

Attachment P
Affected Environment and Project Impacts Related to Socioeconomics

E.2.13 Socioeconomics – Affected Environment

This section describes the socioeconomic conditions in Shasta County as well as the Project Area.

E.2.13.1 Shasta County, California

Population

Shasta County population in January 2009 was 183,023, and is projected to expand to 331,724 by the year 2050 (California Department of Finance, 2009a). Approximately 60 percent of Shasta County's population resides in the cities of Redding, Anderson, or Shasta Lake, with nearly 50 percent residing in Redding (population 90,898). In 2000 approximately 87 percent of Shasta County's population was white, with Hispanics the next largest group at 6 percent. Asian, American Indian, and Multirace each comprised 2 percent, with Pacific Islander and Black comprising the remaining 1 percent (California Department of Finance, 2009b). Compared to the State of California, Shasta County has experienced higher population growth between 2000 and 2008, at 10.4 percent compared to 8.5 percent. Further, Shasta County has a proportionally older population than California as a whole, with a smaller proportion under 18 years of age and a larger proportion older than 65. Shasta County is also less racially diverse than the state as a whole (U.S. Census Bureau, 2009).

Housing

According to the American Community Survey conducted by the Census Bureau from 2006 to 2008, Shasta County has 76,381 housing units (U.S. Census Bureau, 2008). This amount is an 11 percent increase from the 68,810 housing units in Shasta County in 2000 (U.S. Census Bureau, 2000), indicating that housing growth has slightly outpaced population growth (10.4 percent) in this timeframe. Approximately 91 percent of housing units (69,185) are occupied, with 64.6 percent owner occupied.

Employment, Income, Unemployment

The largest employment sectors in Shasta County are retail trade, state and local government, and health care and social assistance (U.S. Census Bureau, 2009). Employment is primarily comprised of wage and salary employment (75 percent in 2007), followed by nonfarm proprietors (24 percent) and farm proprietors (1 percent). The unemployment rate for the Redding, California, metropolitan statistical area (Shasta County) for September 2009 was 14.7 percent (not seasonally adjusted). The State of California unemployment rate for October 2009 was 12.5 percent. Shasta County has consistently experienced higher unemployment than the state average. The 2008 annual unemployment rate for Shasta County was 10.1 percent, while California as a whole experienced 7.2 percent unemployment (U.S. Department of Labor, 2009).

The sectors with the largest contributions to income in 2007 for Shasta County are similar to those with the largest employment contributions, and include state and local government, health care and social assistance, retail trade, and construction (U.S. Bureau of Economic Analysis,

2009a, 2009b). Total personal income (TPI) increased 4.3 percent in Shasta County between 2006 and 2007, the latest year the data are available. Over the same period, California's TPI increased 5.2 percent, while across the U.S. the increase was 6 percent. Per capita personal income of \$32,543 in Shasta County was much lower in 2007 than in both California (\$41,405) and the U.S. (\$38,615). Shasta County's share of TPI from net earnings of economic activity in 2007 was 57 percent compared to 68 percent for both California and the U.S. Most of the difference is due to a higher share of personal current transfer receipts in Shasta County compared to California and the U.S. Personal current transfer receipts include such payments as unemployment compensation, social security, and retirement payments, as well as other similar types of income. (U.S. Bureau of Economic Analysis, 2009c).

Although recreation is not typically classified as a separate industry sector in economic statistics, recreation-related spending also contributes to the economy of Shasta County. There are extensive recreation opportunities in Shasta County at federal and state recreation areas such as Lassen National Park, Whiskeytown National Recreation Area, Shasta Lake, McArthur-Burney Falls Memorial State Park, and Shasta-Trinity National Forest. These sites as well as locally and privately managed sites include reservoir recreation areas that offer boating, fishing, swimming, camping, and picnicking, among other activities. Recreation opportunities contribute to the local economy by attracting visitors to Shasta County who spend money at local businesses such as hotels, restaurants, and retail stores.

Agriculture and Forest Products

As noted above, agriculture accounts for 1 percent of employment in Shasta County. Agriculture in the county, valued at \$74.0 million in 2008, is primarily field crop and livestock production, which together account for over 75 percent of the value of agricultural production in Shasta County (\$56.86 million). Field crop acreage is primarily in hay (including grass, alfalfa, Timothy, and other) and pasture (irrigated, improved, and rangeland). Wild rice and mint are also cultivated in the county (Shasta County, 2009).

