



ECONOMIC OUTLOOK 2005

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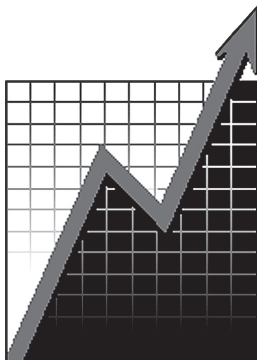
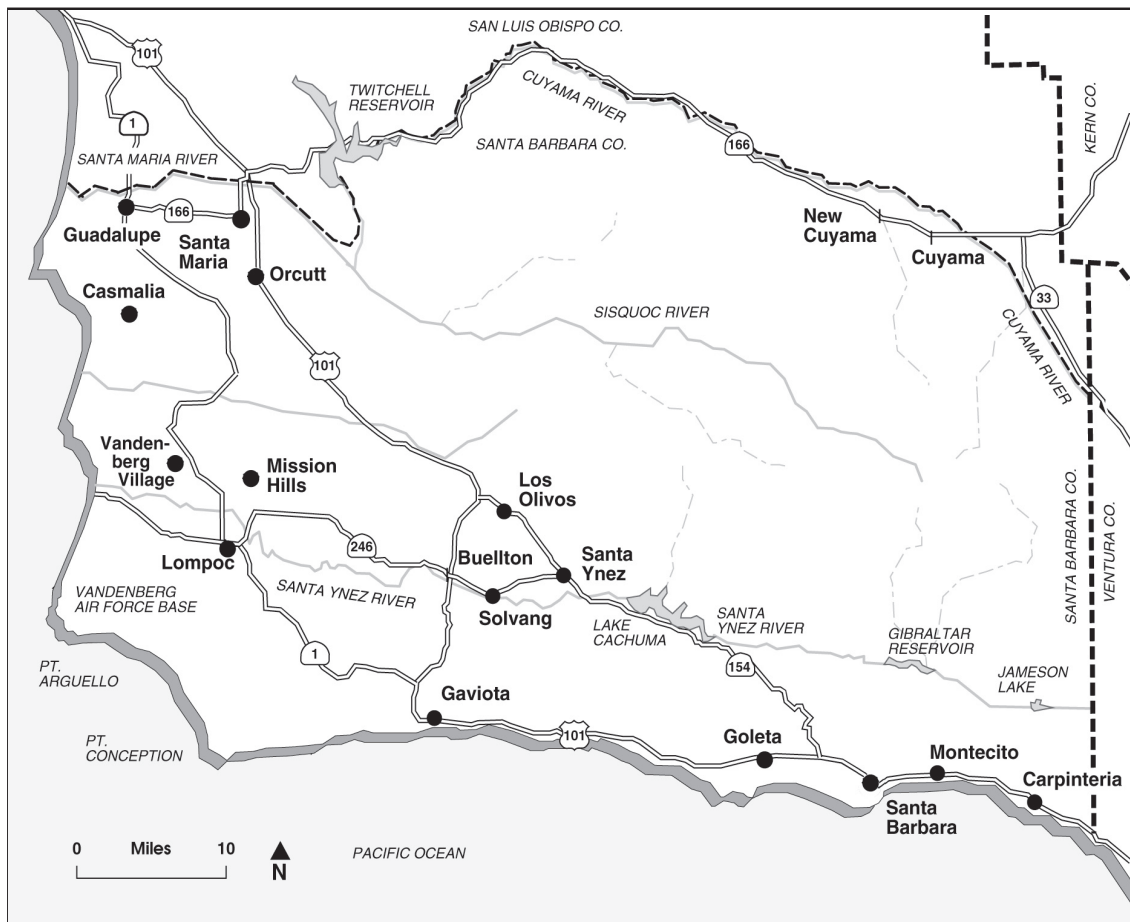
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THE 2005 SANTA BARBARA COUNTY ECONOMIC OUTLOOK

UCSB ECONOMIC FORECAST PROJECT

Volume 22 • April 2005



UCSB ECONOMIC FORECAST PROJECT
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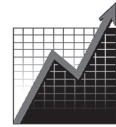
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EXECUTIVE SUMMARY



We are proud to present the 2005 Santa Barbara County Economic Outlook. This year's publication consists of a booklet and the full report on CD, which is in color and is very much expanded from those of previous years. Electronic publication makes these improvements possible. Below is a summary of the major sections of our publication:

Demographics

In this section we document Santa Barbara County's relative wealth, the differences between North County and the South Coast, major migratory trends, and the vast changes that have affected the County over the past couple of decades. The County is seeing in migration from two major sources. Latinos with relatively low human capital or assets are attracted by opportunities not available in their country of origin. Wealthy baby boomers are attracted to the County because of its amenities.

Increasingly Santa Barbara County is bi-modal. The South Coast is relatively wealthy. The

North County is not. The North County is relatively young. The South Coast is not, with the exception of a large student population. In both regions, we see wealthy and not so wealthy people, and relatively few in the middle. In general, the middle is disappearing along with career paths that can support an attractive standard of living in the County. The middle that does exist is concentrated in the North County.

Economic Activity

Even though the United States and California economies grew more rapidly than we expected in 2004, Santa Barbara County's economic growth was slow by every measure. We point out Santa Barbara County's depressingly weak economic growth may be detrimental. While the County has many who would prefer little or no population growth, we argue that per-capita economic growth is important. By this measure, the County seriously lags the United States and California.

The economic growth that we do observe in Santa Barbara

County is mostly occurring in the North County. Here relatively low home prices and new home building conspire to create bedroom communities and concentrations of workers that may attract employers.

We also point out that the University of California and Vandenberg Air Force Base provide stable sources of middle-class jobs. Additionally, Vandenberg AFB is likely to see some growth as a result of the BARC process. Unfortunately, the County's largest job sectors are the lowest paying and these sectors are growing. The only well-paying sector showing significant growth is the relatively small construction sector.

Real Estate

If there is one unavoidable topic for a report like this, it is real estate values. Santa Barbara County home prices rose in 2004 at the most rapid rate in history. We argue that Santa Barbara County home prices are not in a bubble. There are good economic and demographic reasons for the prices we observe. So, we don't expect home prices to fall. We

do however believe the current rate of appreciation is unsustainable in the long run. We expect the growth rate to slow, but to remain positive.

Commercial property values also continue to increase, and we see no reason for a collapse in these prices. As is usual for us, we give brief descriptions of important residential and commercial projects throughout Santa Barbara County.

Community

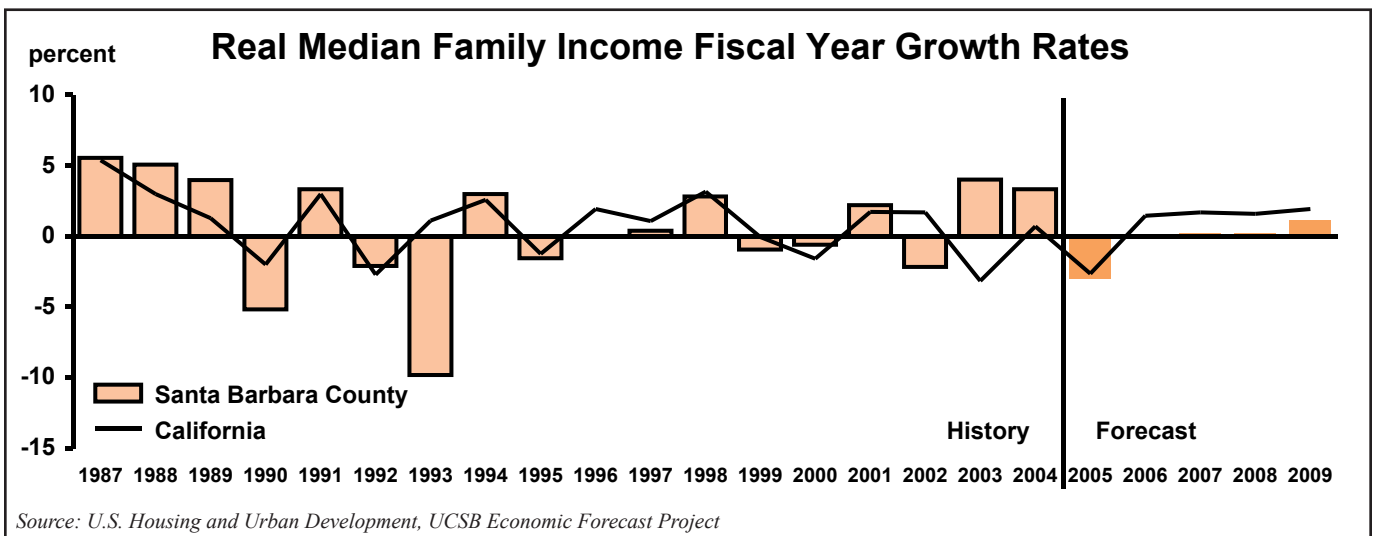
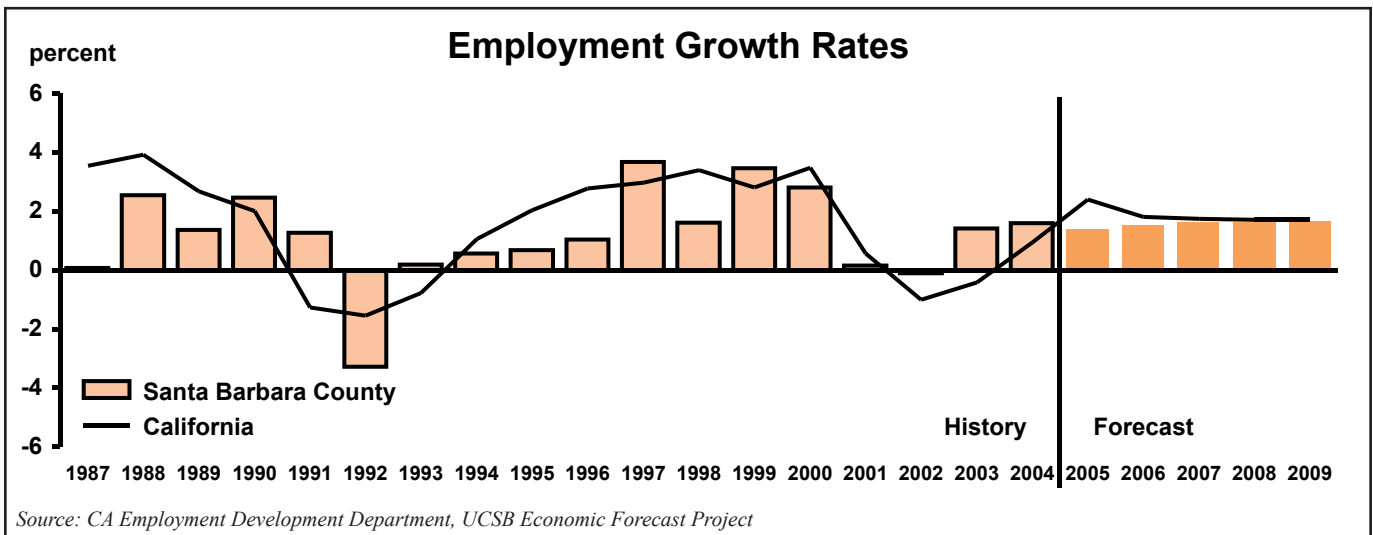
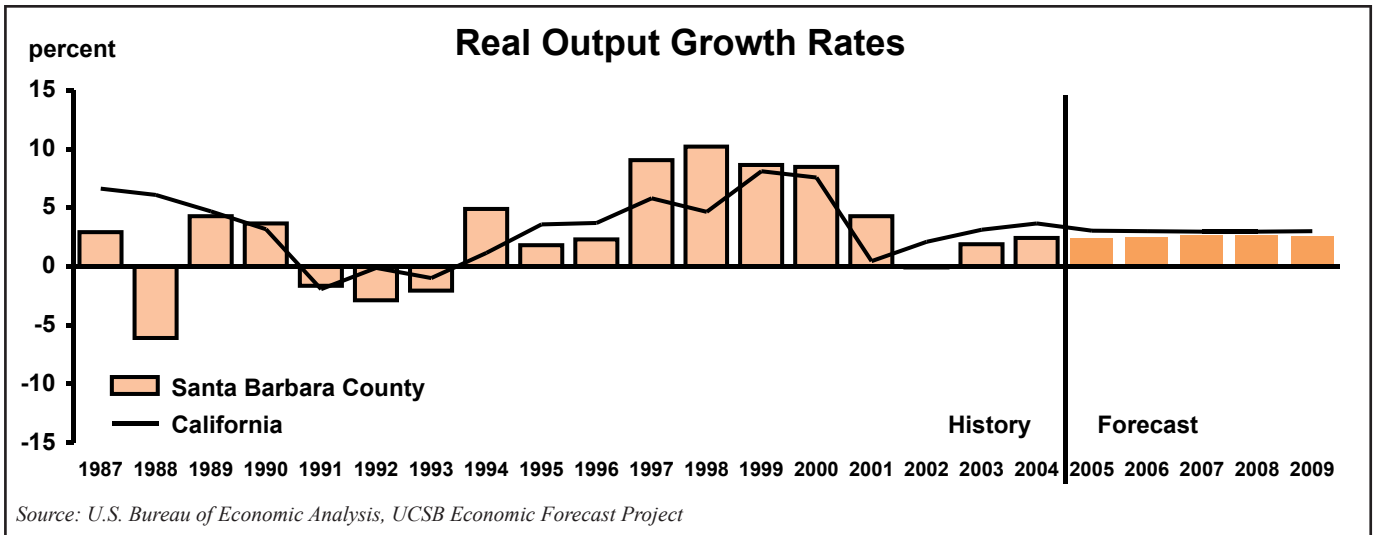
This year our Community Section focuses on Traffic. This is a particularly timely issue given the recent closures of Highway 101, Highway 154, Highway 1, and Highway 150.

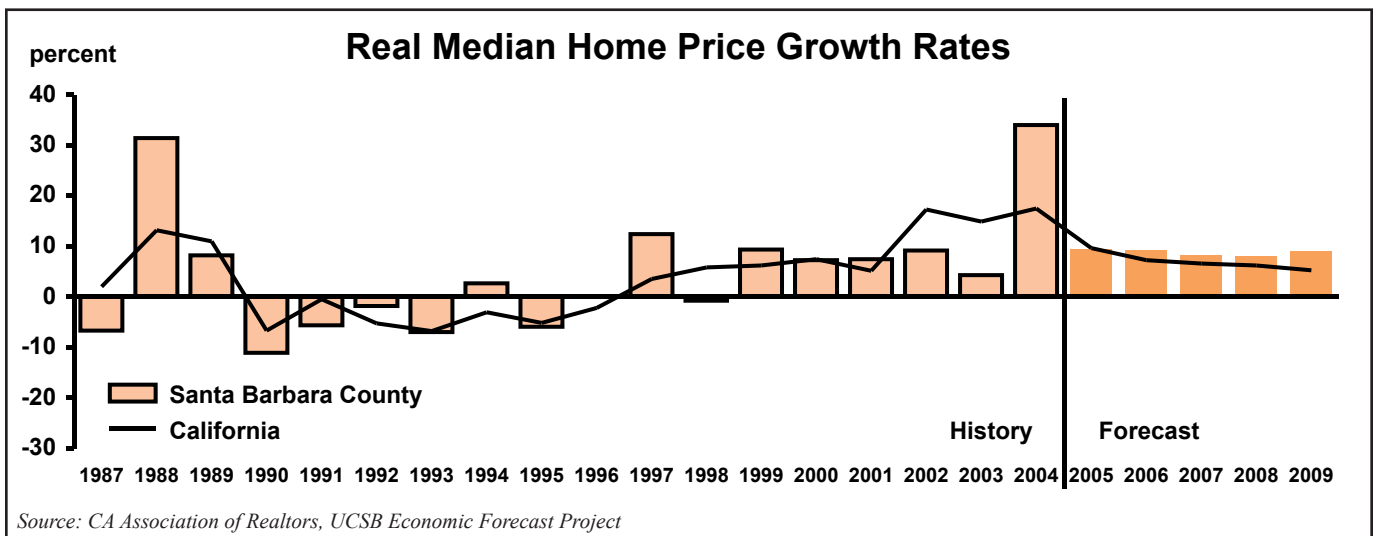
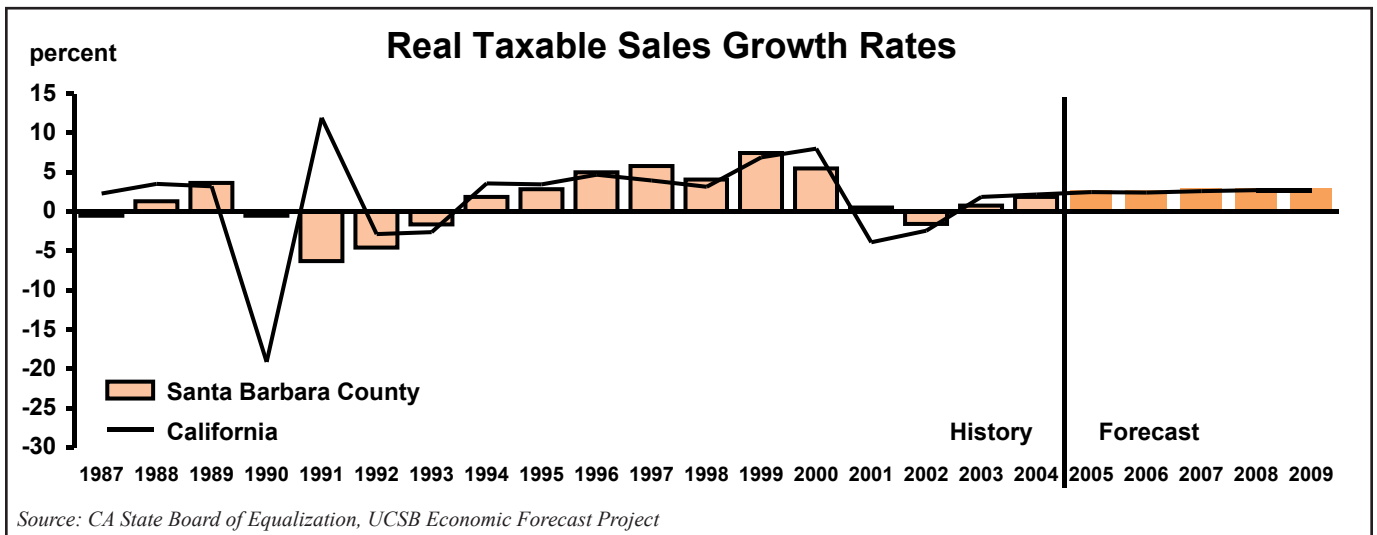
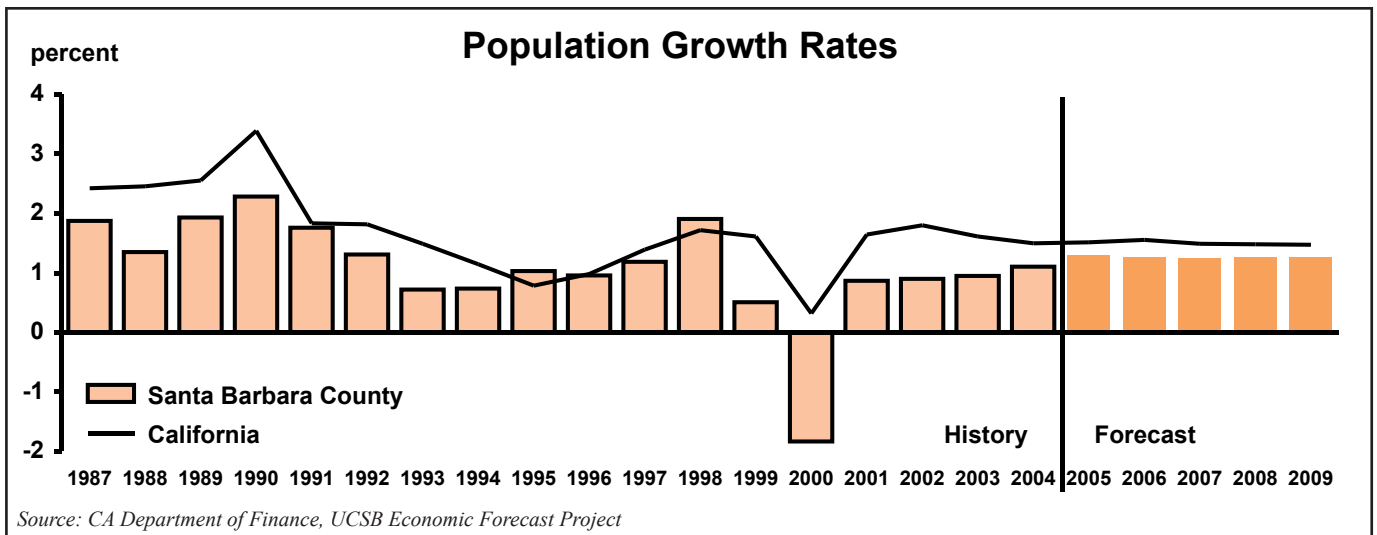
Santa Barbara County traffic will get worse. It will get worse if the population grows. It will get worse if the population does not grow. Very little new infrastructure has been built or is planned. We report that over the past five years, the County added about 7,100 new vehicle registrations a year. Most significantly, we discuss the apparent paradox of slow population growth, weak job growth and increased traffic. This situation is directly applicable to Santa Barbara County today, and it implies a strong need for infrastructure investment.

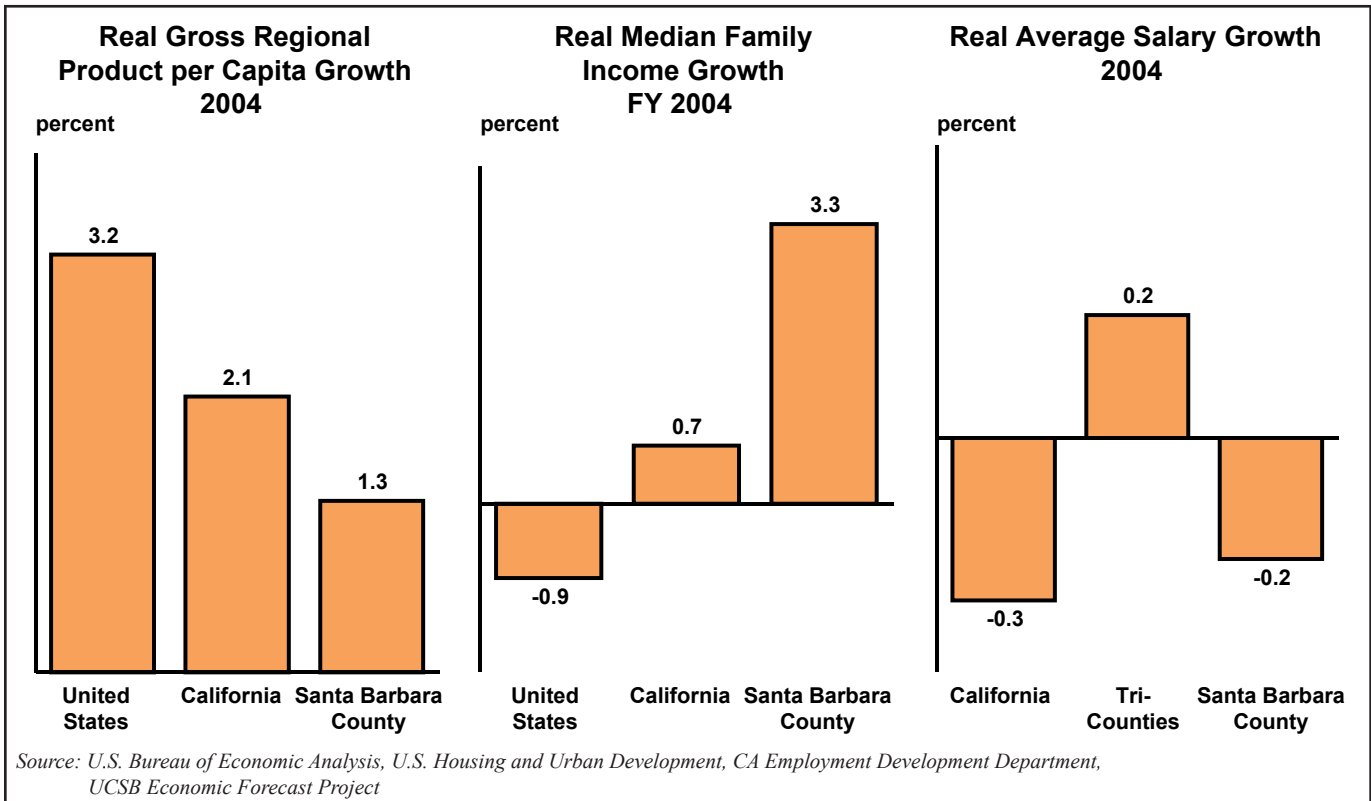
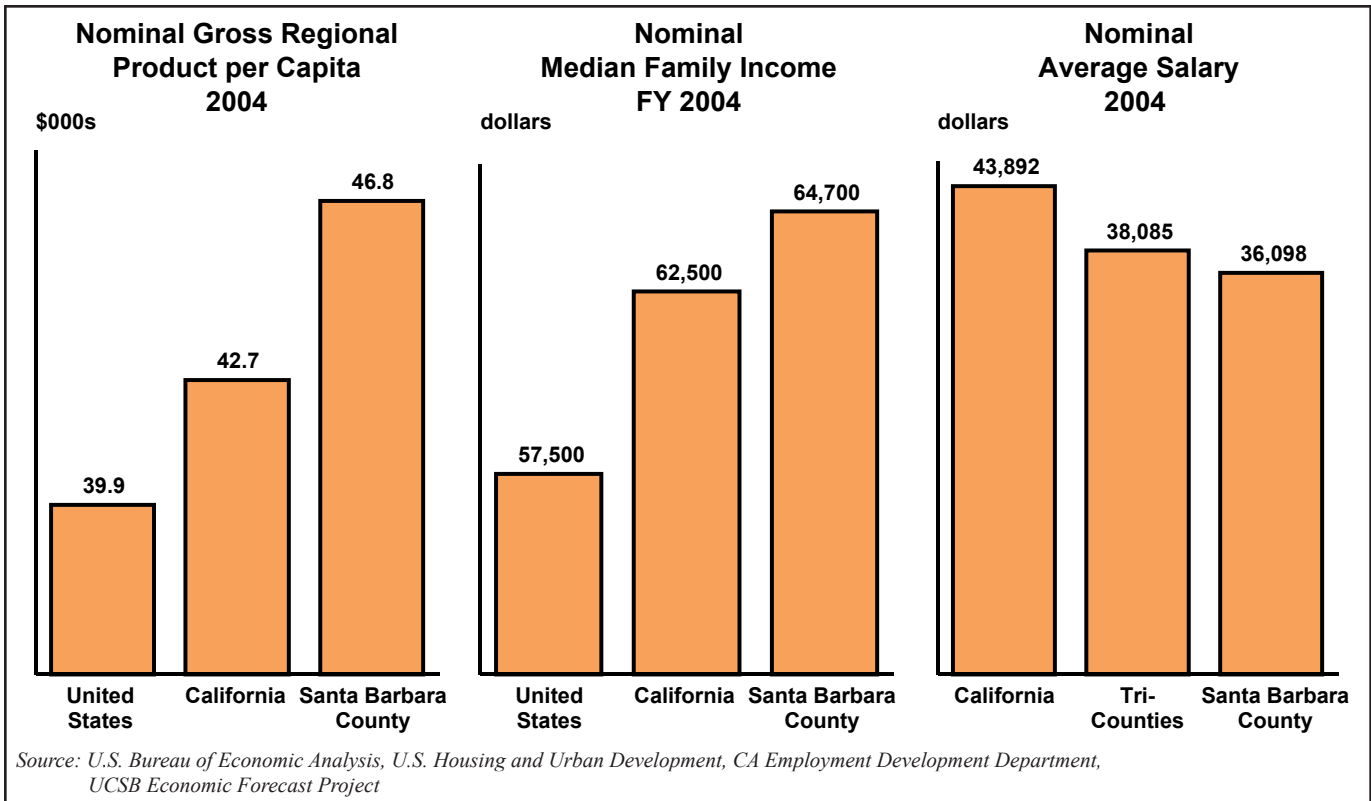
Economic Review and Forecast

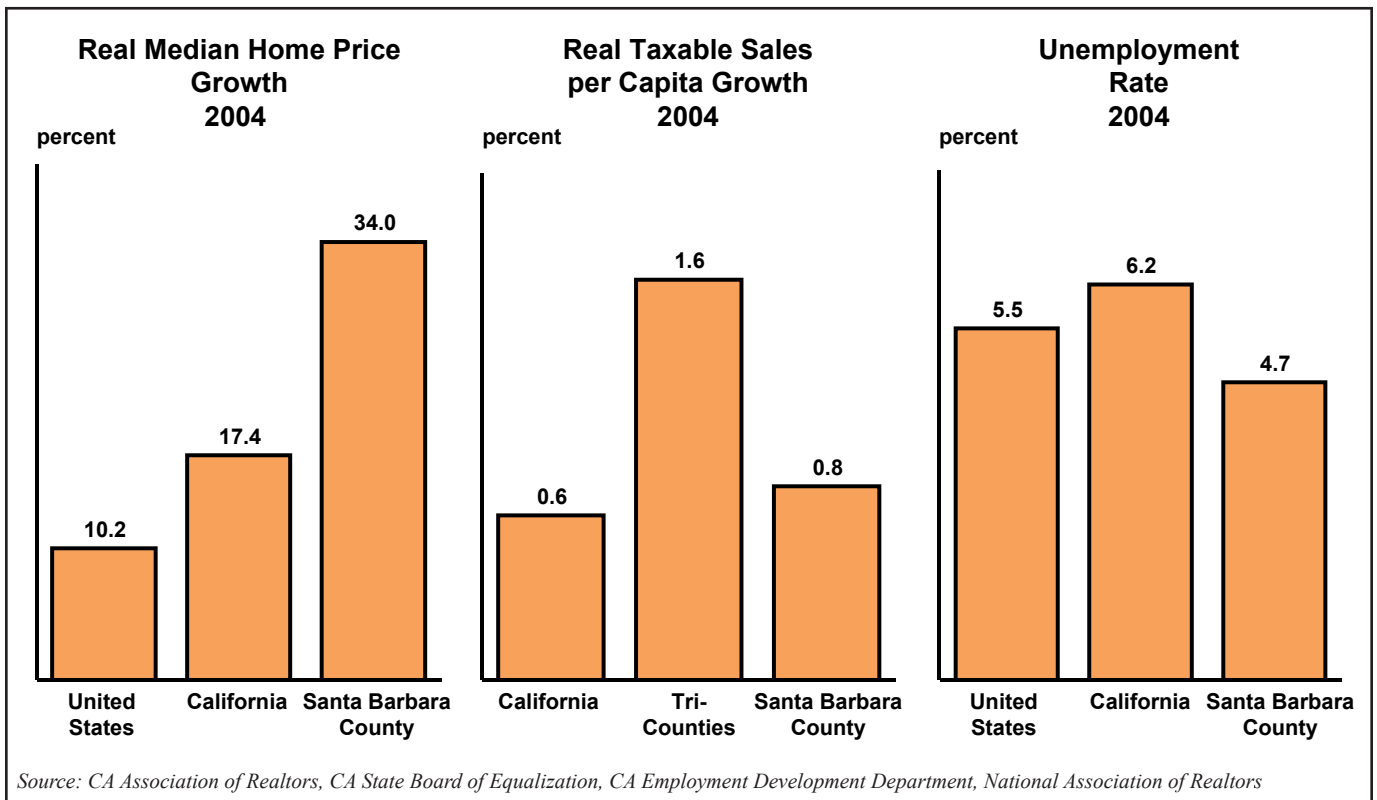
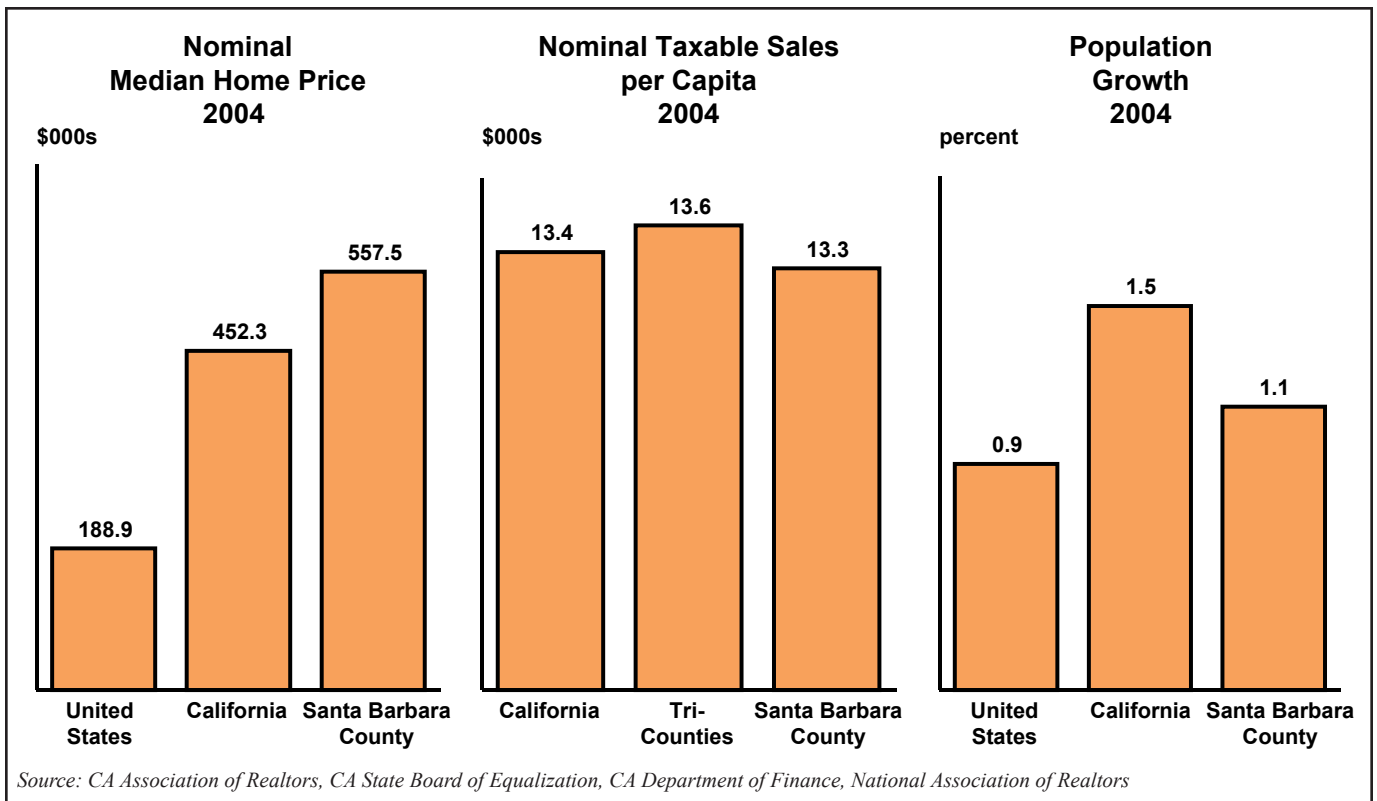
Here we explain why we think inflation will remain low, and why we think long-term interest rates will not increase as much as short-term rates will. The United States economy should remain strong. California's economy will grow only slowly, inhibited by a long list of self-imposed weaknesses.

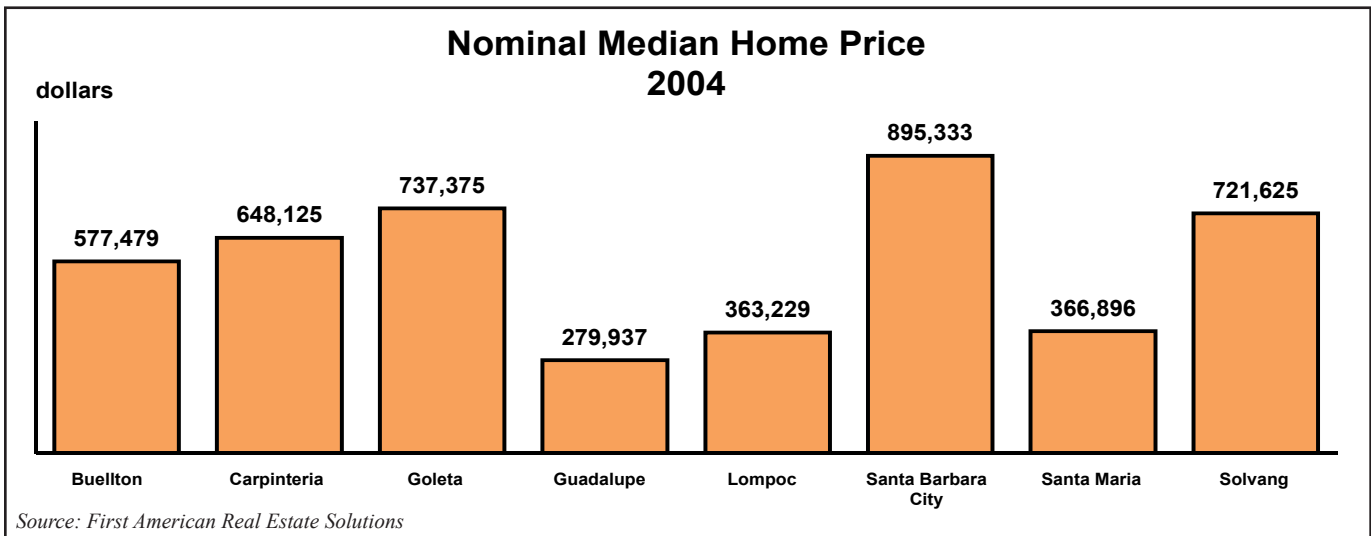
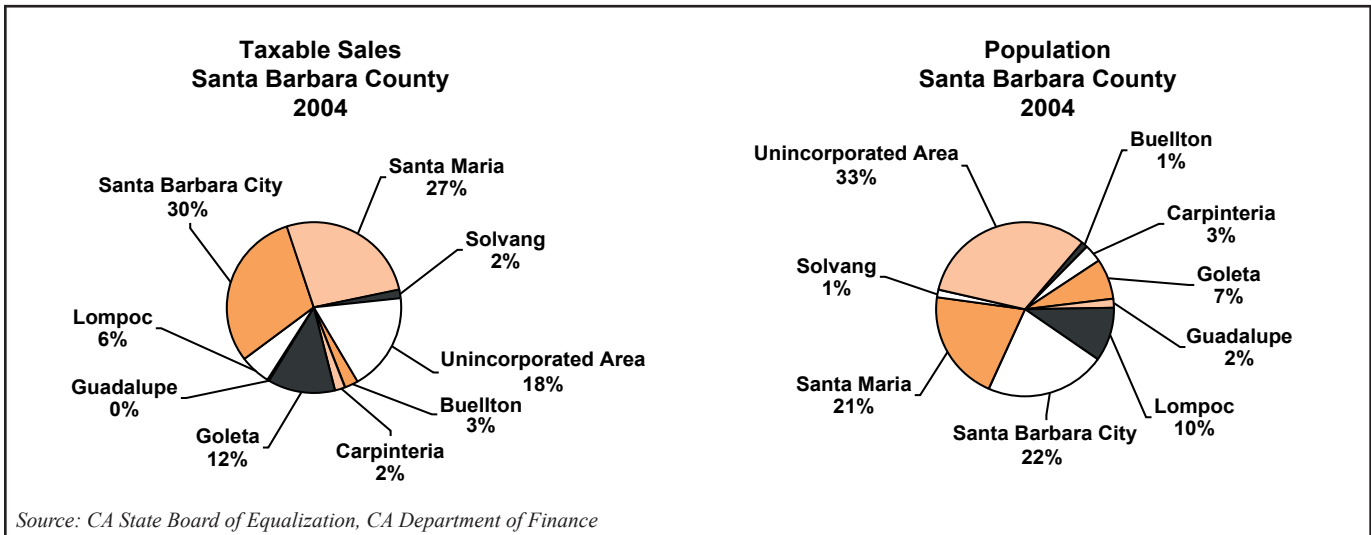
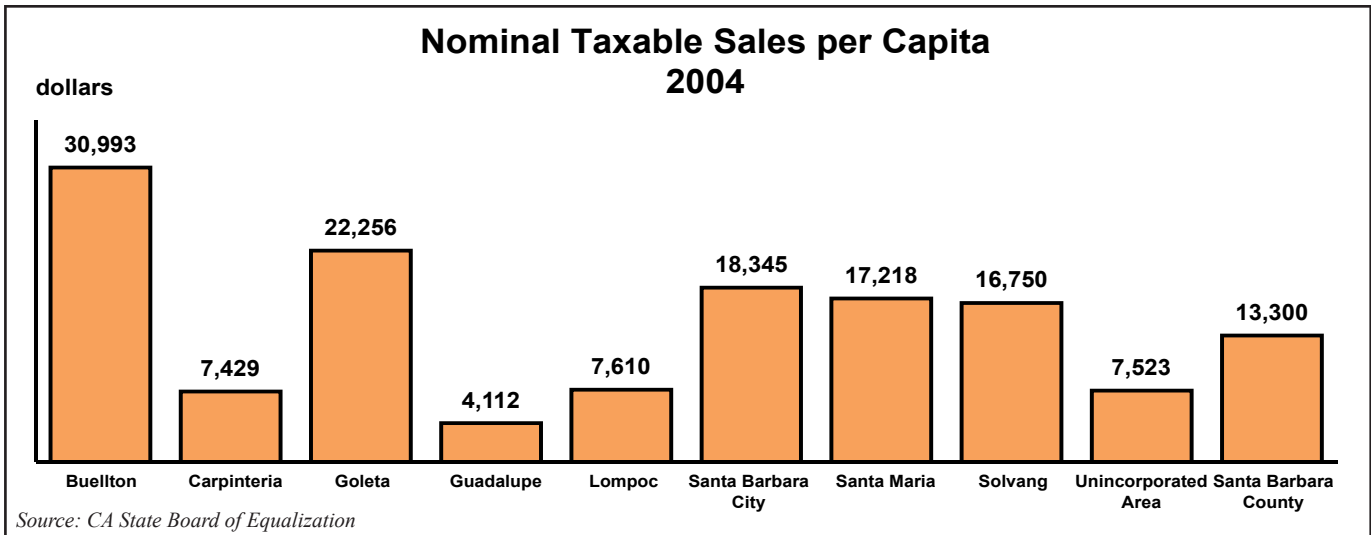
Santa Barbara County's economy is likely to grow rather slowly over the next year or so. The growth that does take place will primarily occur in the North County. Unfortunately, most job growth will be in the relatively low-paying agriculture, retail, and service sectors.



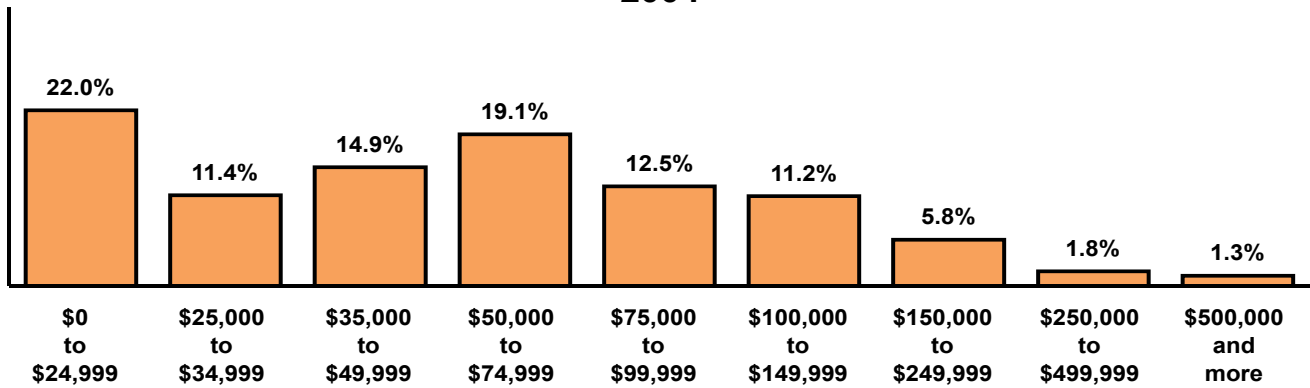






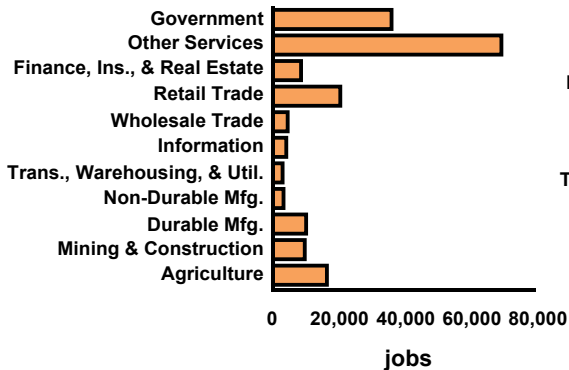


Household Income Distribution in Santa Barbara County 2004

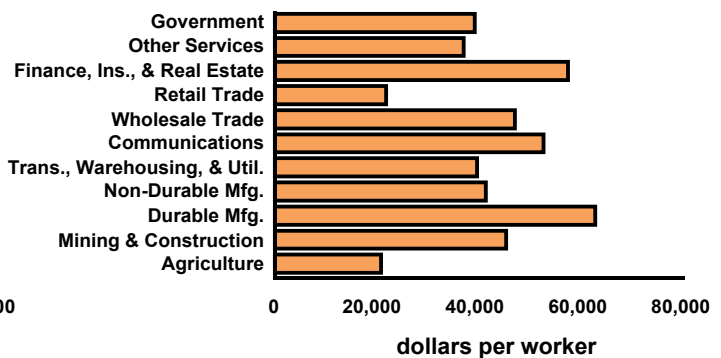


Source: Sitereports

Employment Santa Barbara County 2004

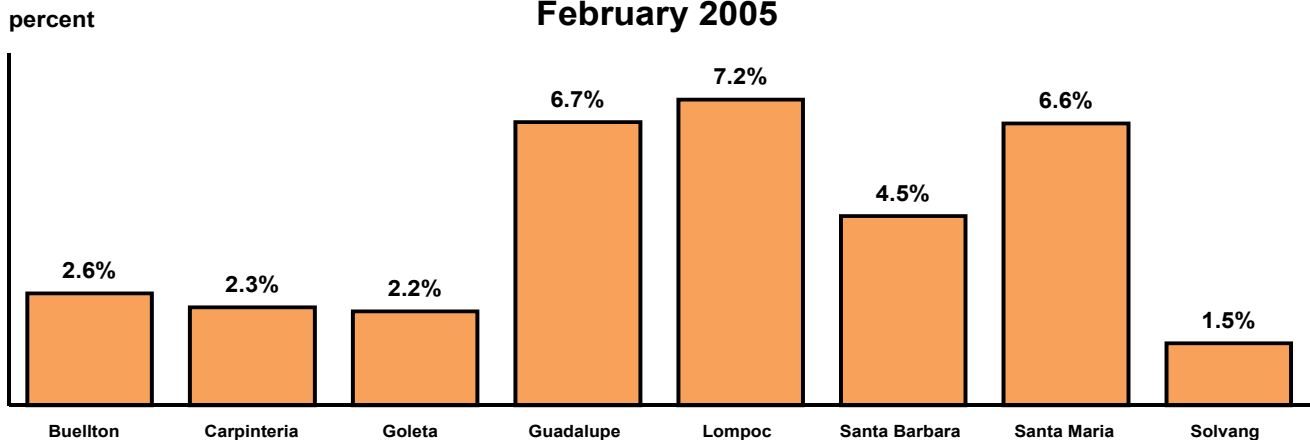


Average Salary Santa Barbara County 2004



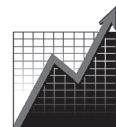
Source: CA Employment Development Department

Unemployment Rate February 2005



Source: CA Employment Development Department

DEMOGRAPHICS



Santa Barbara County is California's 20th largest county by population and the 34th most rapidly growing. As a coastal county, Santa Barbara is dominated by Coastal California demographic trends. These include a large influx of wealthier Baby Boomers from throughout the United States; another large influx of Latinos from Mexico, Central America, and South America; and an outflow of post Baby-Boom generations.

Baby Boomers are in their peak earning years, and many have accumulated large amounts of wealth. The generation will also inherit trillions of dollars worth of assets. As they can afford to, many are choosing—attracted by amenities—to retire, or have second homes, in Coastal California communities. They will likely remain in Coastal California as long as financial resources and health permit them to enjoy the amenities.

Immigrant Latinos are attracted by opportunity. Conditions they are leaving are so poor that even very low paying jobs and crowded living conditions in Santa Barbara County represent

an improvement for them. Because many jobs in the Agriculture, Tourism, and Retail sectors do not pay enough to justify a commute, we find concentrations of these people throughout the County. However, the largest portion lives in North County. Those in the South Coast often live many families to a home designed for a single family. Increasingly rising housing costs in North County provide incentives for several families to live in a home designed for a single family.

Post Baby-Boom generations are relatively under-represented in Santa Barbara County, particularly among middle-class college educated families with a primary wage earner between 30 and 45. Career opportunities are limited for these people.

All this is quite different than was the case, say 20 years ago. The changes have been driven by demographics and economics.

Santa Barbara County has certainly seen change over the past two decades. Goleta was once a center of industry and middle-class housing. Santa Maria was a small farming community.

Carpentaria offered affordable work-force housing. Buellton was hardly more than the “Avenue of Flags.” Santa Ynez Valley's wine industry was small. Highway 101 was congested in the South Coast mainly because of traffic lights in Santa Barbara City.

Now, Goleta's manufacturing sector is leaving, and few middle-class families can afford a home there, unless they have large amounts of equity from a previous home or family wealth. Santa Maria has become the County's most rapidly growing economy, and bedroom community to both the South Coast and San Luis Obispo. Carpinteria housing could hardly be called affordable. Buellton has become Santa Barbara County's second most rapidly growing community, and it has become a bedroom community for the South Coast. The Santa Ynez Valley wine industry has grown and become world renowned. The South Coast's Highway 101 now has no traffic signals, but traffic is now congested daily throughout the two-lane portion.

Some things haven't changed. The University of California Santa

Barbara remains the South Coast economy's single largest institution. Vandenberg holds a similar position in the North County. Santa Barbara City, once known as "the home of the newly wed and nearly dead" probably has fewer newly weds, and senior citizens represent an even larger portion of its population. Agriculture remains a key component of North County's economy.

Change will continue. Perhaps it will be even more pronounced. However, the South Coast's change may be subtle. University of California Santa Barbara Geography Department researchers see no scenario where the South Coast's population does not shrink. We at the Economic Forecast Project are not as sure that no growth scenario exists. However, we agree the region is likely to shrink, and we see no scenario of significant growth. This is profound. While the State of California is expected to grow by over one-half a million people a year, the South Coast is expected to lose population or remain stable.

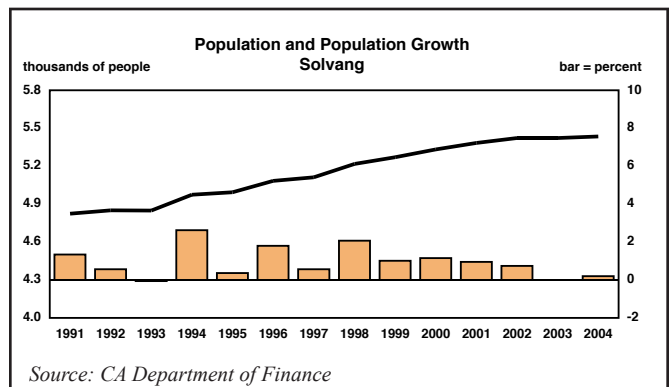
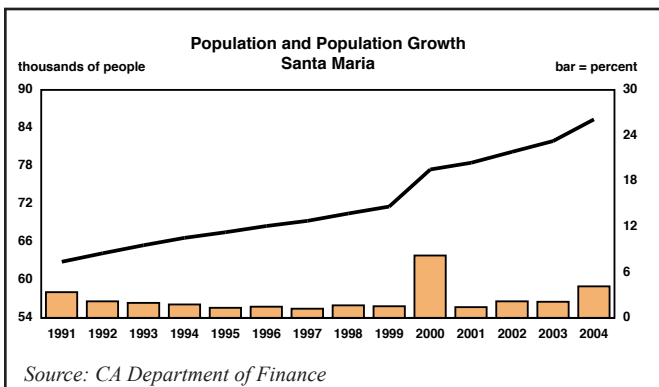
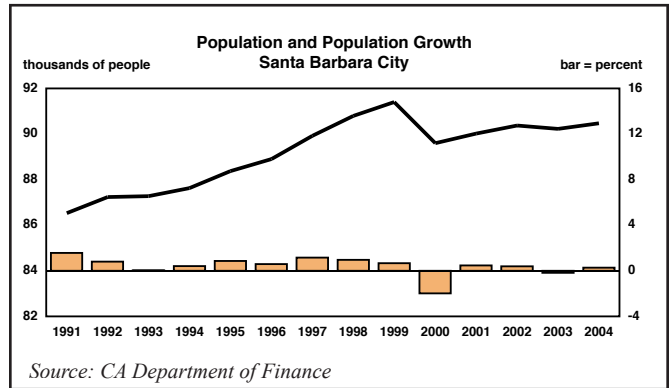
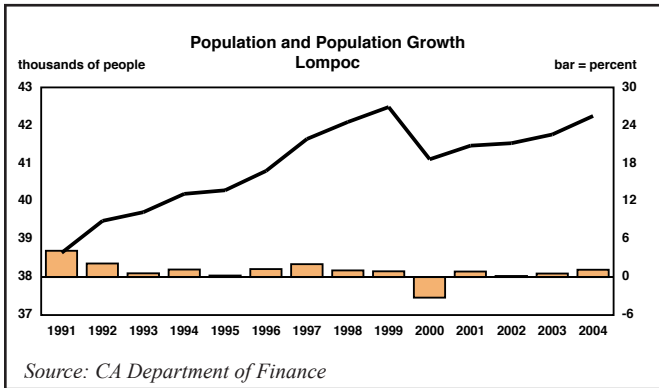
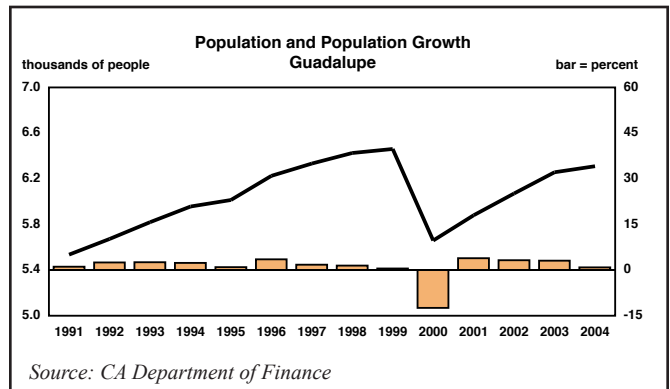
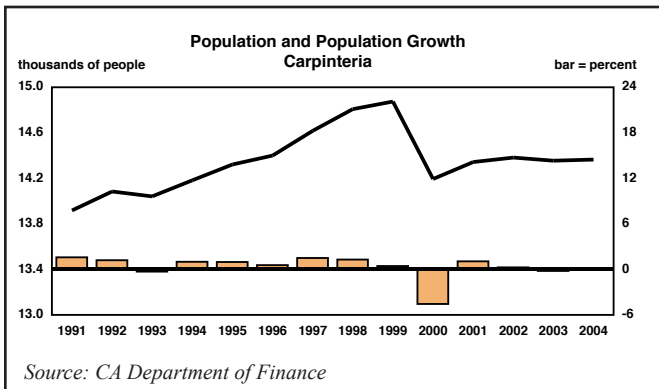
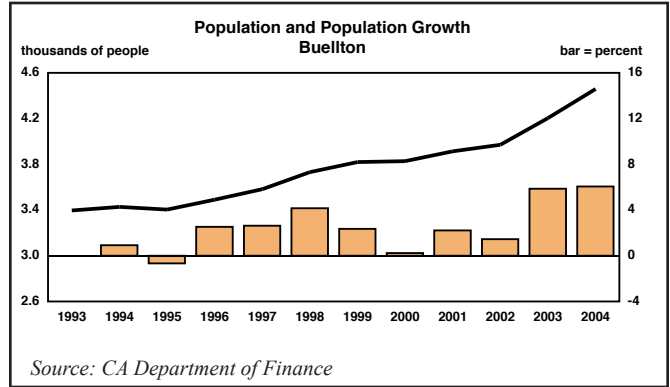
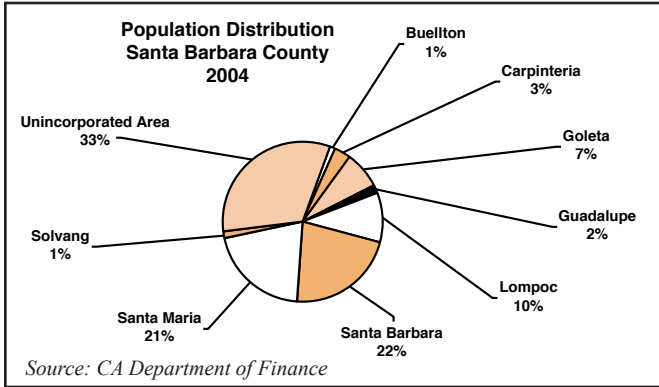
The contrast between the South Coast and North County, today and in the future, could not be more dramatic. The South Coast is aging and stagnant.

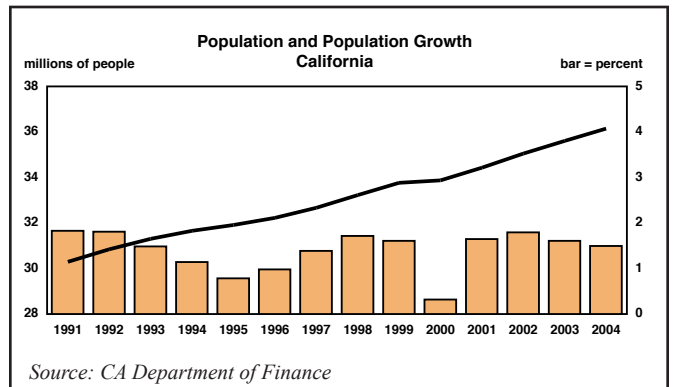
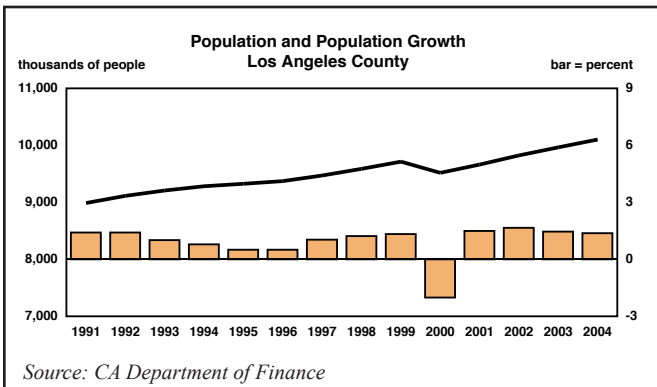
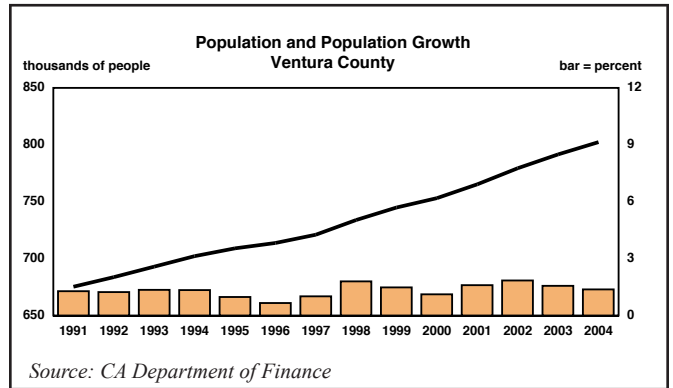
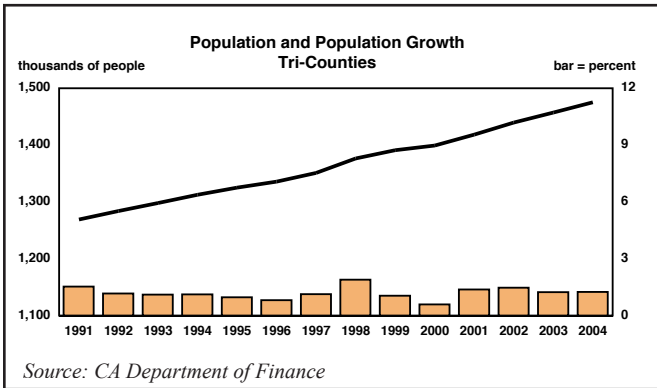
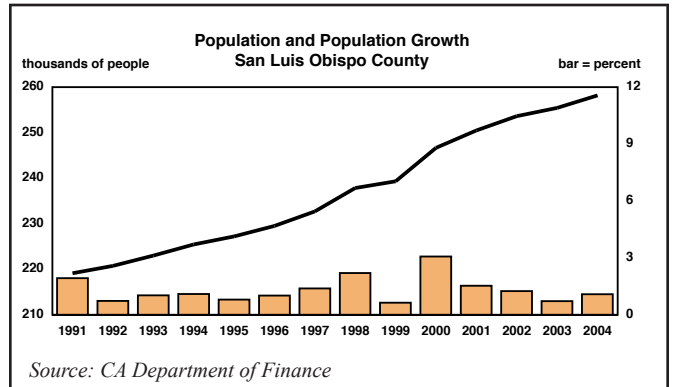
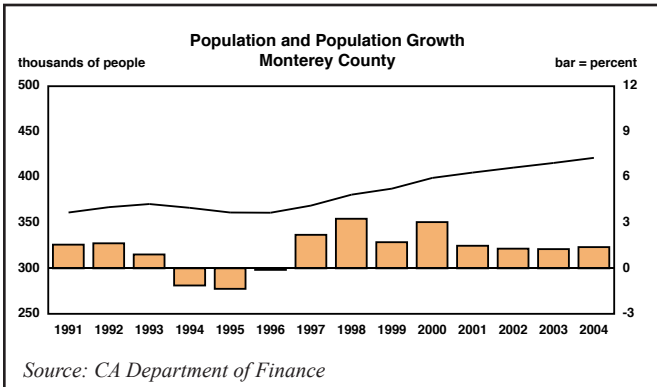
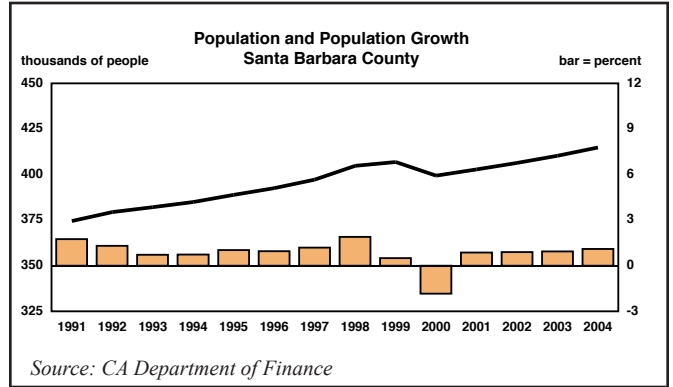
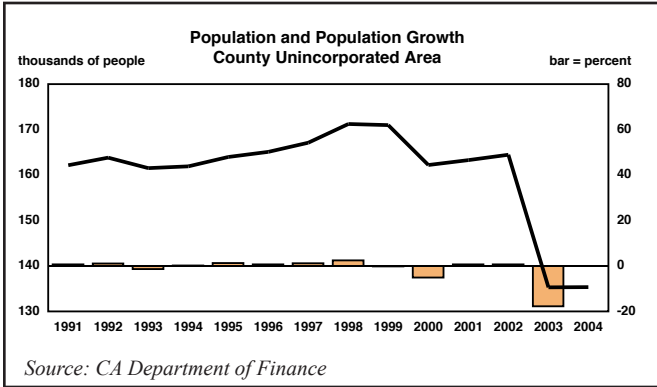
The North County is young and growing. North County has changed; it is changing; it will continue to change.

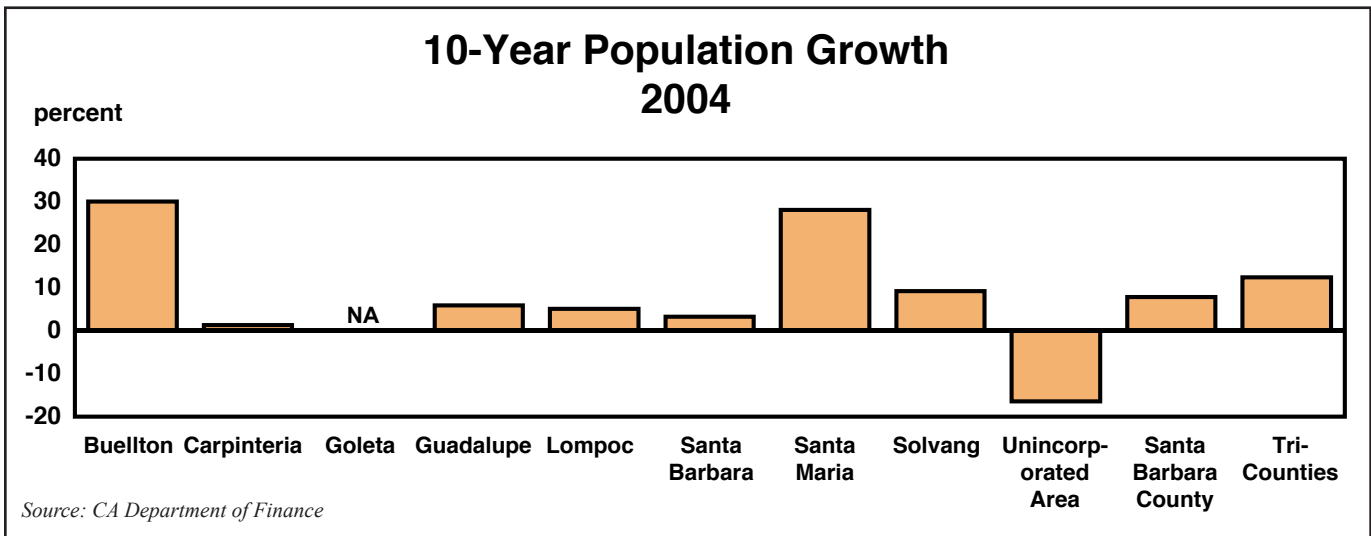
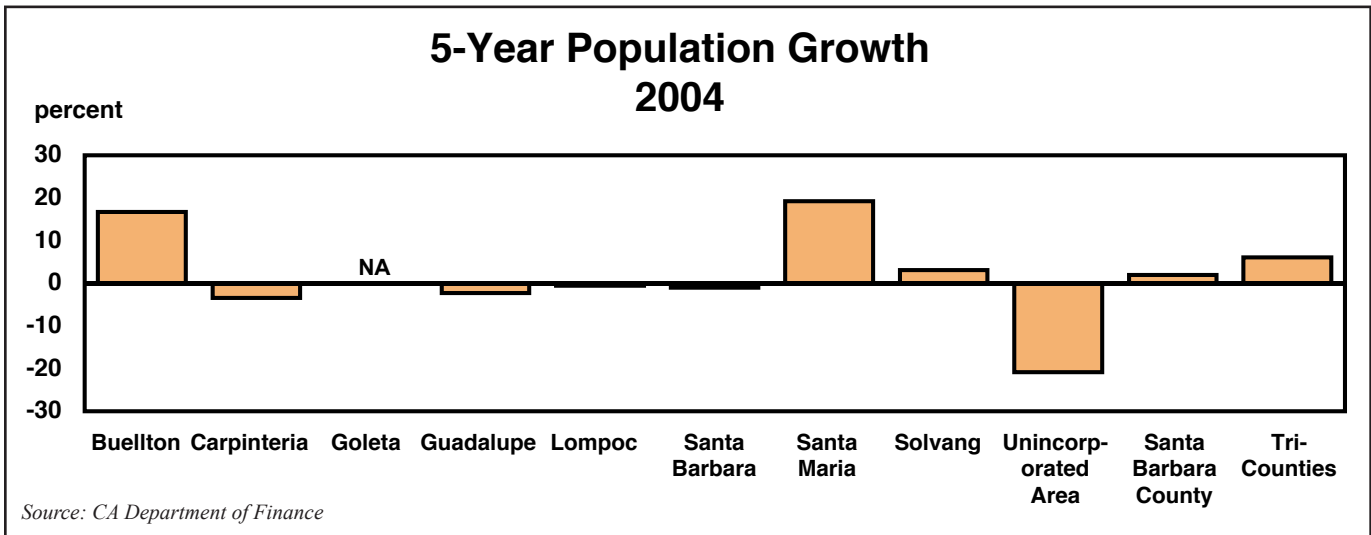
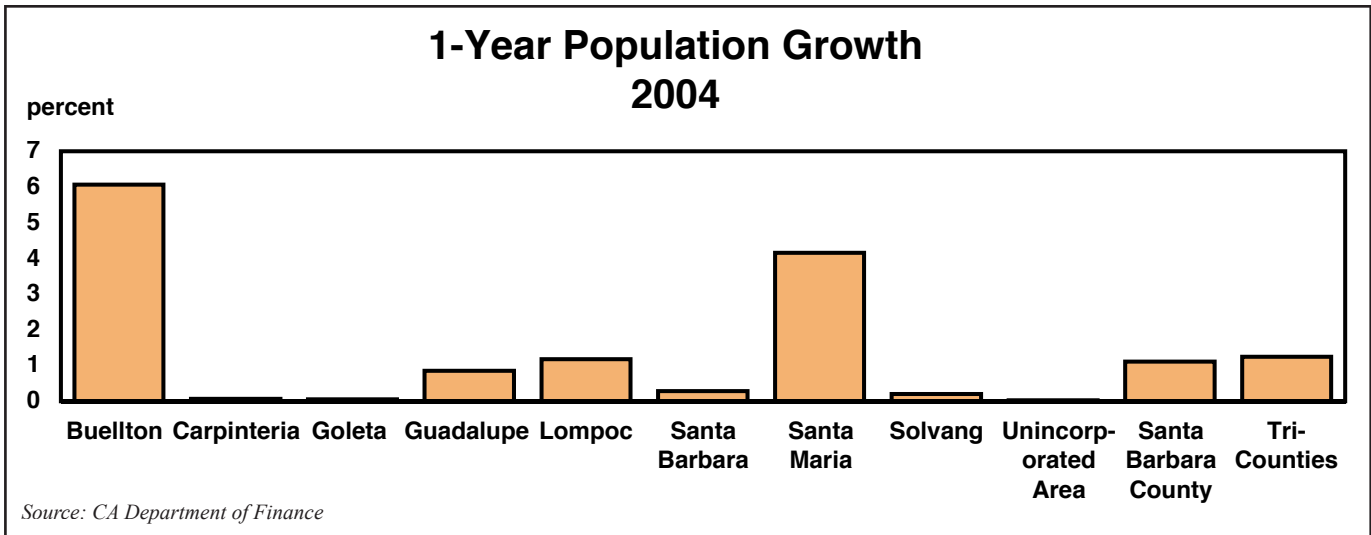
There are many reasons for change in the North County. Relatively affordable housing attracts families whose wage earners may work in San Luis Obispo County or in the South Coast. These workers make the region attractive to businesses that need or want locations in Coastal California. The region's agriculture sector continues to grow. Vandenberg AFB is likely to grow as a result of the BARC process.

The primary reason that North County will grow, however, is its people. A much higher proportion of North County's population is dependent on local economic activity for its financial support than in the South Coast. Consequently the community has a consensus for growth that does not exist on the South Coast. A consequence of this is that virtually all of the County's new housing is being built in North County.

Population Distribution







Population Distribution in Santa Barbara County

	Population as of January 1, 2003	Population as of January 1, 2004	Net Change	1-Year Growth Rate	5-Year Growth Rate	10-Year Growth Rate	Average 5-Year Growth Rate	Average 10-Year Growth Rate
Buellton	4,203	4,458	255	6.1%	16.7%	30.1%	3.3%	3.0%
Carpinteria	14,354	14,364	10	0.1%	-3.4%	1.3%	-0.7%	0.1%
Goleta	30,823	30,838	15	0.0%	NA	NA	NA	NA
Guadalupe	6,257	6,310	53	0.8%	-2.3%	5.9%	-0.5%	0.6%
Lompoc	41,758	42,250	492	1.2%	-0.5%	5.1%	-0.1%	0.5%
Santa Barbara City	90,221	90,473	252	0.3%	-1.0%	3.3%	-0.2%	0.3%
Santa Maria	81,924	85,325	3,401	4.2%	19.2%	28.1%	3.8%	2.8%
Solvang	5,423	5,434	11	0.2%	3.1%	9.2%	0.6%	0.9%
Unincorporated Area	135,305	135,344	39	0.0%	-20.8%	-16.4%	-4.2%	-1.6%
Santa Barbara County	410,268	414,796	4,528	1.1%	2.0%	7.8%	0.4%	0.8%
Tri-Counties	1,457,284	1,475,436	18,152	1.2%	6.1%	12.4%	1.2%	1.2%

Source: CA Department of Finance

Population and Housing in Santa Barbara County

	1997	1998	1999	2000	2001	2002	2003	2004
Population (January)	397,225	404,775	406,828	399,347	402,803	406,423	410,268	414,796
percent change	1.2	1.9	0.5	-1.8	0.9	0.9	0.9	1.1
Population in Existing Housing Stock	380,971	388,784	390,888	399,347	386,563	390,260	393,406	398,147
percent change	1.2	2.1	0.5	2.2	-3.2	1.0	0.8	1.2
Population in Group Quarters	16,254	15,991	15,940	16,617	16,240	16,163	16,862	16,649
percent change	0.4	-1.6	-0.3	4.2	-2.3	-0.5	4.3	-1.3
Housing Density (people per household)	2.823	2.865	2.872	2.801	2.812	2.820	2.811	2.816
net change	0.006	0.042	0.007	-0.071	0.011	0.008	-0.009	0.005

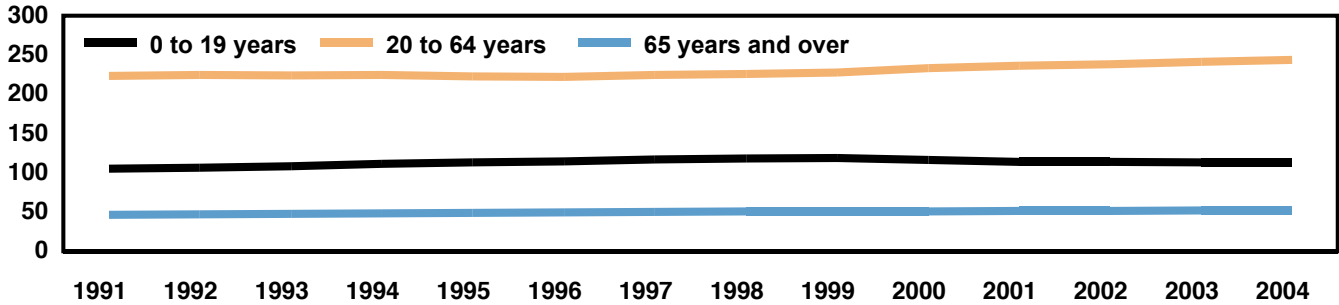
Source: CA Department of Finance

Population Distribution

Demographic Detail Santa Barbara County											
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Age Cohorts (thousands of people)											
Population Under 5 Years	31.6	31.1	30.0	29.0	27.9	26.7	26.1	26.2	26.6	27.1	27.5
Population 5 To 9 Years	28.0	28.9	29.9	30.4	30.4	30.0	29.5	28.5	27.6	27.2	26.9
Population 10 To 14 Years	25.8	26.6	26.7	26.8	26.8	27.0	28.3	29.0	29.3	29.5	29.4
Population 15 To 19 Years	26.1	26.4	28.1	30.5	33.3	34.7	32.1	30.2	30.0	29.5	29.5
Population 20 To 24 Years	33.4	32.0	30.9	30.8	30.8	31.9	37.3	39.2	39.6	39.3	38.3
Population 25 To 29 Years	30.8	30.1	29.8	29.6	28.9	28.2	27.4	27.6	28.2	29.3	30.6
Population 30 To 34 Years	34.2	33.2	31.7	30.7	29.7	28.8	28.0	28.0	28.1	27.9	27.8
Population 35 To 39 Years	32.4	32.3	32.1	32.2	31.9	31.3	30.1	29.2	28.1	27.8	27.5
Population 40 To 44 Years	26.7	27.1	27.7	28.7	29.4	29.6	29.8	29.9	29.9	29.9	29.9
Population 45 To 49 Years	21.5	22.3	23.4	23.9	24.8	25.7	26.3	26.9	27.3	28.1	28.7
Population 50 To 54 Years	17.8	18.2	18.4	20.1	20.8	21.8	22.9	23.5	23.8	24.4	25.1
Population 55 To 59 Years	14.9	15.0	15.1	15.5	16.1	16.5	17.1	17.9	18.7	19.7	20.5
Population 60 To 64 Years	12.8	12.8	12.7	13.0	13.5	13.9	14.1	14.2	14.5	14.8	15.4
Population 65 To 69 Years	13.8	13.6	13.6	13.4	13.1	13.0	12.8	12.8	12.7	13.1	13.3
Population 70 To 74 Years	12.5	12.7	12.7	12.7	12.7	12.5	12.4	12.2	12.1	11.6	11.5
Population 75 To 79 Years	9.5	9.6	10.0	10.5	10.7	11.0	11.1	11.1	11.0	11.1	10.9
Population 80 To 84 Years	6.7	7.0	7.2	7.3	7.3	7.4	7.4	7.7	8.1	8.4	8.6
Population 85 Years And Over	5.8	5.9	6.1	6.4	6.5	6.7	7.0	7.2	7.4	7.6	7.7
Total Population	384.2	384.6	386.1	391.3	394.7	396.9	399.8	401.3	403.1	406.3	409.2
Ethnicity (thousands of people)											
White	239.0	236.0	234.1	234.5	233.9	232.7	231.8	230.3	229.1	227.4	225.4
Black	9.9	9.8	9.7	9.8	9.7	9.7	9.6	9.4	9.4	9.5	9.6
Other	19.7	19.9	20.1	20.5	20.7	20.9	20.6	20.2	20.5	20.7	21.1
Hispanic , Any Race	115.8	118.9	122.2	126.6	130.3	133.6	137.9	141.4	144.1	148.6	153.1
Gender (thousands of people)											
Male	192.9	192.7	193.3	195.8	197.5	198.7	200.1	200.8	201.8	203.5	205.1
Female	191.4	191.8	192.8	195.5	197.2	198.2	199.8	200.5	201.3	202.8	204.1
Median Age Of Population (years)											
	32.4	32.6	32.9	33.2	33.3	33.4	33.3	33.5	33.6	33.8	34.1

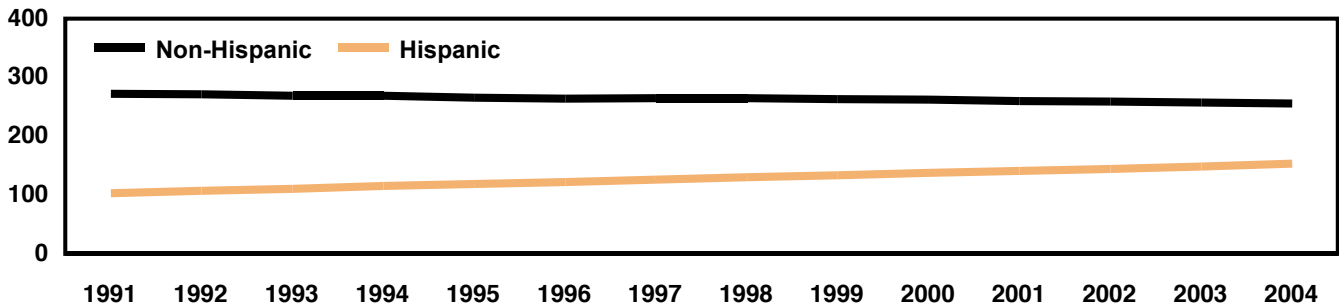
Source: Woods & Poole Economics

Population by Age Cohort Ventura County



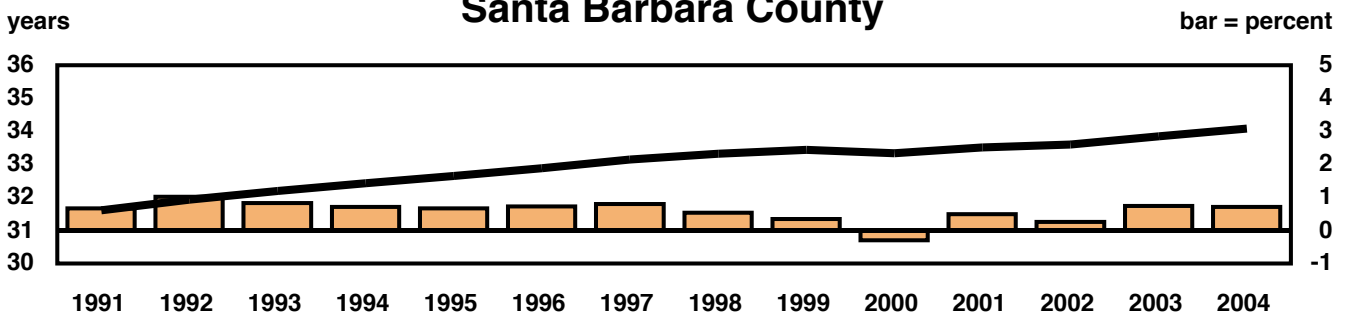
Source: Woods & Poole Economics

Hispanic vs. Non-Hispanic Population Ventura County



Source: Woods & Poole Economics

Median Age and Median Age Growth Santa Barbara County



Source: Woods & Poole Economics

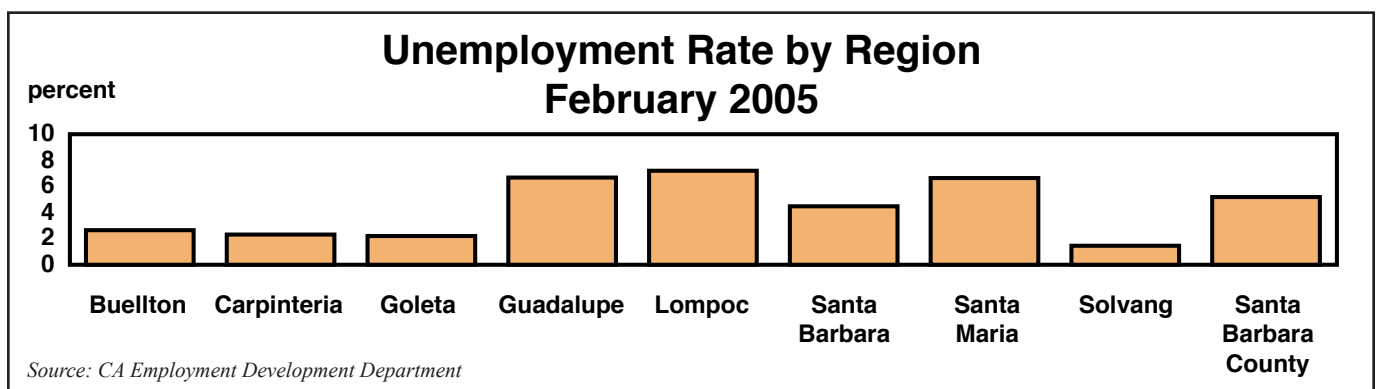
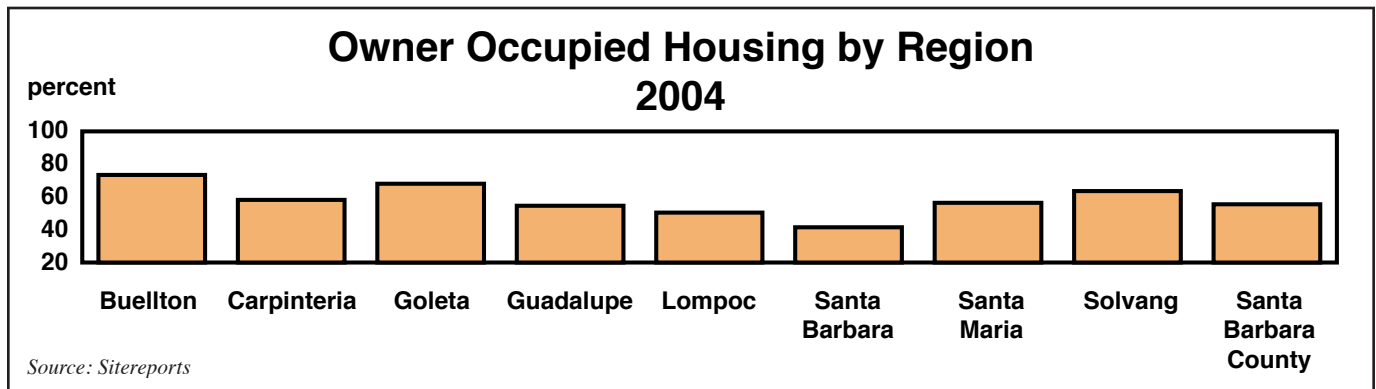
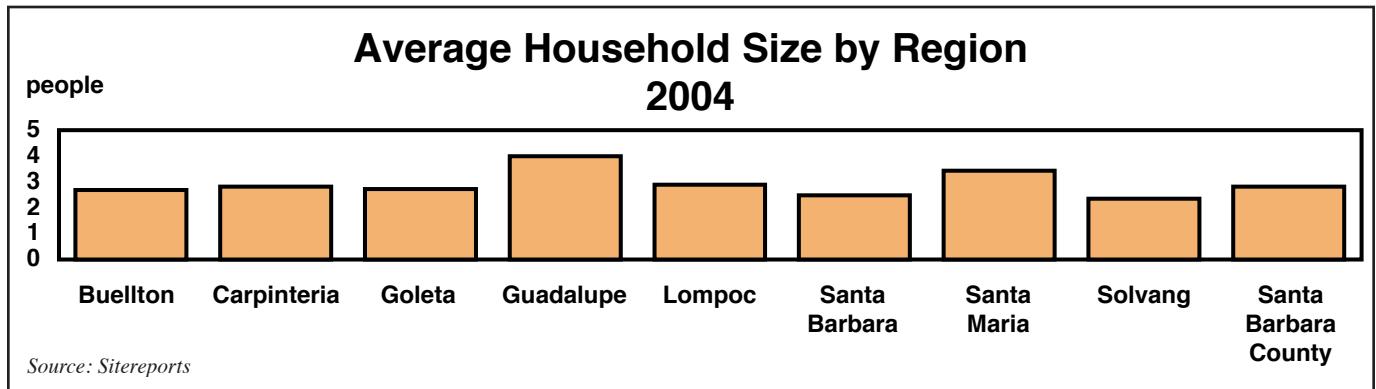
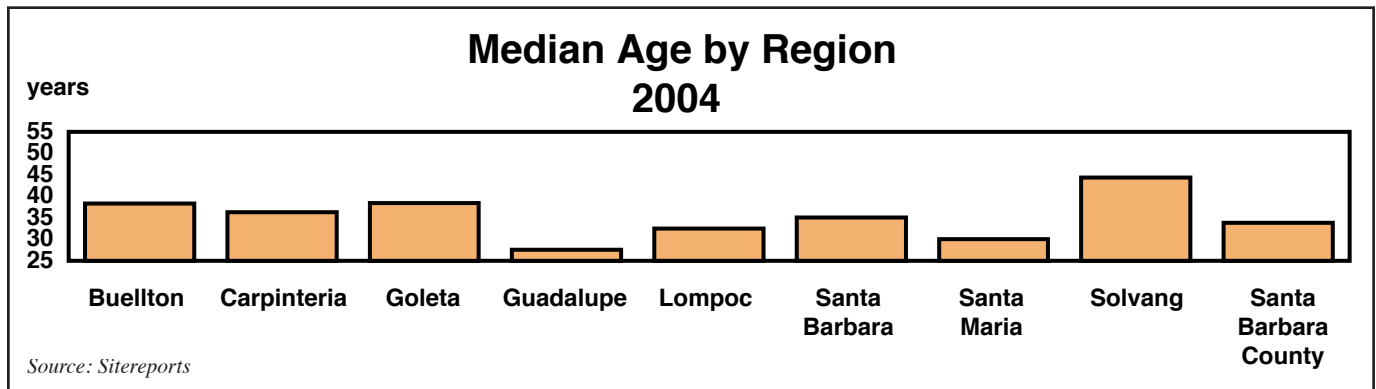
POPULATION CHARACTERISTICS

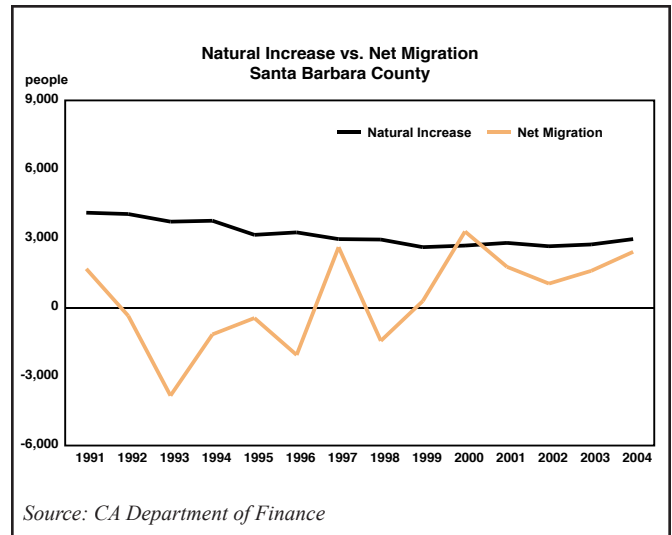
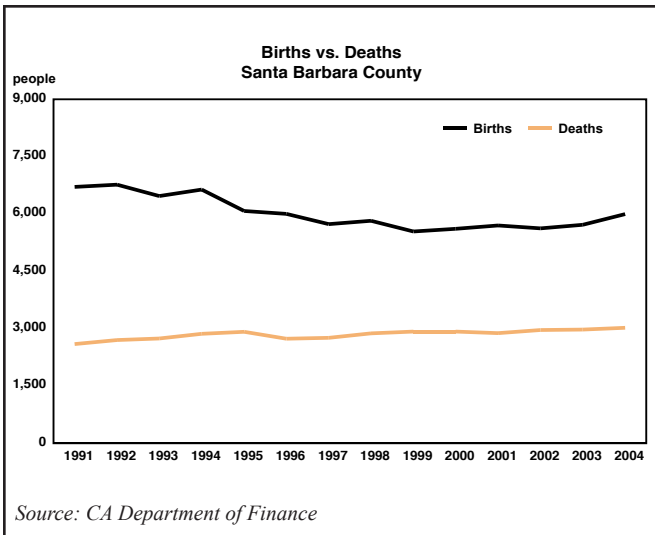
Description	Buellton	Carpinteria	Goleta
Population			
2004 Estimate	3,917	14,134	57,132
2000 Census	3,828	14,194	55,204
1990 Census	3,392	13,756	51,894
Growth 2000-2004	2.32%	-0.42%	3.49%
2004 Est. Population Hispanic or Latino by Origin*	3,917	14,134	57,132
Not Hispanic or Latino	2,817	7,655	42,929
Hispanic or Latino:	1,100	6,479	14,203
Mexican	955	5,739	11,975
Puerto Rican	10	24	128
Cuban	7	7	63
All Other Hispanic or Latino	128	709	2,037
2004 Est. Population by Sex	3,917	14,134	57,132
Male	1,948	7,100	28,374
Female	1,969	7,034	28,758
2004 Est. Median Age	38.27	36.34	38.47
2004 Est. Average Age	37.95	37.02	38.90
2004 Est. Pop. Age 25+ by Educational Attainment*	2,605	9,307	38,666
Less than 9th grade	213	1,293	1,936
Some High School, no diploma	307	950	2,840
High School Graduate (or GED)	589	1,734	7,133
Some College, no degree	748	2,159	8,618
Associate Degree	241	706	3,235
Bachelor's Degree	354	1,720	8,901
Master's Degree	106	484	3,754
Professional School Degree	22	159	982
Doctorate Degree	25	102	1,267
2004 Est. Households by Household Type*	1,461	4,975	20,578
Family Households	1,012	3,301	13,746
Nonfamily Households	449	1,674	6,832
2004 Est. Household Type, Presence Own Children*	1,461	4,975	20,578
Single Male Householder	139	445	1,926
Single Female Householder	210	847	2,750
Married-Couple Family, own children	418	1,272	4,985
Married-Couple Family, no own children	426	1,275	6,203
Male Householder, own children	26	111	378
Male Householder, no own children	26	120	391
Female Householder, own children	61	269	899
Female Householder, no own children	55	254	890
Nonfamily, Male Householder	55	196	1,159
Nonfamily, Female Householder	45	186	997
2004 Est. Households by Household Size*	1,461	4,975	20,578
1-person household	349	1,292	4,676
2-person household	504	1,501	6,890
3-person household	198	750	3,385
4-person household	228	655	3,015
5-person household	105	369	1,432
6-person household	45	181	636
7 or more person household	32	227	544
2004 Est. Average Travel Time to Work in Minutes*	26.11	23.30	18.16
2004 Est. Tenure of Occupied Housing Units*	1,461	4,975	20,578
Owner Occupied	1,071	2,890	14,035
Renter Occupied	390	2,085	6,543
2004 Est. Median All Owner-Occupied Housing Value	\$337,714	\$419,803	\$600,981

Source: Sitereports

POPULATION CHARACTERISTICS

Guadalupe	Lompoc	Santa Barbara	Santa Maria	Solvang	Santa Barbara County
5,994	41,541	92,268	82,790	5,313	407,310
5,659	41,103	92,325	77,423	5,332	399,347
5,632	37,660	86,019	62,326	4,750	369,784
5.92%	1.07%	-0.06%	6.93%	-0.36%	1.99%
5,994	41,541	92,268	82,790	5,313	407,310
904	24,426	58,779	29,991	4,219	257,452
5,090	17,115	33,489	52,799	1,094	149,858
4,590	14,502	28,519	46,545	944	128,814
6	188	204	268	5	1,159
6	70	111	29	7	383
488	2,355	4,655	5,957	138	19,502
5,994	41,541	92,268	82,790	5,313	407,310
3,052	22,021	45,514	41,995	2,526	203,903
2,942	19,520	46,754	40,795	2,787	203,407
27.52	32.51	35.05	30.02	44.31	33.89
31.04	33.78	37.94	33.38	44.07	36.25
3,214	25,579	61,898	47,749	3,872	253,388
1,326	3,234	6,070	11,564	281	28,697
479	3,464	5,856	7,136	334	25,447
674	6,394	9,358	10,870	797	48,390
517	6,750	12,197	10,125	1,087	58,227
76	2,257	4,169	2,854	225	19,341
96	2,362	14,735	3,607	722	44,939
25	846	5,689	1,067	311	18,009
21	236	2,109	397	79	5,819
	36	1,715	129	36	4,519
1,502	13,125	35,383	23,426	2,184	138,606
1,283	9,292	18,693	17,535	1,404	90,260
219	3,833	16,690	5,891	780	48,346
1,502	13,125	35,383	23,426	2,184	138,606
70	1,446	4,806	1,798	245	14,071
100	1,663	6,914	2,850	418	19,922
626	3,609	6,157	7,254	447	33,855
312	3,009	7,773	5,941	708	36,788
42	458	630	664	35	3,000
52	265	778	591	39	2,783
139	1,326	1,800	1,926	96	7,923
112	625	1,555	1,159	79	5,911
25	418	2,594	766	73	7,715
24	306	2,376	477	44	6,638
1,502	13,125	35,383	23,426	2,184	138,606
170	3,109	11,720	4,648	663	33,993
246	3,635	11,508	6,159	818	43,986
230	2,138	4,860	3,289	276	20,764
284	2,011	3,512	3,394	245	19,087
258	1,195	1,756	2,313	111	10,168
160	540	870	1,388	39	4,966
154	497	1,157	2,235	32	5,642
25.72	27.97	18.61	22.15	21.49	21.21
1,502	13,125	35,383	23,426	2,184	138,606
821	6,607	14,633	13,210	1,389	77,075
681	6,518	20,750	10,216	795	61,531
\$181,486	\$231,779	\$736,887	\$231,128	\$449,102	\$368,192





Population and Components of Change Santa Barbara County							
	Population As of July 1	Population Change	Births	Deaths	Natural Increase	Net Migration	Population Growth Rate
1980	300,000	NA	4,204	2,269	1,935	2,365	NA
1981	306,100	6,100	4,608	2,365	2,243	3,857	2.03
1982	313,500	7,400	4,828	2,417	2,411	4,989	2.42
1983	322,800	9,300	4,887	2,353	2,534	6,766	2.97
1984	329,200	6,400	4,820	2,479	2,341	4,059	1.98
1985	338,200	9,000	4,958	2,594	2,364	6,636	2.73
1986	345,100	6,900	5,297	2,540	2,757	4,143	2.04
1987	351,200	6,100	5,345	2,498	2,847	3,253	1.77
1988	354,600	3,400	5,623	2,605	3,018	382	0.97
1989	364,700	10,100	5,949	2,681	3,268	6,832	2.85
1990	371,400	6,700	6,573	2,459	4,114	2,586	1.84
1991	374,800	3,400	6,709	2,593	4,116	1,684	0.92
1992	378,500	3,700	6,768	2,703	4,065	-365	0.99
1993	378,400	-100	6,469	2,739	3,730	-3,830	-0.03
1994	381,000	2,600	6,638	2,865	3,773	-1,173	0.69
1995	383,700	2,700	6,076	2,914	3,162	-462	0.71
1996	384,900	1,200	6,001	2,737	3,264	-2,064	0.31
1997	390,500	5,600	5,732	2,757	2,975	2,625	1.45
1998	392,000	1,500	5,822	2,873	2,949	-1,449	0.38
1999	394,900	2,900	5,543	2,921	2,622	278	0.74
2000	400,929	6,029	5,614	2,925	2,689	3,304	1.53
2001	405,510	4,581	5,696	2,884	2,812	1,769	1.14
2002	409,212	3,702	5,625	2,964	2,661	1,041	0.91
2003	414,573	5,361	5,714	2,972	2,742	1,590	1.31
2004	419,962	5,389	5,995	3,020	2,975	2,415	1.30
Average per Year		4,998	5,720	2,702	3,018	2,036	1.41

Source: CA Department of Finance
*Demographic Research Unit, Report E-2 & E-6
Note: Components will not add to total population for "Averages per Year."

