1,172)	(20.6%)
Subtotal Population-Serving Jobs	54,680	61.5%	51,675	62.3%	(3,006)	(5.5%)
Export-Based Jobs						
Agriculture/Forestry/Fisheries	1,161	1.3%	1,123	1.4%	(38)	(3.3%)
Mining	153	0.2%	0	0.0%	(153)	(100.0%)
Construction	8,294	9.3%	6,666	8.0%	(1,628)	(19.6%)
Manufacturing	6,565	7.4%	6,019	7.3%	(546)	(8.3%)
Transportation and Warehousing	2,250	2.5%	2,727	3.3%	477	21.2%
Utilities	1,055	1.2%	1,436	1.7%	381	36.1%
Wholesale Trade	2,143	2.4%	1,650	2.0%	(493)	(23.0%)
Professional, Scientific, and Technical Services [1]	3,059	3.4%	3,749	4.5%	690	22.5%
Management of Companies and Enterprises [1]	36	0.0%	13	0.0%	(23)	(63.4%)
Finance/Insurance/Real Estate [1]	3,836	4.3%	3,300	4.0%	(536)	(14.0%)
Arts, Entertainment, & Recreation, & Accommodation & Food Services [2]	5,698	6.4%	4,526	5.5%	(1,172)	(20.6%)
Subtotal Export-Based Jobs	34,249	38.5%	31,209	37.7%	(3,041)	(8.9%)
Total Jobs [3]	88,929	100.0%	82,883	100.0%	(6,046)	(6.8%)

jobs

Source: U.S. Census Bureau American Community Survey, Table B24050, 2005-2007 and 2017; 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 home-based business jobs.