Timber and other forest products contribute about the same to the Shasta County economy as field crops and livestock, with production in 2008 valued at \$56.85 million. This value is down from \$67.4 million in 2007, due to the fall in the price of timber (production in actually increased in 2008).

The Project Area has approximately 37.9 acres of land zoned agricultural. However, based on 2006 aerial photographs, it appears that the land in and near the study area is primarily in forest and rangeland, with minimal cultivated crop production. Specific crop data in the study area and vicinity is limited (U.S. Department of Agriculture, 2006).

Tax Revenue

Shasta County expects to collect \$61.3 million in tax revenue in the 2008–2009 fiscal year (Shasta County Assessors Office, 2009). This figure is lower than the tax revenues collected in the previous 2 years (\$62.2 million and \$63.5 million).

E.2.13.2 Project Area

The Project Area is located in Shasta County near the community of Whitmore and about 30 miles east of Redding. The Project area encompasses 184.32 acres owned by Pacific Gas and Electric Company (PG&E), the Bureau of Indian Affairs (BIA), and private landowners.

Employment

PG&E employees are onsite daily at the powerhouses during the work week and once a week (or more often if problems exist) at the waterways. Approximately 15 PG&E employees operate and maintain the Project, but between 2 and 50 PG&E employees are at the Project on any given day. PG&E employees who work at the Project are not based locally, but rather reside in Manton and farther away.

In addition to employment at the Project, Project Area lands support some economic activity and employment. Land uses in the Project Area are classified as timber production, exclusive agriculture, and unclassified (Shasta County, 2003). Land use near the Project Area includes forested land (National Forest and timberlands), hydroelectric project facilities, transportation systems, recreation, grazing, and conservation lands.

Tax Revenue

Property taxes on the Project Area utility assets have averaged \$64,395 between 2000 and 2009. The Project Area paid the greatest property taxes in 2009 with \$71,329. The assessed value of Project facilities and their property taxes are presented in Table E.2.13-1.

Table E.2.13-1. Project Area Utility Facility Property Taxes, 2000 to 2009

Year	Assessed Value	Property Taxes
2000	\$6,325,358	\$68,472
2001	\$5,072,406	\$55,107
2002	\$5,552,040	\$60,451
2003	\$5,411,318	\$60,758
2004	\$5,717,100	\$64,477
2005	\$5,855,070	\$66,262
2006	\$5,427,044	\$61,814
2007	\$5,929,778	\$66,414
2008	\$6,127,389	\$68,866
2009	\$6,248,159	\$71,329
Average		\$64,395

Source: B. Zhu, pers. comm., 2009.

E.3.13 Impacts on Socioeconomic Resources

Socioeconomic impacts were assessed in terms of direct employment effects due to Project closure, indirect employment and income effects due to changes in recreation opportunity, housing effects, population effects, property tax effects, and property value effects. Significance of impacts on socioeconomic resources is assessed based on the following criteria:

- An increase in population that would cause a housing shortage;
- Permanent loss of work for a major sector of a community;
- Substantial decrease in property values;
- Substantial decrease in local tax base;
- Substantial decrease in recreation opportunity; and
- Substantial economic benefit.

E.3.13.1 Project Employment Impacts

The number of employees necessary to maintain the powerhouses after decommissioning is yet to be determined by PG&E. PG&E does not expect to reduce its workforce due to Project decommissioning. Following decommissioning, employees currently working in the Project Area would be absorbed into other groups or transferred to other projects within PG&E. With no foreseen layoffs in the Project Area, no direct employment impacts would occur.

Preliminary plans for decommissioning indicate that the process will require up to 12 workers at the Project Site. The decommissioning workers are expected to be contract workers rather than PG&E employees. Short-term employment benefits during decommissioning are therefore expected to be insubstantial.¹

E.3.13.2 Housing and Population Impacts

It is anticipated that the approximately 12 workers hired to decommission the Project will be Shasta County residents, although there may be a few individuals from outside Shasta County who would relocate temporarily to Redding. The population impact during decommissioning would therefore be an insignificant increase of fewer than 10 people, who could easily be accommodated in the nearly 7,200 vacant housing units (U.S. Census Bureau, 2008) in Shasta County, resulting in little to no impact on housing during decommissioning. Once decommissioning is complete, there are no expected long-term local employment impacts, so there are no projected long-term impacts to county population or housing.