County Rankings

2004 County Population Rankings

California Counties Ranked by 1/1/2004 Total Population and 2003-2004 Numeric Change and Percent Change

County	1/2004 Total Population	Rank	County	Numeric Change	Rank	County	Percent Change
Los Angeles	10,103,000	1	Los Angeles	136,800	1	Riverside	3.4
Orange	3,017,300	2	Riverside	57,700	2	Placer	3.0
San Diego	3,017,200	3	San Bernardino	44,400	3	Kings	2.9
San Bernardino	1,886,500	4	Orange	41,900	4	Madera	2.9
Riverside	1,776,700	5	San Diego	41,100	5	Imperial	2.6
Santa Clara	1,731,400	6	Sacramento	23,700	6	San Bernardino	2.4
Alameda	1,498,000	7	Fresno	17,000	7	Kern	2.3
Sacramento	1,335,400	8	Kern	16,500	8	San Joaquin	2.3
Contra Costa	1,003,900	9	San Joaquin	14,100	9	Merced	2.2
Fresno	862,600	10	Santa Clara	11,900	10	Tulare	2.1
Ventura	802,400	11	Contra Costa	11,200	11	Lassen	2.0
San Francisco	792,700	12	Ventura	10,800	12	Sutter	2.0
Kern	724,900	13	Alameda	10,300	13	Fresno	2.0
San Mateo	712,400	14	Stanislaus	8,900	14	Yolo	1.9
San Joaquin	630,600	15	Placer	8,600	15	Stanislaus	1.8
Stanislaus	491,900	16	Tulare	8,200	16	Sacramento	1.8
Sonoma	472,700	17	Monterey	5,800	17	Colusa	1.8
Monterey	421,400	18	Merced	5,100	18	Yuba	1.6
Solano	416,500	19	Santa Barbara	4,500	19	Lake	1.4
Santa Barbara	414,800	20	Solano	4,300	20	Shasta	1.4
Tulare	396,800	21	Kings	4,000	21	San Benito	1.4
Placer	292,100	22	Imperial	4,000	22	Orange	1.4
Santa Cruz	260,200	23	Madera	3,800	23	Calaveras	1.4
San Luis Obispo	258,200	24	Yolo	3,400	24	Monterey	1.4
Marin	250,200	25	Sonoma	3,200	25	Tehama	1.4
Merced	232,100	26	San Mateo	3,200	26	San Diego	1.4
Butte	212,700	27	San Francisco	3,000	27	Los Angeles	1.4
Yolo	184,500	28	San Luis Obispo	2,800	28	Ventura	1.4
Shasta	175,700	29	Shasta	2,500	29	El Dorado	1.3
El Dorado	168,100	30	El Dorado	2,200	30	Glenn	1.3
Imperial	156,600	31	Butte	1,900	31	Napa	1.2
Kings	141,400	32	Sutter	1,700	32	Contra Costa	1.1
Madera	135,300	33	Napa	1,500	33	Trinity	1.1
Napa	131,600	34	Santa Cruz	1,300	34	Santa Barbara	1.1
Humboldt	130,000	35	Humboldt	1,200	35	San Luis Obispo	1.1
Nevada	96,100	36	Yuba	1,000	36	Nevada	1.1
Mendocino	89,200	37	Nevada	1,000	37	Modoc	1.0
Sutter	85,500	38	Lake	900	38	Solano	1.0
Yuba	64,800	39	Tehama	800	39	Humboldt	0.9
Lake	63,200	40	San Benito	800	40	Mendocino	0.9
Tehama	58,700	41	Mendocino	800	41	Butte	0.9
San Benito	57,100	42	Lassen	700	42	Del Norte	0.9
Tuolumne	56,900	43	Calaveras	600	43	Mono	0.7
Siskiyou	44,850	44	Marin	400	44	Alameda	0.7
Calaveras	43,350	45	Glenn	350	45	Santa Clara	0.7
Amador	36,850	46	Colusa	350	46	Sonoma	0.7
Lassen	34,850	47	Tuolumne	300	47	Mariposa	0.6
Del Norte	28,250	48	Del Norte	250	48	Siskiyou	0.6
Glenn	27,750	49	Siskiyou	250	49	Amador	0.5
Plumas	21,100	50	Amador	200	50	Tuolumne	0.5
Colusa	20,100	51	Trinity	150	51	Santa Cruz	0.5
Inyo	18,500	52	Plumas	100	52	Plumas	0.5
Mariposa	17,650	53	Mono	100	53	San Mateo	0.5
Mono	13,500	54	Modoc	100	54	San Francisco	0.4
Trinity	13,450	55	Mariposa	100	55	Inyo	0.3
Modoc	9,650	56	Inyo	50	56	Marin	0.2
Sierra	3,520	57	Alpine	0	57	Alpine	0.0
Alpine	1,280	58	Sierra	-40	58	Sierra	-1.1

Source: CA Department of Finance, Table 6-County Ranks 2003-04

Alphabetical 2004 County Population Rankings

Alphabetical California Counties with Population and Numeric and Percent Change Ranks

County	1/1/2004 Population Rank	2003-2004 Numeric Change Rank	2003-2004 Percent Change Rank	County
ALAMEDA	7	13	44	ALAMEDA
ALPINE	58	57	57	ALPINE
AMADOR	46	50	49	AMADOR
BUTTE	27	31	41	BUTTE
CALAVERAS	45	43	23	CALAVERAS
COLUSA	51	46	17	COLUSA
CONTRA COSTA	9	11	32	CONTRA COSTA
DEL NORTE	48	48	42	DEL NORTE
EL DORADO	30	30	29	EL DORADO
FRESNO	10	7	13	FRESNO
GLENN	49	45	30	GLENN
HUMBOLDT	35	35	39	HUMBOLDT
IMPERIAL	31	22	5	IMPERIAL
INYO	52	56	55	INYO
KERN	13	8	7	KERN
KINGS	32	21	3	KINGS
LAKE	40	38	19	LAKE
LASSEN	47	42	11	LASSEN
LOS ANGELES	1	1	27	LOS ANGELES
MADERA	33	23	4	MADERA
MARIN	25	44	56	MARIN
MARIPOSA	53	55	47	MARIPOSA
MENDOCINO	37	41	40	MENDOCINO
MERCED	26	18	9	MERCED
MODOC	56	54	37	MODOC
MONO	54	53	43	MONO
MONTEREY	18	17	24	MONTEREY
NAPA	34	33	31	NAPA
NEVADA	36	37	36	NEVADA
ORANGE	2	4	22	ORANGE
PLACER	22	15	2	PLACER
PLUMAS	50	52	52	PLUMAS
RIVERSIDE	5	2	1	RIVERSIDE
SACRAMENTO	8	6	16	SACRAMENTO
SAN BENITO	42	40	21	SAN BENITO
SAN BERNARDINO	4	3	6	SAN BERNARDINO
SAN DIEGO	3	5	26	SAN DIEGO
SAN FRANCISCO	12	27	54	SAN FRANCISCO
SAN JOAQUIN	15	9	8	SAN JOAQUIN
SAN LUIS OBISPO	24	28	35	SAN LUIS OBISPO
SAN MATEO	14	26	53	SAN MATEO
SANTA BARBARA	20	19	34	SANTA BARBARA
SANTA CLARA	6	10	45	SANTA CLARA
SANTA CRUZ	23	34	51	SANTA CRUZ
SHASTA	29	29	20	SHASTA
SIERRA	57	58	58	SIERRA
SISKIYOU	44	49	48	SISKIYOU
SOLANO	19	20	38	SOLANO
SONOMA	17	25	46	SONOMA
STANISLAUS	16	14	15	STANISLAUS
SUTTER	38	32	12	SUTTER
TEHAMA	41	39	25	TEHAMA
TRINITY	55	51	33	TRINITY
TULARE	21	16	10	TULARE
TUOLUMNE	43	47	50	TUOLUMNE
VENTURA	11	12	28	VENTURA
YOLO	28	24	14	YOLO
YUBA	39	36	18	YUBA

Source: CA Department of Finance, Table 7-County Alpha Ranks 2003-04

ECONOMIC ACTIVITY



The 2004 United States' economy was impressively strong in the presence of uncertainty and negative shocks. While we expected the Real Gross Product to grow by about 3 percent in 2004, the current estimate is that it grew by 4.4 percent. To add perspective, the United States' economy has grown faster than 4.34 percent in only two of the past 20 years, in 1997 and 1999. The story is no less impressive when we adjust for population growth and look at Per-Capita Real Gross Product growth. In 2004 Per-Capita Real Gross Product grew 3.2 percent, a rate that has also been exceeded only two times in the past twenty years.

The United States' rapid economic growth has impacted the employment markets. We're starting to see significant job gains. Happily, the unemployment rate continues to steadily decline. The United States economy will continue to grow in the coming year, but at a rate a bit below that we saw in 2004. However, job creation, a lagging indicator will likely pick up, and unemployment will continue to decline.

Given the geo-political environment, the United States' economic vigor is rather impressive. Certainly the war in Iraq added significant uncertainty. Oil prices have risen and fallen, sometimes precipitously. Our response to corporate scandals has increased costs for our publicly traded corporations; the Sarbanes-Oxley Act effectively imposes a huge tax increase on these companies. We are still absorbing some of the costs of September 11th, as we continue to increase spending on security (again, similar to a tax) and travel less. Hurricanes significantly disrupted business in the Southeast.

California's economy also exceeded our expectations. Its 2004 the State's Real Gross State Product grew 3.6 percent, up from the previous year's 3.1 percent. Adjusted for population growth, the State's growth was a welcome improvement over the previous three years, but it remained far below that of the United States. Its 2004 Real Per-Capita Gross Product grew at only 2.1 percent, up from a weak 1.5 percent the previous year.

The large difference between California's Real Gross State Product growth rate and its Real Per-Capita Gross Product growth rate clearly informs us that much of the State's economic growth was driven by population growth and not by increases in productivity or capital investment.

While California's economy is certainly not showing the same robustness it has in the past, or as is the United States is currently, it is, in a sense, defying gravity. Much of California barely recovered from the 1990s recession and the downsizing of the State's defense industry. Then the most recent recession decimated the State's Tech Sector, the Tech sector that pulled California out of the 1990s recession. Its collapse has changed the State's economic dynamics.

The State has recently shown significant job growth. In a sharp contrast to the previous business cycle, Southern California (San Diego, Orange, Riverside, San Bernardino, and Los Angeles counties) is currently leading California's recovery. Riverside County and San Bernardino County are

showing very strong and broad growth. San Diego County has a very dynamic Biotech Sector leading its growth.

However, California's economic growth will probably not approach that of the United States in the near future. On a per-capita basis, the State will likely continue to lose ground to the rest of the United States.

There are many reasons for California's weakness. The State's budget issues are still not resolved, and uncertainty remains over who will eventually pay the bill. Workers' Comp bills have not declined as much as advertised after legislation was passed that was supposed to solve the problem. Water and energy continue to be mis-priced. Tort liability remains high. Environmental regulation and enforcement is enthusiastic. Infrastructure investment has lagged for decades. Insurance costs are high. Home prices are high and driving up wage demands. Finally, many communities just do not want to see growth.

The net result is that tradable-goods producers are migrating out of the state and taking their jobs with them.

Santa Barbara County's 2004 economy performed even more poorly than did California's.

The County's real gross product grew by 2.4 percent. Adjusted for population growth, the County performed even more poorly; Santa Barbara County's 2004 real per-capita economic growth rate was only 1.3 percent.

The County's low real-per capita gross product growth rate is a problem. For comparison, the United States has seen a worse rate only four times in the past 20 years. Santa Barbara County has seen a worse rate in 7 of the past 15 years. Admittedly Santa Barbara County's economy is more volatile than is the United States' economy. It is also true that a large portion of the population does not want to see population growth. However, low per-capita economic growth has social impacts, and the County can hardly count on a repeat of the spectacular growth of 1997-2000.

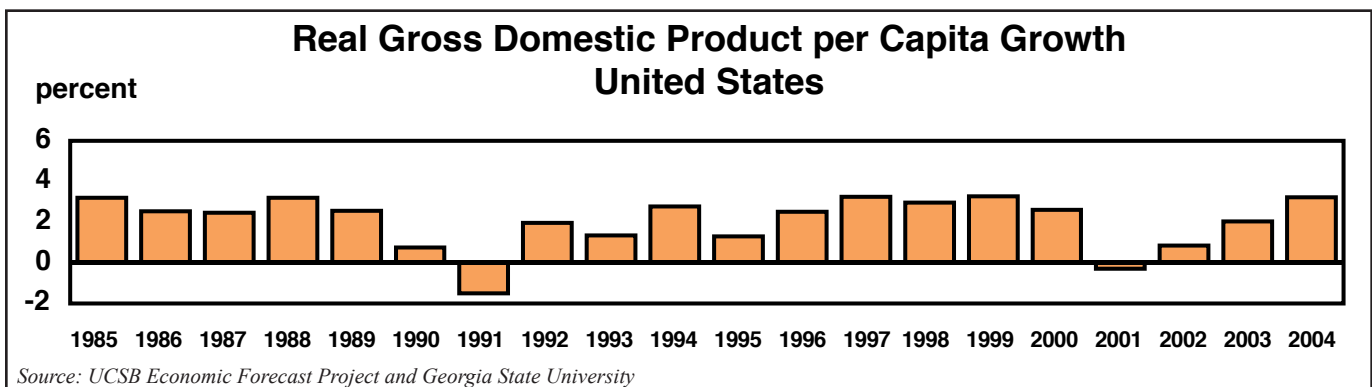
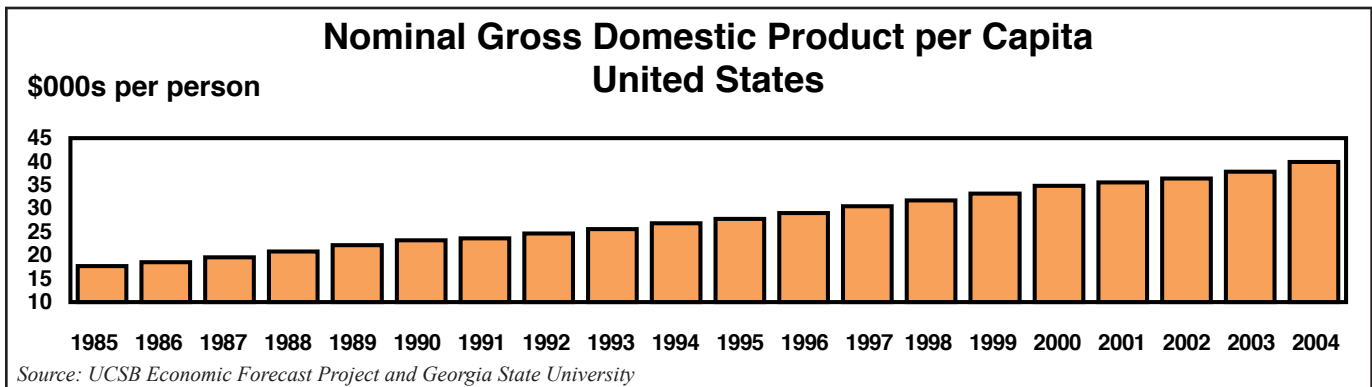
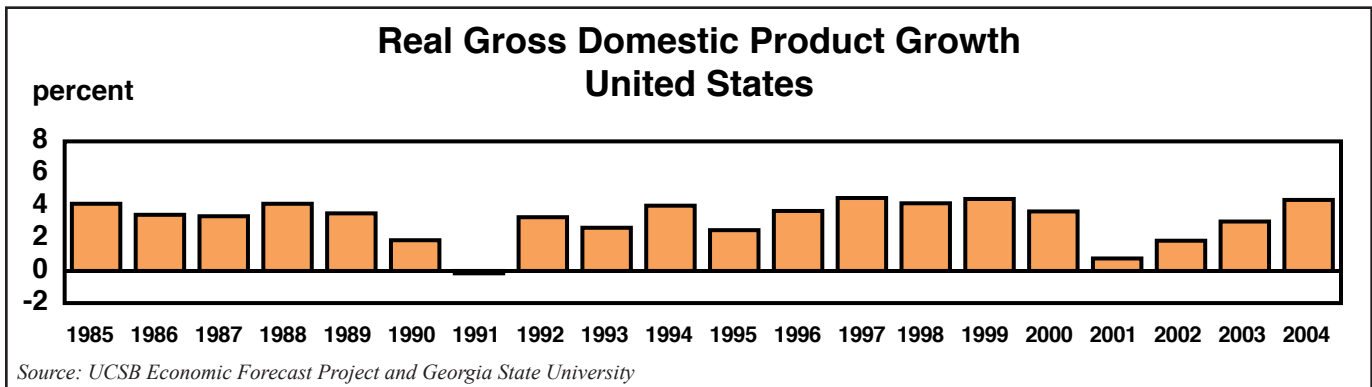
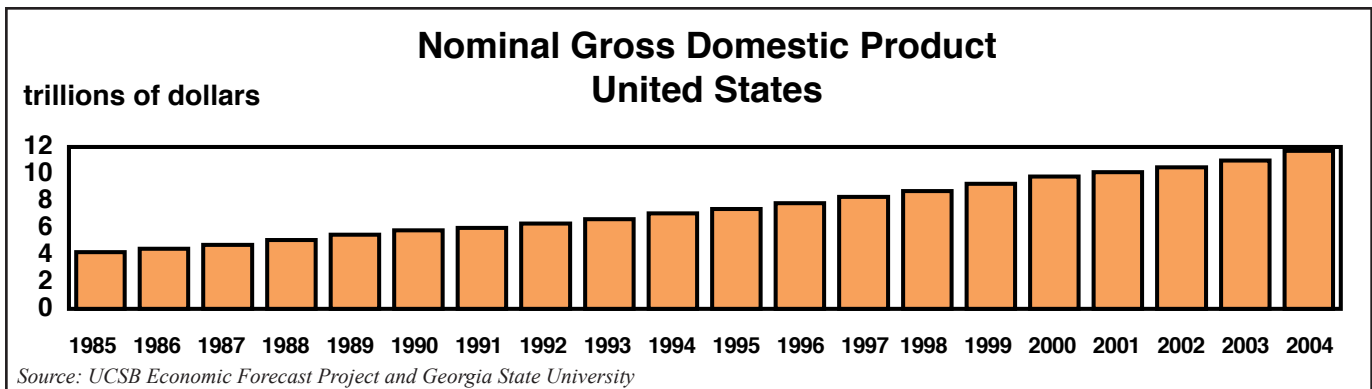
Given Santa Barbara County's anemic economic growth, it is not surprising that job growth has also been weak. Over the past 4 years, the County total jobs have increased only 3.1 percent or 5,566 net new jobs.

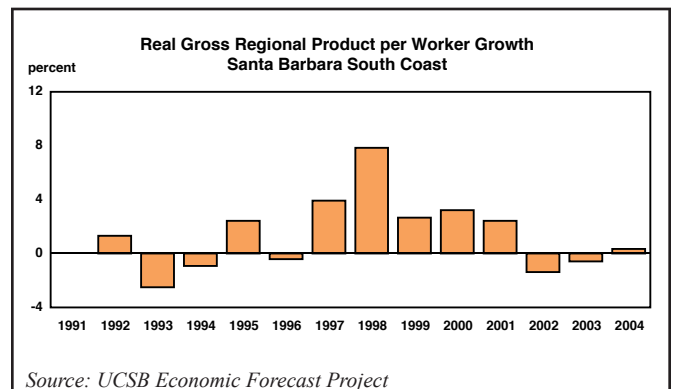
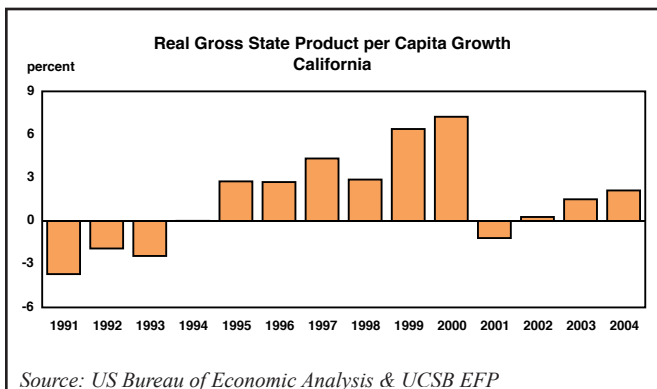
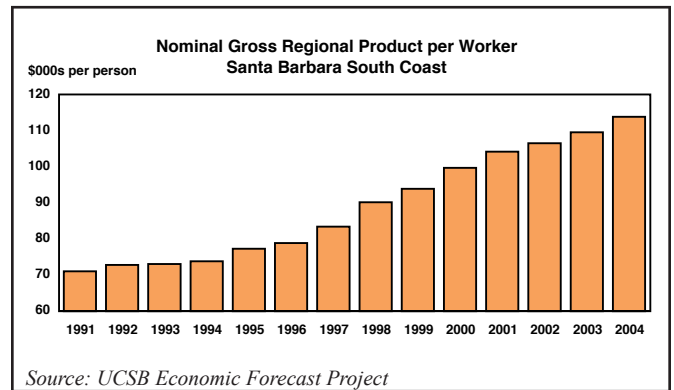
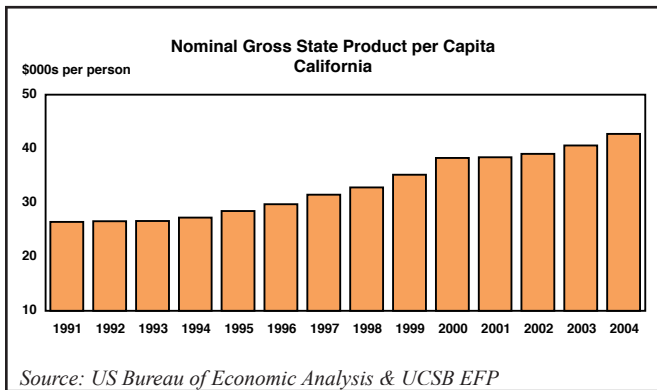
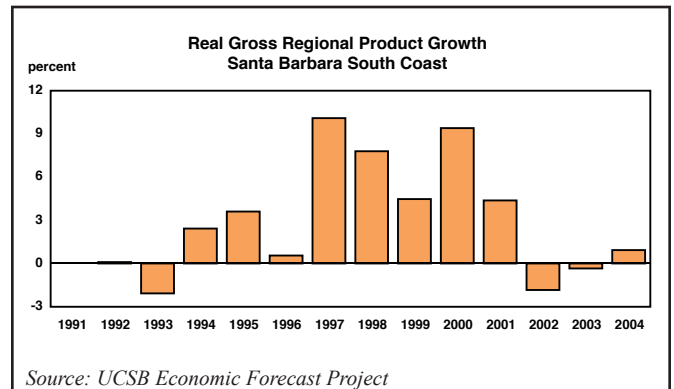
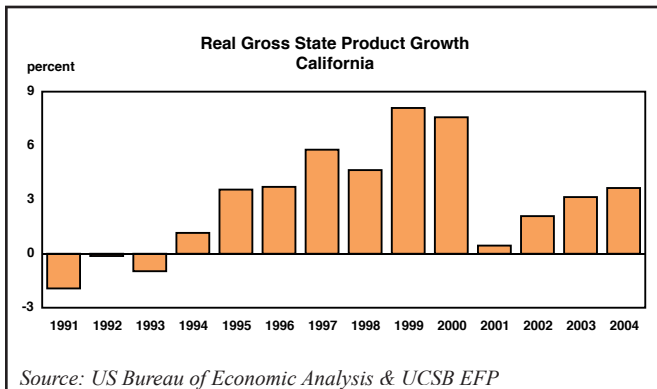
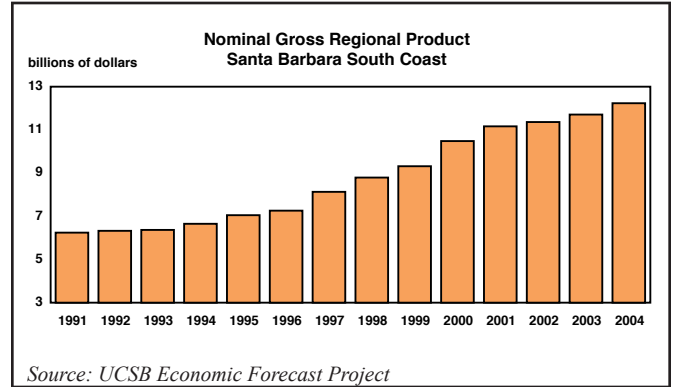
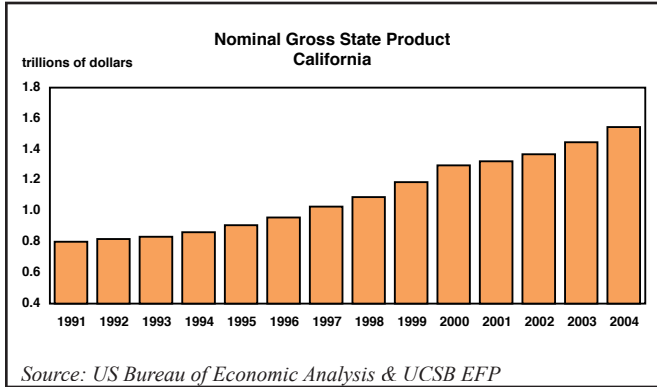
The composition of Santa Barbara County's jobs is also a concern. Services, Government, Retail Trade, and Agriculture dominate the County's jobs. These also happen to be Santa

Barbara County's four lowest paying sectors. These sectors, along with the Construction Sector, have also been among the fastest growing of the County's economic sectors. At the same time, some of the better paying sectors have been declining.

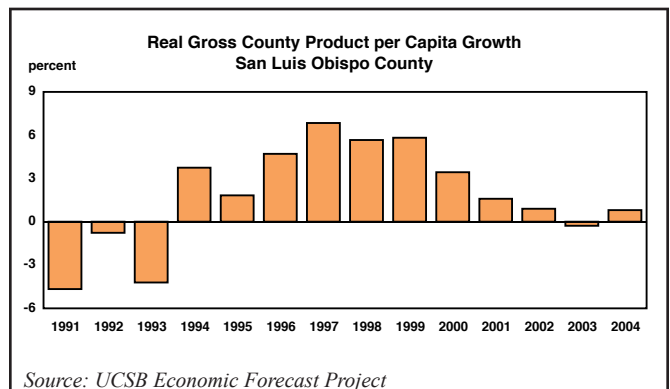
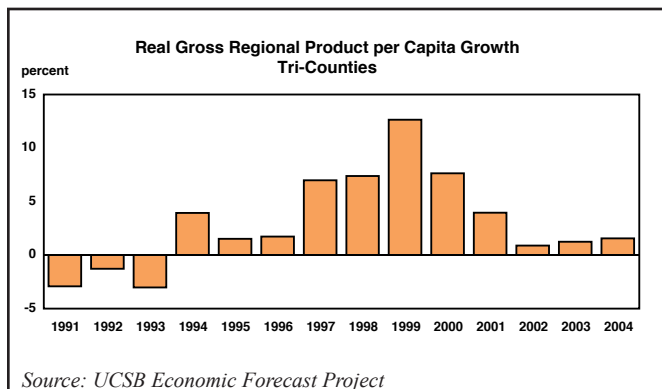
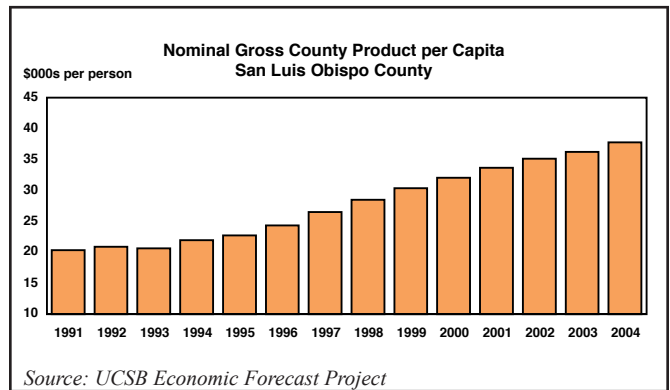
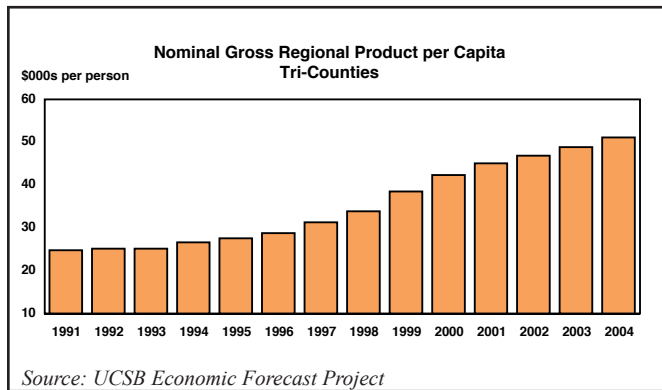
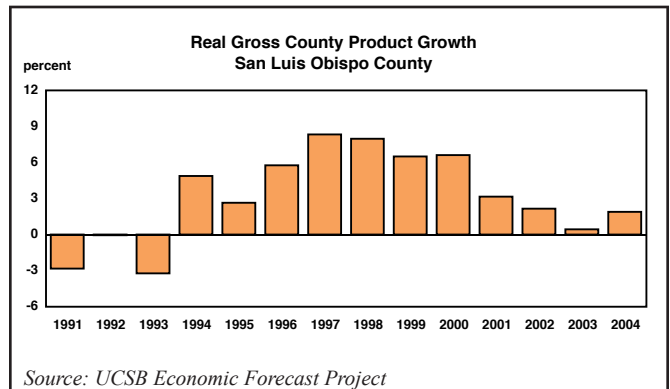
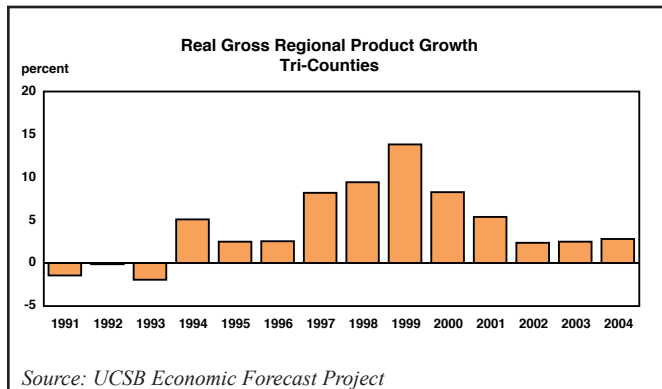
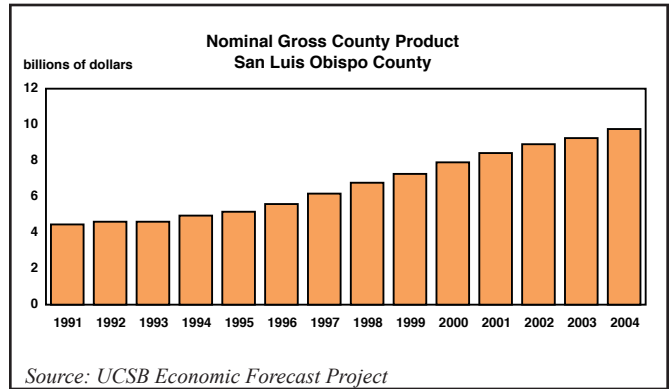
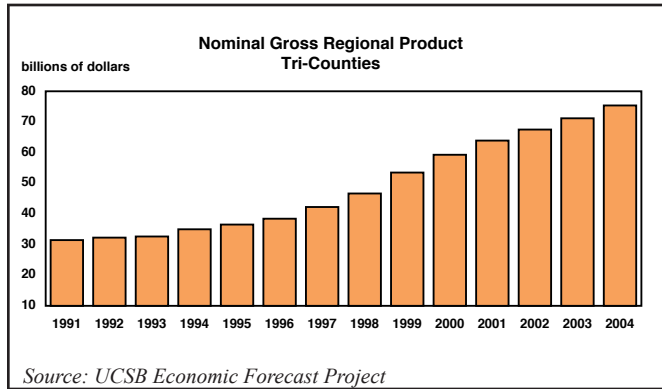
We see no reason for these trends to change. Tradable goods producers will continue to migrate out of Santa Barbara County. Increasing land values will drive growers to continue to substitute to more labor and capital intensive crops. An increasingly wealthy and aging population will demand more services. The retail sector may not grow as rapidly as it otherwise would because of the internet.

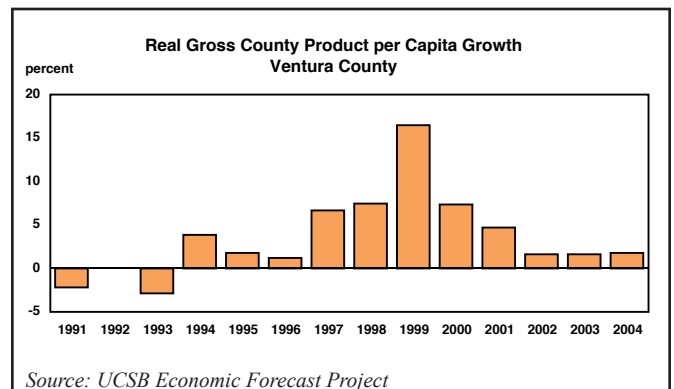
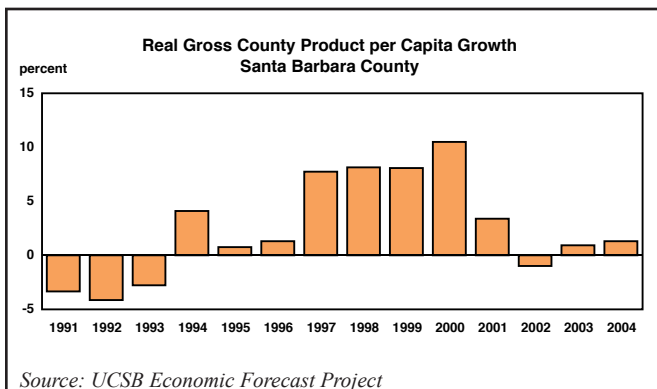
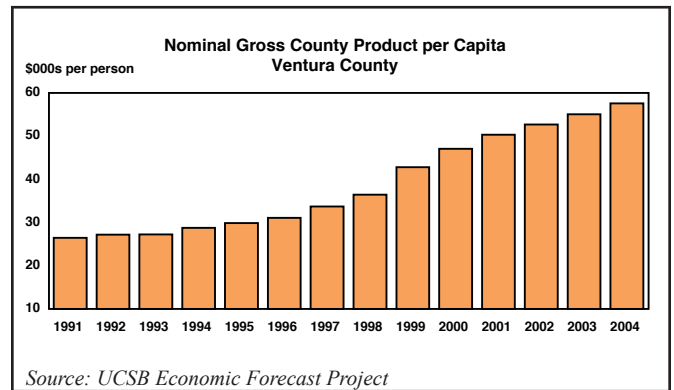
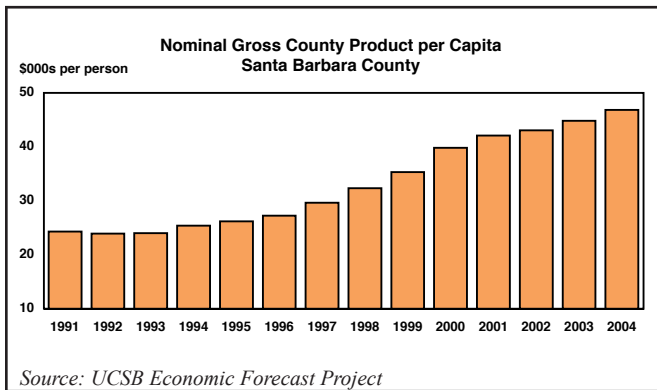
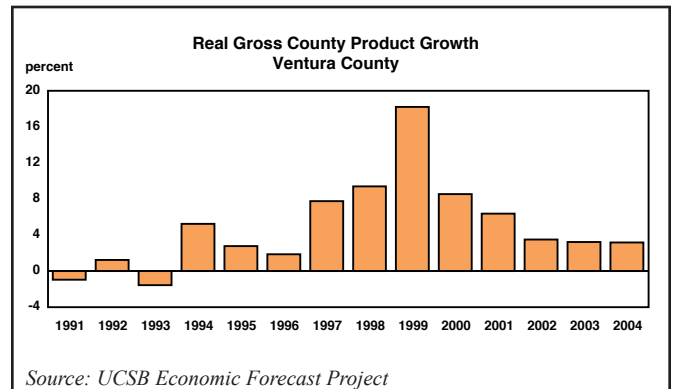
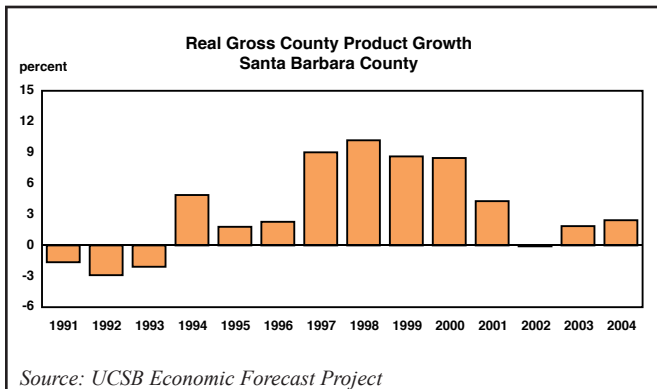
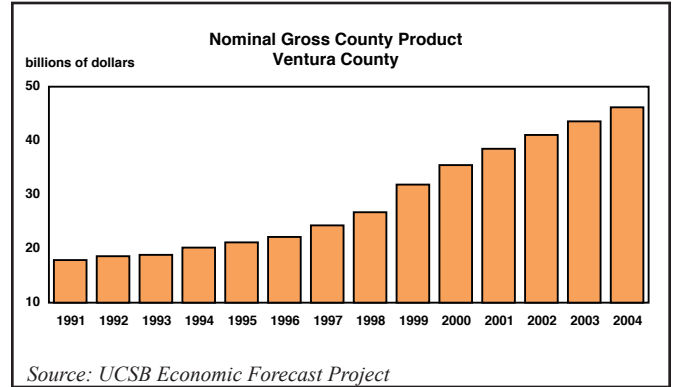
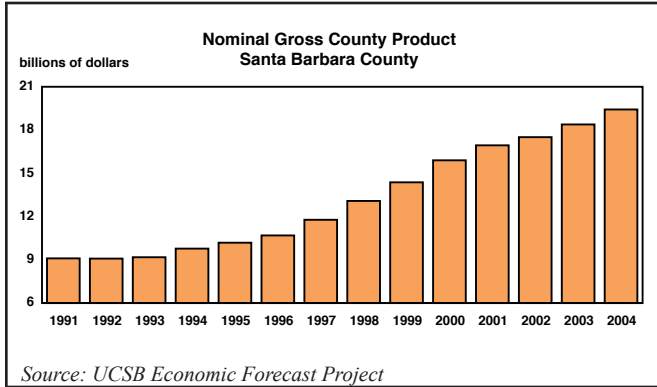
Santa Barbara is rapidly becoming a place of the haves and have-nots. Indeed, if it were not for UCSB and Vandenberg AFB the County might already look like a third-world county. Dealing with the County's bi-modal wealth distribution has to be the most serious and difficult issue facing policy makers.



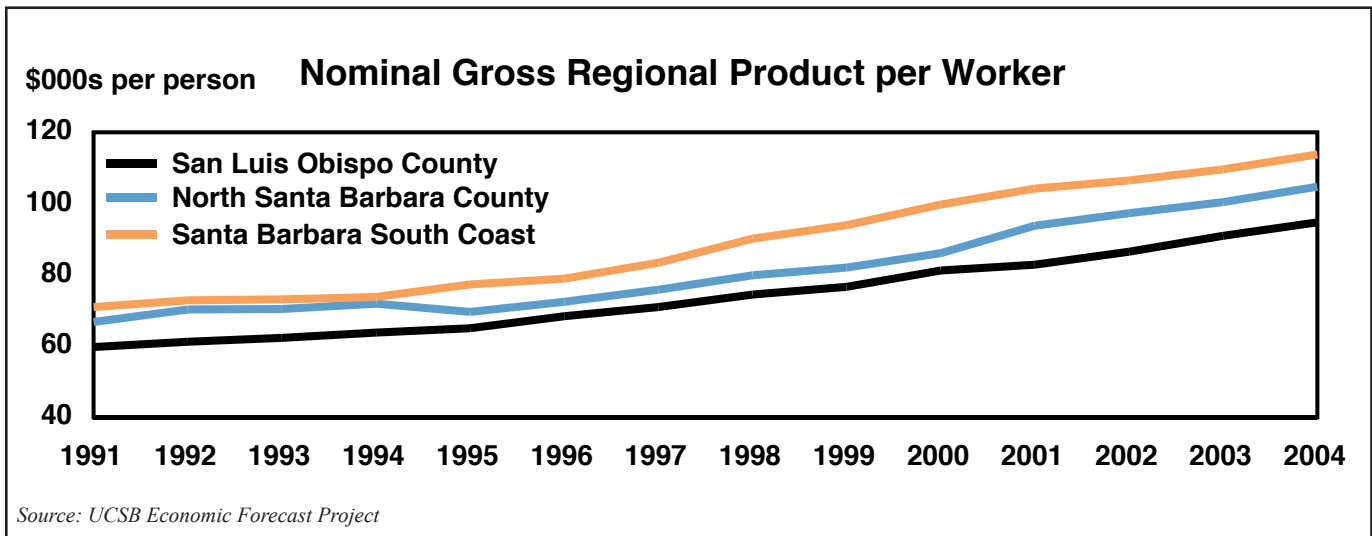
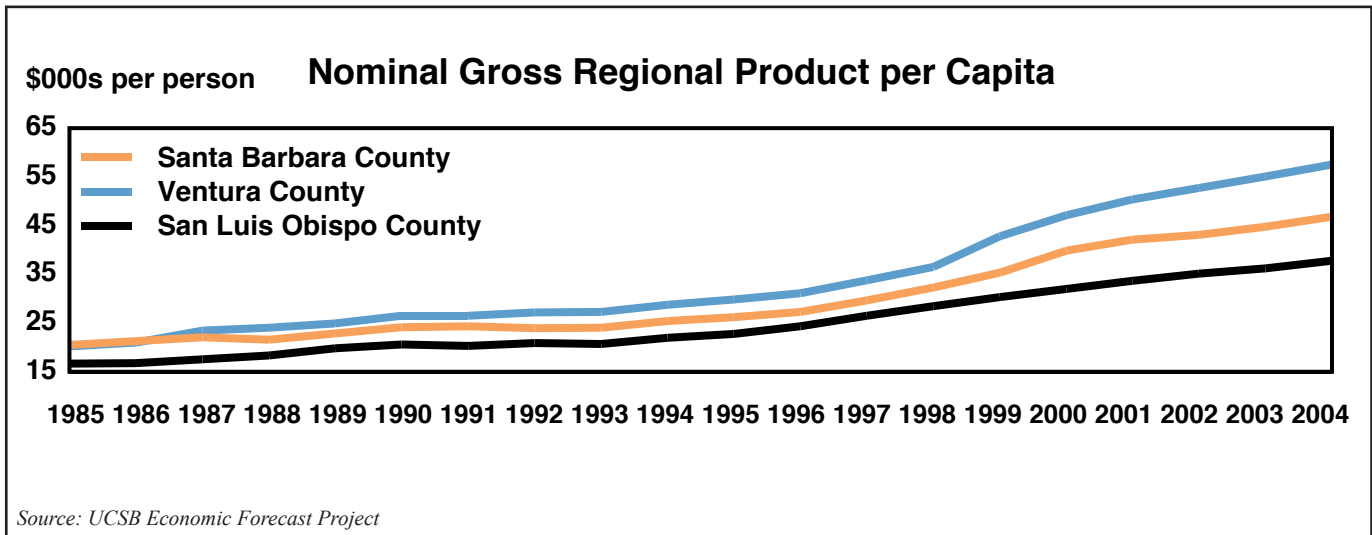
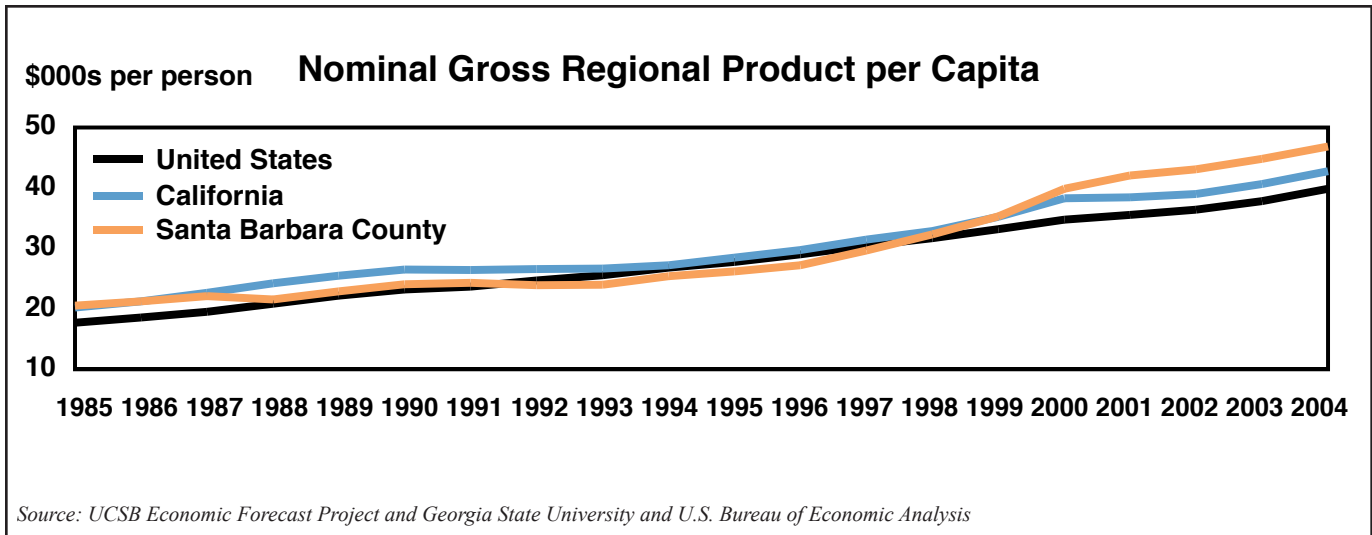


Gross County Product





Gross County Product



Gross Regional Product

	1999	2000	2001	2002	2003	2004
United States						
Gross Domestic Product (\$Trillions)	9.3	9.8	10.1	10.5	11.0	11.7
Real Gross Domestic Product (\$2000 Trillions)	9.5	9.8	9.9	10.1	10.4	10.8
real percent change	4.4	3.7	0.8	1.9	3.0	4.4
Gross Domestic Product per Capita (\$000s)	33.2	34.8	35.5	36.4	37.8	39.9
real percent change	3.3	2.6	-0.3	0.8	2.0	3.2
California						
Gross State Product (\$Trillions)	1.19	1.30	1.32	1.37	1.45	1.54
Real Gross State Product (\$2000 Trillions)	1.21	1.30	1.30	1.33	1.37	1.42
real percent change	8.1	7.6	0.4	2.1	3.1	3.6
Gross State Product per Capita (\$000s)	35.2	38.3	38.4	39.0	40.6	42.7
real percent change	6.4	7.2	-1.2	0.3	1.5	2.1
Tri-Counties						
Gross County Product (\$Billions)	53.5	59.3	63.9	67.5	71.2	75.4
Real Gross County Product (\$2000 Billions)	54.7	59.3	62.5	64.0	65.6	67.4
real percent change	13.8	8.3	5.4	2.4	2.5	2.8
Gross County Product per Capita (\$000s)	38.5	42.4	45.0	46.9	48.9	51.1
real percent change	12.6	7.6	4.0	0.9	1.3	1.6
Santa Barbara County						
Gross County Product (\$Billions)	14.4	15.9	16.9	17.5	18.4	19.4
Real Gross County Product (\$2000 Billions)	14.7	15.9	16.6	16.6	16.9	17.3
real percent change	8.6	8.5	4.3	-0.1	1.9	2.4
Gross County Product per Capita (\$000s)	35.3	39.8	42.1	43.1	44.8	46.8
real percent change	8.1	10.5	3.4	-1.0	0.9	1.3

Source: UCSB Economic Forecast Project, Georgia State University, and US Bureau of Economic Analysis

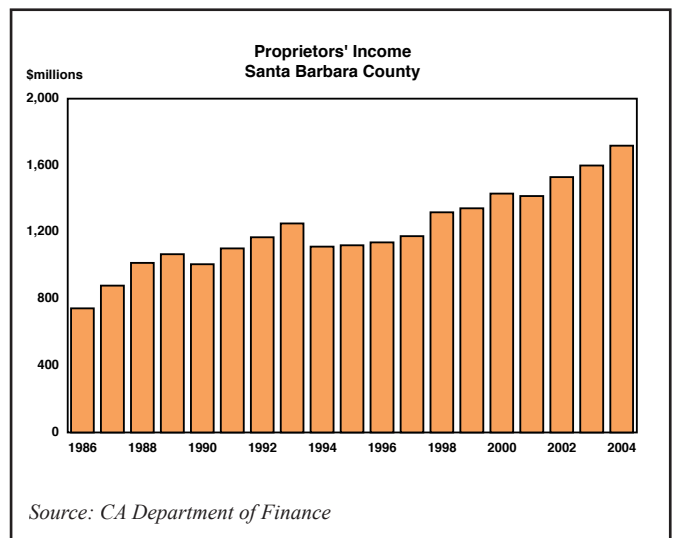
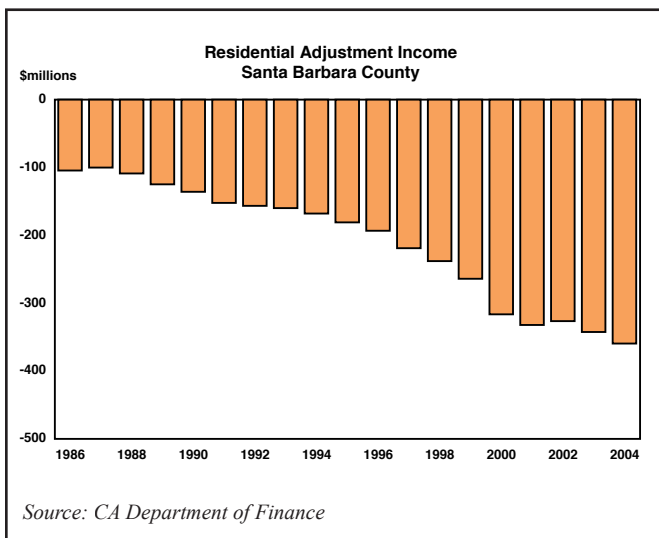
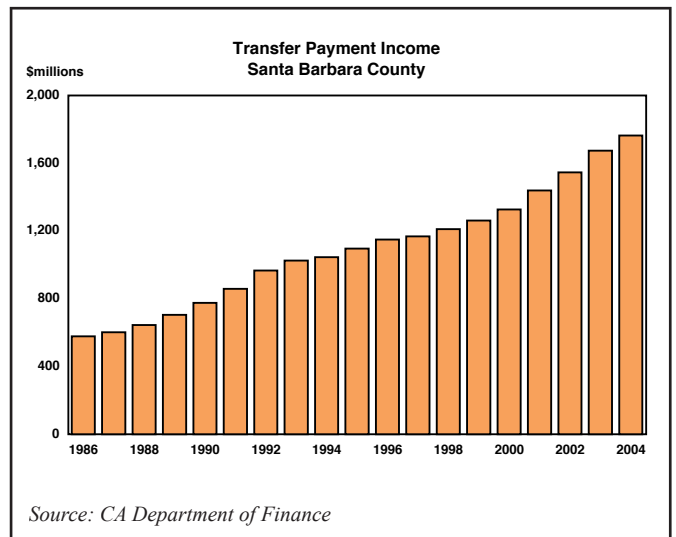
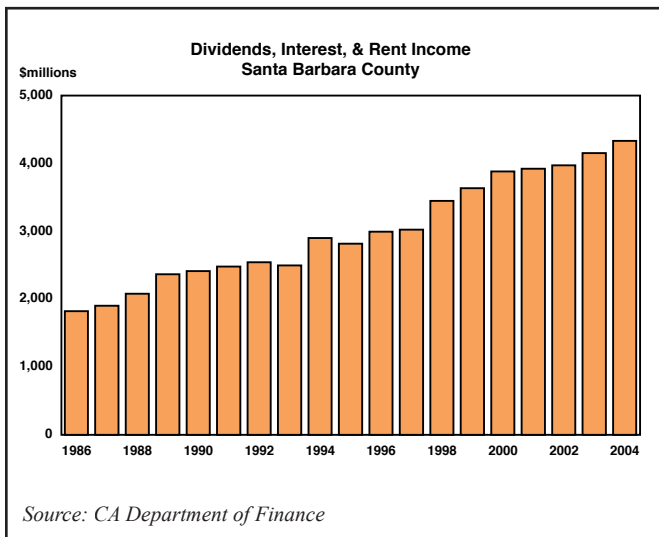
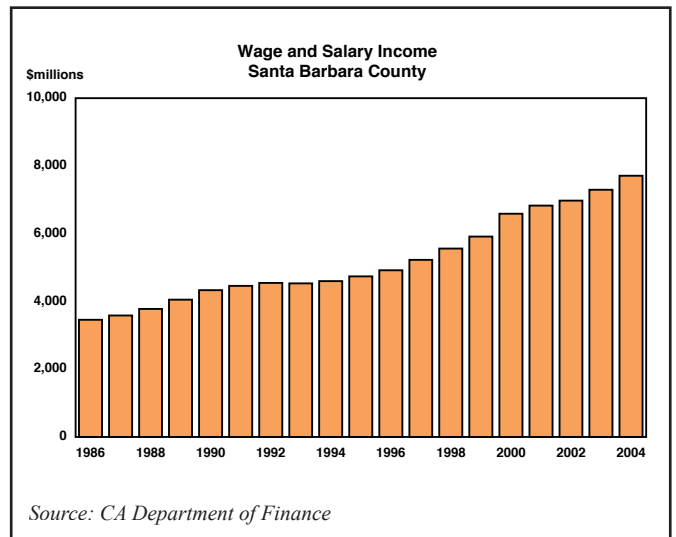
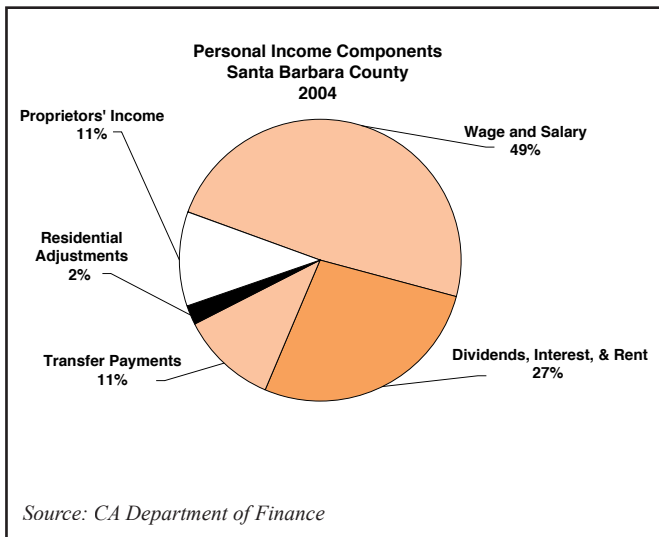
Personal Income Components and Median Family Income California, Tri-Counties and Santa Barbara County

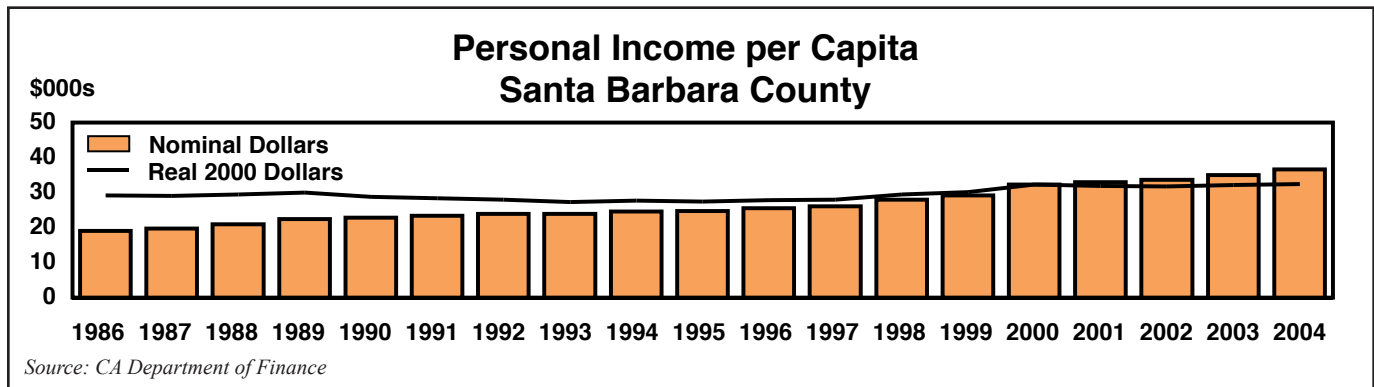
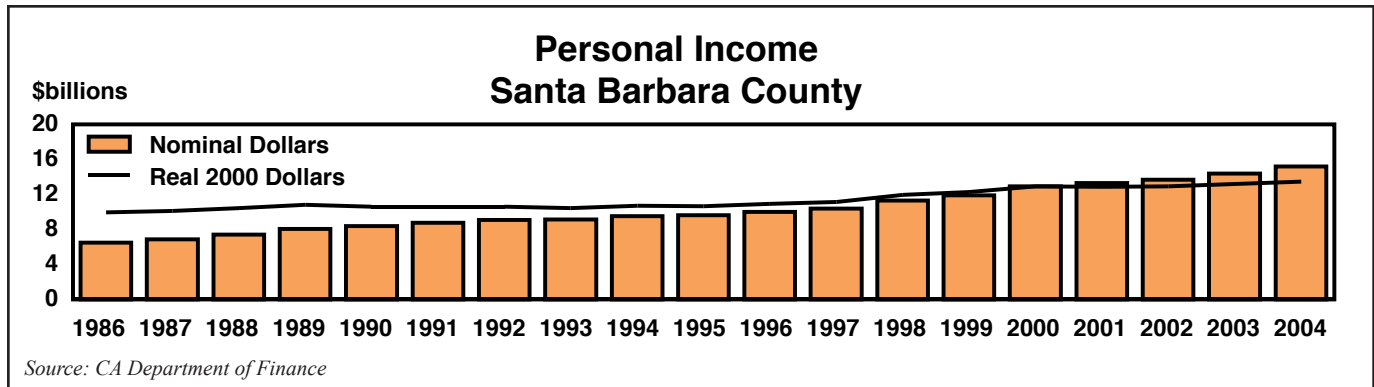
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
California											
Personal Income (\$Billions)	735.1	771.5	812.4	861.6	931.6	995.3	1,100.7	1,134.9	1,149.1	1,185.3	1,252.3
Real Personal Income (2000 \$Billions)	847.0	874.1	903.3	937.3	993.8	1,031.9	1,100.7	1,091.2	1,079.2	1,086.7	1,115.4
Percent Change	1.5	3.2	3.3	3.8	6.0	3.8	6.7	-0.9	-1.1	0.7	2.6
Median Family Income (Dollars)	46,400	46,600	48,400	50,000	52,600	54,100	55,200	58,400	60,800	60,300	62,500
Real Median Family Income (2000 Dollars)	53,464	52,799	53,818	54,396	56,116	56,086	55,200	56,154	57,099	55,282	55,664
Percent Change	2.6	-1.2	1.9	1.1	3.2	-0.1	-1.6	1.7	1.7	-3.2	0.7
Tri-Counties											
Personal Income (\$Millions)	31,339	32,767	34,192	36,377	38,725	41,256	45,076	46,745	48,306	50,959	53,686
Real Personal Income (2000 \$Millions)	35,299	36,335	37,276	39,007	40,940	42,616	45,076	45,225	45,474	46,760	47,670
Percent Change	2.5	2.9	2.6	4.6	5.0	4.1	5.8	0.3	0.6	2.8	1.9
Santa Barbara County											
Wage and Salary (\$Millions)	4,597	4,742	4,917	5,227	5,560	5,915	6,586	6,826	6,979	7,296	7,710
Non-Wage (\$Millions)	3,945	3,915	4,145	4,193	4,660	4,896	5,210	5,361	5,519	5,826	6,098
Dividends, Interest & Rent (\$Millions)	2,900	2,818	2,995	3,024	3,449	3,635	3,883	3,922	3,973	4,151	4,334
Transfer Payments (\$Millions)	1,045	1,097	1,149	1,168	1,211	1,261	1,326	1,440	1,546	1,675	1,764
Residential Adjustments (\$Millions)	-168	-181	-193	-219	-238	-264	-316	-332	-327	-342	-359
Proprietors' Income (\$Millions)	1,114	1,122	1,138	1,176	1,319	1,343	1,432	1,417	1,530	1,599	1,718
Total Personal Income (\$Millions)	9,488	9,598	10,007	10,377	11,301	11,890	12,911	13,272	13,701	14,378	15,167
Real Total Personal Income (2000 \$Millions)	10,686	10,643	10,910	11,127	11,948	12,282	12,911	12,840	12,898	13,193	13,467
Percent Change	2.3	-0.4	2.5	2.0	7.4	2.8	5.1	-0.5	0.5	2.3	2.1
Median Family Income (Dollars)	47,500	47,500	48,300	49,300	51,400	52,100	53,500	56,500	56,800	60,600	64,700
Real Median Family Income (2000 Dollars)	53,501	52,671	52,656	52,864	54,341	53,818	53,500	54,663	53,470	55,606	57,450
Percent Change	3.0	-1.6	0.0	0.4	2.8	-1.0	-0.6	2.2	-2.2	4.0	3.3

Source: CA Dept. of Finance, US Housing and Urban Development, and UCSB Economic Forecast Project

Note: Personal Income is estimated for the last two years at the county level and estimated for the last year at the state level.

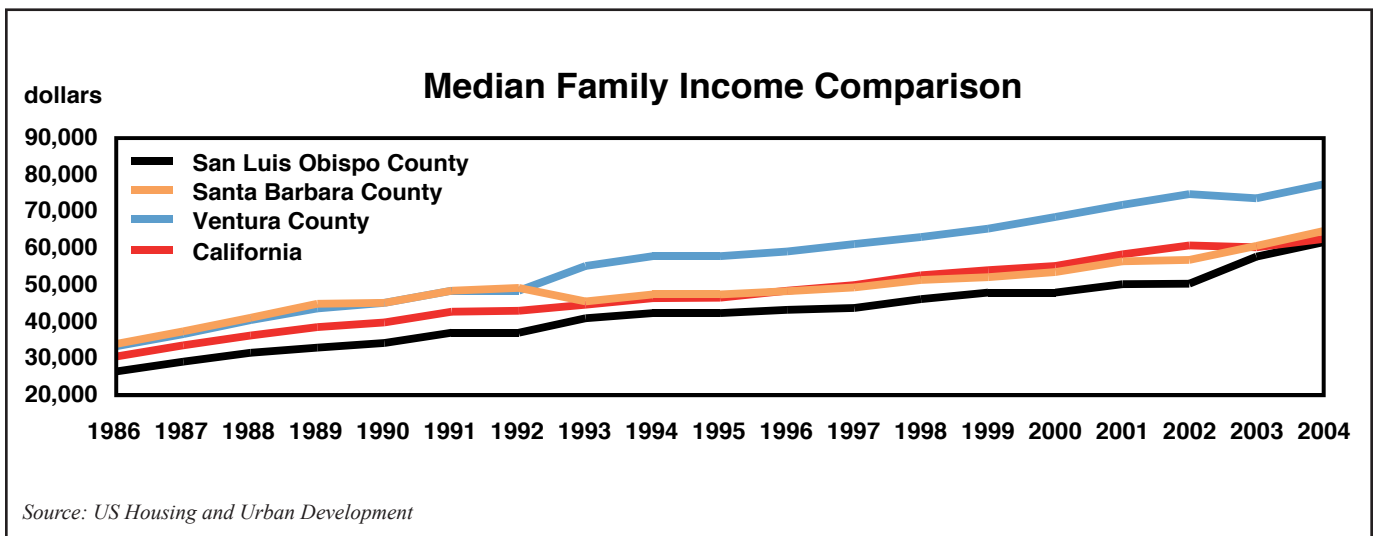
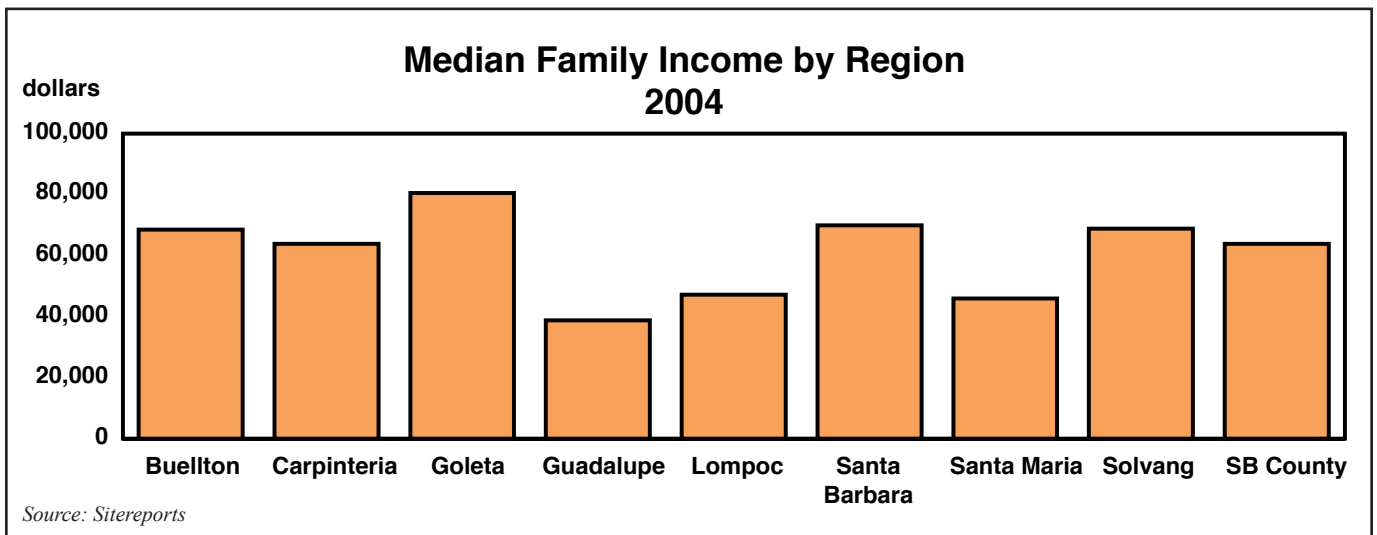
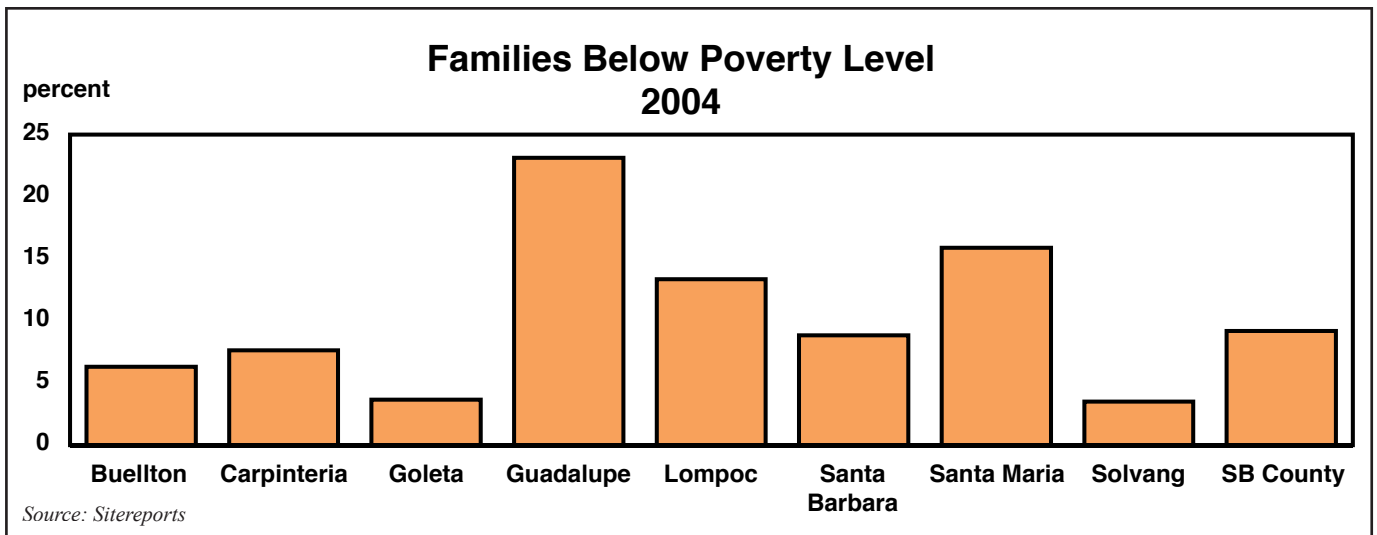
Median Family Income is for fiscal years.





Income Limits for the Public Housing and Section 8 Programs Fiscal Year 2005								
	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
San Luis Obispo--Atascadero--Paso Robles, CA MSA								
Median Family Income: \$61,700								
30% OF MEDIAN	12,950	14,800	16,650	18,500	20,000	21,450	22,950	24,450
VERY LOW INCOME	21,600	24,700	27,750	30,850	33,300	35,800	38,250	40,700
LOW-INCOME	34,550	39,500	44,400	49,350	53,300	57,250	61,200	65,150
Santa Barbara--Santa Maria--Lompoc, CA MSA								
Median Family Income: \$64,700								
30% OF MEDIAN	13,600	15,550	17,450	19,400	20,950	22,500	24,050	25,600
VERY LOW INCOME	22,650	25,900	29,100	32,350	34,950	37,550	40,100	42,700
LOW-INCOME	36,250	41,400	46,600	51,750	55,900	60,050	64,200	68,300
Ventura, CA PMSA								
Median Family Income: \$77,400								
30% OF MEDIAN	16,950	19,350	21,750	24,200	26,100	28,050	30,000	31,900
VERY LOW INCOME	28,200	32,250	36,250	40,300	43,500	46,750	49,950	53,200
LOW-INCOME	45,150	51,600	58,050	64,500	69,650	74,800	79,950	85,100

Source: US Housing and Urban Development

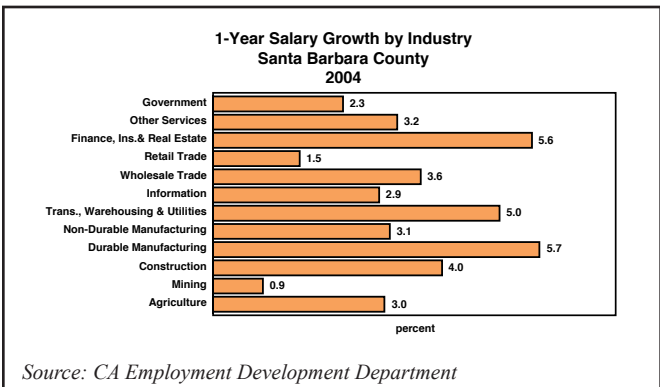
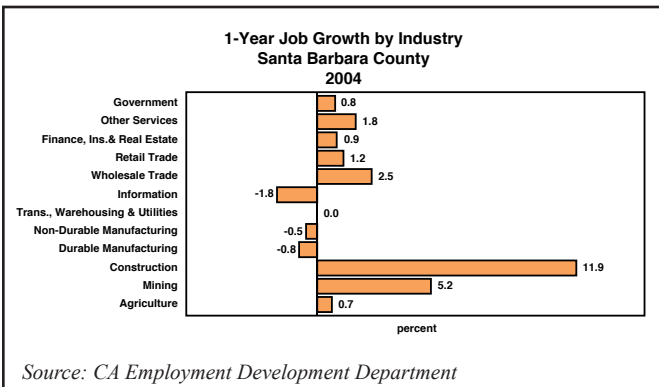
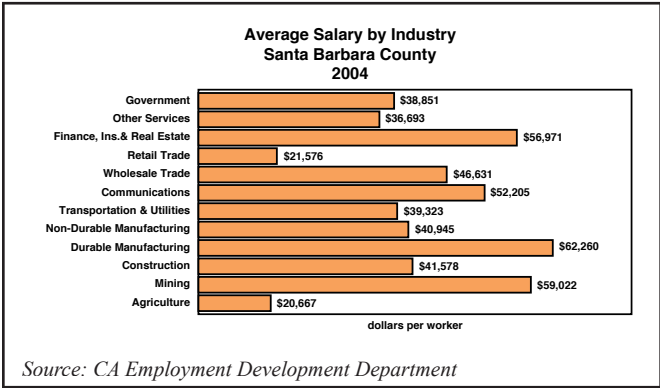
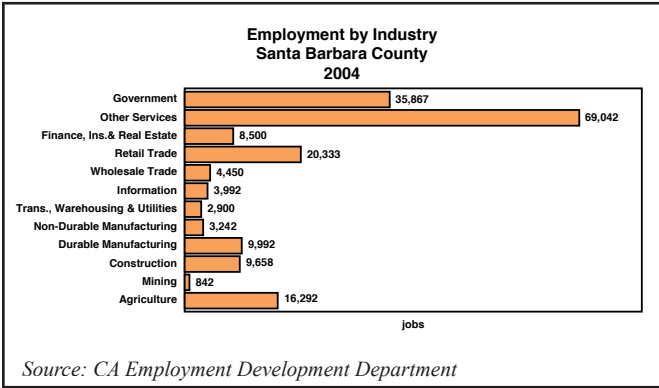
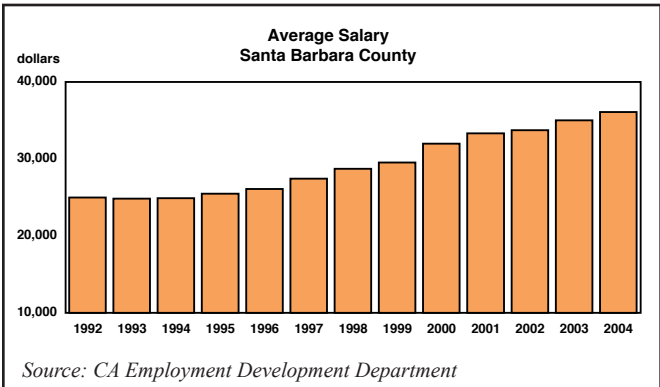
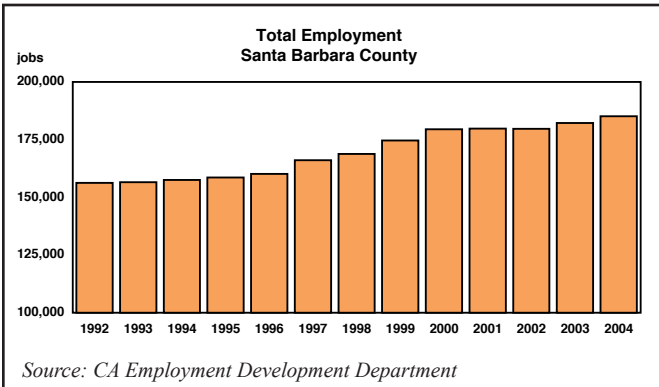
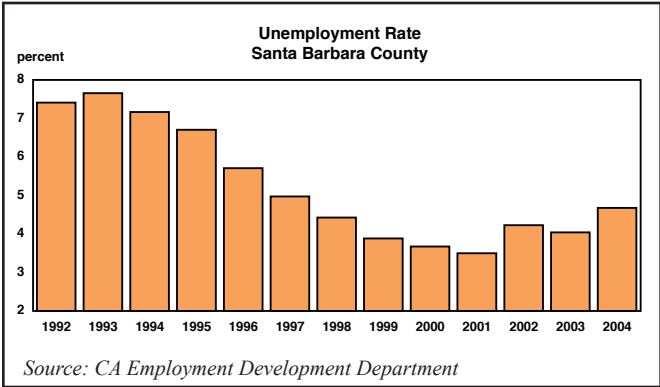
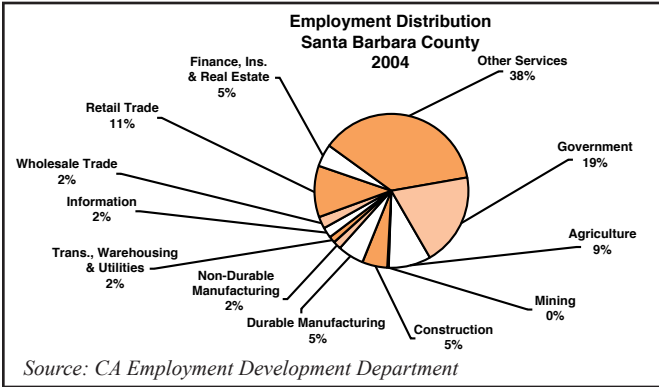


INCOME CHARACTERISTICS: AREAS IN SANTA BARBARA COUNTY

Description	Buellton	Carpinteria	Goleta	Guadalupe	Lompoc
2004 Est. Households by Household Income	1,461	4,975	20,578	1,502	13,125
Income Less than \$15,000	121	471	1,356	268	2,061
Income \$15,000 - \$24,999	177	445	1,321	206	1,732
Income \$25,000 - \$34,999	148	619	1,827	243	2,016
Income \$35,000 - \$49,999	208	736	2,777	211	2,146
Income \$50,000 - \$74,999	275	1,013	4,403	278	2,498
Income \$75,000 - \$99,999	238	679	3,325	141	1,448
Income \$100,000 - \$149,999	219	617	3,106	93	964
Income \$150,000 - \$249,999	63	344	1,677	22	217
Income \$250,000 - \$499,999	6	45	434	35	38
Income \$500,000 and more	6	6	352	5	5
2004 Est. Average Household Income	\$67,798	\$69,313	\$88,407	\$55,278	\$50,048
2004 Est. Median Household Income	\$56,975	\$55,350	\$67,078	\$37,441	\$40,268
2004 Est. Per Capita Income	\$25,514	\$24,691	\$32,144	\$13,852	\$16,860
2004 Est. Average Family Household Income	\$79,106	\$76,639	\$104,327	\$55,571	\$55,371
2004 Est. Median Family Household Income	\$68,611	\$63,819	\$80,512	\$38,730	\$47,152
2004 Number of Estimated Families*	1,012	3,301	13,746	1,283	9,292
Families with Income At or Above Poverty Level:					
Married-Couple Family, own children	428	1,335	5,281	558	3,442
Married-Couple Family, no own children	367	1,071	5,658	202	2,600
Male Householder, own children	32	117	408	30	384
Male Householder, no own children	20	74	311	15	226
Female Householder, own children	62	233	811	113	1,018
Female Householder, no own children	39	219	776	68	382
Families with Income Below Poverty Level:					
Married-Couple Family, own children	32	96	170	154	482
Married-Couple Family, no own children	17	45	79	24	94
Male Householder, own children	0	23	42	24	108
Male Householder, no own children	0	17	8	25	5
Female Householder, own children	15	71	187	70	487
Female Householder, no own children	0	0	15		64

	Santa Barbara	Santa Maria	Solvang	SB County
2004 Est. Households by Household Income	35,383	23,426	2,184	138,606
Income Less than \$15,000	4,369	3,384	207	16,851
Income \$15,000 - \$24,999	3,284	3,324	265	13,705
Income \$25,000 - \$34,999	3,765	3,427	271	15,758
Income \$35,000 - \$49,999	5,292	4,169	338	20,672
Income \$50,000 - \$74,999	6,666	4,588	371	26,405
Income \$75,000 - \$99,999	4,287	2,353	239	17,319
Income \$100,000 - \$149,999	4,021	1,594	334	15,591
Income \$150,000 - \$249,999	2,476	465	141	8,012
Income \$250,000 - \$499,999	779	97	13	2,534
Income \$500,000 and more	444	25	5	1,759
2004 Est. Average Household Income	\$76,606	\$50,848	\$68,007	\$73,600
2004 Est. Median Household Income	\$53,682	\$40,678	\$50,773	\$52,194
2004 Est. Per Capita Income	\$29,985	\$14,998	\$29,091	\$25,588
2004 Est. Average Family Household Income	\$97,686	\$55,679	\$82,803	\$86,086
2004 Est. Median Family Household Income	\$70,012	\$45,880	\$68,772	\$63,920
2004 Est. Families by Poverty Status*	18,693	17,535	1,404	90,260
Families with Income At or Above Poverty Level:				
Married-Couple Family, own children	6,109	6,556	490	33,293
Married-Couple Family, no own children	7,109	5,202	637	33,215
Male Householder, own children	608	610	50	2,885
Male Householder, no own children	573	332	22	1,924
Female Householder, own children	1,597	1,261	59	6,322
Female Householder, no own children	1,047	789	97	4,324
Families with Income Below Poverty Level:				
Married-Couple Family, own children	606	1,218	25	3,328
Married-Couple Family, no own children	106	219	3	807
Male Householder, own children	199	257	1	777
Male Householder, no own children	28	56	1	197
Female Householder, own children	620	953	8	2,825
Female Householder, no own children	91	82	11	363

Source: Sitereports

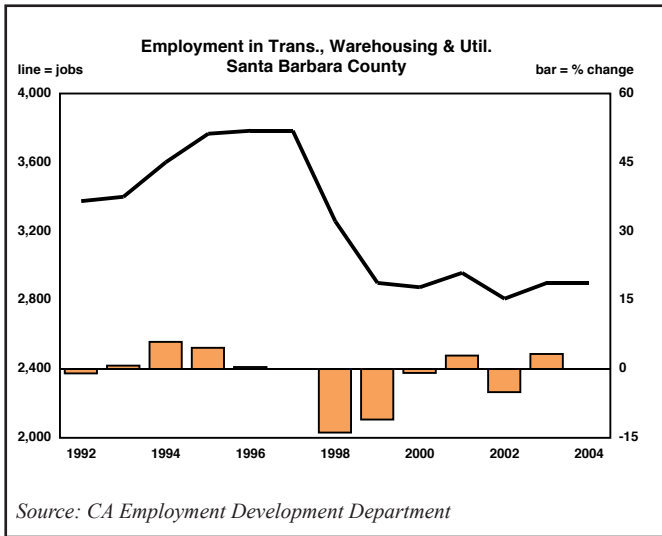
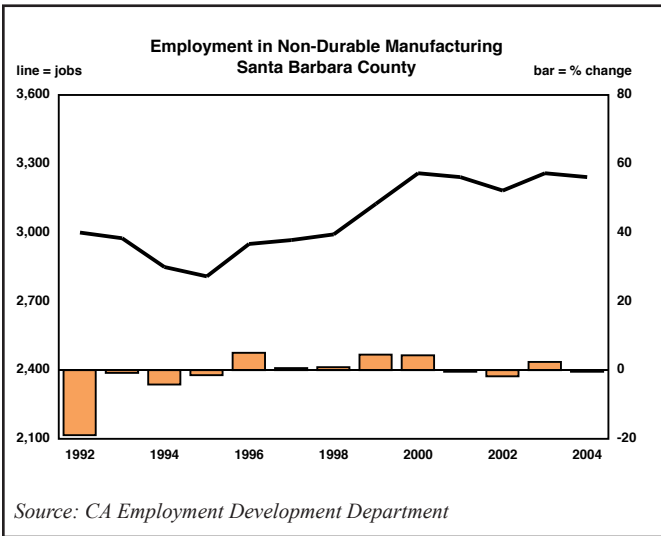
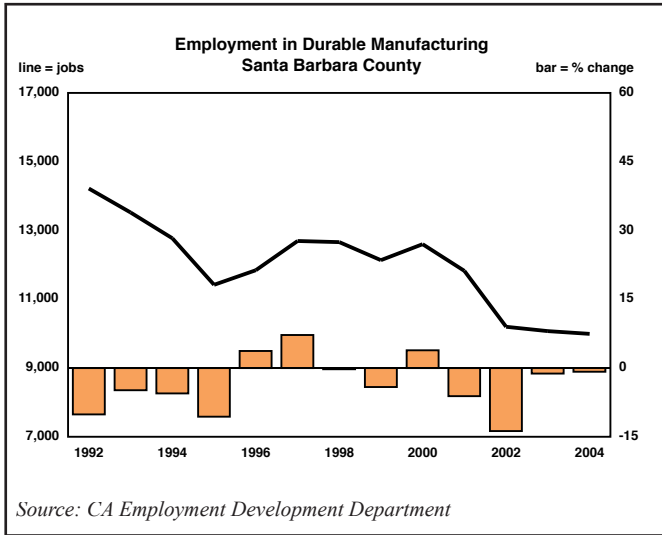
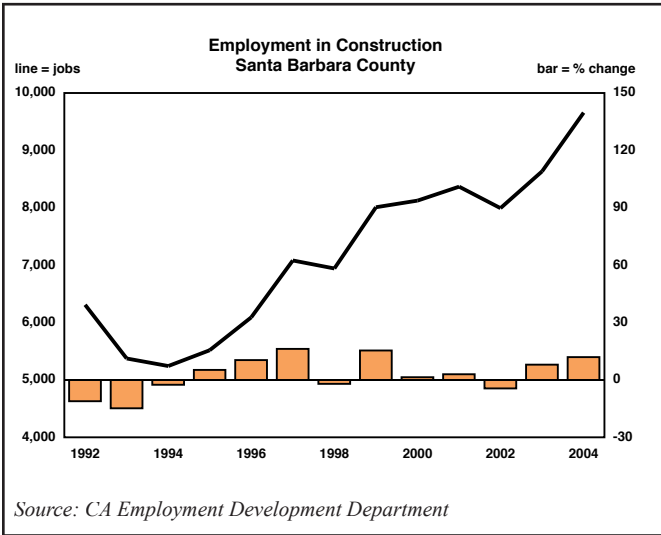
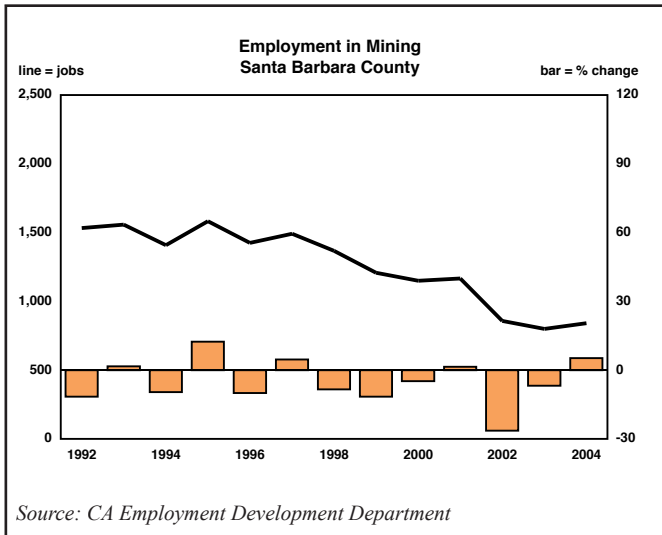
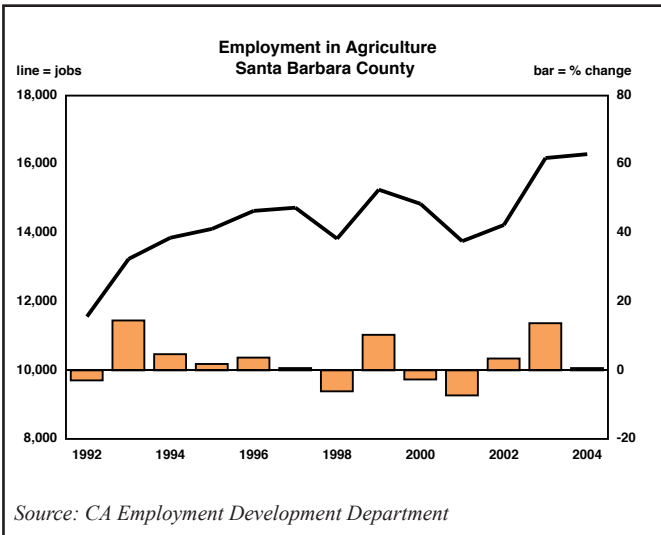


Job Growth by Sector Santa Barbara County				
	Jobs in 2003	Jobs in 2004	Jobs Created or Lost	Percent Change
Sector				
Agriculture	16,183	16,292	108	0.7
Mining	800	842	42	5.2
Construction	8,633	9,658	1,025	11.9
Durable Manufacturing	10,075	9,992	-83	-0.8
Non-Durable Manufacturing	3,258	3,242	-17	-0.5
Trans., Warehousing & Utilities	2,900	2,900	0	0.0
Information	4,067	3,992	-75	-1.8
Wholesale Trade	4,342	4,450	108	2.5
Retail Trade	20,092	20,333	242	1.2
Finance, Ins. & Real Estate	8,425	8,500	75	0.9
Other Services	67,842	69,042	1,200	1.8
Government	35,575	35,867	292	0.8
Total, All Industries	182,192	185,108	2,917	1.6

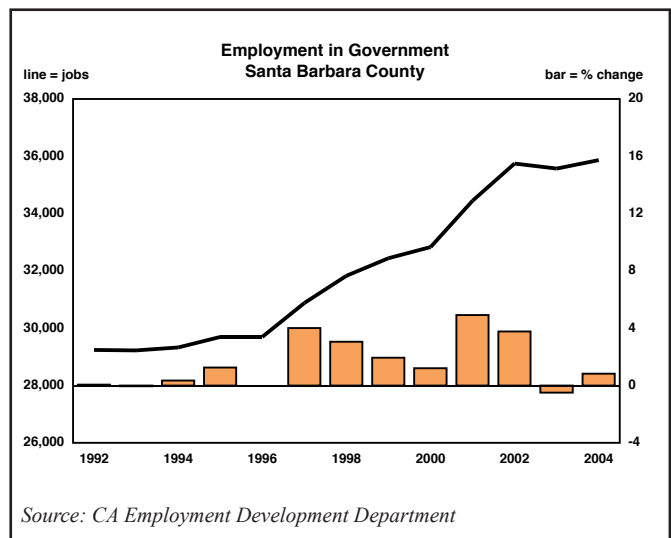
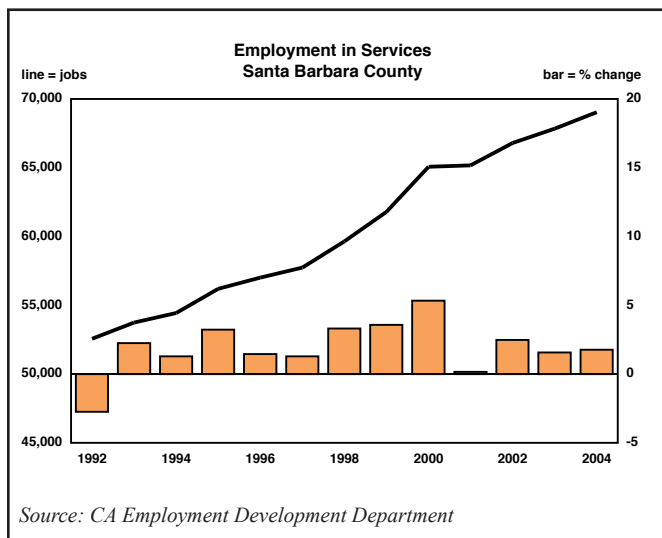
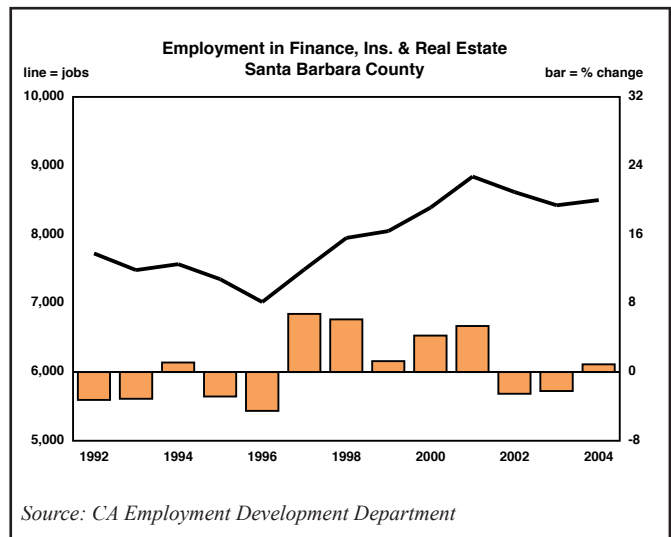
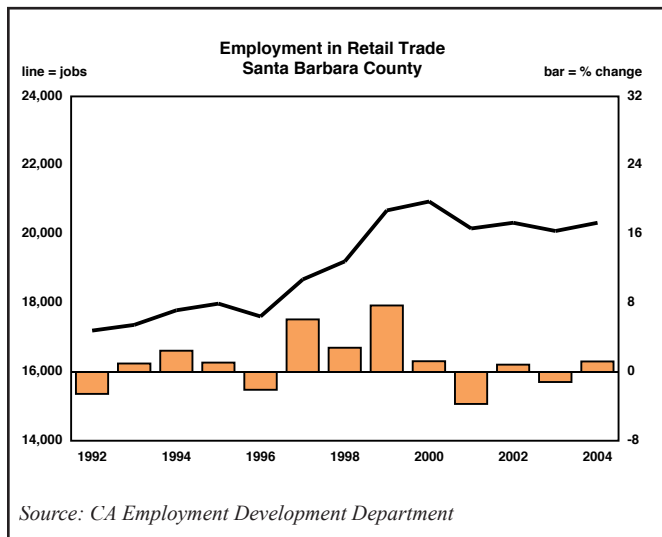
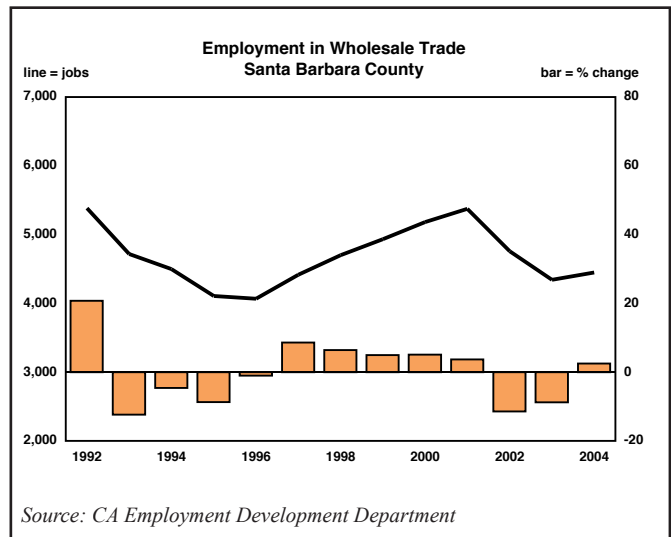
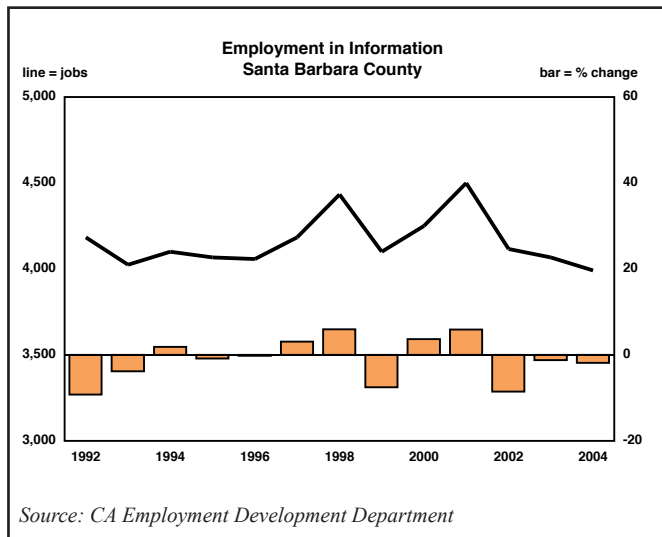
Source: CA Employment Development Department

