



## MEMORANDUM

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*March 4, 2014*

**To:** Martin Inouye and Todd Tregenza  
**From:** Victor Irzyk and Andrew Bavender  
**Re:** City of Galt Development Projections

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The memo summarizes the updated analysis conducted by Goodwin Consulting Group to estimate future residential and nonresidential development in the City of Galt. Based on various data sources, we provide estimates of residential and nonresidential development in the City of Galt for years 2023 and 2035. This analysis has been updated from our analysis dated February 10, 2014 to include input and development projections provided by the Galt Planning Department. Our analysis also compares our 2023 development estimates to estimates provided by Applied Development Economics in 2009 that were used to model traffic in the City.

### **Data Sources**

To estimate existing residents in the City, we reviewed data from the California Department of Finance (DOF), the Sacramento Area Council of Governments (SACOG), the Nielson Company, and Woods and Poole. For current employee estimates, we reviewed data from all these sources except DOF, which does not provide employee data.

DOF compiles current population and dwelling unit estimates for the counties and cities throughout the State based on vital statistics, births and deaths, from the California Department of Public Health. It also relies on the U.S. Census Bureau information to calibrate its data.

SACOG is a regional planning agency that provides forecasts of population, households, and employees for the Sacramento, El Dorado, Placer, Sutter, Yolo and Yuba Counties. The data from SACOG is for years 2008, 2020, and 2035 and was last updated in 2012.

The Nielson Company is a private research and data firm that collects population and business data from a variety of sources and compiles it for locations throughout the United States. Woods and Poole (W&P) is also a private firm that analyzes demographic and economic trends over the entire United States and uses this macro analysis to estimate population and employee growth for counties throughout the country.

The Galt Planning Department also provided a projection of residential development in the City from 2014 to 2019 and this projection is incorporated in this analysis.

**Current Population and Employees**

Table 1 below shows the population, housing units, and employee estimates for the City in 2014. Because SACOG provides forecast data for years 2008, 2020, and 2035, the estimates shown in Table 1 were extrapolated for 2014. We also extrapolated DOF 2013 population and housing estimates to the year 2014 based on DOF’s population forecast. Also, because Woods and Poole data is provided for Sacramento County only, Galt data is extracted from this data based on the historical relationship, as estimated by SACOG, between Sacramento County and Galt.

**Table 1**  
**Galt Population and Employees - 2014**

Source	Population	Housing Units	Total Employees
SACOG <sup>1</sup>	25,176	8,187	5,211
DOF <sup>2</sup>	24,750	7,906	n/a
Nielsen <sup>3</sup>	24,823	7,907	5,396
Woods and Poole <sup>4</sup>	25,612	7,996	6,212

<sup>1</sup> SACOG data is extrapolated to January 1, 2014.

<sup>2</sup> DOF population data is extrapolated to January 1, 2014. DOF does not estimate employees.

<sup>3</sup> Nielsen data is as of January 1, 2014.

<sup>4</sup> Population and employee estimates are based on Woods and Poole estimates for Sacramento County.

Table 1 shows that the population estimates from the four data sources are fairly close to each other with only an 862 resident difference between the lowest estimate (DOF) and the highest (W&P). For employees, the difference is about 1,000 employees between the lowest estimate (SACOG) and the highest (W&P); however, since the total number of employees in 2014 is significantly lower than the residential total, the difference is about 20% of the base employee amount. The employee estimates from SACOG and Nielsen are much closer, with only a 185 employee difference. A breakdown of employment in Galt by type of business is shown on Table 2 on the following page.

**Table 2**  
**Galt Employment Report - 2014**

<b>Business Description</b>	<b>Total Employees</b>
Agriculture, Forestry, Fishing and Hunting	12
Mining, Quarrying, and Oil and Gas Extraction	0
Utilities	13
Construction	369
Manufacturing	462
Wholesale Trade	827
Transportation and Warehousing	93
Information	178
Real Estate and Rental and Leasing	163
Professional, Scientific, and Technical Services	105
Management of Companies and Enterprises	0
Administrative, Support, Waste Mgmt. Services	113
Educational Services	867
Healthcare and Social Assistance	260
Arts, Entertainment, and Recreation	123
Retail Trade	591
Finance and Insurance	127
Accommodation and Food Services	534
Other Services (except Public Administration)	338
Subtotal Private Sector	<u>5,175</u>
Public Administration	221
<b>Total</b>	<b>5,396</b>