E.3.13.3 Recreation-Related Economic Impacts

There are two types of potential economic impacts related to recreation that could result from the closure of the Kilarc Forebay and Picnic Area and the Kilarc Powerhouse. First, if closure of the

¹ These estimates may change as more detailed decommissioning plans are developed.

Project recreation facilities (see License Surrender Application Section E.2.10) reduces the number of visitors to Shasta County, and thereby reduces visitor spending at local businesses, local employment and income could decline. Second, if alternative recreation sites are not available nearby, or are of lower quality, then closure of the Project recreation facilities could result in reduced recreation benefits to Shasta County residents.

Due to the abundance of similar recreation sites near the Project Area, both of these types of recreation-related impacts would be small. Within 50 miles of the Project Area, PG&E maintains four recreation sites similar to the Project Area: McCumber Reservoir, North Battle Creek Reservoir, Lake Grace, and Lake Nora. These facilities are similar to the Project Area with picnic areas, restrooms, and shoreline access (by road or cross-country). Non-PG&E maintained recreation sites within 50 miles of the Project Area include five recreational sites within Shasta-Trinity National Forest: Keswick Lake, Pit River, and Rock Creek, Shasta Lake, and Whiskeytown Lake that offer boating, fishing, swimming, camping, and picnicking, among other activities. With the variety of substitute recreational sites available within close proximity to the Project, it is expected that most local and non-local area visitors would continue to take recreational trips to one of the many alternative sites available to them in the local area. Thus, decommissioning the Project is expected to result in little change in recreation enjoyment to local residents and little change in the number of visitors to Shasta County.

Furthermore, in terms of visitor spending at local businesses, only 16 percent of the estimated 1,250 recreators using the Kilarc Forebay and Picnic Area and the Kilarc Powerhouse during the summer peak period are visitors from outside Shasta County (see E.3.10.1 for estimation details). Thus, there are approximately 200 non-resident visitors using the recreation area during the summer, which represents the minority of annual visitors. These visitors could use one of the many substitute sites available to them in the County following the decommissioning of the Project. However, even if these visitors ceased coming to Shasta County because of the Project closure, the change in visitor spending and associated impact on employment and income would be small due to the relatively small number of non-resident recreators.

E.3.13.4 Land Value

Decommissioning of the Kilarc-Cow Creek facilities would not result in any long-term changes in property values in the Project Area. PG&E may acquire the land rights associated with the land owned by the BIA (1.78 acres) to facilitate decommissioning activities, but no other land ownership changes would occur. Although activities during the decommissioning period may temporarily inconvenience local landowners (for example, through increased traffic on local roads or increased dust), these effects would be limited to the decommissioning period, and would therefore not cause a long-term change in property value. Project decommissioning is not expected to affect demand or supply for lands in the Project Area, so no impacts are expected on property value.

E.3.13.5 Tax

As presented in Table E.2.13-1, PG&E has paid approximately \$64,000 annually in property tax on Project facilities. This accounts for 0.1 percent of the \$61.4 million in expected 2009 Shasta County tax revenues. Decommissioning of the Project would result in removal of some Project

facilities, which has the potential to reduce by some percentage the property tax currently paid by PG&E. The change in property tax is unknown, but would be a small impact to the County given the relatively low property tax currently being paid.

E.3.13.6 Summary of Socioeconomics Impacts

Based on the evaluation of potential impacts presented in the preceding sections, the following impacts on socioeconomics are anticipated from decommissioning of the Kilarc and Cow Creek developments:

Beneficial Impacts

- Short-Term Decommissioning Employment: Approximately 12 jobs generated during the decommissioning period.

No Impacts

- Direct, Long-Term Employment: Following decommissioning, employees currently working in the Project Area would be absorbed into other groups or transferred to other projects within PG&E.
- Land Value: There are no expected changes in land value as no shifts in supply or demand for land due to decommissioning are foreseen.

Minor Impacts

- County Property Tax: Decommissioning of the Project would result in removal of some Project facilities, which has the potential to reduce the property tax paid by PG&E.
- Housing and Population Impacts: No long-term population or housing impacts are expected, but the Project decommissioning may result in a short-term population increase of fewer than 10 people.
- Recreation-Related Employment: Potential minor impacts to recreation-related employment may result if Project decommissioning causes fewer recreationists to visit and spend money in Shasta County.

E.4.13 Socioeconomics – Protection, Mitigation, and Enhancement Measures

As no significant socioeconomic impacts are expected, no protection, mitigation, & enhancement measures have been recommended.

E.5.13 References

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