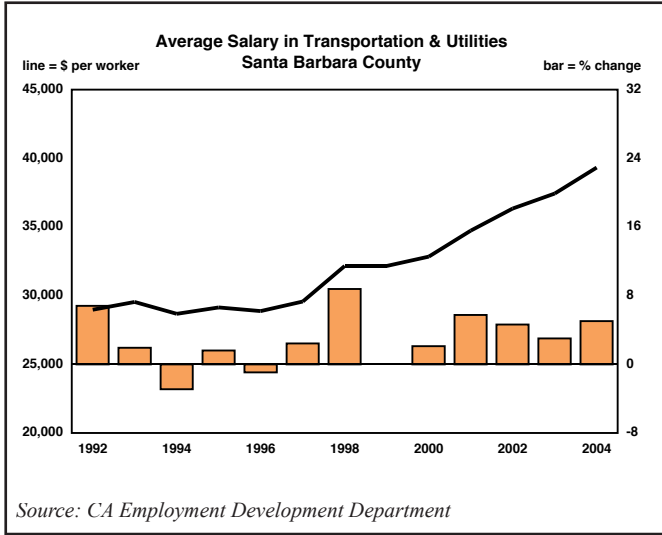
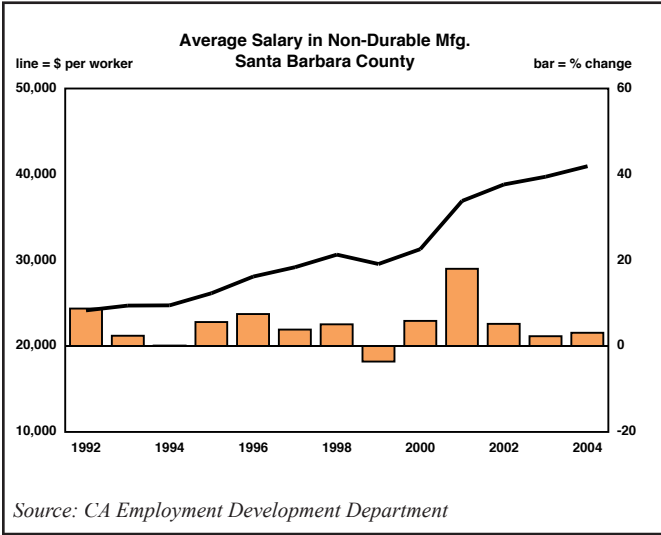
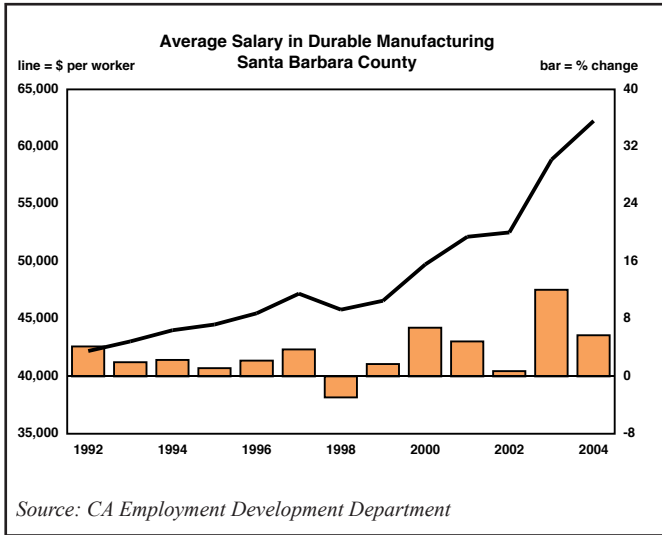
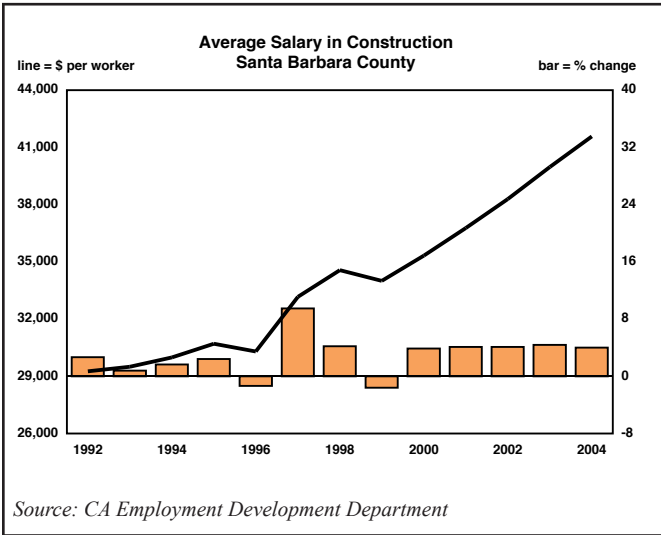
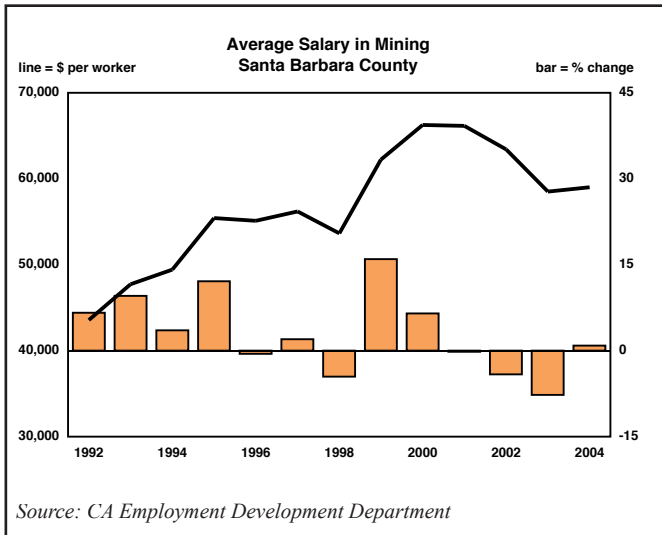
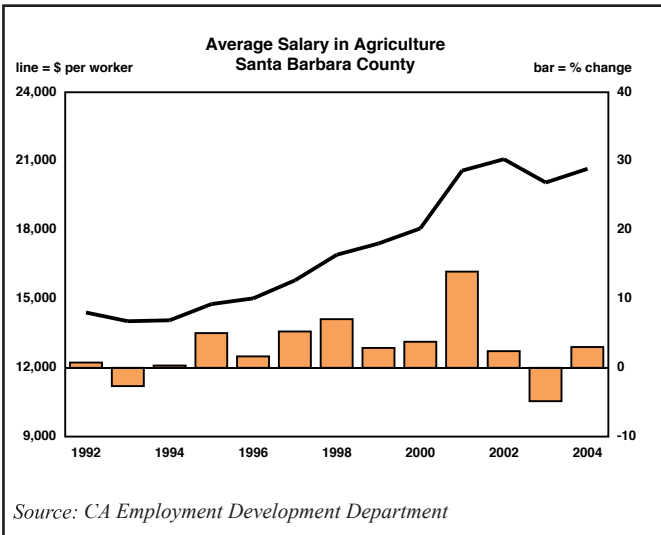
Salary Growth by Sector Santa Barbara County				
	Average Salary in 2003	Average Salary in 2004	Change in Average Salary	Percent Change
Sector				
Agriculture	20,064	20,667	603	3.0
Mining	58,510	59,022	512	0.9
Construction	39,973	41,578	1,605	4.0
Durable Manufacturing	58,890	62,260	3,370	5.7
Non-Durable Manufacturing	39,714	40,945	1,231	3.1
Transportation & Utilities	37,442	39,323	1,881	5.0
Communications	50,729	52,205	1,477	2.9
Wholesale Trade	44,992	46,631	1,639	3.6
Retail Trade	21,253	21,576	322	1.5
Finance, Ins. & Real Estate	53,954	56,971	3,017	5.6
Other Services	35,546	36,693	1,147	3.2
Government	37,986	38,851	865	2.3
Total, All Industries	35,004	36,098	1,094	3.1

Source: CA Employment Development Department

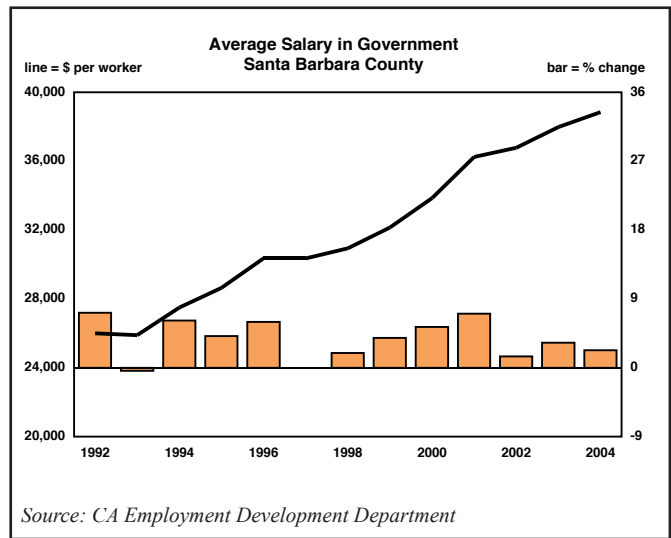
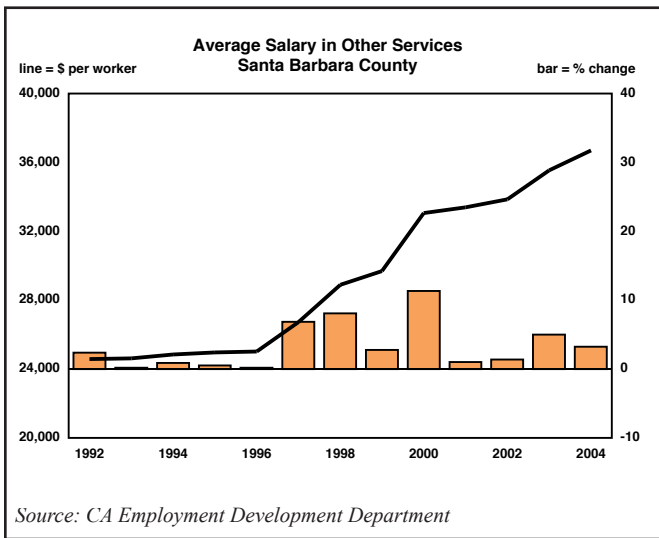
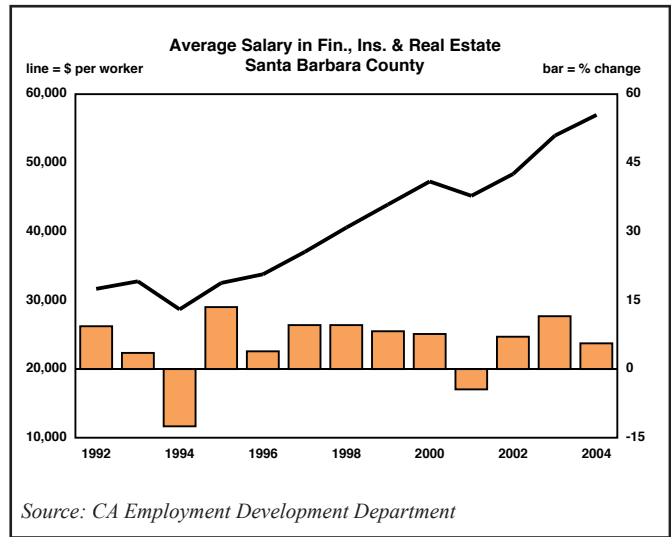
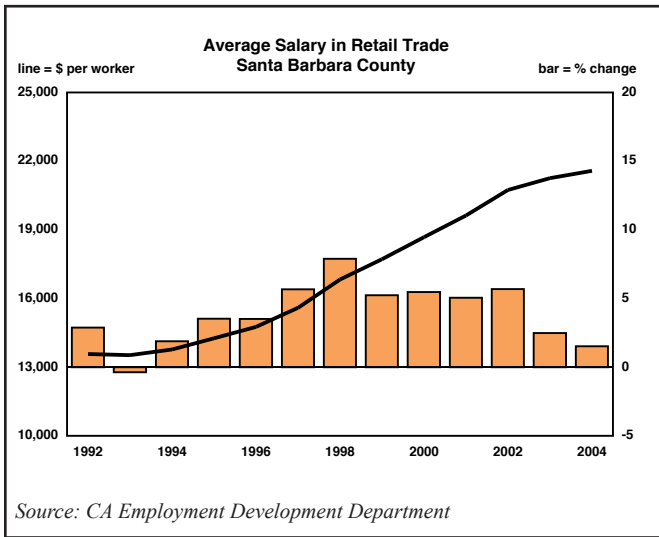
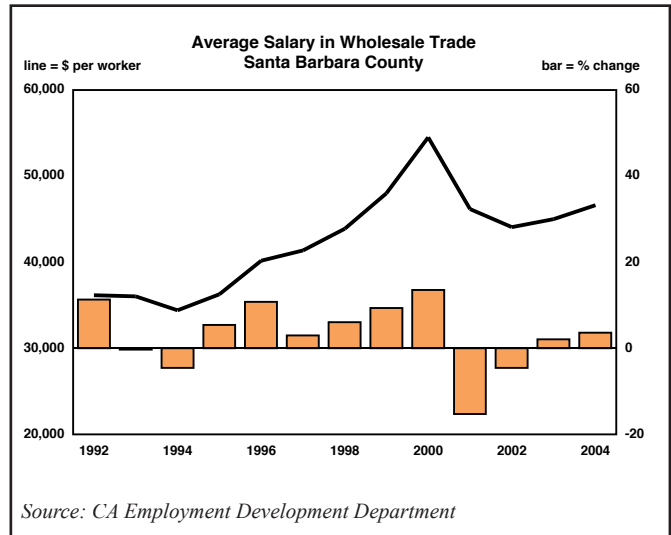
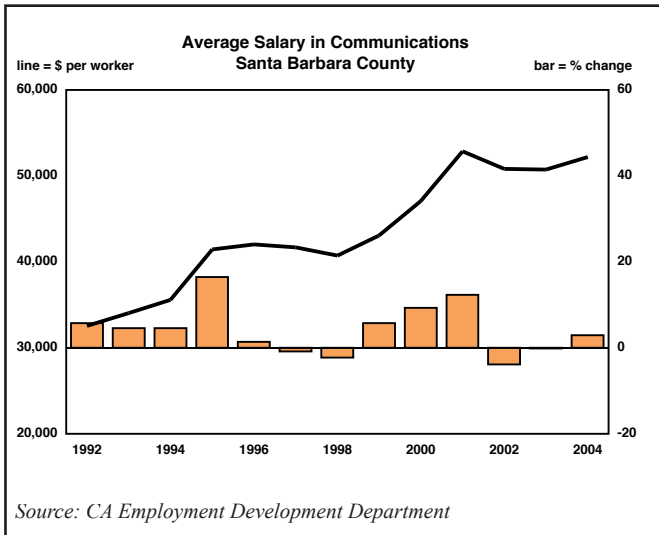


Employment and Salary





Employment and Salary



Employment by Industry Sector Santa Barbara County

	1997	1998	1999	2000	2001	2002	2003	2004
Sector	<i>Number of Jobs</i>							
Agriculture	14,733	13,833	15,258	14,850	13,758	14,233	16,183	16,292
Mining	1,492	1,367	1,208	1,150	1,167	858	800	842
Construction	7,083	6,942	8,008	8,125	8,367	7,992	8,633	9,658
Durable Manufacturing	12,692	12,658	12,133	12,600	11,825	10,200	10,075	9,992
Computer and Electronic Mfg.	5,092	5,258	4,875	4,067	3,892	3,158	3,125	3,292
Non-Durable Manufacturing	2,967	2,992	3,125	3,258	3,242	3,183	3,258	3,242
Transportation, Warehousing, & Utilities	3,783	3,258	2,900	2,875	2,958	2,808	2,900	2,900
Information Services	4,183	4,433	4,100	4,250	4,500	4,117	4,067	3,992
Wholesale Trade	4,417	4,700	4,933	5,183	5,375	4,758	4,342	4,450
Retail Trade	18,683	19,208	20,692	20,950	20,167	20,333	20,092	20,333
Finance, Insurance & Real Estate	7,492	7,950	8,050	8,392	8,842	8,617	8,425	8,500
Real Estate and Related	3,133	2,967	3,142	3,517	3,683	3,500	3,242	3,192
All Other Service Sectors	57,742	59,650	61,783	65,075	65,175	66,792	67,842	69,042
Education & Health Services	16,350	17,158	18,017	18,433	18,600	19,250	19,317	19,600
Leisure and Hospitality Services	19,067	19,600	20,167	20,817	21,000	20,950	21,700	21,800
Other Services **	5,083	5,367	5,475	5,617	5,958	5,983	5,750	5,600
Sub-total, Private Sector	135,267	136,992	142,192	146,708	145,375	143,892	146,617	149,242
Public Sector	30,883	31,825	32,442	32,833	34,450	35,750	35,575	35,867
Total, All Industries	166,100	168,783	174,633	179,542	179,825	179,642	182,192	185,108
Addendum: Non-Farm	151,417	154,983	159,375	164,692	166,067	165,408	166,008	168,817

Source: CA Employment Development Department

** Note: Other Services include Repair & Maintenance, Personal and Laundry, and Religious/Civic/Professional Organizations.

Average Salary by Industry Sector Santa Barbara County

	1997	1998	1999	2000	2001	2002	2003	2004
Sector	<i>Dollars per Worker</i>							
Agriculture	15,810	16,926	17,412	18,069	20,589	21,085	20,064	20,667
Mining	56,208	53,659	62,222	66,260	66,146	63,414	58,510	59,022
Construction	33,168	34,562	34,006	35,327	36,776	38,290	39,973	41,578
Durable Manufacturing	47,193	45,807	46,595	49,747	52,168	52,543	58,890	62,260
Computer and Electronic Mfg.	52,503	49,498	48,607	52,750	59,750	63,107	66,464	66,147
Non-Durable Manufacturing	29,178	30,660	29,557	31,284	36,919	38,830	39,714	40,945
Transportation, Warehousing, & Utilities	29,569	32,160	32,160	32,842	34,731	36,342	37,442	39,323
Communications	41,675	40,733	43,065	47,070	52,863	50,808	50,729	52,205
Wholesale Trade	41,377	43,896	47,999	54,502	46,163	44,062	44,992	46,631
Retail Trade	15,598	16,830	17,710	18,679	19,624	20,739	21,253	21,576
Finance, Insurance & Real Estate	37,044	40,589	43,939	47,302	45,202	48,379	53,954	56,971
Real Estate and Related	23,620	25,233	28,993	29,234	33,741	36,730	39,484	40,367
All Other Service Sectors	26,728	28,889	29,694	33,060	33,391	33,854	35,546	36,693
Education & Health Services	30,196	31,024	31,537	33,231	35,175	36,367	38,164	38,764
Eating and Drinking	10,484	11,161	11,755	11,915	12,287	13,042	13,612	13,796
Accommodations	16,146	16,543	17,340	19,113	20,565	21,595	22,232	22,581
Sub-total, Private Sector	26,776	28,199	28,950	31,569	32,620	32,965	34,284	35,437
Public Administration	30,351	30,937	32,147	33,859	36,247	36,781	37,986	38,851
Total, All Industries	27,429	28,713	29,542	31,986	33,315	33,723	35,004	36,098
Addendum: Non-Farm	28,631	29,900	30,895	32,394	33,601	35,719	38,126	39,641

Source: CA Employment Development Department

Note: The industry classification from source changed from 2001 forward which is the reason for jumps from 2000 to 2001.

Employment and Average Salary by Industry Sector North Santa Barbara County

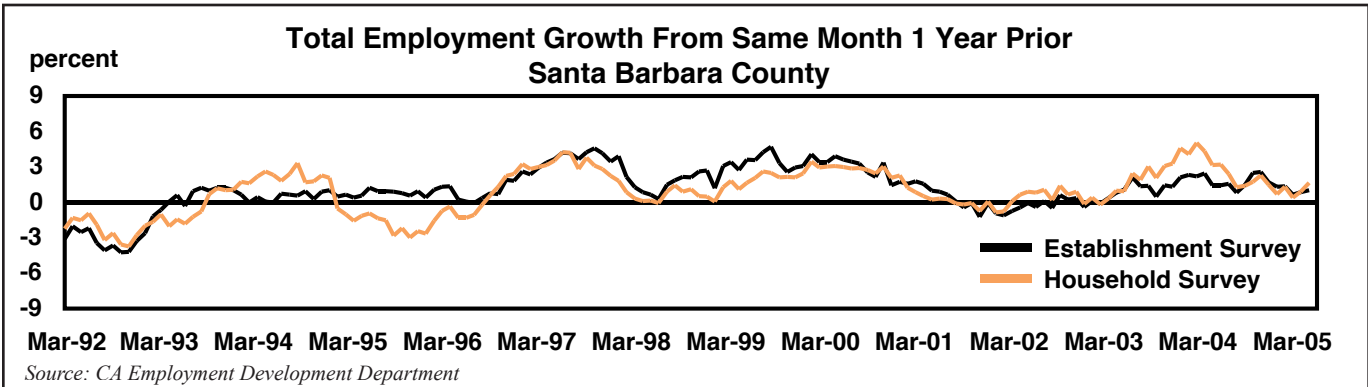
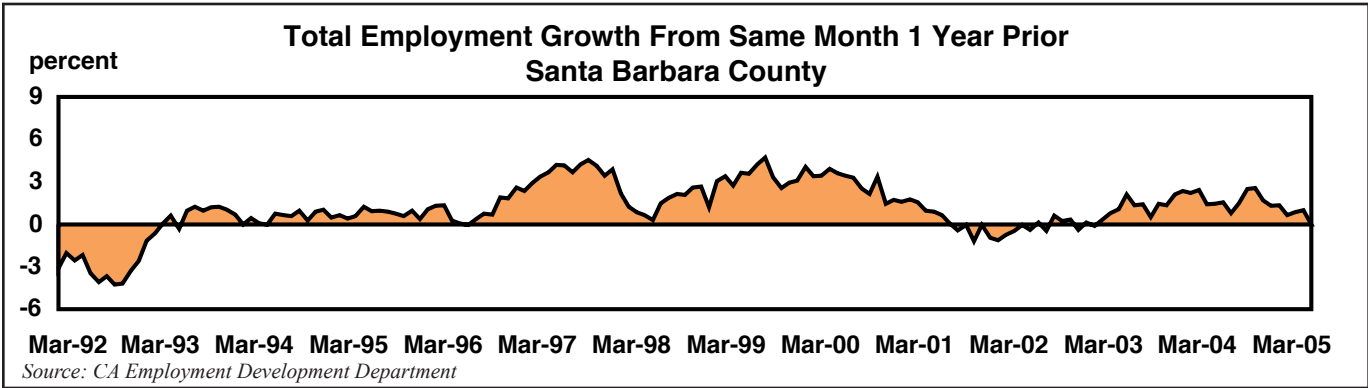
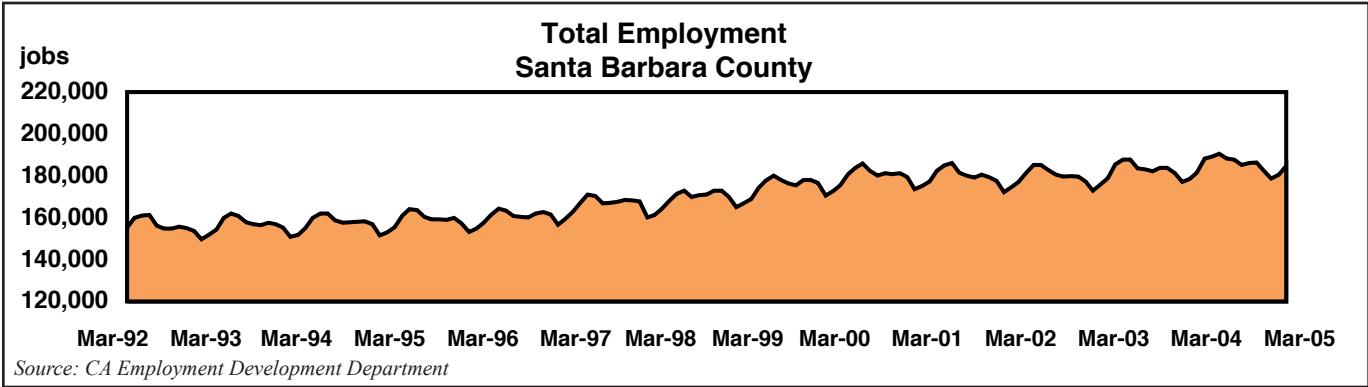
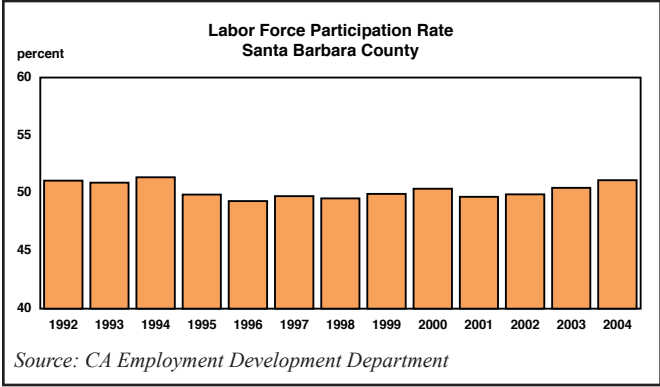
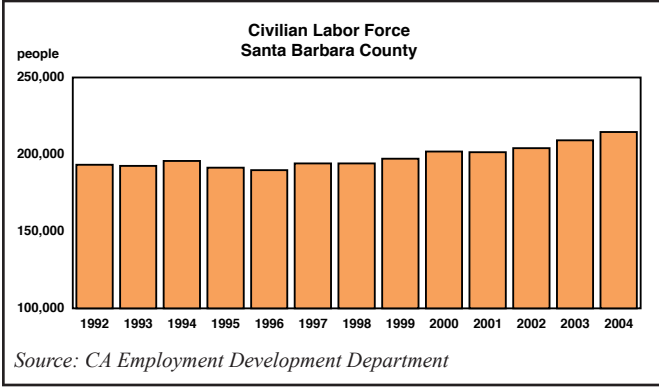
	1997	1998	1999	2000	2001	2002	2003	2004
Employment (jobs)								
Agriculture	10,255	10,100	11,231	11,507	10,101	10,946	12,925	13,157
Construction	1,878	1,850	2,073	2,437	2,462	2,277	2,497	2,678
Industrial	3,972	4,683	4,570	5,642	5,708	4,584	4,604	4,697
Trans., Comm. & Utilities	1,634	1,573	1,708	1,698	1,987	1,957	2,041	2,099
Trade	11,004	11,010	11,809	11,893	9,552	8,998	8,508	8,753
Wholesale	1,474	1,461	1,660	1,662	1,668	1,656	1,207	1,239
Retail	9,530	9,548	10,149	10,231	7,884	7,341	7,302	7,514
Finance, Ins. & Real Estate	1,242	1,203	1,201	1,260	1,897	2,056	2,090	2,148
Services	10,575	10,791	10,304	11,035	13,689	15,107	15,704	16,217
Government	13,925	14,239	18,449	19,333	17,997	19,035	19,251	19,601
Private Sector	40,560	41,210	42,896	45,471	45,396	45,923	48,369	49,748
Total	54,484	55,449	61,345	64,804	63,393	64,958	67,621	69,349
Average Salaries (dollars per worker)								
Agriculture	15,735	16,101	16,650	16,708	19,983	20,189	19,235	19,931
Construction	32,128	36,380	36,077	34,470	36,690	39,021	38,882	40,278
Industrial	32,524	32,875	32,732	40,783	42,698	36,626	37,462	39,098
Trans., Comm. & Utilities	26,686	29,220	30,342	31,390	30,238	31,986	32,958	34,651
Trade	17,782	18,693	19,952	20,444	23,388	25,180	26,503	27,428
Wholesale	34,069	36,541	37,830	38,224	32,681	31,623	38,486	40,373
Retail	15,263	15,962	17,027	17,555	21,422	23,727	24,523	25,294
Finance, Ins. & Real Estate	29,922	32,600	32,692	34,301	34,848	38,086	40,773	42,450
Services	19,127	21,001	22,574	23,122	22,201	22,217	22,965	24,070
Government	39,622	43,449	43,181	45,602	47,926	53,496	54,348	56,085
Private Sector	20,453	21,876	22,629	24,216	26,201	25,712	25,983	27,098
Total	25,352	27,416	28,810	30,596	32,369	33,854	34,059	35,291

Source: CA Employment Development Department

Employment and Average Salary by Industry Sector South Coast Santa Barbara County

	1997	1998	1999	2000	2001	2002	2003	2004
Employment (jobs)								
Agriculture	3,269	3,427	3,558	3,769	2,939	2,670	2,669	2,693
Mining	260	292	470	435	478	282	236	232
Construction	4,405	4,370	4,884	5,022	5,184	4,970	5,157	5,183
Manufacturing	11,485	10,871	10,305	10,131	9,387	8,500	8,015	7,911
Durable	9,072	8,238	8,398	8,129	7,804	7,248	6,904	6,791
Non-Durable	2,413	2,633	1,906	2,001	1,583	1,252	1,112	1,120
Trans., Comm. & Utilities	3,131	2,668	2,427	2,772	4,086	4,140	4,109	4,120
Trade	21,312	22,194	22,844	24,361	16,966	14,427	13,643	13,745
Wholesale	3,399	3,628	3,845	4,375	3,450	3,021	2,704	2,723
Retail	17,913	18,566	19,000	19,986	13,516	11,406	10,940	11,022
Finance, Ins. & Real Estate	4,661	5,375	4,853	5,622	7,702	7,360	7,112	7,014
Services	29,522	30,767	32,819	35,611	41,762	44,387	46,406	47,074
Government	19,504	17,542	17,062	17,446	18,675	19,941	19,578	19,577
Private Sector	78,044	79,964	82,159	87,721	88,505	86,737	87,348	87,971
Total	97,548	97,506	99,220	105,167	107,180	106,678	106,926	107,548
Average Salaries (dollars per worker)								
Agriculture	18,192	18,494	20,662	21,375	22,154	24,423	25,095	25,333
Mining	128,555	114,279	76,974	81,667	88,369	87,809	76,657	76,647
Construction	33,828	34,432	33,648	35,778	37,271	38,323	40,624	42,357
Manufacturing	45,796	44,542	46,322	48,794	51,420	54,275	60,120	62,863
Durable	49,241	48,148	48,986	51,920	55,222	57,695	63,886	67,848
Non-Durable	32,845	33,258	34,583	36,095	32,673	34,467	36,723	37,454
Trans., Comm. & Utilities	33,483	36,568	38,007	41,973	50,476	51,641	50,945	52,610
Trade	20,616	22,532	23,916	26,899	29,417	32,588	32,150	32,593
Wholesale	45,460	49,320	53,966	61,460	52,189	50,896	48,083	49,645
Retail	15,901	17,298	17,835	19,334	23,605	27,739	28,212	28,380
Finance, Ins. & Real Estate	40,274	43,490	48,099	50,910	50,915	52,231	58,757	62,451
Services	29,473	31,780	31,986	36,158	32,654	31,784	32,978	34,007
Government	32,828	34,727	37,196	38,085	40,978	41,845	44,183	44,631
Private Sector	30,365	31,772	32,536	35,744	36,659	37,135	38,612	39,920
Total	30,857	32,303	33,337	36,132	37,411	38,015	39,632	40,778

Source: CA Employment Development Department



Average Employment per Firm Santa Barbara County

jobs per firm	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Agriculture	14	14	15	16	15	17	17	16	18	18	22	23	28
Mining	24	26	26	28	38	36	37	26	27	25	36	30	30
Construction	6	5	5	5	5	6	7	7	7	8	8	7	8
Durable Goods Manufacturing	56	43	44	41	36	34	37	34	33	37	33	28	30
Nondurable Goods Manufacturing	19	18	18	18	19	21	23	22	18	19	20	20	20
Transportation	11	11	11	12	12	13	15	12	10	11	14	13	14
Communications	31	31	23	24	20	18	19	18	20	20	19	18	17
Utilities	32	35	30	28	23	23	20	18	20	23	21	19	19
Wholesale Trade	11	13	11	10	9	10	11	10	11	13	13	11	10
Retail Trade	13	12	12	13	13	13	14	13	14	15	15	15	15
Finance, Insurance & Real Estate	9	8	8	9	7	7	8	8	7	8	9	9	8
Services	9	9	8	8	8	9	9	9	9	9	9	9	9
Public Sector	139	143	121	153	175	147	133	85	86	90	95	97	95
Total, All Sectors	14	13	13	14	14	13	14	13	13	14	14	14	14

Source: CA Employment Development Department

Average Payroll per Firm Santa Barbara County

dollars per firm	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Agriculture	198,589	195,967	211,569	221,766	228,852	247,957	271,938	276,180	317,895	333,595	449,694	491,524	565,972
Mining	978,384	1,114,994	1,243,116	1,377,594	2,085,235	1,982,300	2,096,656	1,412,145	1,666,958	1,686,137	2,371,104	1,923,435	1,726,842
Construction	176,443	151,964	138,961	152,560	153,768	172,092	234,074	230,516	245,967	279,962	287,942	277,413	305,519
Durable Goods Manufacturing	2,280,997	1,832,188	1,874,970	1,809,961	1,611,235	1,558,529	1,749,723	1,565,865	1,529,912	1,855,177	1,726,955	1,494,720	1,786,098
Nondurable Goods Manufacturing	417,083	445,194	451,562	450,556	486,130	577,933	664,166	669,998	546,330	608,960	721,556	758,592	796,551
Transportation	229,915	264,625	262,924	283,815	290,929	303,774	382,164	346,069	279,160	302,194	439,959	442,979	495,175
Communications	946,626	1,023,371	772,317	841,715	827,594	735,841	791,763	752,531	847,487	949,516	1,000,532	925,281	877,754
Utilities	1,319,384	1,527,287	1,341,979	1,275,888	1,122,190	1,145,612	998,072	941,929	1,050,809	1,184,144	1,074,066	1,048,298	985,600
Wholesale Trade	356,387	464,481	395,660	359,514	340,753	383,434	438,149	448,216	522,498	682,415	577,580	495,293	431,799
Retail Trade	168,370	162,935	165,688	179,775	179,327	188,810	213,901	226,436	243,558	283,958	291,402	307,812	321,439
Finance, Insurance & Real Estate	257,817	267,187	259,859	260,431	227,635	233,491	285,596	329,685	324,361	384,394	420,400	426,698	450,673
Services	222,818	209,536	205,928	210,818	197,890	214,924	252,279	248,679	258,800	313,862	301,373	299,264	312,721
Public Sector	3,371,807	3,586,178	3,508,018	4,422,160	4,967,260	3,808,739	4,115,633	2,925,932	3,083,205	3,345,959	3,749,841	3,942,809	4,029,606
Total, All Sectors	339,554	331,907	324,919	361,841	348,786	341,462	392,074	385,091	400,023	467,312	481,910	475,155	497,619

Source: CA Employment Development Department

Number of Firms by Sector Santa Barbara County

number of firms	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Agriculture	933	952	967	944	1,006	991	923	951	963	898	630	619	591
Mining	50	43	42	41	34	32	29	30	30	30	32	28	28
Construction	1,157	1,138	1,090	1,002	1,073	1,020	957	1,022	1,075	1,025	1,064	1,096	1,100
Durable Goods Manufacturing	347	342	335	323	335	346	338	361	377	353	358	357	337
Nondurable Goods Manufacturing	202	207	208	205	208	206	201	205	201	194	259	257	258
Transportation	237	231	231	241	259	259	246	247	251	236	204	200	205
Communications	56	55	62	62	65	66	65	71	74	71	88	79	74
Utilities	30	28	32	31	34	34	33	35	35	32	23	24	27
Wholesale Trade	498	494	488	506	560	534	518	554	551	514	409	435	441
Retail Trade	2,366	2,364	2,361	2,300	2,457	2,371	2,284	2,398	2,435	2,275	2,292	2,301	2,270
Finance, Insurance & Real Estate	909	904	918	976	1,036	1,014	935	972	1,002	968	1,132	1,148	1,176
Services	4,726	4,929	5,069	5,133	5,745	5,663	5,080	5,463	5,610	5,408	5,611	5,899	6,036
Public Sector	193	217	216	264	258	250	228	337	338	332	333	334	336
Total, All Sectors	11,702	11,900	12,017	12,026	13,069	12,783	11,837	12,645	12,940	12,337	12,433	12,777	12,876

Source: CA Employment Development Department

Santa Barbara County Employment by Sector Services Sector Detail - Second Quarter 2004

NAICS Code	Title	Firms	Jun-04 Employment	Apr - Jun 2004 Payroll	Average Salary (Annualized)
512	Motion Picture and Sound Recording Industries	60	382	2,331,162	24,410
541	Professional, Scientific, and Technical Services	1,253	9,924	151,876,272	61,216
561	Administrative and Support Services	593	9,674	62,353,609	25,782
611	Educational Services	148	2,499	22,835,608	36,552
621	Ambulatory Health Care Services	855	6,725	72,305,549	43,007
622	Hospitals	13	3,790	43,572,259	45,987
623	Nursing and Residential Care Facilities	116	3,097	18,682,194	24,129
624	Social Assistance	202	3,298	18,250,947	22,136
711	Performing Arts, Spectator Sports, and Related Industries	104	347	3,907,324	45,041
712	Museums, Historical Sites, and Similar Institutions	24	531	3,253,834	24,511
713	Amusement, Gambling, and Recreation Industries	85	1,796	7,508,274	16,722
721	Accommodation	128	4,848	26,666,548	22,002
722	Food Services and Drinking Places	770	14,905	50,931,920	13,668
811	Repair and Maintenance	294	1,303	9,276,348	28,477
812	Personal and Laundry Services	201	1,482	8,496,433	22,932
813	Religious, Grantmaking, Civic, Professional, and Similar Organizations	247	1,923	10,681,884	22,219
814	Private Households	1,738	1,877	8,241,041	17,562
Totals		6,831	68,401	521,171,206	

Source: CA Employment Development Department

High Technology Manufacturing Santa Barbara County - Second Quarter 2004

Sector Description	NAICS Code	No. of Firms	June 2004 Employment	Apr - Jun 2004 Payroll	Average Salary (Annualized)
Electric Power Generation, Transmission and Distri	2211	2	***	***	***
Resin, Synthetic Rubber, and Artificial Synthetic	3252	1	***	***	***
Pharmaceutical and Medicine Manufacturing	3254	4	***	***	***
Other Chemical Product and Preparation Manufacturi	3259	7	75	\$1,086,798	\$57,963
Other Fabricated Metal Product Manufacturing	3329	5	128	\$1,363,728	\$42,617
Industrial Machinery Manufacturing	3332	4	39	\$413,029	\$42,362
Commercial and Service Industry Machinery Manufac	3333	6	161	\$1,943,083	\$48,275
Computer and Peripheral Equipment Manufacturing	3341	2	***	***	***
Communications Equipment Manufacturing	3342	6	176	\$2,901,236	\$65,937
Semiconductor and Other Electronic Component Manuf	3344	20	530	\$8,431,894	\$63,637
Navigational, Measuring, Electromedical, and Contr	3345	33	2606	\$45,335,226	\$69,586
Manufacturing and Reproducing Magnetic and Optical	3346	3	11	\$70,793	\$25,743
Aerospace Product and Parts Manufacturing	3364	8	1312	\$20,189,122	\$61,552
Medical Equipment and Supplies Manufacturing	3391	33	1742	\$19,845,529	\$45,570
Software Publishers	5112	19	845	\$16,484,034	\$78,031
Wired Telecommunications Carriers	5171	7	118	\$1,756,865	\$59,555
Wireless Telecommunications Carriers (except Satel	5172	17	88	\$860,431	\$39,111
Telecommunications Resellers	5173	12	123	\$1,946,210	\$63,291
Satellite Telecommunications	5174	11	247	\$3,400,049	\$55,062
Internet Service Providers and Web Search Portals	5181	15	171	\$2,699,993	\$63,158
Data Processing, Hosting, and Related Services	5182	12	333	\$5,749,585	\$69,064
Architectural, Engineering, and Related Services	5413	254	2594	\$43,970,008	\$67,803
Computer Systems Design and Related Services	5415	150	1368	\$20,786,049	\$60,778
Management, Scientific, and Technical Consulting S	5416	178	1463	\$20,267,852	\$55,414
Scientific Research and Development Services	5417	70	1472	\$28,818,429	\$78,311
Electronic and Precision Equipment Repair and Main	8112	14	37	\$213,411	\$23,071

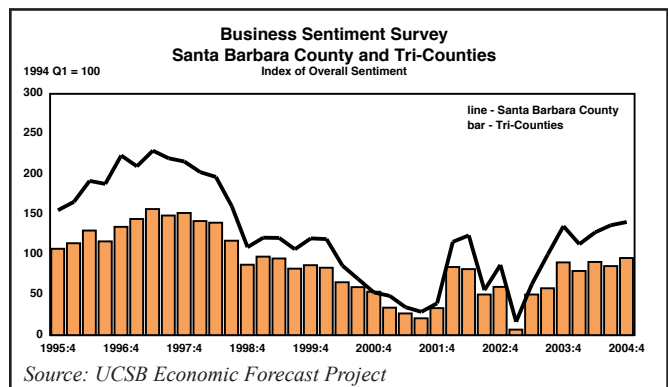
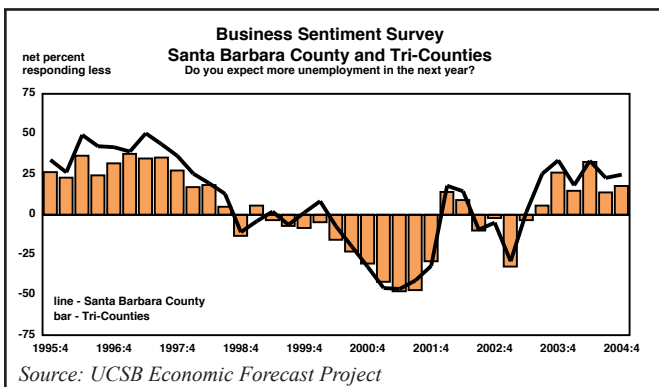
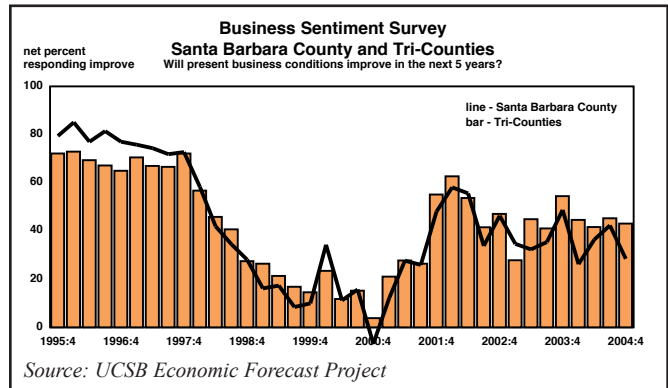
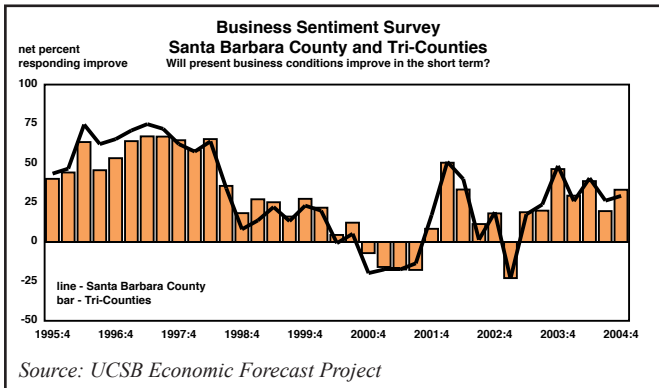
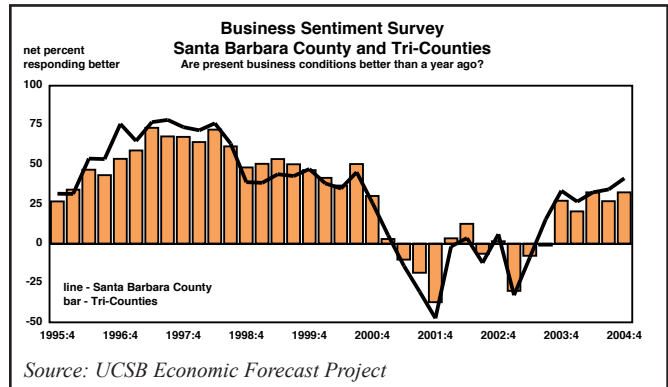
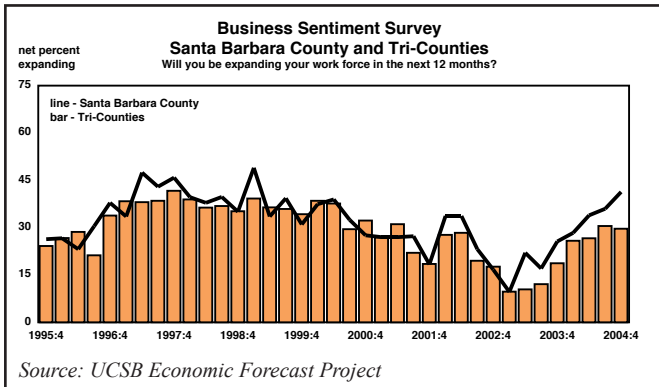
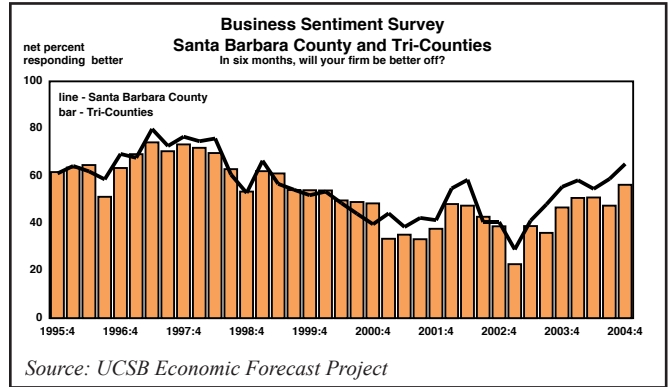
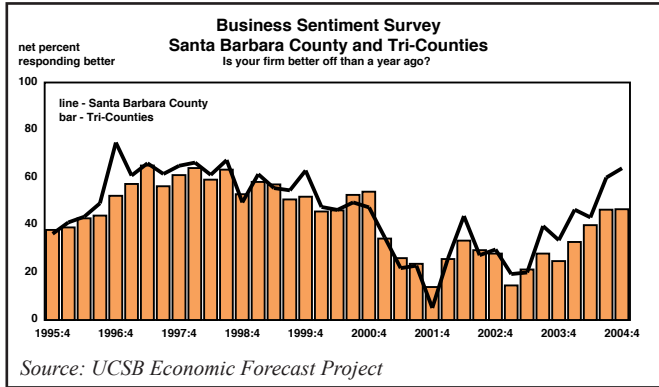
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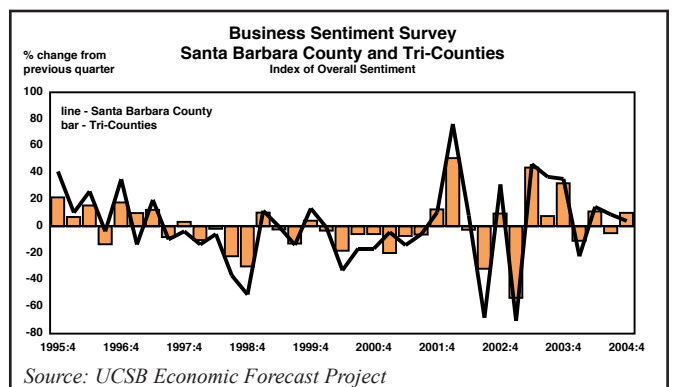
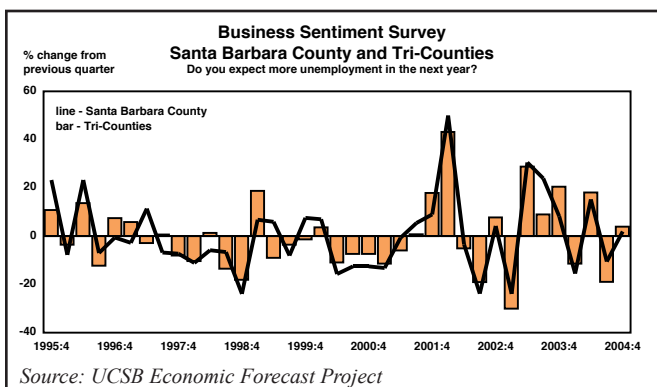
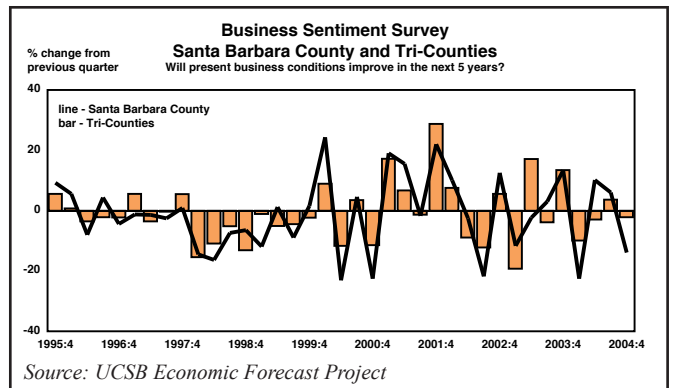
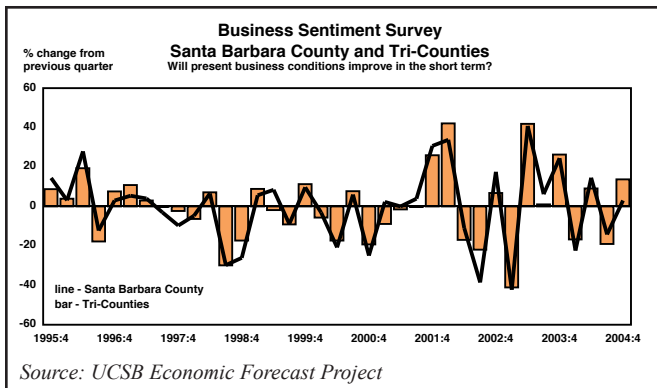
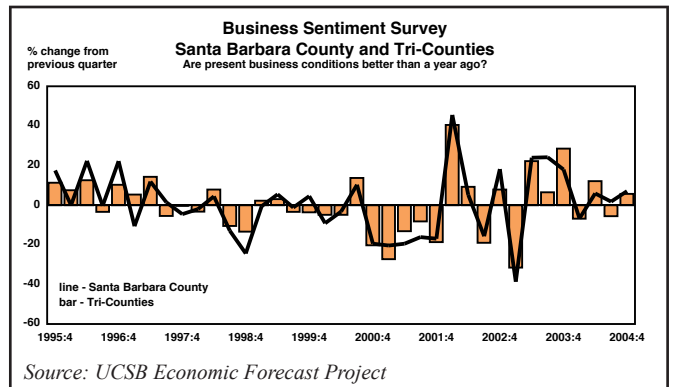
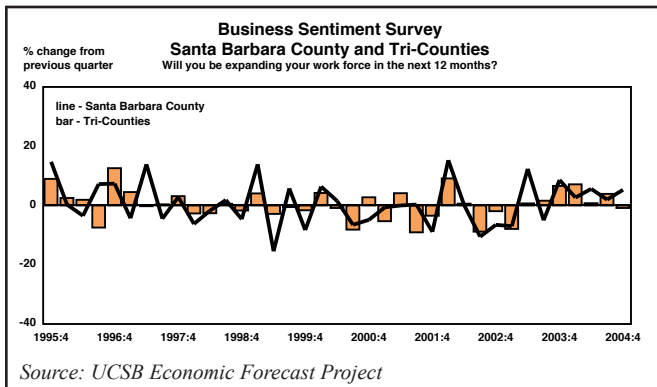
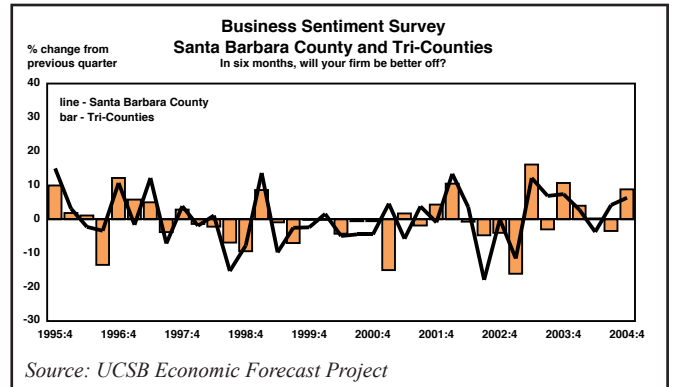
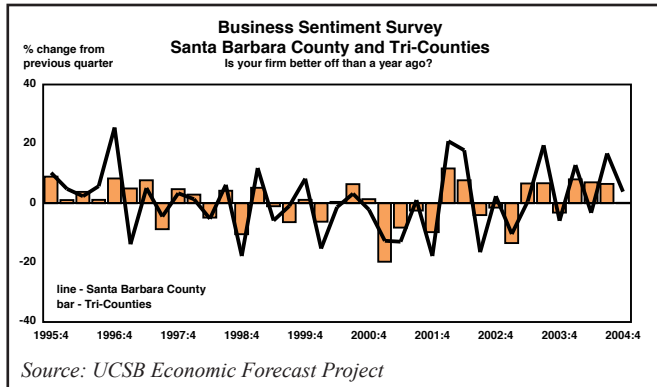
Top Employers - Santa Barbara County April 2005

Rank	Company Name	Location	Industry Code / Industry	Jobs	As of(Date)
1	UCSB	Goleta	Public Administration	9,626	Apr-05
2	Vandenberg Air Force Base	Lompoc	Public Administration	4,782	Apr-05
3	County of Santa Barbara	Santa Barbara	Public Administration	4,088	Mar-05
4	Santa Barbara Cottage Hospital	Santa Barbara	Health Care and Social Assistance	2,529	Apr-05
5	Santa Barbara City College	Santa Barbara	Public Administration	2,211	Mar-05
6	Raytheon Electronic Systems	Santa Barbara County	Durables Manufacturing	1,950	Mar-05
7	Santa Barbara School District Admin.	Santa Barbara	Public Administration	1,810	Apr-05
8	Santa Maria Bonita School District	Santa Maria	Public Administration	1,615	Mar-05
9	Chumash Casino	Santa Ynez	Arts, Entertainment, and Recreation	1,530	Apr-05
10	City of Santa Barbara	Santa Barbara	Public Administration	1,520	Mar-05
11	Lompoc Unified School District	Lompoc	Public Administration	1,498	Mar-05
12	Marian Medical Center	Santa Maria	Health Care and Social Assistance	1,300	Mar-05
13	Allan Hancock College	Santa Maria	Public Administration	1,200	Apr-05
14	Sansum Santa Barbara Medical Foundation Clinic	Santa Barbara	Health Care and Social Assistance	1,100	Mar-05
15	Lockheed Martin Corporation	Vandenberg	Durables Manufacturing	967	Apr-05
16	Santa Barbara County Education Office	Santa Barbara	Public Administration	941	Apr-05
17	Santa Barbara Bank & Trust	Santa Barbara	Finance/Insurance	900	Apr-05
18	U.S. Postal Service	Santa Barbara County	Public Administration	833	Apr-05
19	Albertsons Stores	Santa Barbara County	Retail Trade	826	Apr-05
20	Bacara Resort and Spa	Goleta	Accommodation Services	800	Apr-05
21	Vons	Santa Barbara County	Retail Trade	779	Apr-05
22	Goleta Union School District	Goleta	Public Administration	702	Mar-05
23	Orcutt Union School District	Santa Maria	Public Administration	670	Apr-05
24	Bargain Network Inc.	Goleta	Retail Trade	642	Mar-05
25	Federal Correction Institution	Lompoc	Public Administration	640	Apr-05
26	Santa Maria Joint Union School District	Santa Maria	Public Administration	629	Apr-05
27	InDyne, Inc.	Lompoc	Information	600	Dec-04
28	City of Santa Maria	Santa Maria	Public Administration	587	Dec-04
29	Den-Mat Corporation	Santa Maria	Durables Manufacturing	585	Dec-04
30	Four Seasons Biltmore	Santa Barbara	Accommodation Services	550	Apr-05
31	WalMart	Lompoc/Santa Maria	Retail Trade	510	Apr-05
32	Costco	Santa Barbara County	Wholesale Trade	506	Apr-05
33	Devereux Foundation, The	Goleta	Public Administration	500	Apr-05
33	Lompoc Hospital	Lompoc	Health Care and Social Assistance	500	Apr-05

Source: UCSB Economic Forecast Project
 Note: Includes both full and part-time employees.

Business Sentiment





Tri-County Business Sentiment Survey Raw Data Summary for Santa Barbara County 2005 Quarter 1

	much worse	worse	no change	better	much better	total
IS YOUR FIRM BETTER OFF OR WORSE THAN ONE YEAR AGO?	5.13	34.19	32.48	23.93	4.27	100.00
IN SIX MONTHS, DO YOU EXPECT YOUR FIRM TO BE BETTER OR WORSE OFF?	2.56	32.48	35.90	28.21	0.85	100.00
ARE PRESENT BUSINESS CONDITIONS BETTER OR WORSE THAN A YEAR AGO?	1.72	32.76	38.79	25.00	1.72	100.00
	downsizing 10% or more	downsizing 1-9%	no change	expanding 1-9%	expanding more than 10%	total
WILL YOU BE EXPANDING OR DOWNSIZING YOUR FIRM IN THE NEXT TWELVE MONTHS?	7.69	18.80	50.43	16.24	6.84	100.00
	more deterioration	some decline	no change	some improvement	much improvement	total
DO YOU EXPECT IN THE NEXT SIX MONTHS TO SHOW IMPROVED OR DETERIORATED LOCAL BUSINESS CONDITIONS?	0.86	23.28	47.41	28.45	0.00	100.00
DO YOU EXPECT THE LOCAL ECONOMY TO HAVE BETTER OR WORSE CONDITIONS IN THE NEXT FIVE YEARS?	0.00	30.17	35.34	31.90	2.59	100.00
	much more	more	same as now	less	much less	total
DO YOU EXPECT THERE WILL BE MORE OR LESS UNEMPLOYMENT IN THE COMING 12 MONTHS?	1.72	22.41	56.03	19.83	0.00	100.00
	rise sharply	modestly rise	remain the same	fall modestly	decline sharply	total
WHAT DO YOU THINK WILL HAPPEN TO INTEREST RATES IN THE COMING 12 MONTHS?	0.00	44.44	10.26	44.44	0.85	100.00
	very bad time	bad time	no different than other times	good time	very good time	total
DO YOU THINK IT IS A GOOD TIME OR A BAD TIME TO BUY A HOME?	2.56	30.77	36.75	29.06	0.85	100.00
DO YOU THINK IT IS A GOOD TIME OR A BAD TIME TO PURCHASE MAJOR HOUSEHOLD ITEMS OR AUTOMOBILES?	3.42	20.51	55.56	17.95	2.56	100.00
	much less affordable	less affordable	same as now	more affordable	much more affordable	total
DO YOU THINK BUYING A HOME WILL BE MORE OR LESS AFFORDABLE SIX MONTHS FROM NOW?	1.71	29.91	27.35	38.46	2.56	100.00

*Note: These values represent the percentage of respondents answering each particular choice.
Source: UCSB Economic Forecast Project*

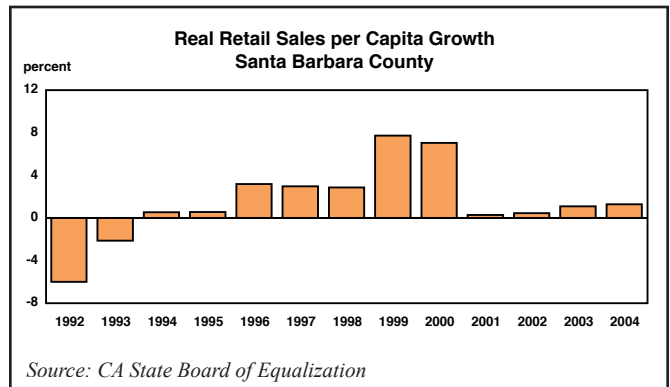
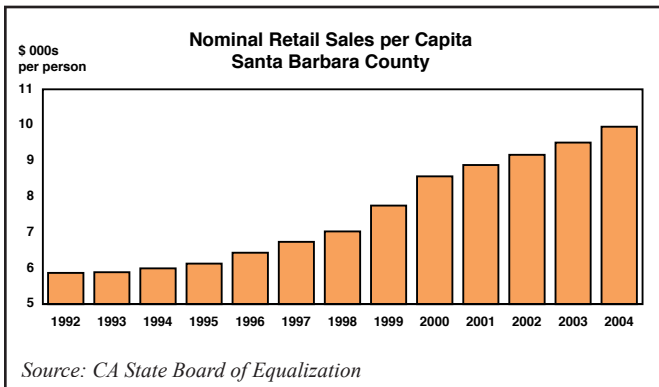
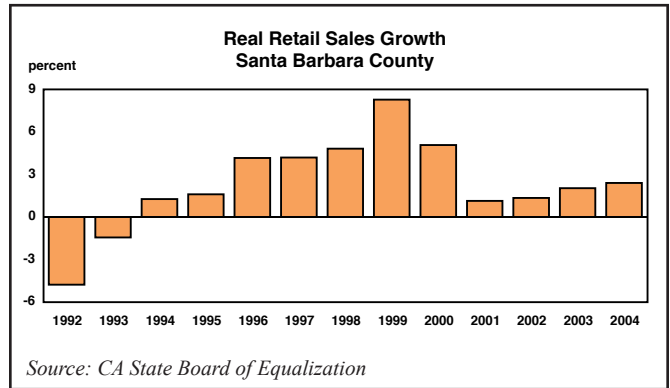
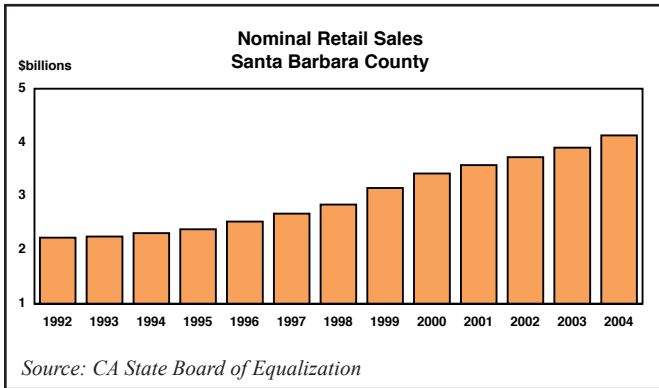
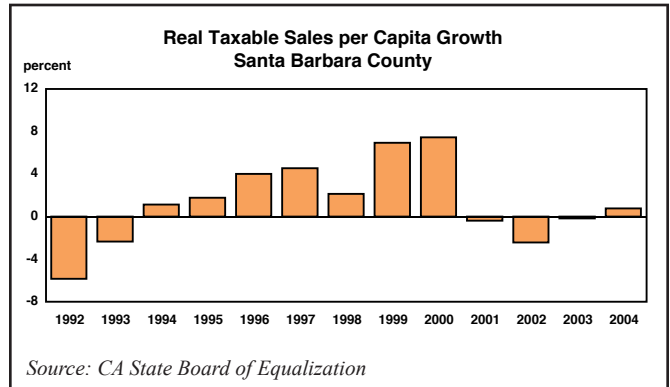
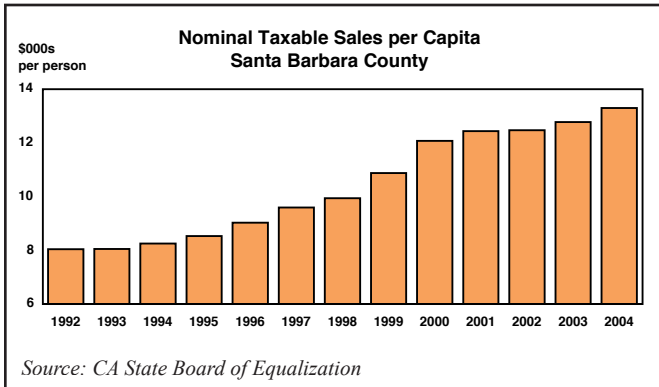
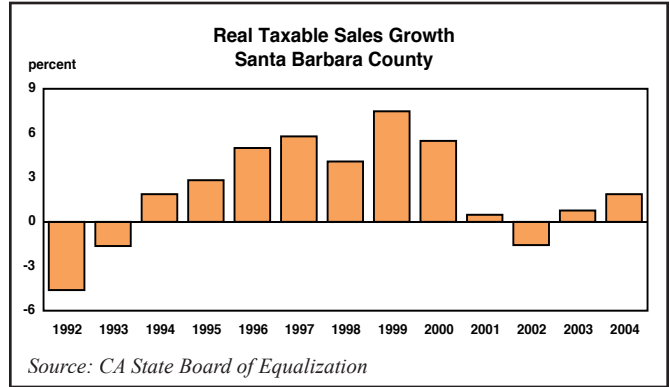
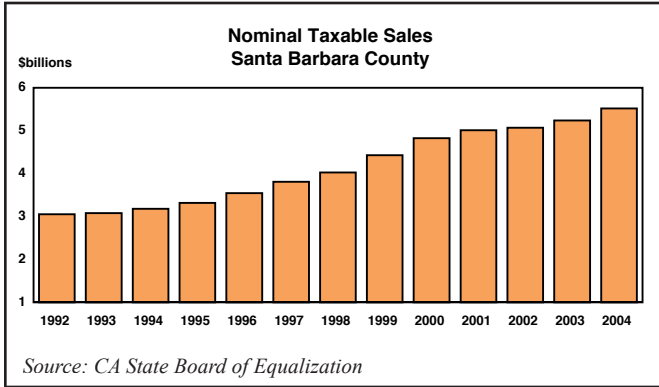
Tri-County Business Sentiment Survey Raw Data Summary for the Tri-Counties 2005 Quarter 1

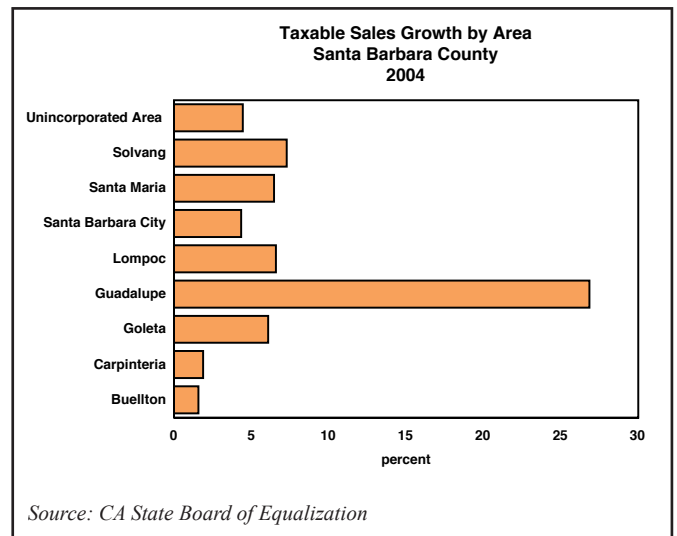
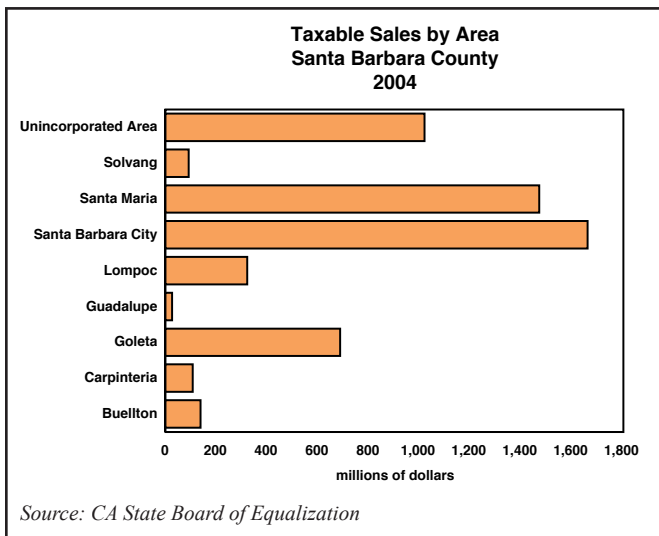
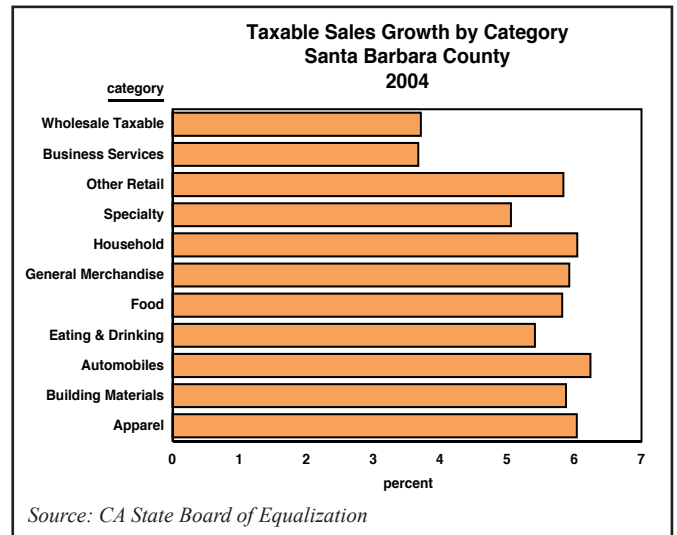
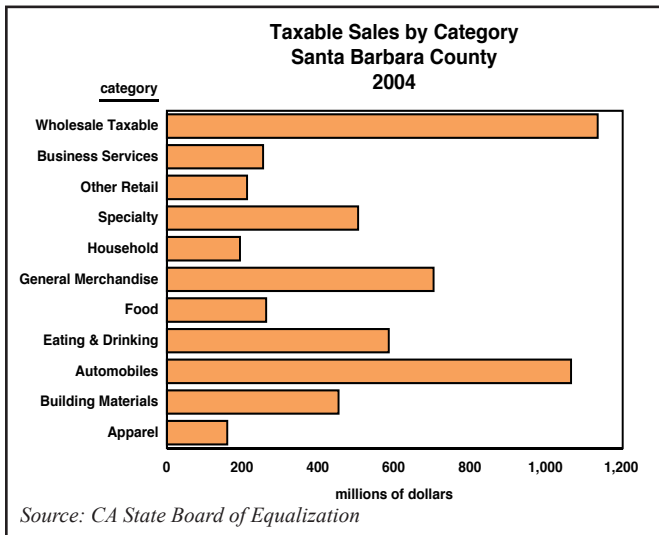
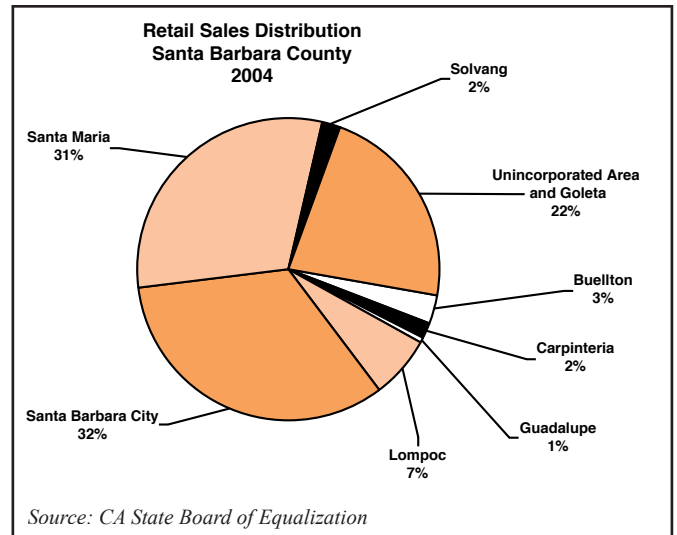
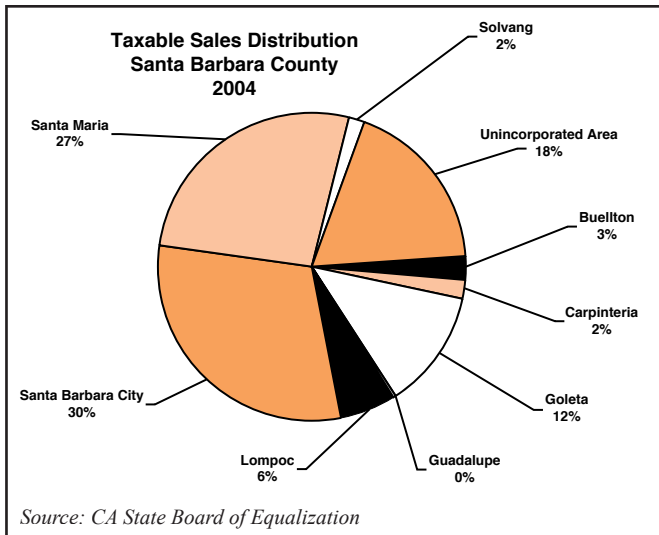
	much worse	worse	no change	better	much better	total
IS YOUR FIRM BETTER OFF OR WORSE THAN ONE YEAR AGO?	3.56	25.30	36.36	29.25	5.53	100.00
IN SIX MONTHS, DO YOU EXPECT YOUR FIRM TO BE BETTER OR WORSE OFF?	1.57	24.41	35.04	36.61	2.36	100.00
ARE PRESENT BUSINESS CONDITIONS BETTER OR WORSE THAN A YEAR AGO?	1.58	21.74	45.06	30.83	0.79	100.00
	downsizing 10% or more	downsizing 1-9%	no change	expanding 1-9%	expanding more than 10%	total
WILL YOU BE EXPANDING OR DOWNSIZING YOUR FIRM IN THE NEXT TWELVE MONTHS?	5.91	14.57	53.15	19.29	7.09	100.00
	more deterioration	some decline	no change	some improvement	much improvement	total
DO YOU EXPECT IN THE NEXT SIX MONTHS TO SHOW IMPROVED OR DETERIORATED LOCAL BUSINESS CONDITIONS?	1.19	19.37	46.25	32.81	0.40	100.00
DO YOU EXPECT THE LOCAL ECONOMY TO HAVE BETTER OR WORSE CONDITIONS IN THE NEXT FIVE YEARS?	1.19	27.27	29.64	36.76	5.14	100.00
	much more	more	same as now	less	much less	total
DO YOU EXPECT THERE WILL BE MORE OR LESS UNEMPLOYMENT IN THE COMING 12 MONTHS?	1.19	19.37	55.34	22.92	1.19	100.00
	rise sharply	modestly rise	remain the same	fall modestly	decline sharply	total
WHAT DO YOU THINK WILL HAPPEN TO INTEREST RATES IN THE COMING 12 MONTHS?	0.00	54.72	9.84	35.04	0.39	100.00
	very bad time	bad time	no different than other times	good time	very good time	total
DO YOU THINK IT IS A GOOD TIME OR A BAD TIME TO BUY A HOME?	3.54	29.92	33.86	29.53	3.15	100.00
DO YOU THINK IT IS A GOOD TIME OR A BAD TIME TO PURCHASE MAJOR HOUSEHOLD ITEMS OR AUTOMOBILES?	2.36	16.54	51.18	26.77	3.15	100.00
	much less affordable	less affordable	same as now	more affordable	much more affordable	total
DO YOU THINK BUYING A HOME WILL BE MORE OR LESS AFFORDABLE SIX MONTHS FROM NOW?	2.36	38.98	27.17	29.92	1.57	100.00

Note: These values represent the percentage of respondents answering each particular choice.

Source: UCSB Economic Forecast Project

Retail Sales

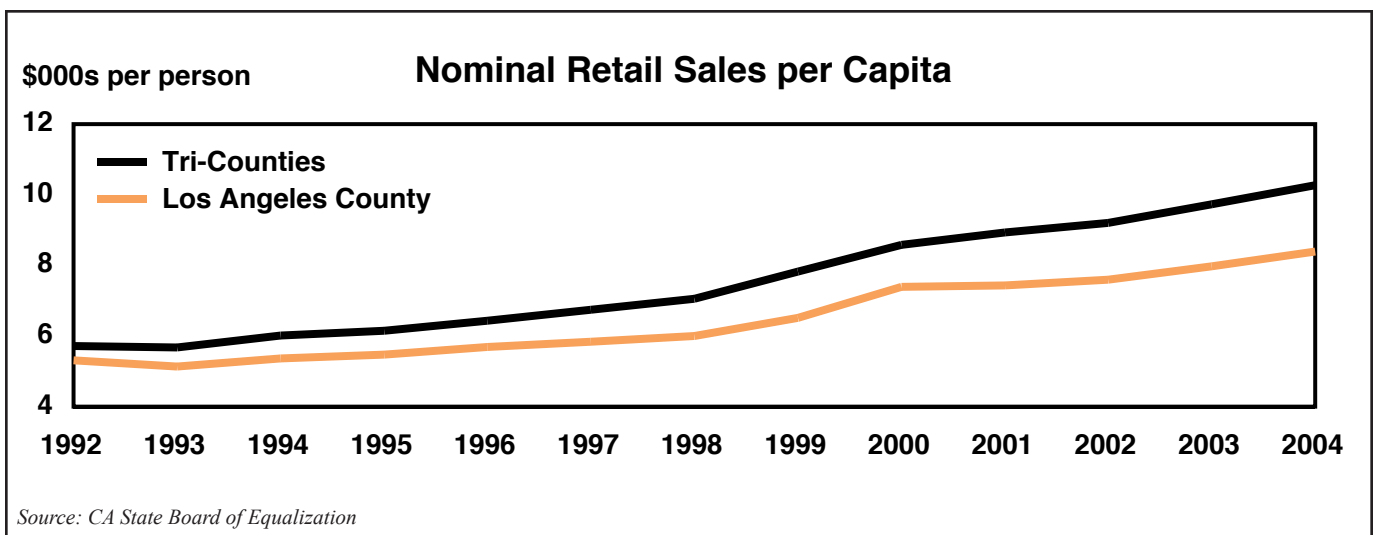
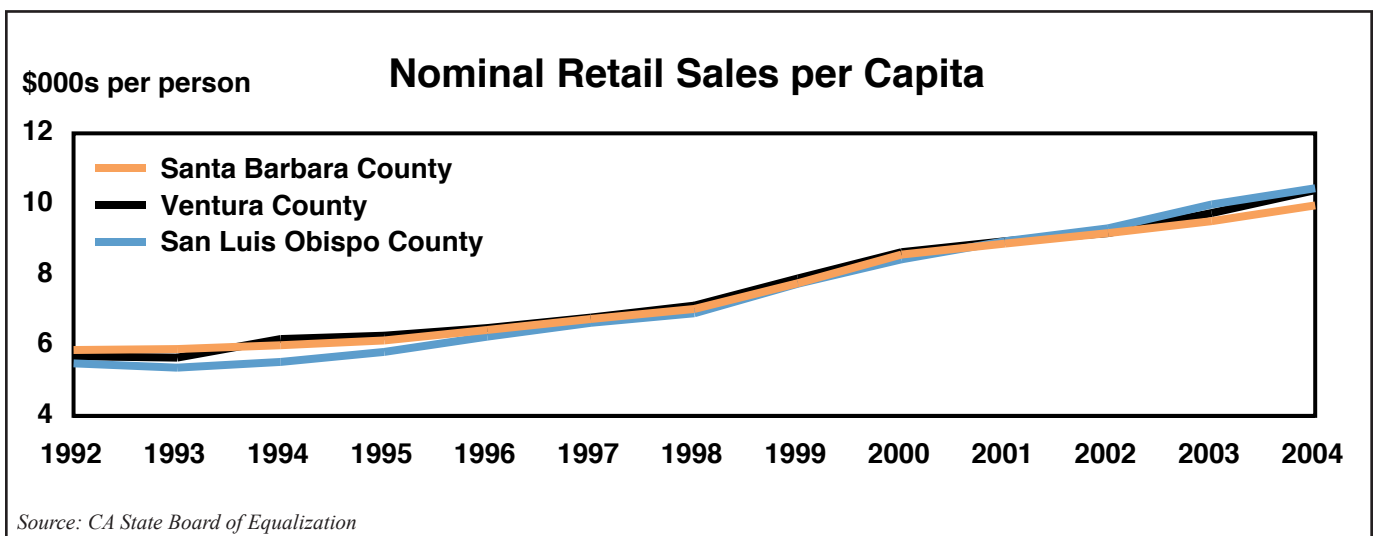
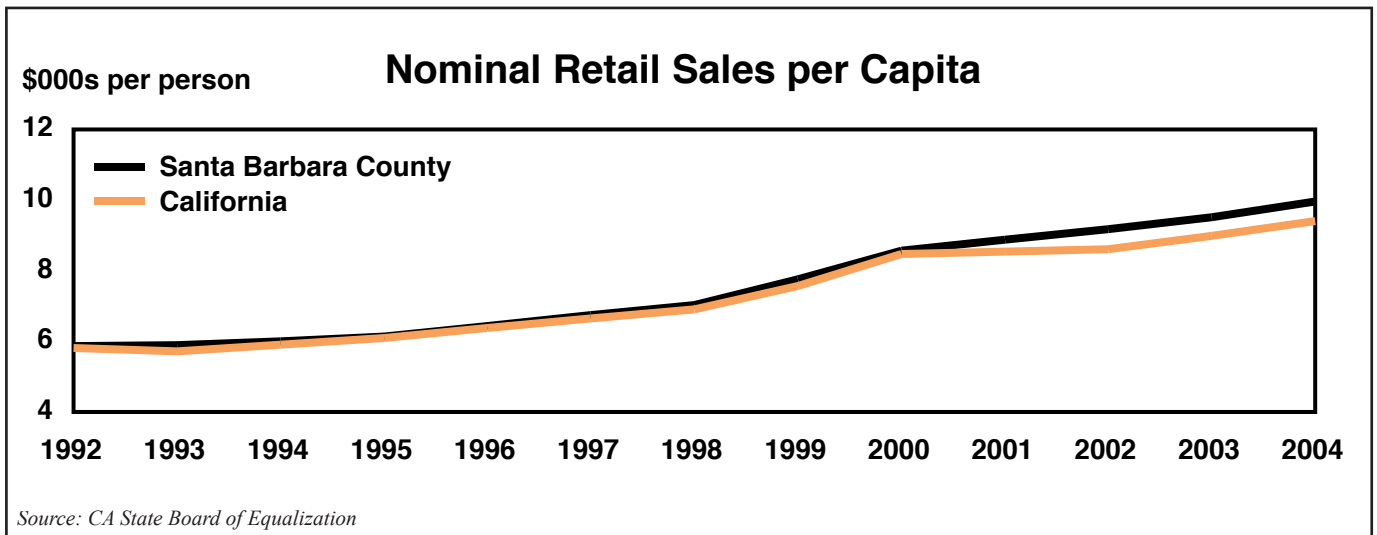




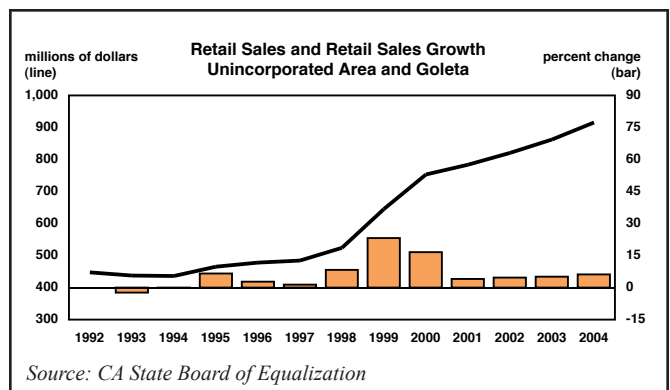
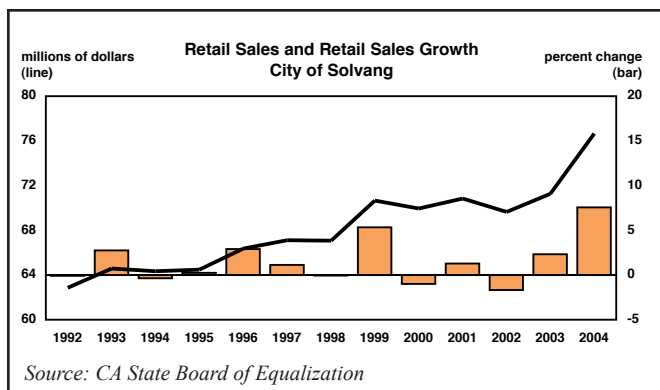
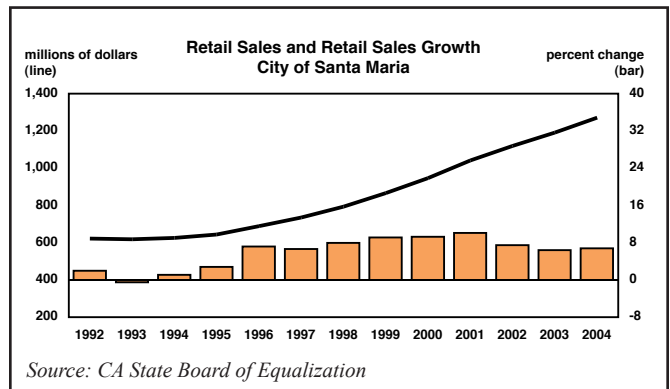
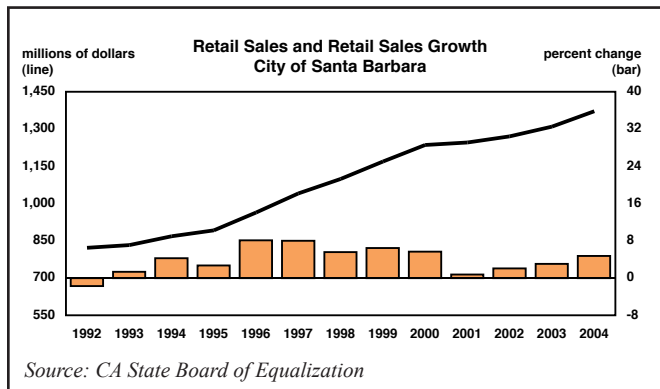
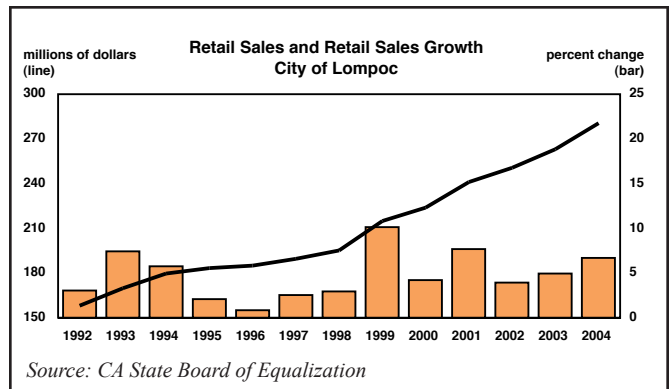
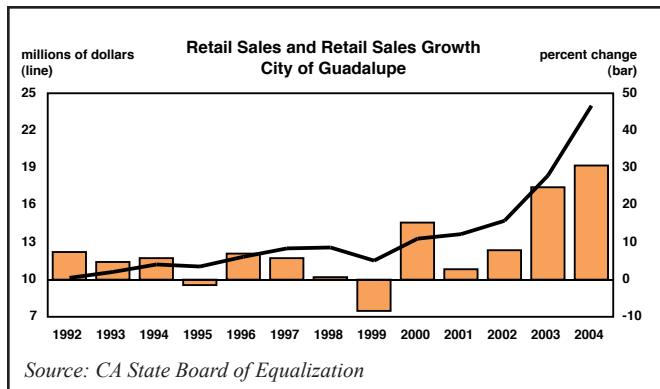
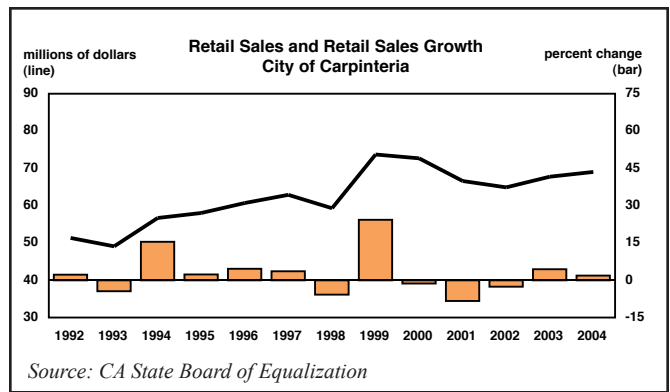
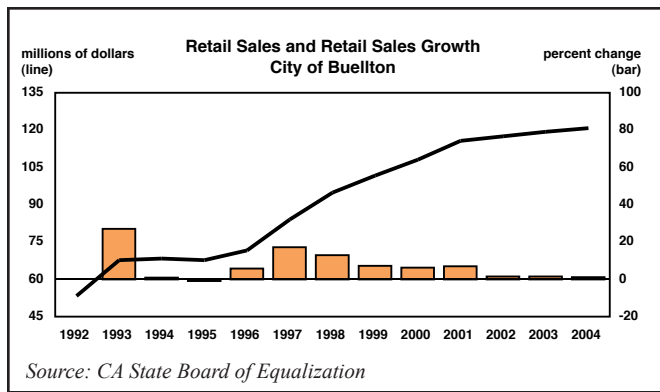
Santa Barbara County Retail Sales by Type

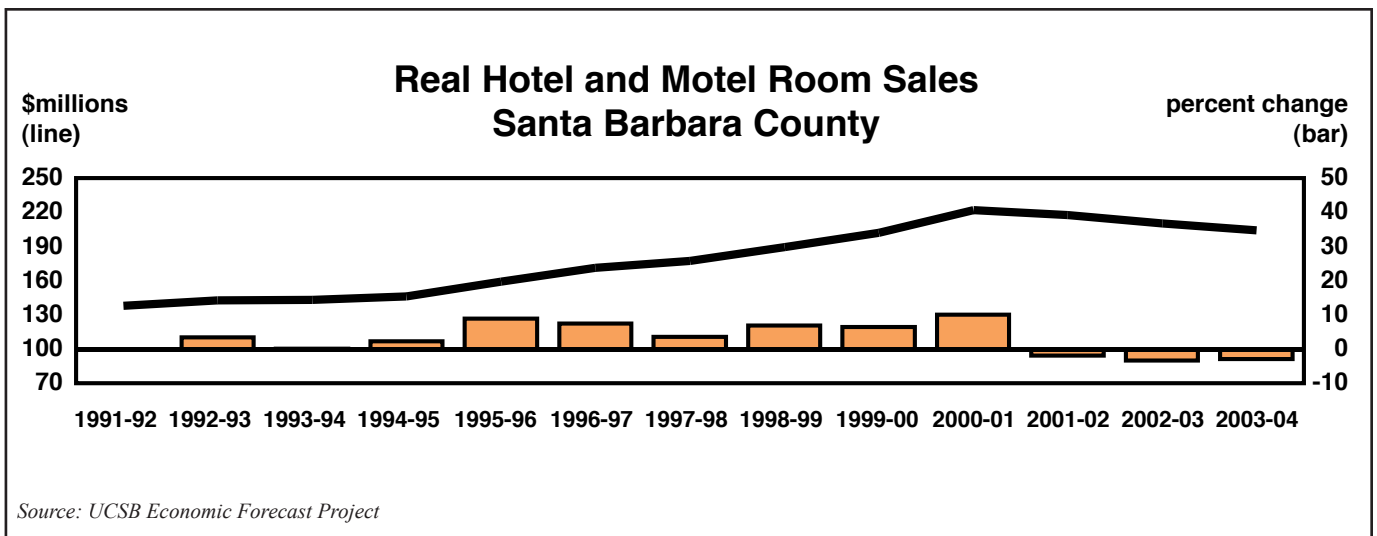
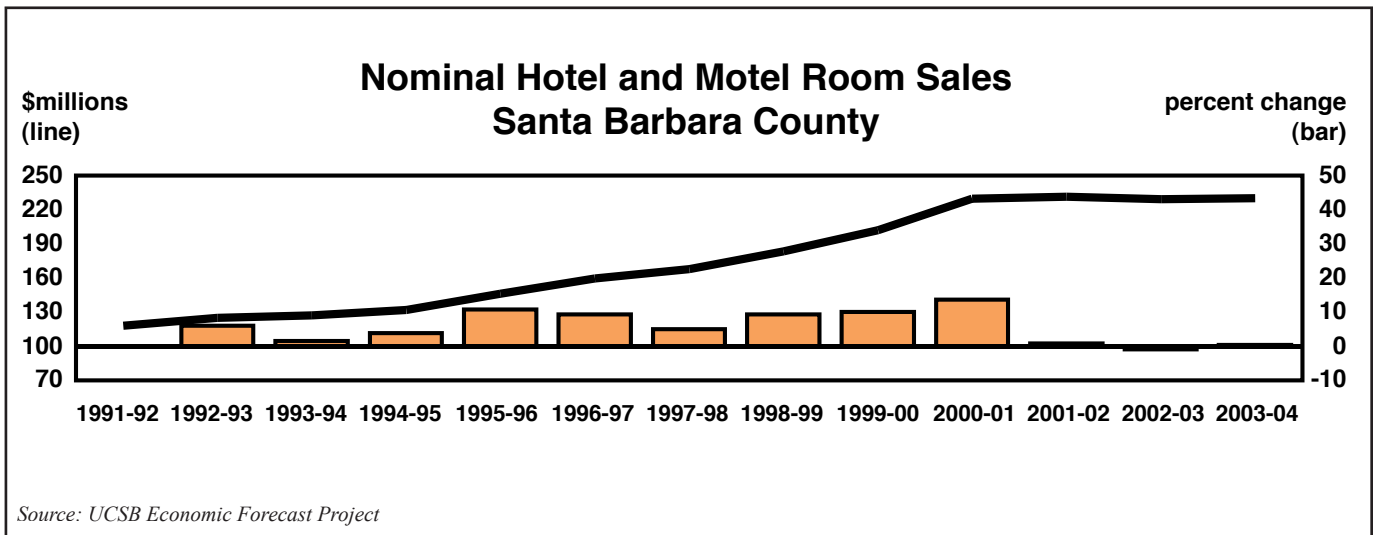
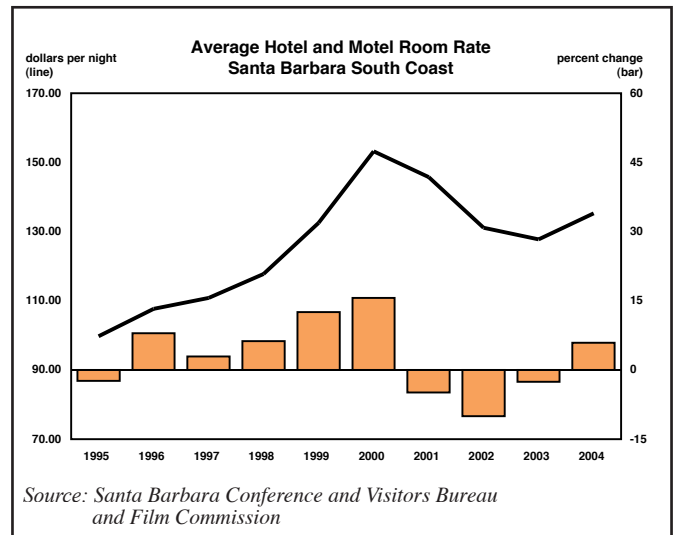
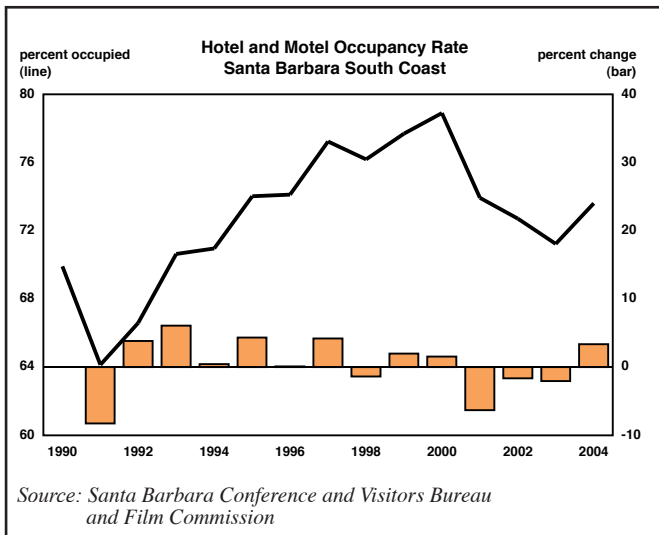
	1998	1999	2000	2001	2002	2003	2004
Total Taxable Sales (\$millions)	4,024.3	4,426.5	4,823.3	5,009.9	5,068.4	5,240.2	5,516.7
Total Taxable Sales (2000 \$millions)	4,254.5	4,572.5	4,823.3	4,846.9	4,771.3	4,808.3	4,898.5
percent change	4.1	7.5	5.5	0.5	-1.6	0.8	1.9
Wholesale Taxable Sales (\$millions)	944.5	1,026.0	1,142.1	1,181.7	1,096.0	1,093.4	1,134.0
Wholesale Taxable Sales (2000 \$millions)	998.6	1,059.8	1,142.1	1,143.2	1,031.7	1,003.3	1,006.9
percent change	2.5	6.1	7.8	0.1	-9.8	-2.8	0.4
Business Services Sales (\$millions)	234.3	247.1	258.1	249.5	244.8	244.2	253.2
Business Services Sales (2000 \$millions)	247.7	255.2	258.1	241.4	230.4	224.1	224.8
percent change	1.8	3.0	1.1	-6.5	-4.6	-2.7	0.3
Retail Sales (\$millions)	2,845.4	3,153.5	3,423.1	3,578.7	3,727.7	3,902.5	4,129.6
Retail Sales (2000 \$millions)	3,008.2	3,257.4	3,423.1	3,462.3	3,509.2	3,580.9	3,666.8
percent change	4.8	8.3	5.1	1.1	1.4	2.0	2.4
Apparel Sales (\$millions)	118.5	119.1	120.1	124.6	140.3	150.1	159.2
Apparel Sales (2000 \$millions)	125.3	123.0	120.1	120.6	132.1	137.8	141.4
percent change	-7.2	-1.8	-2.4	0.4	9.5	4.3	2.6
Bldg Mat'l and Farm Sales (\$millions)	262.1	321.2	349.9	379.4	393.1	427.1	452.2
Bldg Mat'l and Farm Sales (2000 \$millions)	277.1	331.7	349.9	367.1	370.1	391.9	401.5
percent change	10.3	19.7	5.5	4.9	0.8	5.9	2.5
Autos/Supplies/Gas Sales (\$millions)	640.3	719.8	809.7	877.8	944.7	1,001.3	1,063.8
Autos/Supplies/Gas Sales (2000 \$millions)	676.9	743.6	809.7	849.3	889.3	918.8	944.5
percent change	3.5	9.9	8.9	4.9	4.7	3.3	2.8
Eating and Drinking Sales (\$millions)	417.3	445.4	483.8	511.5	533.8	553.9	583.9
Eating and Drinking Sales (2000 \$millions)	441.2	460.0	483.8	494.9	502.5	508.3	518.4
percent change	5.3	4.3	5.2	2.3	1.5	1.1	2.0
Food Stores Sales (\$millions)	220.4	225.4	228.8	235.0	242.4	246.9	261.3
Food Stores Sales (2000 \$millions)	233.0	232.9	228.8	227.4	228.2	226.6	232.0
percent change	-0.9	-0.1	-1.8	-0.6	0.4	-0.7	2.4
General Merchandise Sales (\$millions)	512.5	592.2	625.2	639.2	644.6	662.9	702.2
General Merchandise Sales (2000 \$millions)	541.8	611.7	625.2	618.4	606.8	608.3	623.5
percent change	6.9	12.9	2.2	-1.1	-1.9	0.3	2.5
Home Furnish./Appliances Sales (\$millions)	130.9	139.4	171.8	160.5	174.0	181.4	192.3
Home Furnish./Appliances Sales (2000 \$millions)	138.4	144.0	171.8	155.3	163.8	166.4	170.8
percent change	5.8	4.0	19.3	-9.6	5.5	1.6	2.6
Specialty Stores Sales (\$millions)	381.2	421.2	458.7	472.8	475.4	479.3	503.5
Specialty Stores Sales (2000 \$millions)	403.0	435.1	458.7	457.4	447.5	439.8	447.1
percent change	7.1	8.0	5.4	-0.3	-2.2	-1.7	1.7
Other Retail Sales (\$millions)	162.3	169.7	175.2	178.3	179.5	199.6	211.2
Other Retail Sales (2000 \$millions)	171.5	175.3	175.2	172.5	169.0	183.1	187.6
percent change	6.2	2.2	-0.1	-1.5	-2.0	8.4	2.4