*Source: The Nielsen Company*

### **Future Population Estimates**

Table 3 shows future population projections for Galt and Sacramento County based on SACOG forecast estimates. Because SACOG estimates are for years 2008, 2020, and 2035, the Galt and Sacramento County estimates shown in Table 3 are extrapolated from SACOG data for years 2014 and 2023. SACOG population estimates for Galt as a percentage of Sacramento County's population estimates are shown in the last column of Table 3. The percentages show that SACOG estimates that Sacramento County's population will grow at a faster rate than Galt's population. For example, in 2014, Galt's population as a percentage of Sacramento County's population is 1.72%. But by 2035, Galt's population as a percentage of Sacramento County's population is reduced to 1.63%. For the period 2014 to 2035, SACOG estimates Sacramento County's population to grow by 1.33% annually; Galt's population is estimated to grow by only 0.98% annually.

**Table 3**  
**SACOG Population Projections for Galt and Sacramento County**

<b>Year</b>	<b>Galt Population</b>	<b>Average Annual Growth in Period</b>	<b>Sacramento County Population</b>	<b>Average Annual Growth in Period</b>	<b>Galt as % of Sacramento Population</b>
<b>2014</b>	25,176	-	1,459,918	-	1.72%
<b>2023</b>	27,025	0.79%	1,610,743	1.10%	1.68%
<b>2035</b>	30,868	1.11%	1,888,307	1.33%	1.63%
<b>Increase 2014-2035</b>	5,692	0.98%	428,389	1.23%	1.33%

Table 4 shows the population projections from SACOG, DOF, and W&P; Nielsen does not provide population forecasts so it is not included in the Table. Table 4 also includes a hybrid projection based on the City’s estimate of residential units developed in the City from 2014 to 2019 and DOF’s projected growth rate from 2019 to 2035. From 2014 to 2019, the City estimates that 648 units will be constructed at various developments throughout the City. This represents a 1.45% annual population growth rate for that period. The City attributes this higher growth rate during the period to built up demand from the recent economic slowdown and expects the growth rate will decrease after this period. Because the City did not have an estimate for growth after 2019, we included DOF’s estimated growth rate for the period 2019 to 2035.

DOF projects population growth on a Countywide basis and therefore, we estimated the future population growth for Galt based on DOF’s historical population relationship between Sacramento County and Galt. We apply this percentage to all DOF’s Sacramento County projections to estimate Galt’s future population. W&P projections are also presented for Sacramento County only and therefore, we apply the relationship of Galt’s population as a percentage of Sacramento County’s population, as presented in Table 3, to arrive at Galt population projections.

Table 4 shows the population estimates from the four data sources are fairly close and within a narrow range between them. The average for the three data sources is shown in the table as well. Average growth for the four sources from 2014 to 2035 is 0.99% per year. The Galt/DOF projection has the highest annual growth from 2014 to 2035 with an average of 1.17% per year, while W&P data shows the slowest projected growth with an annual rate of 0.77% per year.

**Table 4**  
**Population Projections for Galt**

<b>Source</b>	<b>2014</b>	<b>2023</b>	<b>2035</b>	<b>Average Annual Growth 2014-2035</b>
SACOG	25,176	27,025	30,868	0.98%
DOF	24,750	26,800	30,690	1.03%
Woods and Poole	25,612	27,477	30,107	0.77%
Galt/DOF	24,750	27,583	31,587	1.17%
<b>Average</b>	<b>25,072</b>	<b>27,221</b>	<b>30,813</b>	<b>0.99%</b>

**Future Housing Unit Estimates**

Similar to the population numbers, SACOG, DOF, W&P and Galt/DOF were the four main sources of information. The population estimates from W&P and DOF were converted from total households to total housing units by factoring in the residential vacancy rate for Galt, which we estimate was on average 4.5% based on DOF figures.

Table 5 details the unit counts at each period. The SACOG estimates show 1,623 additional housing units needed in Galt by 2035; Galt/DOF shows the highest total with 2,184 units and W&P shows the lowest number of projected units with 1,338 units. The average of the four data sources is 1,761 units estimated to be developed by 2035.