Source: CA State Board of Equalization and UCSB Economic Forecast Project

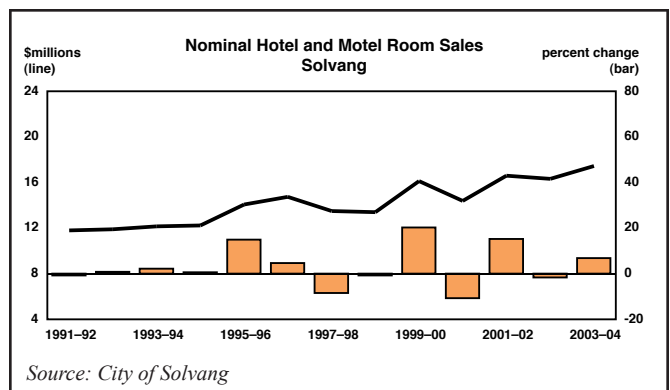
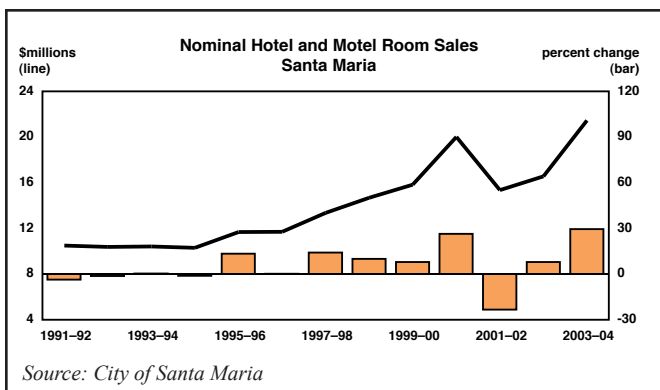
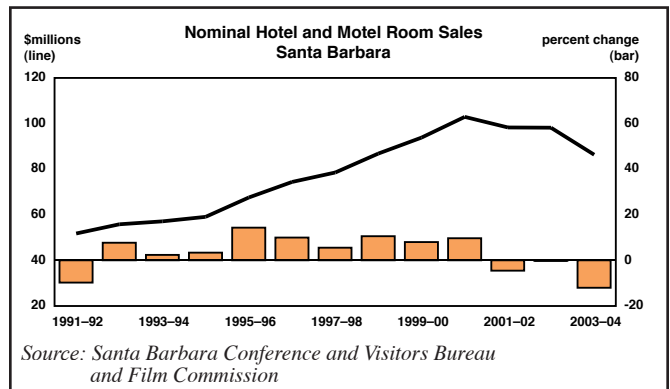
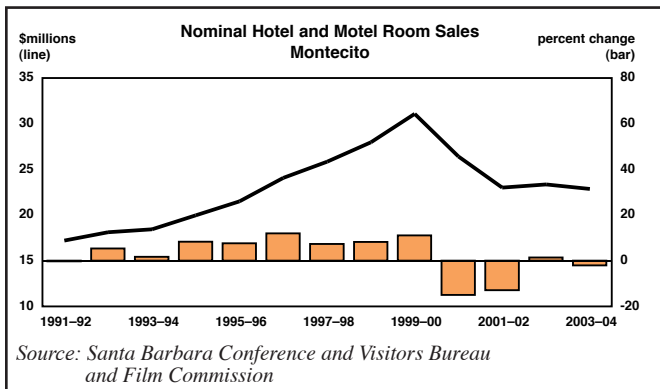
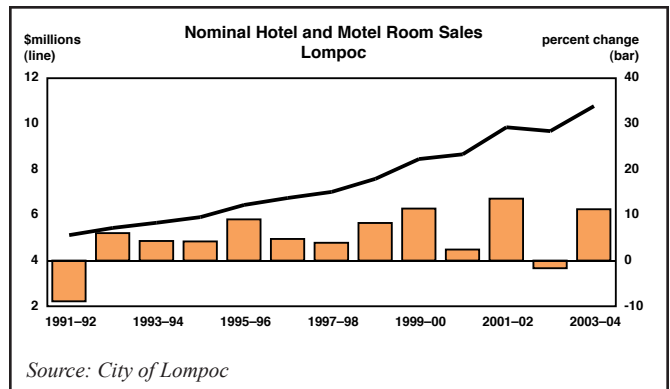
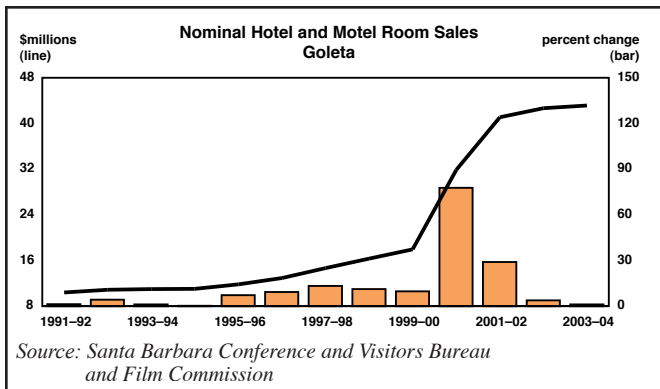
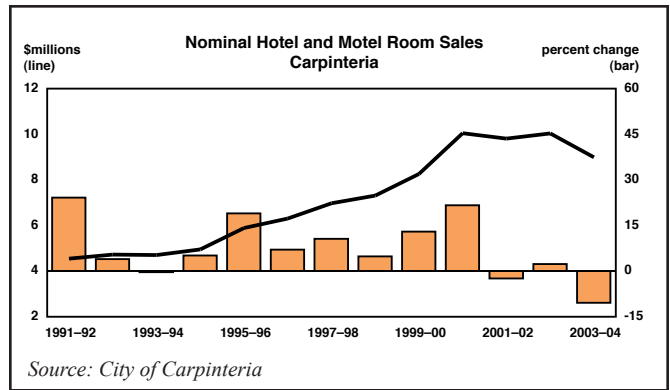
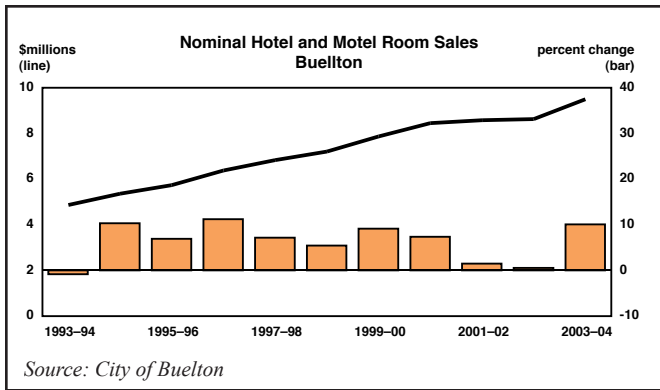


Retail Sales





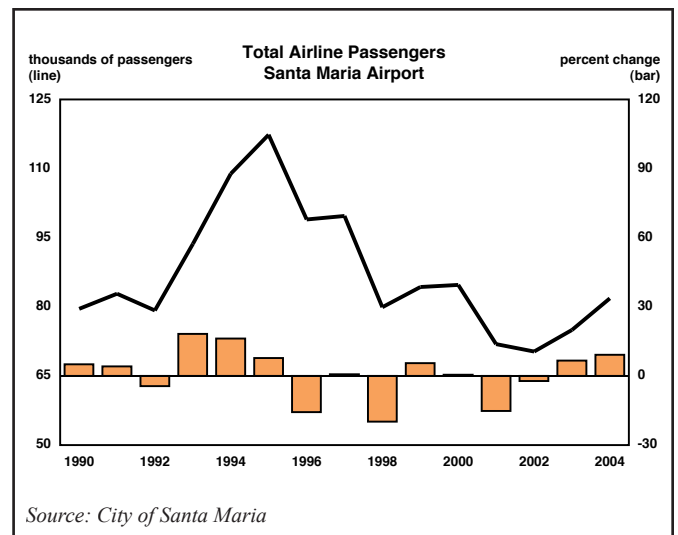
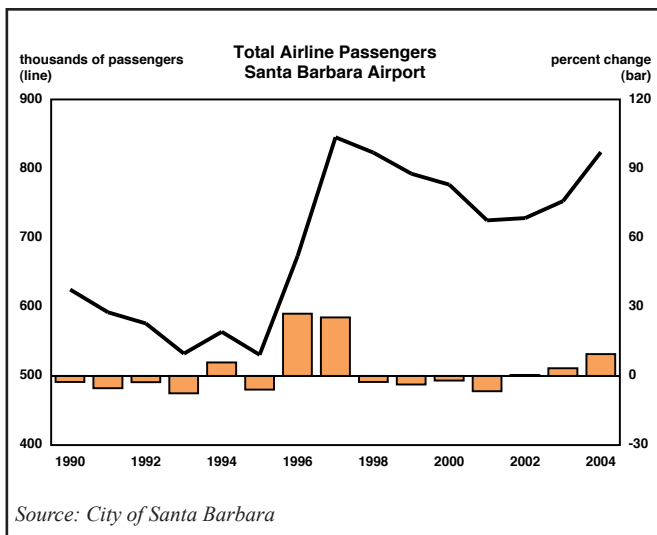
Tourism



Hotel / Motel Room Sales Santa Barbara County

	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Region (thousands of dollars)	-- fiscal years --							
Buellton	6,378	6,836	7,209	7,870	8,451	8,578	8,625	9,496
Carpinteria	6,304	6,972	7,310	8,260	10,048	9,807	10,035	8,993
Goleta *	12,945	14,669	16,326	17,933	31,875	41,103	42,668	43,143
Lompoc	6,746	7,011	7,590	8,458	8,664	9,843	9,682	10,773
Montecito	24,077	25,845	27,971	31,080	26,417	23,010	23,347	22,865
Santa Barbara	74,346	78,517	86,829	93,838	102,921	98,325	98,167	86,378
Santa Maria	11,693	13,353	14,679	15,834	20,020	15,350	16,553	21,449
Svang	14,739	13,499	13,399	16,122	14,392	16,587	16,313	17,437
Other	2,468	1,081	2,185	2,433	6,741	8,647	3,816	9,434
Santa Barbara County (thousands of dollars)	159,697	167,783	183,497	201,828	229,529	231,251	229,206	229,968
percent change	9.3	5.1	9.4	10.0	13.7	0.8	-0.9	0.3
Santa Barbara County (thousands of 2000 dollars)	171,243	177,382	189,546	201,828	222,064	217,694	210,316	204,198
percent change	7.5	3.6	6.9	6.5	10.0	-2.0	-3.4	-2.9

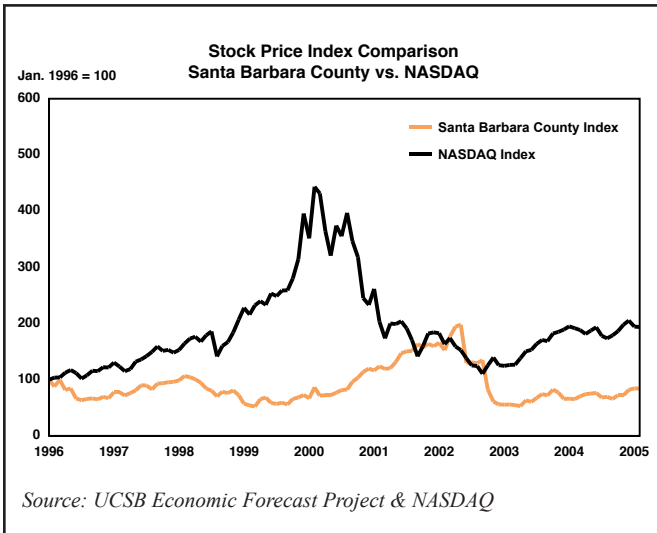
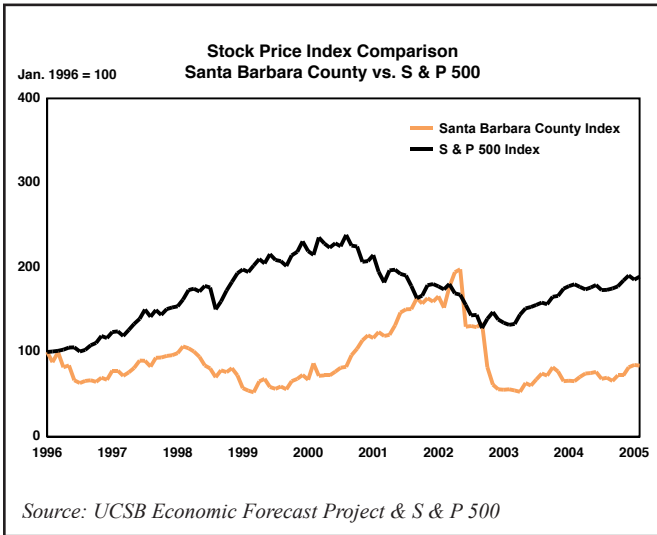
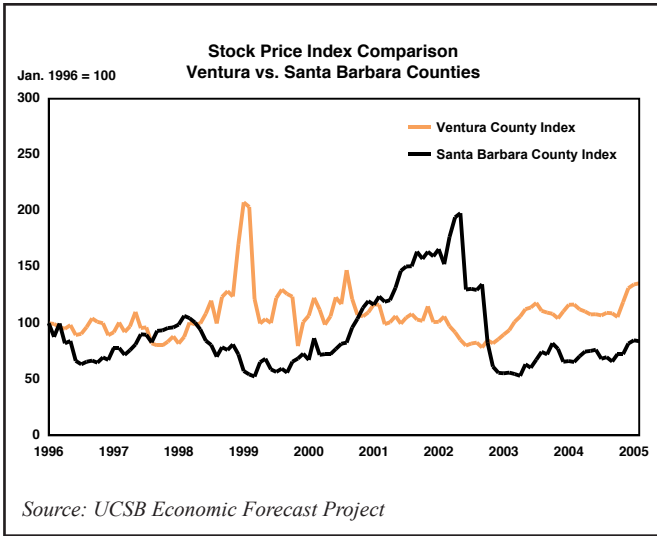
Source: Cities of Buellton, Carpinteria, Lompoc, Santa Maria, Solvang, Santa Barbara Conference and Visitors Bureau and Film Commission, UCSB Economic Forecast Project
Note: Fiscal Years



Santa Barbara County Travel Impacts

	1998	1999	2000	2001	2002	2003
Travel Spending by Type of Traveler Accommodation (\$Million)						
Hotel, Motel, B&B	594	648	687	704	714	742
Private Campground	19	21	23	23	23	24
Public Campground	12	9	16	16	16	17
Private Home	105	109	114	111	112	115
Vacation Home	26	26	27	29	29	30
DayTravel	258	273	290	273	274	282
Destination Spending	1,014	1,087	1,158	1,157	1,168	1,209
Travel Spending by Commodity Purchased (\$Million)						
Accommodations	205	222	241	253	260	268
Food & Beverage Services	275	293	304	303	313	324
Food Stores	32	33	36	36	37	38
Ground Transportation & Motor Fuel	70	79	96	89	84	101
Recreation, Entertainment	163	174	182	181	184	189
Shopping	264	281	295	291	287	286
Destination Spending	1,014	1,087	1,158	1,157	1,168	1,209
Total Direct Travel Spending (\$Million)						
Destination Spending	1,014	1,087	1,158	1,157	1,168	1,209
AirTransportation & Travel Services	10	11	12	11	10	10
Total Spending	1,024	1,097	1,169	1,168	1,179	1,219
Earnings Generated by Travel Spending (\$Million)						
Total Earnings	324	348	371	375	388	404
Employment Generated by Travel Spending (Jobs)						
Accommodations & Food Service	9,500	9,800	10,200	9,700	9,700	10,000
Arts, Entertainment, & Recreation	3,600	3,800	3,700	3,500	3,400	3,500
Retail Sales	1,700	1,700	1,700	1,700	1,600	1,500
Air Transportation	100	100	100	100	100	100
Travel Arrangement Services	300	300	300	200	200	200
Auto Rental & Other Ground Transport	100	100	100	100	100	100
Total Employment	15,300	15,700	16,100	15,400	15,100	15,300
Tax Revenues Generated by Travel Spending (\$Million)						
Local Taxes	28.0	30.0	32.0	33.0	34.0	36.0
State Taxes	45.0	48.0	50.0	49.0	50.0	51.0
Total Taxes	73.0	78.0	82.0	83.0	84.0	88.0

Source: The CA Division of Tourism



Company and Ticker Listing	
Applied Material	APM *
Benton Oil	BNO *
Big Dog	BDOG
Calavo Growers	CVGW
CallWave Inc.	CALL
CKE Restaurants	CKR
Community West Bank	CWBC
Computer Motion, Inc.	RBOT *
Deckers Outdoor Company	DECK
EarthShell Corp	ERTH.PK
Expertelligence	EXPG.PK*
Fidelity National Informa Financials	FNIS *
Greka Energy	GRKA *
Harrington West Financial Group Inc	HWFG
INAMED	IMDC
Mentor Corporation	MNTR
Mirivant Medical Technologies	MRVT
Netlogix Communications	NETX *
Pacific Capital Bank	PCBC
The Plastic Surgery Company	PSU *
QAD, Incorporated	QADI
Santa Barbara Restaurant	SBRG *
Software.com Incorporated	SWCM *
Somera Communications	SMRA
Superconductor Technologies	SCON
Tenet Healthcare	THC
STAR Telecommunications	STRX *

Source: UCSB Economic Forecast Project
 * These companies have either been purchased by another company or have gone out of business since the beginning of this index. They are still included in this index because of their historical value.

Agriculture - Statistical Summary Santa Barbara County

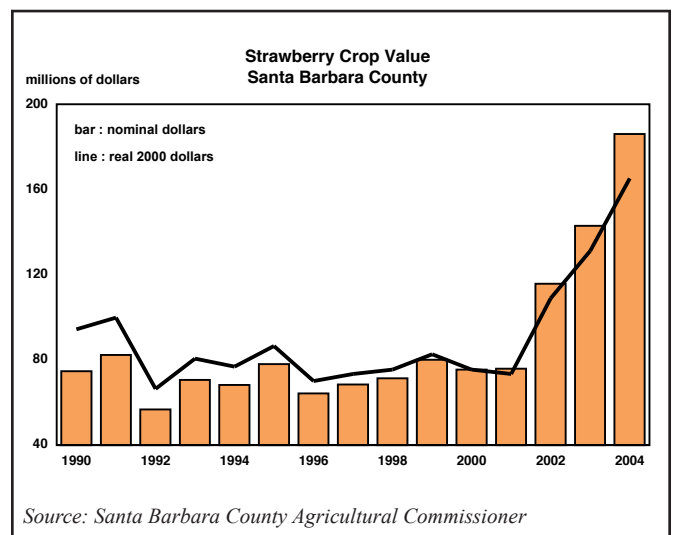
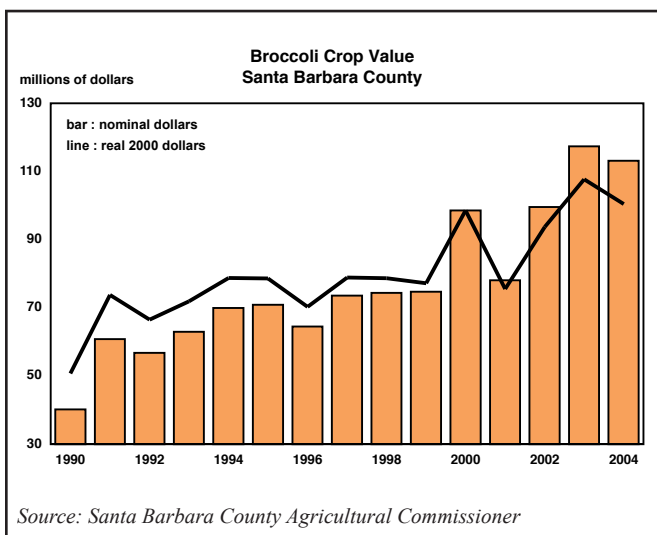
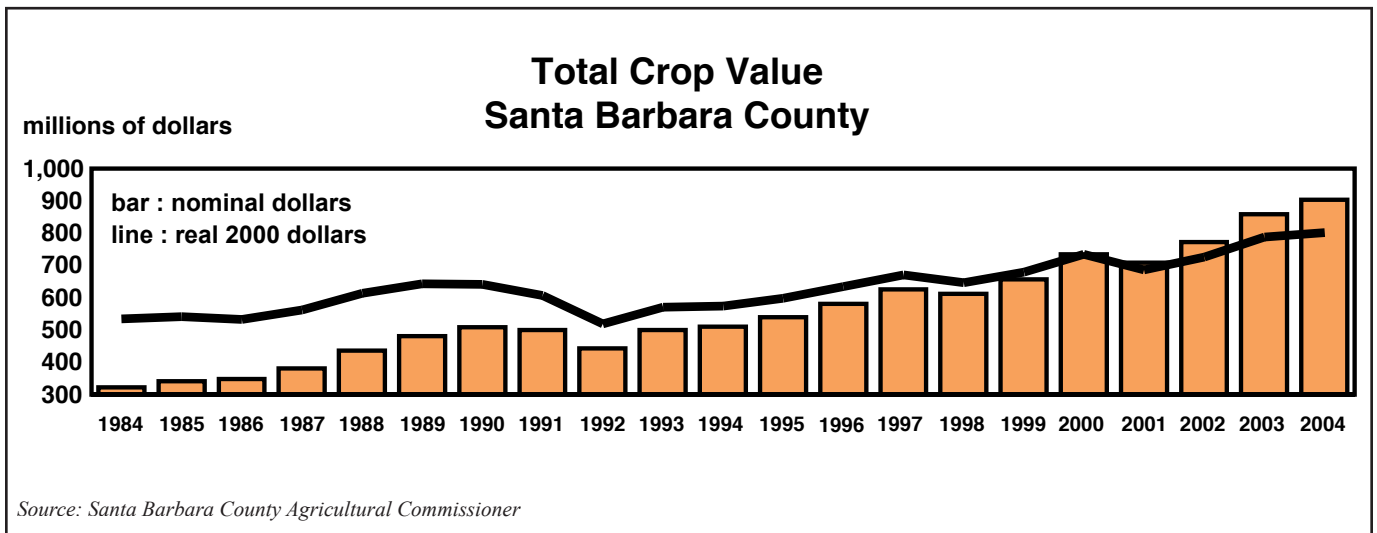
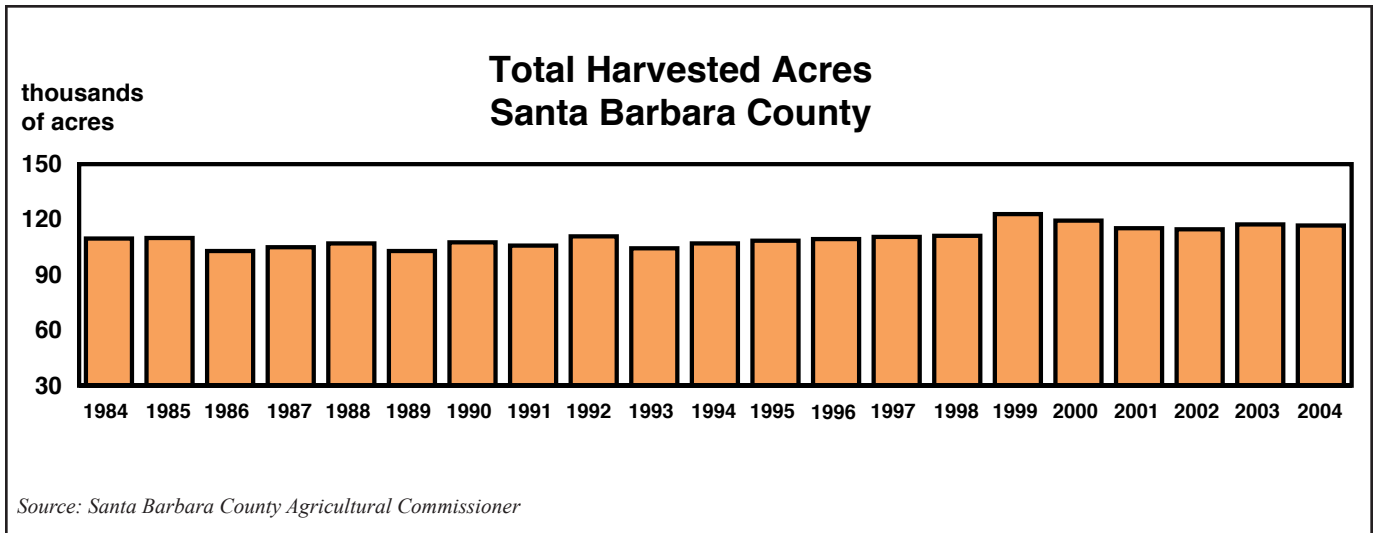
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Total Crop Value (\$Millions)	509.8	539.3	581.6	626.0	611.9	657.0	735.0	709.1	771.7	858.0	902.9
percent change	1.9	5.8	7.8	7.6	-2.3	7.4	11.9	-3.5	8.8	11.2	5.2
Real Total Crop Value (2000 \$Millions)	574.2	598.0	634.1	671.2	646.9	678.6	735.0	686.1	726.4	787.3	801.7
percent change	0.5	4.2	6.0	5.9	-3.6	4.9	8.3	-6.7	5.9	8.4	1.8
Total Agricultural Acreage (000s of acres)	711	712	713	714	714	726	714	711	710	712	712
Total Harvested Acreage (000s of acres)	107	109	110	111	111	123	119	115	115	117	117
Pasture Acreage (000s of acres)	604	604	604	604	603	603	595	595	595	595	595
Earnings per Harvested Acre (\$)	4,767	4,969	5,310	5,663	5,498	5,347	6,162	6,143	6,727	7,304	7,735
Real Earnings per Harvested Acre (2000 \$)	5,369	5,510	5,789	6,072	5,813	5,523	6,162	5,944	6,333	6,702	6,868
Employment in Agriculture (Jobs)	13,858	14,117	14,642	14,733	13,833	15,258	14,850	13,758	14,233	16,183	16,292
Average Salary in Agriculture (\$ per worker)	14,069	14,778	15,018	15,810	16,926	17,412	18,069	20,589	21,085	20,064	20,667
Real Avg. Salary in Agriculture (2000 \$ per worker)	15,846	16,386	16,373	16,953	17,894	17,986	18,069	19,919	19,849	18,411	18,351
Number of Farm Proprietors	1,685	1,676	1,630	1,628	1,692	1,682	1,658	1,598	1,580	1,636	1,645
Farm Proprietor Income (\$Millions)	120.7	136.9	134.4	160.8	150.1	167.8	151.4	111.6	164.7	174.2	184.6

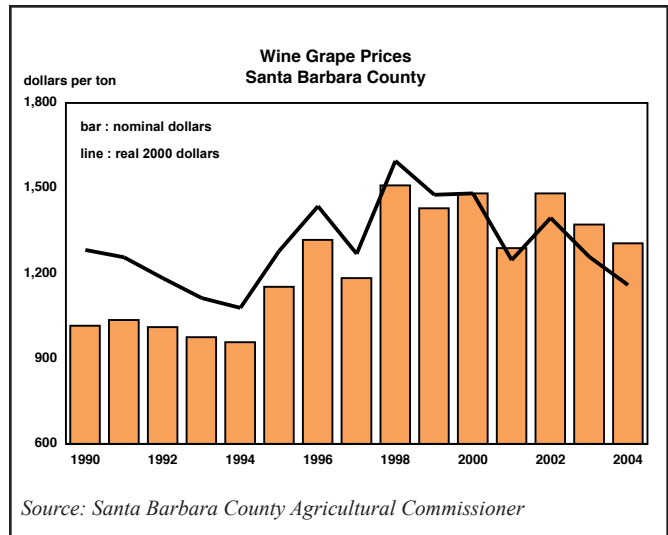
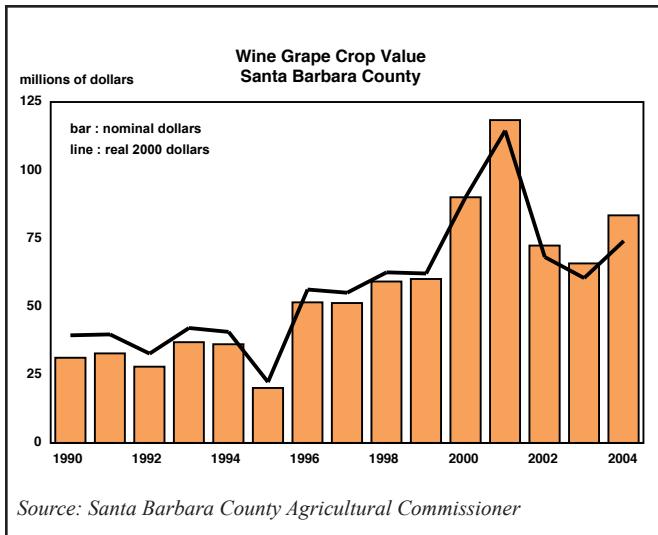
Source: CA Employment Development Department, CA Department of Finance, Santa Barbara County Agricultural Commissioner

Leading Agriculture Production by Dollars Santa Barbara County

Crop	2004 ranking	2004 Value	2003 ranking	2003 Value
Strawberries	1	\$186,066,115	1	\$142,898,737
Broccoli	2	\$113,153,407	2	\$117,388,731
Wine Grapes	3	\$83,427,478	4	\$65,848,251
Head Lettuce	4	\$51,062,252	3	\$71,239,293
Cauliflower	5	\$35,790,197	6	\$43,595,172
Celery	6	\$31,007,372	7	\$33,655,806
Avocados	7	\$29,353,518	5	\$55,385,731
Cattle	8	\$28,610,862	9	\$23,431,109
Gerbera cut flowers	9	\$21,956,946	10	\$18,035,705
Leaf Lettuce	10	\$17,953,657	8	\$23,606,533

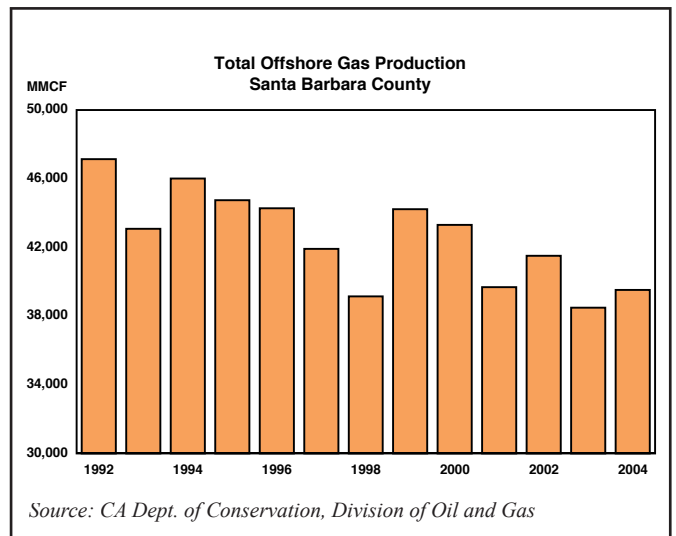
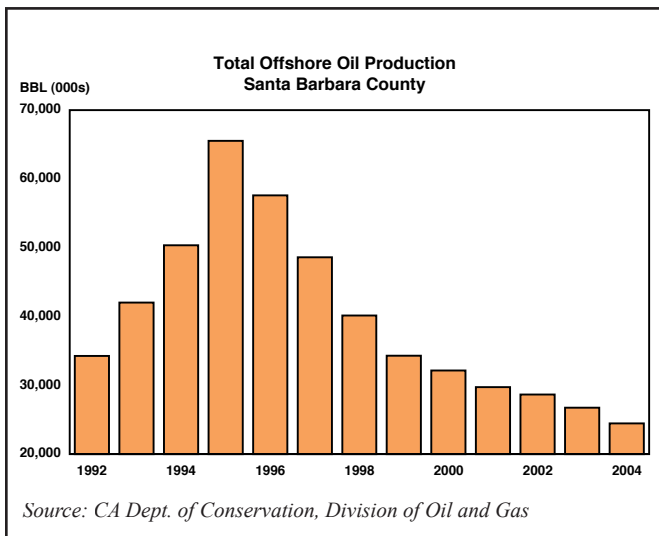
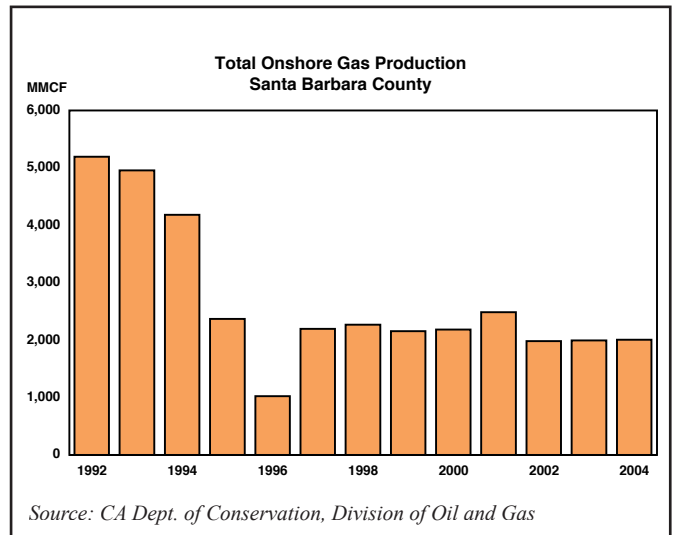
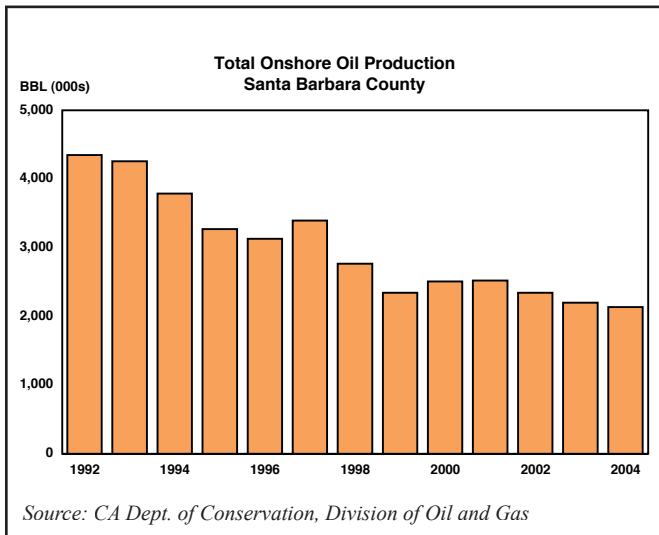
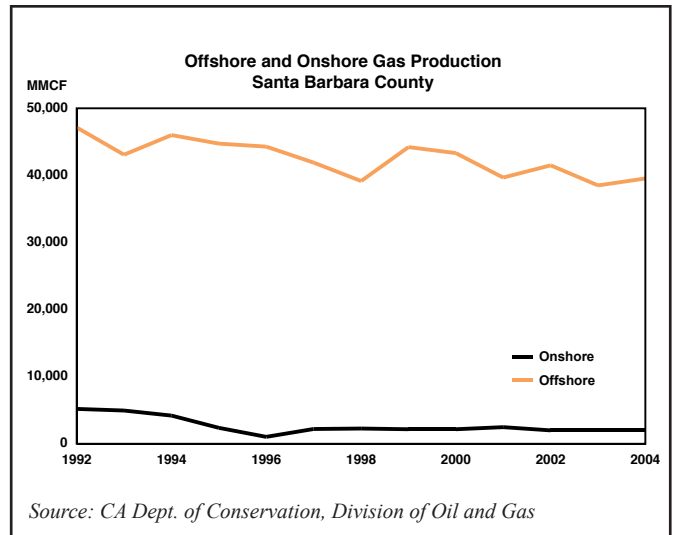
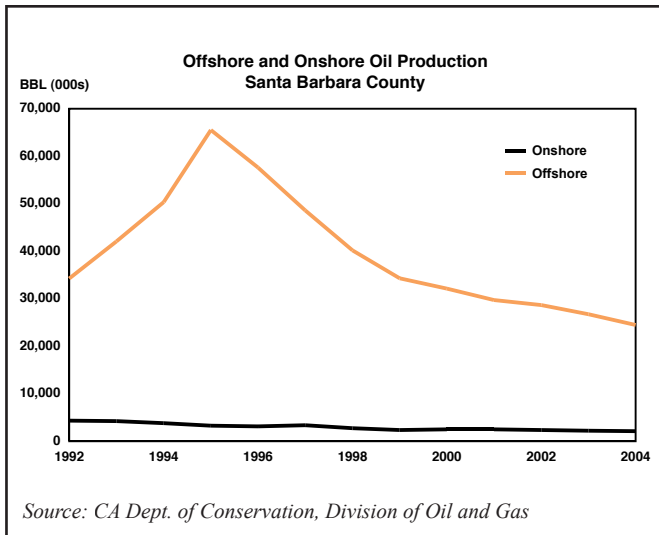
Source: Santa Barbara County Agricultural Commissioner





District 8* Total Grape Production and Average Wine Grape Prices					
Grape Variety	2004 Tons of Grapes Crushed	2004 Tons of Grapes Purchased	2004 Average Price (dollars per ton)	2003 Average Price (dollars per ton)	Percentage Change
Chardonnay	47,201	15,480	1,278	1,328	-3.8
Sauvignon Blanc	5,291	3,564	918	905	+1.4
Others	10,380	4,944			
Total White	62,872	23,988	1,176	1,162	+1.2
Cabernet Sauvignon	43,910	30,962	925	1,076	-14.0
Merlot	20,929	16,016	1,019	1,127	-9.5
Pinot Noir	10,407	4,801	2,273	2,542	-10.6
Syrah	14,665	9,267	1,122	1,194	-6.0
Zinfandel	11,455	9,490	683	710	-3.8
Others	11,208	7,469			
Total Red	112,573	78,004	1,043	1,130	-7.8
Total White & Red	175,446	101,992	1,074	1,139	-5.7

Source: California Agricultural Statistics Service
* District 8 includes Santa Barbara, Ventura, and San Luis Obispo Counties

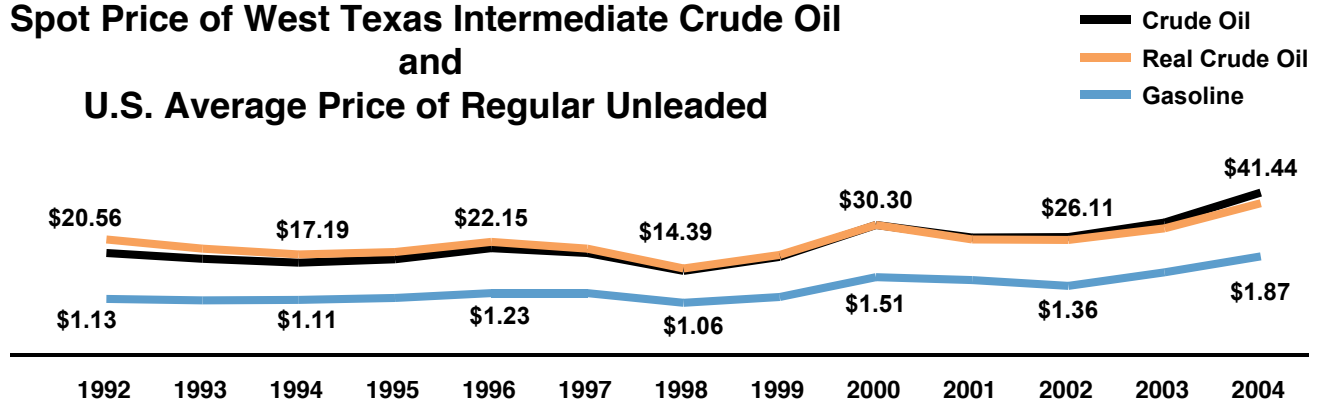


Onshore Oil and Gas Production Ventura, Santa Barbara and San Luis Obispo Counties and California

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Ventura County											
Oil (thousands of BBL)	10,334	9,892	9,809	10,334	9,457	9,030	8,724	8,322	8,280	8,047	10,000
Gas (MMCF)	10,925	10,505	10,589	11,364	9,641	9,229	9,320	8,839	8,231	7,424	8,540
Santa Barbara County											
Oil (thousands of BBL)	3,789	3,270	3,129	3,395	2,768	2,344	2,507	2,522	2,345	2,201	2,137
Gas (MMCF)	4,184	2,368	1,022	2,196	2,269	2,157	2,183	2,485	1,983	1,994	2,006
San Luis Obispo County											
Oil (thousands of BBL)	673	640	702	644	640	686	693	717	764	718	603
Gas (MMCF) *	240	120	200	191	175	-369	-379	-119	-176	-105	0
State of California											
Oil (millions of BBL)	265.8	259.1	262.9	264.2	263.8	254.1	253.2	243.6	241.1	232.6	234.0
Gas (BCF)	253.3	234.2	233.8	238.7	272.4	322.2	326.3	330.7	315.2	298.5	210.0
Percent of Tri-County Onshore Production to Total California Onshore Production											
Oil (%)	5.6	5.3	5.2	5.4	4.9	4.7	4.7	4.7	4.7	4.7	5.4
Gas (%)	6.1	5.5	5.1	5.8	4.4	3.4	3.4	3.4	3.2	3.1	5.0

Source: CA Dept. of Conservation, Division of Oil and Gas

Spot Price of West Texas Intermediate Crude Oil and U.S. Average Price of Regular Unleaded



Source: Energy Information Administration

Offshore Oil and Gas Production Ventura and Santa Barbara Counties and California

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Ventura County											
State Oil (thousands of BBL)	223	272	474	663	678	421	327	302	229	224	206
State Gas (MMCF)	196	291	397	626	614	358	274	204	158	202	248
Federal											
Federal Oil (thousands of BBL)	6,074	5,280	5,053	4,836	4,561	4,463	4,053	3,575	3,615	3,177	2,934
Federal Gas (MMCF)	5,040	4,876	4,778	4,446	4,501	4,173	3,801	3,873	4,115	3,535	3,051
Total Offshore											
Total Offshore Oil (thousands of BBL)	6,297	5,551	5,526	5,499	5,239	4,885	4,380	3,877	3,844	3,401	3,140
Total Offshore Gas (MMCF)	5,236	5,167	5,175	5,072	5,115	4,531	4,075	4,077	4,273	3,738	3,299
Santa Barbara County											
State Oil (thousands of BBL)	1,549	1,454	1,474	1,755	1,238	1,252	1,336	1,204	1,246	1,194	1,210
State Gas (MMCF)	1,088	666	1,018	1,450	1,291	1,398	1,736	1,798	2,071	1,262	1,600
Federal											
Federal Oil (thousands of BBL)	48,799	64,074	56,150	46,846	38,926	33,046	30,818	28,545	27,402	25,540	23,260
Federal Gas (MMCF)	44,925	44,082	43,259	40,469	37,855	42,829	41,572	37,892	39,441	37,232	37,925
Total Offshore											
Total Offshore Oil (thousands of BBL)	50,348	65,529	57,624	48,601	40,164	34,298	32,154	29,749	28,648	26,734	24,470
Total Offshore Gas (MMCF)	46,013	44,748	44,277	41,919	39,146	44,226	43,308	39,690	41,511	38,494	39,525
California											
Total Offshore Oil (thousands of BBL)	78,736	92,257	84,331	76,237	67,396	57,412	54,251	50,166	48,359	45,648	45,900
Total Offshore Gas (MMCF)	58,037	55,425	54,854	52,920	50,281	54,262	52,716	49,046	50,805	47,195	62,600
Percent of Ventura and Santa Barbara Counties Offshore Production as a percent of Total California Offshore Production											
Oil (%)	71.9	77.0	74.9	71.0	67.4	68.2	67.3	67.0	67.2	66.0	60.2
Gas (%)	88.3	90.1	90.2	88.8	88.0	89.9	89.9	89.2	90.1	89.5	68.4

Source: CA Dept. of Conservation, Division of Oil and Gas

Offshore Oil and Gas Production by Field Ventura and Santa Barbara Counties and California

Field	Crude Oil (thousands of BBL)					Natural Gas (MMCF)				
	2000	2001	2002	2003	2004	2000	2001	2002	2003	2004
Federal Leases										
Point Arguello	6,558	6,514	5,725	4,708	3,870	2,057	179	2,652	3,651	4,250
Hondo	10,958	9,947	8,919	7,665	7,210	24,045	23,054	24,347	21,690	21,900
Pescado	7,147	5,839	6,724	6,329	5,120	3,239	3,752	5,362	5,968	5,860
Pitas Point	3	3	2	1	0	4,865	3,890	3,080	1,798	815
Point Pedernales	2,664	1,798	2,244	2,328	2,430	1,067	658	1,074	907	1,020
Sacate	2,188	2,997	2,173	2,776	2,930	2,007	2,876	898	1,552	2,420
Sockeye	1,300	1,446	1,617	1,734	1,700	4,291	3,483	2,027	1,665	1,660
Carpinteria	797	734	712	624	523	478	631	484	422	378
Dos Cuadras	2,179	1,908	1,955	1,752	1,630	2,410	2,302	2,428	2,339	2,120
Hueneme	187	146	71	59	102	255	420	434	207	115
Santa Clara	891	788	878	742	679	658	520	769	567	438
State Leases										
Alegria	0	0	0	0	0	0	0	0	0	0
Carpinteria	0	0	0	0	0	0	0	0	0	0
Elwood	2	15	0	0	0	0	0	0	0	0
South Elwood	1,334	1,189	1,246	1,194	1,210	1,736	1,798	2,071	1,262	1,600
Point Conception	0	0	0	0	0	0	0	0	0	0
Summerland	0	0	0	0	0	0	0	0	0	0
Montalvo West	119	108	95	98	98	92	117	117	147	135
Rincon	208	193	134	126	108	182	87	41	55	113
Federal Total	34,871	32,120	31,018	28,717	26,194	45,373	41,765	43,556	40,767	40,976
State Total	1,663	1,506	1,475	1,418	1,416	2,010	2,002	2,229	1,464	1,848
Ventura and Santa Barbara County Offshore Totals	36,534	33,626	32,492	30,134	27,610	47,383	43,767	45,784	42,231	42,824
California Offshore Totals	54,251	50,166	48,359	45,648	45,900	52,716	49,046	50,805	47,195	62,600
Percent of Ventura and Santa Barbara Counties Offshore Production as a percent of Total California Offshore Production										
percent	67.3	67.0	67.2	66.0	60.2	89.9	89.2	90.1	89.5	68.4

Source: CA Dept. of Conservation, Division of Oil and Gas

All Governmental Revenues and Expenditures Santa Barbara County

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Revenues (Millions of Dollars)	f i s c a l y e a r s										
Taxes	100.6	87.2	87.2	89.6	97.0	103.5	113.6	125.6	132.3	126.6	140.6
Property Taxes	53.8	45.7	47.8	49.3	51.6	54.8	58.2	65.9	70.0	72.4	80.4
Property Transfer Taxes	1.3	1.1	1.3	1.6	2.2	2.6	3.1	3.0	3.4	2.6	4.4
Sales Taxes	7.7	6.8	7.8	6.9	8.6	8.9	10.8	12.2	11.3	8.9	9.1
Transient Occupancy Taxes	3.2	3.4	3.5	3.9	4.2	4.6	5.1	6.5	5.9	4.4	5.4
Other Taxes	34.5	30.3	26.7	27.9	30.4	32.6	36.3	38.0	41.7	38.3	41.3
Licensing & Permits	8.7	7.0	7.3	7.9	8.9	10.1	10.3	12.4	13.5	12.3	14.4
Fines & Penalties	4.3	3.5	7.1	6.3	7.9	9.1	8.3	8.1	10.8	12.2	9.6
Use of Money & Property	6.6	8.1	10.8	10.8	13.0	10.4	10.3	18.5	14.0	10.7	5.5
Inter-Governmental	171.2	180.8	199.7	193.5	194.2	221.0	233.5	252.9	270.4	260.8	260.6
Charges for Current Services	58.0	52.4	66.5	71.8	77.2	85.8	95.9	101.9	117.5	117.1	123.7
Other Revenues	13.4	13.3	11.6	12.0	11.8	11.7	17.8	11.2	16.8	13.5	13.1
Total Revenues	362.8	352.4	390.1	392.0	410.1	451.7	489.7	530.5	575.3	553.1	567.5
Expenditures (Millions of Dollars)											
General	29.9	31.1	30.9	34.2	35.9	39.4	43.3	47.1	59.9	58.4	59.2
Public Protection	123.3	138.6	146.6	145.9	158.0	165.8	176.1	186.1	200.9	210.0	221.7
Public Ways & Facilities	15.2	15.5	17.4	21.4	26.6	29.1	27.2	30.8	23.8	22.1	24.4
Health Services	63.8	59.1	64.8	72.1	75.4	81.2	87.3	103.8	106.8	110.4	117.3
Public Assistance	89.7	92.7	89.8	85.5	84.2	94.7	94.9	100.0	104.7	105.9	105.2
Education	2.0	2.1	1.9	2.3	2.1	2.2	2.4	2.5	2.7	2.6	2.8
Debt Services	11.1	14.3	12.1	11.5	9.3	14.5	16.8	9.5	8.7	9.2	10.3
Other Expenditures	25.6	33.4	31.5	27.8	26.4	31.2	33.8	31.5	57.8	53.6	55.8
Total Expenditures	349.6	372.4	383.0	389.2	408.7	443.5	464.9	501.7	556.6	563.2	586.4
Surplus or Deficit	13.2	-20.0	7.1	2.8	1.4	8.1	24.8	28.8	18.8	-10.0	-18.9

Source: County of Santa Barbara Auditor-Controller

Public Sector Employment and Average Salaries Santa Barbara County

	Federal Government		State Government		Local Government		All Government	
	Jobs	Average Salary	Jobs	Average Salary	Jobs	Average Salary	Jobs	Average Salary
1990	4,383	26,724	8,883	18,889	16,058	24,706	29,325	23,280
1991	4,158	28,329	8,883	18,114	16,183	25,724	29,225	23,738
1992	4,100	30,281	8,900	18,730	16,242	27,101	29,242	25,058
1993	4,100	31,688	8,775	33,374	16,350	27,197	29,225	29,089
1994	4,025	30,720	8,975	33,767	16,325	28,181	29,325	29,681
1995	3,708	29,456	9,483	36,053	16,500	28,768	29,692	30,392
1996	3,433	31,484	9,417	34,297	16,842	28,852	29,692	30,377
1997	3,717	36,930	9,467	35,351	17,700	30,117	30,883	31,998
1998	3,975	39,694	9,558	38,886	18,292	31,768	31,825	34,259
1999	3,892	40,242	9,775	40,140	18,775	33,548	32,442	35,735
2000	3,883	43,239	9,800	41,013	19,150	34,810	32,833	37,124
2001	3,817	44,599	10,100	45,309	20,533	36,996	34,450	39,543
2002	3,925	47,663	10,417	46,060	21,408	37,986	35,750	40,663
2003	3,875	48,129	10,558	46,483	21,142	37,385	35,575	40,412
2004	3,800	49,143	10,375	48,597	21,692	35,573	35,867	39,568

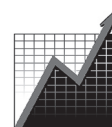
Source: CA Employment Development Department

Largest Property Tax Payers - Santa Barbara County Fiscal Year 2004 - 05

Rank	Owner Name	Total Tax		Total Values
		<i>Dollars</i>		
1	Exxon Corporation	3,921,123		392,014,972
2	Verizon California Inc.	2,022,628		189,285,756
3	Southern California Gas Co.	1,609,988		152,407,462
4	Raytheon Company	1,596,290		152,601,625
5	Ht-Santa Barbara Inc	1,343,826		125,000,000
6	1260 Bb Property, Llc	1,258,994		108,000,000
7	Pacific Offshore Pipeline Co	1,138,481		113,848,140
8	Boeing Corporation	1,115,767		105,286,810
9	Southern California Edison Co.	879,501		82,640,806
10	Redevelopment Agency/Santa Barbara	837,097		80,886,058
11	Pacific Gas & Electric Co.	777,267		72,941,192
12	Parker Fess Doubletree Hotel	754,062		73,671,334
13	Tara Ii, Llc	682,711		67,293,805
14	Fairway Bb Property, Llc	680,666		66,959,908
15	Sperling, Peter V	676,168		66,322,859
16	Maravilla Llc	658,027		58,398,051
17	Beringer Wine Estates Company	625,405		58,733,962
18	Camino Real Ii Limited Liability Company	538,022		47,974,822
19	Jackson Family Estates Ii Llc	524,770		50,349,389
20	Nassau Land Company Lp	461,893		43,671,992
21	Boeing Company	430,535		40,618,385
22	At&T Wireless Services	425,197		39,977,180
23	Lockheed Martin Astronautics	419,722		39,598,259
24	Gael Trust 2/29/00	412,878		40,361,319
25	Pacific Oaks, Lp	405,635		35,420,877
26	Islay Investments	404,168		26,767,909
27	Nuevo Energy Company	378,785		37,008,182
28	University Business Center Associates	367,115		34,200,063
29	Mesa Airlines Inc	366,340		35,486,062
30	Cox Communications Inc	357,241		34,706,646
31	Ire-Sb Inc	342,679		32,985,367
32	Spaceport Systems International Lp	339,136		30,941,962
33	Union Pacific Railroad Company	335,650		32,180,548
34	Nettleship Patricia S Trustee	333,497		32,437,256
35	Bpp Retail Llc	333,211		32,456,978
36	Ampersand Publishing, Llc	330,314		31,660,239
37	Tenet Healthcare Corporation	328,933		31,874,250
38	Pioneer Santa Maria, Llc	327,762		32,060,597
39	Celite Corporation	313,302		27,249,283
40	Reitman Ivan & Genevieve Trustees	310,855		30,160,434
41	Rockbridge Investments, L P	308,912		29,227,865
42	Okonite Company Inc	305,867		29,904,576
43	Plains Pipeline, Lp	303,629		28,547,249
44	Windscape Village Llc	284,564		27,000,000
45	Pasquinelli Timothy Trustee	283,663		27,725,058
46	Colombo, Paul	280,675		27,640,025
47	Camino Real Ii Limited Liability Compan	276,229		25,482,000
48	Indyne Inc	275,984		26,037,483
49	Hdg Associates	274,277		26,827,002
50	Trust Of 7-1-03	272,419		26,495,606

Source: County of Santa Barbara

THE UNITED STATES CURRENT ACCOUNT



The United States dollar has been falling since early 2002, but the current account deficit has increased. Writers in the financial press disagree about the seriousness of the situation, but many are predicting serious problems for the United States economy. This article discusses the factors that have contributed to the current situation, sustainability, adjustment, and expectations.

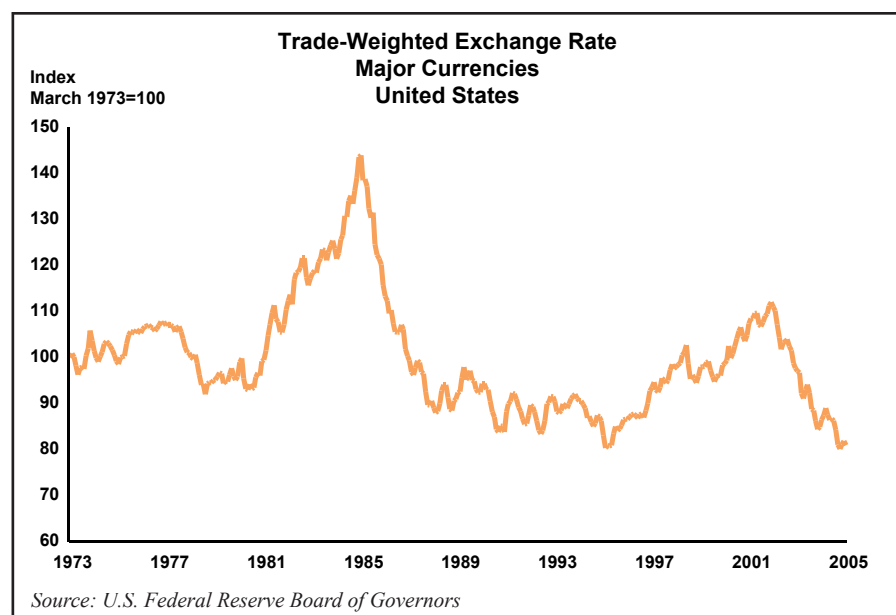
A number of factors have contributed to the current situation, including foreign demand for United States Treasuries, the peg of the Chinese currency to the United States dollar, rapid household wealth accumulation in the United States, and high oil prices.

In recent months, demand for United States Treasury issues by Asian Central Banks has been very strong. For example, in August 2004, Japan and China together held at least \$350 billion in United States Treasury Bonds, or just over half the 2004 United States Current Account deficit. Foreign demand for United States Treasuries pushes United States bond prices up and United States interest rates down. Low interest rates stimu-

late certain types of purchases including cars (many from Japan) and consumer durables (many from Japan and China). In addition, the required conversion to United States currency to purchase Treasuries keeps the United States dollar from falling even farther. Part of the reason that America can consume foreign goods is that they continue to be relatively affordable, by virtue of low interest rates and a low purchase cost that is driven in part by exchange rates.

Exchange rates are relative prices between countries. In free markets prices rise or fall to

“clear” the market. The United States dollar is a free-floating price, because the United States Treasury does not typically attempt to control the value of the dollar. The currencies of many of the United States’ key trading partners are also free-floating. China’s manufacturing sector is low-cost relative to the United States, thus Chinese products are inexpensive to United States consumers. United States consumer demand should gradually lead to a rise in the prices of Chinese products. However, China’s currency is fixed to the United States dollar, limiting price adjustment.



Part of the recent change to the Current Account is due to oil prices. Petroleum was the United States import category with the largest percentage increase in 2004, which rose by 36 percent from 2003 to 2004. Crude oil prices averaged \$31.1 per barrel in 2003, and averaged 41.5 dollars per barrel in 2004, a 33 percent increase.

The accumulation of wealth in the United States plays a role in stimulating demand for just about everything, including imports. Recent statistics indicate that United States 2004 household wealth increased by 8.8 percent, a high growth rate that exceeded GDP growth by more than two percent.

The sustainability of a Current Account deficit is mathematically dependent on: future GDP growth, interest rates on government bonds, and on the current wealth position. Higher future GDP growth leads to a larger sustainable Current Account and lower interest rates also lead to a larger sustainable Current Account. United States productivity growth has been high, and recently released projections see this continuing for the next decade. This will lead to high future GDP growth. Interest rates are currently near historical lows. While most economists expect interest rates to rise in the

next few years, they expect them to rise slowly. If long-term 2005 interest rates are 150 basis points higher than in 2004, they will still be relatively low.

The key mechanisms for trade adjustment are exchange rates and interest rates. As the dollar falls, imported goods become more expensive, leading to reduced import consumption. Also United States inflation will rise, which will prompt the FED to raise short-term interest rates. If interest rates rise, consumption will decrease. Higher interest rates also raise the incentive to save, damping current consumption.

How might these key equilibrium mechanisms work in the next few years? We do not expect China to move quickly to a free-market exchange rate versus the United States dollar. This will limit the ability for prices to motivate adjustment in United States trade.

What about interest rates? Short-term interest rates are controlled by policy. Long-term interest rates are influenced by policy, but they also reflect markets. As mentioned long-term United States interest rates depend in large part on purchases of United States Treasuries by China and Japan.

China will continue to maintain large United States dollar reserves, due to trade with the United States, and can con-

tinue to invest in United States Treasury bonds. Japanese accumulation of dollar reserves could slow due to the rising Yen, but nonetheless their reserves are large. Therefore, we expect near-term foreign purchases of United States Treasuries to be similar to recent experience. While we expect short-term interest rates to rise substantially in the next year, we expect medium and long-term interest rates to increase much less. This will limit the ability for medium and long-term interest rates to motivate adjustment in United States trade.

China's trade with the United States will continue to grow. Data from the first three quarters of 2003 indicate that the EU plus Japan accounted for about 28 percent of United States imports, and China accounted for about 12 percent of United States imports. The most likely scenario is that the reduction of imports from the EU and Japan (due to the lower dollar) will approximately offset the increase in imports from China.

The price of oil is a potentially volatile factor for the future United States current account. As mentioned, 2004 oil prices rose 33 percent over 2003. If oil prices surged another 33 percent in 2005, the United States current account would worsen significantly and the dollar would fall.



INTRODUCTION

Santa Barbara County's residential real estate market continues to make headlines, with year-over-year growth rates greater than 20 percent. South Coast single-family median home prices are in the millions, and North Santa Barbara County median home prices, while less expensive, are no longer considered affordable by many of the residents who live there.

The 2004 South Coast Commercial Real Estate market also strengthened in many ways over 2003. The percentage of sub-lease space at the beginning of 2005 is down from that at the beginning of 2004. The Retail segment continued to out-perform the Office and Industrial segments. As with other areas in California, rents are soft while sale prices are strong. This disconnect continues for residential and commercial properties, and has been in effect for three years.

The Santa Maria Commercial real estate market continues to grow, with new product available or soon-to-be available in both the Industrial and Office segments.

New Anchored shopping centers are in planning but none are imminent. Vacancy rates are steady or down a bit, and buyer demand for the purchase of Commercial real estate remained strong in 2004.

RESIDENTIAL REAL ESTATE

Median Home Prices

Median home prices continue to rise at very rapid rates. Santa Barbara County's 2004 existing single-family median home prices were \$557,500, up from \$402,700 in 2003. This large one-year increase was due in part to a low increase the prior year. Santa Barbara County's housing affordability fell dramatically from 17.4 percent in 2003 to 11.7 percent in 2004. This was due to two factors, rapid price appreciation and a stagnant distribution of household income.

The South Coast's single-family median home prices were sometimes above the \$1 million mark during certain months in 2004, implying a median of \$981,000 for the entire year, up

from \$825,000 in 2003. Sales increased from 1,283 units in 2003 to 1,374 units in 2004, the highest level since 1997. The February 2005 South Coast single-family median home price was \$1.05 million, based on 76 sales.

North Santa Barbara County home sales increased from 2,334 in 2003 to 2,828 in 2004, a record. This includes all types of homes, new and used, as well as single-family and multiple-family. Prices rose dramatically from \$288,700 in 2003 to \$364,100 in 2004. North Santa Barbara County is no longer necessarily a community with affordable housing.

Is Santa Barbara County's Housing an Asset Bubble?

Santa Barbara County's high housing costs have led some to declare the existence of a bubble in home prices. We disagree. A bubble is defined as a price of an asset that is unrelated to fundamental determinants of value. This concept implies that at some point the "over-inflated" price will fall or crash back to a more "reasonable" value based on fundamentals.

What exactly are the fundamentals? We believe they are supply and demand for homes. Some think the fundamentals are the wages of workers who already live here. Housing prices are set at the margin, and the margin in Santa Barbara County's housing market is a person purchasing housing because they have the wealth.

Another example of a fundamental is interest rates. If interest rates rise significantly, home values will fall. Falling home values in the face of rising interest rates would not necessarily be a "crash" due to the existence of a bubble in housing.

What are the factors that will continue to push Santa Barbara County's median home prices higher despite their already lofty values? The most important factors are wealth, demographics, and long-term interest rates.

Recent statistics indicate that United States 2004 household wealth increased by 8.8 percent over 2003 household wealth. This is a high growth rate, one that exceeded GDP growth by more than two percent.

United States demographic trends suggest continued demand for coastal real estate for at least a few years. The baby-boomer

generation has just started to reach retirement age and sub-cohorts of this generation will be retiring for the next decade. Some of them will come to Santa Barbara County. They will come from nearby urban areas, like Los Angeles, and from many areas of the United States.

Long-term fixed mortgage rates have been falling gradually for about twenty years, and real mortgage rates are near an all-time low. The April 7, 2005 conventional 30-year mortgage rate was 5.93 percent. While up almost 30 basis points from three months ago, this is still a relatively low rate. The 2004 real mortgage rate fell significantly from 3.5 percent in 2003 to 3.2 percent in 2004. This is following a level of 5 percent in 2002.

We expect the FED to continue to increase short-term interest rates throughout 2005. However, mortgage and other long-term interest rates will likely not increase in lock step. This is due in part to continued demand for long-term bonds by investors, and to continued demand for U.S. Treasuries by foreign Central Banks. Current and expected mortgage rates are relatively low, and this is a factor contributing to higher real estate values.

Apartment Markets

Increases in apartment rents have not kept pace with increases in home prices. April 2005 South Coast average apartment rents are \$1,237, up 1.7 percent from April 2004 implying a real percent change of a bit less than negative one and one-half percent.

Rent growth has been significantly slower than apartment building sale price growth. The average price per unit of apartment buildings sold in 2003 was \$173,154, and for 2004 it was \$192,500, an 11.2 percent increase. (This is for buildings containing at least ten units).

Why are rental rates soft? Mortgage rates have been less than seven percent since May of 2005, and this has induced families toward ownership rather than renting. Slow South Coast job growth is another contributing factor to weak apartment market rents.

Please see our invited author articles by Dawn Dyer and Steve Golis in the CD version of the Economic Outlook for more information and detailed analysis of apartment markets and the Residential Income real estate market. Please see the CD version of the Economic Outlook for information on building activity.

SANTA BARBARA COUNTY - SOUTH COAST MULTI-FAMILY HOUSING FORECAST

*Dawn Dyer,
Dyer Sheehan Group*

The multi-family rental market in Santa Barbara County's South Coast continues to reflect a peculiar trend. Rental housing prices have remained virtually flat over the past year, despite reports that Santa Barbara is now the least affordable region in the State to buy a home. Only 8 percent of local households could afford to buy the median home price in the South Coast, at \$1.2 million in February 2005, according to the California Association of Realtors (CAR). This rate is down from 16 percent just last February. And yet, our research indicates that apartment rental rates on the South Coast have only gone up a modest 1.7 percent overall since last April, even though vacancy rates have remained well below equilibrium, at 2.25 percent. This seeming disconnect between rising home prices and rental rates is a pattern we have seen in other areas. There is strong evidence that apartment rents are more closely tied to local wages and demographic trends than are home values.

While some might conclude that the slow rate of rental appreciation is an indication that the South Coast has "plenty" of affordable housing available to its workforce, our research reveals a different story. Many of the property owners and managers with whom we spoke while conducting our study indicated that while they have been able to maintain high occupancy levels, with many buildings "always full", there has actually been an increased level of turn-over this past year. One manager stated that 6-7 units vacated this year due to tenants buying homes, while others cited a continuing exodus of South Coast residents, who are moving out of the area to places where the cost of housing is more affordable. Although there is no shortage of interested parties applying to rent the vacated units, the problem comes in qualifying tenants based on historically acceptable economic standards, wherein 30 percent of income is allocated to housing expenses. With a current combined South Coast Market Area rental rate of \$1,582 per month, an applicant would need to earn over \$63,000 per year, or \$31.64 an hour to qualify to rent the average two-bedroom apartment. As employers, families, and young educated workers continue to migrate out of the South Coast,

much of the remaining workforce is employed in retail, hospitality, and service sectors, which pay significantly less. While overall rents are up slightly over April 2004, several of the properties in our survey that raised rental rates last year, experienced difficulty in finding qualified tenants and have subsequently eased rents back down slightly.

Current South Coast Data

The Dyer Sheehan Group, Inc. April 2005 Santa Barbara County - South Coast Multi-Family Housing Rental Survey Summary, includes data for 5,140 market rate apartment units in 98 properties. This biannual survey provides current statistics and historical trends for the four South Coast market areas of Santa Barbara, Goleta, Isla Vista, and Carpinteria; as well as for the overall combined South Coast area. The properties surveyed range in size from 5 units to 183 units. The Average rent for all rental types and market areas combined, is currently \$1,237 per month for an average unit size of 680 square feet, which equates to a per square foot rent of \$1.87.

The Goleta Valley market area continues to have the highest overall rent in the study, at \$1,281. Goleta also has the high-

est vacancy rate at 3.99 percent, compared with vacancy rates of less than 2 percent in each of the other cities, and an overall South Coast rate of 2.25 percent.

Carpinteria has consistently reported the lowest overall average rental rates in the South Coast, with a current average of \$1,141. Carpinteria also maintains the lowest vacancy rate, at just 1.42 percent, and has the smallest stock of rental housing, a large percentage of which are studio and one-bedroom units, which accounts for the lower whole dollar rents. However, Carpinteria apartments are the highest prices in the South Coast on a rent per square foot basis, at an overall average of \$2.01 per square foot, and a whopping \$2.64 per foot for the average studio unit.

Contrary to previous years when Isla Vista rents rose at a faster rate than the rest of the South Coast, Isla Vista rents have increased a modest 1.1 percent since April 2004. With a large student population, most Isla Vista buildings continue to enjoy full economic occupancy. Rents on studio apartments in Isla Vista appreciated faster than other unit types, at 2 percent last year.

The rental market in the City of Santa Barbara has been the most erratic in the South Coast during the past two years. Overall, rents in Santa Barbara City have been

nearly flat this year, with a current overall rate of \$1,237, versus \$1,223 in April 2004. However, rents for studio and three-bedroom units are actually less today than they were in April 2003, while rents for one and two-bedroom units have risen. This appears to be further evidence that Santa Barbara workers are having difficulty qualifying for rent while living solo, and that family households are leaving the market. There have also been a number of new mixed-use and higher density affordable housing projects completed recently, which have added alternative housing choices for those at the lowest end of the price spectrum.

Regional Housing Trends & Issues

Santa Barbara's South Coast housing market is both a reflection of, and to some extent contributes to, the run-up in housing prices in the surrounding areas. As anyone who has tried to drive the 101 freeway at rush hour knows, a growing number of people are commuting to the South Coast jobs from Western Ventura County, and Northern Santa Barbara County. Declining school enrollment in South Coast areas like Carpinteria and Santa Barbara underscores shifting demographics in the region. Partially due to increased pressure

from South Coast refugees, home prices in neighboring areas have risen dramatically. CAR reports that Ventura County median home prices increased \$124,000, or 25 percent in just one year, to a new record high of \$638,000. Home prices in Santa Maria and other Northern Santa Barbara communities are also rising rapidly.

As families leave the South Coast, employers are increasingly faced with tough choices: should they re-locate their business to where the workers live; or help subsidize the high cost of living in "paradise" by helping employees with housing costs? In recent years, public and private employers are exploring the second option. There have been recent affordable housing communities developed that are reserved for teachers, or nurses; while the City of Santa Barbara recently approved pay raises for its employees, due in part to the high cost of local housing. And a recent affordable housing development in Santa Barbara limits residency to people who work in the downtown.

As economists debate the existence of a "housing bubble" and whether it will burst, causing home prices to fall, the consistently low vacancy rate for apartments leaves little doubt that the need for workforce housing remains

strong. Conversely, the economic and political barriers to the development of new apartments will continue to restrict the supply of new rental housing units to well below the level of demand.

As the long term consequences of this housing shortage become more pronounced, there has been a notable shift in the level of dialogue around jobs/housing balance and transportation issues; not only locally, but regionally and statewide. It seems that people are starting to get tired of the clogged freeways and long commutes that result from a lack of appropriately priced housing located near jobs and services. There have been a number of meetings and events in the past several months, which have brought community leaders and decision makers together from across the Central Coast, to open a dialogue on solutions for these issues. This type of regional thinking and cooperation will be a critical element in preserving the community character and quality of life enjoyed by local residents in the coming decades. While some people still fear that building apartments in their neighborhood will have a negative impact on their communities, studies have proven that the creation of well-designed

multi-family rental units actually increases the quality of life for current residents. By ensuring that critical workers like teachers, nurses, and public safety personnel can afford to live in the communities they serve, and by limiting the number of commuters on local roadways who are forced to travel to fill local jobs, the economic vitality and social fabric of a community can be enhanced by providing a good mix of housing choices, including market rate apartments.

RESIDENTIAL INCOME MARKET UPDATE

*Steve Golis, Radius Group
Commercial Real Estate*

North Santa Barbara County

Santa Maria and Lompoc have seen increases yet again for 2004, though not as substantial as 2003. There were a number of large sales of apartment properties in 2004 mostly from investors from the South County. Many investors for the North County (Santa Maria and Lompoc) continue to come from the South County. They know that North County is where all the growth and home development has and continues to be going. Most of

the notable sales for 2004 were from the North County. Investors seeking a better cap rate, return, etc., find the added value to be attractive by investing their dollars in North County. With rising interest rates, there is more inventory available than as of this writing last year.

Some of the Notable Sales for 2004 were the following:

- 150 units on E. Jones Street in Santa Maria (Santa Barbara buyer)
- 65 units on Miller Street in Santa Maria (Santa Barbara buyer)
- 40 units on Tahitian Village Drive in Lompoc (Santa Barbara buyer)
- 42 units in six separate buildings in Lompoc (Santa Barbara buyer)
- 188 units on Chestnut and Laurel in two separate complexes in Lompoc (Los Angeles buyer with an office in Goleta)

The North County continues to be on an upward trend. This time last year there were very few buildings available on the open market in the Santa Maria and

Lompoc areas. However, as of April 2005 there are more choices of available property than as of this time last year. At this time last year all available inventory of properties over 5 units were either sold or under contract, however, not the case as of this writing this year. Properties that are aggressively priced seem to not be selling as quickly as last year. I feel that buyers are a little more cautious on making sure the property they are pursuing falls within comparable levels. Despite all this, the North County residential income market is still a sellers market.

The overall sentiment shown by investors towards the Lompoc and Santa Maria areas has improved dramatically over the last five years. In the year 2003, properties increased in value an average of 10-15 percent. In 2004 properties increased on a price per unit basis by an impressive 19 percent. Over the last four years property appreciation has exceeded a very impressive 140 percent. (Increase on properties over 5 units.)

Rents in 2003 showed signs of softness as a few larger projects went on the market. Rents showed no signs of gains in 2004. For example, two bedroom units in Santa Maria were renting in 2003 for approximately \$825. At this

time rents on those same units are roughly the same, with vacancy stabilized at 3-4 percent. In both Lompoc and Santa Maria, there continues to be a limited amount of new apartment construction taking place as compared to single-family home and condominium/townhome development. However, there are a handful of permits on some smaller buildings that are being issued for new multiple family units that are in the construction phase.

The few projects that are in the design and development phase should have no impact on the continued tightness of the market because of the strong need for housing. The median home price has increased at a staggering pace in the last 12 months, which is further pricing tenants out of the home ownership market. This will continue to fuel a healthy environment for increasing rents and strong occupancy.

Short Term Forecast for 2005 for the North County

- Price per unit averages will stay at or near \$110,000 per unit the remainder of this year. There have been some sales of smaller buildings (5-10 units) in the North County that have exceeded over \$120,000 per unit recently.

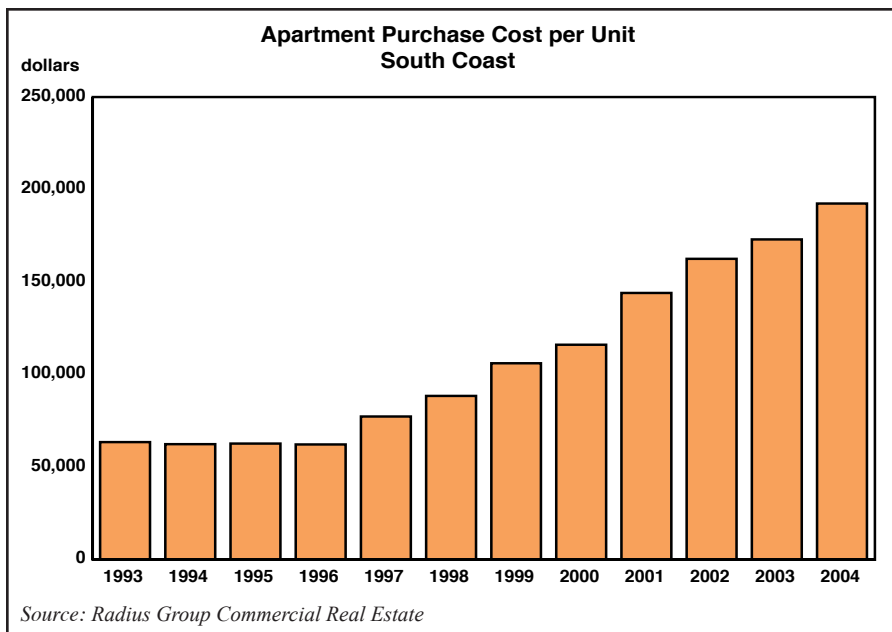
- Capitalization Rates will remain plus or minus slightly above 6.00. However, this will continue to change moderately as interest rates go up.
- Gross rent multipliers will stay at or near 11.5 x Gross. However, this will change, moderately, as interest rates go up.

South County

Santa Barbara continues to move with prices moving northward, though not at such a torrid pace as of this time last year. Both the North County and the South County seem to have more supply than last year, though still relatively low. Interest rates are not at their historic lows, however they are still very reasonable.

Rents in the South County should remain stable. I feel the recent softening of rents is still not behind us and we should continue to see flat rents for the remainder of this year. Even though rents seem to have softened, the large pool of buyers seeking to purchase apartment buildings remains at high levels, which will continue to sustain a seller's market for the remainder of 2005.

The strength of the market creates a consequence; which means that an investor



can expect to pay higher prices on a price-per-unit basis, a higher gross rent multiplier, and an overall lower capitalization than in other parts of the County. In the 1998 forecast I stated that sales would be at or over the \$100,000 price-per-unit mark and that year we had the first property that exceeded \$100,000 per unit. This last year we had a few sales closing in at \$200,000 per unit, (on buildings with five units or more). While most sales have not exceeded this benchmark we do have two properties that shall close in 2005 at or near \$300,000 per unit, and these prices are for buildings with 10 or more units. The average price per unit for 2003 was \$173,154. The average price per unit for 2004 was

at \$192,500 (properties over ten units). That represents a relatively modest 2004 increase, though an increase still the same. Properties continue to increase on a price-per-unit basis even though rents have stabilized and in some instances have declined.

Currently interest rates are still in low ranges for apartment properties over five units, though not at the historic lows we have previously seen. Rates as of April 2005 are in the mid to high 6 percent range, this is for fixed rate money for at least 5 years, that represents about a full percentage point higher than last year. With interest rates still low and a smaller supply of buildings with more than 5 units, capitalization rates have moved down on sales, again.

Short term forecast for 2005 for the South County

- Early indications of sales are showing the average price per unit to be over \$200,000 per unit. 2005 should experience about the same price per unit as in 2004.
- Capitalization rates of sales will be in the mid 5's to 6's. However, this will change if interest rates go up. The average in 2004 was 5.1, early indications for 2005 are showing sales to be at or near 5.
- Gross Rent Multipliers will stay in the range of 11.5 – 12.5. This also will change if interest rates go up. The average in 2004 was 12.46. At this time, (April 2005), most properties over five units seem to be selling at or near 11.5X – 12X Gross.

**Multi-Family Housing Rent Survey
Current Survey Data for April 2005**

Combined South Coast Market Areas

Market Area and General Survey Data	Unit Type	# of Units in Survey	Average Floor Area	Monthly Rent in \$		
				Lowest	Highest	Average
Total Properties Surveyed: 98	Studio	498	401 sq ft	\$700	\$1,970	\$861
Minimum Property Size: 5 Units	1 Bedroom	2,880	589 sq ft	\$800	\$2,000	\$1,065
Maximum Property Size: 183 Units	2 Bedroom	1,598	872 sq ft	\$900	\$2,850	\$1,582
Average Property Age: 38 Years	3 Bedroom	164	1,263 sq ft	\$1,500	\$3,800	\$2,022
Weighted Average Vacancy Rate: 2.25%	Overall	5,140	680 sq ft	\$700	\$3,800	\$1,237

City of Santa Barbara Market Area

Market Area and General Survey Data	Unit Type	# of Units in Survey	Average Floor Area	Monthly Rent in \$		
				Lowest	Highest	Average
Total Properties Surveyed: 48	Studio	166	430 sq ft	\$700	\$1,970	\$880
Minimum Property Size: 8 Units	1 Bedroom	1,398	588 sq ft	\$830	\$2,000	\$1,067
Maximum Property Size: 168 Units	2 Bedroom	688	933 sq ft	\$1,000	\$2,850	\$1,568
Average Property Age: 42 Years	3 Bedroom	81	1,474 sq ft	\$1,675	\$3,800	\$2,082
Weighted Average Vacancy Rate: 1.90%	Overall	2,333	710 sq ft	\$700	\$3,800	\$1,237

Goleta Valley Market Area

Market Area and General Survey Data	Unit Type	# of Units in Survey	Average Floor Area	Monthly Rent in \$		
				Lowest	Highest	Average
Total Properties Surveyed: 19	Studio	59	450 sq ft	\$850	\$970	\$909
Minimum Property Size: 12 Units	1 Bedroom	657	583 sq ft	\$890	\$1,330	\$1,083
Maximum Property Size: 183 Units	2 Bedroom	403	829 sq ft	\$1,000	\$1,915	\$1,520
Average Property Age: 34 Years	3 Bedroom	81	1,054 sq ft	\$1,500	\$2,175	\$1,971
Weighted Average Vacancy Rate: 3.99%	Overall	1,200	691 sq ft	\$850	\$2,175	\$1,281

Isla Vista Market Area

Market Area and General Survey Data	Unit Type	# of Units in Survey	Average Floor Area	Monthly Rent in \$		
				Lowest	Highest	Average
Total Properties Surveyed: 18	Studio	200	372 sq ft	\$765	\$975	\$799
Minimum Property Size: 14 Units	1 Bedroom	688	594 sq ft	\$950	\$1,350	\$1,041
Maximum Property Size: 170 Units	2 Bedroom	412	839 sq ft	\$1,400	\$2,500	\$1,715
Average Property Age: 35 Years	3 Bedroom	0	n/a	n/a	n/a	n/a
Weighted Average Vacancy Rate: 1.93%	Overall	1,300	638 sq ft	\$765	\$2,500	\$1,217

City of Carpinteria Market Area

Market Area and General Survey Data	Unit Type	# of Units in Survey	Average Floor Area	Monthly Rent in \$		
				Lowest	Highest	Average
Total Properties Surveyed: 13	Studio	73	372 sq ft	\$800	\$1,300	\$947
Minimum Property Size: 5 Units	1 Bedroom	137	601 sq ft	\$800	\$1,350	\$1,083
Maximum Property Size: 78 Units	2 Bedroom	95	749 sq ft	\$900	\$1,700	\$1,364
Average Property Age: 35 Years	3 Bedroom	2	1,175 sq ft	\$1,600	\$1,650	\$1,625
Weighted Average Vacancy Rate: 1.42%	Overall	307	596 sq ft	\$800	\$1,700	\$1,141

Source: Dyer Sheehan Group, Inc.

Multi-Family Housing Rent Survey Historical Survey Data

Santa Barbara County - Combined South Coast Market Areas

Unit Type	Average Monthly Rent in \$					Average Monthly Rent in \$ per Sq. Ft.				
	Apr-03	Oct-03	Apr-04	Oct-04	Apr-05	Apr-03	Oct-03	Apr-04	Oct-04	Apr-05
Studio	\$844	\$838	\$840	\$849	\$861	\$2.15	\$2.14	\$2.14	\$2.16	\$2.19
1 Bedroom	\$1,030	\$1,046	\$1,048	\$1,054	\$1,065	\$1.78	\$1.80	\$1.80	\$1.82	\$1.84
2 Bedroom	\$1,523	\$1,543	\$1,549	\$1,562	\$1,582	\$1.78	\$1.80	\$1.81	\$1.83	\$1.84
3 Bedroom	\$2,011	\$2,020	\$2,053	\$2,066	\$2,022	\$1.65	\$1.65	\$1.67	\$1.69	\$1.65
Overall	\$1,197	\$1,212	\$1,216	\$1,225	\$1,237	\$1.81	\$1.83	\$1.83	\$1.85	\$1.87
Weighted Average Vacancy Rate for Dates Indicated Above:						1.92%	1.55%	2.98%	1.60%	2.25%

City of Santa Barbara Market Area

Unit Type	Average Monthly Rent in \$					Average Monthly Rent in \$ per Sq. Ft.				
	Apr-03	Oct-03	Apr-04	Oct-04	Apr-05	Apr-03	Oct-03	Apr-04	Oct-04	Apr-05
Studio	\$884	\$867	\$868	\$874	\$880	\$2.10	\$2.06	\$2.06	\$2.07	\$2.09
1 Bedroom	\$1,039	\$1,054	\$1,053	\$1,060	\$1,067	\$1.82	\$1.84	\$1.84	\$1.85	\$1.86
2 Bedroom	\$1,512	\$1,528	\$1,540	\$1,555	\$1,568	\$1.66	\$1.68	\$1.70	\$1.71	\$1.72
3 Bedroom	\$2,095	\$2,110	\$2,175	\$2,175	\$2,082	\$1.47	\$1.48	\$1.52	\$1.52	\$1.43
Overall	\$1,205	\$1,218	\$1,223	\$1,232	\$1,237	\$1.78	\$1.80	\$1.80	\$1.81	\$1.82
Weighted Average Vacancy Rate for Dates Indicated Above:						2.03%	1.23%	2.91%	1.35%	1.90%

Goleta Valley Market Area

Unit Type	Average Monthly Rent in \$					Average Monthly Rent in \$ per Sq. Ft.				
	Apr-03	Oct-03	Apr-04	Oct-04	Apr-05	Apr-03	Oct-03	Apr-04	Oct-04	Apr-05
Studio	\$884	\$884	\$887	\$887	\$909	\$1.98	\$1.98	\$1.99	\$1.99	\$2.03
1 Bedroom	\$1,043	\$1,055	\$1,052	\$1,062	\$1,083	\$1.81	\$1.83	\$1.82	\$1.84	\$1.87
2 Bedroom	\$1,456	\$1,474	\$1,469	\$1,512	\$1,520	\$1.77	\$1.79	\$1.79	\$1.84	\$1.85
3 Bedroom	\$1,933	\$1,936	\$1,936	\$1,962	\$1,971	\$1.84	\$1.84	\$1.84	\$1.87	\$1.88
Overall	\$1,234	\$1,247	\$1,243	\$1,265	\$1,281	\$1.81	\$1.83	\$1.82	\$1.85	\$1.87
Weighted Average Vacancy Rate for Dates Indicated Above:						3.67%	3.83%	4.75%	2.66%	3.99%

Isla Vista Market Area

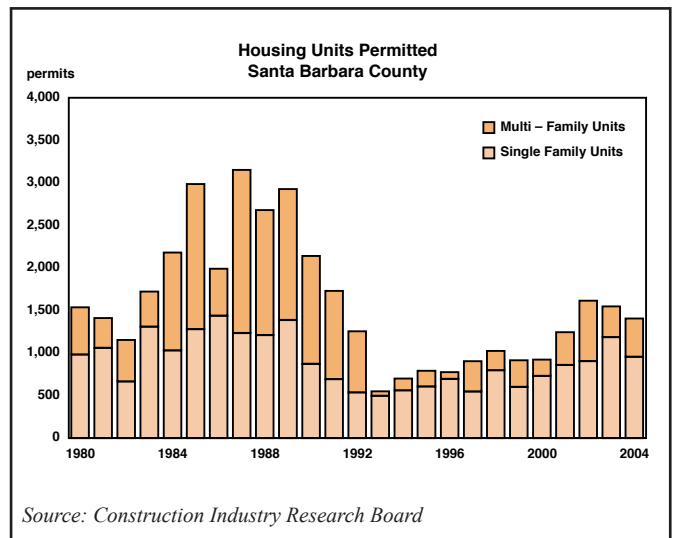
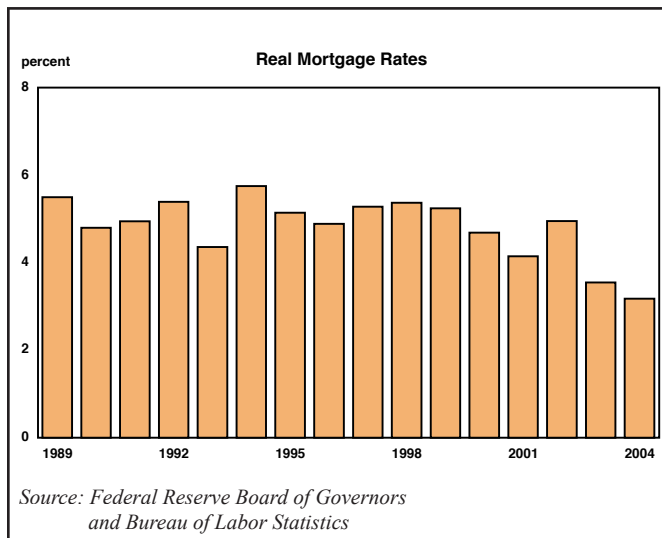
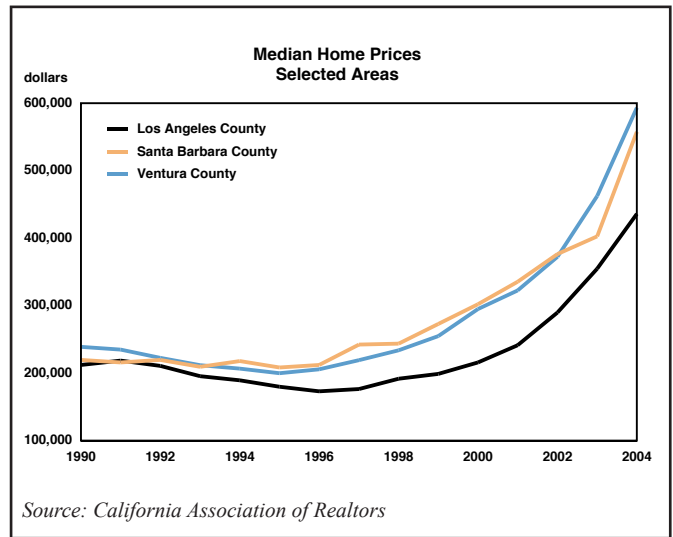
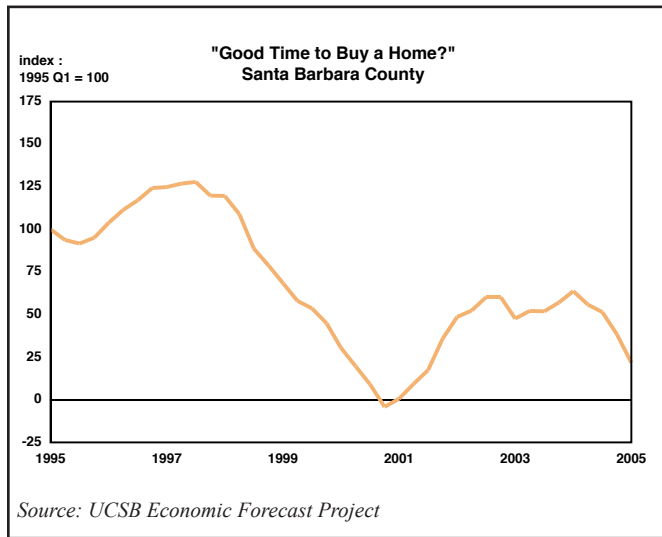
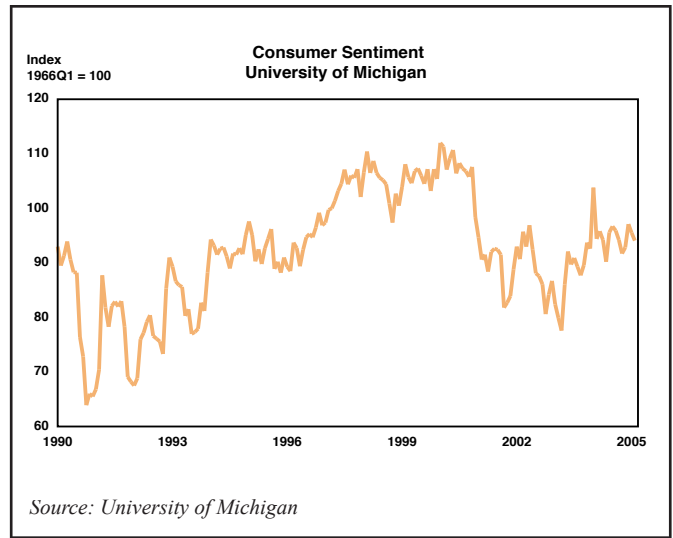
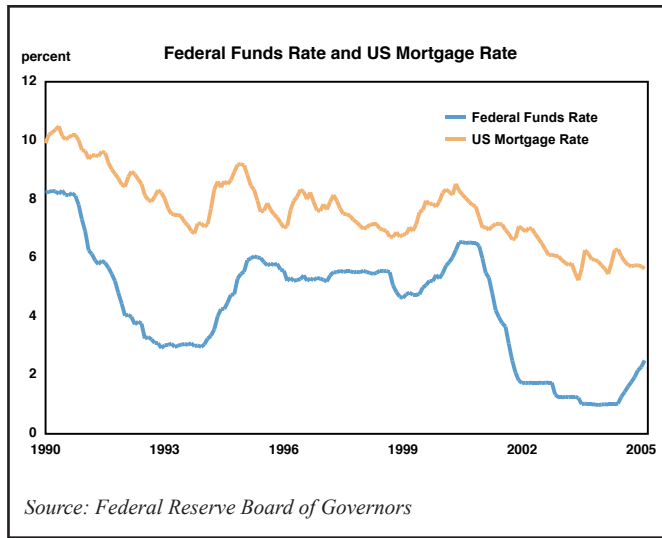
Unit Type	Average Monthly Rent in \$					Average Monthly Rent in \$ per Sq. Ft.				
	Apr-03	Oct-03	Apr-04	Oct-04	Apr-05	Apr-03	Oct-03	Apr-04	Oct-04	Apr-05
Studio	\$781	\$782	\$783	\$799	\$799	\$2.11	\$2.11	\$2.11	\$2.16	\$2.16
1 Bedroom	\$999	\$1,019	\$1,033	\$1,033	\$1,041	\$1.67	\$1.70	\$1.73	\$1.76	\$1.77
2 Bedroom	\$1,658	\$1,689	\$1,693	\$1,678	\$1,715	\$1.98	\$2.02	\$2.02	\$2.01	\$2.05
3 Bedroom	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Overall	\$1,175	\$1,195	\$1,204	\$1,201	\$1,217	\$1.84	\$1.86	\$1.88	\$1.90	\$1.92
Weighted Average Vacancy Rate for Dates Indicated Above:						0.48%	0.77%	2.13%	1.61%	1.93%

City of Carpinteria Market Area

Unit Type	Average Monthly Rent in \$					Average Monthly Rent in \$ per Sq. Ft.				
	Apr-03	Oct-03	Apr-04	Oct-04	Apr-05	Apr-03	Oct-03	Apr-04	Oct-04	Apr-05
Studio	\$892	\$892	\$892	\$897	\$947	\$2.52	\$2.52	\$2.52	\$2.53	\$2.64
1 Bedroom	\$1,030	\$1,052	\$1,059	\$1,064	\$1,083	\$1.72	\$1.76	\$1.77	\$1.78	\$1.81
2 Bedroom	\$1,293	\$1,317	\$1,328	\$1,318	\$1,364	\$1.73	\$1.76	\$1.78	\$1.76	\$1.83
3 Bedroom	\$1,625	\$1,625	\$1,625	\$1,625	\$1,625	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40
Overall	\$1,083	\$1,099	\$1,106	\$1,107	\$1,141	\$1.91	\$1.94	\$1.95	\$1.95	\$2.01
Weighted Average Vacancy Rate for Dates Indicated Above:						0.99%	0.48%	1.79%	0.94%	1.42%

Source: Dyer Sheehan Group, Inc.

Residential Real Estate



Residential Real Estate Market Activity

	1998	1999	2000	2001	2002	2003	2004
California							
Median Home Price	\$200,100	\$217,510	\$241,350	\$262,350	\$316,130	\$372,720	\$452,298
Median Home Price (\$2000)	\$211,548	\$224,681	\$241,350	\$253,818	\$297,597	\$342,002	\$401,613
percent change	5.8	6.2	7.4	5.2	17.2	14.9	17.4
Ventura County							
Median Home Price	\$233,770	\$254,950	\$295,080	\$322,560	\$372,400	\$462,520	\$593,052
Median Home Price (\$2000)	\$247,144	\$263,355	\$295,080	\$312,070	\$350,568	\$424,401	\$526,595
percent change	5.1	6.6	12.0	5.8	12.3	21.1	24.1
Santa Barbara County							
Median Home Price	\$243,670	\$272,740	\$302,260	\$335,540	\$376,350	\$402,740	\$557,511
Median Home Price (\$2000)	\$257,610	\$281,731	\$302,260	\$324,628	\$354,287	\$369,548	\$495,036
percent change	-0.8	9.4	7.3	7.4	9.1	4.3	34.0
Number of Home Sales	2,604	2,874	2,905	2,774	3,098	2,901	2,900

Source: California Association of Realtors

Home Prices and Affordability

	1998	1999	2000	2001	2002	2003	2004
California							
Affordability (percent)	39.8	37.1	30.9	33.3	29.1	26.3	19.8
Median Home Price	\$200,100	\$217,510	\$241,350	\$262,350	\$316,130	\$372,720	\$452,298
percent change	7.3	8.7	11.0	8.7	20.5	17.9	21.4
Median Family Income	\$52,600	\$54,100	\$55,200	\$58,400	\$60,800	\$60,300	\$62,500
percent change	5.2	2.9	2.0	5.8	4.1	-0.8	3.6
Santa Barbara County							
Affordability (percent)	32.4	29.7	24.0	24.1	18.4	17.4	11.7
Median Home Price	\$243,670	\$272,740	\$302,260	\$335,540	\$376,350	\$402,740	\$557,511
percent change	0.6	11.9	10.8	11.0	12.2	7.0	38.4
Median Family Income (Fiscal Years)	\$51,400	\$52,100	\$53,500	\$56,500	\$56,800	\$60,600	\$64,700
percent change	4.3	1.4	2.7	5.6	0.5	6.7	6.8

Source: California Association of Realtors and U.S. Department of Housing and Urban Development

Condominium Listings, Sales and Prices Santa Barbara and Goleta

	1998	1999	2000	2001	2002	2003	2004	2005:01	2005:02
Santa Barbara - East of State Street									
Listings (# of condos)	100	127	120	93	125	78	47	4	5
Sales (# of condos)	84	106	90	70	98	77	64	5	8
Median Price (dollars)	268,990	300,917	371,792	395,792	555,667	542,167	621,917	627,000	675,000
Average Price (dollars)	295,267	338,991	412,493	455,676	559,084	636,953	616,447	609,800	840,875
Santa Barbara - West of State Street									
Listings (# of condos)	156	132	134	118	129	120	89	4	6
Sales (# of condos)	129	118	107	100	101	126	110	8	4
Median Price (dollars)	209,188	257,890	301,292	358,083	412,708	481,950	738,222	605,000	550,000
Average Price (dollars)	229,308	286,973	327,211	379,185	455,475	511,601	648,716	653,313	656,750
Goleta - North of Highway 101									
Listings (# of condos)	99	94	88	87	77	58	61	4	1
Sales (# of condos)	77	90	81	81	72	58	74	9	3
Median Price (dollars)	163,833	218,125	268,475	308,638	374,417	452,658	546,208	583,000	659,000
Average Price (dollars)	179,785	235,769	266,672	310,628	383,652	462,275	553,432	642,861	642,333
Goleta - South of Highway 101									
Listings (# of condos)	154	118	111	100	79	93	58	4	0
Sales (# of condos)	115	131	91	89	82	91	73	1	5
Median Price (dollars)	187,294	182,015	250,625	305,792	337,367	385,500	521,458	719,000	414,500
Average Price (dollars)	187,434	205,186	277,462	309,531	358,117	415,371	499,660	719,000	465,900

Source: Santa Barbara Association of Realtors Multiple Listing Service

Residential Real Estate Market Activity in Santa Barbara County							
	1998	1999	2000	2001	2002	2003	2004
Buellton							
Median Home Price	\$182,625	\$230,458	\$272,167	\$318,396	\$371,227	\$457,583	\$577,479
Median Home Price (\$2000)	\$193,073	\$238,056	\$272,167	\$308,041	\$349,464	\$419,871	\$512,767
percent change	4.4	23.3	14.3	13.2	13.4	20.1	22.1
Number of Home Sales	78	74	56	61	51	57	95
Carpinteria							
Median Home Price	\$224,313	\$265,833	\$320,750	\$357,504	\$418,917	\$507,917	\$648,125
Median Home Price (\$2000)	\$237,145	\$274,597	\$320,750	\$345,877	\$394,358	\$466,056	\$575,496
percent change	6.0	15.8	16.8	7.8	14.0	18.2	23.5
Number of Home Sales	149	171	125	95	103	114	170
Goleta							
Median Home Price	\$275,438	\$332,161	\$389,854	\$395,917	\$439,208	\$570,792	\$737,375
Median Home Price (\$2000)	\$291,195	\$343,111	\$389,854	\$383,041	\$413,460	\$523,749	\$654,745
percent change	9.0	17.8	13.6	-1.7	7.9	26.7	25.0
Number of Home Sales	581	612	351	223	249	223	278
Guadalupe							
Median Home Price	\$91,726	\$92,528	\$76,833	\$136,375	\$179,313	\$217,000	\$279,937
Median Home Price (\$2000)	\$96,973	\$95,578	\$76,833	\$131,940	\$168,801	\$199,116	\$248,567
percent change	-9.6	-1.4	-19.6	71.7	27.9	18.0	24.8
Number of Home Sales	39	45	37	49	50	59	60
Lompoc							
Median Home Price	\$129,256	\$133,666	\$153,063	\$184,981	\$235,663	\$283,792	\$363,229
Median Home Price (\$2000)	\$136,651	\$138,073	\$153,063	\$178,965	\$221,847	\$260,403	\$322,526
percent change	3.0	1.0	10.9	16.9	24.0	17.4	23.9
Number of Home Sales	712	707	642	656	630	654	714
Santa Barbara							
Median Home Price	\$295,167	\$342,750	\$430,354	\$500,224	\$562,945	\$662,263	\$895,333
Median Home Price (\$2000)	\$312,053	\$354,049	\$430,354	\$483,955	\$529,943	\$607,682	\$795,002
percent change	10.2	13.5	21.6	12.5	9.5	14.7	30.8
Number of Home Sales	1,135	995	862	580	586	649	1,084
Santa Maria							
Median Home Price	\$130,813	\$138,443	\$158,243	\$188,063	\$243,667	\$293,313	\$366,896
Median Home Price (\$2000)	\$138,296	\$143,007	\$158,243	\$181,946	\$229,382	\$269,139	\$325,781
percent change	4.0	3.4	10.7	15.0	26.1	17.3	21.0
Number of Home Sales	1,501	1,600	1,423	1,496	1,439	1,621	2,054
Solvang							
Median Home Price	\$244,708	\$309,303	\$327,042	\$392,534	\$451,845	\$575,771	\$721,625
Median Home Price (\$2000)	\$258,708	\$319,500	\$327,042	\$379,768	\$425,356	\$528,318	\$640,760
percent change	5.4	23.5	2.4	16.1	12.0	24.2	21.3
Number of Home Sales	178	154	133	107	129	131	132

Source: First American Real Estate Solutions

Residential Building Activity							
	1998	1999	2000	2001	2002	2003	2004
Carpinteria							
Total Residential Units Permitted	20	18	43	8	1	5	4
Single Family Units Permitted	14	15	4	8	1	1	1
Multiple Family Units Permitted	6	3	39	0	0	4	3
Residential Building Value (\$millions)	4.5	6.3	5.7	2.7	1.5	1.7	2.5
Guadalupe							
Total Residential Units Permitted	0	29	22	111	130	11	100
Single Family Units Permitted	0	29	22	103	50	11	1
Multiple Family Units Permitted	0	0	0	8	80	0	99
Residential Building Value (\$millions)	0.0	4.6	3.5	18.3	22.5	1.9	6.6
Lompoc							
Total Residential Units Permitted	50	93	0	4	21	74	34
Single Family Units Permitted	0	1	0	0	21	72	30
Multiple Family Units Permitted	50	92	0	4	0	2	4
Residential Building Value (\$millions)	8.9	10.6	8.2	3.5	9.6	27.6	9.9
Santa Barbara							
Total Residential Units Permitted	57	59	55	106	138	115	120
Single Family Units Permitted	51	41	33	44	39	61	56
Multiple Family Units Permitted	6	18	22	62	99	54	64
Residential Building Value (\$millions)	24.7	27.9	17.4	28.7	52.8	59.4	46.6
Santa Maria							
Total Residential Units Permitted	229	246	333	762	984	976	765
Single Family Units Permitted	229	205	333	556	630	704	643
Multiple Family Units Permitted	0	41	0	206	354	272	122
Residential Building Value (\$millions)	34.5	40.8	54.5	109.2	142.9	159.6	133.6
Santa Barbara County							
Total Residential Units Permitted	1,026	915	924	1,245	1,614	1,549	1,406
Single Family Units Permitted	798	601	731	858	904	1,186	956
Multiple Family Units Permitted	228	314	193	387	710	363	450
Residential Building Value (\$millions)	217.3	225.3	233.8	283.1	356.6	409.7	357.5

Source: Construction Industry Research Board

New Residential Building Permits by Region in Santa Barbara County

	2000	2001	2002	2003	2004		2000	2001	2002	2003	2004
	number of permits						number of permits				
Santa Barbara Region						North Santa Barbara Unincorporated					
Total Residential Units	173	88	273	53	31	Total Residential Units	51	44	74	86	98
Single Family Units	126	54	23	32	14	Single Family Units	37	27	32	78	74
Multi Family Units	0	20	235	1	5	Multi Family Units	0	0	4	0	15
Condominium Units	28	3	0	0	0	Condominium Units	0	0	26	0	0
Santa Barbara Unincorporated						Lompoc Unincorporated					
Total Residential Units	42	54	24	49	25	Total Residential Units	16	9	40	48	71
Single Family Units	27	25	13	28	9	Single Family Units	15	5	12	47	66
Multi Family Units	0	18	0	1	4	Multi Family Units	0	0	4	0	3
Condominium Units	0	3	0	0	0	Condominium Units	0	0	22	0	0
Hope Ranch						Santa Maria Unincorporated					
Total Residential Units	5	3	1	2	3	Total Residential Units	35	35	34	38	27
Single Family Units	5	3	1	2	3	Single Family Units	22	22	20	31	8
Multi Family Units	0	0	0	0	0	Multi Family Units	0	0	0	0	12
Condominium Units	0	0	0	0	0	Condominium Units	0	0	4	0	0
Goleta Unincorporated						Santa Ynez Valley					
Total Residential Units	125	31	246	2	1	Total Residential Units	127	128	123	158	53
Single Family Units	93	26	7	2	1	Single Family Units	122	119	114	146	38
Multi Family Units	0	2	235	0	0	Multi Family Units	0	1	2	5	6
Condominium Units	28	0	0	0	0	Condominium Units	1	2	3	0	0
Isla Vista						Buellton City					
Total Residential Units	1	0	2	0	2	Total Residential Units	54	77	63	131	30
Single Family Units	1	0	2	0	1	Single Family Units	54	74	60	123	18
Multi Family Units	0	0	0	0	1	Multi Family Units	0	1	0	4	6
Condominium Units	0	0	0	0	0	Condominium Units	0	2	3	0	0
Carpinteria / Summerland						Solvang City					
Total Residential Units	24	10	12	23	21	Total Residential Units	14	7	12	3	7
Single Family Units	13	9	9	20	14	Single Family Units	14	7	12	2	6
Multi Family Units	0	0	0	0	2	Multi Family Units	0	0	0	1	0
Condominium Units	10	0	0	0	0	Condominium Units	0	0	0	0	0
Montecito / Mission Canyon						Santa Ynez Township					
Total Residential Units	29	32	25	15	21	Total Residential Units	59	44	48	24	16
Single Family Units	29	30	24	14	21	Single Family Units	54	38	42	21	14
Multi Family Units	0	2	1	1	0	Multi Family Units	0	0	2	0	0
Condominium Units	0	0	0	0	0	Condominium Units	1	0	0	0	0

Source: County of Santa Barbara

NON-RESIDENTIAL REAL ESTATE

Recent Market Activity

The South Coast Commercial real estate market strengthened in 2004 relative to 2003 in most respects. Space is generally getting tighter. The percentage of sub-lease space at the beginning of 2005 is down from the beginning of 2004. South Coast 2004 gross absorption, (873,000 square feet), was up 12 percent from 2003.

2004 lease rates were clearly up in Santa Barbara but were flat in Goleta and in Carpinteria. Goleta continues to experience weak demand for larger Industrial buildings. Carpinteria still has high vacancy rates in Industrial and Office but deals underway will lead to significant reductions in the vacancy factor. Carpinteria is now seen as a more desirable than Goleta or Santa Barbara City for some companies due to its proximity to Ventura County, an economy with a larger workforce and relatively inexpensive housing.

Sale prices were up for Santa Barbara City Retail and Industrial segments, but down for the Santa Barbara City Office segment. Upper State Street has recently

become an active commercial investment area, with six sales occurring in 2004, valued at more than \$82 million.

The Santa Maria Commercial real estate market continues to grow, with new product available or soon-to-be available in both the Industrial and Office segments. There is little new significant Retail product currently available or imminent. Lease rates on desirable (usually new) retail pads are approaching \$3 per square foot, triple-net. The industrial space vacancy rate, at 5.9 percent for the first quarter of 2005, is down from 6.7 percent a year ago.

Santa Barbara County's 2004 Retail segment was stronger than the Industrial and Office segments of the commercial real estate market. Santa Barbara County Retail Sales growth was in recovery mode in 2003 and 2004, and that segment of the Commercial real estate industry has responded with stronger demand for leased space as well as for ownership of improved Retail land.

Santa Barbara County capitalization rates have followed national trends by falling steadily for the last few years. This has been due to slower economic growth and remarkable demand

for real estate assets. For the last few years, investors have embraced real estate as a key asset to hold. Using U.S. data on household wealth, net real estate wealth increased from 16.7 percent in 1999 to 22.9 percent in 2004. Net real estate wealth is defined as the market value of real estate assets minus outstanding mortgage value. Capitalization rates should stop falling sometime later in 2005 as business revenues recover and as increases in sale prices slow.

More detailed commentary on Santa Barbara County Commercial Real Estate is available. Please see our invited author articles on the CD version of the Economic Outlook. Included are articles by Epsteen and Associates, Leider-Hayes Commercial, Radius Group Commercial, and Stafford-McCarty Commercial.

Please see the CD version of the Economic Outlook for information on building activity.

THE SANTA BARBARA COUNTY RETAIL REAL ESTATE MARKET

Mike Hieshima and Phillip Kyle, Epsteen and Associates

Overall Impressions

The Retail segment of Santa Barbara County Commercial Real Estate is very strong, and is clearly outperforming the Industrial and Office segments. The Retail market is characterized by low vacancy and strong rents. In key districts, State Street and Montecito for example, not many vacancies arise, but when they do they are filled quickly. In the North County, new pads at the Crossroads in Santa Maria are occupied quickly and tenants there are doing very well.

Key areas of Santa Barbara County Retail Real Estate are expanding geographically. Santa Barbara examples of areas with intensified and/or a new level of interest include upper State Street, Carrillo Street between the 101 and State Street, and Milpas Street. Santa Maria examples of areas with new activity planned include College Drive and Betteravia Road, the southwest corner of McCoy Lane and Broadway, and Battles Road and Blosser Road.

Carpinteria, Summerland, and Montecito

There are two main shopping centers in Carpinteria, Shepard Place and the Casitas Plaza Shopping Center. Both now have zero vacancy, the latter having filled its last 15,000 square foot vacancy by Island View, a home décor and furnishings store. While Carpinteria lease rates for existing space are generally \$1.50-\$1.80 NNN per square foot, rents on new space have surpassed the \$2 per square foot mark on the project at Linden and Carpinteria avenues that is currently under construction.

Summerland, a small Retail market with little vacancy and little growth, is experiencing new rents approaching \$4 per square foot. Montecito Retail rents have exceeded \$4 per square foot, with very low vacancy rate, short times on market, and low turnover. The local gas station has plans submitted for conversion to residential and retail space.

Santa Barbara

The Santa Barbara City Retail Real Estate market currently has 2.3 percent vacancy, with rents for desirable space at about \$3 per square foot NNN. Lease rates for certain types of space are higher, for example, small spaces in the

Paseo Nuevo mall are leasing at \$5 to \$6 per square foot. State Street is very strong, with the new 24-hour Fitness operating successfully and with short times on market. Starbucks is adding two locations on State Street, one at Victoria Street and another at Cota Street.

The Santa Barbara City Retail Real Estate market is expanding geographically. Higher-end Apparel is expanding to higher blocks of State Street, to the area near the Arlington Theater. High-traffic retail is expanding along Carrillo Street, west of State Street. A key event in this regard was SavOn's decision to take the BKM space on Carrillo Street. Watch for Carrillo Street between Highway 101 and State Street to continue to evolve. There has been a surge in interest and activity on Milpas. Rents on Milpas are normally about \$2 per square foot, but with some new space experiencing rents at \$3 per square foot NNN.

The Retail market on upper State Street is experiencing greater activity. Regency Centers is renovating at the southwest corner of State Street and Hitchcock Way, which is rumored for a Whole Foods store. The shopping area that currently contains Circuit City is being redesigned. Rents at the La Cumbre mall are \$3-\$4 per square foot NNN, with about 20,000 square feet poten-

tially vacant. Rents at Five Points Shopping Center are at \$3.5 per square foot or above, with very low vacancy.

Goleta

Goleta's overall Retail vacancy is two percent. Goleta's has relatively new or refurbished space at Fairview, Calle Real, and the Camino Real Marketplace that are all doing very well, and has older space in Old Town, which is not doing as well. Investor and developer interest in Goleta is in a wait and see mode while the City completes its General Plan.

The Calle Real shopping area has zero percent vacancy, the re-designed Fairview Center is also doing very well, including the new Bed, Bath, and Beyond that opened there. The Camino Real Marketplace is doing very well, with low vacancy, and rents reaching over \$3 per square foot NNN.

The Santa Barbara Airport Project, formerly known as the Gateway Project, is out for bid for new development proposals, and current plans call for 25,000 square feet of new Retail space.

Buellton

Buellton has a low retail vacancy rate with rents for space near McMurray Road and High-

way 246 exceeding \$2 per square foot NNN. Wal Mart proposed a store for Buellton, which the Community opposed. The Oak Springs Village project for the northeast corner of McMurray Road and 246 is expected to break ground this summer (Summer 2005). This project will add about 100,000 square feet of new retail to Buellton, as well as residential.

Lompoc

Lompoc currently has about 125,000 square feet of space available, about 17 percent of the base. Rents have fallen to less than \$1 per square foot NNN. Petco and Pier 1 are potential new entrants to the Lompoc market, and Sears has expanded to 30,000 square feet in the former K-Mart building. A second Lompoc area Starbucks will be opening at the Lompoc Shopping Center this year.

Orcutt

Orcutt has a low retail vacancy rate with rents for space near Clark Avenue and Bradley Road reaching \$2 per square foot NNN. There are two significant development projects that plan to bring new Retail space to Orcutt, the Orcutt Marketplace, and the Orcutt Plaza. The planned 140,000 square foot

Orcutt Marketplace has water, but has been before the County planning process for four years. The Orcutt Marketplace proposes: a Spencer's Fresh Market, Starbucks, Fitness 19, a financial institution, some freeway service retail, and three restaurant pads.

The planned 200,000 square foot Orcutt Plaza is entitled but the developer is currently looking for a water source. Plans include Vons and Kohl's as anchor tenants. Besides those, Border's Books and Music, Petco Animal Supplies Inc., a drive-through Starbucks, and restaurants will round out the project's tenants. Kohl's could be looking elsewhere as the water search for this project continues to be delayed.

Santa Maria

Santa Maria Retail has a vacancy rate of about 7 percent, with inline (or strip) rents at about \$1.35 per square foot compared with new pads reaching \$3 per square foot NNN. The Crossroads Center is nearly 100 percent occupied and is doing well. There are two potential large vacancies to watch for in 2005: JC Penny and Mervyns. The downtown Mall is another property to watch although little progress is expected in 2005. The Mall will likely see a large cosmetic renovation, starting sometime in either 2005 or 2006.

Recent leasing activity includes negotiations for space at the Broadway Plaza at the southeast corner of Broadway and Plaza Drive. Club 24 Fitness is negotiating for 30,000 square feet there, and dd's Discounts is negotiating for 25,000 square feet. Gold's Gym has agreed to occupy 35,000 square feet of the old House-2-Home building at Stowell Road and Highway 101, and 25,000 square feet of space there has been signed for by a furniture store. Remodeling associated with these lease agreements will be completed by the end of the summer.

New Retail developments in the works for Santa Maria include a proposed new development of 65,000 square feet at the southwest corner of College Drive and Betteravia Road by Westar. This Westar proposal is in very early stages. Regency Centers is planning to propose a new 150,000 square foot Retail center at the southwest corner of McCoy Lane and Broadway. This would potentially contain a large softgoods anchor and a drug-store. A new Retail development, the first to follow new housing out on the west side of the City, is planned for Battles Road and Blosser Road, a 200,000 square feet center that would be anchored by Drug and Grocery stores.

2004 – YEAR IN REVIEW, SOUTH COAST RETAIL SPACE

Stephen Leider, Brian McCririe, & Michael Martz, Leider Hayes Commercial

Market Overview

South Santa Barbara County continues to see strong interest from national retailers clamoring to get into our vibrant retail market, especially on State Street in downtown Santa Barbara with its unique mix of historic buildings and charming storefronts. Although Coach, Sur La Table and 24 Hour Fitness (24 Hour Fitness' lease of 31,000 square feet at 820 State Street was the largest retail lease deal completed in South Santa Barbara County in 2004) are recent additions to downtown Santa Barbara, many other national retailers continue to be shut out due to their inability to stray from their national model requirements. The more flexible retailers (often local) have been willing to adjust their footprint and/or pay key money to secure a space. For example, Blue Bee, a locally owned apparel retailer, was able to secure a lease at 913 State Street beating out a publicly traded company with stores nationwide.

A majority of the retail deals done in 2004 were expansions of locally owned retailers such as: Blue Bee's lease of a combined 10,000 square feet at 1100 State Street and 913 State Street; El Paso Imports expansion into 9,200 square feet at 425 Milpas Street, and Business First National Banks opening of their second location at 1035 State Street. The largest space currently available on the market is 11,000 square feet at Anacota Plaza, located at the corner of Anacapa and Cota Streets.

With the lack of developable land and a "no growth" political climate, it is no surprise that there has been limited new retail development in South Santa Barbara County. However, we have seen several shopping centers change hands in the past 12 months and older "tired" centers being updated. The Macerich Company's purchase of the 494,000 square-foot La Cumbre Plaza property, anchored by Sears and Robinson-May, and their commitment to upgrade this already successful "life style center", will continue to energize the blossoming Upper State Street area. Regency Centers recently purchased the Circuit City Center which they hope to redevelop. In addition, Regency with its joint venture partner Macquarie Trust of Australia is currently in escrow on the 145,000 square-foot Five

Points Shopping Center. The Fairview Center in Goleta underwent a complete remodel in 2003, securing a major national retailer, Bed, Bath and Beyond, who consummated a lease in early 2004.

All major retail centers in our market continue to enjoy strong performance and little to no vacancy. Only 65,000 square feet of retail space (including the Paseo Nuevo Mall, La Cumbre Mall, and the Camino Real Marketplace) is available at an average asking rate of \$4.12 Gross per square foot, (compared with \$2.45 Gross per square foot at the end of 2003), ranging from \$1.75 - \$7.40 Gross per square foot monthly. In 2004, there was 115,000 square feet of gross absorption at an average achieved rental rate of \$2.43 Gross per square foot monthly (\$2.39 Gross per square foot monthly in 2003). Although vacancy rates showed a slight increase from 0.55 percent at year end 2003 to 0.66 percent vacancy year end 2004, the South Coast's retail environment remains vibrant with vacancy below 1 percent for the third consecutive year.

Outlook

As we head into 2005, we expect to see a continuation of sub-one percent vacancy rates. National retailers will continue to be left

frustrated on the sidelines unless they become more flexible. Also, Macerich's and Regency's recent purchases will energize the already emerging Upper State Street area of Santa Barbara. Historically the home of the South Coast's service retailers; i.e., banks, real estate firms, stock brokerage firms, Upper State Street will emerge as the "place to be" for retailers who don't want to get lost in the tourist shuffle of the lower State Street areas (Paseo Nuevo Mall).

SANTA MARIA - PREPARED FOR GROWTH

Reported as of the First Quarter 2005

*Steve McCarty and Greg
Stafford, Stafford-McCarty
Commercial Real Estate*

All market segments are demonstrating higher real estate values than last year. The City is preparing for growth by expanding its infrastructure capabilities and annexing land.

Highlights

- Industrial vacancy has decreased from approximately 6.72 percent to 5.89 percent

- Planning for business and agricultural support industries, the City has annexed approximately 932 acres (Area 9) which is pre-zoned for industrial purposes and has expanded its wastewater treatment potential by acquiring over 230 acres.
- Housing market demand remains high and underpins economic vitality but is showing signs of softening.

The following is a brief description of the market segments. For the purpose of this report, databank numbers include functional, non-competitive inventory (older buildings and warehouses) and excludes non-market square footage such as mini-storage, airport hangers, etc.

Residential

The residential market is vibrant and is supporting larger and more costly homes. The trend continues, but it appears sales are slowing as prices continue to escalate. Residential land valuations have approached and in certain areas have surpassed commercial land prices. Recent sales of residential tract land have approached \$11.00 per square foot.

Entry-level homes continue to sell at all time high prices of approximately \$265 per square foot e.g., newly constructed starter homes and townhouses (1,300+/- square feet) sell for about \$350,000. Re-sales are within a similar price range. Orcutt entry-level housing is approximately \$475,000 for 1,400+/- square feet, and northwestern Santa Maria is approximately \$350,000 for 1,200+/- square feet.

Lenders say recent sales are highly leveraged with junior liens (second and third mortgages). There is a continuing trend of multiple families purchasing and occupying entry-level single-family homes. According to builders, the profile of buyers for new residences has changed in that local buyers trading up comprise approximately 50 percent of new homebuyers. In addition, a significant number of the new units are being purchased by investors as rental housing. By all accounts, the limited number of high-paying jobs being created in Santa Maria make it very difficult for workers to afford the average home price of approximately \$450,000. This is being seen as a caution flag in our escalating market.

Retail/Commercial

Existing commercial/retail space within the City of Santa Maria (as of first quarter 2005) is approxi-

mately 3,966,000 square feet. Since last year, most of the former Home Base building has been leased, leaving 25,000 square feet available and Club 24 has taken approximately half of the former Montgomery Ward's building leaving approximately 30,000 square feet. These are the only large vacant retail space remaining within the city.

There has been little anchored or general retail space added to the city's inventory in the last several years. Currently three sites are being evaluated for anchored center concepts - the vacant 40,000+/- square feet (former Stephen's Auto Center) at Skyway & Broadway, the SWC of McCoy and Broadway, and the SWC of La Brea and Blosser.

In the Orcutt area, two shopping centers, Orcutt Plaza (230,000 square feet) and Orcutt Marketplace (109,600 square feet), are still awaiting approvals. The Orcutt Plaza, with Lowe's as an anticipated anchor, has been held up with mitigation issues concerning water.

Shopping center-sized land parcels now exceed \$10.00 per square foot. Prices can be expected to be \$15.00+/- square feet, if the land can be located. General retail C2 zoned lots and smaller parcels, which are in very limited supply, can command prices of \$18 to \$25 per square foot. This excludes anchored pads.

Office

This market segment is the most visible with construction occurring along the heavily traveled corridors. The vast majority of office users continue to be less than 5,000 square feet with the noticeable exception of government and education users, which often require larger spaces. The market base inventory is approximately 865,000 square feet, which has shown only modest growth (about 2.4 percent) from last year, however, significant inventory for this relatively small market segment is coming on line. Higher end product may become an oversupply situation and we view this market as "watch and see". The following are significant office projects in the city:

- La Brea Plaza: 700 Block of East Main, 29,587 square feet in two buildings, under construction
- Betteravia Business Plaza: NEC Betteravia and Miller, 31,016 square feet, 70 percent pre-leased, nearing completion
- Fugate Business Complex: 201 S. Miller, Phase I, 19,664 square feet, and Phase II, 18,003 square feet of 65,000 square feet (both phases have been completed and occupied)

Office space for medical use is still very limited. Listed properties with medical build-out are virtually non-existent. Conversion of existing office space for medical use is unlikely as typical office product has less parking than what is required for medical uses. Thus, medical expansion is forced into new construction with higher rents associated therewith.

Market rents for 2nd generation office space are typically \$1.10 per square foot to \$1.25 per square foot gross. Ever-increasing construction costs are driving rental rates upward for new buildings. Rental rates for new office products have reached \$1.75 per square foot NNN with \$35+/- tenant improvement allowances.

Land prices are similar to the discussion in the Retail segment above, as Santa Maria's C-2 zoning allows office uses as well as retail uses. Land prices are increasing to \$15.00 to \$20.00 per square foot, and hard-to-find smaller lots costing \$18 to \$25 per square foot. This price range has moved up from last year's \$10.00 to \$15.00 per square foot.

Industrial

User/buyers and investors continue to be the mainstay for activity in the Santa Maria industrial market.

Stafford-McCarty databanks indicate that the industrial base for completed, functioning inventory in Santa Maria at the time of this article is approximately 6,750,000 square feet. Vacancy is 5.89 percent, representing approximately -397,500 square feet, down from 6.72 percent for last year.

The typical industrial requirement has been 4,000+/- square feet, which is coming from tenants looking for incubator space and other small users. Multi-tenant industrial projects offering smaller units have demonstrated greater absorption than last year. Conversely, Stafford-McCarty databanks show several well-located buildings, with units of over 10,000 square feet, having had vacancies for over 36 months. Overall industrial employment has demonstrated flat to modest growth.

The following are vacated buildings/units, identified with the prior tenants, which have yet to be backfilled. (Reportedly, as of this writing, there are lease and potential sale transactions in process regarding some of these units.)

- B. Allen Printing, 40,000 sq. ft.
- UPS Teleservices, 36,300 sq. ft.
- Valenzuela Engineering 30,000 sq. ft. (This building has been purchased and divided into smaller units.)

From a visibility perspective, the most noticeable project continues to be the seven- building, 139,000+/- square feet FairSky Technology Park. The desired occupancy for this project has been for larger office and R & D users, which have not materialized in the market as of date. Over 50 percent of the park is vacant which is approximately 62,000 square feet. Multiple buildings in the Park were sold in 2004 to investors. There are plans to subdivide the approximate 20,000 square feet buildings into industrial condominiums for the smaller user/buyers present in the market. Escrow transaction valuations for these products are in the mid-\$90s per square foot.

This being said, speculative industrial development continues with Meyer Asset Management, Phase II 70,076 square feet (of a total 143,947 square feet) and Enterprise Business Park Phase II, 34,905 square feet. Both projects have been completed.

Below are new building sale figures of the new Meyer Asset Management project:

<u>Building:</u>	2240 A Street
<u>Size:</u>	11,113 sq.ft.
<u>Price/s.f.:</u>	\$95.7
<u>Buyer:</u>	user/buyer
<u>Building:</u>	2390 A Street
<u>Size:</u>	11,848 sq.ft.
<u>Price/s.f.:</u>	\$93.1
<u>Buyer:</u>	user/buyer

Asking rents for 2nd generation multi-tenant buildings range from approximately \$0.45 per square foot to \$0.65 per square foot NNN. New construction shell rates are approximately \$0.65 per square foot NNN.

Mini storage continues to surprise us, as this market, thought to be overbuilt, remains strong. Additional product is in planning stages.

Industrial Land

What was once found in abundance is now scarce, but this will soon change. It has become increasingly difficult to find finished lot product. One to seven acre sale prices range from approximately \$3.00 to \$7.50 per square foot, if they can be located. M2 PD land sales of six to twenty acres have sold for \$120,000 per acre or approximately \$2.75 per square foot for land with partial infrastructure availability.

The Airport District, which controls the bulk of the M-1 Light Industrial zoned land, is proposing an approximate 42-acre, Phase I, research park of approximately 500,000 square feet. A portion of the project has been approved with 15-20 lots, leasehold interest only, and the balance is still under District review regarding design and CEQA mitigation issues.

The remedy for lack of industrial fee land is the imminent an-

nexation of Area 9 (approximately 932 acres west of A Street between Santa Maria Valley Railroad to the north and Betteravia Road to the south), and the so-called "Robinson Helicopter" property (120 acres of industrial land along Betteravia Road). The largest landowners are oil companies (Union Oil, Greka) and agricultural interests.

Several key transactions indicating upward movement in industrial land values for well located property along Betteravia Road:

- Consolidated Lumber Property: 7.19 acres of PD-CM zoned land, \$6.71/sq. ft.
- Former Santa Barbara Research: 16 acres of PD-M1 zoned land \$5.16/sq. ft.

Agricultural

Farmland prices continue to be in transition. They have literally leap-frogged in valuation. This has been demonstrated with the Buss property 130-acre sale at \$43,200 per acre. Previous new high water marks were \$25,000 to \$30,000 per acre. Sales have occurred on both the east and west sides of Santa Maria.

For comparative purposes, Oxnard demonstrates values in the \$65,000 to \$70,000 per acre range. In the Salinas Valley, valuations are in the mid to high \$50,000 per

acre. Ground lease rates in Oxnard are surpassing Salinas. Reportedly, owners are seeking \$3,000-3,500 per acre rental rates. As a comparison, Salinas Valley annual lease rates are \$2,200-\$2,400 per acre for quality ground. In the Santa Maria Valley, annual lease rates are \$1,200-\$1,500 per acre.

A recent vineyard sale, Fess Parker sold approximately 213 acres of vineyard known as the Ashley Vineyard, demonstrated valuations for the production portions of approximately \$35,000 an acre (still in escrow as of this reporting).

Currently, capitalization rates for agricultural ground are ranging approximately 4 to 6 percent.

Commercial Investment

Shopping center, Office and Industrial capitalization rates are ranging between 7 and 8, with mid 7's being the median. This is down approximate 0.5 cap rate from last year. A Cap Rate (Capitalization Rate) is calculated by dividing the annual net operating income (NOI—which does not include debt service) by the purchase price. For example: \$100,000 NOI/\$1,500,000 purchase price equals .0667 or a 6.67 cap rate.

We are seeing a change in current investor psychology. General confidences of increased valuations of investment properties seem

to outweigh investors attention to rental cash flow. Softening rents or non-escalating rents and low capitalization rates typically do not go hand-in-hand. Even partially occupied properties have sold at incredibly low cap rates based on projected versus actual or contracted rents. In this way, we see commercial markets tracking similarly to residential markets - income returns are not driving the market, but it appears that anticipated valuation growth is.

In 2004, we saw considerable demand by exchange buyers in the Central Coast regions. We anticipated there would be a lessening of demand for leased properties as cap rates continue to drop, which has happened, but prices have continued to rise. There will be continued buyer demand for leased properties in 2005; however, we expect the demand to be less than what it was in 2004 and 2003 as many buyers are electing to pay capital gain taxes versus overpaying for property as prices continue to escalate.

Examples of mid 7 cap rate transactions between \$2.5 million and \$3.5 million for Santa Maria:

- 2801 Santa Maria Way
Multi-tenant Office
\$3,150,000
17,000 sq. ft.
7.8 Cap Rate
User/Buyer

- 1234 Fairway
Multi-tenant Industrial/Office
\$2,850,000
20,100 sq.ft.
7.5 Cap Rate
Investor (escrow)

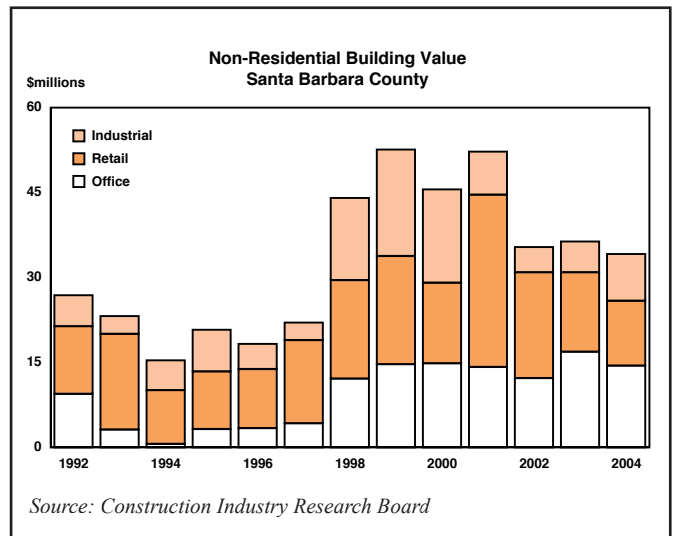
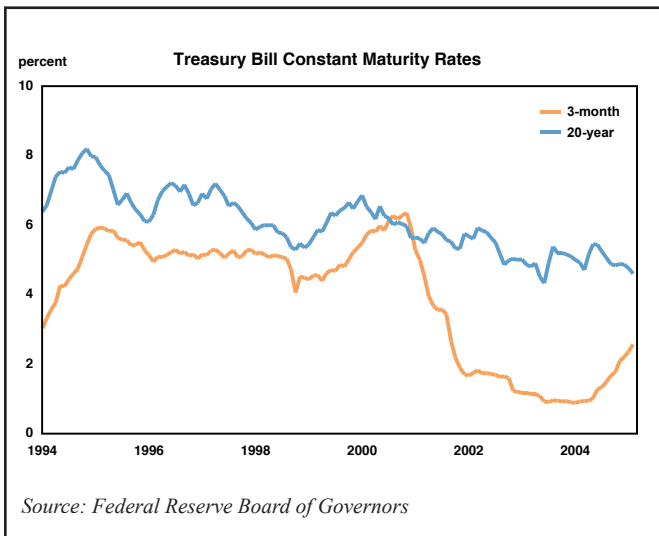
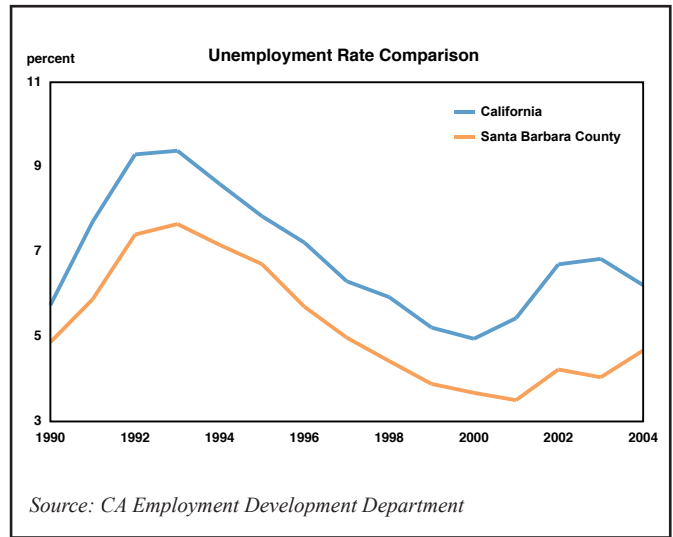
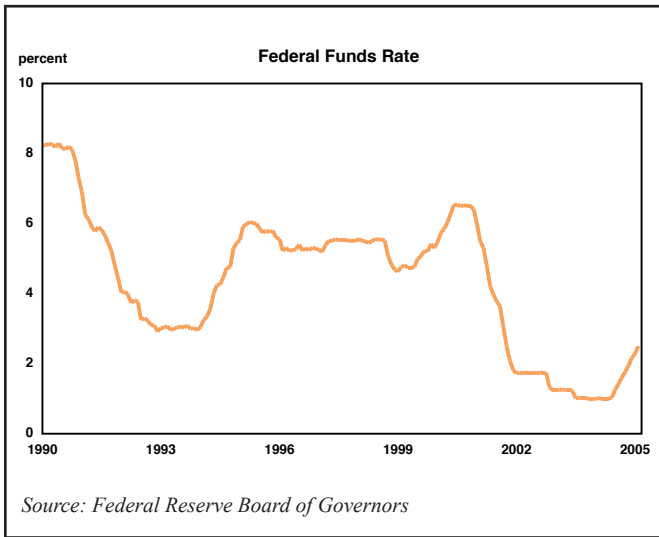
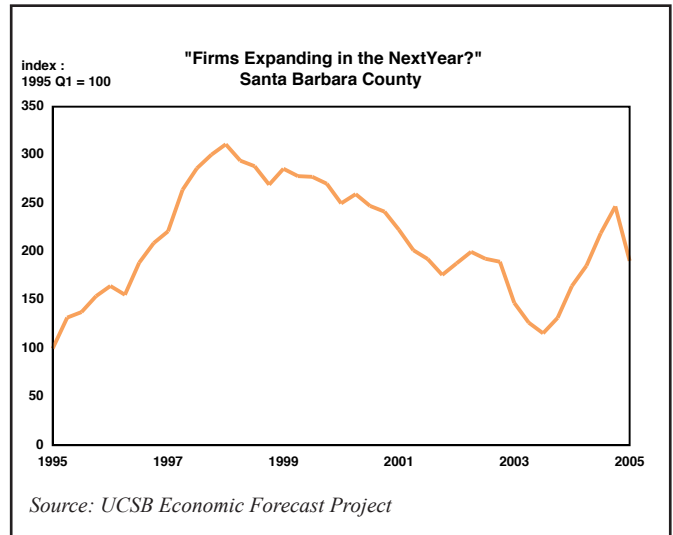
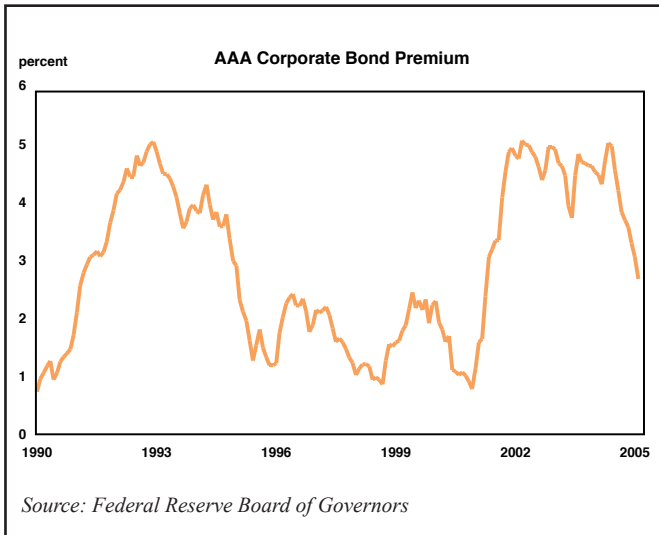
User/Buyer Santa Maria continues to be similar to other investment markets in that there is little availability of product. This condition also holds true for the balance of the Central Coast.

Summary

Santa Maria is establishing itself as the hub of population and business for the Central Coast by annexing land and developing infrastructure. Santa Maria is the only city in the Central Coast producing any significant quantity of housing stock.

Transactions supporting increased valuations demonstrate confidence in the region and stability for the Santa Maria market. Santa Maria remains the “watch spot” for the central coastal region of California.

Non-Residential Real Estate



Non-Residential Building Values

	1998	1999	2000	2001	2002	2003	2004
	millions of dollars						
Carpinteria							
Non-Residential Building Value	18.5	2.9	0.8	5.8	0.8	1.2	1.4
Office Building Value	8.4	0.0	0.0	2.6	0.0	0.0	0.0
Industrial Building Value	0.2	1.7	0.0	0.0	0.0	0.0	0.0
Retail Building Value	0.0	0.0	0.0	0.0	0.0	0.5	0.0
Guadalupe							
Non-Residential Building Value	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Office Building Value	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Industrial Building Value	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Retail Building Value	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lompoc							
Non-Residential Building Value	4.0	7.8	14.5	7.7	8.7	4.0	4.3
Office Building Value	0.0	0.0	0.0	0.0	2.9	0.0	0.0
Industrial Building Value	0.0	0.0	6.0	0.0	0.0	0.0	0.0
Retail Building Value	0.0	0.0	1.6	5.7	0.4	0.2	0.0
Santa Barbara							
Non-Residential Building Value	30.8	25.4	38.3	29.7	43.0	40.0	21.3
Office Building Value	0.8	5.4	3.2	0.0	0.4	0.0	1.3
Industrial Building Value	0.0	0.0	1.3	0.0	0.0	0.0	0.0
Retail Building Value	1.1	4.9	6.1	2.7	5.3	4.2	3.3
Santa Maria							
Non-Residential Building Value	24.0	31.0	21.7	48.3	35.7	36.2	31.6
Office Building Value	1.7	0.8	3.0	11.2	4.8	7.2	7.9
Industrial Building Value	1.1	11.0	5.6	4.4	0.9	2.3	4.3
Retail Building Value	12.6	5.1	4.9	21.5	11.8	8.1	4.1
Santa Barbara County							
Non-Residential Building Value	129.9	142.3	133.2	134.2	142.1	130.1	118.0
Office Building Value	12.1	14.7	14.8	14.2	12.2	16.9	14.4
Industrial Building Value	14.5	18.8	16.5	7.6	4.5	5.4	8.3
Retail Building Value	17.4	19.1	14.2	30.4	18.7	14.0	11.5

Source: Construction Industry Research Board

New Non-Residential Building Permit Value by Region in Santa Barbara County

	2000	2001	2002	2003	2004		2000	2001	2002	2003	2004
	thousands of dollars						thousands of dollars				
Santa Barbara Region											
Total New Non-Residential Value	\$12,307	\$8,796	\$18,570	\$15,394	\$8,502						
Office	\$4,725	\$194	\$2,963	\$4,455	\$101						
Retail	\$400	\$546	\$1,330	\$3,857	\$3,736						
Industrial	\$129	\$32	\$0	\$0	\$235						
Santa Barbara Unincorporated											
Total New Non-Residential Value	\$752	\$5,588	\$14,321	\$11,185	\$3,742						
Office	\$75	\$194	\$2,963	\$4,455	\$0						
Retail	\$0	\$0	\$0	\$225	\$178						
Industrial	\$129	\$0	\$0	\$0	\$0						
Hope Ranch											
Total New Non-Residential Value	\$2,191	\$1,036	\$1,435	\$398	\$767						
Office	\$497	\$0	\$0	\$0	\$0						
Retail	\$0	\$0	\$0	\$0	\$0						
Industrial	\$0	\$0	\$0	\$0	\$0						
Goleta Unincorporated											
Total New Non-Residential Value	\$7,364	\$1,796	\$2,802	\$3,810	\$3,993						
Office	\$4,153	\$0	\$0	\$0	\$101						
Retail	\$400	\$546	\$1,330	\$3,632	\$3,557						
Industrial	\$0	\$32	\$0	\$0	\$235						
Isla Vista											
Total New Non-Residential Value	\$2,000	\$376	\$13	\$0	\$0						
Office	\$0	\$0	\$0	\$0	\$0						
Retail	\$0	\$0	\$0	\$0	\$0						
Industrial	\$0	\$0	\$0	\$0	\$0						
Carpinteria / Summerland											
Total New Non-Residential Value	\$4,896	\$1,856	\$2,432	\$1,175	\$1,915						
Office	\$0	\$0	\$244	\$518	\$332						
Retail	\$0	\$0	\$0	\$0	\$451						
Industrial	\$1,365	\$1,469	\$158	\$0	\$0						
Montecito / Mission Canyon											
Total New Non-Residential Value	\$2,479	\$2,645	\$3,610	\$2,689	\$2,917						
Office	\$0	\$0	\$116	\$0	\$0						
Retail	\$0	\$0	\$0	\$0	\$0						
Industrial	\$0	\$0	\$688	\$0	\$0						
North Santa Barbara Unincorporated											
Total New Non-Residential Value	\$4,391	\$2,258	\$1,260	\$9,977	\$4,484						
Office	\$34	\$31	\$351	\$198	\$2,559						
Retail	\$1,774	\$125	\$0	\$2	\$0						
Industrial	\$802	\$24	\$4	\$9,208	\$0						
Lompoc Unincorporated											
Total New Non-Residential Value	\$1,212	\$610	\$234	\$256	\$144						
Office	\$29	\$0	\$127	\$0	\$0						
Retail	\$0	\$0	\$0	\$0	\$0						
Industrial	\$150	\$0	\$0	\$0	\$0						
Santa Maria Unincorporated											
Total New Non-Residential Value	\$3,179	\$1,648	\$1,027	\$9,721	\$4,340						
Office	\$4	\$31	\$224	\$198	\$2,559						
Retail	\$1,774	\$125	\$0	\$2	\$0						
Industrial	\$652	\$24	\$4	\$9,208	\$0						
Santa Ynez Valley											
Total New Non-Residential Value	\$4,013	\$8,473	\$5,924	\$7,725	\$4,875						
Office	\$0	\$0	\$323	\$0	\$0						
Retail	\$0	\$799	\$40	\$0	\$179						
Industrial	\$1,557	\$2,726	\$2,977	\$3,472	\$3,045						
Buellton City											
Total New Non-Residential Value	\$618	\$2,119	\$1,861	\$4,921	\$3,907						
Office	\$0	\$0	\$0	\$0	\$0						
Retail	\$0	\$0	\$0	\$0	\$179						
Industrial	\$609	\$1,735	\$1,802	\$3,199	\$3,045						
Solvang City											
Total New Non-Residential Value	\$129	\$55	\$211	\$95	\$127						
Office	\$0	\$0	\$0	\$0	\$0						
Retail	\$0	\$0	\$40	\$0	\$0						
Industrial	\$0	\$0	\$0	\$0	\$0						
Santa Ynez Township											
Total New Non-Residential Value	\$3,265	\$6,300	\$3,853	\$2,710	\$841						
Office	\$0	\$0	\$323	\$0	\$0						
Retail	\$0	\$799	\$0	\$0	\$0						
Industrial	\$948	\$991	\$1,175	\$272	\$0						

Source: County of Santa Barbara

2004 – YEAR IN REVIEW, SOUTH COAST OFFICE & INDUSTRIAL SPACE

Stephen H. Hayes & Francois D. DeJohn, *Leider Hayes Commercial*

Market Overview

The South Coast has approximately 20 million square feet of Office and Industrial space and there is currently 1.25 million square feet available. The overall vacancy rate is 6.1 percent, down from 6.4 percent at the end of 2003. Total leasing activity (gross absorption) in 2004 was 873,000 square feet, up 12 percent from 2003. The percentage of available space that is sublease space currently stands at 29 percent (predominantly Office space), down from 34 percent at the beginning of 2004. Asking rates for office remained flat during 2004 with actual rates posting the first positive increase in four years by rising 2.7 percent. The Carpinteria and Santa Barbara Industrial markets remained stable in 2004, while the Goleta large Industrial market continued to be soft. Overall, asking rates for Industrial space increased 13 percent and actual rates increased 8 percent over the previous year. Note that all lease rates quoted in this article are Gross lease rates. After posting re-

cord prices in 2003 the average price per square foot for Office buildings in Santa Barbara dropped 17 percent in 2004. Industrial sales in Santa Barbara continued to climb and set historical highs in 2004, increasing by 32 percent. The nearby table illustrates the percent change in the overall market indicators for Office and Industrial properties combined.

Office Leasing

Santa Barbara

The Santa Barbara Office market is best known for its charming “Spanish Style” buildings with red tiled roofs. The majority of the Office tenants are small to medium sized privately owned companies with a median size of approximately 2,000 square feet. Commercial development is restricted to 30,000 square feet per year and there is virtually no vacant land in the downtown area to develop. The only large approved Office project is located at 6100 Hollister (160,000 square feet) on the City of

Santa Barbara’s airport property, in the middle of Goleta. Mixed-use development continues to be very strong and is supported by the City. In fact, the Paseo Chapala development across from the Paseo Nuevo is set to break ground in 2005 and will be comprised of 29 residential condos and 6,000 square feet of commercial space.

There is approximately 5 million square feet of office space in Santa Barbara. Currently, 268,000 square feet is available for lease (79,000 square feet for sublease) at an average asking rate of \$2.13 per square foot (\$1.95 end of 2003), ranging from \$1.00 - \$3.47 per square foot. Both asking and actual rates crossed back above the \$2.00 mark after falling below this threshold in 2003 for the first time since 1999. In 2004, there was 230,000 square feet of gross absorption (31,000 square feet net absorption) at an average rental rate of \$2.01 per square foot (\$1.99 in 2003). Actual rental rates rose 1 percent, asking rates rose 7 percent. The vacancy rate is currently 5.4 percent, down from 6 percent at the end of 2003.

Year in Review: 2004					
Vacancy	Gross Absorption	Sublease Space	Asking Rental Rates	Actual Rental Rates	Santa Barbara Sale Prices
↓ 5%	↑ 12%	↓ 15%	↑ 5%	↑ 5%	↑ 2%

Source: Leider Hayes Commercial

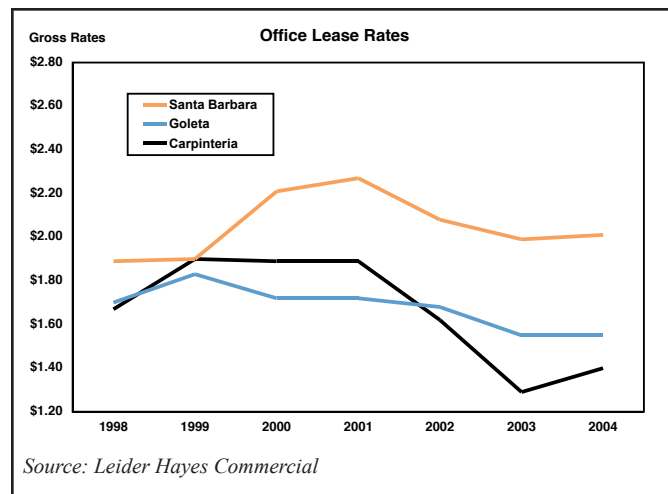
There were 61 leases signed in 2004 greater than 1,000 square feet, 2 above 10,000 square feet. Tenet Healthcare's decision to move their operations to Texas has placed over 60,000 square feet on the market, most notably their corporate headquarters at 3820 State Street (32,000 square feet) and 3780 State Street (20,000 square feet). For the first time in 4 years, 820 State Street is no longer the largest space available in Santa Barbara. In fact, this building had four of its six floors lease in 2004 to 24 Hour Fitness (31,000 square feet) and to the Law Offices of Misho, Kirker and Associates (4,300 square feet). Valueclick, now in the area through its recent acquisition of Commission Junction, completed the largest office transaction in 2004 (28,350 square feet) at 530 East Montecito Street.

Goleta

The Goleta Office market is comprised of medium to large companies that are both privately and publicly held with a median

size of approximately 6,000 square feet. Approximately 50 percent of all office space in Goleta is located in the 15 largest properties, most notably University Business Center and Castilian Technology Center. The City of Goleta was incorporated in 2002 with a "no-growth" city council in power. The only approved Office projects in Goleta are located at 41 S. Los Carneros Road (100,000 square feet), 420 S. Fairview (66,000 square feet) and 5901 Hollister Avenue (40,000 square feet). In 2004, the corporate headquarters for Yardi Systems at 430 S. Fairview Avenue (61,000 square feet) was completed, which was the first Office building built since 2000.

There is approximately 4.2 million square feet of Office space in Goleta. Currently 303,000

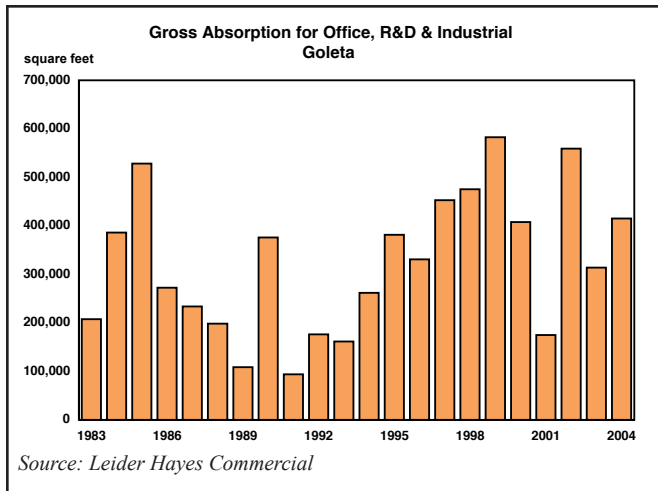


square feet is available for lease (146,000 square feet for sublease) at an average rental rate of \$1.61 per square foot (\$1.60 end of 2003), ranging from \$0.95 - \$2.25 per square foot. In 2004, there was 238,000 square feet of gross absorption (89,000 square feet net absorption) at an average actual rate of \$1.55 (\$1.55 in 2003). Actual rental rates remained flat, asking rates rose 1 percent. The vacancy rate is currently 7.1 percent, down from 7.7 percent.

2004 was an average year for leasing in Goleta with a total of 24 transactions. Ten of the completed deals were above 10,000 square feet. Network Hardware completed one of Goleta's largest transactions when they leased 25,000 square feet of Office and 20,000 square feet of Warehouse at 26 Castilian Drive. UCSB's Education Abroad program completed the largest pure Office deal (30,000 square feet) in Goleta by moving

Office Space Summary				
City	Available Space (s.f.) 12/31/04	Available Space (s.f.) 12/31/03	% Change	Total Space Leased (s.f.) 2004
Santa Barbara	267,000	299,000	-10%	230,000
Goleta	303,000	323,000	-6%	238,000
Carpinteria	110,000	115,000	-5%	80,000
Totals	680,000	737,000	-8%	548,000

Source: Leider Hayes Commercial



into the former Fidelity space at the corner of Storke Road and Hollister Avenue. Warp 9 Technologies subleased the last 8,500 square feet of all the 170,000 square feet that Ericsson placed on the market in 2002. Unfortunately, this good news was accompanied by the announcement that General Dynamics will be moving its local division to Michigan, which will place approximately 105,000 square feet on the market at the end of 2005. The largest available Office spaces are both subleases and are located at 7416 Hollister Avenue (34,000 square feet) currently occupied by Hollingshead International

buildings on the South Coast overlooking the Pacific Ocean. However, it has just experienced four of its worst years in terms of vacancy and pricing largely due to QAD vacating 100,000 square feet and moving to its newly constructed Summerland headquarters. Carpinteria will continue to be an attractive choice for medium to large companies (median size of 4,000 square feet) who have employees who commute from Ventura County. The only Office development, called the Lagunitas Business Park (180,000 square feet), has been in the approval process for over 5 years.

and 6755 Hollister Avenue (27,000 square feet) renovated by DuPont.

Carpinteria

The Office market in Carpinteria has some of the most spectacular office

There is approximately 562,000 square feet of Office space in Carpinteria. Currently, 110,000 square feet is available for lease (24,000 square feet for sublease) at an average rental rate of \$1.43 per square foot (\$1.63 end of 2003), ranging from \$1.05 - \$1.86 per square foot. In 2004, there was 115,000 square feet of gross absorption (80,000 square feet net absorption) at an average rental rate of \$1.40 (\$1.29 in 2003). Actual rental rates rose 9 percent, asking rates dropped 12 percent. The vacancy rate is currently 19 percent, down from 21 percent. This is the first time that the vacancy rate has dipped below 20 percent in 4 years.

2004 was a good year in terms of leasing activity in Carpinteria with 15 transactions taking place, three above 10,000 square feet. Somera Communications inked the largest lease in 2004 at 6410 Via Real (15,000 square feet), moving its headquarters from Goleta to get closer to the Ventura employment market. The 2nd largest lease signed was completed by CKE (13,000 square feet. CKE is now one of Carpinteria's largest companies with a total of 55,000 square feet at 6307 Carpinteria Avenue. Most interestingly, of the 15 transactions signed in Carpinteria in 2004, 8 of the tenants came from Santa Barbara or Goleta. The largest space currently on the market is located at 5464 Carpinteria Avenue (52,000 square feet). The 1st

Office Gross Lease Rate Summary				
City	Average Asking Rate (\$ / s.f.) 12/31/04	Average Asking Rate (\$ / s.f.) 12/31/03	% Change	Average Actual Rate (\$ / s.f.) 2004
Santa Barbara	\$2.13	\$1.95	9%	\$2.01
Goleta	\$1.61	\$1.60	1%	\$1.55
Carpinteria	\$1.43	\$1.63	-12%	\$1.40
Averages	\$1.72	\$1.73	0%	\$1.65

Source: Leider Hayes Commercial

floor of this building was previously occupied by QAD and the 2nd floor is currently occupied by Venoco. However, Venoco purchased a 51,000 square foot office building located at 6267 Carpinteria Avenue and will be moving its headquarters to this location by mid-2005.

Industrial Leasing

Santa Barbara

For the third consecutive year the Santa Barbara Industrial market is the strongest sector on the South Coast in terms of vacancy, which declined further to 1.1 percent from 1.3 percent. Asking and achieved rates actually rose double-digits from last year, increasing 17 percent and 16 percent, respectively. This segment is mostly comprised of small to medium sized privately held local businesses with the median

Industrial Space Summary				
City	Available Space (s.f.) 12/31/04	Available Space (s.f.) 12/31/03	% Change	Total Space Leased (s.f.) 2004
Santa Barbara	51,000	61,000	-16%	49,000
Goleta	390,000	414,000	-6%	177,000
Carpinteria	98,000	68,000	44%	100,000
Totals	538,000	542,000	-1%	325,000

Source: Leider Hayes Commercial

size tenant at approximately 2,500 square feet. Demand from home improvement / construction tenants has continued to keep this sector strong.

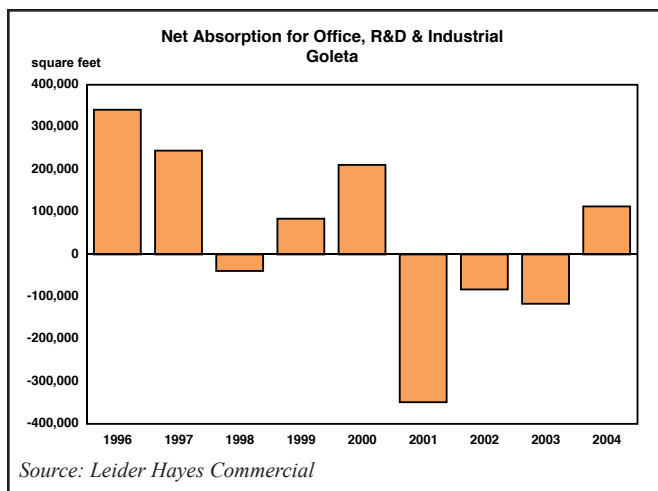
There is approximately 4.8 million square feet of Industrial space in Santa Barbara. Currently, 51,000 square feet is available for lease (12,000 square feet for sub-lease) at an average rental rate of \$1.29 per square foot (\$1.10 end of 2003), ranging from \$0.99 - \$1.65 per square foot. In 2004, there was 49,000 square feet of gross absorption (10,000 square feet net absorption) at an average rental rate of \$1.09 (\$0.94 in 2003).

feet) at 1 North Calle Cesar Chavez. SB Ceramic still has the largest space for sublease at 436 E. Gutierrez Street (12,000 square feet).

Goleta

The Goleta Industrial market consists of several large Industrial buildings, where many of the South Coast's largest manufacturers reside. The median sized tenant in Goleta is approximately 5,000 square feet. The large Industrial sector (10,000 square feet +) has been affected by the downsizing or relocation of several large manufacturers (Dupont, Joslyn Electronics, Agility Communications, and Hendry Telephone). Furthermore, there has been virtually no demand from large users (10,000+ square feet) and the cost of housing will continue to exacerbate this problem. However, the small to medium size segment of this market (less than 10,000 square feet) has remained strong.

There is approximately 4.2 million square feet of Industrial space in Goleta. Currently, 390,000



Santa Barbara saw 8 leases signed in 2004, one of which was above 10,000 square feet. The two largest deals were completed by Danica House (15,000 square feet) and ArtAlive (8,200 square

Industrial Gross Lease Rate Summary				
City	Average Asking Rate (\$ / s.f.) 12/31/04	Average Asking Rate (\$ / s.f.) 12/31/03	% Change	Average Actual Rate (\$ / s.f.) 2004
Santa Barbara	\$1.29	\$1.10	17%	\$1.09
Goleta	\$1.22	\$1.23	-1%	\$1.20
Carpinteria	\$1.21	\$0.95	27%	\$1.05
Averages	\$1.24	\$1.09	13%	\$1.11

Source: Leider Hayes Commercial

square feet is available for lease (101,000 square feet for sublease) at an average rental rate of \$1.22 per square foot (\$1.23 end of 2003), ranging from \$0.76 - \$1.45 per square foot. In 2004, there was 177,000 square feet of gross absorption (24,000 square feet net absorption) at an average rental rate of \$1.20 (\$1.11 in 2003). The actual rental rates rose 8 percent, asking rates fell 1 percent. The vacancy rate is currently 9.3 percent, up from 9.9 percent.

Goleta had a relatively good year in Industrial leasing with 21 lease transactions completed in 2004, 7 of them above 10,000 square feet. The largest Industrial space in Goleta (58,000 square feet) at 600 Pine Ave was leased to AEC-Able Engineering for 10 years. However, there are currently 5 spaces available for lease over 40,000 square feet: 500 S. Fairview Avenue (43,000 square feet), 6868 Cortona Drive (61,000 square feet), 55-75 Castilian Drive (47,000 square feet), 6740 Cortona Drive (58,000

square feet), and 6775 Hollister Avenue (120,000 square feet). This is an unprecedented number of large spaces available at once and is largely due to the recent closure of Hendry that placed 160,000 square feet of manufacturing space on the market.

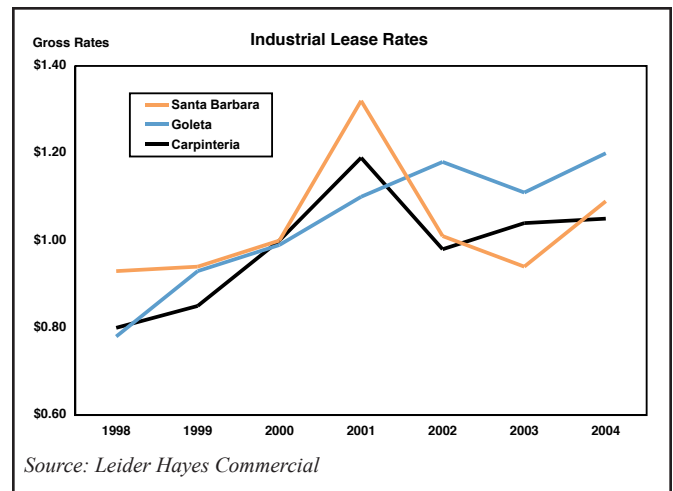
Carpinteria

The Carpinteria Industrial market is mostly comprised of medium sized privately held companies, with a median size of approximately 3,500 square feet. Most of the Industrial properties are concrete tilt-up type construction. There are no approved Industrial buildings to be built in Carpinteria.

There is approximately 1.25 million square feet of Industrial space in Carpinteria. Currently, 98,000 square

feet is available for lease (11,000 square feet for sublease) at an average rental rate of \$1.21 per square foot (\$0.95 end of 2003), ranging from \$0.85 - \$1.63 per square foot. In 2004, there was 100,000 square feet of gross absorption (-30,000 square feet net absorption) at an average rental rate of \$1.05 (\$1.04 in 2003). Asking rental rates increased 27 percent, actual rates rose 1 percent. The vacancy rate is currently 7.8 percent, up from 5.4 percent.

There were 13 Industrial leases signed in 2003, with only one above 10,000 square feet. Nusil Technology completed the largest Industrial lease in Carpinteria and on the South Coast at 65,000 square feet for 10 years at 1000 Cindy Lane. The 2nd largest lease was for 7,400 square feet at 1000 Cindy Lane by Cambridge Foods. Aside from the activity at 1000 Cindy Lane, 2004 was a



Office and Industrial Sales 2004						
City	Office			Industrial		
	Avg. \$ per s.f.	% Change	# of Sales	Avg. \$ per s.f.	% Change	# of Sales
Santa Barbara	\$345	-17%	21	\$339	32.00%	9
Goleta	\$188	NA	2	\$252	NA	11
Carpinteria	186	NA	3	\$110	NA	1

Source: Leider Hayes Commercial

quiet year for Industrial leasing in Carpinteria with no other leases larger than 5,500 square feet. The largest space available in Carpinteria is the 44,000 square feet located on the bluffs at 6155 Carpinteria Avenue, previously occupied by Turbodyne.

Office and Industrial Sales

The Industrial sales market continued to set records in 2004, while the Office market experienced a downward adjustment. In fact, Santa Barbara Office buildings sold at an average price of \$345 per square foot (average capitalization rate of 5.4 percent), down from a record high of \$414 per square foot in 2003, a decrease of 17 percent over 2003 prices. Santa Barbara Industrial buildings broke records again in 2004 selling at an average of \$339 per square foot, an increase of 32 percent over 2003 prices. Please note that the average numbers for Goleta and Carpinteria should be used cautiously, due to the small number of sales that occur. The

average price per square foot for Office and Industrial buildings are shown in a nearby table.

The two largest Office sales of the year were both purchased by owner-users. Yardi Systems bought a 61,000 square feet two-story office building in Old Town Goleta at 430 S Fairview for \$13 million (\$215 per square foot). Venoco purchased a spectacular 51,000 square feet two-story office building located on the bluffs in Carpinteria for \$14 million (\$275 per square foot). The largest Industrial sale of 2004 was located at 75 Coromar Drive, sold to a local investor for \$19 million (\$160 per square foot). This investment property was 100 percent leased to Raytheon Company and was comprised of two single-story manufacturing buildings.

Additional sales of note include the La Cumbre Plaza for approximately \$48 million, the Citibank building at 3757 State Street for \$6.4 million and the Anthropologie building at 901 State Street for \$7.8 million. Interest-

ingly, there were 6 sales in 2004 on Upper State Street, valued at more than \$82 million.

Outlook

In 2003, the South Coast Office and Industrial markets experienced rising vacancy rates, declining leasing activity, an increase in sublease space, declining asking and actual rental rates and unprecedented sales activity and prices. This was the 3rd year in a row that we saw a disconnect between lease rates and sale prices.

As we predicted, 2004 was a much better year for the commercial real estate market on the South Coast with every major indicator improving and now pointing in the right direction. Vacancy rates declined, leasing activity improved, sublease space declined, asking and actual rental rates increased, and sale prices increased. What more could we have asked for?

Based on these market indicators, we should see continued improvement in all sectors of the Office and Industrial market from Goleta to Carpinteria in 2005, except the large Industrial market in Goleta. In fact, unless we solve our housing crisis on the South Coast, the large manufacturing companies will continue to leave the area and property owners will have to reposition their buildings.

SOUTH COAST COMMERCIAL/INDUSTRIAL REAL ESTATE UPDATE

Bob Tuler & Brian Johnson, Radius Group Commercial Real Estate

2004 Summary

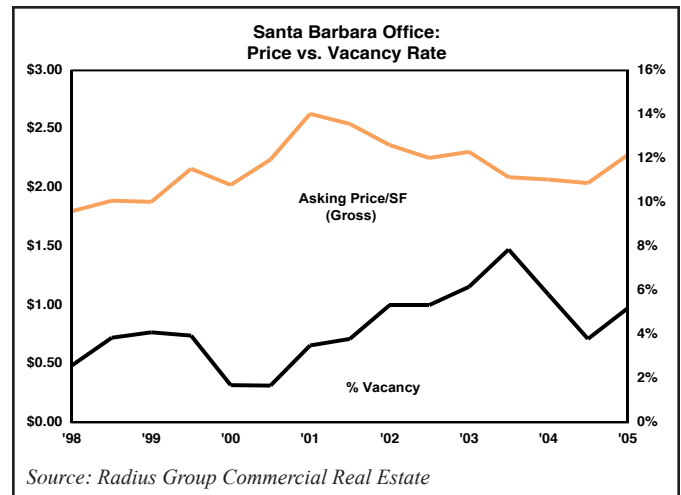
For the greater Santa Barbara area, overall vacancy rates remained relatively stable in 2004. Lease rates increased slightly in Santa Barbara and flattened out in Goleta and Carpinteria. We saw a slight increase in vacancy only in the Goleta Office sector. Otherwise, most areas and building types saw a small decline in vacancy rates. We saw continued expansion of local small to midsize companies moving into spaces vacated by large companies leaving the area.

Vacancy Rate				Rental Rate			
	Jan-04	Jan-05	% Change		Jan-04	Jan-05	% Change
Santa Barbara				Santa Barbara			
Office	5.8%	5.2%	-10.3%	Office	\$2.07	\$2.28	10.1%
Industrial	0.8%	0.9%	12.5%	Industrial	\$1.00	\$1.25	25.0%
Retail	0.3%	0.3%	0.0%	Retail	\$2.16	\$2.85	31.9%
Goleta				Goleta			
Office	6.3%	6.9%	9.5%	Office	\$1.56	\$1.60	2.6%
Industrial	10.8%	9.0%	-16.7%	Industrial	\$1.27	\$1.22	-3.9%
Carpinteria				Carpinteria			
Office	24.0%	22.4%	-6.7%	Office	\$1.62	\$1.61	-0.6%
Industrial	7.0%	6.3%	-10.0%	Industrial	\$0.87	\$0.92	5.7%

Source: Radius Group Commercial Real Estate

Santa Barbara Office Space

The Office vacancy rate in Santa Barbara dropped from 5.8 percent to 5.2 percent. The reduction is even more impressive considering a large vacancy in the upper State Street area belonging to Tenet Healthcare. Asking lease rates increased overall from \$2.07 to \$2.28 per square foot gross. This is the first increase in four years. We expect Office lease rates to increase slightly this year as the available inventory caters to tenants willing to pay a higher rate.



**LARGEST AVAILABLE OFFICE SPACES
IN SANTA BARBARA**

ADDRESS	SIZE (SF)	VACATED BY
3760 State Street	20,000	Tenet Healthcare
820 State Street	15,500	Major Remodel
1033 Anacapa	12,800	Pacifica Real Estate
610 Anacapa	12,200	
10 E. Yanonali	10,000	Miramar Systems
819 Reddick	9,500	YARDI

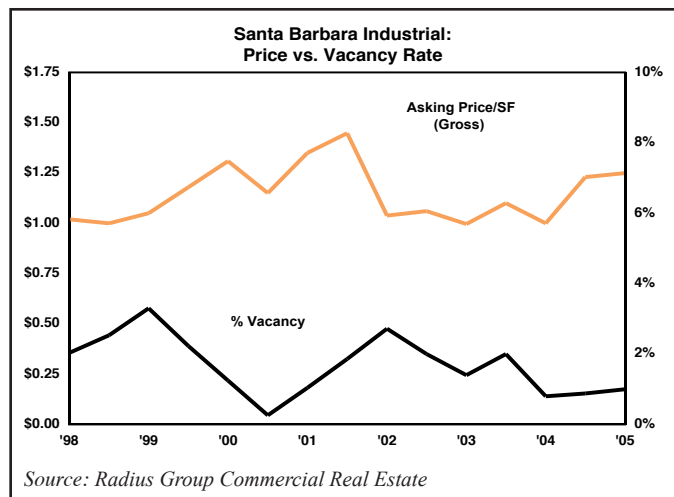
Source: Radius Group Commercial Real Estate

**LARGEST OFFICE SPACE LEASE DEALS
IN SANTA BARBARA**

ADDRESS	SIZE (SF)	NEW TENANT
530 E. Montecito	28,400	Valueclick
201 N. Calle Cesar Chavez	7,600	Fastclick, Inc.
4050 Calle Real	7,100	Openwave
911 Olive Street	6,300	Blue Casa Comm.
21 E. Victoria	6,200	Countrywide
4050 Calle Real	5,800	Capital Pacific Homes

Santa Barbara Industrial

The vacancy rate in Santa Barbara Industrial space continues to hover around 1 percent. The largest available space is only 6,700 square feet. Santa Barbara remains the most desired location for smaller Industrial tenants, while larger Industrial tenants look to Carpinteria or Goleta for their space needs. Like Office lease rates, Industrial lease rates climbed, but at a higher rate. Pricing increased by 25 percent to \$1.25 per square foot gross due to the higher quality of Industrial space coming on the market.



**LARGEST AVAILABLE INDUSTRIAL SPACES
IN SANTA BARBARA**

ADDRESS	SIZE (SF)	VACATED BY
18 Anacapa	6,700	SB Promotions
319 Anacapa	5,600	
617 N. Salsipuedes	5,200	Ferguson Plumbing
424 E. Cota	5,200	For Your Soul
825 E. Gutierrez	4,500	Copper Piping Business
622 Olive Street	3,300	Boone Printing

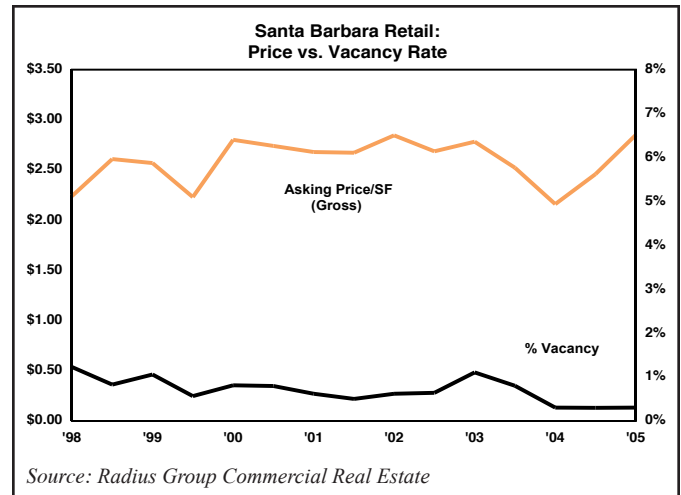
Source: Radius Group Commercial Real Estate

**LARGEST INDUSTRIAL SPACE LEASE DEALS
IN SANTA BARBARA**

ADDRESS	SIZE (SF)	NEW TENANT
1 N. Calle Cesar Chavez	8,200	Arts Alive!
615 E. Gutierrez	3,500	Renaissance Cycles
416 Salsipuedes	3,300	Goftco, Inc.
234 E. Haley	2,600	
835 N. Milpas	1,600	
126 E. Haley, A-5	1,100	

Santa Barbara Retail

There were two large Retail deals in 2004. 24 Hour Fitness leased 31,000 square feet at 820 State Street for a new “state-of-the-art fitness” center, while Ferguson Enterprises leased 27,000 square feet at 602 E. Montecito for a new home-improvement center. Vacancy rates remained extremely low at 0.3 percent. We anticipate 2005 will be an active year as well, with Harley-Davidson returning to downtown. Lease rates jumped 32 percent to an average of \$2.85 per square foot gross based on leases at the high-end retail locations on or near State Street.

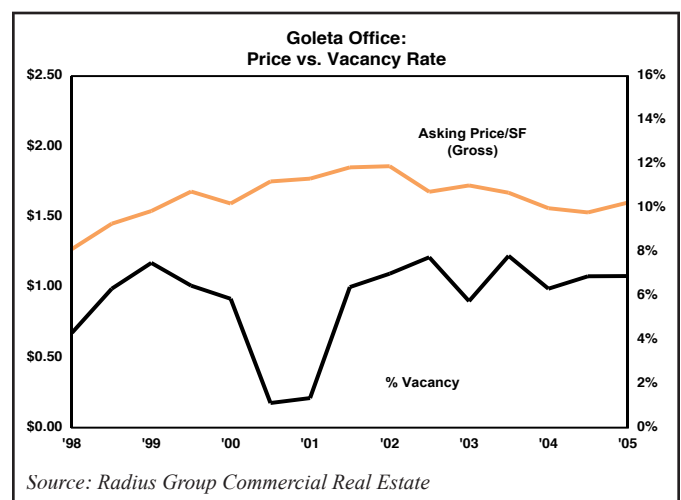


LARGEST AVAILABLE RETAIL SPACES IN SANTA BARBARA			LARGEST INDUSTRIAL RETAIL DEALS IN SANTA BARBARA		
ADDRESS	SIZE (SF)	VACATED BY	ADDRESS	SIZE (SF)	NEW TENANT
506 Chapala	9,200	Rincon Networks	820 State Street	31,400	24 Hour Fitness
602-604 Anacapa	8,800		602 E. Montecito	26,900	Ferguson Enterprises
3883 La Cumbre Plaza	5,700	Strouds	1035 State Street	9,300	Business First Bank
3889 La Cumbre Plaza	5,200	AT&T Wireless	425 N. Milpas	9,200	El Paso Imports
3516 State Street	4,000	Audio/Video Clinic	3890 La Cumbre Plaza	9,200	Pacific Health Food
1919 State Street	3,100		1100 State Street	5,300	Blue Bee, Inc.

Source: Radius Group Commercial Real Estate

Goleta Office

The vacancy rate for Goleta Office space increased in 2004 for the second consecutive year, from 6.3 percent to 6.9 percent. Lease rates also increased, but only by 3 percent, to \$1.60 per square foot gross. Even though the vacancy rate increased, there were a large number of lease deals in 2004. There were ten leases of 10,000 square feet or more, with the largest being 45,000 square feet being leased by Network Hardware. However, there were several new, large vacancies created by existing tenants leaving the area, which offset the impact of those deals, including 34,000 square feet at 7416 Hollister Ave. One bright spot we see is the expansion of local, homegrown



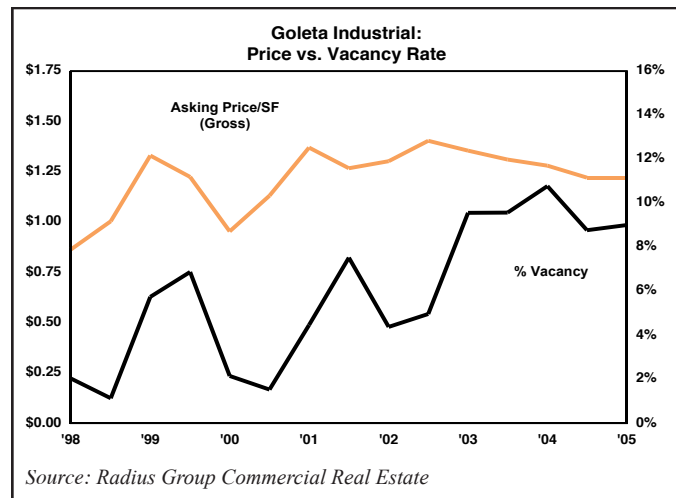
LARGEST AVAILABLE OFFICE SPACES IN GOLETA			LARGEST OFFICE SPACE LEASE DEALS IN GOLETA		
ADDRESS	SIZE (SF)	VACATED BY	ADDRESS	SIZE (SF)	NEW TENANT
6300 Hollister	66,000	Applied Magnetics	26 Castilian	45,200	Network Hardware
7416 Hollister	33,900	Hollingshead Int.	6950 Hollister	29,500	UCSB
6769 Hollister	27,700	Dupont	6338 Lindmar	24,000	Veeco Metrology
336 Bolley	26,900	Miravant	6300 Hollister	20,800	Asylum Research
90 Castilian	19,300	Network Hardware	30 S. La Patera	15,800	New Wave, Inc.
120 Cremona	12,900	Dupont	6769 Hollister	14,300	Northrup Grumman

Source: Radius Group Commercial Real Estate

companies, such as Network Hardware and Veeco Metrology, into larger, recently vacated facilities. We expect the vacancy rate to increase and lease rates to remain level through 2005.

Goleta Industrial

Goleta Industrial vacancy rates dropped 17 percent in 2004 to 9 percent. This is down from the record high (since we began tracking in 1992) of 10.8 percent a year ago. Lease rates also dropped by 4 percent, to \$1.22 per square foot gross. The Dupont sublease of 120,000 square feet is still on the market as well as five Industrial buildings each greater than 35,000 square feet. Few Industrial buildings under 10,000 square feet are available for lease, which frustrates those seeking smaller buildings. We expect Industrial vacancy rates to increase and lease rates to drop in 2005.

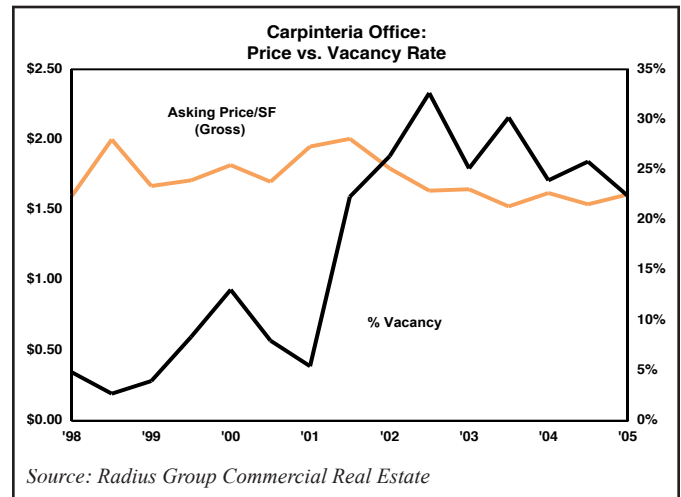


LARGEST AVAILABLE INDUSTRIAL SPACES IN GOLETA			LARGEST INDUSTRIAL SPACE LEASE DEALS IN GOLETA		
ADDRESS	SIZE (SF)	VACATED BY	ADDRESS	SIZE (SF)	NEW TENANT
6775 Hollister	120,000	Dupont	600 Pine Ave.	58,500	AEC-Able Engineering
6300 Hollister	66,000	Applied Magnetics	601 Pine Ave.	12,600	SB Mailworks
6868 Cortona	61,000	Joslyn Electronics	6860 Cortona	12,200	Clean Water Tech.
6740 Cortona	57,900	UCSB	70 S. Kellogg	11,600	Boone Printing
500 S. Fairview	43,100	Earthshell	5737 Thornwood	10,100	Milard Group
5551 Ekwil Drive	11,200	Inamed	759 Ward Drive	3,200	Audio-Video Clinic

Source: Radius Group Commercial Real Estate

Carpinteria Office

The Carpinteria Office sector had a busy 2004, with eleven new leases. The vacancy rate would have dropped as low as 14 percent if not for 5464 Carpinteria Avenue, 52,000 square feet, coming on the market in December. As it was, the vacancy rate dropped to 22.4 percent. Tenants appreciate Carpinteria’s relatively low Office lease rates. The proximity to the Ventura employee and housing market, in addition to the traffic congestion between Carpinteria and Santa Barbara, add to Carpinteria’s attractiveness. The asking lease rate decreased slightly from \$1.62 to \$1.61 per square foot gross in 2004. We expect vacancy rates to shrink in 2005 and lease rates to remain level in 2005.

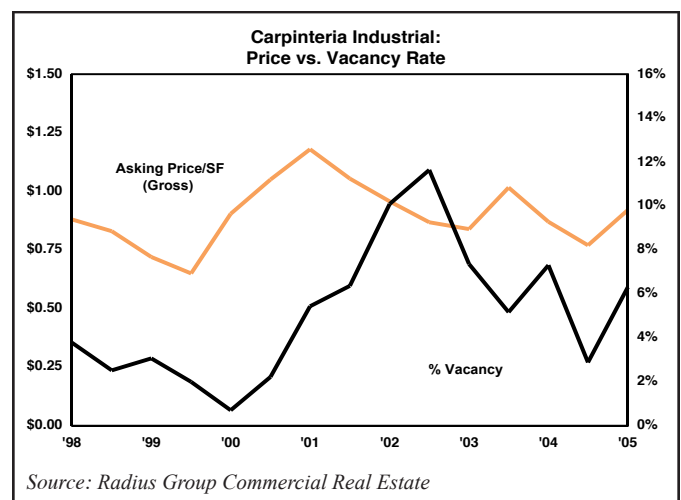


LARGEST AVAILABLE OFFICE SPACES IN CARPINTERIA			LARGEST OFFICE SPACE LEASE DEALS IN CARPINTERIA		
ADDRESS	SIZE (SF)	VACATED BY	ADDRESS	SIZE (SF)	NEW TENANT
5464 Carpinteria Ave.	52,000	QAD, Inc. & Veneco	6410 Via Real	15,300	Somera Comm.
6420-6450 Via Real	13,100		6460 Via Real	13,500	Carpathia/Rincon
6307 Carpinteria Ave.	11,900	Unisys	6303 Carpinteria Ave.	12,400	CKE Restaurants
1160/1180 Eugenia	11,600	Planned Member	6309 Carpinteria Ave.	6,700	Demarc Security
6410 Via Real	10,800	QAD, Inc.	6309 Carpinteria Ave.	5,700	Echo Digital Audio

Source: Radius Group Commercial Real Estate

Carpinteria Industrial

The Industrial market in Carpinteria saw a decrease in the vacancy rate, from 7 percent in 2003 to 6.3 percent in 2004. The biggest lease of 2004 was NuSil Technologies taking over 65,000 square feet of space. That lease was offset by 44,500 square feet at 6155 Carpinteria Avenue being added to the list of available spaces at the end of the year. The asking lease rate remained largely unchanged, with a slight increase from \$0.87 to \$0.92 per square foot gross. We expect vacancy rates to decrease in 2005.



**LARGEST AVAILABLE INDUSTRIAL SPACES
IN CARPINTERIA**

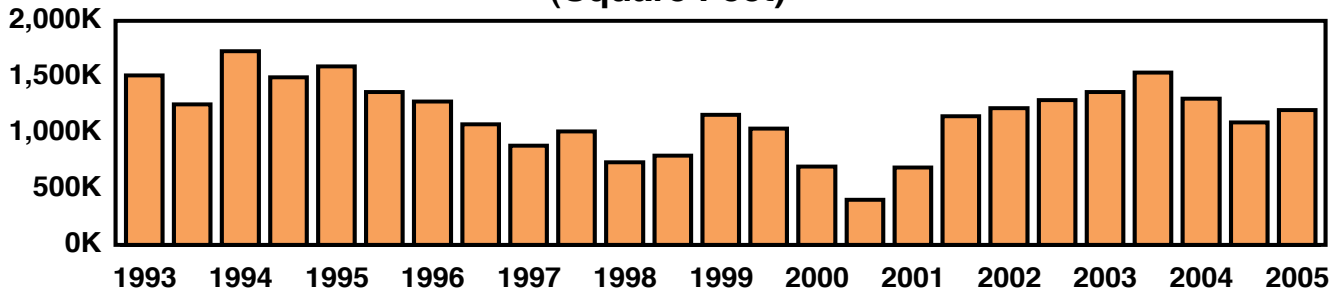
ADDRESS	SIZE (SF)	VACATED BY
6155 Carpinteria Ave.	44,500	Turbodyne
6385-A Rose Lane	8,200	Umbrella Ent.
6383-A Rose Lane	7,800	
6385-B Rose Lane	7,200	Body Trends
5049 Sixth Street	5,700	

**LARGEST INDUSTRIAL SPACE LEASE DEALS
IN CARPINTERIA**

ADDRESS	SIZE (SF)	NEW TENANT
1000 Cindy Lane	64,800	NuSil Technologies
1000 Cindy Lane	7,400	Cambridge Foods
1008 Cindy Lane	5,100	Channel Floral
5665 Carpinteria Ave.	3,600	Western Farm Service
1021 Mark Avenue	3,200	CC Mail Services

Source: Radius Group Commercial Real Estate

**South Coast:
Total Space Available
(Square Feet)**



Source: Radius Group Commercial Real Estate

**Gross Lease Rates for Office, Industrial and Retail Space
Santa Barbara, Goleta and Carpinteria**

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005*
----- dollars per square foot per month -----										
Office										
Carpinteria	1.44	1.51	2.00	1.44	1.76	1.98	1.72	1.59	1.58	1.60
Goleta	1.22	1.39	1.36	1.61	1.67	1.81	1.77	1.70	1.55	1.50
Santa Barbara	1.53	1.70	1.85	2.02	2.13	2.59	2.31	2.20	2.06	2.09
Industrial										
Carpinteria	0.73	0.81	0.86	0.86	0.98	1.12	0.92	0.93	0.82	0.82
Goleta	0.83	0.90	0.93	1.28	1.04	1.32	1.35	1.33	1.25	1.26
Santa Barbara	0.65	0.94	1.01	1.15	1.23	1.40	1.05	1.05	1.12	1.18
Retail										
Santa Barbara	1.78	2.06	2.43	2.40	3.36	2.68	2.77	2.65	2.31	2.40

Source: Radius Group Commercial Real Estate

**Total Office, Industrial and Retail Vacancy Rates
Santa Barbara, Goleta and Carpinteria**

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005*
Office										
Carpinteria	6.5%	5.1%	3.4%	6.2%	10.5%	13.9%	29.5%	27.7%	24.9%	22.4%
Goleta	4.6%	5.1%	5.3%	7.0%	3.5%	3.9%	7.4%	6.8%	6.6%	6.9%
Santa Barbara	6.4%	4.1%	3.2%	4.0%	1.7%	3.6%	5.3%	7.0%	4.8%	5.2%
Industrial										
Carpinteria	11.5%	3.5%	3.1%	2.5%	1.5%	5.9%	10.9%	6.3%	5.1%	6.3%
Goleta	2.7%	2.9%	1.6%	6.3%	1.8%	6.0%	4.7%	9.6%	9.8%	9.0%
Santa Barbara	3.3%	2.1%	2.3%	2.8%	0.8%	1.5%	2.4%	1.7%	0.8%	1.0%
Retail										
Santa Barbara	1.7%	1.8%	1.0%	0.8%	0.8%	0.6%	0.6%	1.0%	0.4%	0.3%

Source: Radius Group Commercial Real Estate

Note: * Estimated

RESIDENTIAL REAL ESTATE DEVELOPMENT

Buellton

Oak Springs Village

Located at the northeast corner of McMurray Road and Highway 246, Oak Springs Village is a project by Barry Swenson Builders. There are 62 single-family homes around 1,800 square feet each, 20 apartments around 1,000 square feet each, and 58 senior units. Over one hundred thousand square feet of retail space is also planned. The project is approved, and construction is expected to begin during the summer of 2005.

Carpinteria

Narang Condos

A 40-unit condominium project at 4646 Carpinteria Ave. has been approved by the Carpinteria City Council and is expected to go on the market in a year or so. Located on the west end of Carpinteria Ave, the project will include a mix of two- and three- bedroom condos, live/work spaces, several above-garage units, and 4,672 square feet of commercial space. Five of the units will be set aside as low-income housing.

Goleta

Joint Proposal for the Ellwood/Devereux Coast

The City of Goleta, UCSB, and the County of Santa Barbara are planning the Ellwood-Devereux Open Space and Habitat Management Plan. These plans are also being coordinated with residential development in the areas including Ocean Meadows Golf Course, Ellwood Mesa, and Santa Barbara Shores Park. This is an area bounded by Isla Vista on the east side, the Pacific Ocean on the south side, and Ellwood/El Encanto residential areas in Goleta on the north side.

There are three residential projects that may occur as part of these plans. Ocean Meadows Residences is expected to be located on two pieces of Ocean Meadows Golf Course land (under County jurisdiction) for a total 53 units, 32 single-family and 21 condominiums. Santa Barbara County Board of Supervisors has tentatively approved this project. Comstock Homes will potentially provide 68 single-family residences in the area bordering the south side of 7800s Hollister Avenue. This is under City jurisdiction. The University will potentially provide 151 “family-student” housing units at Storke Rd and Whittier Dr. This planning

and development effort relocates previously planned residential development away from Coastal areas inland in an effort to preserve the West Campus Bluffs and Ellwood Mesa areas. The entire project will span 137 acres.

Campus Pointe/Villages at Los Carneros

The Bermant Development Company has filed an application to convert existing development rights for 200,000 square feet of R&D/Industrial space to residential. The existing project is named Campus Pointe. The revised plan, named Villages at Los Carneros, calls for 264 units, a mixture of townhouse condominiums and townhouse flats. Twenty percent would be “affordable housing” (limit of 120 percent of median family income). Eighteen percent would be “critical workforce affordable”, which would use income limits of 150 to 200 percent of median family income. This project is expected to remain in planning in 2005.

Residences at Sandpiper

Originally approved by Santa Barbara County, the city of Goleta did not grant approval for Residences at Sandpiper. Builder Chuck Lande and the Oly Chad-

mar Partnership envision 87 market-rate and 22 affordable homes on 14.5 acres along Hollister Ave. between Highway 101 and the Sandpiper Golf Course. The project is pending legal review. Construction is not expected to begin in 2005.

Guadalupe

DJ Farms Development Site

Bollenbacher & Kelton Inc. is planning development on a 218-acre area southeast of Highway 1 and West Main Street. The developer is proposing 850 residential units, including apartments and detached units, as well as a school site and mixed commercial areas. The plans are still very early in the planning process. Before it can be approved by the city, developers will need to amend the City's Specific Plan for the parcel and have an EIR conducted.

Lompoc

Seabreeze Estates

Two hundred ninety five (295) residential units are currently planned for a site southeast of the intersection of Central and Bailey avenues. There are two parcels envisioned for 77 acres: a northern parcel and a southern parcel. The northern parcel is

planned to contain 145 units, a mix of single-family residences and apartments, and will include a community park. One hundred fifty (150) single-family homes are planned for the approximate 40-acre southern parcel. Both parcels would contain open space areas and agricultural buffers. A 13-acre wetland area and a 3-acre riparian area are to be preserved as well. The northern parcel has approvals of a preliminary development plan, and the southern parcel has conditional approval.

Wye Specific Area

The Wye Annexation, north of 101 and west of Harris Grade Road, contains two segments totaling 150 acres. One piece will be developed by the Towbes Group and the other by Martin-Farrell Homes. Four hundred units (a mix of single and multi-family) may be built on these two segments. There are nine other parcels that are part of the Annexation, but development of those parcels is farther down the road.

Orcutt

Old Mill Development

The Santa Barbara County Planning Commission approved

the Old Mill residential project which will allow 60 single-family homes to be built. Lots will range from 4,000 square feet to 10,141 square feet. A total of 6 units will be set aside at price-restricted levels—based on affordability for families at a “low” income range—and will remain price-restricted for 45 years. The project is located at Old Mill and Blosser.

Rice Ranch

McCadden Development has sold the Rice Ranch project to John Scardino, who purchased the project in conjunction with development firm Troxler. The Rice Ranch project is near the corners of Bradley and Stubblefield. There will be five neighborhoods with a total of 725 housing units. Prices will range from \$148,000 and \$300,000. There will be 494 single-family homes and 231 condos. Affordable housing will account for 20% (143) of the homes. The community will also contain an elementary school, a 26-acre neighborhood park, and “pocket gathering places.” The new owners expect to break ground summer of 2005 with the first homes ready for sale in early 2007.

Santa Barbara City

St. Vincent's/Mercy Housing Project

Mercy Housing is constructing a large affordable housing project on the grounds of St. Vincent's. At a price tag of \$14 million, Mercy Housing includes 95 affordable senior units and 75 affordable rental units. St. Vincent's is located at 4200 Calle Real, a short distance west of highway 154.