**Table 5**  
**Housing Unit Projections for Galt**

<b>Source</b>	<b>2014</b>	<b>2023</b>	<b>2035</b>	<b>Growth 2014-2023</b>	<b>Growth 2024-2035</b>	<b>Growth TOTAL</b>
SACOG	8,187	8,832	9,810	645	978	<b>1,623</b>
DOF	7,906	8,561	9,804	655	1243	<b>1,898</b>
Woods and Poole	7,996	8,783	9,334	787	552	<b>1,338</b>
Galt/DOF	7,906	8,811	10,090	905	1279	<b>2,184</b>
<b>Average</b>	<b>7,999</b>	<b>8,747</b>	<b>9,760</b>	<b>748</b>	<b>1,013</b>	<b>1,761</b>

**Future Employee Estimates**

SACOG employee projections are presented in Table 6 for Galt and Sacramento County. As with SACOG population projections, we extrapolate employee projections to years 2014 and 2023 from SACOG data. SACOG employee projections for Galt as a percentage of Sacramento County employee projections are shown in the last column of Table 6. The percentages show that SACOG estimates that employment in Galt will grow at a faster rate than will employment in Sacramento County. For example, in 2014, Galt's total employment as a percentage of Sacramento County's employment is 0.80%. By 2035, Galt's total employment as a percentage of Sacramento County's total employment increases to 0.91%. Table 6 shows that Galt's projection employment will grow annually by 1.82% from 2014 to 2035 while Sacramento County's annual growth will be 1.31%. SACOG estimates Galt's total employment to increase by 46% from 2014 to 2035 and Sacramento County's to increase by about 28% for the period.

**Table 6**  
**SACOG Employee Projections**

<b>Year</b>	<b>Galt Employees</b>	<b>Average Annual Growth</b>	<b>Sacramento County Employees</b>	<b>Average Annual Growth</b>	<b>Galt as % of Sacramento Employees</b>
<b>2014</b>	5,211	-	650,596	-	0.80%
<b>2023</b>	5,978	1.54%	708,244	0.95%	0.84%
<b>2035</b>	7,617	2.04%	834,066	1.37%	0.91%
<b>Increase</b>					
<b>2014-2035</b>	2,406	1.82%	183,470	1.19%	1.31%

Table 7 shows the employee projections from SACOG and W&P; DOF does not provide employee projections and therefore is not included in the table. W&P forecasts employees on a county level only and therefore, we apply the percent relationship of Galt employees to Sacramento County employees, as shown in Table 6, to the W&P county forecasts to estimate future Galt totals. The estimates in Table 7 show that W&P forecasts for the Office category are higher than SACOG's for all years shown in the table. Projected growth in the Industrial, Retail, and Other land use categories are fairly close between the two data sources. The Other land use category includes public administration employees and other land use categories that do not fit into Office, Industrial, or Retail categories.

Both SACOG and W&P estimate strong employment growth in Galt. SACOG estimates growth at an average annual rate of 1.82% for a total of 2,406 additional employees by 2035. W&P estimates a slightly stronger annual growth rate of 1.94% for a total of 3,093 additional employees by 2035. The average for the two data sources is shown in the table as well.

**Table 7**  
**Galt Employee Projections - By Land Use**

<b>Source</b>	<b>Land Use Type</b>	<b>2014</b>	<b>2023</b>	<b>2035</b>	<b>Growth 2014-2023</b>	<b>Growth 2024-2035</b>	<b>Growth TOTAL</b>
<b>SACOG</b>	Office	1,082	1,571	2,359	489	787	1,276
	Industrial	1,002	1,222	1,316	220	94	314
	Retail	1,589	1,709	2,362	120	653	773
	Other	1,538	1,476	1,580	-62	105	43
	<b>Total</b>	<b>5,211</b>	<b>5,978</b>	<b>7,617</b>	<b>767</b>	<b>1,639</b>	<b>2,406</b>
<b>Woods &amp; Poole</b>	Office	2,380	2,905	3,786	525	881	1,406
	Industrial	871	1,026	1,282	155	256	411
	Retail	1,493	1,836	2,410	343	574	918
	Other	1,468	1,614	1,827	145	213	359
	<b>Total</b>	<b>6,212</b>	<b>7,380</b>	<b>9,305</b>	<b>1,168</b>	<b>1,925</b>	<b>3,093</b>
<b>Average</b>		<b>5,712</b>	<b>6,679</b>	<b>8,461</b>	<b>968</b>	<b>1,782</b>	<b>2,750</b>

Table 8 shows an estimate of the additional acreage that will be developed based on the employee projections in Table 7. In each case, we approximate the acres needed to accommodate employment growth by first assuming a given square footage per employee for each land use type. We also assume a floor-to-area ratio for each land use type in order to translate building square footage into total acreage. Lastly, we assumed a ten percent vacancy rate to account for vacant building space.