Paseo Chapala

A new multi-use project by Bermant Development Corporation is expected to break ground in mid-2005. It will include 29 condominiums and 6,000 square feet of retail space. It will be located in Downtown Santa Barbara on Chapala Street not far from the Paseo Nuevo Mall.

Santa Maria

Santa Maria Projects Approved or Under Construction

The Westgate Ranch I 108 single-family home project is partially built at the southwest corner of Westgate and Battles. This project is by Tony Wells.

The 208-apartment Bradley Square Townhomes project is close to complete at 2500 South

Bradley Road in the Bradley Square subdivision.

Traditions (at Bradley Square) is under construction south of McCoy Lane at College Drive. This 226 single-family home project by Wallace and Associates is more than two-thirds completed.

Classics (at Bradley Square) is under construction south of Crossroads Lane at Bradley Road. This 313 single-family home project by Inland Pacific Builders is more than two-thirds completed.

The 291 single-family home Estates at Pacific Crest project at the southwest corner of Westgate and Battles is under construction by Inland Pacific Builders.

The 149 single-family home Arborwalk project is under construction at the northwest corner of Miller and McCoy by Watt Developers. This project is at least 15 percent built.

The 32 home Foxenwoods Townhomes project is under construction at Foxenwood and Wellington by Foxenwood Builders.

The Mission Creek Village Condos project has begun construction for 84 condominiums at the southeast corner of Sunrise Drive and Santa Maria Way.

The 242 senior-unit project Arbor View Terrace is at least 60 percent built, located at the northeast corner of East Donovan Road and North Suey Road.

Also the 31 senior-unit expansion to the Vandenberg Senior Residence is approved for 1316 South Broadway.

The 142-home La Vigna project is approved for construction at the northeast corner of Westgate Road and Marsala Avenue. This project is by the Towbes Group and Martin-Farrell Homes.

The Acquistapace Homes project is approved for 169 single-family homes for the northeast corner of Carmen Lane and Blosser Road. Construction is expected to begin this year.

(Villaggio) or The Village, is a 53 single-family home project approved for construction at 1500 East Donovan Road by Bollenbacher and Kelton.

Santa Maria Residential Projects in Planning

A 117-acre area being developed by the Towbes Group and Martin-Farrell Homes is part of the Westgate Specific Plan. The residential component includes single-family units, apartments, and a mobile-home park and will be located at Battles Road and Blosser Road.

Trustees at the Allan Hancock Joint Community College District have approved an on-campus location and design for student housing and have directed staff

to go ahead with finding a way to finance the project at no cost to residents or the college. The housing would be on the south end of campus at the corner of Sierra Madre Way and Bradley Road.

The Mahoney property is an unincorporated 450-acre parcel just north of the unincorporated Tanglewood subdivision and southeast of the intersection of Mahoney Road and Black Road. Signature Pacific Development Company LLC, the firm who asked the City to consider annexing the property, could build up to 1,600 residential units on 273 acres and develop 10 acres as commercial and industrial. In October 2003, the County Board of Supervisors approved the annexation into Santa Maria. Final approval for the annexation is under consideration by the Local Agency Formation Commission.

A proposal for perhaps 400 mobile homes; 160 houses, condos, or townhouses; 220 multifamily housing units; and 18-acres of commercial development is ready to start through Santa Maria's planning process. The proposal is to build on the 115-acre Moretti Property west of Blosser Road. The City Council has approved the doubling of the allowable retail square-footage on the property, increasing it from 76,230 to 174,240. The project is in early planning stages.

Solvang

Skytt Mesa

The Skytt Family is developing 87.6 acres between Chalk Hill Road and Highway 246. The project is approved for 169 single-family homes on 55 acres. The remaining 32.6 acres includes 12 acres of open space and 20.6 acres of road right-of-ways.

UCSB

UCSB Student Housing

There are two new housing projects planned for UCSB students. The first one, Sierra Madre Apartments, is expected to be completed in fall 2006. It will consist of 151 three-bedroom units and will primarily serve as student-family housing. The second development is the San Clemente Apartments. It is a 976-bed project with combinations of one, two, or four bedroom units. It is mainly targeted at housing graduate students and completion is expected in late 2007.

Vandenberg Village

Providence Landing

Providence Landing is a project of 140 acres on Burton Mesa at the south end of Vandenberg Village.

The project consists of 267 single-family homes between 1,700 and 2,900 square feet with prices that expect to start around \$500,000. Sixty-one affordable townhouses are planned as well. These will range in sizes from 950 to 1,150 square feet and sell from \$77,000 to \$153,000. Of these affordable units, 21 units are for very low-income households, 30 are for low-income households, and 10 are for the lower-moderate income levels. Construction on this project has begun.

Santa Barbara County

Isla Vista Master Plan

In 2000, the County of Santa Barbara, UCSB, and the Isla Vista Recreation and Park District (IVRPD) agreed to develop a Master Plan for the Isla Vista community (IVMP). A Project Area Committee/General Plan Advisory Committee (IV PAC/GPAC) was formed in 2001 to integrate the community into the Master Plan process. The County Board of Supervisors accepted the Draft Master Plan, as recommended by the IV PAC/GPAC, and began an environmental review in 2003. The goal of the IVMP is to revitalize the area. The Redevelopment Area for IVMP covers Isla Vista

(about _ square mile) as well as UCSB's Francisco Torres and Storke Ranch.

Isla Vista has 4,908 existing residential units where some 18,500 people live (13,000 of whom are students) and its downtown has 134,000 square feet of floor space. There are several major issues that the IVMP proposes to address. Traffic will be improved with internal roundabouts, completion of sidewalks, and a possible bike boulevard along Sueno Road. The neighborhood's long-standing problem with parking will be alleviated by a downtown parking lot/structure. Revitalizing Isla Vista's downtown will involve streetscape improvements, the encouragement of mixed-use developments, and programs to help existing businesses.

A new community center that will be home to the Isla Vista Teen Center and a new elder care facility will be built in Estero Park. Housing issues will be addressed by identifying affordable housing opportunities. Planners will design codes that describe the shape and form of new residential development and implement incentives that encourage developers to build larger numbers of smaller units per site. The IV/UCSB interface where thousands of people pass daily between Isla Vista and the University will also be revitalized.

Preserve at San Marcos

This 377-acre area is zoned for 75 homes, however due to the area's ecologic sensitivity, the current proposal is for only 15 homes, saving 340 acres as open space/public park/natural preserve. The project is located east of Highway 154 and a small distance north of Foothill Road, and is being developed by the Bermant Development Corporation. Environmental review of this project is pending.

Santa Barbara Ranch

Matt Osgood is proposing 54 luxury homes on 485 acres of land in Naples on the Gaviota coast. Sixteen homes would be built on the north side of Highway 101 and the remaining 39 would be on the south side. The homes are planned for four-acre to ten-acre parcels. The project is in early planning stages.

Teacher Housing

The Santa Barbara Schools Committee is working on a plan to use district-owned land to build affordable housing for faculty. Located between San Marcos Road and San Simeon Drive next to the 101, the proposed project will be built on 23 acres, with up to 200 units.

NON-RESIDENTIAL REAL ESTATE DEVELOPMENT

Buellton

Bach Hotel

This project is the development of a 2.06-acre site into a four-story hotel with 90 standard guest rooms, 1,000 square feet of restaurant space, 1,200 square feet of meeting facilities, and other complimentary uses located just east of the Avenue of the Flags between First and Second streets. Other features include two meeting rooms, a fitness center, and a pool and spa. This project is approved.

Cool Hand Vineyard

A new \$1.3 million winery on Thomas Road is currently in construction. In addition to the 80 acres of land, Cool Hand will be leasing 7,450 square-foot building from owners Larry and Harvey Saarloos.

Oak Springs Village

This project is the commercial space portion of the Oak Springs Village Specific Plan, which calls for a total of 195,000 square feet of commercial space

on McMurray and Highway 246. This includes 153,000 square feet of retail space, of which 55,000 square feet is a large pad for an anchor tenant, and a 36,000 square foot pad is also available for a large tenant. This project also calls for 42,000 square feet of office space, divided into two buildings.

Carpinteria

Lagunitas

Investec and Parkstone are proposing five two-story commercial buildings at 6380 Via Real. The five buildings cover 360,000 square feet and will house research and development and office space. Along with these office buildings, the project calls for 74 condos and small homes that will be geared toward city employees and middle-income families. The project is pending approval.

Carpinteria Gateway

A multi-use project on Carpinteria Avenue and Linden Avenue has been approved for construction. It will include 4 residential units and 5,500 square feet of commercial space. This project, by Goldberg and Benan, should be completed in late summer or fall of 2005.

Bluffs III Resort

A conceptual review to construct this resort was held in a joint meeting with the City Council and Planning Commission. It is proposed to feature a hotel, time-share units, a RV park, health spa, wedding chapel, and a culinary school.

Goleta

Fairview Shopping Center

A remodel of the 40-year old Fairview Shopping Center expanded several of the existing buildings, as well as brought new ones to it. Von's has expanded about 27,000 square feet to 45,000 square feet. Bed Bath & Beyond has arrived as a new tenant, occupying 25,000 square feet. Other tenants at the center include a 51,000 square foot Orchard Supply Hardware, Michael's Arts and Crafts, Rite Aid, Starbucks, and Radio Shack. Still under construction are 8,000 square feet of new Office space and about 16,500 square feet of new Retail space. Once completed, (expected in 2005), the Fairview Shopping Center will have a total of 235,000 square feet.

Old Town Inn and Village

Architect and developer Detlev Peikert plans to build a Hampton Inn and 38 condominiums at 5665 Hollister Avenue, which is next to the Goleta Valley Community Center. The Hampton Inn will be a 104-room, three-story hotel fronting Hollister Avenue. The condominiums will be at the rear of the property. Six condominiums are designated as affordable. While the project is approved, commencement of construction may not begin in 2005.

Cabrillo Business Park

The Sares-Regis Group is planning an Office and/or R&D development on the 6700 block of Hollister Avenue. They have proposed development of just over 700,000 square feet of Office/R&D space, self-storage, and onsite service related uses. The project is pending.

Guadalupe

Guadalupe Hotel

Guadalupe officials are eyeing several downtown properties that could be the future home of a planned hotel. The Redevelopment Agency made a list of vacant sites in the City that could be purchased.

The sites are all vacant lots behind several businesses on the east side of the 800 block of Guadalupe Street. Another possible location is on the west side of the 900 block of Guadalupe Street.

Lompoc

Lompoc Retail Complex

The Lompoc Housing and Community Development Corporation has submitted a proposal for a 34,000 square foot retail center. The project would be located on the corner of East Ocean Avenue and North H Street, next to the Lompoc Theater. The two building complex would cost from \$4 million to \$4.5 million. Potential tenants include Pier 1 or Z Gallery.

Orcutt

Orcutt Marketplace

The Orcutt Marketplace, a 110,000 square foot neighborhood shopping center is proposed for the northwest corner of Clark and Highway 101. The center will likely contain Spencer's Fresh Market, Starbucks, Fitness 19, a financial institution, some freeway service retail, and three restaurant pads. This project has water, but is not yet approved. Construction is not expected to commence in 2005.

Orcutt Plaza

Hawkeye Investments' Orcutt Plaza was approved by the County Planning Commission on June 11, 2003. As planned, the project is a development with about 200,000 square feet of retail space at the intersection of Santa Maria Way and College Drive. Vons and Kohl's are expected anchors. Besides those, Border's Books and Music, Petco Animal Supplies Inc., a drive-through Starbucks, and restaurants will round out the project's tenants. The lack of a water source is the pending issue with this project. Construction is not expected to commence in 2005.

Santa Barbara

Santa Barbara Airport Project

This project, formerly known as the Santa Barbara Gateway, was a fully-approved 200,000 square foot Office/R&D project for the area roughly across Hollister Avenue from the E-Bar. The original developer, Bermant Development Corporation, has been working with the City of Santa Barbara in an effort to extend the original EIR. The City has issued an RFP that will open up proposals for the project to other developers.

Hotel Andalucia

The Hotel Andalucia, located on the corner of Carrillo and Chapala streets in downtown Santa Barbara, is completed. The Tynan Group Inc. and Richard Sanders' Investment developed a 97-room four-star business and tourist hotel. The facility contains a ballroom in the basement, and a swimming pool on the roof. It also offers 5,000 square feet of banquet and meeting space.

Ritz-Carlton

Bill Levy is expected to commence construction on the \$200 million Ritz-Carlton Club timeshare development in summer of 2005. Architectural renderings of the 62-unit timeshare project show a major transformation of the first two blocks of lower State Street. Buildings will be knocked down and in their place will rise a small village of timeshares, stores, restaurants, parking lots, wider sidewalks and narrowed streets, and public walkways.

Santa Maria

Santa Maria Projects Recently Completed

Meyer Asset Management has recently completed construc-

tion of a multi-tenant Industrial project at 2300-2400 A Street with a total of 11 buildings and a total buildout of 138,650 square feet.

Enterprise Research recently completed 34,900 square feet of multi-tenant Industrial space in two buildings at 2232 Depot Street.

Santa Maria Projects in Construction

The Santa Maria Industrial Office Complex has 14,180 square feet in construction at 2640-2650 Industrial Parkway consisting of four buildings. Completion is imminent as of April 2005.

Coyway Commercial Center at the 2300s of South Broadway has begun construction of a new center with Office and Retail space, yielding a total buildout of 67,800 square feet.

The Fugate Business Complex at 2615 South Miller Street is under construction providing an eventual total buildout of 66,500 square feet of new Office space. The project has at least two completed buildings out of a total of four.

The Betteravia Business Plaza, a 31,000 square feet Office project in construction at 411/421 Betteravia Road is almost complete.

The LaBrea Plaza, is in construction at 700 E. Main Street to provide 30,000 square feet of Office and Retail space in two buildings.

Santa Maria Projects Submitted for Plancheck

Central Coast Wine Services is expanding their West Main Street facility by adding approximately 94,000 square feet of new warehouse space. Phase I, 52,600 is built, and Phase II, 41,400 is in plancheck.

Santa Maria Projects Approved by Planning Commission

Huntington Investments has planning commission approval to develop a 14,100 square feet multi-tenant Industrial complex at 2351 Thompson Way.

Blosser Commercial has planning commission approval to develop a 18,638 square foot multi-tenant Industrial building at 715 South Blosser Road.

Martinez and Associates have planning commission approval to develop a 13,134 square foot multi-tenant Office building at the northeast corner of Auto Park Way and Mercury Drive, to be called the Mercury Office Building.

Santa Maria Projects Pending Review

The FAA and the Santa Maria Airport District have plans for a research park and a golf course on Airport owned property next to the Santa Maria Airport. In August 2003, plans were changed to accommodate the tiger salamander and the U.S. Fish and Wildlife Services informally approved it. Now, 156 acres are planned for light industry and a golf course will occupy another 196 acres. Formal approval from the agency is still pending. If federal officials formally approve the plan, the project will still need city approval and will need to complete the California Environmental Quality Act requirements before receiving approval.

Santa Barbara County Residential Projects Approved

<u>Project Name</u>	<u>Location/Area</u>	<u>Size (sf)</u>	<u>Prices (000s)</u>	<u>Type</u>	<u># Units</u>
Buellton					
N/A	Ave of Flags/Damassa	N/A	N/A	MFU	
Country Crossrds	Ave of Flags/2nd(S)	N/A	N/A	MFU	17
Oak Springs Vil.	McMurray/246 (NE)		N/A	MFU	
Oak Springs Vil.	McMurray/246 (NE)	N/A	N/A	MFU	58
Oak Springs Vil.	McMurray/246 (NE)	around 1000	N/A	MFU	28
Carpinteria					
Mission Terrace	1497 Linden	2435-3374	N/A	SFU	27
Lagunitas	6380 Via Real	N/A	N/A	MFU	74
Narang	4646 Carpinteria	755-1116	N/A	MFU	40
Goleta					
Ellwood Apts.	360 Ellwood Beach	N/A	N/A	MFU	8
Old Town Vill.	5665 Hollister	N/A		MFU	37
El Encanto Apts.	7388 Calle Real	N/A	N/A	MFU	16
Sumida Gardens	5501 Overpass Rd.	624-1106	N/A	MFU	200
Ellwood Devereux	7800s Hollister	2871-4141	N/A	SFU	62
Yardi Systems	5901-49,-59,-79 Hollister	N/A	N/A	MFU	6
Lompoc					
Las Casitas	115 S Third St	N/A	N/A	SFU	15
Lompoc Hsg Asst.	NEC College/"G" St	N/A	N/A	MFU	35
T Street Condos	516 N. T St	N/A	N/A	MFU	5
Popma Condos	302 E. Maple Ave	N/A	N/A	MFU	8
Orcutt					
Rice Ranch	Bradley/Stubblefield	N/A	\$148-300	Mixed	725
Harp Springs	Harp Ave/Clark	N/A	N/A	SFU	44
Stonegate	Broadway/Rice Rnch	1079-1561	\$128-240	SFU	44
Vintage Ranch	End of Stubblefield	N/A	N/A	SFU	52
Old Mill	Blosser/Old Mill	N/A	N/A	SFU	60
	340 E.Clark			MFU	
Terrace Ranch	N/A	N/A	N/A	Mixed	17

Santa Barbara County Residential Projects Approved (continued)

<u>Project Name</u>	<u>Location/Area</u>	<u>Size (sf)</u>	<u>Prices (000s)</u>	<u>Type</u>	<u># Units</u>
Santa Barbara County					
Jeffrey Tract Map	5045 Hollister Ave	N/A	N/A	SFU	9
Devereux school	701 Storke Rd	N/A	N/A	MFU	20
Santa Barbara City					
N/A	120 S Soledad	N/A	N/A	MFU	11
Paseo Chapala	NEC Chapala/Ortega	N/A	\$600s-up	MFU	29
N/A	2109 Cliff Dr	1300-2400	N/A	MFU	4
N/A	110 E Cota St	N/A	N/A	MFU	6
N/A	721-739 Chapala	N/A	N/A	MFU	23
N/A	1819 De La Vina	1217-2050	N/A	MFU	4
N/A	4004 Via Lucero	N/A	N/A	MFU	11
Design Arc Condos	29 W. Calle Laureles	N/A	N/A	MFU	5
N/A	401 Chapala St	N/A	N/A	MFU	46
N/A	1131 Cacique St	900-1500	N/A	MFU	4
N/A	622 Anacapa St	2500-2800	N/A	MFU	7
Afford. Rental Hsg	315 W Carrillo St		N/A	MFU	62
Santa Maria					
La Vigna	NEC Westgate/Marsala		\$400s-up	SFU	142
Vndnbrg Sr. Res.	1316 Broadway	N/A	N/A	MFU	31
Ted Zenich Grdns	1034 E. Chapel St	N/A	N/A	MFU	24
Brian Court	S End of Brian St.	N/A	N/A	SFU	10
Acquistapace	NEC Carmen/Blosser	N/A	N/A	SFU	169
Solvang					
Skytt Mesa	B/T Chalk Hill & 246	N/A	N/A	SFU	169
Nielsen-High Mead.	1010 Mission	N/A	N/A	SFU	4
Bella Vista Est.	1871 Laurel Ave	N/A	N/A	SFU	3
Tsai Mixed Use	539 Alisal Rd	N/A	N/A	MFU	6

Santa Barbara County Residential Projects in Construction

<u>Project Name</u>	<u>Location/Area</u>	<u>Size (sf)</u>	<u>Prices (000s)</u>	<u>Type</u>	<u># Units</u>
Buellton					
Golden Meadows	Central/Jonata Pk	N/A	N/A	MFU	20
Vintage Walk	SWC Freear Dr/Glenora			SFU	148
Zaca Creek Homes	Jonata Park Rd		N/A	SFU	11
Carpinteria					
Carp. Gateway	Carpinteria/Linden			MFU	4
Goleta					
Robinson Homes	Baker,Violet,Daffodil Lns			SFU	13
Lompoc					
Crown Pointe	SEC Olive/Bodger	2000-2800	\$400s-up	SFU	85
Los Alamos					
Bridle Path Estates	Foxen/Hill	N/A	\$335-405	SFU	24
Foxen Estates	Foxen Lane	1500-2200	\$450s-up	SFU	38
Lomita De Oro	Chamiso Dr	1719-2717	\$500s-up	SFU	35
Mesa Oaks					
Bluffs@Mesa Oaks	Harris Grade/Onstott	2000-3100	\$360-440	SFU	77
Orcutt					
Mesa Verde	Clark, nr. 101	2000-2800	N/A	SFU	66
Shared Sr. Hsg	B/T Clark & Foster	N/A	N/A	MFU	7
Cobblestone	S end of Stillwell Rd	1879-2490	\$335-433	SFU	57
Jensen's Crossing	S end of Stillwell Rd	1185-1975	\$136-278	SFU	53
Santa Barbara County					
N/A	4385 Hollister Ave	1000-2500	N/A	MFU	12

Santa Barbara County Residential Projects in Construction (continued)

<u>Project Name</u>	<u>Location/Area</u>	<u>Size (sf)</u>	<u>Prices (000s)</u>	<u>Type</u>	<u># Units</u>
Santa Barbara City					
N/A	1001 Chino St	1526-2282	N/A	MFU	4
Victoria St Apts	210 W Victoria St	N/A	N/A	MFU	6
N/A	323 S Voluntario	~900	N/A	MFU	19
St. Vincent's	4200 C Real/Old Mill	N/A	N/A	MFU	95
St. Vincent's	4200 C Real/Old Mill	N/A	N/A	MFU	75
Laguna Court	1420s Laguna St	451-1827	\$800s-up	MFU	18
Casa de Ortega	631 W Ortega	1110-1290	high \$600s	MFU	9
N/A	619 W Ortega	N/A	N/A	MFU	4
N/A	929 Laguna St	~1302	N/A	MFU	5
Greenwell Acres	2438-2520 Modoc Rd	1,741-2,429	\$995-up	SFU	25
N/A	1034 E Canon Perdido	1360-2030	N/A	MFU	6
N/A	319 W Pedregosa	N/A	N/A	MFU	5
N/A	3408 State St	N/A	N/A	MFU	4
Agave Court	1034 E. Canon Perdido	1300-2100	1.3 million	MFU	6
N/A	210 E Figueroa St	N/A	N/A	MFU	4
Cota Street Studios	223 & 225 E. Cota St	1200-2000	N/A	MFU	7
Santa Maria					
Cambridge Estates	2200's College	1800-2000	N/A	SFU	31
Mission Creek	SEC Sunrise/Santa	~1100	N/A	MFU	84
Fxnwoods Twnhms	4300s S Foxenwood Cir	N/A	N/A	MFU	32
Arbor View Ter.	NEC Suey/E	N/A	N/A	MFU	242
Simkin Apts	SWC Smith/Chapel	N/A	N/A	MFU	6
Arborwalk	Miller/McCoy	N/A	N/A	SFU	149
Classics\Bradley	Crossroads/Bradley	1500-2300	\$314-369	SFU	313
Traditions\Bradley	McCoy/College	1860-3050	\$340-410	SFU	226
Est @Pacific Crest	SEC Blosser/Battles	1600-2400	N/A	SFU	291
Westgate Ranch	Battles/Blosser			SFU	108
Villagio	1500 East Donovan Rd		N/A	SFU	53

Santa Barbara County Residential Projects in Construction (continued)

<u>Project Name</u>	<u>Location/Area</u>	<u>Size (sf)</u>	<u>Prices (000s)</u>	<u>Type</u>	<u># Units</u>
Santa Ynez					
Brierwood Ranch	Quail Valley/Old Rnch		\$1.3 mil.	SFU	13
Solvang					
Creekside Place	801-809 Creekside Pl	N/A	N/A	SFU	6
WorldMark Solvang	280 Alisal Rd	N/A	N/A	MFU	76
Summerland					
Montecito Rch Est	101/Evans Ave			SFU	8
Vandenberg Village					
Heritage Sr Hsg	Burton Mesa/Sirius Ave	N/A	N/A	MFU	173
Providence Land.	Lom. Casmalia/Constell.	950-1150	\$77-153	MFU	61

Sources: Numerous, including city and county reports.

Note: Project sizes are usually based on total buildout, some portions could already be built.

Please contact us for more information.

Santa Barbara County Non-Residential Approved

<u>Project Name</u>	<u>Location/Area</u>	<u>Type</u>	<u>Sq Ft/Units</u>
Buellton			
Sycamore Rch North	412 & 450 Ave of Flags		78,700
Oak Springs Vil.	McMurray/246	Retail	145,000
Dave Salgado	Thomas/McMurray	Industrial	9,600
Buellton Indus. Ptrs. II	S end of Industrial Wy	Industrial	20,116
Bach Hotel	270 Industrial Wy	Hotel	17-rm
Country Crossrds	SEC Ave of Flags/2nd	Retail	13,147
RiverView Park	E McMurray/E Damassa	Industrial	13,508
McMurray Wine Ctr	McMurray/Damassa	Winery	93,195
Elec.Workers Bldg.	McMurray/246 (NE)		40,000
Carpinteria			
Narang	4646 Carpinteria	Mixed	4,672
Goleta			
Campus Pointe IV	21 S Los Carneros	Mixed	100,000
Campus Pointe II	41 S Los Carneros	Mixed	100,000
Fairview Corp. Ctr.	420 S Fairview	Gen. Ofc.	65,600
Old Town Inn	5665 Hollister Ave	Retail	59,329
ACE-ABLE Indus.	7200 Hollister Ave	Mixed	36,427
Yardi Systems	5959 Hollister Ave	Mixed	53,000
Lompoc			
Extended Stay	513, 519 N "G" St	Hotel	19-rm
N/A	N. of Lompoc Airport	Storage	
Santa Barbara City			
SB Gateway	6100 Hollister Ave	Mixed	128,254
Riviera Park	2050 Alameda Padre	Gen. Ofc.	12,369
Youth Hostel	12 E Montecito	N/A	11,091
Granada Theater	1216 State St	Other	13,360
Paseo Chapala	NEC Chapala/Ortega	Retail	6,000
Ritz-Carlton Club	35 State St	Retail	38,908
Miramar Hotel	San Ysidro/Hwy 101	Hotel	213-rm
N/A	3660 State St	N/A	11,374

Santa Barbara County Non-Residential Approved (continued)

<u>Project Name</u>	<u>Location/Area</u>	<u>Type</u>	<u>Sq Ft/Units</u>
Santa Maria			
Donahue Properties	SEC Westgate/Jason	Retail	22,000
Cars of S.M.	834 W Main St	Retail	5,813
R. Jones Wrhse	1440s Jason Way	Wrhse	32,730
Chuck E Cheese	2254 S.Bradley Rd	Retail	10,440
Radco Exteriors	2800 Industrial Pkwy	Wrhse	62,040
SM Freeway Ctr	1000 E Betteravia	Retail	10,578
Pacific Bev. Co.	900 Fairway Dr	Wrhse	53,399
Food Bank	490 W. Foster Rd	Wrhse	38,285
Calderon Tires	1245 W Main St	Retail	10,116
Bourne Engin.	2353 S Westgate	Industrial	5,000
Huntington Invest.	2351 Thompson Wy	Industrial	53,579
Blosser Commercial	715 S Blosser Rd	Industrial	18,638
Plum Tree Plaza II	1764 S McClelland	Gen. Ofc.	6,378
Mercury Office Bldg.	NEC Auto Park/Mercury	Gen. Ofc.	13,134
Shepard Medical	1418 E Main St	Gen. Ofc.	15,298
Altenos shop Ctr.	307 W Main St	Ret/Ofc	6,625

Solvang

Evergreen Dynasty	1635 Mission Dr	Retail	3,937
Abiad Mixed Use	459 Atterdag Rd	Retail	3,800

Santa Barbara County Non-Residential Construction

<u>Project Name</u>	<u>Location/Area</u>	<u>Type</u>	<u>Sq Ft/Units</u>
Buellton			
The Storage Vault	711 Jonata Park	Storage	78,700
Sycamore Ranch NW	S Meadow	Recreation	12,057
Cool Hand Vineyards	Thomas Rd	Winery	
Thin Film Tech.	N Hwy 246/Industrial	Industrial	7,000

Santa Barbara County Non-Residential Construction (continued)

<u>Project Name</u>	<u>Location/Area</u>	<u>Type</u>	<u>Sq Ft/Units</u>
Carpinteria			
Carpinteria Gateway	Carpinteria/Linden	Retail	5,900
Goleta			
Fairview Shp Ctr.	125 N Fairview	Retail	16,441
Fairview Shp Ctr.	125 N Fairview	Gen. Ofc.	8,000
Lompoc			
Schuyler Mini-Storage	NEC "R" St/Laurel	Storage	39,225
Water Admin.	601 E North Ave	N/A	5,908
Aquatic Center	205 W College Ave		41,677
Round Table Pizza	721 W Central Ave	Retail	6,690
Santa Barbara County			
Mini Storage	Patterson/Hwy 101		~30,000
Santa Barbara City			
Harbor View Inn	29 State St	Hotel	19-rm
Penfield & Smith	111 E Victoria St	Gen. Ofc.	9,905
Parking Staff Ofc.	1221 Anacapa St	Gen. Ofc.	8,810
N/A	403 E Montecito St	Gen. Ofc.	8,159
Clerk-Recorder Ofc.	130 E Victoria	Gen. Ofc.	10,204
Auto Dealer	709 Union St	Retail	4,320
Discovery Pavilion	500 Ninos Dr	Retail	7,374
Santa Maria			
Fugate Bus. Complex	2615-50 Miller/2646 Santa	Gen. Ofc.	66,500
Tire Pros	400 N. Broadway	Retail	6,192
Payne Auto Dealership	503 E Main	Retail	834

Santa Barbara County Non-Residential Construction (continued)

<u>Project Name</u>	<u>Location/Area</u>	<u>Type</u>	<u>Sq Ft/Units</u>
Santa Maria (continued)			
Crossroads	2364 S Bradley Rd	Retail	8,800
Mission Creek Village	2880 Santa Maria Wy	Retail	13,720
Betteravia Bus. Plz.	Betteravia Rd	Gen. Ofc.	31,016
GPC Pallets	1298 W Stowell	Wrhse	7,500
Good Samaritan	401 W Morrison	Other	33,750
Central Coast gases	423 W Betteravia	Wrhse	3,780
TileCo Distrib.	214 W Dal Porto Ln	Wrhse	5,850
LaBrea Plaza	700/722 E Main St	Ret/Ofc	29,587
REMax Realty	1811 S Broadway	Ret/Ofc	4,200
Houser Office Bldg	620 W Main	Ret/Ofc	3,768
Hunters Landing	1321 S Nicholson	Retail	8,525
Helical	927 W McCoy Ln	Industrial	28,991
Hardy Diagnostics	1430 W McCoy Ln	Wrhse	23,157
Certified Termite	1445 Jason Way	Wrhse	6,520
Select Self-Strg	330 Roemer Way	Wrhse	64,780
MJA Cooling	1370 White Court	Industrial	4,800
County Office Bldg	301 E.Cook St	Gen. Ofc.	18,650
Coyway Comm. Ctr.	2301-99 S Broadway	Ret/Ofc	67,800
Cal-Giant	1890 W Stowell Rd	Industrial	87,075
Ctrl Coast Wine	2717 Aviation Way	Wrhse	94,057
Auto Parts Warehouse	1124 Tama Ln	Industrial	5,000
Aircraft Hangars	2975-2997 Airpark Dr	Storage	60,516
SM Bus. Records	851 E Enos Dr	Storage	76,550
SM Industrial Office	2640-50 Indus. Pkwy	Gen. Ofc.	14,180

Sources: Numerous, including city and county reports.

Note: Project sizes are usually based on total buildout, some portions could already be built.

Please contact us for more information.

COMMUNITY



Santa Barbara County is a beautiful place, blessed with fine weather, impressive mountains, lovely valleys, and beaches that seem to go on forever. Beautiful places attract wealthy people, and Santa Barbara County has certainly attracted its share of wealthy people. Wealthier people tend to protect the environment and invest in quality of life. Quality of life and wealth are jointly reinforcing.

So, it is not surprising that by virtually every measure Santa Barbara County residents enjoy an enviable lifestyle. The County's schools generally outperform the average California school. Air and water quality are very good and have shown improvement over the past decades. Citizen participation is high. Teenage birth rates are low and have been declining.

However, Santa Barbara County has a problem, a problem that will have a negative economic impact. That problem is traffic.

The winter rains that replenished our water supplies, gave us a preview of the potential impact of gridlock. For one week, the freeway between Ventura and Santa Barbara was closed. Some busi-

ness operated with only 80 percent of staff during that week. One distributor-wholesaler experienced its worst month in history because of that week. Even local governments operated with significantly reduced staffing levels.

We don't need storms to show us the problem. Every workday morning and afternoon traffic comes to a stop on Highway 101 in Santa Barbara, Montecito, Summerland, and Carpinteria. When an accident occurs the traffic jams can be truly epic. Traffic congestion, like expensive housing, hurts employee retention and recruitment.

The South Coast does not have a monopoly on traffic problems. Travel between the North County and the South County is frequently interrupted by accidents or even fires. Santa Maria sees Highway 101 congestion every workday as that City's citizen's commute to jobs in San Luis Obispo County or in South County.

How did we get to this point?

To begin with, we have more cars. Over the past decade Santa Barbara County has seen

a net increase of 45,134 registered vehicles. This represents a 15 percent gain. The past five years have seen an even more rapid rate of increase. From 1999 through 2004, the County saw registered vehicles grow by 35,495. This represents an average annual increase of 7,099 registered vehicles a year.

Part of the growth in vehicles is due to population growth, but population growth does not explain all of Santa Barbara County's growth in vehicles. As the County's population becomes older, a higher percentage of the population is of driving age. A lower proportional of children implies more cars on the road for any given population.

More cars owned and driven by Santa Barbara County Residents is not the entire problem. The region has two high-housing-cost job centers, San Luis Obispo City and Santa Barbara County's South Coast. It has two lower-cost housing centers, North Santa Barbara County and Ventura County. The high housing costs in the job centers combined with large housing cost discrepancies between

those job centers and the housing centers are the primary drivers of the County's traffic congestion.

Indeed, Santa Barbara County's South Coast may be experiencing what we call the Traffic Paradox. This is the perverse situation where traffic increases while population and jobs decline.

There are two necessary conditions for the Traffic Paradox to occur: First, home prices must be independent of local economic activity. Second, high home prices must have a negative impact on local economic activity.

What happens is that high house prices increase recruitment time whenever a job turns over, and they drive out tradable goods producers. The result is a decline in jobs. When a job does turn over, the new employee is more likely to be commuting from outside the area.

At the same time, young families driven by the dream of home ownership leave. They are replaced by older wealthier couples or individuals. The community's population and the average number of people in a home both decline. These demographic changes may cause an increase the number of local retail and service jobs.

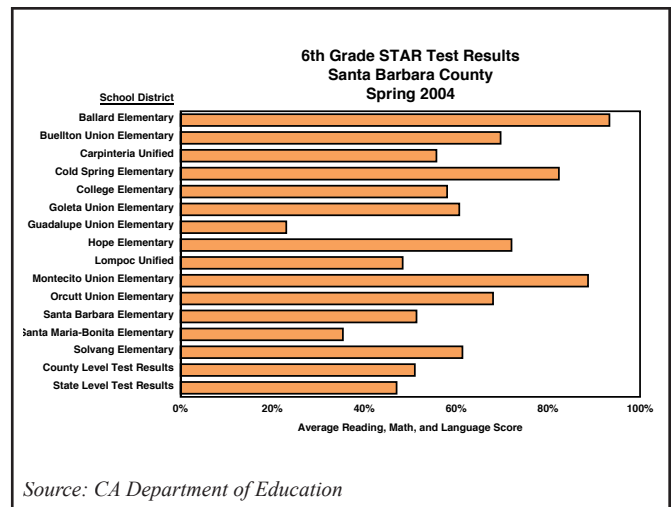
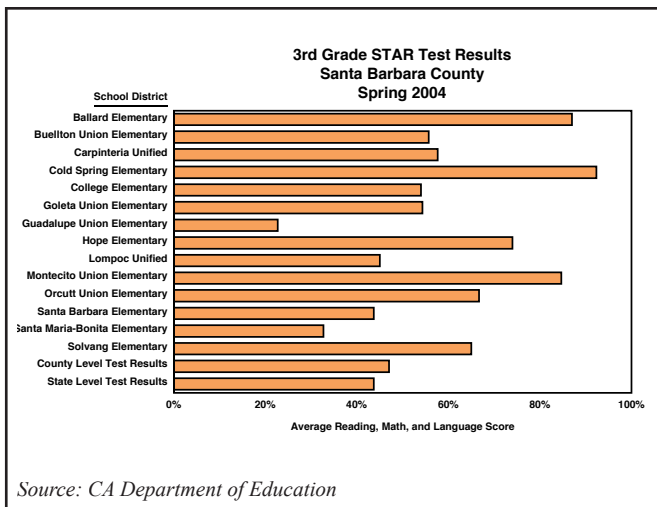
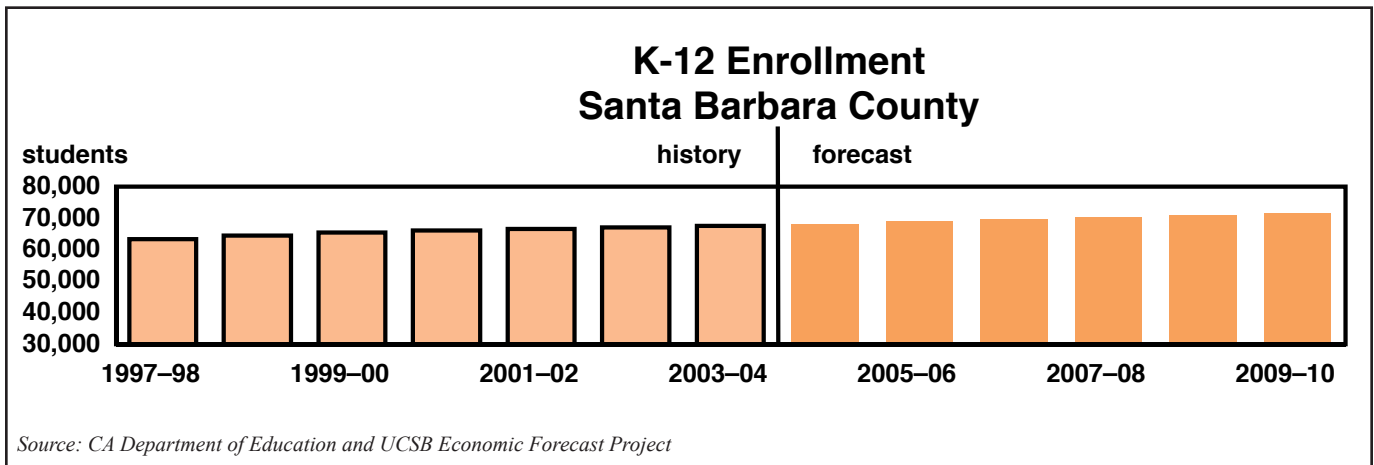
The result, at least early in the process, is a net loss of jobs.

However, a higher proportion of that smaller job base is commuting in from outside the area, increasing traffic.

There are other perverse results. While the average number of residents in a home decline for the community, some neighborhoods may see an increase in the average number of residents in a home. Many jobs, particularly those in the agriculture, retail, and service sectors, do not pay enough to justify a commute. They certainly don't pay enough to support home ownership in high-cost areas. The people holding these jobs have strong incentives to crowd into existing housing designed for far fewer people.

The impact of all of these changes is exacerbated by woefully inadequate infrastructure investment. For the past couple of decades California, at the local level and statewide, has invested very little in infrastructure. Certainly, investment in transportation has lagged demographic and economic changes, in Santa Barbara County and in California.

What is to be done? Investment is called for. The issue will probably require some combination of new light rail, an expanded and regionally coordinated bus system, and additional freeway lanes.



Academic Performance Index (API) Santa Barbara County

High School	2004	2003	Met Growth Target	
	Growth	Base	School-wide	Awards Eligible
Carpinteria Senior High	683	654	Yes	Yes
Cabrillo Senior High	747	738	Yes	Yes
Lompoc High	632	637	No	No
Dos Pueblos Senior High	799	746	Yes	Yes
San Marcos Senior High	731	717	Yes	Yes
Santa Barbara Senior High	731	666	Yes	Yes
Righetti (Ernest) High	699	674	Yes	Yes
Santa Ynez Valley Union High	740	733	Yes	Yes

Source: CA Department of Education

STAR CAT/6 2004 Test Results Santa Barbara County

	Reading	Language	Math	Average
Grade 3				
Ballard Elementary	90	81	90	87.0
Buellton Union Elementary	52	54	61	55.7
Carpinteria Unified	45	57	71	57.7
Cold Spring Elementary	87	93	97	92.3
College Elementary	53	47	62	54.0
Goleta Union Elementary	45	55	63	54.3
Guadalupe Union Elementary	15	24	29	22.7
Hope Elementary	67	76	79	74.0
Lompoc Unified	40	44	51	45.0
Montecito Union Elementary	90	72	92	84.7
Orcutt Union Elementary	64	62	74	66.7
Santa Barbara Elementary	36	43	52	43.7
Santa Maria-Bonita Elementary	25	28	45	32.7
Solvang Elementary	67	64	64	65.0
Santa Barbara County	40	46	55	47.0
California	35	53	43	43.7
Grade 6				
Ballard Elementary	92	88	100	93.3
Buellton Union Elementary	66	70	73	69.7
Carpinteria Unified	50	54	63	55.7
Cold Spring Elementary	81	81	85	82.3
College Elementary	56	53	65	58.0
Goleta Union Elementary	59	57	66	60.7
Guadalupe Union Elementary	18	21	30	23.0
Hope Elementary	72	69	75	72.0
Lompoc Unified	47	44	54	48.3
Montecito Union Elementary	89	91	86	88.7
Orcutt Union Elementary	66	62	76	68.0
Santa Barbara Elementary	50	46	58	51.3
Santa Maria-Bonita Elementary	32	28	46	35.3
Solvang Elementary	58	55	71	61.3
Santa Barbara County	49	46	58	51.0
California	46	53	42	47.0

Source: CA Department of Education

Student Teacher Ratios Santa Barbara County

School District	Number of Students per Teacher		
	2001-02	2002-03	2003-04
Ballard Elementary	19.6	18.3	18.6
Buellton Union Elementary	19.2	20.0	19.9
Carpinteria Unified	20.9	20.6	20.6
Cold Spring Elementary	15.2	15.8	17.0
College Elementary	20.5	19.6	20.1
Goleta Union Elementary	19.8	19.7	19.9
Guadalupe Union Elementary	18.8	18.7	18.9
Hope Elementary	20.1	20.5	21.0
Lompoc Unified	19.0	18.9	20.1
Montecito Union Elementary	14.8	14.0	12.9
Orcutt Union Elementary	21.0	21.1	22.7
Santa Barbara Elementary	19.1	19.8	19.8
Santa Barbara High	21.4	21.9	22.9
Santa Maria Joint Union High	24.2	24.9	25.0
Santa Maria-Bonita Elementary	19.8	20.5	21.3
Santa Ynez Valley Union High	28.5	26.8	25.7
Solvang Elementary	20.0	19.9	21.1
Santa Barbara County	19.9	20.2	20.9
California	20.6	20.7	21.2

Source: CA Department of Education

Average Class Size Santa Barbara County

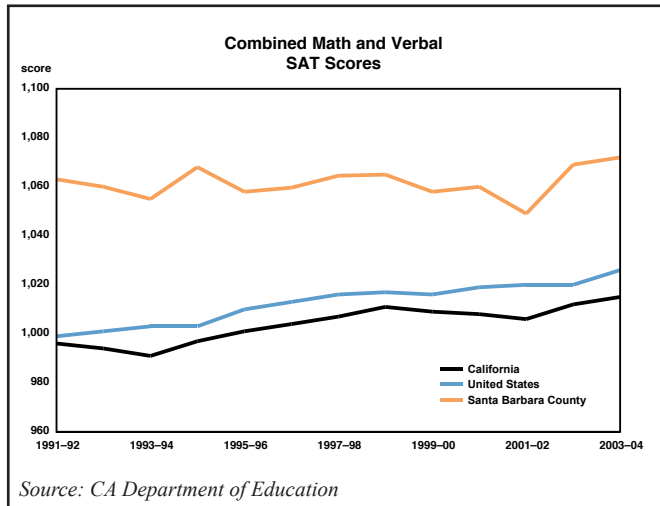
School District	Average Number of Students per Class			
	2000-01	2001-02	2002-03	2003-04
Ballard Elementary	20.1	19.6	18.3	18.6
Buellton Union Elementary	23.5	23.5	22.7	22.5
Carpinteria Unified	25.1	25.9	25.8	25.6
Cold Spring Elementary	19.6	18.4	18.0	19.5
College Elementary	23.6	21.1	18.6	19.8
Goleta Union Elementary	22.0	22.1	22.1	22.3
Guadalupe Union Elementary	25.3	23.9	23.6	25.4
Hope Elementary	22.1	21.9	22.3	22.3
Lompoc Unified	24.7	24.6	24.5	25.4
Montecito Union Elementary	18.0	17.9	17.7	16.7
Orcutt Union Elementary	25.6	22.7	25.3	26.0
Santa Barbara Elementary	21.2	21.2	21.5	21.4
Santa Barbara High	28.4	27.9	25.3	28.2
Santa Maria Joint Union High	27.8	27.7	28.0	27.8
Santa Maria-Bonita Elementary	23.7	24.0	24.7	25.9
Santa Ynez Valley Union High	27.4	26.9	26.9	26.7
Solvang Elementary	22.3	23.0	23.7	22.1
Santa Barbara County	25.6	25.4	25.0	26.0
Statewide	26.5	26.3	26.2	27.4

Source: CA Department of Education

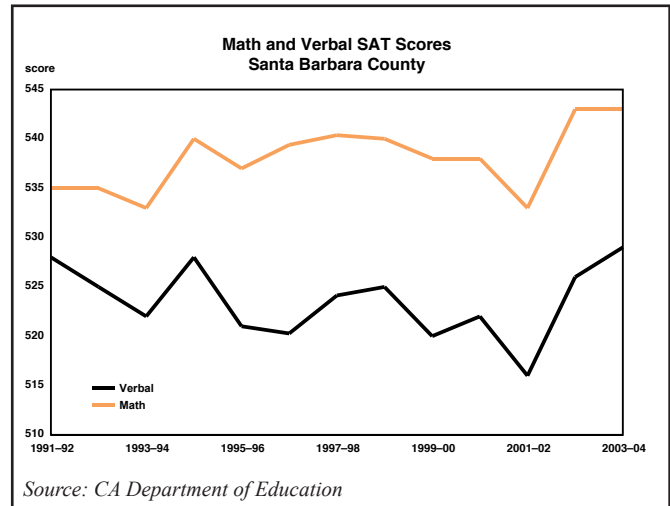
California High School Exit Exam Santa Barbara County 2003-04

School District	Percent Passing	
	Math	English / Language Arts
Carpinteria Unified	87%	83%
Lompoc Unified	78%	80%
Santa Barbara High	82%	83%
Santa Maria Joint Union High	75%	70%
Santa Ynez Valley Union High	86%	87%
Santa Barbara County	78%	77%
Statewide	74%	75%

Source: CA Department of Education



Source: CA Department of Education



Source: CA Department of Education

SAT I Scores Santa Barbara County

School District	Grade 12 Enrollment	Number Tested	Percent Tested	Verbal Average	Math Average	2003-04 Total	2002-03 Total
Carpinteria Unified	233	66	28.33%	524	546	1,070	1,031
Lompoc Unified	705	197	27.94%	513	523	1,036	1,024
Santa Barbara High	1,627	711	43.70%	564	578	1,142	1,139
Santa Maria Joint Union High	1,477	337	22.82%	467	489	956	961
Santa Ynez Valley Union High	242	110	45.45%	528	526	1,054	1,087
Santa Barbara County	4,505	1,435	31.85%	529	543	1,072	1,069
California	395,194	139,345	35.26%	496	519	1,015	1,012

Source: CA Department of Education

Dropout Rates Santa Barbara County 2002-03

High Schools	Number of Dropouts	Total Enrollment	One Year Rate
Carpinteria Senior High	4	859	0.5%
Cabrillo Senior High	11	1,518	0.7%
Lompoc Senior High	28	1,688	1.7%
Dos Pueblos Senior High	9	2,212	0.4%
San Marcos Senior High	10	1,981	0.5%
Santa Barbara Senior High	10	2,321	0.4%
Righetti (Ernest) High	21	2,561	0.8%
Santa Maria High	141	3,608	3.9%
Santa Ynez Valley Union High	5	1,089	0.5%
Santa Barbara County	342	19,369	1.8%
Statewide	58,452	6,298,774	3.2%

Source: CA Department of Education

High School Dropout Rates

School District	One Year Dropout Rates				
	1998-99	1999-00	2000-01	2001-02	2002-03
Carpinteria Senior High	0.5%	0.0%	0.0%	0.5%	0.5%
Cabrillo Senior High	1.2%	1.6%	0.7%	0.9%	0.7%
Lompoc Senior High	4.0%	3.9%	4.7%	2.2%	1.7%
Dos Pueblos Senior High	0.3%	0.5%	0.6%	0.2%	0.4%
San Marcos Senior High	0.2%	0.2%	6.0%	0.7%	0.5%
Santa Barbara Senior High	0.2%	0.9%	1.2%	0.5%	0.4%
Righetti (Ernest) High	1.2%	1.1%	1.0%	0.6%	0.8%
Santa Ynez Valley Union High	0.5%	0.3%	0.2%	0.5%	0.5%
Santa Barbara County	1.9	1.6	1.5	1.3	1.8
Statewide	2.8	2.8	2.37	3.2	3.2

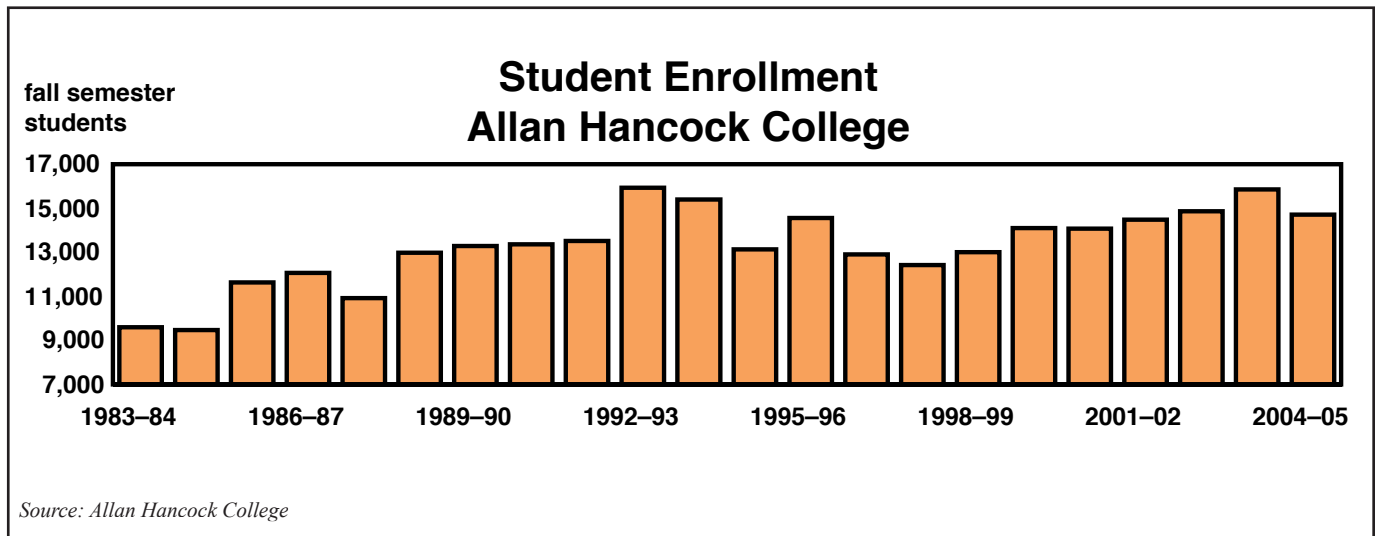
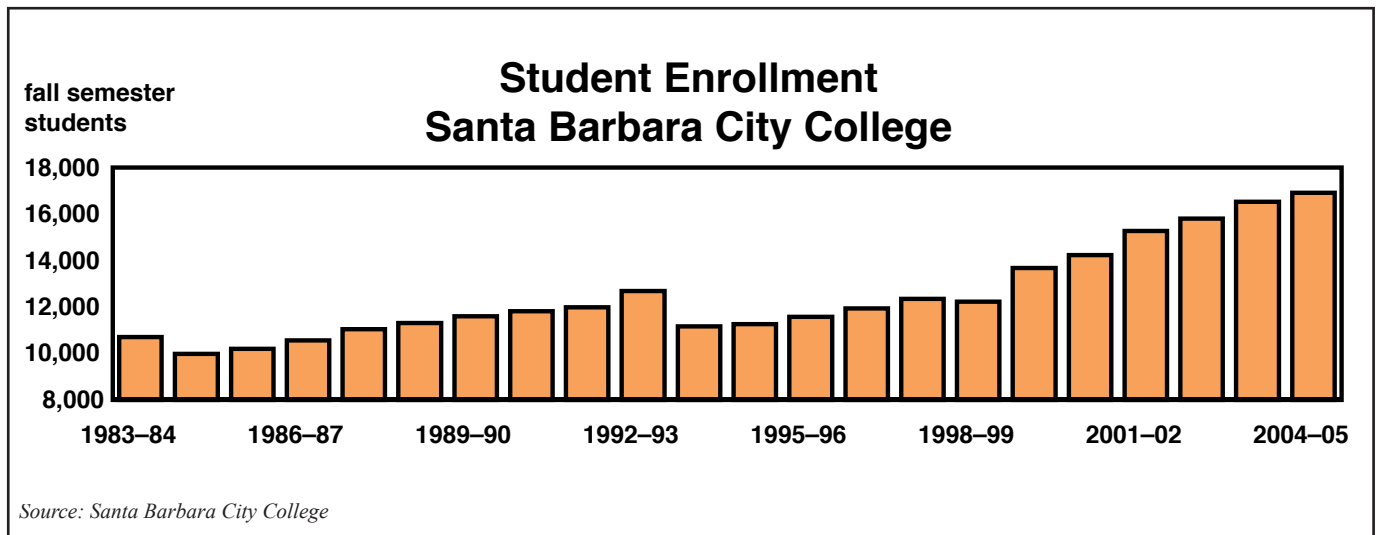
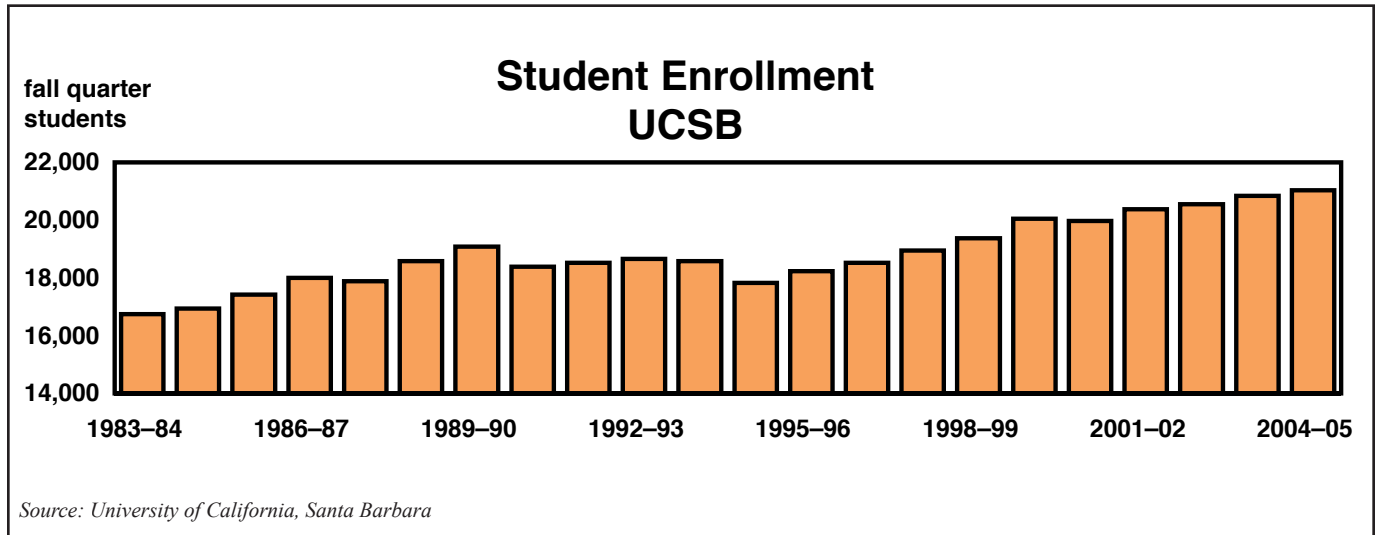
Source: CA Department of Education

High School Graduates Santa Barbara County 2002-03

School District	12th Grade Enrollment	Number of Graduating Seniors	Graduation Rate	UC/CSU Eligible Graduates	% UC/ CSU Eligible Graduates
Carpinteria Senior High	178	188	105.6% *	52	27.7%
Cabrillo Senior High	334	312	93.4%	164	52.6%
Lompoc Senior High	317	281	88.6%	112	39.9%
Dos Pueblos Senior High	498	476	95.6%	257	54.0%
San Marcos Senior High	465	433	93.1%	244	56.4%
Santa Barbara Senior High	508	449	88.4%	210	46.8%
Righetti (Ernest) High	531	498	93.8%	142	28.5%
Santa Maria High	738	601	81.4%	148	24.6%
Santa Ynez Valley Union High	232	219	94.4%	87	39.7%
Santa Barbara County	4,324	3,768	87.1%	1,486	39.4%
Statewide	385,181	341,097	88.6%	114,194	33.5%

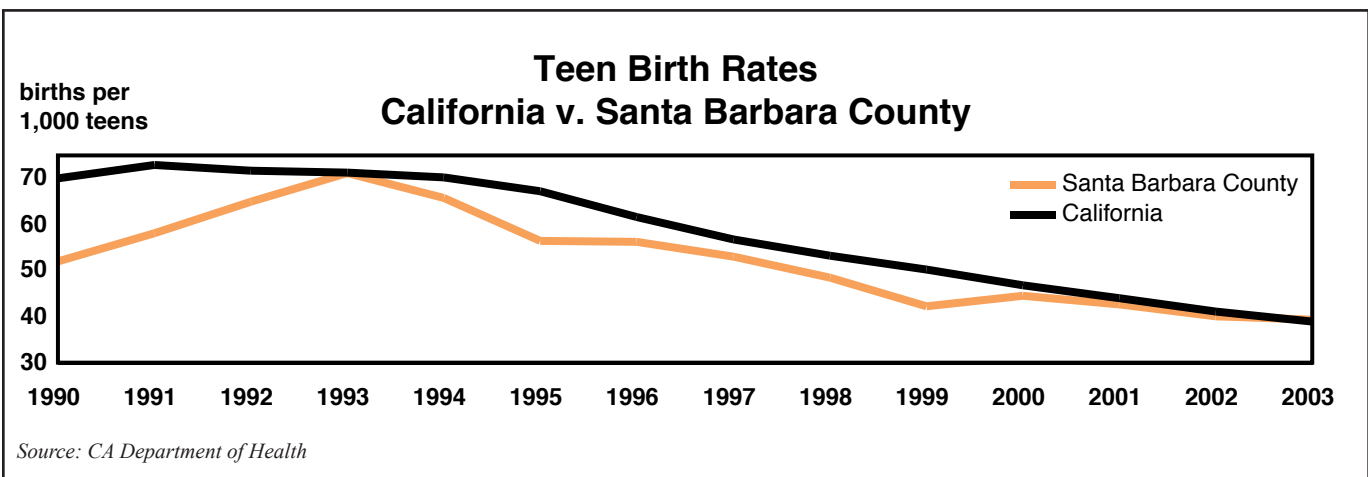
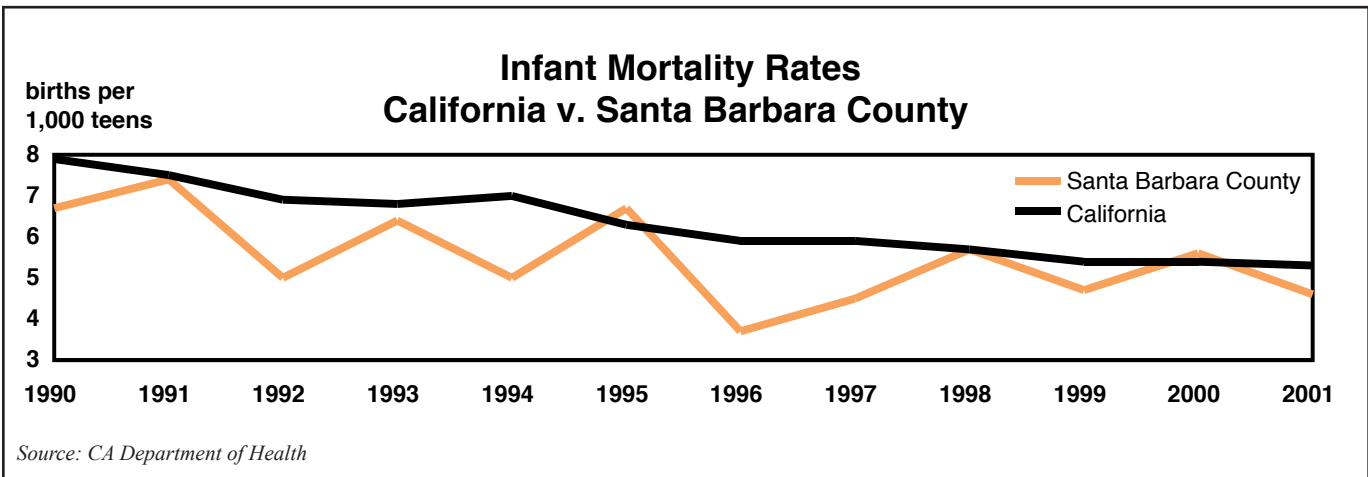
Source: CA Department of Education

* as reported by CA Dept. of Education



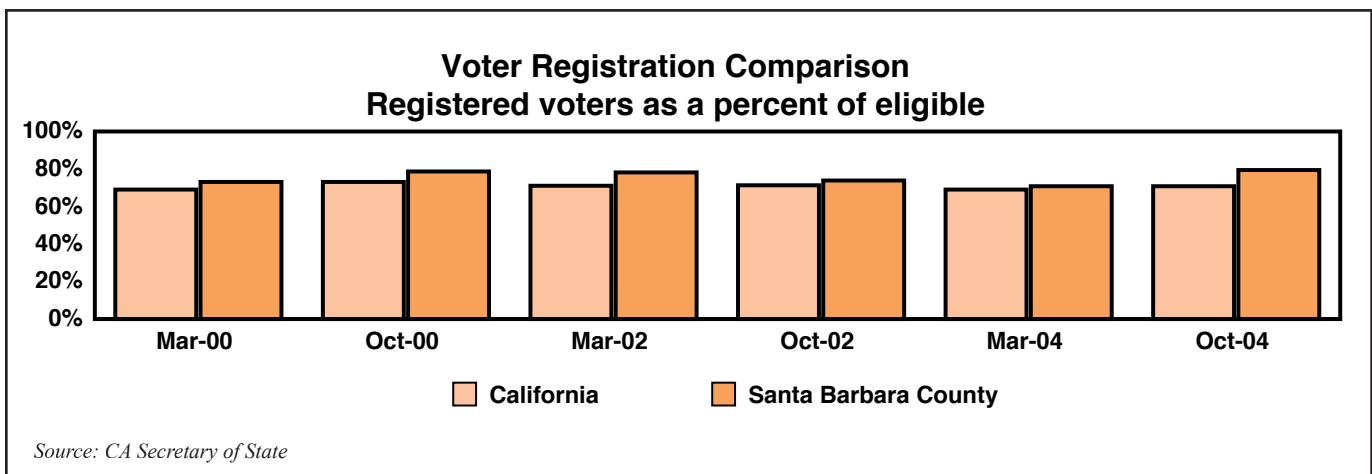
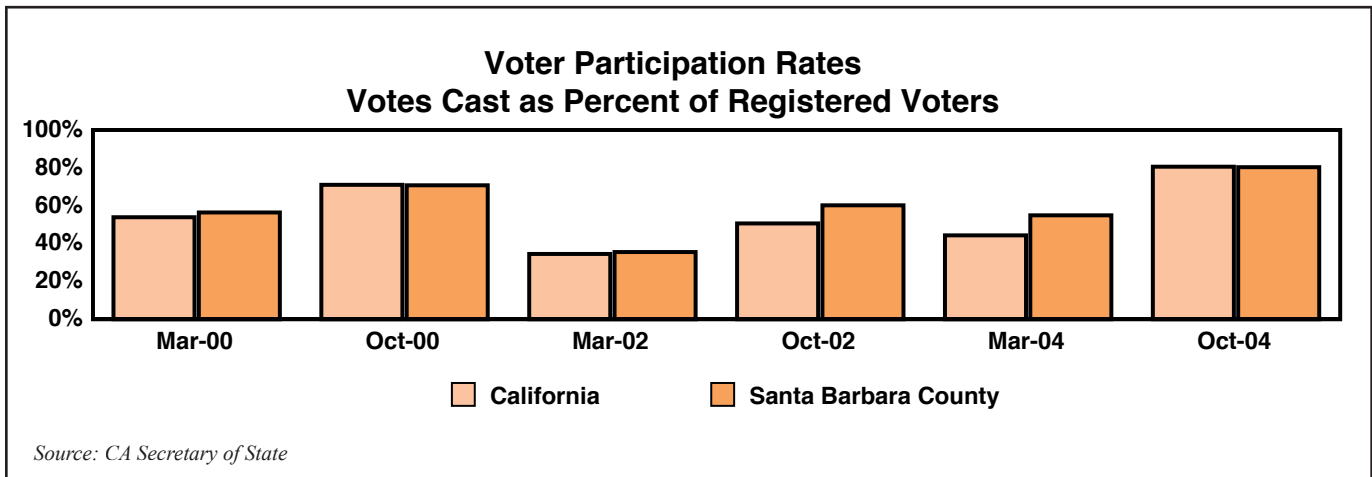
Ozone Hours Above 0.08ppm Santa Barbara County Areas						
	1999	2000	2001	2002	2003	2004
Santa Barbara	1	0	0	0	0	1
Santa Ynez	0	0	1	0	0	0
Lompoc	0	1	0	0	1	0
Santa Maria	0	0	0	0	0	0
Carpinteria	1	1	1	0	1	0
Goleta	1	0	0	0	0	0

Source: Santa Barbara County Air Pollution Control District



Composition of Registered Voters Santa Barbara County				
	Percent of Total Registered			
	Democrat	Republican	Independent	Green
March 2000	41.7%	37.4%	2.0%	1.2%
October 2000	41.3%	36.6%	2.1%	1.7%
March 2002	40.8%	37.0%	2.1%	1.8%
October 2002	40.1%	37.5%	2.0%	1.9%
March 2004	39.6%	37.3%	2.0%	1.8%
October 2004	40.6%	35.4%	2.0%	1.5%

Source: CA Secretary of State



Annual Beach Report Card Comparison by County Dry April 2003 - Mar 2004

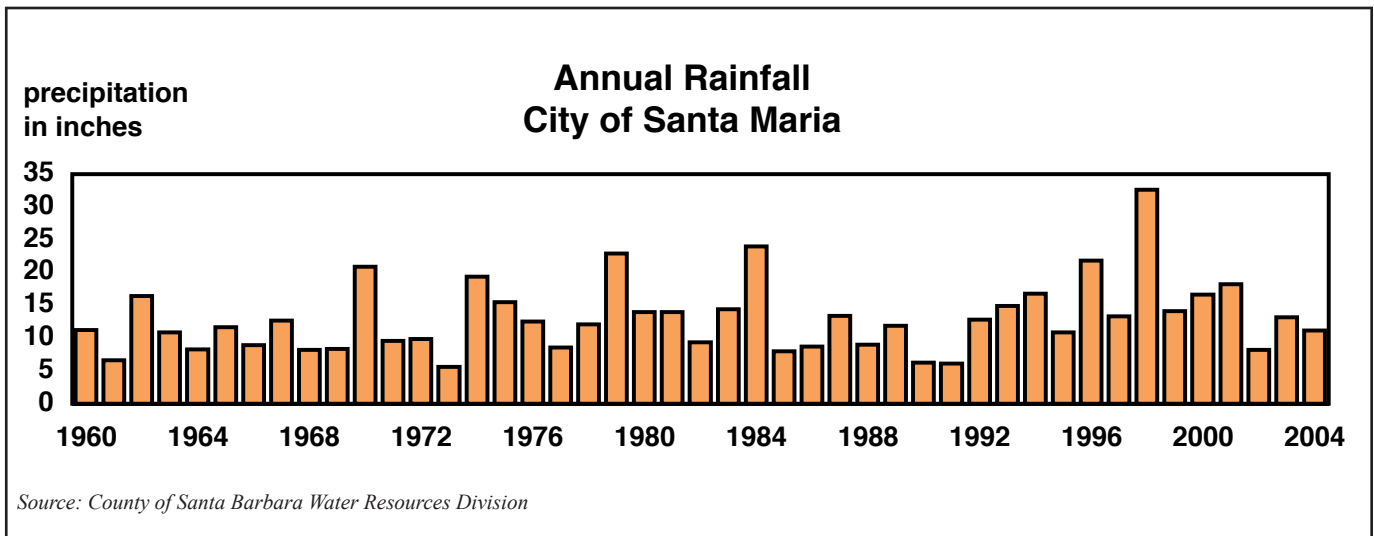
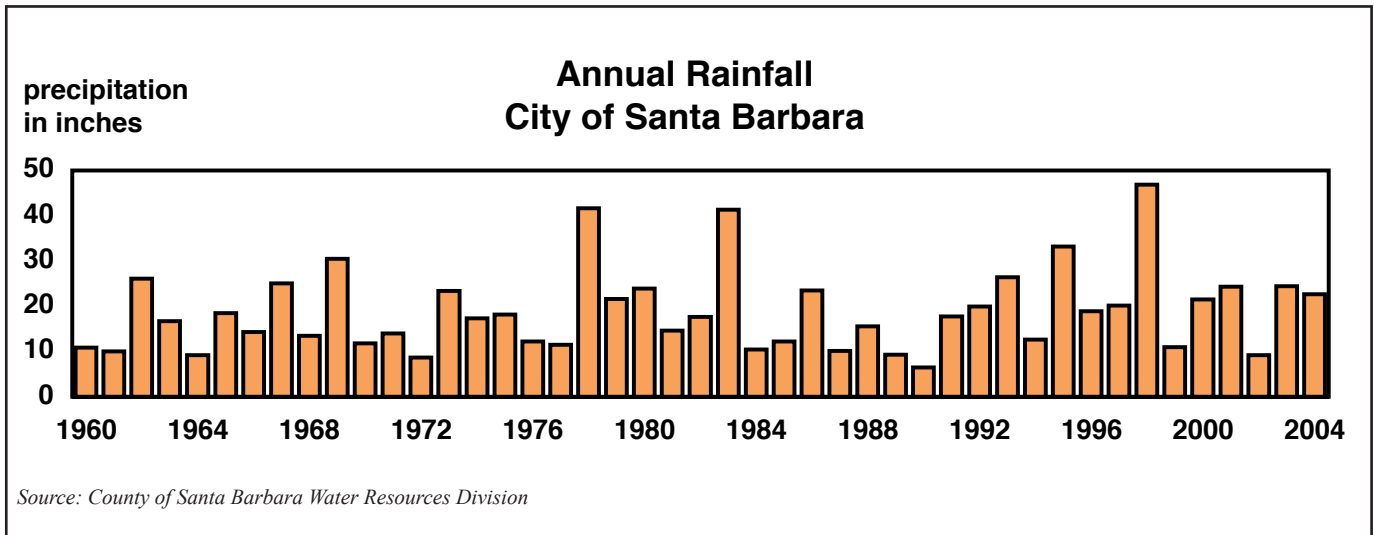
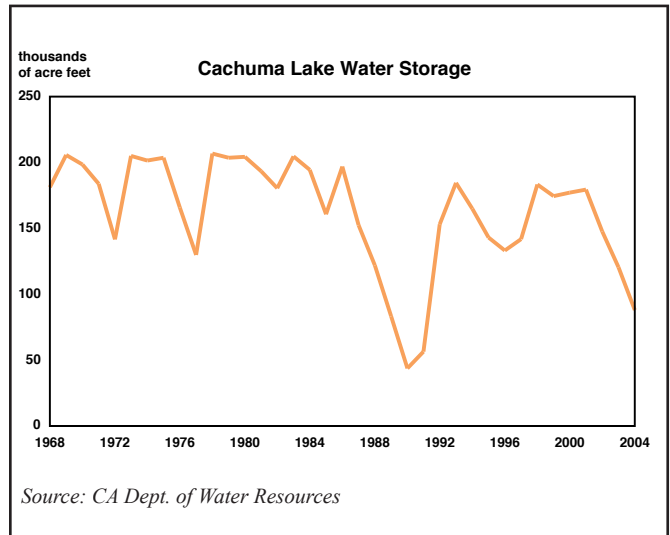
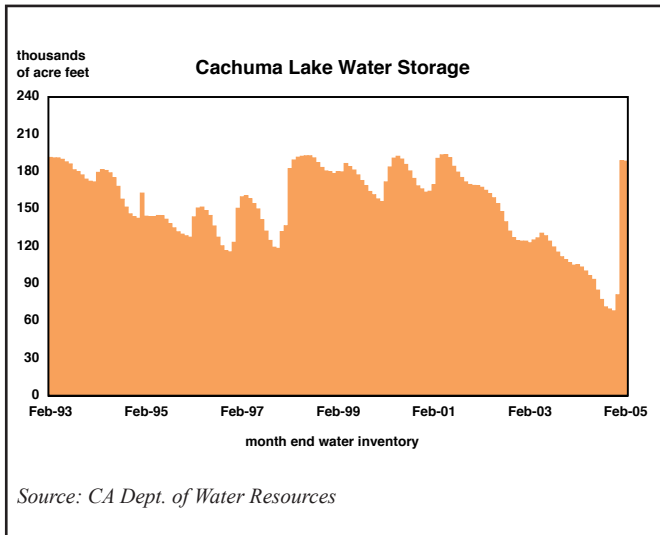
Counties - North to South	A	B	C	D	F
Monterey	87.5%	0.0%	0.0%	0.0%	12.5%
San Luis Obispo	91.7%	0.0%	0.0%	0.0%	8.3%
Santa Barbara	61.9%	33.3%	4.8%	0.0%	0.0%
Ventura	86.7%	6.7%	0.0%	6.7%	0.0%
Los Angeles	53.2%	18.2%	20.8%	5.2%	2.6%
Combined Averages	63.9%	16.5%	12.8%	3.8%	3.0%

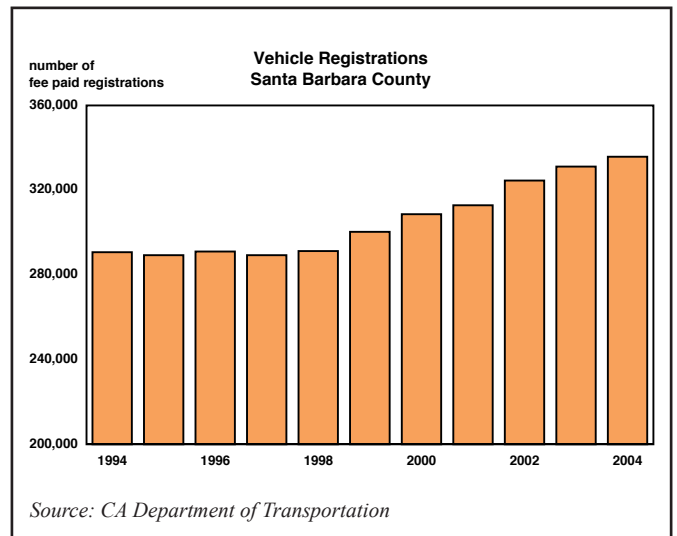
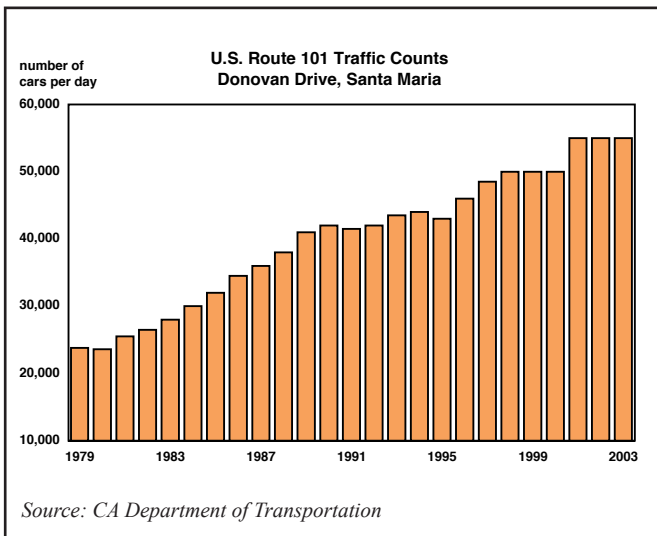
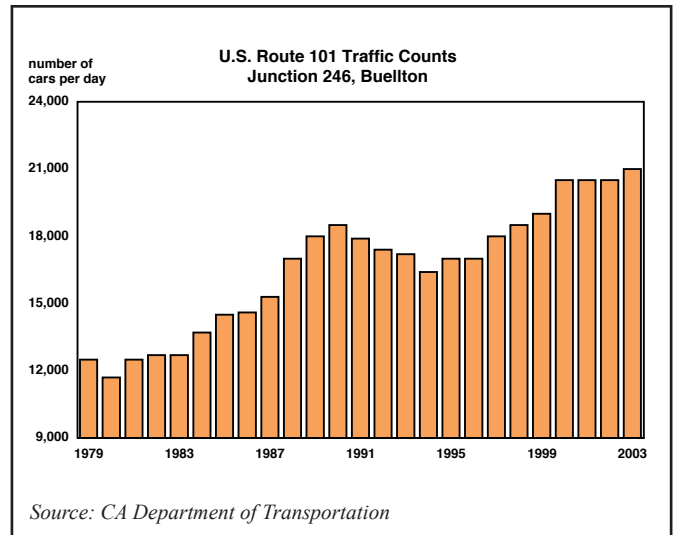
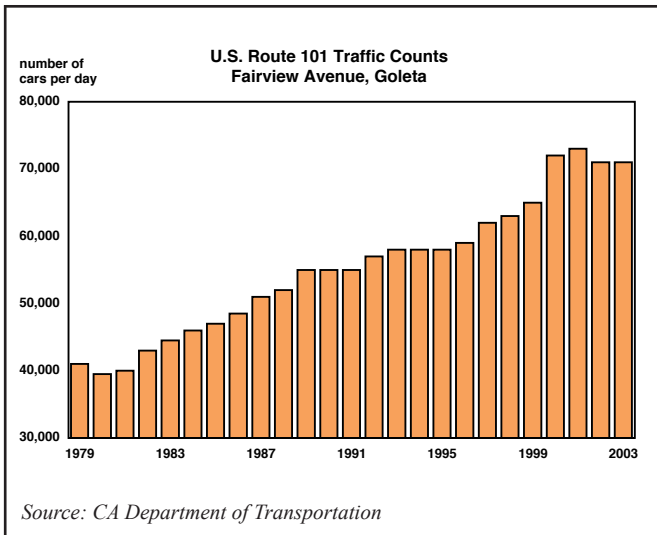
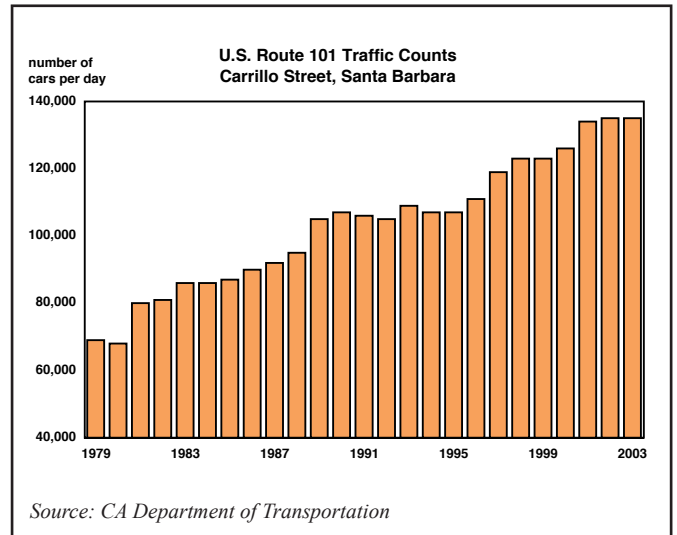
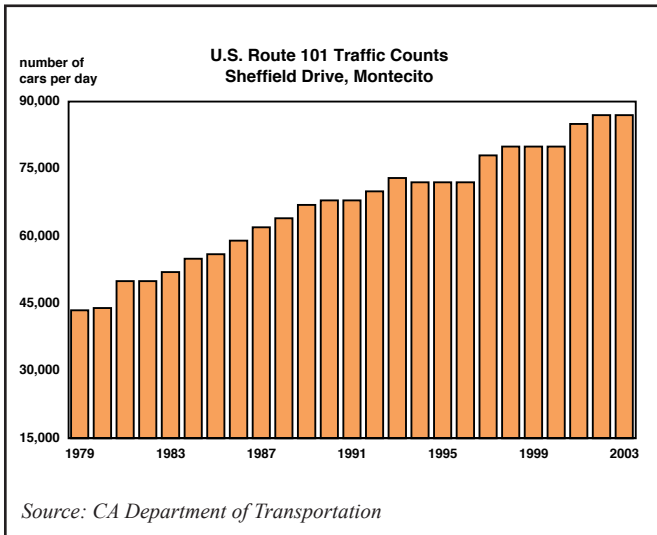
Source: Heal the Bay

Annual Beach Report Card Santa Barbara County

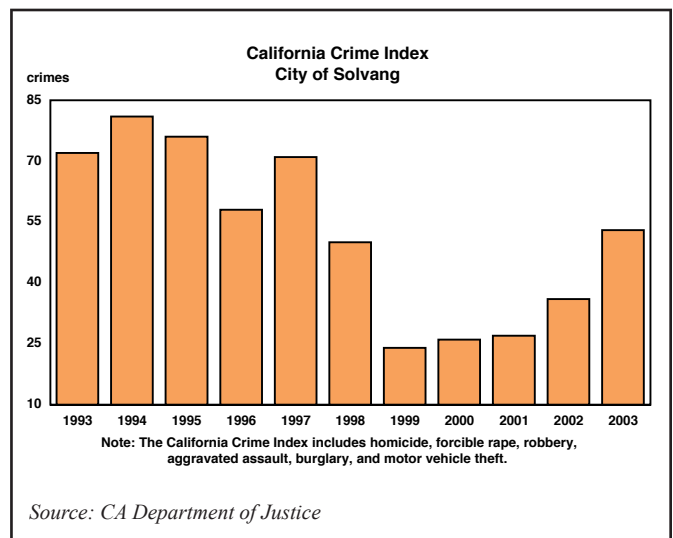
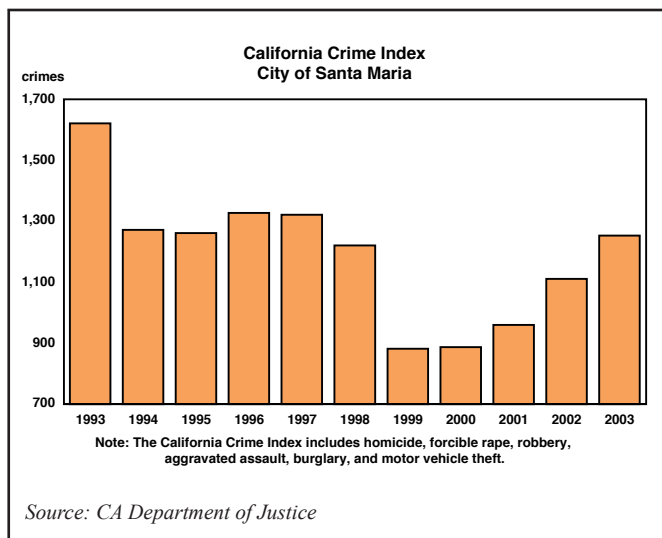
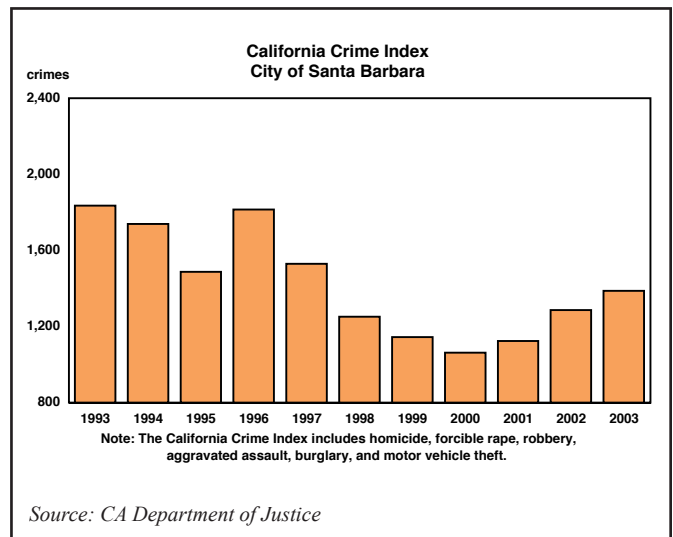
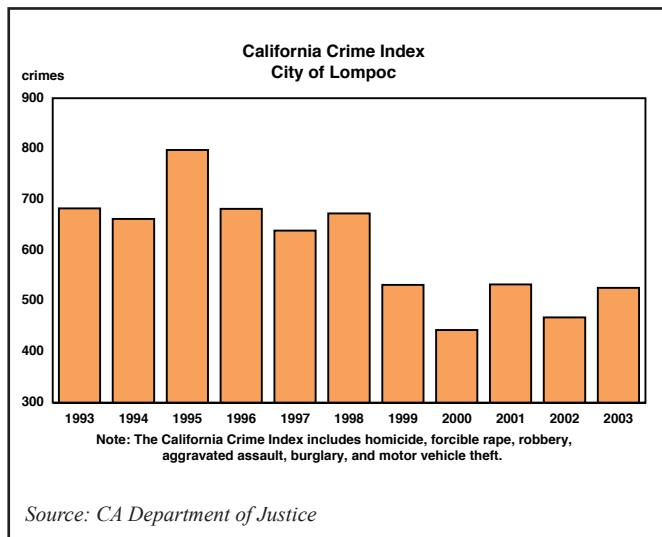
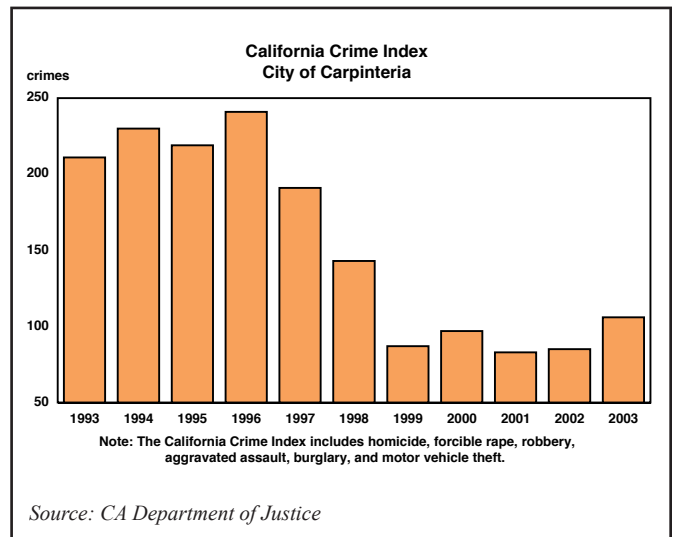
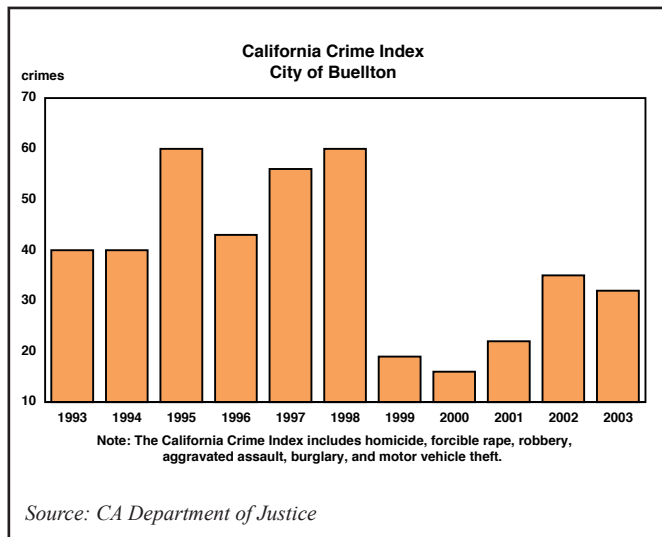
	2003-2004			2002-2003		
	Weather & Period			Weather & Period		
	Dry	Dry	Wet	Dry	Dry	Wet
	AB411 4/03-10/03	Year 4/03-3/04	Year 4/03-3/04	AB411 4/02-10/02	Year 4/02-3/03	Year 4/02-3/03
Beach Locations - North to South						
Guadalupe Dunes	A	A	A+	B	B	A+
Ocean Beach at Santa Ynez River	ns	C	A+	na	na	na
Surf Beach (1/2 mile south from Ocean Beach)	A+	A+	A+	A	A	A+
Jalama Beach at Jalama Creek	B	A	C	A	A	F
Gaviota State Beach at Canada de las Cruces	B	A	F	A	A	F
Arroyo Quemada	A	B	A	B	B	C
Refugio State Beach at Canada del Refugio	A+	A	C	A	B	D
El Capitan State Beach at Canada del Capitan	A	A	A	A	A	A+
Haskell's Beach	B	B	B	A	A	C
Sands at Coal Oil Point	A+	A+	A	B	A	A+
Goleta Beach- 200 yds east of pier	B	B	A	A	A	F
Hope Ranch Beach at Las Palmas Creek	A	A	D	A+	A	F
Arroyo Burro Beach at Arroyo Burro Creek	B	B	F	C	C	F
Leadbetter Beach at Honda Creek	A	A	B	A	A	F
East Beach at Mission Creek	A+	B	F	C	F	F
East Beach at Sycamore Creek	A	A	B	B	C	F
Butterfly Beach	B	B	A	A	A	F
Hammond's Beach at Montecito Creek	B	B	D	B	A	F
Carpinteria City Beach- projection of Linden Av.	A+	A	B	B	A	A+
Carpinteria State Beach at Carpinteria Creek	A+	A	F	A	A	A+
Rincon Beach at Rincon Creek	A	A	A+	A+	A+	F

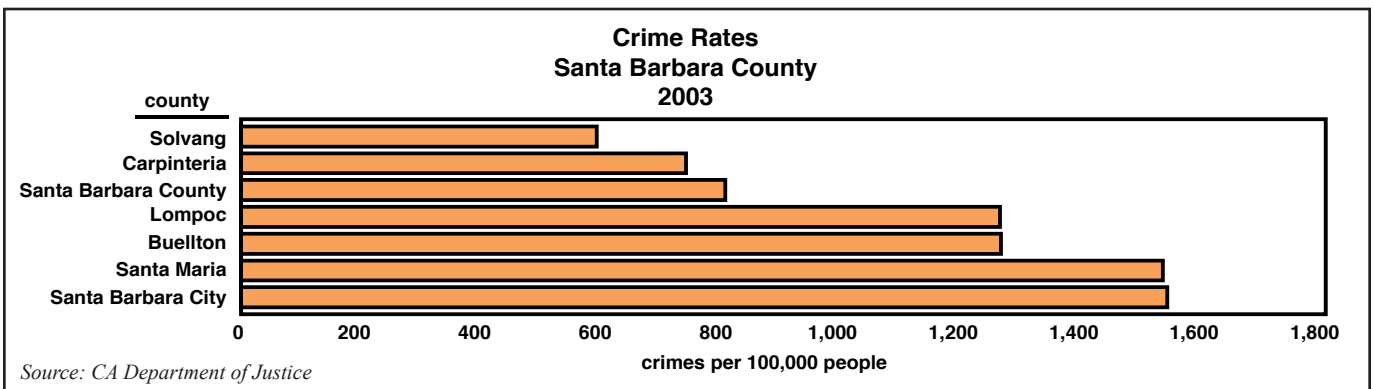
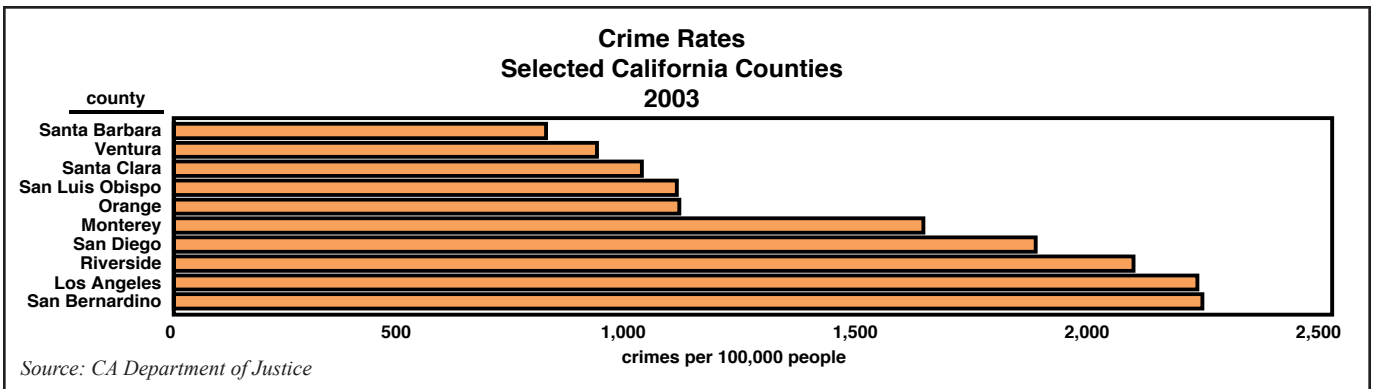
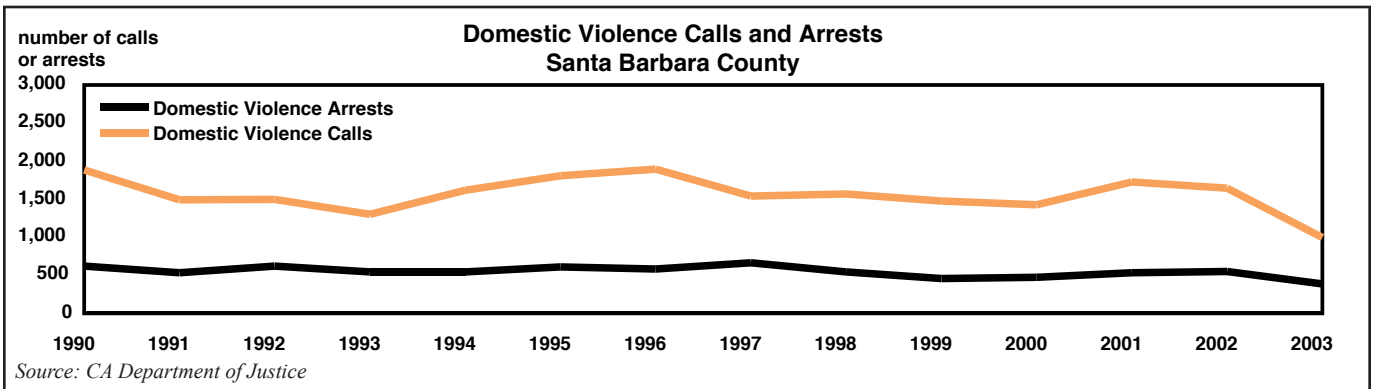
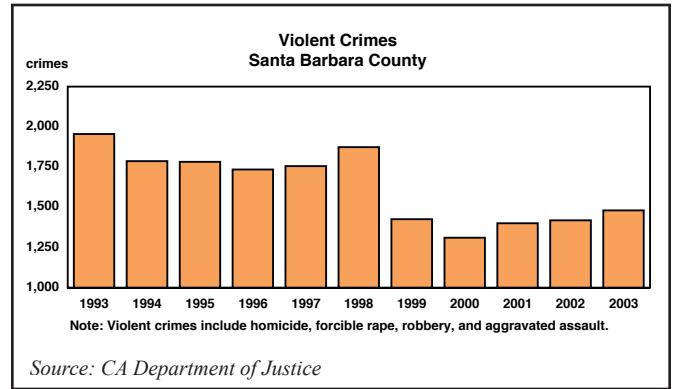
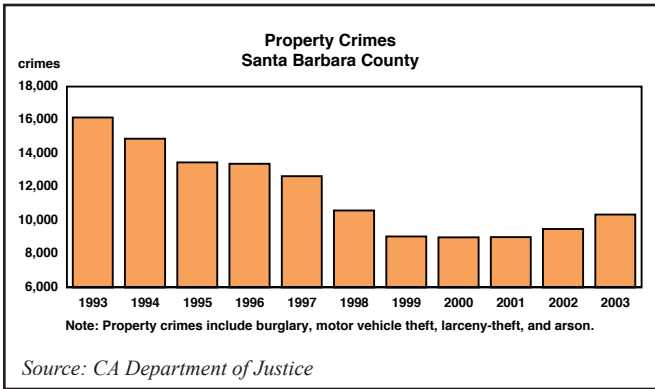
Source: Heal the Bay





Crime





ECONOMIC REVIEW AND FORECAST



The United States' economy has been very strong, especially considering the uncertainty and costs associated with terrorism, war, natural disasters, and large corporate scandals. Barring some very serious unforecastable event, the United States' economy will remain strong in 2005.

Short-term interest rates will continue to rise, as the Federal Reserve continues its program of steady Target Federal Funds Rate increases. However, the Federal Reserve is not likely to be very aggressive in its increases. The increases will be individually remain small because inflationary pressures will be modest and because of concern over asset prices.

Inflation should remain subdued, a result of increasing productivity and what amounts to a series of positive supply shocks as India and China increase their economic participation in the World economy. The rapid expansion and investment in infrastructure that we see in China and India initially caused an increase in commodity prices. However, the efficiencies they bring to production, particularly low labor costs,

will likely more than offset rising commodity costs. The result is continued falling prices for final goods produced in these countries. Furthermore, not all of their investment is in final-good production facilities. China for example is increasing its steel production capacity. This should eventually result in decreasing prices for steel.

Oil prices have recently been rising. Part of that increase is seasonal; we have seen similar increase in the first half of each of the past several years. Although nominal oil prices are at record levels, inflation adjusted prices remain below the highs in the 1970's. Barring some unforeseen supply interruption, oil prices are unlikely to derail the United States' economy in 2005.

Additionally, the Federal Reserve is acutely aware of the possibility of an interest-rate induced asset price collapse. The Federal Reserve's unwillingness to impact asset prices combined with low inflationary pressure means that they will not dramatically increase short-term interest rates, even if the unemployment rate continues to fall.

Long-term interest rates are likely to rise less than short-term interest rates. In the recent business cycle, we saw the spread between long-term interest rates and the Federal Funds Rate dramatically increase. As the Federal Reserve increases its Target Federal Funds Rate, we expect to see compression between long-term rates and the short-term rates. That is, the spread will decrease, and the yield curve will become flatter.

Once again California was hurt more by the recent recession than was the United States as a whole. It has again lagged in recovery. Part of this is due to the still-depressed Tech Sector.

However, important components of California's economic weakness are self-inflicted. For a variety of reasons (budget uncertainty, energy uncertainty, workers' compensation costs, tort liability, and high housing costs are a partial list) businesses are not finding California an attractive place to move to, expand in, or even to remain. Increasingly, producers of tradable goods are finding production in California uncompetitive. Increasingly, technological

changes are redefining jobs from non-tradable-goods production to tradable-goods production.

There is no doubt that California is a wonderful place. People, and hence their businesses, want to be here. Furthermore, California's workers are more productive than their counterparts in other states. However, one need only drive across the border from San Diego to Tijuana to see that political decisions impact economic outcomes. Increasingly, Sacramento is a source of economic weakness rather than strength.

In spite of its problems California has recently seen job gains, after years of a flat or decreasing job market. The recovery has not been uniform. San Diego County, with its booming Biotech Sector has been among the leaders, as have San Bernardino County and Riverside County. The Sacramento, Merced, Stockton triangle has also seen strong growth. The Bay Area's economy remains weak, with little job growth and high Commercial vacancy rates. The State's agriculturally dominated Central Valley never recovered from the 1990s recession, and its economy remains weak.

We expect California to continue its economic recovery, but its economic growth will be both subdued and uneven. The Bay Area's Tech Sector will slowly

recover, but the great boom of the 1990s will not be repeated. The Central Valley will remain weak, but pockets there will see growth because of relatively low home prices and proximity to high-home-cost commercial centers. Southern California and the Delta will remain California's economic stars in 2005.

It is likely that no local economic issue is of as much interest as the question of real estate values and are home prices in a bubble. We don't believe home prices are in a bubble, and that has a huge impact on our forecast.

The definition of a bubble is a price unsupported by economic fundamentals. Those who claim we are in a bubble often cite the disparity between rents and home prices. We believe that demographic trends outlined elsewhere (in-migrating, relatively wealthy Baby Boomers) provide the economic fundamentals that support the increase in prices. Those who compare rents and home prices are measuring the wrong dividend stream to value homes.

Observed rents are dominated by apartments. Furthermore, the rental market and the home buying markets are different. Renters are almost always locally employed or students in the South Coast. These rents therefore are associated with local economic activity.

Those citing the disconnect between local home prices and local economic activity miss the point. Changing demographics and macro-economic fundamentals outside of the local economy have (at least for a time) reduced or eliminated the correlation between home prices and local economic activity. At the margin, outsiders are setting the sales price of Santa Barbara County homes. Every survey we've seen shows plenty of outside buyers to move the market.

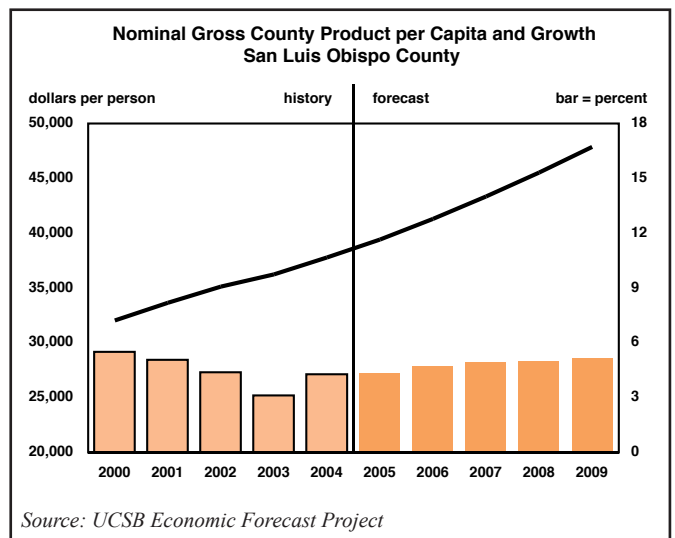
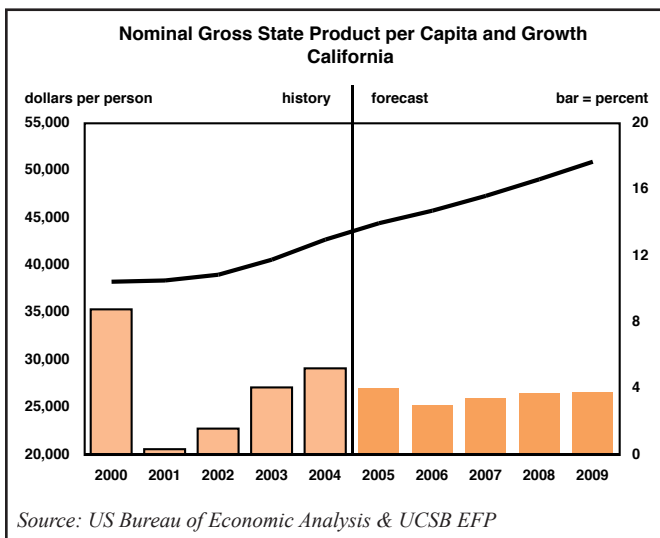
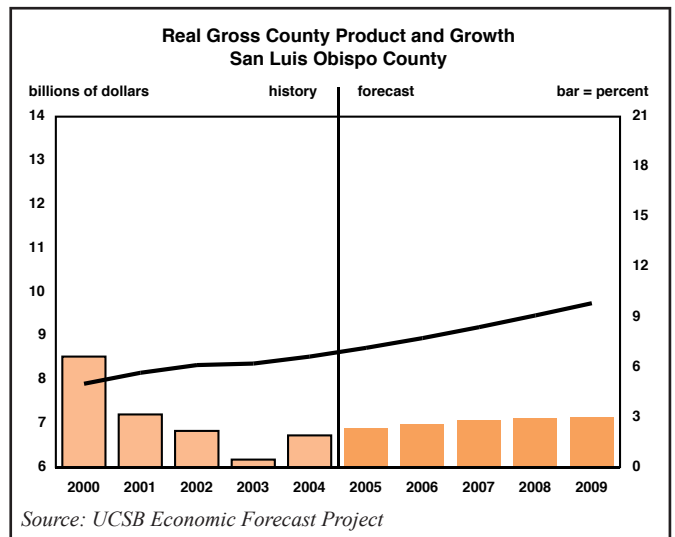
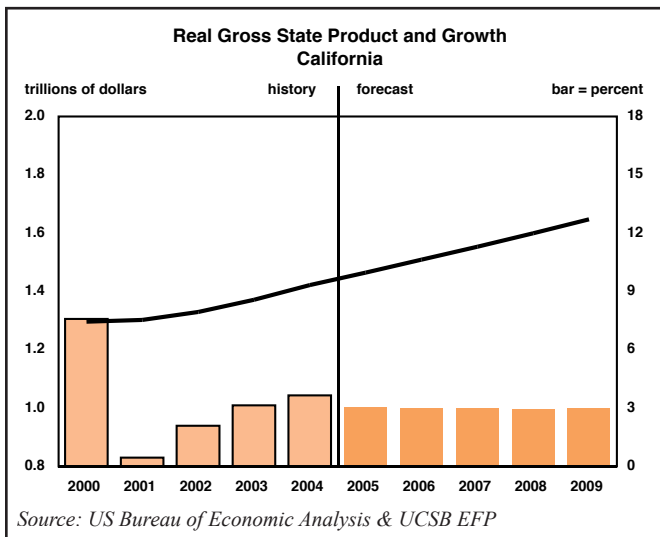
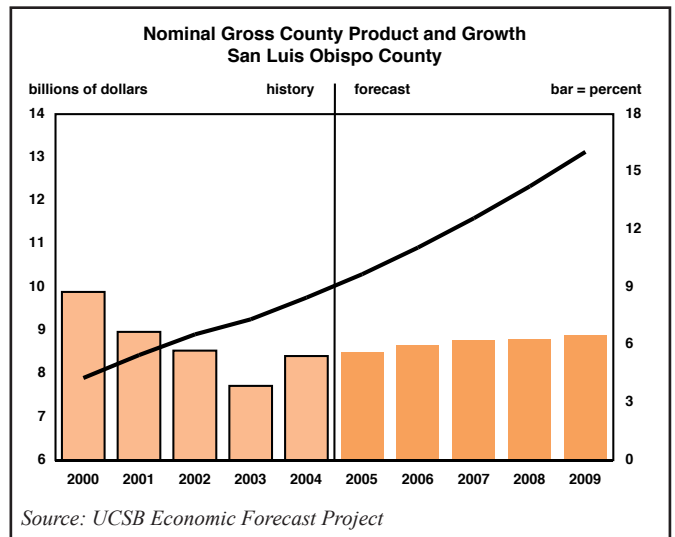
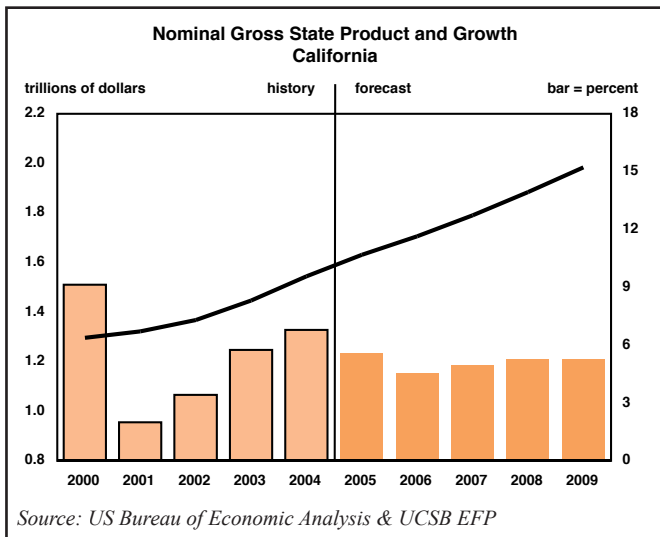
Many also point out that the current growth rate of Santa Barbara County home prices is unsustainable. Sure it is unsustainable. That does not mean that that past growth has not been supported by changing demographic and economic realities.

Santa Barbara County will show modest economic growth in 2005, and the vast majority of that growth will occur in the fast-growing North County. The South Coast will see little if any economic or population growth. Tradable goods producers, with the notable exception of the University of California, will continue to leave the South Coast.

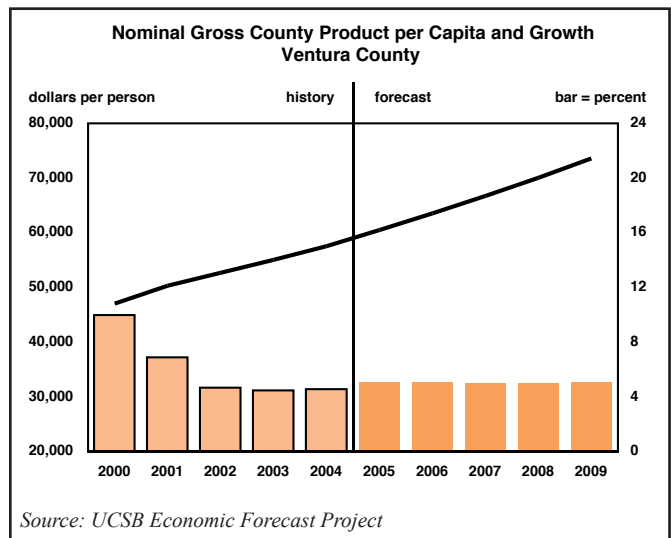
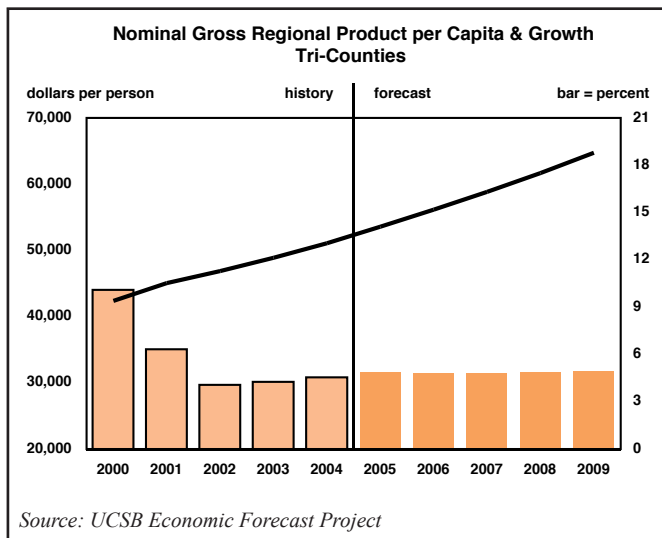
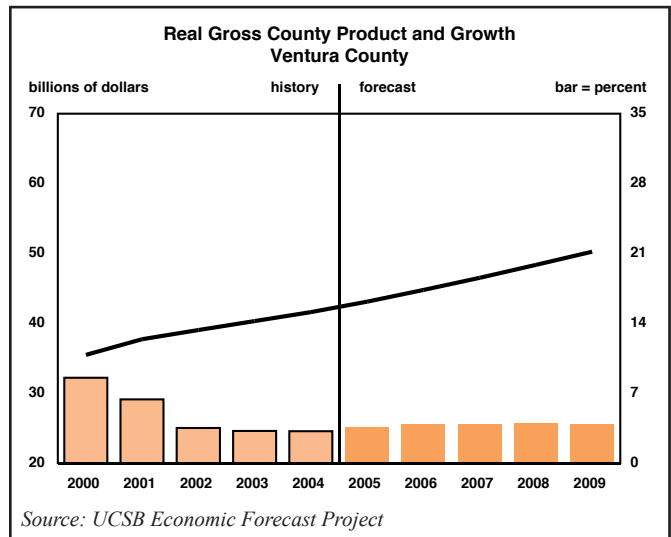
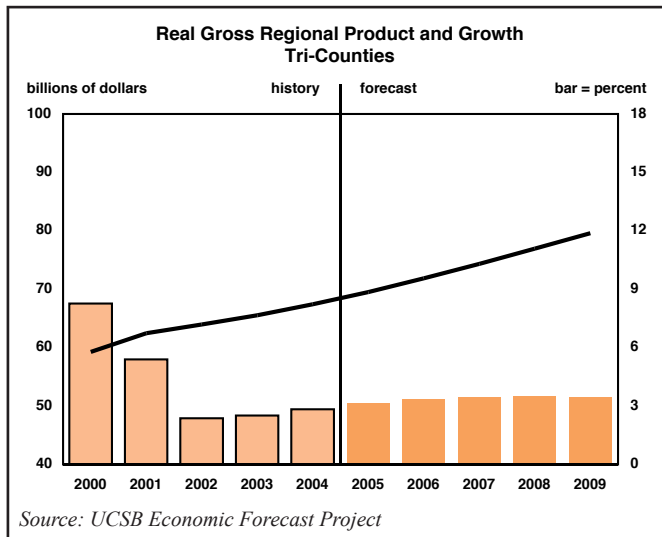
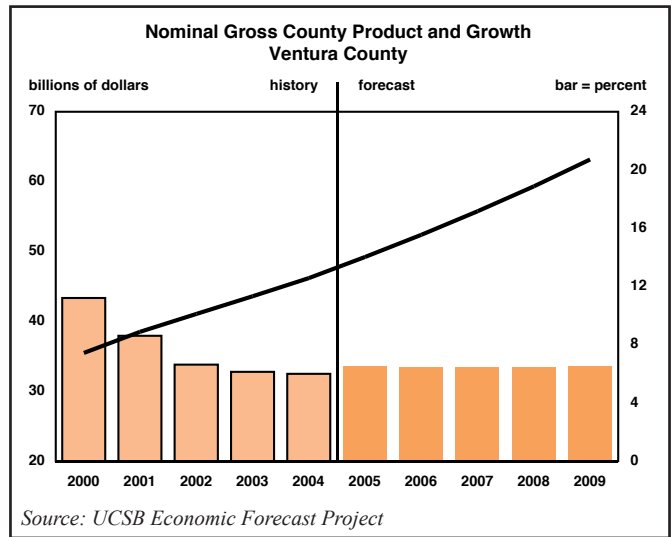
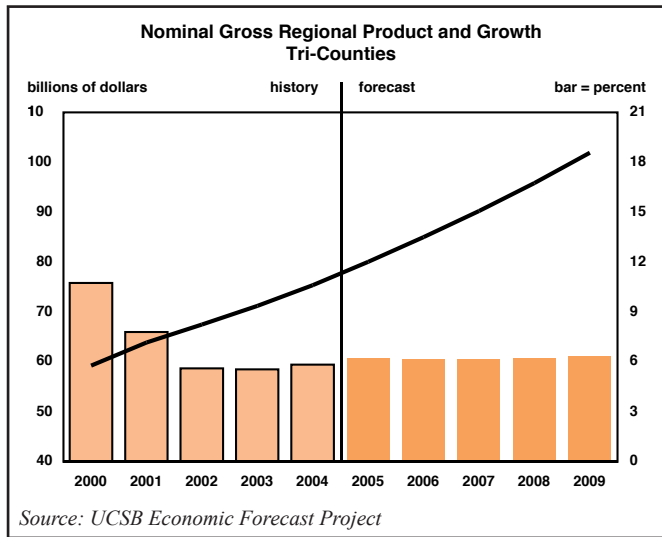
South Coast tradable goods producers face many challenges as they attempt to remain in region. High housing costs result in increased wage demands, diffi-

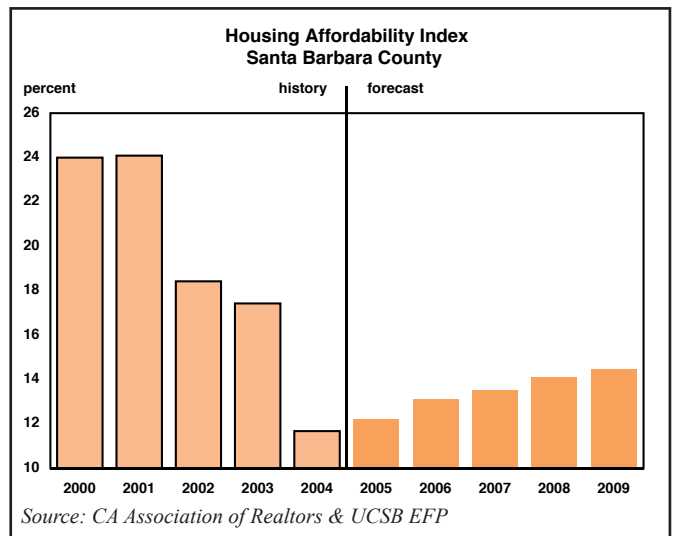
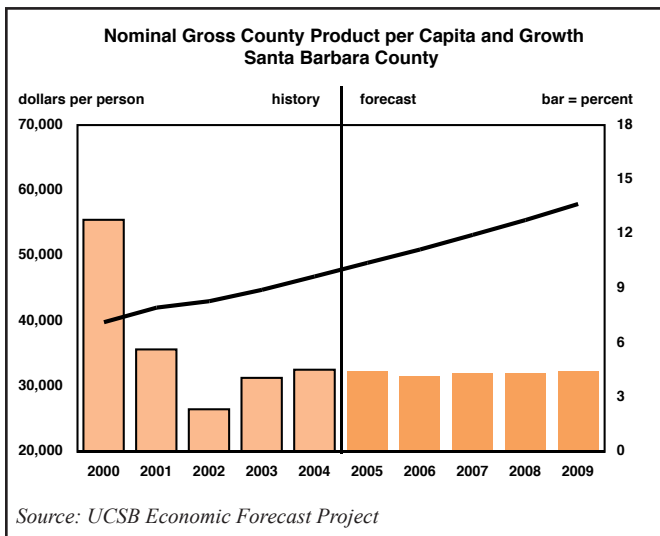
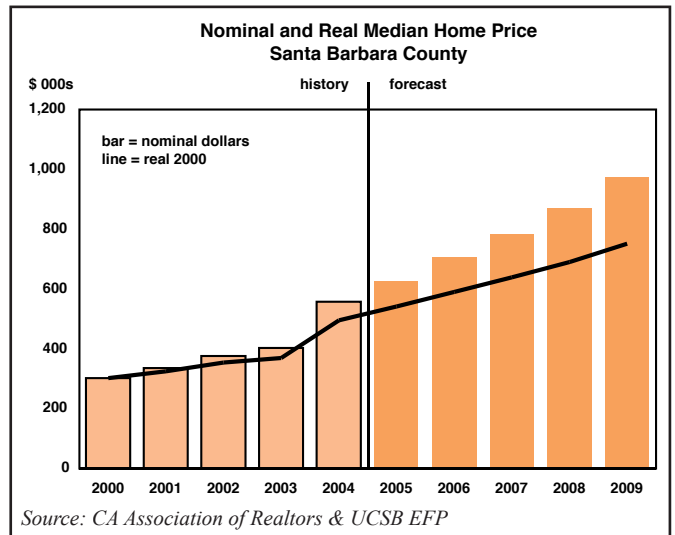
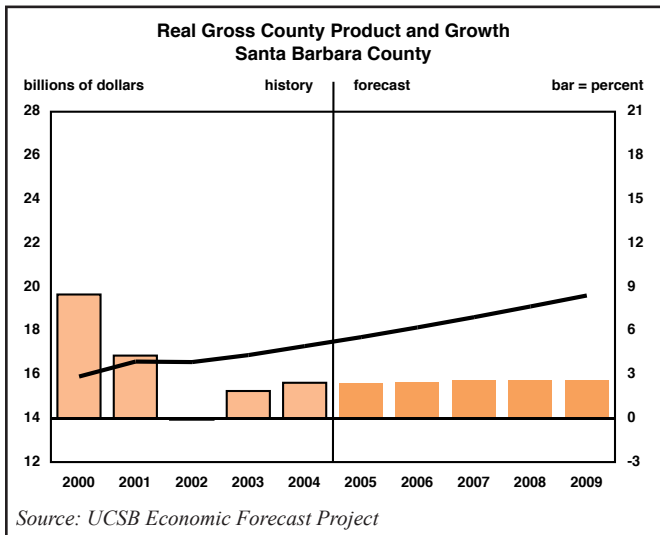
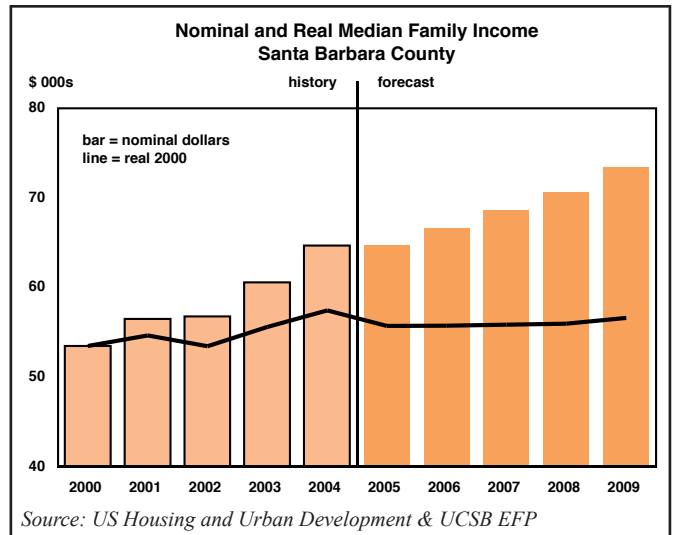
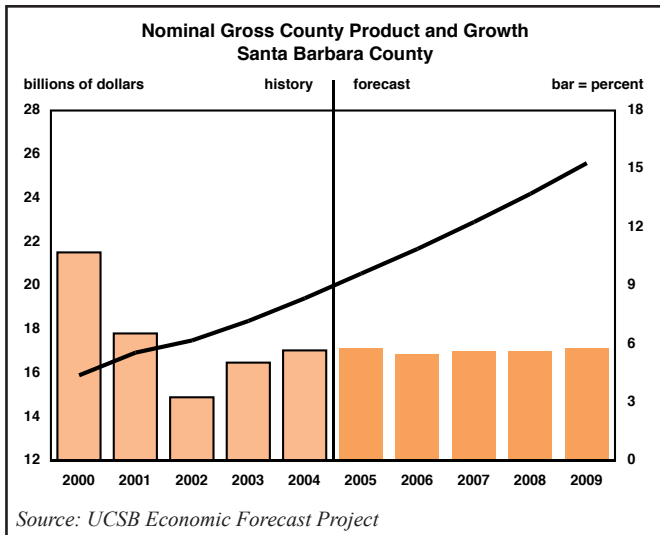
cult recruitment, and serious concerns about employee retention. The recent rains demonstrated the regions dependence on traffic. Many employers reported 20 percent absenteeism when Highway 101 was closed. These issues will only get worse as traffic continues to increase.

North County Santa Barbara is an altogether different story. There, home prices are relatively affordable compared to their neighbors up and down Highway 101. This region is in the mist of a construction boom, which will contribute to maintaining the housing price differential driving the growth. This is not to say home prices there won't rise. They will, but they will remain below those of the South Coast and the City of San Luis Obispo.



Economic Review and Forecast





UCSB ECONOMIC FORECAST PROJECT

2005 QUARTER 1 FORECAST HIGHLIGHTS

California & United States

- The United States economy grew by 4.4 percent in 2004. This was the Nation's best growth rate in seven years. We expect the economy to grow 3.2 percent in 2005. Productivity has remained strong, and recent studies conclude that U.S. productivity will likely remain strong for another decade. This productivity growth implies continued United States' economic growth.
- California's estimated economic growth has been revised for 2003 and 2004. The 2003 estimate has been revised downward, from 3.7 percent down to 3.1 percent. The estimate for 2004 has been revised upward, from 2.9 to 3.6. These changes are mostly due to revisions to industry level Gross State Product deflator estimates and real Gross Labor Productivity estimates. The five-year forecast for California economic growth is about three percent per year, lower than the approximate 3.3 percent per year for the same period for the United States.

Real Estate & Interest Rates

- Santa Barbara County's 2004 single-family median home price was up spectacularly from the 2003 price. This was the case for virtually all areas in California. We continue to forecast a slowdown in median home price growth, while at the same time arguing that housing prices are not in a bubble. While we expect price growth to slow, we do not expect a fall in real median home prices.
- The April 7, 2005 conventional 30-year mortgage rate was 5.93 percent. While up almost 30 basis points from three months ago, this is still a low rate. We expect the FED to continue to increase short-term interest rates throughout 2005, mortgage and other long-term interest rates will likely not increase in lock step. This is due in part to continued demand for long-term bonds by investors, and to continued demand for U.S. Treasuries by foreign Central Banks. We forecast the 2005 Federal Funds rate at 175 basis points above the 2004 value, while the 2005 conventional 30-year mortgage rate only 10 basis points above the 2004 value.

Los Angeles County

- Los Angeles County's economic recovery has gained momentum. Employment growth in Service sectors, particularly Professional & Technical Services, and Leisure & Hospitality, has led Los Angeles County's 2004 recovery. We expect Los Angeles County's real output to grow by 1.0 percent in 2004. This is up from a decline of 0.2 percent in 2003. This economic expansion will continue in 2005 with real output growth of 1.3 percent.

The Tri-Counties

- We forecast 2005 Tri-Counties real output to grow 3.1 percent in 2005, up from 2.8 percent in 2004. The increase will result from increased real output growth in Ventura and San Luis Obispo Counties as they continue to recover from their earlier economic slowdowns. Santa Barbara County's real output growth will remain steady at 2.4 percent in 2005, due to continued growth in North Santa Barbara County and in the Santa Ynez Valley.
- The Tri-Counties' seven fastest growing metropolitan areas have been: the Santa Maria Valley, the Santa Ynez Valley, Camarillo, Thousand Oaks/Westlake Village, Oxnard/Port Hueneme, Paso Robles, and Atascadero.

Santa Barbara County

- We expect Santa Barbara County's 2005 real output growth to be about 2.4 percent, unchanged from 2004. Employment growth will subside, from 1.6 in 2004 to 1.4 percent in 2005.
- Santa Barbara County's economic growth is occurring primarily in North County. We forecast 2005 South Coast real output growth of 1.3 percent, while North Santa Barbara County's will be 3.8 percent, and the Santa Ynez Valley's will be 4.1 percent. The risks to this forecast are that the South Coast will grow more slowly than forecast, and that North Santa Barbara County and the Santa Ynez Valley will grow more quickly than forecast.
- Santa Barbara County's real retail sales grew by 2.0 percent in 2003, continuing the recovery from the recent low of 1.1 percent in 2001. Indications are that real retail sales growth again improved in 2004, to an estimated 2.4 percent. Growth will likely further increase in 2005, to 2.9 percent.
- South Coast hotel and motel occupancy rates were 73.6 percent in 2004, up from 71.2 percent in 2003, which was a recent low. We forecast that tourism in the South Coast will continue to recover throughout the forecast horizon.
- Santa Barbara County's 2004 real median home price growth was more than 30 percent, a remarkably high figure even these days. This was due in part to a very low growth rate of 4.3 percent in 2003. The resulting change over both 2003 and 2004 is not significantly different than in other coastal California counties. We forecast a slowdown in growth to 9.3 percent in 2005.

Santa Barbara County Key Numbers	2004	2005
Population	414,800	420,100
Population growth rate	1.1 %	1.3 %
Output	\$19.4 billion	\$20.6 billion
Output per capita	\$46,800	\$48,900
Number of jobs created (versus prior year)	2,917	2,596
Retail sales per capita	\$10,000	\$10,400
Median home price (existing single-family homes)	\$557,500	\$628,500
Residential units permitted per 1000 people	3.4	3.8

TABLE 1: GROSS REGIONAL PRODUCT

	1994	1995	1996	1997	1998	1999
	- - - - history - - - -					
California						
Gross State Product (billions)	862.5	909.0	958.5	1,028.6	1,091.0	1,188.1
Gross State Product (billions of 2000 dollars)	937.9	971.3	1,007.4	1,065.6	1,115.0	1,205.3
percent change	1.2	3.6	3.7	5.8	4.6	8.1
All Industries Payroll (billions)	485.9	506.8	529.5	566.8	614.7	669.2
All Industries Payroll (billions of 2000 dollars)	547.3	561.9	577.2	607.7	649.8	691.3
percent change	1.3	2.7	2.7	5.3	6.9	6.4
All Industries Price Deflator (2000 = 100)	92.0	93.6	95.1	96.5	97.8	98.6
percent change	2.3	1.8	1.7	1.5	1.4	0.8
Los Angeles						
Gross County Product (billions)	240.7	253.6	265.6	284.4	307.8	325.2
Gross County Product (billions of 2000 dollars)	268.7	277.1	284.8	298.8	318.7	332.4
percent change	-0.8	3.1	2.8	4.9	6.7	4.3
All Industries Payroll (billions)	127.3	130.6	132.3	136.5	145.5	152.8
All Industries Payroll (billions of 2000 dollars)	143.4	144.8	144.2	146.3	153.8	157.8
percent change	7.5	1.0	-0.4	1.5	5.1	2.6
All Industries Price Deflator (2000 = 100)	89.6	91.5	93.2	95.2	96.6	97.8
percent change	2.3	2.2	1.9	2.1	1.5	1.3
Tri-Counties						
Gross County Product (billions)	34.9	36.5	38.5	42.3	46.6	53.5
Gross County Product (billions of 2000 dollars)	38.7	39.6	40.6	44.0	48.1	54.7
percent change	5.1	2.5	2.5	8.2	9.4	13.8
All Industries Payroll (billions)	12.4	12.9	13.5	14.6	15.7	17.0
All Industries Payroll (billions of 2000 dollars)	14.0	14.3	14.8	15.6	16.6	17.6
percent change	2.8	1.8	3.5	5.9	5.9	6.2
Ventura County						
Gross County Product (billions)	20.2	21.2	22.2	24.3	26.8	31.9
Gross County Product (billions of 2000 dollars)	22.4	23.0	23.4	25.3	27.6	32.7
percent change	5.2	2.8	1.9	7.8	9.4	18.2
All Industries Payroll (billions)	6.7	7.0	7.3	7.8	8.5	9.4
All Industries Payroll (billions of 2000 dollars)	7.6	7.7	8.0	8.4	9.0	9.7
percent change	3.6	1.4	3.3	5.6	6.7	8.0
All Industries Price Deflator (2000 = 100)	90.3	92.0	94.3	96.1	96.5	97.6
percent change	1.8	1.9	2.5	1.8	0.5	1.1
Santa Barbara County						
Gross County Product (billions)	9.8	10.2	10.7	11.8	13.1	14.4
Gross County Product (billions of 2000 dollars)	10.8	11.0	11.2	12.2	13.5	14.7
percent change	4.9	1.8	2.3	9.0	10.2	8.6
All Industries Payroll (billions)	4.0	4.1	4.3	4.6	4.9	5.2
All Industries Payroll (billions of 2000 dollars)	4.5	4.6	4.7	5.0	5.1	5.3
percent change	0.8	1.8	2.8	5.8	3.4	3.9
All Industries Price Deflator (2000 = 100)	90.6	92.8	95.2	96.2	96.9	98.0
percent change	1.6	2.3	2.6	1.0	0.8	1.1
San Luis Obispo County						
Gross County Product (billions)	4.9	5.2	5.6	6.2	6.8	7.3
Gross County Product (billions of 2000 dollars)	5.5	5.6	5.9	6.4	7.0	7.4
percent change	4.9	2.6	5.8	8.3	8.0	6.5
All Industries Payroll (billions)	1.7	1.8	1.9	2.1	2.3	2.5
All Industries Payroll (billions of 2000 dollars)	1.9	2.0	2.1	2.3	2.4	2.6
percent change	4.6	3.1	6.3	7.6	8.2	4.8
All Industries Price Deflator (2000 = 100)	90.3	91.9	94.0	95.8	97.4	98.0
percent change	2.4	1.7	2.2	1.9	1.7	0.7
South Coast of Santa Barbara County						
Gross County Product (billions)	6.7	7.0	7.3	8.1	8.8	9.3
Gross County Product (billions of 2000 dollars)	7.4	7.7	7.7	8.5	9.2	9.6
percent change	2.4	3.6	0.6	10.1	7.8	4.5
All Industries Payroll (billions)	2.5	2.6	2.7	3.0	3.1	3.3
All Industries Payroll (billions of 2000 dollars)	2.8	2.9	2.9	3.2	3.3	3.4
percent change	0.7	3.0	1.3	9.6	3.2	2.6
All Industries Price Deflator (2000 = 100)	89.8	91.8	94.0	95.6	95.9	97.2
percent change	2.0	2.2	2.4	1.7	0.3	1.4
North Santa Barbara County						
Gross Regional Product (billions)	3.8	3.8	4.0	4.1	4.4	5.0
Gross Regional Product (2000 \$ billions)	4.2	4.0	4.3	4.3	4.6	5.1
percent change	4.4	-3.8	5.4	1.0	6.0	12.4
All Industries Payroll (billions)	1.3	1.3	1.3	1.4	1.5	1.8
All Industries Payroll (billions of 2000 dollars)	1.5	1.4	1.5	1.5	1.6	1.8
percent change	7.1	-5.5	5.7	0.9	8.5	13.6

Sources: US Bureau of Economic Analysis, California Employment Development Department & UCSB Economic Forecast Project

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
- - - - history - - - -				estimated	- - - - forecast - - - -				
1,296.6	1,322.6	1,367.8	1,446.4	1,544.7	1,631.3	1,705.6	1,790.4	1,884.2	1,983.3
1,296.6	1,302.5	1,329.6	1,371.4	1,421.5	1,464.9	1,508.7	1,553.5	1,599.5	1,647.2
7.6	0.4	2.1	3.1	3.6	3.1	3.0	3.0	3.0	3.0
750.4	769.6	770.3	794.5	826.5	865.7	910.4	953.3	998.4	1,046.8
750.4	744.6	725.1	729.0	733.9	745.5	762.0	776.0	791.2	807.5
8.6	-0.8	-2.6	0.5	0.7	1.6	2.2	1.8	2.0	2.1
100.0	101.5	102.9	105.5	108.7	111.4	113.1	115.2	117.8	120.4
1.4	1.5	1.3	2.5	3.0	2.5	1.5	1.9	2.2	2.2
348.7	366.0	378.4	390.8	409.0	429.7	454.2	482.7	514.3	547.9
348.7	358.6	356.8	356.0	359.7	364.5	372.7	383.7	396.0	408.3
4.9	2.8	-0.5	-0.2	1.0	1.3	2.2	2.9	3.2	3.1
162.8	168.1	169.4	172.6	177.2	184.2	192.4	201.5	211.6	222.6
162.8	162.6	159.5	158.4	157.4	158.6	161.0	164.0	167.7	171.7
3.2	-0.1	-1.9	-0.7	-0.6	0.8	1.5	1.9	2.2	2.4
100.0	102.1	106.0	109.8	113.7	117.9	121.9	125.8	129.9	134.2
2.2	2.1	3.9	3.5	3.6	3.7	3.4	3.2	3.2	3.3
59.3	63.9	67.5	71.2	75.4	80.1	85.0	90.3	95.8	101.9
59.3	62.5	64.0	65.6	67.4	69.5	71.9	74.3	76.9	79.6
8.3	5.4	2.4	2.5	2.8	3.1	3.4	3.4	3.5	3.4
19.1	19.9	20.4	21.6	22.6	23.7	25.0	26.4	27.9	29.5
19.1	19.2	19.2	19.8	20.1	20.5	21.0	21.5	22.1	22.7
8.5	0.8	-0.3	3.2	1.3	2.0	2.5	2.6	2.8	2.8
35.5	38.5	41.1	43.6	46.2	49.2	52.4	55.8	59.3	63.2
35.5	37.7	39.1	40.3	41.6	43.1	44.8	46.5	48.4	50.2
8.5	6.4	3.5	3.2	3.2	3.6	3.9	3.9	3.9	3.9
10.7	11.1	11.3	12.1	12.7	13.4	14.2	15.0	15.9	16.9
10.7	10.7	10.7	11.1	11.3	11.5	11.9	12.2	12.6	13.0
10.1	0.4	-0.4	4.2	1.5	2.2	3.0	3.0	3.3	3.2
100.0	102.1	105.5	108.9	112.1	115.5	118.6	121.8	125.0	128.6
2.5	2.1	3.3	3.2	3.0	3.0	2.7	2.7	2.7	2.8
15.9	16.9	17.5	18.4	19.4	20.6	21.7	22.9	24.2	25.6
15.9	16.6	16.6	16.9	17.3	17.7	18.1	18.6	19.1	19.6
8.5	4.3	-0.1	1.9	2.4	2.4	2.5	2.6	2.6	2.6
5.8	6.0	6.1	6.4	6.7	7.0	7.4	7.7	8.1	8.5
5.8	5.8	5.7	5.9	6.0	6.1	6.2	6.3	6.4	6.6
7.8	0.6	-1.4	2.9	1.3	1.8	1.8	2.0	1.9	2.2
100.0	102.2	105.6	108.9	112.3	116.1	119.5	123.0	126.6	130.6
2.1	2.2	3.4	3.1	3.2	3.3	3.0	2.9	2.9	3.1
7.9	8.4	8.9	9.3	9.8	10.3	10.9	11.6	12.3	13.1
7.9	8.2	8.3	8.4	8.5	8.7	8.9	9.2	9.5	9.7
6.6	3.2	2.2	0.4	1.9	2.3	2.6	2.8	2.9	3.0
2.7	2.8	3.0	3.0	3.2	3.3	3.5	3.7	3.9	4.1
2.7	2.7	2.8	2.8	2.8	2.9	2.9	3.0	3.1	3.1
3.8	3.2	2.0	-0.1	0.9	1.5	1.9	2.4	2.6	2.7
100.0	103.2	106.8	110.3	114.0	117.8	121.7	125.8	130.0	134.6
2.0	3.2	3.5	3.3	3.4	3.3	3.4	3.4	3.3	3.5
10.5	11.2	11.4	11.7	12.2	12.9	13.5	14.2	14.9	15.7
10.5	10.9	10.7	10.7	10.8	10.9	11.1	11.3	11.5	11.7
9.4	4.4	-1.8	-0.3	0.9	1.3	1.5	1.7	1.6	1.7
3.8	4.0	4.1	4.2	4.4	4.6	4.8	5.0	5.2	5.5
3.8	3.9	3.8	3.9	3.9	4.0	4.0	4.1	4.1	4.2
11.2	2.1	-1.6	1.9	0.1	1.5	1.4	1.6	1.5	2.1
100.0	103.1	106.3	109.8	113.3	116.9	120.5	124.2	128.1	132.1
2.9	3.1	3.1	3.3	3.2	3.2	3.1	3.1	3.1	3.1
5.6	5.9	6.3	6.8	7.3	7.8	8.2	8.8	9.3	9.9
5.6	5.8	6.0	6.3	6.5	6.8	7.0	7.3	7.6	7.9
8.8	3.8	3.3	4.5	4.2	3.8	3.6	3.9	4.0	3.7
2.0	2.1	2.2	2.3	2.4	2.6	2.7	2.9	3.0	3.2
2.0	2.0	2.1	2.1	2.2	2.2	2.3	2.4	2.4	2.5
8.6	0.1	4.3	2.1	2.8	2.7	2.6	2.6	2.2	2.2

TABLE 2: INDUSTRIAL STRUCTURE

	1994	1995	1996	1997	1998	1999
	- - - - history - - - -					
Ventura County						
Agriculture (percent)	6.3	5.5	5.4	5.8	5.9	4.7
Mining & Quarrying (percent)	2.0	2.2	1.9	2.1	1.8	2.1
Construction (percent)	3.6	3.7	3.9	3.8	4.1	3.9
Durable Goods Manufacturing (percent)	7.8	7.9	8.4	9.9	9.9	10.7
Non-Durable Goods Manufacturing (percent)	3.9	3.6	3.7	3.8	3.9	9.6
Transportation (percent)	1.7	1.5	1.3	1.2	1.2	1.2
Communications (percent)	4.2	4.1	3.9	3.9	3.6	3.0
Utilities (percent)	2.0	1.9	1.9	1.5	1.5	1.1
Retail Trade (percent)	10.2	10.7	10.9	10.4	10.5	9.9
Wholesale Trade (percent)	6.3	6.1	6.0	5.9	5.6	5.2
Finance, Insurance & Real Estate (percent)	19.0	19.8	18.8	19.3	20.1	18.5
Services (percent)	20.8	20.8	21.8	21.0	20.8	20.2
Public Sector (percent)	12.1	12.0	11.9	11.3	11.1	9.9
San Luis Obispo County						
Agriculture (percent)	5.5	4.5	4.7	5.6	5.1	4.6
Mining & Quarrying (percent)	0.6	0.6	0.5	0.7	0.5	0.6
Construction (percent)	4.2	5.0	4.9	4.9	5.4	5.7
Durable Goods Manufacturing (percent)	3.5	3.8	4.1	4.1	4.0	3.9
Non-Durable Goods Manufacturing (percent)	3.9	4.2	4.9	4.7	4.4	4.5
Transportation (percent)	2.8	2.7	1.8	1.7	1.7	1.8
Communications (percent)	1.8	1.7	1.8	1.7	1.7	1.7
Utilities (percent)	12.2	11.0	10.7	11.2	11.0	10.8
Retail Trade (percent)	13.9	14.2	13.9	14.2	14.6	15.0
Wholesale Trade (percent)	3.2	3.3	3.4	3.5	3.6	3.3
Finance, Insurance & Real Estate (percent)	12.6	12.9	12.3	12.0	12.8	13.5
Services (percent)	17.1	16.9	17.6	17.3	17.1	16.9
Public Sector (percent)	18.7	19.2	19.3	18.7	18.1	17.6
Santa Barbara County						
Agriculture (percent)	9.1	8.5	8.5	7.7	7.2	7.2
Mining & Quarrying (percent)	1.5	2.5	2.5	2.4	1.7	2.0
Construction (percent)	3.4	3.5	3.5	4.5	4.5	4.7
Durable Goods Manufacturing (percent)	8.7	8.7	8.2	8.5	8.4	8.1
Non-Durable Goods Manufacturing (percent)	1.8	2.0	2.2	2.4	2.5	2.5
Transportation (percent)	1.1	1.3	1.3	1.8	1.7	1.6
Communications (percent)	1.5	1.7	1.4	1.6	1.7	1.6
Utilities (percent)	1.4	1.5	1.4	1.4	1.4	1.3
Retail Trade (percent)	11.5	11.5	11.6	11.4	11.4	11.2
Wholesale Trade (percent)	5.3	4.9	5.3	5.4	5.5	5.9
Finance, Insurance & Real Estate (percent)	16.7	16.6	15.7	15.5	16.9	16.8
Services (percent)	21.0	20.8	20.8	20.4	21.1	20.4
Public Sector (percent)	17.3	16.6	17.4	17.0	16.0	16.9
South Coast of Santa Barbara County						
Agriculture (percent)	2.6	2.4	2.6	2.5	2.5	2.6
Mining & Quarrying (percent)	1.8	2.2	2.6	2.5	2.3	2.4
Construction (percent)	3.6	3.7	3.9	4.3	4.0	4.1
Durable Goods Manufacturing (percent)	11.3	12.2	11.7	11.9	10.1	9.9
Non-Durable Goods Manufacturing (percent)	2.2	2.2	2.6	2.6	2.7	2.5
Transportation, Communications & Utilities (percent)	3.8	4.5	4.0	4.5	4.0	3.9
Retail Trade (percent)	9.4	9.6	10.0	10.1	10.6	10.4
Wholesale Trade (percent)	5.4	4.9	5.6	5.6	5.9	6.4
Finance, Insurance & Real Estate (percent)	21.3	20.2	19.0	18.8	21.0	21.1
Services (percent)	24.5	24.3	24.1	23.7	24.7	24.8
Public Sector (percent)	14.1	13.7	13.9	13.4	12.1	11.9
North Santa Barbara County						
Agriculture (percent)	17.4	18.0	17.6	16.8	15.8	15.1
Construction (percent)	2.6	2.7	2.7	4.3	4.5	4.4
Industry (Mining & Manufacturing) (percent)	8.2	9.6	9.2	10.6	11.4	10.3
Transportation, Communications & Utilities (percent)	4.4	4.9	4.8	4.6	4.5	4.9
Retail Trade (percent)	12.0	12.6	12.4	12.5	12.3	12.1
Wholesale Trade (percent)	4.2	4.6	4.5	4.6	4.4	4.6
Finance, Insurance & Real Estate (percent)	10.4	9.4	9.4	9.0	8.9	8.4
Services (percent)	12.8	13.8	14.0	13.3	13.9	12.5
Public Sector (percent)	27.9	24.3	25.4	24.3	24.2	27.7

Source: UCSB Economic Forecast Project

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
--- history ---				estimated	--- forecast ---				
4.6	4.6	4.6	4.7	4.6	4.6	4.6	4.5	4.5	4.5
1.8	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.4
3.5	3.6	3.6	3.8	3.8	3.8	3.8	3.8	3.8	3.9
10.1	9.7	9.2	9.0	8.8	8.5	8.3	8.0	7.8	7.6
12.7	13.7	14.6	14.6	14.8	14.9	14.8	14.6	14.4	14.1
1.1	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.0	1.0
2.8	2.8	2.8	2.6	2.5	2.5	2.4	2.4	2.4	2.4
1.1	1.2	1.2	1.2	1.2	1.1	1.1	1.1	1.1	1.1
9.6	9.6	9.5	9.1	9.1	9.2	9.5	9.8	10.2	10.5
5.1	5.2	4.9	4.7	4.5	4.4	4.2	4.1	4.0	3.9
18.5	18.0	18.0	18.7	18.8	18.9	19.0	19.0	19.0	18.9
19.2	19.3	19.3	19.9	20.1	20.5	20.9	21.4	21.8	22.3
9.9	9.6	9.6	9.4	9.2	9.0	8.9	8.8	8.6	8.3
4.8	4.9	4.9	4.5	4.5	4.4	4.4	4.3	4.2	4.2
0.7	0.7	0.9	1.1	1.1	1.1	1.0	1.0	1.0	1.0
6.0	6.1	6.2	6.3	6.4	6.6	6.9	7.1	7.3	7.5
3.7	3.6	3.4	3.3	3.2	3.1	3.0	2.9	2.8	2.7
4.7	4.6	4.5	4.3	4.1	4.0	3.8	3.5	3.2	3.0
1.7	1.7	1.6	1.6	1.5	1.5	1.5	1.5	1.5	1.4
2.1	2.0	1.9	1.8	1.7	1.6	1.6	1.6	1.6	1.5
10.0	9.9	9.6	9.4	9.4	9.3	9.3	9.4	9.4	9.4
14.8	14.5	14.3	14.0	13.9	14.0	14.0	14.1	14.1	14.1
3.4	3.3	3.2	2.9	2.9	2.8	2.7	2.7	2.6	2.5
13.2	13.5	13.7	14.5	14.8	15.0	15.2	15.4	15.5	15.6
17.9	18.1	18.7	19.3	19.8	20.3	20.5	20.9	21.3	21.7
16.9	17.1	17.1	17.1	16.7	16.3	16.0	15.7	15.5	15.3
7.4	7.5	7.6	8.2	8.4	8.5	8.4	8.4	8.4	8.5
1.9	1.9	1.7	1.7	1.7	1.6	1.5	1.4	1.3	1.2
4.6	4.5	4.5	4.6	4.7	4.8	4.9	5.0	5.1	5.3
8.4	8.3	7.7	7.5	7.3	7.0	6.8	6.5	6.3	6.0
2.7	2.6	2.5	2.5	2.4	2.3	2.2	2.2	2.1	2.0
1.7	1.8	1.8	2.0	1.9	1.8	1.8	1.8	1.8	1.8
1.6	1.6	1.4	1.2	1.1	1.1	1.1	1.1	1.1	1.1
1.4	1.5	1.7	1.6	1.6	1.5	1.5	1.5	1.5	1.5
10.8	10.5	10.3	10.2	10.3	10.1	10.1	10.1	10.1	10.0
6.9	6.5	6.3	6.0	5.7	5.5	5.3	5.1	4.9	4.7
17.0	17.6	17.8	17.9	18.0	18.1	18.3	18.4	18.5	18.6
20.6	20.7	21.1	21.1	21.6	22.2	22.6	23.1	23.6	24.1
15.1	14.9	15.4	15.5	15.4	15.5	15.4	15.3	15.2	15.1
2.5	2.5	2.5	2.4	2.4	2.3	2.2	2.1	2.1	2.0
1.9	2.0	1.7	1.7	1.6	1.5	1.4	1.3	1.2	1.2
3.9	3.9	4.0	4.1	4.2	4.4	4.6	4.7	4.9	5.0
8.6	8.3	7.9	7.5	7.2	6.9	6.5	6.2	5.9	5.6
2.5	2.5	2.3	2.2	2.1	2.0	1.9	1.9	1.8	1.7
3.9	4.3	4.3	4.1	3.8	3.7	3.6	3.6	3.6	3.5
10.6	10.1	9.8	9.8	10.0	9.8	9.7	9.5	9.4	9.2
7.5	7.0	6.9	6.6	6.2	6.0	5.8	5.6	5.4	5.1
21.2	22.3	22.9	23.4	23.7	23.8	24.1	24.3	24.4	24.6
25.8	25.9	26.5	26.9	27.4	28.3	28.9	29.6	30.4	31.1
11.4	11.1	11.3	11.4	11.3	11.3	11.2	11.1	11.1	11.0
15.1	15.5	15.3	16.8	17.2	17.2	17.1	17.1	17.1	17.1
4.3	4.3	4.3	4.4	4.6	4.8	5.1	5.2	5.4	5.6
13.3	13.1	12.4	12.1	11.8	11.4	11.1	10.7	10.4	10.1
4.6	4.7	4.8	4.7	4.7	4.7	4.7	4.8	4.8	4.9
11.4	11.1	11.2	10.7	10.7	10.6	10.7	10.9	11.1	11.2
4.2	4.1	4.0	3.8	3.6	3.6	3.5	3.4	3.2	3.1
8.2	8.1	8.1	8.0	8.0	8.1	8.2	8.3	8.3	8.4
11.8	12.0	12.2	12.2	12.3	12.6	12.9	13.2	13.4	13.7
27.1	27.1	27.6	27.3	27.1	27.0	26.8	26.5	26.2	25.9

TABLE 3: TRI-COUNTIES EMPLOYMENT BY SECTOR

	1994	1995	1996	1997	1998	1999
	- - - - history - - - -					
Agricultural Production (jobs)	34,958	34,150	36,000	36,867	36,100	37,075
percent change	1.8	-2.3	5.4	2.4	-2.1	2.7
Mining and Construction (jobs)	22,500	24,275	24,075	26,067	27,675	31,417
percent change	4.9	7.9	-0.8	8.3	6.2	13.5
Manufacturing (jobs)	52,267	51,533	54,450	58,525	60,658	61,833
percent change	-0.1	-1.4	5.7	7.5	3.6	1.9
Durables Manufacturing (jobs)	37,575	36,333	38,258	41,558	42,650	42,300
percent change	-1.4	-3.3	5.3	8.6	2.6	-0.8
Nondurables Manufacturing (jobs)	14,692	15,200	16,192	16,967	18,008	19,533
percent change	3.6	3.5	6.5	4.8	6.1	8.5
Transportation, Warehousing, and Utilities (jobs)	12,608	12,600	12,500	12,483	11,800	11,442
percent change	2.0	-0.1	-0.8	-0.1	-5.5	-3.0
Information Services (jobs)	11,800	11,525	11,408	12,083	12,867	13,850
percent change	-1.4	-2.3	-1.0	5.9	6.5	7.6
Wholesale Trade Services (jobs)	13,742	14,092	14,000	14,725	15,483	16,367
percent change	0.4	2.5	-0.7	5.2	5.1	5.7
Retail Trade Services (jobs)	56,008	57,692	57,483	60,275	61,550	64,750
percent change	3.6	3.0	-0.4	4.9	2.1	5.2
Finance, Insurance, and Real Estate Services (jobs)	24,433	23,525	22,833	23,825	26,233	27,892
percent change	0.5	-3.7	-2.9	4.3	10.1	6.3
Professional and Technical Services (jobs)	54,642	56,675	58,100	55,925	60,250	62,958
percent change	6.7	3.7	2.5	-3.7	7.7	4.5
Education and Health Services (jobs)	45,625	46,450	46,417	47,542	48,992	50,483
percent change	1.9	1.8	-0.1	2.4	3.0	3.0
Leisure and Hospitality Services (jobs)	50,550	51,950	51,333	52,417	53,725	55,900
percent change	3.5	2.8	-1.2	2.1	2.5	4.0
Other Services* (jobs)	16,875	16,983	17,225	17,908	18,167	18,675
percent change	1.4	0.6	1.4	4.0	1.4	2.8
Subtotal, All Private Industries (jobs)	396,008	401,450	405,825	418,642	433,500	452,642
percent change	2.6	1.4	1.1	3.2	3.5	4.4
Government (jobs)	90,092	91,292	92,417	94,483	96,058	97,917
percent change	0.1	1.3	1.2	2.2	1.7	1.9
Total, All Industries (jobs)	486,100	492,742	498,242	513,125	529,558	550,558
percent change	2.1	1.4	1.1	3.0	3.2	4.0
Addendum, All Non-farm Industries (jobs)	451,142	458,592	462,242	476,258	493,458	513,483
percent change	2.1	1.7	0.8	3.0	3.6	4.1

Source: CA Employment Development Department.

*Note: Other Services include Repair & Maintenance, Personal & Laundry, and Civic & Professional Organizations.

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
- - - - history - - - -				estimated	- - - - forecast - - - -				
38,967	37,675	37,992	40,267	40,975	41,782	42,750	43,683	44,635	45,606
5.1	-3.3	0.8	6.0	1.8	2.0	2.3	2.2	2.2	2.2
31,692	33,050	31,983	33,567	34,514	35,410	36,231	37,032	37,819	38,618
0.9	4.3	-3.2	5.0	2.8	2.6	2.3	2.2	2.1	2.1
64,567	62,933	58,292	56,892	57,892	58,663	59,513	60,405	61,293	62,129
4.4	-2.5	-7.4	-2.4	1.8	1.3	1.5	1.5	1.5	1.4
44,575	42,625	39,083	37,783	37,692	37,880	38,117	38,392	38,668	38,930
5.4	-4.4	-8.3	-3.3	-0.2	0.5	0.6	0.7	0.7	0.7
19,992	20,308	19,208	19,108	20,200	20,791	21,411	22,035	22,652	23,232
2.3	1.6	-5.4	-0.5	5.7	2.9	3.0	2.9	2.8	2.6
11,592	12,083	11,950	12,067	12,183	12,390	12,613	12,822	13,039	13,265
1.3	4.2	-1.1	1.0	1.0	1.7	1.8	1.7	1.7	1.7
14,000	14,617	13,717	12,658	12,358	12,255	12,288	12,324	12,388	12,518
1.1	4.4	-6.2	-7.7	-2.4	-0.8	0.3	0.3	0.5	1.0
17,875	18,875	18,692	18,392	18,825	19,176	19,553	19,954	20,362	20,793
9.2	5.6	-1.0	-1.6	2.4	1.9	2.0	2.1	2.0	2.1
67,358	67,083	67,800	67,900	68,983	70,199	71,630	73,118	74,619	76,189
4.0	-0.4	1.1	0.1	1.6	1.8	2.0	2.1	2.1	2.1
28,833	32,300	35,100	36,283	37,050	37,595	38,306	39,143	39,992	40,936
3.4	12.0	8.7	3.4	2.1	1.5	1.9	2.2	2.2	2.4
68,542	65,742	66,058	66,467	67,900	69,267	70,975	72,720	74,564	76,456
8.9	-4.1	0.5	0.6	2.2	2.0	2.5	2.5	2.5	2.5
51,300	53,575	55,550	57,283	57,692	58,687	59,912	61,144	62,439	63,761
1.6	4.4	3.7	3.1	0.7	1.7	2.1	2.1	2.1	2.1
58,967	60,792	61,967	63,600	64,608	65,389	66,381	67,356	68,386	69,429
5.5	3.1	1.9	2.6	1.6	1.2	1.5	1.5	1.5	1.5
19,608	19,950	20,533	20,450	19,992	20,064	20,214	20,358	20,516	20,677
5.0	1.7	2.9	-0.4	-2.2	0.4	0.7	0.7	0.8	0.8
473,300	478,675	479,633	485,825	493,742	501,647	511,137	520,831	530,825	541,151
4.6	1.1	0.2	1.3	1.6	1.6	1.9	1.9	1.9	1.9
99,575	102,342	103,967	102,792	100,158	99,487	99,541	100,269	101,408	102,629
1.7	2.8	1.6	-1.1	-2.6	-0.7	0.1	0.7	1.1	1.2
572,875	581,017	583,600	588,617	593,900	601,076	610,573	620,969	632,089	643,625
4.1	1.4	0.4	0.9	0.9	1.2	1.6	1.7	1.8	1.8
533,908	543,342	545,608	548,350	552,925	559,295	567,824	577,286	587,454	598,018
4.0	1.8	0.4	0.5	0.8	1.2	1.5	1.7	1.8	1.8

TABLE 4: TRI - COUNTIES AVERAGE SALARY

	1994	1995	1996	1997	1998	1999
	- - - - history - - - -					
Agriculture (dollars)	14,787	15,579	15,632	17,262	18,685	18,972
percent change	0.3	5.4	0.3	10.4	8.2	1.5
Mining (dollars)	50,529	50,608	54,601	56,539	55,141	57,543
percent change	4.9	0.2	7.9	3.5	-2.5	4.4
Construction (dollars)	28,659	28,575	29,595	31,456	32,383	33,159
percent change	1.0	-0.3	3.6	6.3	2.9	2.4
Durables Mfg (dollars)	37,936	38,143	39,125	42,506	41,916	46,879
percent change	1.3	0.5	2.6	8.6	-1.4	11.8
Non-Durables Mfg (dollars)	27,790	28,222	30,301	32,378	34,148	54,453
percent change	3.6	1.6	7.4	6.9	5.5	59.5
Transportation (dollars)	25,458	24,933	25,153	26,171	28,185	29,283
percent change	1.5	-2.1	0.9	4.0	7.7	3.9
Communications (dollars)	40,685	44,310	44,697	49,996	46,125	41,131
percent change	1.8	8.9	0.9	11.9	-7.7	-10.8
Utilities (dollars)	51,757	52,307	54,627	54,038	58,189	62,152
percent change	2.6	1.1	4.4	-1.1	7.7	6.8
Retail Trade (dollars)	14,447	14,873	15,218	15,970	17,201	18,222
percent change	1.9	2.9	2.3	4.9	7.7	5.9
Wholesale Trade (dollars)	32,919	33,213	35,095	35,664	38,663	41,636
percent change	0.6	0.9	5.7	1.6	8.4	7.7
Finance, Ins. & Real Estate (dollars)	30,794	30,582	34,753	36,408	38,753	41,210
percent change	-2.6	-0.7	13.6	4.8	6.4	6.3
Services (dollars)	24,271	24,761	25,727	27,602	29,687	28,657
percent change	-1.8	2.0	3.9	7.3	7.6	-3.5
Public Sector (dollars)	29,673	30,457	31,609	32,444	33,330	34,058
percent change	4.7	2.6	3.8	2.6	2.7	2.2
Private Sector (dollars)	24,312	24,590	25,481	27,271	28,771	30,321
percent change	-0.2	1.1	3.6	7.0	5.5	5.4
Total, All Sectors (dollars)	25,294	25,659	26,593	28,217	29,599	30,987
percent change	0.8	1.4	3.6	6.1	4.9	4.7

Source: California Employment Development Department

Note: The industry classification changed from source in 2001. This results in jumps in the data in 2001.

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
- - - - history - - - -				estimated	- - - - forecast - - - -				
19,519	20,342	21,005	20,809	21,363	21,890	22,417	22,924	23,407	23,839
2.9	4.2	3.3	-0.9	2.7	2.5	2.4	2.3	2.1	1.8
55,132	60,949	59,127	56,579	56,755	57,194	57,854	58,578	59,236	59,946
-4.2	10.6	-3.0	-4.3	0.3	0.8	1.2	1.3	1.1	1.2
34,211	35,903	36,999	37,647	38,868	39,914	41,409	43,068	44,897	46,903
3.2	4.9	3.1	1.8	3.2	2.7	3.7	4.0	4.2	4.5
50,191	50,364	48,450	51,496	54,069	56,883	59,775	62,768	66,053	69,319
7.1	0.3	-3.8	6.3	5.0	5.2	5.1	5.0	5.2	4.9
79,565	64,070	60,130	68,016	73,363	79,023	84,755	90,574	96,899	104,075
46.1	-19.5	-6.1	13.1	7.9	7.7	7.3	6.9	7.0	7.4
29,920	31,698	33,144	34,448	35,806	37,002	38,276	39,642	41,160	42,709
2.2	5.9	4.6	3.9	3.9	3.3	3.4	3.6	3.8	3.8
50,173	54,137	57,098	54,900	55,392	57,340	60,508	63,611	66,945	69,744
22.0	7.9	5.5	-3.8	0.9	3.5	5.5	5.1	5.2	4.2
61,956	60,212	62,300	63,566	65,689	67,775	69,707	72,011	74,353	76,723
-0.3	-2.8	3.5	2.0	3.3	3.2	2.9	3.3	3.3	3.2
19,178	19,806	20,364	20,761	21,129	21,328	21,570	21,725	21,927	22,075
5.2	3.3	2.8	2.0	1.8	0.9	1.1	0.7	0.9	0.7
44,572	44,080	49,169	54,632	57,572	60,240	62,935	65,635	68,531	71,297
7.1	-1.1	11.5	11.1	5.4	4.6	4.5	4.3	4.4	4.0
42,497	45,031	49,443	54,471	56,792	59,005	60,835	62,997	65,411	67,896
3.1	6.0	9.8	10.2	4.3	3.9	3.1	3.6	3.8	3.8
30,624	31,670	31,951	33,344	34,644	35,966	37,218	38,499	39,846	41,389
6.9	3.4	0.9	4.4	3.9	3.8	3.5	3.4	3.5	3.9
35,498	37,413	39,038	41,018	41,663	43,317	45,124	46,754	48,173	49,423
4.2	5.4	4.3	5.1	1.6	4.0	4.2	3.6	3.0	2.6
33,195	33,795	34,133	35,878	37,340	38,768	40,200	41,681	43,285	44,982
9.5	1.8	1.0	5.1	4.1	3.8	3.7	3.7	3.8	3.9
33,599	34,436	35,009	36,777	38,085	39,537	41,019	42,517	44,084	45,704
8.4	2.5	1.7	5.1	3.6	3.8	3.7	3.7	3.7	3.7

TABLE 5: SANTA BARBARA COUNTY EMPLOYMENT BY SECTOR

	1994	1995	1996	1997	1998	1999
	- - - - history - - - -					
Agricultural Production (jobs)	13,858	14,117	14,642	14,733	13,833	15,258
percent change	4.7	1.9	3.7	0.6	-6.1	10.3
Mining and Quarrying (jobs)	1,408	1,583	1,425	1,492	1,367	1,208
percent change	-9.6	12.4	-10.0	4.7	-8.4	-11.6
Construction (jobs)	5,242	5,517	6,092	7,083	6,942	8,008
percent change	-2.5	5.2	10.4	16.3	-2.0	15.4
Manufacturing (jobs)	15,625	14,225	14,792	15,658	15,650	15,258
percent change	-5.3	-9.0	4.0	5.9	-0.1	-2.5
Durables Manufacturing (jobs)	12,775	11,417	11,842	12,692	12,658	12,133
percent change	-5.5	-10.6	3.7	7.2	-0.3	-4.1
Nondurables Manufacturing (jobs)	2,850	2,808	2,950	2,967	2,992	3,125
percent change	-4.2	-1.5	5.0	0.6	0.8	4.5
Transportation, Warehousing, and Utilities (jobs)	3,600	3,767	3,783	3,783	3,258	2,900
percent change	5.9	4.6	0.4	0.0	-13.9	-11.0
Information Services (jobs)	4,100	4,067	4,058	4,183	4,433	4,100
percent change	1.9	-0.8	-0.2	3.1	6.0	-7.5
Wholesale Trade Services (jobs)	4,500	4,108	4,067	4,417	4,700	4,933
percent change	-4.6	-8.7	-1.0	8.6	6.4	5.0
Retail Trade Services (jobs)	17,792	17,983	17,608	18,683	19,208	20,692
percent change	2.4	1.1	-2.1	6.1	2.8	7.7
Finance, Insurance, and Real Estate Services (jobs)	7,567	7,350	7,017	7,492	7,950	8,050
percent change	1.1	-2.9	-4.5	6.8	6.1	1.3
Professional and Technical Services (jobs)	15,925	17,267	18,533	17,242	17,525	18,125
percent change	2.1	8.4	7.3	-7.0	1.6	3.4
Education and Health Services (jobs)	15,833	16,283	15,850	16,350	17,158	18,017
percent change	0.2	2.8	-2.7	3.2	4.9	5.0
Leisure and Hospitality Services (jobs)	17,858	17,817	17,725	19,067	19,600	20,167
percent change	2.1	-0.2	-0.5	7.6	2.8	2.9
Other Services* (jobs)	4,817	4,825	4,900	5,083	5,367	5,475
percent change	-0.9	0.2	1.6	3.7	5.6	2.0
Subtotal, All Private Industries (jobs)	128,125	128,908	130,492	135,267	136,992	142,192
percent change	0.6	0.6	1.2	3.7	1.3	3.8
Government (jobs)	29,325	29,692	29,692	30,883	31,825	32,442
percent change	0.3	1.3	0.0	4.0	3.0	1.9
Total, All Industries (jobs)	157,450	158,600	160,183	166,150	168,817	174,633
percent change	0.5	0.7	1.0	3.7	1.6	3.4
Addendum, All Non-farm Industries (jobs)	143,592	144,483	145,542	151,417	154,983	159,375
percent change	0.1	0.6	0.7	4.0	2.4	2.8

Source: CA Employment Development Department.

*Note: Other Services include Repair & Maintenance, Personal & Laundry, and Civic & Professional Organizations.

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
- - - - history - - - -				estimated	- - - - forecast - - - -				
14,850	13,758	14,233	16,183	16,292	16,620	17,032	17,430	17,840	18,260
-2.7	-7.4	3.5	13.7	0.7	2.0	2.5	2.3	2.4	2.4
1,150	1,167	858	800	842	845	854	860	865	876
-4.8	1.4	-26.4	-6.8	5.2	0.4	1.1	0.6	0.7	1.2
8,125	8,367	7,992	8,633	9,658	9,970	10,219	10,437	10,624	10,814
1.5	3.0	-4.5	8.0	11.9	3.2	2.5	2.1	1.8	1.8
15,858	15,067	13,383	13,333	13,233	13,240	13,217	13,232	13,251	13,263
3.9	-5.0	-11.2	-0.4	-0.8	0.0	-0.2	0.1	0.1	0.1
12,600	11,825	10,200	10,075	9,992	9,945	9,871	9,813	9,758	9,696
3.8	-6.2	-13.7	-1.2	-0.8	-0.5	-0.7	-0.6	-0.6	-0.6
3,258	3,242	3,183	3,258	3,242	3,293	3,343	3,413	3,484	3,556
4.3	-0.5	-1.8	2.4	-0.5	1.6	1.5	2.1	2.1	2.1
2,875	2,958	2,808	2,900	2,900	2,922	2,966	3,011	3,058	3,106
-0.9	2.9	-5.1	3.3	0.0	0.7	1.5	1.5	1.6	1.6
4,250	4,500	4,117	4,067	3,992	3,963	3,965	3,967	3,970	3,973
3.7	5.9	-8.5	-1.2	-1.8	-0.7	0.0	0.1	0.1	0.1
5,183	5,375	4,758	4,342	4,450	4,530	4,614	4,689	4,765	4,845
5.1	3.7	-11.5	-8.8	2.5	1.8	1.8	1.6	1.6	1.7
20,950	20,167	20,333	20,092	20,333	20,692	21,116	21,553	21,978	22,465
1.2	-3.7	0.8	-1.2	1.2	1.8	2.0	2.1	2.0	2.2
8,392	8,842	8,617	8,425	8,500	8,616	8,781	8,972	9,162	9,358
4.2	5.4	-2.5	-2.2	0.9	1.4	1.9	2.2	2.1	2.1
20,208	19,617	20,608	21,075	22,042	22,839	23,664	24,524	25,417	26,336
11.5	-2.9	5.1	2.3	4.6	3.6	3.6	3.6	3.6	3.6
18,433	18,600	19,250	19,317	19,600	19,975	20,358	20,751	21,154	21,559
2.3	0.9	3.5	0.3	1.5	1.9	1.9	1.9	1.9	1.9
20,817	21,000	20,950	21,700	21,800	22,091	22,386	22,689	22,998	23,305
3.2	0.9	-0.2	3.6	0.5	1.3	1.3	1.4	1.4	1.3
5,617	5,958	5,983	5,750	5,600	5,591	5,582	5,573	5,566	5,556
2.6	6.1	0.4	-3.9	-2.6	-0.2	-0.2	-0.1	-0.1	-0.2
146,708	145,375	143,892	146,617	149,242	151,875	154,721	157,645	160,596	163,657
3.2	-0.9	-1.0	1.9	1.8	1.8	1.9	1.9	1.9	1.9
32,833	34,450	35,750	35,575	35,867	35,831	35,865	36,041	36,244	36,456
1.2	4.9	3.8	-0.5	0.8	-0.1	0.1	0.5	0.6	0.6
179,542	179,825	179,642	182,192	185,108	187,704	190,583	193,683	196,835	200,107
2.8	0.2	-0.1	1.4	1.6	1.4	1.5	1.6	1.6	1.7
164,692	166,067	165,408	166,008	168,817	171,083	173,548	176,248	178,989	181,838
3.3	0.8	-0.4	0.4	1.7	1.3	1.4	1.6	1.6	1.6

TABLE 6: SANTA BARBARA COUNTY AVERAGE SALARY

	1994	1995	1996	1997	1998	1999
	- - - - history - - - -					
Agriculture (dollars)	14,069	14,778	15,018	15,810	16,926	17,412
percent change	0.3	5.0	1.6	5.3	7.1	2.9
Mining (dollars)	49,432	55,418	55,108	56,208	53,659	62,222
percent change	3.5	12.1	-0.6	2.0	-4.5	16.0
Construction (dollars)	29,987	30,707	30,296	33,168	34,562	34,006
percent change	1.7	2.4	-1.3	9.5	4.2	-1.6
Durable Goods (dollars)	44,020	44,519	45,493	47,193	45,807	46,595
percent change	2.3	1.1	2.2	3.7	-2.9	1.7
Non-Durable Goods (dollars)	24,752	26,142	28,098	29,178	30,660	29,557
percent change	0.1	5.6	7.5	3.8	5.1	-3.6
Transportation (dollars)	23,577	24,244	24,000	25,973	27,978	26,664
percent change	-1.7	2.8	-1.0	8.2	7.7	-4.7
Communications (dollars)	35,594	41,449	42,024	41,675	40,733	43,065
percent change	4.6	16.5	1.4	-0.8	-2.3	5.7
Utilities (dollars)	46,345	48,310	49,361	48,915	52,247	53,490
percent change	5.0	4.2	2.2	-0.9	6.8	2.4
Retail Trade (dollars)	13,776	14,261	14,762	15,598	16,830	17,710
percent change	1.9	3.5	3.5	5.7	7.9	5.2
Wholesale Trade (dollars)	34,404	36,266	40,170	41,377	43,896	47,999
percent change	-4.5	5.4	10.8	3.0	6.1	9.3
Finance, Insurance & Real Estate (dollars)	28,671	32,541	33,799	37,044	40,589	43,939
percent change	-12.5	13.5	3.9	9.6	9.6	8.3
Services (dollars)	24,839	24,967	25,016	26,728	28,889	29,694
percent change	0.9	0.5	0.2	6.8	8.1	2.8
Public Sector (dollars)	27,497	28,638	30,353	30,351	30,937	32,147
percent change	6.2	4.2	6.0	0.0	1.9	3.9
Private Sector (dollars)	24,307	24,768	25,165	26,776	28,199	28,950
percent change	-1.1	1.9	1.6	6.4	5.3	2.7
Total, All Sectors (dollars)	24,891	25,477	26,097	27,429	28,713	29,542
percent change	0.3	2.4	2.4	5.1	4.7	2.9

Source: California Employment Development Department

Note: The industry classification changed from source in 2001. This results in jumps in the data in 2001.

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
- - - - history - - - -				estimated	- - - - forecast - - - -					
18,069	20,589	21,085	20,064	20,667	21,241	21,733	22,236	22,622	23,052	
3.8	13.9	2.4	-4.8	3.0	2.8	2.3	2.3	1.7	1.9	
66,260	66,146	63,414	58,510	59,022	58,174	57,369	56,528	55,595	54,753	
6.5	-0.2	-4.1	-7.7	0.9	-1.4	-1.4	-1.5	-1.7	-1.5	
35,327	36,776	38,290	39,973	41,578	43,098	44,960	47,214	49,818	52,554	
3.9	4.1	4.1	4.4	4.0	3.7	4.3	5.0	5.5	5.5	
49,747	52,168	52,543	58,890	62,260	65,182	68,266	71,641	75,344	78,768	
6.8	4.9	0.7	12.1	5.7	4.7	4.7	4.9	5.2	4.5	
31,284	36,919	38,830	39,714	40,945	42,464	44,097	45,804	47,134	48,579	
5.8	18.0	5.2	2.3	3.1	3.7	3.8	3.9	2.9	3.1	
27,518	31,833	33,282	34,840	36,402	37,620	38,563	39,681	41,080	42,496	
3.2	15.7	4.5	4.7	4.5	3.3	2.5	2.9	3.5	3.4	
47,070	52,863	50,808	50,729	52,205	55,621	59,351	61,207	63,485	65,781	
9.3	12.3	-3.9	-0.2	2.9	6.5	6.7	3.1	3.7	3.6	
51,421	52,174	53,778	52,554	54,911	55,908	57,310	58,971	61,050	63,155	
-3.9	1.5	3.1	-2.3	4.5	1.8	2.5	2.9	3.5	3.4	
18,679	19,624	20,739	21,253	21,576	21,644	21,761	21,984	22,188	22,331	
5.5	5.1	5.7	2.5	1.5	0.3	0.5	1.0	0.9	0.6	
54,502	46,163	44,062	44,992	46,631	47,644	48,586	49,959	51,480	53,224	
13.5	-15.3	-4.6	2.1	3.6	2.2	2.0	2.8	3.0	3.4	
47,302	45,202	48,379	53,954	56,971	58,888	60,603	61,848	63,174	64,880	
7.7	-4.4	7.0	11.5	5.6	3.4	2.9	2.1	2.1	2.7	
33,060	33,391	33,854	35,546	36,693	38,212	39,563	41,088	42,578	44,493	
11.3	1.0	1.4	5.0	3.2	4.1	3.5	3.9	3.6	4.5	
33,859	36,247	36,781	37,986	38,851	40,990	42,849	44,569	46,009	47,594	
5.3	7.1	1.5	3.3	2.3	5.5	4.5	4.0	3.2	3.4	
31,569	32,620	32,965	34,284	35,437	36,560	37,623	38,789	39,967	41,298	
9.0	3.3	1.1	4.0	3.4	3.2	2.9	3.1	3.0	3.3	
31,986	33,315	33,723	35,004	36,098	37,406	38,607	39,866	41,082	42,448	
8.3	4.2	1.2	3.8	3.1	3.6	3.2	3.3	3.0	3.3	

TABLE 7: SOUTH COAST EMPLOYMENT

	1994	1995	1996	1997	1998	1999
	- - - - history - - - -					
Agriculture (number of jobs)	2,801	2,936	3,142	3,269	3,427	3,558
percent change	5.0	4.8	7.0	4.0	4.8	3.8
Mining (number of jobs)	224	236	248	260	292	470
percent change	5.7	5.4	5.1	4.8	12.5	61.1
Construction (number of jobs)	3,227	3,562	3,844	4,405	4,370	4,884
percent change	-2.6	10.4	7.9	14.6	-0.8	11.8
Durables (number of jobs)	8,502	8,600	8,334	9,072	8,238	8,398
percent change	-4.7	1.2	-3.1	8.9	-9.2	1.9
Non-Durables (number of jobs)	2,113	2,033	2,374	2,413	2,633	1,906
percent change	-0.8	-3.7	16.8	1.6	9.1	-27.6
Trans., Comm., & Utilities (number of jobs)	2,344	2,757	2,504	3,131	2,668	2,427
percent change	11.7	17.6	-9.2	25.0	-14.8	-9.0
Retail (number of jobs)	16,401	17,015	16,866	17,913	18,566	19,000
percent change	3.3	3.7	-0.9	6.2	3.6	2.3
Wholesale (number of jobs)	3,244	3,056	3,061	3,399	3,628	3,845
percent change	-2.3	-5.8	0.2	11.0	6.7	6.0
Finance, Ins., & Real Estate (number of jobs)	6,170	4,787	4,595	4,661	5,375	4,853
percent change	34.2	-22.4	-4.0	1.4	15.3	-9.7
Services (number of jobs)	28,147	28,978	28,717	29,522	30,767	32,819
percent change	2.9	3.0	-0.9	2.8	4.2	6.7
Public Sector (number of jobs)	16,971	17,222	18,394	19,504	17,542	17,062
percent change	1.7	1.5	6.8	6.0	-10.1	-2.7
Private Sector (number of jobs)	73,171	73,960	73,685	78,044	79,964	82,159
percent change	3.8	1.1	-0.4	5.9	2.5	2.7
Total, All Sectors (number of jobs)	90,142	91,182	92,079	97,548	97,506	99,220
percent change	3.4	1.2	1.0	5.9	0.0	1.8

Source: California Employment Development Department. The industrial classification system changed in 2001, contact us for details.

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
- - - - history - - - -				estimated	- - - - forecast - - - -					
3,769	2,939	2,670	2,669	2,693	2,722	2,745	2,768	2,791	2,815	
5.9	-22.0	-9.2	0.0	0.9	1.1	0.8	0.8	0.8	0.9	
435	478	282	236	232	229	227	225	223	224	
-7.5	9.9	-41.1	-16.3	-1.7	-1.3	-0.9	-0.9	-0.9	0.4	
5,022	5,184	4,970	5,157	5,183	5,214	5,229	5,232	5,224	5,208	
2.8	3.2	-4.1	3.8	0.5	0.6	0.3	0.1	-0.2	-0.3	
8,129	7,804	7,248	6,904	6,791	6,675	6,534	6,402	6,273	6,147	
-3.2	-4.0	-7.1	-4.8	-1.6	-1.7	-2.1	-2.0	-2.0	-2.0	
2,001	1,583	1,252	1,112	1,120	1,115	1,109	1,107	1,106	1,105	
5.0	-20.9	-20.9	-11.2	0.8	-0.4	-0.6	-0.1	-0.1	-0.1	
2,772	4,086	4,140	4,109	4,120	4,156	4,220	4,284	4,349	4,416	
14.2	47.4	1.3	-0.7	0.3	0.9	1.5	1.5	1.5	1.5	
19,986	13,516	11,406	10,940	11,022	11,178	11,336	11,501	11,642	11,841	
5.2	-32.4	-15.6	-4.1	0.8	1.4	1.4	1.5	1.2	1.7	
4,375	3,450	3,021	2,704	2,723	2,755	2,782	2,799	2,816	2,833	
13.8	-21.1	-12.4	-10.5	0.7	1.2	1.0	0.6	0.6	0.6	
5,622	7,702	7,360	7,112	7,014	7,080	7,189	7,309	7,432	7,556	
15.8	37.0	-4.4	-3.4	-1.4	0.9	1.5	1.7	1.7	1.7	
35,611	41,762	44,387	46,406	47,074	47,473	47,913	48,367	48,807	49,251	
8.5	17.3	6.3	4.5	1.4	0.8	0.9	0.9	0.9	0.9	
17,446	18,675	19,941	19,578	19,577	19,358	19,155	19,056	18,972	18,888	
2.2	7.0	6.8	-1.8	0.0	-1.1	-1.0	-0.5	-0.4	-0.4	
87,721	88,505	86,737	87,348	87,971	88,596	89,282	89,994	90,663	91,395	
6.8	0.9	-2.0	0.7	0.7	0.7	0.8	0.8	0.7	0.8	
105,167	107,180	106,678	106,926	107,548	107,954	108,437	109,050	109,635	110,284	
6.0	1.9	-0.5	0.2	0.6	0.4	0.4	0.6	0.5	0.6	

TABLE 8: SOUTH COAST AVERAGE SALARY

	1994	1995	1996	1997	1998	1999
	- - - - history - - - -					
Agriculture (dollars)	16,216	16,668	17,209	18,192	18,494	20,662
percent change	-1.5	2.8	3.2	5.7	1.7	11.7
Mining (dollars)	149,261	141,656	134,787	128,555	114,279	76,974
percent change	-5.4	-5.1	-4.8	-4.6	-11.1	-32.6
Construction (dollars)	32,004	32,066	31,716	33,828	34,432	33,648
percent change	4.1	0.2	-1.1	6.7	1.8	-2.3
Durables Mfg (dollars)	44,701	47,421	47,908	49,241	48,148	48,986
percent change	3.7	6.1	1.0	2.8	-2.2	1.7
Non-Durables Mfg (dollars)	27,117	29,224	30,353	32,845	33,258	34,583
percent change	0.8	7.8	3.9	8.2	1.3	4.0
Trans., Comm., & Utilities (dollars)	29,688	31,273	31,603	33,483	36,568	38,007
percent change	-1.8	5.3	1.1	6.0	9.2	3.9
Retail Trade (dollars)	13,681	14,166	14,885	15,901	17,298	17,835
percent change	2.3	3.5	5.1	6.8	8.8	3.1
Wholesale Trade (dollars)	37,570	38,199	44,797	45,460	49,320	53,966
percent change	-8.1	1.7	17.3	1.5	8.5	9.4
Finance, Ins. & Real Estate (dollars)	29,338	35,462	36,585	40,274	43,490	48,099
percent change	-16.8	20.9	3.2	10.1	8.0	10.6
Services (dollars)	25,931	26,736	27,482	29,473	31,780	31,986
percent change	0.8	3.1	2.8	7.2	7.8	0.7
Public Sector (dollars)	32,957	33,085	32,378	32,828	34,727	37,196
percent change	-0.8	0.4	-2.1	1.4	5.8	7.1
Private Sector (dollars)	26,597	27,748	28,572	30,365	31,772	32,536
percent change	-1.3	4.3	3.0	6.3	4.6	2.4
Total, All Sectors (dollars)	27,794	28,756	29,332	30,857	32,303	33,337
percent change	-1.2	3.5	2.0	5.2	4.7	3.2

Source: California Employment Development Department

Note: The industry classification changed from source in 2001. This results in jumps in the data in 2001.

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
- - - - history - - - -				estimated	- - - - forecast - - - -					
21,375	22,154	24,423	25,095	25,333	25,846	26,428	27,022	27,418	28,055	
3.4	3.6	10.2	2.8	0.9	2.0	2.3	2.2	1.5	2.3	
81,667	88,369	87,809	76,657	76,647	76,466	76,524	76,161	75,381	74,503	
6.1	8.2	-0.6	-12.7	0.0	-0.2	0.1	-0.5	-1.0	-1.2	
35,778	37,271	38,323	40,624	42,357	44,657	47,127	49,965	53,040	56,244	
6.3	4.2	2.8	6.0	4.3	5.4	5.5	6.0	6.2	6.0	
51,920	55,222	57,695	63,886	67,848	71,461	75,376	79,706	84,395	89,316	
6.0	6.4	4.5	10.7	6.2	5.3	5.5	5.7	5.9	5.8	
36,095	32,673	34,467	36,723	37,454	38,628	39,875	41,204	42,139	43,363	
4.4	-9.5	5.5	6.5	2.0	3.1	3.2	3.3	2.3	2.9	
41,973	50,476	51,641	50,945	52,610	54,297	55,931	57,102	58,308	59,900	
10.4	20.3	2.3	-1.3	3.3	3.2	3.0	2.1	2.1	2.7	
19,334	23,605	27,739	28,212	28,380	28,558	28,723	28,991	29,328	29,366	
8.4	22.1	17.5	1.7	0.6	0.6	0.6	0.9	1.2	0.1	
61,460	52,189	50,896	48,083	49,645	50,863	51,831	53,571	55,411	57,626	
13.9	-15.1	-2.5	-5.5	3.2	2.5	1.9	3.4	3.4	4.0	
50,910	50,915	52,231	58,757	62,451	64,785	66,783	68,402	69,984	72,120	
5.8	0.0	2.6	12.5	6.3	3.7	3.1	2.4	2.3	3.1	
36,158	32,654	31,784	32,978	34,007	35,638	37,206	38,933	40,678	42,926	
13.0	-9.7	-2.7	3.8	3.1	4.8	4.4	4.6	4.5	5.5	
38,085	40,978	41,845	44,183	44,631	47,099	49,278	51,284	53,020	55,172	
2.4	7.6	2.1	5.6	1.0	5.5	4.6	4.1	3.4	4.1	
35,744	36,659	37,135	38,612	39,920	41,495	43,027	44,673	46,358	48,362	
9.9	2.6	1.3	4.0	3.4	3.9	3.7	3.8	3.8	4.3	
36,132	37,411	38,015	39,632	40,778	42,500	44,131	45,828	47,511	49,528	
8.4	3.5	1.6	4.3	2.9	4.2	3.8	3.8	3.7	4.2	

TABLE 9: NORTH SANTA BARBARA COUNTY EMPLOYMENT

	1994	1995	1996	1997	1998	1999
	- - - - history - - - -					
Agriculture (number of jobs)	10,162	10,686	11,127	10,255	10,100	11,231
percent change	0.0	5.2	4.1	-7.8	-1.5	11.2
Construction (number of jobs)	1,329	1,322	1,432	1,878	1,850	2,073
percent change	4.5	-0.5	8.3	31.1	-1.5	12.1
Industry (Mining & Mfg) (number of jobs)	3,771	3,835	3,800	3,972	4,683	4,570
percent change	1.2	1.7	-0.9	4.5	17.9	-2.4
Trans., Comm., & Utilities (number of jobs)	1,395	1,426	1,586	1,634	1,573	1,708
percent change	6.4	2.2	11.2	3.0	-3.7	8.5
Retail Trade (number of jobs)	9,439	9,382	9,574	9,530	9,548	10,149
percent change	0.2	-0.6	2.0	-0.5	0.2	6.3
Wholesale Trade (number of jobs)	1,495	1,506	1,447	1,474	1,461	1,660
percent change	-4.1	0.7	-3.9	1.8	-0.9	13.6
Finance, Ins., & Real Estate (number of jobs)	1,703	1,351	1,380	1,242	1,203	1,201
percent change	1.4	-20.7	2.1	-10.0	-3.1	-0.2
Services (number of jobs)	8,949	9,920	10,340	10,575	10,791	10,304
percent change	1.4	10.9	4.2	2.3	2.0	-4.5
Public Sector (number of jobs)	15,074	14,507	14,899	13,925	14,239	18,449
percent change	16.3	-3.8	2.7	-6.5	2.3	29.6
Private Sector (number of jobs)	38,242	39,428	40,685	40,560	41,210	42,896
percent change	0.7	3.1	3.2	-0.3	1.6	4.1
Total, All Sectors (number of jobs)	53,316	53,934	55,585	54,484	55,449	61,345
percent change	4.7	1.2	3.1	-2.0	1.8	10.6

Source: California Employment Development Department. The industrial classification system changed in 2001, contact us for details.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	- - - - history - - - -				estimated	- - - - forecast - - - -				
	11,507	10,101	10,946	12,925	13,157	13,438	13,819	14,180	14,551	14,932
	2.5	-12.2	8.4	18.1	1.8	2.1	2.8	2.6	2.6	2.6
	2,437	2,462	2,277	2,497	2,678	2,904	3,098	3,279	3,446	3,623
	17.5	1.0	-7.5	9.7	7.2	8.4	6.7	5.8	5.1	5.2
	5,642	5,708	4,584	4,604	4,697	4,822	4,957	5,114	5,273	5,424
	23.5	1.2	-19.7	0.4	2.0	2.7	2.8	3.2	3.1	2.9
	1,698	1,987	1,957	2,041	2,099	2,144	2,209	2,277	2,348	2,421
	-0.5	17.0	-1.5	4.3	2.8	2.1	3.0	3.1	3.1	3.1
	10,231	7,884	7,341	7,302	7,514	7,694	7,931	8,176	8,429	8,690
	0.8	-22.9	-6.9	-0.5	2.9	2.4	3.1	3.1	3.1	3.1
	1,662	1,668	1,656	1,207	1,239	1,281	1,331	1,382	1,435	1,490
	0.1	0.4	-0.7	-27.1	2.7	3.4	3.9	3.8	3.8	3.8
	1,260	1,897	2,056	2,090	2,148	2,204	2,271	2,354	2,434	2,519
	4.9	50.6	8.3	1.7	2.8	2.6	3.0	3.7	3.4	3.5
	11,035	13,689	15,107	15,704	16,217	16,793	17,403	18,044	18,708	19,398
	7.1	24.1	10.4	4.0	3.3	3.6	3.6	3.7	3.7	3.7
	19,333	17,997	19,035	19,251	19,601	19,788	20,030	20,335	20,646	20,963
	4.8	-6.9	5.8	1.1	1.8	1.0	1.2	1.5	1.5	1.5
	45,471	45,396	45,923	48,369	49,748	51,280	53,018	54,806	56,625	58,499
	6.0	-0.2	1.2	5.3	2.9	3.1	3.4	3.4	3.3	3.3
	64,804	63,393	64,958	67,621	69,349	71,068	73,048	75,140	77,270	79,461
	5.6	-2.2	2.5	4.1	2.6	2.5	2.8	2.9	2.8	2.8

TABLE 10: NORTH SANTA BARBARA AVERAGE SALARY

	1994	1995	1996	1997	1998	1999
	- - - - history - - - -					
Agriculture (dollars)	13,644	14,625	14,834	15,735	16,101	16,650
percent change	0.4	7.2	1.4	6.1	2.3	3.4
Construction (dollars)	26,055	27,093	26,161	32,128	36,380	36,077
percent change	-4.2	4.0	-3.4	22.8	13.2	-0.8
Industry (Mining & Mfg) (dollars)	28,429	29,908	29,649	32,524	32,875	32,732
percent change	-4.6	5.2	-0.9	9.7	1.1	-0.4
Trans., Comm., & Utilities (dollars)	26,456	28,012	26,274	26,686	29,220	30,342
percent change	-1.0	5.9	-6.2	1.6	9.5	3.8
Retail Trade (dollars)	14,215	14,585	14,651	15,263	15,962	17,027
percent change	1.9	2.6	0.5	4.2	4.6	6.7
Wholesale Trade (dollars)	28,649	30,407	33,025	34,069	36,541	37,830
percent change	5.3	6.1	8.6	3.2	7.3	3.5
Finance, Ins., & Real Estate (dollars)	24,343	25,481	27,387	29,922	32,600	32,692
percent change	1.4	4.7	7.5	9.3	8.9	0.3
Services (dollars)	19,868	19,135	20,085	19,127	21,001	22,574
percent change	0.4	-3.7	5.0	-4.8	9.8	7.5
Public Sector (dollars)	39,272	34,418	37,359	39,622	43,449	43,181
percent change	2.9	-12.4	8.5	6.1	9.7	-0.6
Private Sector (dollars)	18,661	19,114	19,427	20,453	21,876	22,629
percent change	0.1	2.4	1.6	5.3	7.0	3.4
Total, All Sectors (dollars)	24,488	23,230	24,233	25,352	27,416	28,810
percent change	3.7	-5.1	4.3	4.6	8.1	5.1

Source: California Employment Development Department

Note: The industry classification changed from source in 2001. This results in jumps in the data in 2001.