**Table 8**  
**Projected Development of Non-Residential Acreage**

Source	Land Use Type	Additional Employment 2014-2023	Additional Employment 2024-2035	Employees per Acre	Acres Developed 2014-2023	Acres Developed 2024-2035	Total Acres Developed 2014-2035
<b>SACOG</b>	Office	489	787	33	16.6	26.8	43.4
	Industrial	220	94	20	11.9	5.1	17.0
	Retail	120	653	22	6.1	33.3	39.5
	Other	-62	105	26	(2.6)	4.5	1.8
	<b>Total</b>	<b>767</b>	<b>1,639</b>	<b>-</b>	<b>32.1</b>	<b>69.6</b>	<b>101.7</b>
<b>Woods &amp; Poole</b>	Office	525	881	33	17.8	30.0	47.8
	Industrial	155	256	20	8.4	13.9	22.3
	Retail	343	574	22	17.5	29.3	46.8
	Other	145	213	26	6.2	9.1	15.3
	<b>Total</b>	<b>1,168</b>	<b>1,925</b>	<b>-</b>	<b>49.9</b>	<b>82.2</b>	<b>132.2</b>
<b>Average</b>		<b>968</b>	<b>1,782</b>	<b>-</b>	<b>41.0</b>	<b>75.9</b>	<b>116.9</b>

**Conclusion**

Table 9 summarizes the average growth by year for the data sources reviewed in this analysis. For population and housing unit projections, this average includes SACOG, DOF, W&P, and the Galt/DOF forecasts. For employee projections, the average numbers shown in Table 9 are based on SACOG and W&P forecasts.

Total population and housing unit growth from 2014 to 2035 is estimated to average 5,741 residents and 1,761 units for the four data sources. This is an increase of 383 residents and 147 units from our February 10 analysis and is a result of incorporating the higher Galt/DOF projections into the analysis. The population increase translates to an average annual growth rate of 0.99%, with the hybrid Galt/DOF population projections averaging about 1.17% annual growth, DOF projections averaging 1.03% annual growth, SACOG at 0.98%, and W&P with the lowest estimated annual growth rate at 0.77%.

Total employees in Galt are estimated to grow from 5,712 employees in 2014 to 8,461 by 2035; an increase of 2,750 employees. This equals an average annual growth rate of approximately 1.89%, which is a much stronger growth rate than the residential growth rate. The residential growth rate is a reflection of the past recession and the slow national and State recovery since the recession. Real estate development in California in particular has had a slow recovery with only recent signs of a recovery showing up in the last year or so.

**Table 9**  
**Galt Population, Housing Units, and Employees**

<b>Year</b>	<b>Population</b>	<b>Housing Units</b>	<b>Office Empl.</b>	<b>Ind. Empl.</b>	<b>Retail Empl.</b>	<b>Other Empl.</b>	<b>Total Empl.</b>
<b>2014</b>	25,072	7,999	1,731	936	1,541	1,503	<b>5,712</b>
<b>2023</b>	27,221	8,747	2,238	1,124	1,773	1,545	<b>6,679</b>
<b>2035</b>	30,813	9,760	3,072	1,299	2,386	1,704	<b>8,461</b>
<b>Growth 2014 -2035</b>	<b>5,741</b>	<b>1,761</b>	<b>1,341</b>	<b>363</b>	<b>845</b>	<b>201</b>	<b>2,750</b>

Table 10 compares the 2023 growth projections in this analysis to ADE’s estimates derived in 2009. For residential growth, the difference is substantial; our analysis estimates 5,215 less residents and 1,556 less dwelling units will be in the City by 2023. For nonresidential development, the difference is not as substantial, with our analysis estimating 370 less employees in the City by 2023 compared to ADE’s figure.

**Table 10**  
**Comparison of Development Projections For Galt in 2023**  
**Applied Development Economics (ADE) vs. Goodwin Consulting Group (GCG)**

	<b>Population</b>	<b>Housing Units</b>	<b>Office Empl.</b>	<b>Ind. Empl.</b>	<b>Retail Empl.</b>	<b>Other Empl.</b>	<b>Total Empl.</b>
<b>GCG</b>	27,221	8,747	2,238	1,124	1,773	1,545	<b>6,679</b>
<b>ADE</b>	32,436	10,303	755	1,951	1,437	2,906	<b>7,049</b>
<b>Difference</b>	<b>(5,215)</b>	<b>(1,556)</b>	<b>1,483</b>	<b>(827)</b>	<b>336</b>	<b>(1,361)</b>	<b>(370)</b>