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
- - - - history - - - -				estimated	- - - - forecast - - - -				
16,708	19,983	20,189	19,235	19,931	20,511	20,976	21,450	21,826	22,208
0.3	19.6	1.0	-4.7	3.6	2.9	2.3	2.3	1.8	1.7
34,470	36,690	39,021	38,882	40,278	40,422	41,283	42,532	44,383	46,389
-4.5	6.4	6.4	-0.4	3.6	0.4	2.1	3.0	4.4	4.5
40,783	42,698	36,626	37,462	39,098	40,354	41,610	42,867	44,277	44,964
24.6	4.7	-14.2	2.3	4.4	3.2	3.1	3.0	3.3	1.6
31,390	30,238	31,986	32,958	34,651	35,709	37,092	38,415	39,311	40,201
3.5	-3.7	5.8	3.0	5.1	3.1	3.9	3.6	2.3	2.3
17,555	21,422	23,727	24,523	25,294	25,161	25,208	25,365	25,361	25,587
3.1	22.0	10.8	3.4	3.1	-0.5	0.2	0.6	0.0	0.9
38,224	32,681	31,623	38,486	40,373	41,094	42,100	42,794	43,766	44,732
1.0	-14.5	-3.2	21.7	4.9	1.8	2.4	1.6	2.3	2.2
34,301	34,848	38,086	40,773	42,450	43,304	44,415	44,813	45,590	46,324
4.9	1.6	9.3	7.1	4.1	2.0	2.6	0.9	1.7	1.6
23,122	22,201	22,217	22,965	24,070	24,930	25,381	25,875	26,270	26,718
2.4	-4.0	0.1	3.4	4.8	3.6	1.8	1.9	1.5	1.7
45,602	47,926	53,496	54,348	56,085	59,029	61,573	63,919	65,835	67,748
5.6	5.1	11.6	1.6	3.2	5.2	4.3	3.8	3.0	2.9
24,216	26,201	25,712	25,983	27,098	27,778	28,376	28,997	29,587	30,170
7.0	8.2	-1.9	1.1	4.3	2.5	2.2	2.2	2.0	2.0
30,596	32,369	33,854	34,059	35,291	36,480	37,479	38,448	39,272	40,083
6.2	5.8	4.6	0.6	3.6	3.4	2.7	2.6	2.1	2.1

TABLE 11: POPULATION, ENROLLMENTS & UNEMPLOYMENT

	1994	1995	1996	1997	1998	1999
	- - - - history - - - -					
Population (As of Jan.1)						
California (millions of people)	31.7	31.9	32.2	32.7	33.2	33.8
percent change	1.1	0.8	1.0	1.4	1.7	1.6
Los Angeles County (millions of people)	9.3	9.3	9.4	9.5	9.6	9.7
percent change	0.8	0.5	0.5	1.0	1.2	1.3
Tri-Counties (thousands of people)	1,312.5	1,325.2	1,335.9	1,350.9	1,376.6	1,391.0
percent change	1.1	1.0	0.8	1.1	1.9	1.0
Santa Barbara County (thousands of people)	384.9	388.9	392.6	397.2	404.8	406.8
percent change	0.7	1.0	1.0	1.2	1.9	0.5
Buellton (thousands of people)	3.4	3.4	3.5	3.6	3.7	3.8
percent change	0.9	-0.7	2.5	2.6	4.2	2.4
Carpinteria (thousands of people)	14.2	14.3	14.4	14.6	14.8	14.9
percent change	1.0	1.0	0.6	1.5	1.3	0.5
Guadalupe (thousands of people)	6.0	6.0	6.2	6.3	6.4	6.5
percent change	2.4	1.0	3.5	1.7	1.5	0.5
Lompoc (thousands of people)	40.2	40.3	40.8	41.6	42.1	42.5
percent change	1.2	0.2	1.3	2.1	1.1	0.9
Santa Barbara City (thousands of people)	87.6	88.4	88.9	89.9	90.8	91.4
percent change	0.4	0.9	0.6	1.2	1.0	0.7
Santa Maria (thousands of people)	66.6	67.5	68.5	69.3	70.5	71.6
percent change	1.8	1.3	1.5	1.2	1.7	1.5
Solvang (thousands of people)	5.0	5.0	5.1	5.1	5.2	5.3
percent change	2.6	0.4	1.8	0.6	2.1	1.0
Unincorporated Santa Barbara County (thousands of people)	161.9	164.0	165.1	167.1	171.2	171.0
percent change	0.2	1.3	0.7	1.2	2.5	-0.2
Goleta (thousands of people)	NA	NA	NA	NA	NA	NA
percent change	NA	NA	NA	NA	NA	NA
Santa Barbara County Enrollments						
University of California, Santa Barbara (thousands of students)	17.8	18.2	18.5	18.9	19.3	20.1
percent change	-4.0	2.2	1.7	2.2	1.8	4.1
Kindergarten through 12th Grade (thousands of students)	58.5	60.0	62.2	63.3	64.5	65.4
percent change	2.7	2.6	3.6	1.8	1.9	1.4
Santa Barbara City College (thousands of students)	11.3	11.6	11.9	12.3	12.2	13.7
percent change	0.7	2.9	3.0	3.4	-1.0	11.9
Employment & Unemployment						
Santa Barbara County Unemployment Rate (percent)	7.2	6.7	5.7	5.0	4.4	3.9
Santa Barbara County Labor Force (thousands of workers)	195.7	191.4	189.8	194.2	194.2	197.2
percent change	1.6	-2.2	-0.8	2.3	0.0	1.5
Santa Barbara County Employment (thousands of workers)	181.7	178.5	179.0	184.5	185.6	189.5
percent change	2.2	-1.8	0.3	3.1	0.6	2.1

Sources: CA Department of Finance, County of Santa Barbara, UCSB, SBCC, & CA Employment Development Department

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
--- history ---				estimated	--- forecast ---				
33.9	34.4	35.0	35.6	36.1	36.7	37.3	37.8	38.4	38.9
0.3	1.6	1.8	1.6	1.5	1.5	1.6	1.5	1.5	1.5
9.5	9.7	9.8	10.0	10.1	10.3	10.4	10.6	10.7	10.9
-2.0	1.5	1.7	1.5	1.4	1.5	1.6	1.5	1.5	1.5
1,399.2	1,418.5	1,439.4	1,457.3	1,475.4	1,494.8	1,514.1	1,533.8	1,553.8	1,574.2
0.6	1.4	1.5	1.2	1.2	1.3	1.3	1.3	1.3	1.3
399.3	402.8	406.4	410.3	414.8	420.1	425.4	430.8	436.2	441.7
-1.8	0.9	0.9	0.9	1.1	1.3	1.3	1.3	1.3	1.3
3.8	3.9	4.0	4.2	4.5	4.5	4.6	4.7	4.8	4.9
0.2	2.2	1.5	5.9	6.1	1.8	2.1	2.2	2.2	2.2
14.2	14.3	14.4	14.4	14.4	14.4	14.5	14.6	14.6	14.7
-4.6	1.1	0.3	-0.2	0.1	0.5	0.5	0.5	0.5	0.5
5.7	5.9	6.1	6.3	6.3	6.5	6.7	6.9	7.1	7.3
-12.4	3.9	3.2	3.1	0.8	3.0	3.0	3.1	3.0	3.0
41.1	41.5	41.5	41.8	42.3	42.8	43.4	44.0	44.6	45.2
-3.2	0.9	0.2	0.5	1.2	1.3	1.3	1.3	1.3	1.3
89.6	90.0	90.4	90.2	90.5	90.1	89.7	89.4	89.1	88.9
-2.0	0.5	0.4	-0.2	0.3	-0.4	-0.4	-0.3	-0.3	-0.3
77.4	78.5	80.2	81.9	85.3	87.3	89.2	91.2	93.2	95.2
8.2	1.4	2.2	2.1	4.2	2.3	2.2	2.2	2.2	2.2
5.3	5.4	5.4	5.4	5.4	5.5	5.5	5.5	5.5	5.6
1.2	1.0	0.7	0.0	0.2	0.5	0.5	0.5	0.5	0.4
162.2	163.3	164.5	135.3	135.3	138.1	140.9	143.4	146.1	148.8
-5.1	0.7	0.7	-17.7	0.0	2.1	2.0	1.8	1.8	1.9
NA	NA	NA	30.8	30.8	30.9	31.0	31.1	31.1	31.1
NA	NA	NA	NA	0.0	0.2	0.3	0.2	0.2	0.1
20.0	20.4	19.8	20.8	21.0	21.0	21.1	21.1	21.1	21.1
-0.5	2.1	-2.8	5.3	0.9	0.1	0.1	0.1	0.1	0.1
66.0	66.5	67.1	67.5	68.2	68.8	69.5	70.1	70.8	71.4
0.9	0.7	0.9	0.6	1.0	1.0	0.9	1.0	0.9	0.9
14.2	15.3	15.8	16.5	16.9	17.1	17.5	17.8	18.2	18.6
4.1	7.3	3.6	4.6	2.3	1.4	2.0	2.0	2.0	2.0
3.7	3.5	4.2	4.0	4.7	4.6	4.5	4.5	4.4	4.4
202.0	201.5	204.1	209.1	214.6	219.4	223.7	228.4	233.0	237.9
2.4	-0.2	1.3	2.4	2.6	2.2	2.0	2.1	2.0	2.1
194.5	194.4	195.5	200.7	204.6	209.3	213.6	218.1	222.7	227.3
2.6	0.0	0.6	2.7	1.9	2.3	2.0	2.1	2.1	2.1

TABLE 12: INCOME

	1994	1995	1996	1997	1998	1999
	- - - - history - - - -					
California (billions)						
Personal Income	735.1	771.5	812.4	861.6	931.6	995.3
Personal Income (2000 dollars)	847.0	874.1	903.3	937.3	993.8	1,031.9
percent change	1.5	3.2	3.3	3.8	6.0	3.8
Median Family Income* (thousands)	46.4	46.6	48.4	50.0	52.6	54.1
Median Family Income (\$ 2000 thousands)	53.5	52.8	53.8	54.4	56.1	56.1
percent change	2.6	-1.2	1.9	1.1	3.2	-0.1
Los Angeles County (billions)						
Wage & Salary	133.4	137.1	142.0	149.3	160.1	168.2
Non-Wage	65.8	68.7	72.4	75.0	80.2	80.9
Div. Int. & Rent	35.2	38.5	40.6	43.3	47.0	45.8
Transfer Payments	30.6	30.2	31.7	31.6	33.3	35.2
Residential Adjustments	-17.1	-17.5	-18.0	-20.0	-19.5	-19.4
Proprietors Income	23.6	24.8	26.4	28.1	32.6	34.3
Total Personal Income	205.7	213.1	222.8	232.4	253.5	264.0
Total Personal Income (2000 dollars)	231.7	236.3	242.9	249.2	268.0	272.7
percent change	0.8	2.0	2.8	2.6	7.6	1.7
Median Family Income* (thousands)	45.2	45.2	46.9	47.8	49.8	51.3
Median Family Income (\$ 2000 thousands)	50.9	50.1	51.1	51.3	52.6	53.0
percent change	3.7	-1.6	2.0	0.2	2.7	0.6
Tri-Counties (billions)						
Total Personal Income	31.3	32.8	34.2	36.4	38.7	41.3
Total Personal Income (2000 dollars)	35.3	36.3	37.3	39.0	40.9	42.6
percent change	2.5	2.9	2.6	4.6	5.0	4.1
Santa Barbara County (billions)						
Wage & Salary	4.6	4.7	4.9	5.2	5.6	5.9
Non-Wage	3.9	3.9	4.1	4.2	4.7	4.9
Div. Int. & Rent	2.9	2.8	3.0	3.0	3.4	3.6
Transfer Payments	1.0	1.1	1.1	1.2	1.2	1.3
Residential Adjustments	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3
Proprietors Income	1.1	1.1	1.1	1.2	1.3	1.3
Total Personal Income	9.5	9.6	10.0	10.4	11.3	11.9
Total Personal Income (2000 dollars)	10.7	10.6	10.9	11.1	11.9	12.3
percent change	2.3	-0.4	2.5	2.0	7.4	2.8
Median Family Income* (thousands)	47.5	47.5	48.3	49.3	51.4	52.1
Median Family Income (\$ 2000 thousands)	53.5	52.7	52.7	52.9	54.3	53.8
percent change	3.0	-1.6	0.0	0.4	2.8	-1.0

Sources: California Department of Finance & US Housing and Urban Development.

* Median Family Income is for fiscal year.

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
- - - - history - - - -				estimated	- - - - forecast - - - -					
1,100.7	1,134.9	1,149.1	1,185.3	1,252.3	1,315.4	1,382.9	1,454.0	1,525.4	1,600.7	
1,100.7	1,091.2	1,079.2	1,086.7	1,115.4	1,140.6	1,170.0	1,201.2	1,231.5	1,262.9	
6.7	-0.9	-1.1	0.7	2.6	2.3	2.6	2.7	2.5	2.5	
55.2	58.4	60.8	60.3	62.5	62.5	65.0	67.6	70.3	73.3	
55.2	56.2	57.1	55.3	55.7	54.2	55.0	55.9	56.8	57.9	
-1.6	1.7	1.7	-3.2	0.7	-2.6	1.4	1.7	1.6	1.9	
179.7	185.3	187.6	191.0	196.0	203.5	212.4	222.2	233.1	245.0	
85.6	90.4	93.6	96.7	101.0	106.0	112.1	118.7	126.1	133.8	
49.1	49.8	50.1	51.1	53.0	55.4	58.5	62.0	65.7	69.5	
36.4	40.6	43.5	45.6	48.0	50.6	53.5	56.7	60.5	64.3	
-21.0	-20.3	-20.3	-20.8	-20.9	-21.6	-22.7	-23.8	-24.9	-26.1	
34.8	37.9	39.9	38.9	41.2	43.6	46.4	49.4	52.5	55.6	
279.0	293.2	300.9	305.9	317.3	331.6	348.2	366.5	386.8	408.3	
279.0	283.7	283.3	280.7	281.7	285.6	291.4	298.3	306.5	315.0	
2.3	1.7	-0.2	-0.9	0.4	1.4	2.0	2.4	2.7	2.8	
52.1	54.5	54.5	50.3	53.5	54.5	56.7	59.0	61.3	63.7	
52.1	52.7	51.3	46.2	47.5	46.9	47.4	48.0	48.6	49.2	
-1.7	1.2	-2.7	-10.0	2.9	-1.3	1.2	1.2	1.2	1.2	
45.1	46.7	48.3	51.0	53.7	56.6	59.8	63.4	67.3	71.3	
45.1	45.2	45.5	46.8	47.7	48.8	50.1	51.6	53.3	55.0	
5.8	0.3	0.6	2.8	1.9	2.3	2.7	3.1	3.2	3.2	
6.6	6.8	7.0	7.3	7.7	8.1	8.5	8.9	9.3	9.8	
5.2	5.4	5.5	5.8	6.1	6.4	6.8	7.2	7.5	7.9	
3.9	3.9	4.0	4.2	4.3	4.6	4.9	5.1	5.4	5.7	
1.3	1.4	1.5	1.7	1.8	1.9	1.9	2.0	2.1	2.2	
-0.3	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	
1.4	1.4	1.5	1.6	1.7	1.8	1.9	2.1	2.2	2.3	
12.9	13.3	13.7	14.4	15.2	16.0	16.8	17.7	18.6	19.6	
12.9	12.8	12.9	13.2	13.5	13.8	14.1	14.4	14.7	15.1	
5.1	-0.5	0.5	2.3	2.1	2.1	2.3	2.4	2.3	2.4	
53.5	56.5	56.8	60.6	64.7	64.7	66.6	68.6	70.6	73.4	
53.5	54.7	53.5	55.6	57.4	55.7	55.8	55.9	56.0	56.6	
-0.6	2.2	-2.2	4.0	3.3	-3.0	0.1	0.2	0.2	1.1	

TABLE 13: AGRICULTURE, PETROLEUM, COUNTY FISCAL, FINANCIAL

	1994	1995	1996	1997	1998	1999
	- - - - history - - - -					
Santa Barbara Agriculture						
Total Crop Value (millions)	509.8	539.3	581.6	626.0	611.9	657.0
Total Crop Value (millions of 2000 dollars)	574.2	598.0	634.1	671.2	646.9	678.6
percent change	0.5	4.2	6.0	5.9	-3.6	4.9
Earnings per acre (dollars)	4,766.6	4,969.2	5,310.1	5,634.9	5,498.0	5,352.1
Earnings per acre (2000 dollars)	5,368.8	5,510.2	5,789.0	6,042.3	5,812.5	5,528.5
percent change	-2.0	2.6	5.1	4.4	-3.8	-4.9
Total Acreage Used (thousands of acres)	710.9	712.4	713.3	714.2	714.4	725.7
Harvested Acreage (thousands of acres)	106.9	108.5	109.5	111.1	111.3	122.8
Grazing Acreage (thousands of acres)	603.9	603.9	603.8	603.6	603.1	602.9
Rainfall (inches, ave. of Lake Cachuma, SB city and SM city)	15.6	28.6	18.0	17.5	38.4	14.0
Oil and Gas Production						
Total Oil Production (millions of barrels)	54.1	68.8	60.8	52.0	42.9	36.6
Offshore Oil Production (millions of barrels)	50.3	65.5	57.6	48.6	40.2	34.3
Onshore Oil Production (millions of barrels)	3.8	3.3	3.1	3.4	2.8	2.3
Total Gas Production (millions of cubic feet)	50.2	47.1	45.3	44.1	41.4	46.4
Offshore Gas Production (millions of cubic feet)	46.0	44.7	44.3	41.9	39.1	44.2
Onshore Gas Production (millions of cubic feet)	4.2	2.4	1.0	2.2	2.3	2.2
County Government (Fiscal Year)						
Total Government Expenditures (millions of dollars)	349.6	372.4	383.0	389.2	408.7	443.5
Total Government Expenditures (2000 dollars)	393.7	413.0	417.5	417.3	432.1	458.2
percent change	1.6	4.9	1.1	-0.1	3.5	6.0
Total Government Revenues (millions of dollars)	362.8	352.4	390.1	392.0	410.1	451.7
Total Government Revenues (2000 dollars)	408.6	390.8	425.3	420.3	433.5	466.6
percent change	6.6	-4.4	8.8	-1.2	3.1	7.6
Sales Taxes Collected (millions of dollars)	7.7	6.8	7.8	6.9	8.6	8.9
Sales Taxes Collected (2000 dollars)	8.7	7.6	8.5	7.4	9.1	9.2
percent change	9.7	-12.9	12.0	-12.6	23.0	1.0
Surplus or Deficit (millions of dollars)	13.2	-20.0	7.1	2.8	1.4	8.1
Financial						
Southern California Consumer Price Index (2000=100)	88.8	90.2	91.7	93.3	94.6	96.8
percent change	1.4	1.6	1.7	1.7	1.4	2.3
California Consumer Price Index (2000=100)	86.8	88.3	89.9	91.9	93.7	96.5
percent change	1.4	1.7	1.9	2.2	2.0	2.9
United States Consumer Price Index (2000=100)	86.1	88.5	91.1	93.2	94.7	96.7
percent change	2.6	2.8	2.9	2.3	1.6	2.2
Federal Funds Rate (percent)	4.20	5.84	5.30	5.46	5.35	4.97
United States Conventional 30-yr Mortgage Rate (percent)	8.36	7.96	7.81	7.60	6.94	7.43
United States Consumer Sentiment Index	92.3	92.2	93.6	103.2	104.6	105.8

Sources: Santa Barbara Agricultural Production Report, County of Santa Barbara, US Bureau of Labor Statistics, Board of Governors of the US Federal Reserve, University of Michigan, UCSB Economic Forecast Project, Santa Barbara Agricultural Commissioner & California Department of Conservation: Division of Oil, Gas, & Geothermal Resources

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
- - - - history - - - -				estimated	- - - - forecast - - - -					
735.0	709.1	771.7	858.0	902.9	959.1	1,010.7	1,071.2	1,129.7	1,190.8	
735.0	686.1	726.4	787.3	801.7	826.0	846.0	872.0	895.3	918.6	
8.3	-6.7	5.9	8.4	1.8	3.0	2.4	3.1	2.7	2.6	
6,162.5	6,143.3	6,727.5	7,303.5	7,735.2	8,195.0	8,620.4	9,075.8	9,554.9	10,052.1	
6,162.5	5,943.5	6,333.1	6,701.6	6,868.4	7,057.2	7,215.0	7,388.5	7,571.8	7,754.2	
11.5	-3.6	6.6	5.8	2.5	2.7	2.2	2.4	2.5	2.4	
714.4	710.6	709.6	712.4	711.7	711.4	711.0	711.2	710.8	710.5	
119.3	115.4	114.7	117.5	116.7	117.0	117.2	118.0	118.2	118.5	
595.1	595.1	594.9	594.9	594.9	594.3	593.8	593.2	592.6	592.0	
19.2	24.7	8.7	19.1	14.8	14.8	13.1	11.9	12.3	12.7	
34.7	32.3	31.0	28.9	26.6	25.2	25.1	24.9	24.7	24.5	
32.2	29.7	28.6	26.7	24.5	23.1	23.0	22.8	22.6	22.4	
2.5	2.5	2.3	2.2	2.1	2.1	2.1	2.1	2.1	2.1	
45.5	42.2	43.5	40.5	41.5	40.0	38.8	37.3	35.9	35.5	
43.3	39.7	41.5	38.5	39.5	38.0	36.8	35.3	33.9	33.5	
2.2	2.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	
464.9	501.7	556.6	563.2	586.4	604.6	628.4	651.5	675.1	700.2	
464.9	485.4	523.9	516.7	520.7	520.6	525.9	530.4	535.0	540.2	
1.5	4.4	7.9	-1.4	0.8	0.0	1.0	0.8	0.9	1.0	
489.7	530.5	575.3	553.1	567.5	586.3	611.6	643.4	676.3	711.0	
489.7	513.3	541.6	507.5	503.9	504.9	511.9	523.8	536.0	548.5	
5.0	4.8	5.5	-6.3	-0.7	0.2	1.4	2.3	2.3	2.3	
10.8	12.2	11.3	8.9	9.1	9.7	10.3	10.9	11.6	12.2	
10.8	11.8	10.7	8.2	8.1	8.3	8.6	8.9	9.2	9.4	
17.1	9.6	-9.7	-23.4	-1.0	3.0	3.1	3.3	3.2	3.1	
24.8	28.8	18.8	-10.0	-18.9	-18.3	-16.8	-8.1	1.2	10.8	
100.0	103.4	106.2	109.0	112.6	116.1	119.5	122.8	126.2	129.6	
3.3	3.4	2.8	2.6	3.3	3.1	2.9	2.8	2.7	2.7	
100.0	104.0	106.5	109.1	112.3	115.3	118.2	121.0	123.9	126.8	
3.7	4.0	2.4	2.4	2.9	2.7	2.5	2.4	2.3	2.3	
100.0	102.8	104.5	106.8	109.9	112.3	114.1	116.2	118.5	120.8	
3.4	2.8	1.6	2.3	2.8	2.3	1.6	1.8	2.0	2.0	
6.24	3.89	1.67	1.13	1.35	3.10	3.15	3.21	3.37	3.47	
8.06	6.97	6.54	5.82	5.85	5.95	6.22	6.33	6.43	6.62	
107.6	89.2	89.6	87.6	95.2	95.8	96.4	97.5	98.5	98.2	

TABLE 14: SANTA BARBARA COUNTY RETAIL SALES AND AIR TRAVEL

	1994	1995	1996	1997	1998	1999
	- - - - history - - - -					
California						
Retail Sales (billions)	187.1	194.4	205.7	217.2	229.4	255.6
Retail Sales (billions of 2000 dollars)	215.6	220.2	228.8	236.3	244.7	265.0
percent change	3.0	2.2	3.9	3.3	3.6	8.3
Los Angeles County						
Retail Sales (billions)	49.8	51.0	53.3	55.3	57.5	63.3
Retail Sales (billions of 2000 dollars)	56.1	56.6	58.1	59.3	60.8	65.4
percent change	3.8	0.9	2.7	2.0	2.5	7.5
Tri-Counties						
Retail Sales (billions)	7.9	8.2	8.6	9.1	9.7	10.9
Retail Sales (billions of 2000 dollars)	8.9	9.0	9.4	9.8	10.3	11.2
percent change	5.8	1.7	3.6	4.3	5.1	9.4
Santa Barbara County						
Retail Sales (billions)	2.3	2.4	2.5	2.7	2.8	3.2
Retail Sales (billions of 2000 dollars)	2.6	2.6	2.8	2.9	3.0	3.3
percent change	1.3	1.6	4.2	4.2	4.8	8.3
Buellton						
Retail Sales (millions)	68.3	67.7	71.6	84.0	94.9	101.7
Retail Sales (millions of 2000 dollars)	77.0	75.1	78.1	90.1	100.3	105.1
percent change	-0.5	-2.5	4.0	15.3	11.4	4.8
Carpinteria						
Retail Sales (millions)	56.7	58.0	60.7	62.9	59.3	73.7
Retail Sales (millions of 2000 dollars)	63.8	64.3	66.2	67.4	62.7	76.1
percent change	13.9	0.8	2.9	1.9	-7.1	21.4
Guadalupe						
Retail Sales (millions)	11.2	11.1	11.8	12.5	12.6	11.5
Retail Sales (millions of 2000 dollars)	12.6	12.3	12.9	13.4	13.3	11.9
percent change	4.3	-3.0	5.2	4.0	-0.8	-10.5
Lompoc						
Retail Sales (millions)	179.6	183.3	184.9	189.6	195.1	214.9
Retail Sales (millions of 2000 dollars)	202.3	203.3	201.6	203.3	206.3	222.0
percent change	4.3	0.5	-0.9	0.9	1.5	7.6
Santa Barbara City						
Retail Sales (millions)	868.2	891.6	964.0	1,041.0	1,098.7	1,169.6
Retail Sales (millions of 2000 dollars)	977.8	988.7	1,050.9	1,116.2	1,161.6	1,208.1
percent change	2.8	1.1	6.3	6.2	4.1	4.0
Santa Maria						
Retail Sales (millions)	625.7	643.2	689.4	735.0	793.5	865.8
Retail Sales (millions of 2000 dollars)	704.8	713.3	751.5	788.2	838.9	894.3
percent change	-0.3	1.2	5.4	4.9	6.4	6.6
Solvang						
Retail Sales (millions)	64.3	64.5	66.4	67.1	67.1	70.7
Retail Sales (millions of 2000 dollars)	72.5	71.5	72.3	72.0	70.9	73.0
percent change	-1.7	-1.3	1.2	-0.5	-1.5	2.9
Unincorporated SB County and Goleta						
Retail Sales (millions)	436.4	465.1	477.8	484.2	524.3	645.7
Retail Sales (millions of 2000 dollars)	491.6	515.7	520.8	519.2	554.3	666.9
percent change	-1.5	4.9	1.0	-0.3	6.8	20.3
Air Travel						
Santa Barbara Airport Passengers (thousands)	563.8	530.6	673.8	845.1	823.2	792.5
percent change	5.9	-5.9	27.0	25.4	-2.6	-3.7
Santa Maria Airport Passengers (thousands)	108.9	117.3	99.0	99.7	79.9	84.3
percent change	16.2	7.7	-15.7	0.7	-19.9	5.5

Sources: California State Board of Equalization, Santa Barbara Airport & Santa Maria Airport

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
- - - history - - - -				estimated	- - - - forecast - - - -				
287.1	294.0	301.6	320.2	339.8	361.2	382.8	406.3	431.4	457.9
287.1	282.7	283.3	293.6	302.6	313.2	323.9	335.7	348.3	361.2
8.3	-1.5	0.2	3.6	3.1	3.5	3.4	3.6	3.8	3.7
70.3	71.8	74.5	79.4	84.8	90.2	95.7	101.5	107.6	114.0
70.3	69.5	70.2	72.9	75.3	77.7	80.1	82.6	85.2	88.0
7.6	-1.2	1.0	3.9	3.4	3.2	3.0	3.1	3.2	3.2
12.0	12.7	13.2	14.2	15.2	16.2	17.3	18.5	19.7	20.9
12.0	12.3	12.5	13.0	13.5	13.9	14.5	15.0	15.6	16.1
6.8	2.1	1.7	4.3	3.6	3.5	4.0	3.7	3.6	3.6
3.4	3.6	3.7	3.9	4.1	4.4	4.6	4.9	5.2	5.5
3.4	3.5	3.5	3.6	3.7	3.8	3.9	4.0	4.1	4.2
5.1	1.1	1.4	2.0	2.4	2.9	2.9	2.7	2.7	2.7
108.1	115.7	117.5	119.3	120.7	127.0	134.8	143.8	153.5	163.9
108.1	111.9	110.6	109.5	107.2	109.4	112.9	117.1	121.7	126.4
2.9	3.5	-1.2	-1.0	-2.1	2.1	3.2	3.8	3.9	3.9
72.7	66.6	64.9	67.8	69.0	70.9	73.0	75.5	78.4	81.7
72.7	64.5	61.1	62.2	61.3	61.0	61.1	61.5	62.1	63.0
-4.5	-11.3	-5.2	1.7	-1.4	-0.4	0.1	0.5	1.1	1.5
13.3	13.7	14.7	18.4	24.0	25.9	27.7	29.6	31.6	33.8
13.3	13.2	13.9	16.9	21.3	22.3	23.2	24.1	25.1	26.1
11.6	-0.6	5.0	21.6	26.4	4.8	3.8	3.9	4.0	4.1
223.9	241.1	250.6	263.0	280.6	299.2	316.2	334.2	353.0	373.2
223.9	233.3	235.9	241.3	249.2	257.6	264.6	272.1	279.7	287.9
0.9	4.2	1.1	2.3	3.2	3.4	2.7	2.8	2.8	2.9
1,236.0	1,245.3	1,270.8	1,309.3	1,371.3	1,449.5	1,535.6	1,617.3	1,701.6	1,790.2
1,236.0	1,204.8	1,196.3	1,201.4	1,217.7	1,248.3	1,285.3	1,316.6	1,348.5	1,380.9
2.3	-2.5	-0.7	0.4	1.4	2.5	3.0	2.4	2.4	2.4
946.0	1,041.5	1,119.2	1,190.9	1,271.6	1,354.2	1,438.3	1,525.6	1,616.4	1,712.4
946.0	1,007.6	1,053.6	1,092.8	1,129.1	1,166.1	1,203.8	1,242.0	1,280.9	1,321.0
5.8	6.5	4.6	3.7	3.3	3.3	3.2	3.2	3.1	3.1
70.0	70.8	69.7	71.3	76.7	80.7	84.7	88.3	92.2	95.7
70.0	68.5	65.6	65.4	68.1	69.5	70.9	71.9	73.1	73.8
-4.2	-2.0	-4.3	-0.3	4.1	2.1	1.9	1.5	1.6	1.1
753.1	783.9	820.3	862.6	915.6	972.0	1,027.1	1,084.5	1,144.2	1,207.2
753.1	758.4	772.2	791.5	813.0	837.1	859.7	882.9	906.7	931.2
12.9	0.7	1.8	2.5	2.7	3.0	2.7	2.7	2.7	2.7
776.9	725.1	728.3	752.8	823.9	846.4	867.8	884.3	909.9	936.3
-2.0	-6.7	0.4	3.4	9.5	2.7	2.5	1.9	2.9	2.9
84.8	71.9	70.3	75.0	81.9	82.9	84.3	86.5	89.1	92.0
0.5	-15.2	-2.2	6.7	9.2	1.2	1.7	2.7	3.0	3.2

TABLE 15: SANTA BARBARA COUNTY RETAIL SALES DETAIL AND TOURISM

	1994	1995	1996	1997	1998	1999
	- - - - history - - - -					
Total Taxable Sales (billions)	3.2	3.3	3.5	3.8	4.0	4.4
Total Taxable Sales (billions of 2000 dollars)	3.6	3.7	3.9	4.1	4.3	4.6
percent change	1.9	2.8	5.0	5.8	4.1	7.5
Wholesale Taxable Sales (millions)	683.5	744.0	819.3	908.7	944.5	1,026.0
Wholesale Taxable Sales (millions of 2000 dollars)	769.9	825.0	893.2	974.4	998.6	1,059.8
percent change	3.1	7.2	8.3	9.1	2.5	6.1
Business Services (millions)	183.4	190.1	198.5	227.0	234.3	247.1
Business Services (millions of 2000 dollars)	206.6	210.8	216.4	243.4	247.7	255.2
percent change	5.1	2.1	2.6	12.5	1.8	3.0
Retail Sales (billions)	2.3	2.4	2.5	2.7	2.8	3.2
Retail Sales (billions of 2000 dollars)	2.6	2.6	2.8	2.9	3.0	3.3
percent change	1.3	1.6	4.2	4.2	4.8	8.3
Apparel Sales (millions)	128.7	127.5	128.2	126.0	118.5	119.1
Apparel Sales (millions of 2000 dollars)	144.9	141.4	139.8	135.1	125.3	123.0
percent change	-1.2	-2.4	-1.1	-3.4	-7.2	-1.8
Bldg Mat'l and Farm (millions)	183.2	200.0	211.1	234.4	262.1	321.2
Bldg Mat'l and Farm (millions of 2000 dollars)	206.4	221.8	230.1	251.3	277.1	331.7
percent change	-0.4	7.4	3.8	9.2	10.3	19.7
Autos/Supplies/Gas (millions)	547.4	535.5	589.4	609.8	640.3	719.8
Autos/Supplies/Gas (millions of 2000 dollars)	616.6	593.7	642.6	653.9	676.9	743.6
percent change	0.8	-3.7	8.2	1.8	3.5	9.9
Eating and Drinking (millions)	340.2	352.9	370.5	390.6	417.3	445.4
Eating and Drinking (millions of 2000 dollars)	383.2	391.3	403.9	418.8	441.2	460.0
percent change	1.4	2.1	3.2	3.7	5.3	4.3
Food Stores (millions)	213.6	216.1	228.8	219.4	220.4	225.4
Food Stores (millions of 2000 dollars)	240.6	239.6	249.4	235.2	233.0	232.9
percent change	-7.2	-0.4	4.1	-5.7	-0.9	-0.1
General Merchandise (millions)	436.8	434.2	445.8	472.7	512.5	592.2
General Merchandise (millions of 2000 dollars)	492.0	481.5	486.0	506.8	541.8	611.7
percent change	5.0	-2.1	0.9	4.3	6.9	12.9
Home Furnish./Appl. (millions)	107.9	111.6	121.8	122.0	130.9	139.4
Home Furnish./Appl. (millions of 2000 dollars)	121.6	123.8	132.8	130.9	138.4	144.0
percent change	-0.1	1.8	7.3	-1.4	5.8	4.0
Other Retail (millions)	74.7	82.6	91.0	150.7	162.3	169.7
Other Retail (millions of 2000 dollars)	84.2	91.6	99.2	161.6	171.5	175.3
percent change	2.4	8.8	8.4	62.8	6.2	2.2
Specialty Stores (millions)	278.9	306.9	324.6	350.8	381.2	421.2
Specialty Stores (millions of 2000 dollars)	314.1	340.3	353.8	376.1	403.0	435.1
percent change	4.3	8.3	4.0	6.3	7.1	8.0
Hotel/Motel Occupancy						
South Coast Hotel/Motel Occupancy Rate	71.0	74.0	74.1	77.2	76.2	77.7
Room sales (thousands, fiscal year)						
Santa Barbara County	126.9	131.8	146.1	159.7	167.8	183.5
Buellton	4.9	5.4	5.7	6.4	6.8	7.2
Carpinteria	4.7	5.0	5.9	6.3	7.0	7.3
Goleta*	11.0	11.0	11.8	12.9	14.7	16.3
Lompoc	5.7	5.9	6.4	6.7	7.0	7.6
Montecito	18.4	20.0	21.5	24.1	25.8	28.0
Santa Barbara City	57.1	59.1	67.6	74.3	78.5	86.8
Santa Maria	10.4	10.3	11.7	11.7	13.4	14.7
Solvang	12.2	12.2	14.1	14.7	13.5	13.4
Other Unincorporated Room sales	2.5	3.0	1.4	2.5	1.1	2.2

Sources: CA State Board of Equalization, California Hotel and Motel Association, Santa Barbara Conference and Visitor's Bureau and Film Commission, Local City and County Governments

* Note: Goleta incorporated as a city in February 2002. Part of the room sales for Goleta was collected by the County.

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
- - - - history - - - -				estimated	- - - - forecast - - - -				
4.8	5.0	5.1	5.2	5.5	5.8	6.2	6.5	6.9	7.3
4.8	4.8	4.8	4.8	4.9	5.0	5.2	5.3	5.5	5.6
5.5	0.5	-1.6	0.8	1.9	2.7	2.7	3.0	3.0	3.0
1,142.1	1,181.7	1,096.0	1,093.4	1,134.0	1,196.0	1,257.4	1,344.0	1,435.9	1,534.3
1,142.1	1,143.2	1,031.7	1,003.3	1,006.9	1,029.9	1,052.4	1,094.2	1,137.9	1,183.5
7.8	0.1	-9.8	-2.8	0.4	2.3	2.2	4.0	4.0	4.0
258.1	249.5	244.8	244.2	253.2	266.6	280.3	294.9	310.0	325.9
258.1	241.4	230.4	224.1	224.8	229.5	234.6	240.1	245.7	251.4
1.1	-6.5	-4.6	-2.7	0.3	2.1	2.2	2.3	2.3	2.3
3.4	3.6	3.7	3.9	4.1	4.4	4.6	4.9	5.2	5.5
3.4	3.5	3.5	3.6	3.7	3.8	3.9	4.0	4.1	4.2
5.1	1.1	1.4	2.0	2.4	2.9	2.9	2.7	2.7	2.7
120.1	124.6	140.3	150.1	159.2	168.9	178.9	189.0	199.6	210.7
120.1	120.6	132.1	137.8	141.4	145.5	149.7	153.9	158.2	162.5
-2.4	0.4	9.5	4.3	2.6	2.9	2.9	2.8	2.8	2.8
349.9	379.4	393.1	427.1	452.2	479.5	508.0	537.0	567.2	599.1
349.9	367.1	370.1	391.9	401.5	412.9	425.2	437.2	449.5	462.1
5.5	4.9	0.8	5.9	2.5	2.8	3.0	2.8	2.8	2.8
809.7	877.8	944.7	1,001.3	1,063.8	1,130.9	1,201.3	1,273.0	1,347.9	1,427.2
809.7	849.3	889.3	918.8	944.5	973.9	1,005.4	1,036.3	1,068.2	1,101.0
8.9	4.9	4.7	3.3	2.8	3.1	3.2	3.1	3.1	3.1
483.8	511.5	533.8	553.9	583.9	616.6	651.2	686.2	722.4	760.6
483.8	494.9	502.5	508.3	518.4	531.0	545.1	558.6	572.5	586.7
5.2	2.3	1.5	1.1	2.0	2.4	2.7	2.5	2.5	2.5
228.8	235.0	242.4	246.9	261.3	277.0	293.4	310.0	327.3	345.5
228.8	227.4	228.2	226.6	232.0	238.5	245.5	252.3	259.3	266.5
-1.8	-0.6	0.4	-0.7	2.4	2.8	2.9	2.8	2.8	2.8
625.2	639.2	644.6	662.9	702.2	745.1	790.0	835.5	883.0	933.1
625.2	618.4	606.8	608.3	623.5	641.6	661.2	680.2	699.7	719.8
2.2	-1.1	-1.9	0.3	2.5	2.9	3.0	2.9	2.9	2.9
171.8	160.5	174.0	181.4	192.3	204.3	216.8	229.6	242.9	257.0
171.8	155.3	163.8	166.4	170.8	175.9	181.5	186.9	192.5	198.3
19.3	-9.6	5.5	1.6	2.6	3.0	3.2	3.0	3.0	3.0
175.2	178.3	179.5	199.6	211.2	223.7	236.4	249.3	262.7	276.9
175.2	172.5	169.0	183.1	187.6	192.6	197.9	203.0	208.2	213.6
-0.1	-1.5	-2.0	8.4	2.4	2.7	2.7	2.6	2.6	2.6
458.7	472.8	475.4	479.3	503.5	533.6	561.4	589.2	617.9	648.0
458.7	457.4	447.5	439.8	447.1	459.5	469.9	479.7	489.7	499.8
5.4	-0.3	-2.2	-1.7	1.7	2.8	2.3	2.1	2.1	2.1
78.9	73.9	72.7	71.2	73.6	73.8	74.2	74.5	74.8	75.1
201.8	229.5	231.3	229.2	230.0	233.3	239.7	245.2	251.1	257.5
7.9	8.5	8.6	8.6	9.5	9.8	10.2	10.7	11.1	11.6
8.3	10.0	9.8	10.0	9.0	9.0	9.1	9.2	9.3	9.4
17.9	31.9	41.1	42.7	43.1	43.8	45.5	46.9	48.3	49.8
8.5	8.7	9.8	9.7	10.8	11.1	11.5	11.8	12.2	12.6
31.1	26.4	23.0	23.3	22.9	23.5	24.7	25.4	26.1	26.8
93.8	102.9	98.3	98.2	86.4	86.7	88.4	89.8	91.4	93.4
15.8	20.0	15.3	16.6	21.4	22.2	22.9	23.6	24.4	25.2
16.1	14.4	16.6	16.3	17.4	17.8	18.1	18.3	18.6	18.9
2.4	6.7	8.6	3.8	9.4	9.6	9.9	10.2	10.5	10.9

TABLE 16: SANTA BARBARA COUNTY REAL ESTATE

	1994	1995	1996	1997	1998	1999
- - - - history - - - -						
California						
Median Home Price* (thousands)	185.0	178.2	177.3	186.5	200.1	217.5
Median Home Price (thousands of 2000 dollars)	208.4	197.6	193.3	200.0	211.5	224.7
percent change	-3.0	-5.2	-2.2	3.5	5.8	6.2
Santa Barbara County						
Median Home Price* (\$ thousands)	217.9	208.2	211.9	242.2	243.7	272.7
Median Home Price (\$2000 thousands)	245.4	230.9	231.1	259.7	257.6	281.7
percent change	2.7	-5.9	0.1	12.4	-0.8	9.4
Number of Home Sales*	2,503	2,017	2,181	2,455	2,604	2,874
Affordability Index	32.8	31.9	31.8	27.7	32.4	29.7
Total Units Permitted	700	792	775	903	1,026	915
single family	561	605	695	546	798	601
multiple family	139	187	80	357	228	314
Residential Building Value (millions)	146.5	163.2	162.8	173.4	217.3	225.3
Non-residential Building Value (millions)	57.4	52.0	73.1	96.6	129.9	142.3
Office segment building value (millions)	0.6	3.2	3.4	4.3	12.1	14.7
Retail segment building value (millions)	9.5	10.2	10.4	14.7	17.4	19.1
Industrial segment building value (millions)	5.3	7.4	4.5	3.1	14.5	18.8
Total Building Value (millions)	204.0	215.2	235.9	270.0	347.2	367.7
Residential Vacancy Rates (percent)						
Buellton	6.7	6.7	6.7	6.7	6.7	6.7
Carpinteria	9.2	9.3	9.2	9.2	9.2	9.2
Guadalupe	1.9	1.9	1.9	1.9	1.9	1.9
Lompoc	5.7	5.7	5.7	5.0	5.0	5.0
Santa Barbara City	5.2	5.2	5.2	5.2	5.2	5.2
Unincorporated SB County	6.6	6.8	7.1	6.7	7.1	7.1
Santa Maria	5.9	5.9	5.9	5.9	5.9	5.9
Solvang	7.8	7.8	7.8	7.8	7.8	7.8
Total, Santa Barbara County	6.1	6.2	6.3	6.1	6.1	6.2
Housing Stock (thousands of homes)						
Carpinteria	5.5	5.5	5.5	5.6	5.6	5.6
Guadalupe	1.5	1.5	1.5	1.6	1.6	1.6
Lompoc	13.7	13.7	13.8	13.9	13.9	13.9
Santa Barbara City	36.4	36.4	36.4	36.7	36.7	36.8
Unincorporated SB County	58.2	58.4	58.7	59.1	60.0	60.0
Santa Maria	22.5	22.7	23.0	23.1	23.3	23.5
Total, Santa Barbara County	141.3	141.9	142.6	143.6	144.0	145.1

Sources: California Association of Realtors, Construction Industry Research Board, & California Department of Finance. * Existing single-family homes.

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
- - - - history - - - -				estimated	- - - - forecast - - - -				
241.4	262.4	316.1	372.7	452.3	509.4	559.8	610.9	663.9	714.8
241.4	253.8	297.6	342.0	401.6	440.4	472.2	503.1	534.4	562.2
7.4	5.2	17.2	14.9	17.4	9.7	7.2	6.6	6.2	5.2
302.3	335.5	376.4	402.7	557.5	628.5	705.7	785.1	870.9	974.6
302.3	324.6	354.3	369.5	495.0	541.2	590.6	639.1	690.1	751.8
7.3	7.4	9.1	4.3	34.0	9.3	9.1	8.2	8.0	8.9
2,905	2,774	3,098	2,901	2,900	2,876	2,877	2,843	2,838	2,842
24.0	24.1	18.4	17.4	11.7	12.2	13.1	13.5	14.1	14.4
924	1,245	1,614	1,549	1,406	1,596	1,418	1,344	1,326	1,344
731	858	904	1,186	956	1,092	1,071	999	983	1,001
193	387	710	363	450	505	347	345	343	343
233.8	283.1	356.6	409.7	357.5	405.4	422.4	413.3	430.5	459.8
133.2	134.2	142.1	130.1	118.0	113.1	112.9	119.8	126.9	134.7
14.8	14.2	12.2	16.9	14.4	17.3	17.7	19.1	20.5	22.1
14.2	30.4	18.7	14.0	11.5	12.6	12.9	13.9	15.0	15.9
16.5	7.6	4.5	5.4	8.3	10.5	10.6	11.3	12.1	12.9
367.0	417.3	498.7	539.8	475.5	518.4	535.3	533.1	557.4	594.5
3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7
2.5	2.5	2.5	2.4	2.4	2.4	2.4	2.4	2.4	2.4
4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1
4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
4.9	4.8	4.7	5.2	5.2	5.2	5.2	5.2	5.2	5.2
3.1	3.1	3.1	3.1	3.1	3.0	3.0	3.0	3.0	3.0
4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
6.2	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
1.5	1.5	1.5	1.6	1.6	1.7	1.7	1.7	1.8	1.8
13.6	13.8	13.8	13.8	13.9	14.0	14.1	14.1	14.2	14.3
37.1	37.1	37.2	37.2	37.3	37.4	37.5	37.6	37.7	37.8
59.9	58.9	59.1	48.5	48.6	49.1	49.5	49.9	50.2	50.6
22.8	23.1	23.6	24.1	25.2	25.9	26.6	27.3	28.0	28.7
145.3	143.7	144.6	146.2	147.7	149.3	150.7	152.1	153.4	154.7

TABLE 17: CITY LEVEL HOME PRICES & SALES, SOUTH COUNTY

	1994	1995	1996	1997	1998	1999
	- - - - history - - - -					
South Coast						
Median Home Price (\$ thousands)	313.0	300.8	310.0	359.9	425.0	475.0
Median Home Price (\$2000 thousands)	352.5	333.5	338.0	385.9	449.3	490.7
percent change	6.5	-5.4	1.3	14.2	16.4	9.2
Number of Home Sales	1,339	1,066	1,163	1,443	1,301	1,331
Carpinteria/Summerland						
Median Home Price (\$ thousands)	280.0	266.0	280.0	349.0	389.0	417.3
Median Home Price (\$2000 thousands)	315.4	295.0	305.3	374.2	411.3	431.0
percent change	4.2	-6.5	3.5	22.6	9.9	4.8
Number of Home Sales	82	58	63	85	69	98
Montecito						
Median Home Price (\$ thousands)	596.5	625.0	645.0	760.0	950.0	1,121.8
Median Home Price (\$2000 thousands)	671.9	693.0	703.2	814.9	1,004.3	1,158.8
percent change	-9.5	3.2	1.5	15.9	23.2	15.4
Number of Home Sales	190	135	154	184	176	199
Santa Barbara East of State St.						
Median Home Price (\$ thousands)	345.0	324.0	326.4	410.0	475.0	521.0
Median Home Price (\$2000 thousands)	388.6	359.3	355.8	439.6	502.2	538.1
percent change	4.3	-7.5	-1.0	23.6	14.2	7.2
Number of Home Sales	292	240	287	302	319	314
Santa Barbara West of State St.						
Median Home Price (\$ thousands)	283.8	273.5	281.1	327.0	362.0	415.9
Median Home Price (\$2000 thousands)	319.7	303.3	306.5	350.6	382.7	429.6
percent change	1.8	-5.1	1.0	14.4	9.1	12.2
Number of Home Sales	209	175	198	260	281	283
Hope Ranch						
Median Home Price (\$ thousands)	725.0	737.5	807.9	925.0	1,075.0	1,138.0
Median Home Price (\$2000 thousands)	816.6	817.8	880.8	991.9	1,136.5	1,175.5
percent change	14.4	0.1	7.7	12.6	14.6	3.4
Number of Home Sales	33	30	26	47	42	42
Goleta North of Hwy 101						
Median Home Price (\$ thousands)	289.0	277.0	282.0	334.0	375.0	417.4
Median Home Price (\$2000 thousands)	325.5	307.2	307.4	358.1	396.5	431.2
percent change	3.3	-5.6	0.1	16.5	10.7	8.8
Number of Home Sales	222	205	184	231	201	239
Goleta South of Hwy 101						
Median Home Price (\$ thousands)	247.5	253.3	253.0	275.0	319.0	359.1
Median Home Price (\$2000 thousands)	278.8	280.9	275.8	294.9	337.3	370.9
percent change	-1.4	0.8	-1.8	6.9	14.4	10.0
Number of Home Sales	108	77	86	105	108	109

Source: Santa Barbara Multiple Listing Service (Single-family new and existing homes)

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
- - - - history - - - -				estimated	- - - - forecast - - - -				
572.0	655.0	749.0	825.0	981.0	1,093.7	1,211.8	1,335.3	1,463.4	1,627.4
572.0	633.7	705.1	757.0	871.1	941.9	1,014.2	1,087.1	1,159.7	1,255.4
16.6	10.8	11.3	7.4	15.1	8.1	7.7	7.2	6.7	8.2
1,333	1,232	1,220	1,283	1,374	1,340	1,347	1,354	1,359	1,373
545.0	649.0	749.0	725.0	920.0	1,009.3	1,104.9	1,208.7	1,321.2	1,444.1
545.0	627.9	705.1	665.2	816.9	869.2	924.8	984.0	1,047.0	1,114.0
26.4	15.2	12.3	-5.7	22.8	6.4	6.4	6.4	6.4	6.4
93	84	97	96	85	84	83	83	83	83
1,410.0	1,595.0	1,675.0	1,900.0	2,505.0	2,709.9	2,908.6	3,116.7	3,338.2	3,738.0
1,410.0	1,543.1	1,576.8	1,743.4	2,224.3	2,333.6	2,434.4	2,537.3	2,645.4	2,883.5
21.7	9.4	2.2	10.6	27.6	4.9	4.3	4.2	4.3	9.0
234	190	208	196	200	197	199	200	202	208
625.0	719.0	795.0	950.0	1,115.0	1,268.2	1,434.7	1,612.2	1,790.0	1,987.4
625.0	695.6	748.4	871.7	990.1	1,092.1	1,200.8	1,312.5	1,418.5	1,533.1
16.1	11.3	7.6	16.5	13.6	10.3	9.9	9.3	8.1	8.1
344	298	285	274	304	301	303	304	305	308
500.0	600.0	675.0	766.0	915.0	1,036.7	1,168.3	1,309.4	1,443.3	1,590.9
500.0	580.5	635.4	702.9	812.5	892.8	977.8	1,065.9	1,143.7	1,227.2
16.4	16.1	9.5	10.6	15.6	9.9	9.5	9.0	7.3	7.3
297	268	251	227	232	231	232	233	231	231
1,800.0	1,725.0	1,850.0	1,925.0	2,241.0	2,415.2	2,587.3	2,788.4	2,988.9	3,276.6
1,800.0	1,668.9	1,741.5	1,766.3	1,989.9	2,079.9	2,165.5	2,270.0	2,368.5	2,527.6
53.1	-7.3	4.4	1.4	12.7	4.5	4.1	4.8	4.3	6.7
20	25	25	34	33	32	34	34	34	34
483.0	549.0	648.9	739.0	900.0	1,008.7	1,125.8	1,251.5	1,388.4	1,547.0
483.0	531.1	610.9	678.1	799.1	868.7	942.3	1,018.8	1,100.3	1,193.3
12.0	10.0	15.0	11.0	17.9	8.7	8.5	8.1	8.0	8.5
203	200	179	193	226	204	205	207	209	211
433.0	475.5	599.0	675.0	852.0	953.9	1,063.2	1,179.3	1,304.4	1,429.8
433.0	460.0	563.9	619.4	756.5	821.5	889.9	960.1	1,033.7	1,102.9
16.7	6.2	22.6	9.8	22.1	8.6	8.3	7.9	7.7	6.7
105	98	92	121	107	106	107	108	109	110

TABLE 18: CITY LEVEL HOME PRICES & SALES, NORTH COUNTY

	1994	1995	1996	1997	1998	1999
	- - - - history - - - -					
Buellton						
Median Home Price (\$ thousands)	163.2	164.7	170.0	172.4	182.6	230.5
Median Home Price (\$2000 thousands)	183.8	182.6	185.3	184.9	193.1	238.1
percent change	6.6	-0.7	1.5	-0.2	4.4	23.3
Number of Home Sales	48	27	65	57	78	74
Lompoc						
Median Home Price (\$ thousands)	128.9	127.6	124.2	123.7	129.3	133.7
Median Home Price (\$2000 thousands)	145.2	141.5	135.4	132.7	136.7	138.1
percent change	-4.8	-2.6	-4.3	-2.0	3.0	1.0
Number of Home Sales	571	506	570	566	712	707
Santa Maria						
Median Home Price (\$ thousands)	126.9	123.3	123.9	124.0	130.8	138.4
Median Home Price (\$2000 thousands)	142.9	136.7	135.0	133.0	138.3	143.0
percent change	-3.6	-4.3	-1.2	-1.5	4.0	3.4
Number of Home Sales	1,256	1,070	1,238	1,307	1,501	1,600
Solvang						
Median Home Price (\$ thousands)	212.3	242.5	216.1	228.8	244.7	309.3
Median Home Price (\$2000 thousands)	239.1	268.9	235.6	245.4	258.7	319.5
percent change	-11.3	12.5	-12.4	4.2	5.4	23.5
Number of Home Sales	119	76	76	142	178	154
Santa Ynez						
Median Home Price (\$ thousands)	232.2	200.4	224.9	242.0	279.4	317.1
Median Home Price (\$2000 thousands)	261.5	222.2	245.1	259.5	295.4	327.5
percent change	14.8	-15.0	10.3	5.9	13.8	10.9
Number of Home Sales	73	50	63	81	94	77

Source: First American Real Estate Solutions (includes single-family homes and condominiums, new and existing)

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
- - - - history - - - -				estimated	- - - - forecast - - - -				
272.2	318.4	371.2	457.6	577.5	660.8	740.2	822.4	912.1	1,017.6
272.2	308.0	349.5	419.9	512.8	569.1	619.5	669.5	722.8	785.0
14.3	13.2	13.4	20.1	22.1	11.0	8.9	8.1	8.0	8.6
56	61	51	57	95	92	116	113	105	108
153.1	185.0	235.7	283.8	363.2	418.7	473.6	527.1	588.0	656.3
153.1	179.0	221.8	260.4	322.5	360.6	396.4	429.1	466.0	506.3
10.9	16.9	24.0	17.4	23.9	11.8	9.9	8.3	8.6	8.6
642	656	630	654	714	757	754	710	715	720
158.2	188.1	243.7	293.3	366.9	424.5	482.3	537.5	603.3	677.2
158.2	181.9	229.4	269.1	325.8	365.6	403.7	437.5	478.1	522.4
10.7	15.0	26.1	17.3	21.0	12.2	10.4	8.4	9.3	9.3
1,423	1,496	1,439	1,621	2,054	2,011	1,987	1,979	1,969	1,956
327.0	392.5	451.8	575.8	721.6	839.7	941.3	1,046.0	1,160.5	1,287.6
327.0	379.8	425.4	528.3	640.8	723.1	787.8	851.5	919.7	993.2
2.4	16.1	12.0	24.2	21.3	12.9	9.0	8.1	8.0	8.0
133	107	129	131	132	129	127	123	122	121
383.1	469.4	550.6	656.7	771.6	882.6	994.1	1,109.8	1,235.8	1,376.2
383.1	454.1	518.3	602.5	685.1	760.0	832.1	903.5	979.3	1,061.6
17.0	18.6	14.1	16.3	13.7	10.9	9.5	8.6	8.4	8.4
41	29	50	48	48	47	49	48	52	57

TABLE 19: CITY LEVEL BUILDING ACTIVITY

	1994	1995	1996	1997	1998	1999
	- - - - history - - - -					
<i>Number of Homes Permitted or Millions of Dollars</i>						
Carpinteria						
Total Housing Units Permitted	5	46	14	2	20	18
Single Family Units	2	46	4	0	14	15
Multiple Family Units	3	0	10	2	6	3
Residential Building Value	1.6	3.8	1.6	0.8	4.5	6.3
Non-Residential Building Value	1.5	1.7	1.1	2.0	18.5	2.9
Office Bldg Value	0.0	0.2	0.0	1.5	8.4	0.0
Retail Bldg Value	0.0	0.0	0.0	0.0	0.0	0.0
Industrial Bldg Value	0.0	0.0	0.0	0.0	0.2	1.7
Total Building Value	3.1	5.5	2.7	2.8	23.0	9.2
Guadalupe						
Total Housing Units Permitted	0	1	4	0	0	29
Single Family Units	0	1	4	0	0	29
Multiple Family Units	0	0	0	0	0	0
Residential Building Value	0.1	0.2	0.6	0.1	0.0	4.6
Non-Residential Building Value	0.3	0.1	0.2	0.0	1.0	0.0
Office Bldg Value	0.0	0.0	0.0	0.0	0.0	0.0
Retail Bldg Value	0.0	0.0	0.0	0.0	0.0	0.0
Industrial Bldg Value	0.2	0.0	0.0	0.0	0.0	0.0
Total Building Value	0.4	0.3	0.7	0.1	1.1	4.6
Lompoc						
Total Housing Units Permitted	117	63	31	0	50	93
Single Family Units	77	59	31	0	0	1
Multiple Family Units	40	4	0	0	50	92
Residential Building Value	15.7	12.3	6.2	2.0	8.9	10.6
Non-Residential Building Value	2.3	4.1	2.3	4.9	4.0	7.8
Office Bldg Value	0.0	0.0	0.0	0.0	0.0	0.0
Retail Bldg Value	0.5	2.6	1.1	1.3	0.0	0.0
Industrial Bldg Value	0.0	0.0	0.0	0.0	0.0	0.0
Total Building Value	18.0	16.4	8.6	6.9	12.9	18.4
Santa Barbara City						
Total Housing Units Permitted	36	145	140	193	57	59
Single Family Units	15	25	94	32	51	41
Multiple Family Units	21	120	46	161	6	18
Residential Building Value	14.6	25.9	27.0	31.9	24.7	27.9
Non-Residential Building Value	12.8	13.1	20.9	37.9	30.8	25.4
Office Bldg Value	0.0	0.8	0.0	2.1	0.8	5.4
Retail Bldg Value	0.4	3.4	1.9	7.3	1.1	4.9
Industrial Bldg Value	0.0	0.0	0.0	0.0	0.0	0.0
Total Building Value	27.4	39.1	48.0	69.7	55.5	53.4
Santa Maria						
Total Housing Units Permitted	250	220	209	258	229	246
Single Family Units	181	218	209	214	229	205
Multiple Family Units	69	2	0	44	0	41
Residential Building Value	28.4	28.8	29.7	32.5	34.5	40.8
Non-Residential Building Value	15.2	12.6	18.5	7.8	24.0	31.0
Office Bldg Value	0.0	1.5	2.9	0.3	1.7	0.8
Retail Bldg Value	2.8	4.0	6.7	1.8	12.6	5.1
Industrial Bldg Value	0.0	1.4	0.0	0.4	1.1	11.0
Total Building Value	43.6	41.3	48.2	40.3	58.5	71.8
Unincorporated SB County						
Total Housing Units Permitted	292	317	377	450	670	499
Single Family Units	286	256	353	300	504	339
Multiple Family Units	6	61	24	150	166	160
Residential Building Value	86.1	92.2	97.7	106.0	144.7	139.7
Non-Residential Building Value	25.3	20.3	30.0	44.1	51.5	75.1
Office Bldg Value	0.6	0.7	0.5	0.4	1.2	8.5
Retail Bldg Value	5.7	0.2	0.7	4.3	3.7	9.1
Industrial Bldg Value	5.1	6.0	4.5	2.8	13.2	6.1
Total Building Value	111.4	112.5	127.7	150.1	196.3	214.8

Source: Construction Industry Research Board, City of Guadalupe

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
- - - - history - - - -				estimated	- - - - forecast - - - -				
43	8	1	5	4	6	6	6	6	6
4	8	1	1	1	4	4	4	4	4
39	0	0	4	3	2	2	2	2	2
5.7	2.7	1.5	1.7	2.5	3.1	3.2	3.7	4.1	4.6
0.8	5.8	0.8	1.2	1.4	1.5	1.4	1.5	1.6	1.6
0.0	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6.6	8.5	2.3	3.0	3.9	4.5	4.6	5.2	5.7	6.2
22	111	130	11	100	42	46	44	49	51
22	103	50	11	1	20	22	24	26	28
0	8	80	0	99	22	24	20	23	23
3.5	18.3	22.5	1.9	6.6	4.6	5.8	6.4	7.9	9.3
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3.5	18.3	22.5	1.9	6.6	4.7	5.8	6.5	7.9	9.3
0	4	21	74	34	74	79	71	69	67
0	0	21	72	30	70	75	67	65	63
0	4	0	2	4	4	4	4	4	4
8.2	3.5	9.6	27.6	9.9	22.9	22.5	22.1	22.2	23.3
14.5	7.7	8.7	4.0	4.3	4.7	4.4	4.6	4.8	4.9
0.0	0.0	2.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.6	5.7	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0
6.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
22.7	11.2	18.3	31.7	14.2	27.6	26.9	26.7	26.9	28.3
55	106	138	115	120	100	96	93	94	95
33	44	39	61	56	48	46	45	46	47
22	62	99	54	64	52	50	48	48	48
17.4	28.7	52.8	59.4	46.6	50.7	53.4	57.7	63.6	70.3
38.3	29.7	43.0	40.0	21.3	21.6	23.4	25.0	26.7	28.5
3.2	0.0	0.4	0.0	1.3	1.4	1.5	1.6	1.7	1.9
6.1	2.7	5.3	4.2	3.3	3.4	3.6	4.0	4.3	4.7
1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
55.7	58.4	95.8	99.3	67.9	72.3	76.8	82.7	90.3	98.9
333	762	984	976	765	726	713	705	676	692
333	556	630	704	643	586	563	555	526	542
0	206	354	272	122	140	150	150	150	150
54.5	109.2	142.9	159.6	133.6	141.0	146.1	154.4	163.9	170.1
21.7	48.3	35.7	36.2	31.6	33.4	34.9	38.0	41.4	45.2
3.0	11.2	4.8	7.2	7.9	8.7	9.1	9.9	10.8	11.8
4.9	21.5	11.8	8.1	4.1	4.7	4.9	5.3	5.8	6.3
5.6	4.4	0.9	2.3	4.3	4.5	4.7	5.2	5.6	6.1
76.2	157.5	178.6	195.7	165.1	174.4	181.0	192.4	205.3	215.3
493	365	222	357	377	437	418	367	374	382
361	250	200	326	219	349	333	280	286	291
132	115	22	31	158	88	85	87	88	90
148.0	139.0	121.5	154.2	153.5	183.1	191.4	169.0	168.8	182.2
57.9	42.8	46.3	45.5	47.4	51.9	48.8	50.6	52.4	54.4
8.7	0.4	4.1	9.7	2.9	4.1	3.9	4.0	4.2	4.3
1.7	0.5	0.0	0.5	4.0	4.3	4.0	4.1	4.3	4.5
3.6	3.2	3.6	3.1	3.9	4.3	4.1	4.2	4.3	4.5
205.9	181.8	167.8	199.7	200.9	235.6	241.6	219.8	221.1	236.8

TABLE 20: SANTA BARBARA COUNTY COMMERCIAL REAL ESTATE

	1994	1995	1996	1997	1998	1999
- - - - history - - - -						
Non-Residential Space Available (thousands of square feet)						
Goleta						
Office Space	217.8	238.4	182.3	204.8	216.6	284.2
Industrial Space	365.7	258.7	109.0	116.1	64.2	256.8
Retail Space	51.7	45.0	44.5	44.4	31.4	38.9
Santa Barbara City						
Office Space	370.4	364.1	320.9	204.5	161.0	200.9
Industrial Space	164.6	149.5	157.2	102.0	109.5	132.6
Retail Space	262.8	269.0	177.9	185.2	108.2	85.4
Carpinteria						
Office Space	41.4	34.2	33.5	26.3	7.0	31.8
Industrial Space	131.0	108.8	143.9	43.9	39.5	31.8
Retail Space	7.1	10.1	9.0	23.0	29.1	37.9
Non-Residential Lease Rates (dollars per square feet)						
Goleta						
Office Rates	1.0	1.1	1.2	1.4	1.4	1.6
percent change	-11.4	5.4	11.1	14.1	-2.2	18.4
Industrial Rates	0.7	0.7	0.8	0.9	0.9	1.3
percent change	-7.9	-2.7	17.0	7.9	3.6	36.8
Retail Rates	1.2	1.2	1.2	1.6	1.4	1.9
percent change	-13.8	3.6	-0.1	27.5	-8.6	31.4
Santa Barbara City						
Office Rates	1.5	1.4	1.5	1.7	1.8	2.0
percent change	-2.5	-3.3	6.0	11.1	8.7	9.5
Industrial Rates	0.7	0.6	0.7	0.9	1.0	1.2
percent change	-6.2	-6.6	3.8	44.0	7.3	14.0
Retail Rates	1.7	1.7	1.8	2.1	2.4	2.4
percent change	-3.3	-2.2	4.4	15.6	17.8	-1.0
Carpinteria						
Office Rates	1.3	1.3	1.4	1.5	2.0	1.4
percent change	-11.7	-2.2	12.8	4.7	32.5	-27.9
Industrial Rates	0.7	0.7	0.7	0.8	0.9	0.9
percent change	-4.6	5.4	0.4	10.0	5.9	0.3
Retail Rates	1.1	1.2	1.2	1.2	1.2	1.3
percent change	33.4	7.8	-5.8	2.6	1.8	9.3
Absorption of R&D and Industrial Space (thousands of square feet)						
Goleta	220.6	264.0	393.0	302.3	497.6	585.6

Sources: Radius Group Commercial Realty and Leider-Hayes Commercial Realty

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
- - - - history - - - -				estimated	- - - - forecast - - - -				
143.1	162.6	310.1	285.1	277.4	270.1	262.8	261.5	260.1	258.8
75.6	251.5	196.0	401.9	410.3	399.5	394.4	394.4	394.4	395.0
33.8	28.3	11.2	9.4	4.3	3.7	4.3	4.2	4.1	3.8
84.3	182.3	266.6	350.6	240.3	228.4	219.5	219.5	219.5	219.5
36.1	69.7	113.3	81.6	40.3	37.1	34.8	35.5	36.2	36.9
84.4	58.9	66.2	100.0	32.0	33.2	30.2	31.1	32.0	33.0
54.6	71.9	153.2	143.7	129.1	110.1	91.2	91.2	91.2	91.2
18.4	74.1	136.5	78.7	64.0	43.1	34.8	34.8	34.8	34.8
20.3	21.8	2.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.7	1.8	1.8	1.7	1.5	1.5	1.5	1.6	1.7	1.7
3.9	8.2	-2.2	-4.2	-8.8	-2.6	2.6	4.8	2.3	2.2
1.0	1.3	1.4	1.3	1.3	1.3	1.3	1.3	1.3	1.4
-18.4	26.7	2.3	-1.5	-6.0	1.0	0.2	3.0	2.9	2.9
2.0	2.1	2.4	2.7	2.4	2.4	2.5	2.5	2.6	2.6
4.4	7.7	14.2	11.8	-11.3	0.8	3.1	1.7	1.7	1.5
2.1	2.6	2.3	2.2	2.1	2.1	2.1	2.2	2.2	2.3
5.5	21.3	-10.8	-4.6	-6.6	1.7	2.2	2.5	2.2	2.1
1.2	1.4	1.1	1.1	1.1	1.2	1.2	1.3	1.3	1.3
6.8	13.9	-25.0	0.0	6.2	6.0	4.6	3.0	2.2	2.2
3.4	2.7	2.8	2.7	2.3	2.4	2.5	2.6	2.6	2.6
39.8	-20.3	3.6	-4.3	-12.8	4.0	3.5	3.4	0.7	0.7
1.8	2.0	1.7	1.6	1.6	1.6	1.6	1.7	1.8	1.8
22.0	12.5	-13.1	-7.6	-0.6	1.3	1.8	3.7	4.7	4.0
1.0	1.1	0.9	0.9	0.8	0.8	0.9	0.9	0.9	0.9
14.0	14.1	-17.9	1.6	-11.8	0.0	4.4	1.1	4.2	4.2
1.1	1.1	1.7	NA	NA	1.4	1.4	1.4	1.4	1.4
-19.6	2.0	53.7	NA	NA	NA	0.6	0.8	0.7	0.8
393.2	175.1	559.0	313.7	415.0	374.2	355.2	362.3	369.5	376.9

TABLE 21: PER CAPITA QUANTITIES

	1994	1995	1996	1997	1998
	- - - - history - - - -				
San Luis Obispo County					
Per Capita GCP (\$ thousands)	22.0	22.7	24.4	26.5	28.5
Per Capita GCP (\$ 2000 thousands)	24.3	24.8	25.9	27.7	29.3
percent change	3.8	1.8	4.7	6.8	5.7
Per Capita Personal Income (\$ thousands)	19.8	20.7	22.0	23.5	24.9
Per Capita Personal Income (\$ 2000 thousands)	22.3	22.9	24.0	25.2	26.4
percent change	1.5	2.8	4.5	5.4	4.4
Per Capita Retail Sales (\$ thousands)	5.5	5.8	6.2	6.6	6.9
Per Capita Retail Sales (\$ 2000 thousands)	6.2	6.5	6.8	7.1	7.3
percent change	1.6	3.5	5.6	4.4	2.7
New Housing Permits per Thousand People	4.6	4.3	5.1	5.7	7.3
Per Capita Non-Residential Bldg Value (\$)	252.9	144.8	174.5	251.8	314.1
Per Capita Non-Residential Bldg Value (\$ 2000)	284.8	160.6	190.2	270.0	332.0
percent change	30.1	-43.6	18.5	41.9	23.0
Santa Barbara County					
Per Capita GCP (\$ thousands)	25.4	26.2	27.2	29.7	32.3
Per Capita GCP (\$ 2000 thousands)	28.0	28.3	28.6	30.8	33.3
percent change	4.1	0.8	1.3	7.7	8.1
Per Capita Personal Income (\$ thousands)	24.7	24.7	25.5	26.1	27.9
Per Capita Personal Income (\$ 2000 thousands)	27.8	27.4	27.8	28.0	29.5
percent change	1.5	-1.4	1.5	0.8	5.4
Per Capita Retail Sales (\$ thousands)	6.0	6.1	6.4	6.7	7.0
Per Capita Retail Sales (\$ 2000 thousands)	6.8	6.8	7.0	7.2	7.4
percent change	0.5	0.6	3.2	3.0	2.9
New Housing Permits per Thousand People	1.8	2.0	2.0	2.3	2.5
Per Capita Non-Residential Bldg Value (\$)	149.3	133.7	186.2	243.3	320.9
Per Capita Non-Residential Bldg Value (\$ 2000)	168.1	148.3	203.0	260.9	339.3
percent change	-9.5	-11.8	36.9	28.5	30.1
Ventura County					
Per Capita GCP (\$ thousands)	28.8	29.9	31.1	33.7	36.5
Per Capita GCP (\$ 2000 thousands)	31.9	32.5	32.8	35.0	37.7
percent change	3.9	1.8	1.2	6.7	7.5
Per Capita Personal Income (\$ thousands)	24.8	26.1	26.8	28.5	29.3
Per Capita Personal Income (\$ 2000 thousands)	27.9	28.9	29.2	30.5	31.0
percent change	1.2	3.6	1.2	4.4	1.4
Per Capita Retail Sales (\$ thousands)	6.2	6.3	6.5	6.8	7.1
Per Capita Retail Sales (\$ 2000 thousands)	7.0	7.0	7.1	7.3	7.5
percent change	7.9	0.0	1.7	2.9	3.5
New Housing Permits per Thousand People	3.5	3.1	3.3	3.2	4.3
Per Capita Non-Residential Bldg Value (\$)	223.7	263.8	261.1	278.1	397.0
Per Capita Non-Residential Bldg Value (\$ 2000)	251.9	292.5	284.6	298.2	419.8
percent change	-14.6	16.1	-2.7	4.8	40.8
Los Angeles County					
Per Capita GCP (\$ thousands)	25.9	27.2	28.3	30.0	32.1
Per Capita GCP (\$ 2000 thousands)	29.0	29.7	30.4	31.5	33.2
percent change	-1.6	2.6	2.3	3.8	5.4
Per Capita Personal Income (\$ thousands)	22.2	22.8	23.8	24.5	26.4
Per Capita Personal Income (\$ 2000 thousands)	25.0	25.3	25.9	26.3	28.0
percent change	0.0	1.5	2.3	1.5	6.3
Per Capita Retail Sales (\$ thousands)	5.4	5.5	5.7	5.8	6.0
Per Capita Retail Sales (\$ 2000 thousands)	6.0	6.1	6.2	6.3	6.3
percent change	2.9	0.4	2.2	1.0	1.3
New Housing Permits per Thousand People	0.8	0.9	0.9	1.1	1.2
Per Capita Non-Residential Bldg Value (\$)	247.1	NA	223.9	236.2	326.0
Per Capita Non-Residential Bldg Value (\$ 2000)	278.3	NA	244.1	253.3	344.6
percent change	3.1	NA	NA	3.8	36.0

Source: CA Employment Development Dept., CA Board of Equalization, Construction Industry Research Board, CA Dept. of Finance, UCSB EFP

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
- - - - history - - - -					estimated	- - - - forecast - - - -				
30.4	32.0	33.7	35.1	36.2	37.8	39.4	41.3	43.3	45.5	47.9
31.0	32.0	32.5	32.8	32.7	33.0	33.4	33.8	34.4	34.9	35.5
5.8	3.4	1.6	0.9	-0.3	0.8	1.1	1.4	1.6	1.7	1.7
26.1	27.6	29.1	30.0	30.4	31.4	32.6	33.8	35.3	36.7	38.3
27.0	27.6	28.2	28.2	27.9	27.9	28.0	28.3	28.7	29.1	29.6
2.3	2.2	2.3	0.0	-1.2	0.1	0.5	1.0	1.3	1.4	1.5
7.7	8.4	9.0	9.3	10.0	10.4	11.0	11.6	12.2	12.9	13.5
8.0	8.4	8.7	8.8	9.2	9.3	9.5	9.7	9.9	10.2	10.4
9.4	5.5	2.7	1.2	4.5	1.2	2.0	2.6	2.4	2.4	2.4
7.0	6.6	8.1	7.6	8.8	8.2	7.8	7.2	6.9	6.9	6.8
388.8	472.5	334.8	481.5	448.3	451.1	479.3	507.2	535.2	565.1	588.4
401.6	472.5	323.9	453.3	411.3	400.5	409.1	414.5	423.8	433.9	440.2
21.0	17.7	-31.5	40.0	-9.3	-2.6	2.2	1.3	2.2	2.4	1.5
35.3	39.8	42.1	43.1	44.8	46.8	48.9	51.0	53.2	55.5	57.9
36.0	39.8	41.2	40.8	41.1	41.7	42.2	42.7	43.2	43.8	44.4
8.1	10.5	3.4	-1.0	0.9	1.3	1.1	1.2	1.4	1.3	1.3
29.2	32.3	32.9	33.7	35.0	36.6	38.0	39.5	41.1	42.6	44.3
30.2	32.3	31.9	31.7	32.2	32.5	32.7	33.1	33.5	33.8	34.2
2.3	7.1	-1.4	-0.4	1.3	1.0	0.8	1.0	1.1	1.0	1.1
7.8	8.6	8.9	9.2	9.5	10.0	10.4	10.9	11.4	11.9	12.4
8.0	8.6	8.6	8.6	8.7	8.8	9.0	9.1	9.3	9.4	9.5
7.7	7.1	0.3	0.5	1.1	1.3	1.5	1.6	1.5	1.5	1.5
2.2	2.3	3.1	4.0	3.8	3.4	3.8	3.3	3.1	3.0	3.0
349.9	333.6	333.2	349.7	317.0	284.4	269.1	265.4	278.0	291.0	304.9
361.4	333.6	322.4	329.2	290.9	252.6	256.2	250.3	256.6	263.1	270.0
6.5	-7.7	-3.4	2.1	-11.6	-13.2	1.4	-2.3	2.5	2.5	2.6
42.8	47.1	50.3	52.7	55.1	57.6	60.5	63.6	66.7	70.1	73.6
43.9	47.1	49.3	50.1	50.9	51.8	53.0	54.3	55.7	57.1	58.5
16.5	7.3	4.7	1.6	1.6	1.8	2.2	2.5	2.5	2.6	2.5
31.0	33.7	34.2	34.7	36.4	37.9	39.5	41.4	43.4	45.7	48.0
32.1	33.7	33.1	32.6	33.4	33.6	34.0	34.6	35.4	36.2	37.1
3.5	5.1	-1.7	-1.4	2.4	0.7	1.1	1.7	2.2	2.4	2.3
7.9	8.6	8.9	9.2	9.7	10.4	11.0	11.7	12.3	13.0	13.7
8.2	8.6	8.7	8.6	8.9	9.2	9.5	9.8	10.0	10.3	10.6
8.3	5.9	0.3	-0.2	3.5	3.1	2.6	3.2	2.8	2.6	2.6
6.0	5.3	4.2	3.2	4.6	3.2	4.3	4.1	3.1	2.9	2.9
492.3	374.6	409.3	368.8	477.9	428.0	566.9	650.5	644.5	644.7	668.9
508.5	374.6	396.0	347.2	438.5	380.0	486.9	544.0	523.0	507.5	512.4
21.1	-26.3	5.7	-12.3	26.3	-13.4	28.1	11.7	-3.9	-3.0	1.0
33.5	36.6	37.9	38.5	39.2	40.5	41.9	43.6	45.6	47.9	50.2
34.2	36.6	37.1	36.3	35.7	35.6	35.5	35.8	36.3	36.9	37.4
2.9	7.1	1.3	-2.1	-1.7	-0.3	-0.2	0.6	1.4	1.6	1.5
27.2	29.3	30.3	30.6	30.7	31.4	32.3	33.4	34.6	36.0	37.4
28.1	29.3	29.4	28.8	28.2	27.9	27.8	28.0	28.2	28.5	28.9
0.4	4.4	0.2	-1.8	-2.3	-1.0	-0.1	0.4	0.8	1.2	1.2
6.5	7.4	7.4	7.6	8.0	8.4	8.8	9.2	9.6	10.0	10.5
6.7	7.4	7.2	7.1	7.3	7.5	7.6	7.7	7.8	7.9	8.1
6.1	9.8	-2.6	-0.7	2.4	2.0	1.6	1.4	1.6	1.6	1.6
1.5	1.8	1.9	1.9	2.1	2.6	2.2	2.1	2.2	2.1	1.9
378.4	346.9	365.1	280.7	282.8	307.3	320.9	329.1	335.1	339.7	343.2
390.9	346.9	353.2	264.3	259.5	272.9	276.4	275.4	272.8	269.2	264.7
13.4	-11.3	1.8	-25.2	-1.8	5.2	1.3	-0.3	-0.9	-1.3	-1.7

TABLE 22: UNITED STATES GROSS STATE PRODUCT BY SECTOR

	1998	1999	2000	2001	2002	2003	2004	2005
<i>billions of dollars</i>			<i>-- history --</i>			<i>-- estimated --</i>	<i>-- forecast --</i>	
Total, All Sectors								
(\$ billions)	8,679.7	9,201.1	9,749.1	10,031.4	10,407.1	10,911.1	11,729.2	12,404.2
(\$ 2000 billions)	9,004.7	9,404.2	9,749.1	9,809.5	10,014.9	10,313.8	10,755.2	11,103.6
percent change		4.4	3.7	0.6	2.1	3.0	4.3	3.2
Sub-total, All Non-Farm Sectors								
(\$ billions)	8,577.3	9,107.4	9,651.1	9,928.4	10,308.5	10,807.7	11,622.8	12,295.0
(\$ 2000 billions)	8,920.1	9,316.9	9,651.1	9,711.7	9,914.9	10,212.0	10,655.6	10,998.4
percent change		4.4	3.6	0.6	2.1	3.0	4.3	3.2
Sub-total, All Private Sectors								
(\$ billions)	7,652.5	8,127.2	8,614.3	8,841.1	9,154.1	9,597.4	10,347.9	10,952.9
(\$ 2000 billions)	7,904.5	8,290.8	8,614.3	8,661.5	8,855.1	9,137.7	9,551.8	9,875.9
percent change		4.9	3.9	0.5	2.2	3.2	4.5	3.4
Public Sector								
(\$ billions)	1,027.2	1,073.9	1,134.8	1,190.3	1,253.0	1,313.7	1,381.2	1,451.3
(\$ 2000 billions)	1,100.2	1,113.5	1,134.8	1,148.0	1,159.8	1,176.0	1,203.4	1,227.7
percent change		1.2	1.9	1.2	1.0	1.4	2.3	2.0
Agricultural Production								
(\$ billions)	102.4	93.8	98.0	103.0	98.6	103.4	106.3	109.2
(\$ 2000 billions)	84.6	87.4	98.0	97.8	100.0	101.8	99.6	105.2
percent change		3.3	12.2	-0.2	2.2	1.8	-2.2	5.6
Mining & Quarrying								
(\$ billions)	74.8	85.4	121.3	118.7	105.6	110.7	123.0	128.0
(\$ 2000 billions)	123.4	126.6	121.3	114.9	114.6	112.1	114.8	114.9
percent change		2.6	-4.1	-5.3	-0.2	-2.2	2.4	0.1
Construction								
(\$ billions)	374.4	406.6	435.9	459.5	464.9	487.4	520.2	542.5
(\$ 2000 billions)	423.2	433.3	435.9	426.6	413.3	413.7	427.8	434.7
percent change		2.4	0.6	-2.1	-3.1	0.1	3.4	1.6
Durables Manufacturing								
(\$ billions)	806.9	820.4	865.3	788.0	786.1	824.2	951.3	1,018.8
(\$ 2000 billions)	729.9	775.5	865.3	820.7	836.9	865.3	937.4	980.7
percent change		6.2	11.6	-5.2	2.0	3.4	8.3	4.6
Non-Durables Manufacturing								
(\$ billions)	537.0	552.7	561.0	558.0	565.5	592.9	629.2	651.7
(\$ 2000 billions)	559.6	568.2	561.0	528.5	543.9	540.6	544.1	556.0
percent change		1.5	-1.3	-5.8	2.9	-0.6	0.6	2.2
Information Services								
(\$ billions)	381.6	439.3	458.3	474.8	484.0	507.4	571.6	640.1
(\$ 2000 billions)	377.0	437.5	458.3	474.5	489.3	534.8	592.4	656.5
percent change		16.1	4.7	3.5	3.1	9.3	10.8	10.8
Trans., Warehousing, and Utilities								
(\$ billions)	454.5	472.8	490.9	490.2	496.5	520.6	570.5	613.2
(\$ 2000 billions)	447.1	466.7	490.9	464.7	472.1	485.9	513.1	535.5
percent change		4.4	5.2	-5.3	1.6	2.9	5.6	4.4
Wholesale Trade								
(\$ billions)	542.9	577.7	591.7	603.0	622.9	653.0	700.1	747.8
(\$ 2000 billions)	564.7	594.1	591.7	626.6	640.5	656.5	684.1	717.1
percent change		5.2	-0.4	5.9	2.2	2.5	4.2	4.8
Retail Trade								
(\$ billions)	598.6	635.5	662.4	687.7	765.8	802.9	872.4	916.6
(\$ 2000 billions)	598.8	633.9	662.4	708.3	764.4	802.7	848.6	872.6
percent change		5.8	4.5	6.9	7.9	5.0	5.7	2.8
Finance, Insurance, & Real Estate								
(\$ billions)	1,684.6	1,798.4	1,931.0	2,028.0	2,125.7	2,228.7	2,353.7	2,484.7
(\$ 2000 billions)	1,743.2	1,835.1	1,931.0	1,976.7	2,009.6	2,086.0	2,154.7	2,214.7
percent change		5.3	5.2	2.4	1.7	3.8	3.3	2.8
Professional & Business Services								
(\$ billions)	976.2	1,064.5	1,140.8	1,187.9	1,220.2	1,279.2	1,372.0	1,449.5
(\$ 2000 billions)	1,050.9	1,106.4	1,140.8	1,147.2	1,175.4	1,197.8	1,251.4	1,282.4
percent change		5.3	3.1	0.6	2.5	1.9	4.5	2.5
Educational & Health Services								
(\$ billions)	601.5	634.5	678.4	732.7	793.1	831.5	881.0	929.8
(\$ 2000 billions)	648.6	660.1	678.4	693.2	720.5	742.9	765.6	784.4
percent change		1.8	2.8	2.2	3.9	3.1	3.1	2.4
Leisure & Hospitality Services								
(\$ billions)	306.0	327.8	350.1	358.9	371.5	389.5	414.9	428.2
(\$ 2000 billions)	327.2	339.1	350.1	352.7	359.5	366.4	379.8	380.6
percent change		3.6	3.3	0.7	1.9	1.9	3.7	0.2
Other Services *								
(\$ billions)	211.1	217.8	229.1	250.8	253.7	266.0	281.7	292.8
(\$ 2000 billions)	233.4	229.7	229.1	234.3	225.0	231.2	238.5	240.8
percent change		-1.6	-0.2	2.3	-4.0	2.8	3.1	1.0

Source: U.S. Bureau of Economic Analysis, UCSB Economic Forecast Project, Georgia State University Economic Research Center
 * Other Services include Repair & Maintenance, Personal & Laundry, Civic & Professional Organizations, and Household Production.

TABLE 23: UNITED STATES IMPLICIT PRICE DEFLATOR BY SECTOR

	1998	1999	2000 -- history --	2001	2002	2003 -- estimated --	2004 -- forecast --	2005 -- forecast --
<i>Index: 2000 = 100</i>								
Total, All Sectors	96.4	97.8	100.0	102.3	103.9	105.8	109.1	111.7
percent change	1.5	2.2	2.3	1.6	1.8	3.1	2.4	
Sub-total, All Non-farm Sectors	96.2	97.8	100.0	102.2	104.0	105.8	109.1	111.8
percent change		1.7	2.3	2.2	1.7	1.8	3.1	2.5
Sub-total, All Private Sectors	96.8	98.0	100.0	102.1	103.4	105.0	108.3	110.9
percent change		1.3	2.0	2.1	1.3	1.6	3.1	2.4
Public Sector	93.4	96.5	100.0	103.7	108.0	111.7	114.8	118.2
percent change		3.3	3.7	3.7	4.2	3.4	2.7	3.0
Agricultural Production	121.1	107.3	100.0	105.2	98.6	101.5	106.7	103.8
percent change		-11.4	-6.8	5.2	-6.3	3.0	5.1	-2.7
Mining & Quarrying	60.6	67.5	100.0	103.3	92.1	98.8	107.2	111.5
percent change		11.3	48.2	3.3	-10.8	7.2	8.5	4.0
Construction	88.5	93.8	100.0	107.7	112.5	117.8	121.6	124.8
percent change		6.1	6.6	7.7	4.4	4.7	3.2	2.6
Manufacturing	104.2	102.2	100.0	99.8	97.9	100.8	106.7	108.7
percent change		-1.9	-2.1	-0.2	-1.9	3.0	5.8	1.9
Durables Manufacturing	110.5	105.8	100.0	96.0	93.9	95.2	101.5	103.9
percent change		-4.3	-5.5	-4.0	-2.2	1.4	6.5	2.4
Non-durables Manufacturing	96.0	97.3	100.0	105.6	104.0	109.7	115.6	117.2
percent change		1.4	2.8	5.6	-1.5	5.5	5.4	1.4
Information Services	101.2	100.4	100.0	100.1	98.9	94.9	96.5	97.5
percent change		-0.8	-0.4	0.1	-1.2	-4.1	1.7	1.1
Trans., Warehousing, & Utilities	101.7	101.3	100.0	105.5	105.2	107.1	111.2	114.5
percent change		-0.3	-1.3	5.5	-0.3	1.9	3.8	3.0
Wholesale Trade	96.2	97.2	100.0	96.2	97.2	99.5	102.4	104.3
percent change		1.1	2.8	-3.8	1.0	2.3	2.9	1.9
Retail Trade	100.0	100.3	100.0	97.1	100.2	100.0	102.8	105.0
percent change		0.3	-0.3	-2.9	3.2	-0.2	2.8	2.2
Finance, Insurance, & Real Estate	96.6	98.0	100.0	102.6	105.8	106.8	109.2	112.2
percent change		1.4	2.0	2.6	3.1	1.0	2.2	2.7
Professional & Business Services	92.9	96.2	100.0	103.5	103.8	106.8	109.6	113.0
percent change		3.6	3.9	3.5	0.2	2.9	2.7	3.1
Education & Health Services	92.7	96.1	100.0	105.7	110.1	111.9	115.1	118.5
percent change		3.6	4.0	5.7	4.1	1.7	2.8	3.0
Leisure & Hospitality Services	93.5	96.7	100.0	101.8	103.3	106.3	109.2	112.5
percent change		3.4	3.4	1.8	1.5	2.9	2.7	3.0
Other Services *	90.5	94.8	100.0	107.0	112.8	115.0	118.1	121.6
percent change		4.8	5.4	7.0	5.4	2.0	2.7	2.9

Source: U.S. Bureau of Economic Analysis, UCSB Economic Forecast Project

* Other Services include Repair & Maintenance, Personal & Laundry, Civic & Professional Organizations, and Household Production.

TABLE 24: UNITED STATES GROSS LABOR PRODUCTIVITY BY SECTOR

<i>thousands of dollars</i>	1998	1999	2000	2001	2002	2003	2004	2005
			-- history --			-- estimated --	-- forecast --	
Total, All Sectors								
(\$ thousands)	66.0	68.9	71.2	73.3	76.3	79.2	84.2	87.8
(\$ 2000 thousands)	68.5	70.4	71.2	71.6	73.4	74.9	77.2	78.6
percent change		2.9	1.1	0.6	2.4	2.0	3.1	1.8
Sub-total, All Non-Farm Sectors								
(\$ thousands)	68.1	70.6	73.2	75.3	79.1	83.1	88.4	92.3
(\$ 2000 thousands)	70.8	72.2	73.2	73.7	76.1	78.6	81.0	82.6
percent change		2.0	1.4	0.6	3.3	3.3	3.2	1.9
Sub-total, All Private Sectors								
(\$ thousands)	68.6	71.8	74.2	76.3	79.6	82.6	88.0	91.7
(\$ 2000 thousands)	70.9	73.2	74.2	74.8	77.0	78.7	81.2	82.7
percent change		3.4	1.3	0.8	3.0	2.1	3.2	1.8
Public Sector								
(\$ thousands)	51.6	52.9	54.6	56.4	58.3	60.9	63.9	66.7
(\$ 2000 thousands)	55.3	54.8	54.6	54.4	53.9	54.5	55.7	56.4
percent change		-0.8	-0.4	-0.4	-0.8	1.1	2.1	1.4
Agricultural Production								
(\$ thousands)	14.8	15.4	19.0	19.7	15.4	13.3	13.7	13.5
(\$ 2000 thousands)	12.2	14.4	19.0	18.7	15.6	13.1	12.8	13.0
percent change		17.8	32.2	-1.8	-16.3	-16.4	-1.9	1.8
Mining & Quarrying								
(\$ thousands)	115.9	142.9	203.1	195.3	181.3	194.2	207.6	210.8
(\$ 2000 thousands)	191.3	211.8	203.1	189.1	196.8	196.7	193.7	189.1
percent change		10.7	-4.1	-6.9	4.1	-0.1	-1.5	-2.4
Construction								
(\$ thousands)	60.9	62.1	64.2	67.3	69.2	72.5	74.7	76.5
(\$ 2000 thousands)	68.9	66.2	64.2	62.5	61.5	61.5	61.5	61.3
percent change		-3.9	-3.0	-2.7	-1.5	0.0	-0.1	-0.2
Durables Manufacturing								
(\$ thousands)	74.0	75.7	79.5	76.2	82.9	91.9	106.6	114.0
(\$ 2000 thousands)	66.9	71.6	79.5	79.4	88.3	96.5	105.1	109.8
percent change		7.0	11.1	-0.2	11.1	9.3	8.9	4.5
Non-Durables Manufacturing								
(\$ thousands)	80.7	85.1	87.8	91.4	97.9	106.8	116.4	121.5
(\$ 2000 thousands)	84.2	87.5	87.8	86.6	94.2	97.4	100.7	103.7
percent change		4.0	0.3	-1.4	8.8	3.4	3.4	3.0
Information Services								
(\$ thousands)	170.7	182.1	176.6	182.1	199.4	223.5	256.3	273.5
(\$ 2000 thousands)	168.7	181.4	176.6	182.0	201.6	235.6	265.7	280.5
percent change		7.5	-2.6	3.0	10.8	16.9	12.8	5.6
Trans., Warehousing, and Utilities								
(\$ thousands)	95.1	96.3	97.9	98.5	103.0	109.4	118.4	124.5
(\$ 2000 thousands)	93.5	95.1	97.9	93.4	97.9	102.1	106.5	108.7
percent change		1.7	2.9	-4.6	4.8	4.3	4.2	2.1
Wholesale Trade								
(\$ thousands)	93.7	98.0	99.7	104.5	110.2	116.5	123.8	130.3
(\$ 2000 thousands)	97.4	100.8	99.7	108.5	113.3	117.1	121.0	125.0
percent change		3.5	-1.1	8.8	4.4	3.3	3.3	3.3
Retail Trade								
(\$ thousands)	41.0	42.4	43.4	45.1	51.0	53.8	58.0	60.7
(\$ 2000 thousands)	41.0	42.3	43.4	46.5	50.9	53.8	56.4	57.8
percent change		3.3	2.4	7.2	9.5	5.7	4.9	2.4
Finance, Insurance, & Real Estate								
(\$ thousands)	225.8	235.2	251.2	259.7	270.9	279.5	292.3	304.4
(\$ 2000 thousands)	233.7	240.0	251.2	253.1	256.1	261.6	267.6	271.3
percent change		2.7	4.6	0.8	1.2	2.1	2.3	1.4
Professional & Business Services								
(\$ thousands)	64.5	66.7	68.4	72.1	76.4	80.0	83.6	85.5
(\$ 2000 thousands)	69.4	69.3	68.4	69.6	73.6	74.9	76.3	75.6
percent change		-0.1	-1.3	1.7	5.7	1.8	1.8	-0.8
Educational & Health Services								
(\$ thousands)	41.6	42.9	44.9	46.8	49.0	50.2	52.0	53.6
(\$ 2000 thousands)	44.9	44.6	44.9	44.3	44.5	44.8	45.2	45.2
percent change		-0.6	0.6	-1.3	0.4	0.8	0.8	0.2
Leisure & Hospitality Services								
(\$ thousands)	27.2	28.4	29.5	29.8	31.0	32.1	33.2	34.1
(\$ 2000 thousands)	29.1	29.4	29.5	29.3	30.0	30.2	30.4	30.3
percent change		0.8	0.5	-0.7	2.3	0.7	0.7	-0.5
Other Services *								
(\$ thousands)	42.4	42.8	44.3	47.7	47.2	49.3	51.9	54.3
(\$ 2000 thousands)	46.9	45.1	44.3	44.6	41.9	42.9	43.9	44.7
percent change		-3.8	-1.8	0.5	-6.0	2.4	2.4	1.8

Source: U.S. Bureau of Economic Analysis, Georgia State University Economic Forecasting Center, UCSB Economic Forecast Project.

* Other Services include Repair & Maintenance, Personal & Laundry, Civic & Professional Organizations, and Household Production.

TABLE 25: UNITED STATES EMPLOYMENT BY SECTOR

	1998	1999	2000	2001	2002	2003	2004	2005
<i>millions of jobs</i>			<i>-- history --</i>					<i>-forecast-</i>
Total, All Sectors	131.5	133.5	136.9	136.9	136.5	137.7	139.2	141.2
percent change	1.5	1.5	2.5	0.0	-0.3	0.9	1.1	1.4
Sub-total, All Non-Farm Sectors	125.9	129.0	131.8	131.8	130.3	130.0	131.5	133.2
percent change	2.6	2.4	2.2	0.0	-1.1	-0.3	1.1	1.3
Sub-total, All Private Sectors	111.6	113.2	116.1	115.8	115.0	116.2	117.6	119.5
percent change	1.5	1.5	2.6	-0.3	-0.7	1.0	1.3	1.6
Public Sector	19.9	20.3	20.8	21.1	21.5	21.6	21.6	21.8
percent change	1.3	2.0	2.4	1.6	1.9	0.3	0.2	0.6
Agricultural Production	5.5	4.5	5.1	5.1	6.1	7.7	7.8	8.1
percent change	-18.5	-18.8	13.4	0.0	20.1	26.1	0.5	3.7
Mining & Quarrying	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
percent change	-1.5	-7.4	0.0	1.7	-4.1	-2.1	3.9	2.5
Construction	6.1	6.5	6.8	6.8	6.7	6.7	7.0	7.1
percent change	5.7	6.5	3.7	0.6	-1.7	0.3	3.4	1.8
Manufacturing	17.6	17.3	17.3	16.4	15.3	14.5	14.3	14.3
percent change	0.8	-1.3	-0.3	-4.8	-7.2	-4.9	-1.2	-0.2
Durables Manufacturing	10.9	10.8	10.9	10.3	9.5	9.0	8.9	8.9
percent change	1.9	-0.7	0.4	-5.0	-8.2	-5.5	-0.4	0.1
Non-durables Manufacturing	6.7	6.5	6.4	6.1	5.8	5.5	5.4	5.4
percent change	-1.0	-2.3	-1.6	-4.4	-5.4	-3.9	-2.6	-0.8
Information Services	2.2	2.4	2.6	2.6	2.4	2.3	2.2	2.3
percent change	5.1	7.9	7.6	0.5	-6.8	-6.8	-1.5	4.9
Transportation, Warehousing, & Utilities	4.8	4.9	5.0	5.0	4.8	4.8	4.8	4.9
percent change	2.9	2.7	2.2	-0.8	-3.1	-1.2	1.3	2.2
Wholesale Trade	5.8	5.9	5.9	5.8	5.7	5.6	5.7	5.7
percent change	2.4	1.7	0.7	-2.7	-2.1	-0.8	0.8	1.5
Retail Trade	14.6	15.0	15.3	15.2	15.0	14.9	15.0	15.1
percent change	1.5	2.5	2.1	-0.3	-1.4	-0.7	0.8	0.4
Finance, Insurance, & Real Estate	7.5	7.6	7.7	7.8	7.8	8.0	8.1	8.2
percent change	3.9	2.5	0.6	1.6	0.5	1.6	1.0	1.4
Professional & Business Services	15.1	16.0	16.7	16.5	16.0	16.0	16.4	17.0
percent change	5.7	5.3	4.5	-1.1	-3.1	0.0	2.7	3.3
Education & Health Services	14.4	14.8	15.1	15.6	16.2	16.6	17.0	17.3
percent change	2.5	2.4	2.1	3.6	3.5	2.4	2.2	2.2
Leisure & Hospitality Services	11.2	11.5	11.9	12.0	12.0	12.2	12.5	12.6
percent change	2.0	2.8	2.7	1.5	-0.4	1.6	2.5	0.7
Other Services *	5.0	5.1	5.2	5.3	5.4	5.4	5.4	5.4
percent change	3.2	2.3	1.6	1.8	2.1	0.5	0.6	-0.8

Source: Georgia State University Economic Forecasting Center

* Other Services include Repair & Maintenance, Personal & Laundry, Civic & Professional Organizations, and Household Production.

TABLE 26: CALIFORNIA GROSS STATE PRODUCT BY SECTOR

<i>millions of dollars</i>	1998	1999	2000 <i>-- history --</i>	2001	2002	2003 <i>-- estimated --</i>	2004 <i>-- forecast --</i>	2005 <i>-- forecast --</i>
Total, All Sectors								
(\$ billions)	1,091.0	1,188.1	1,296.6	1,322.6	1,367.8	1,446.4	1,544.7	1,631.3
(\$ 2000 billions)	1,115.0	1,205.3	1,296.6	1,302.5	1,329.6	1,371.4	1,421.5	1,464.9
percent change		8.1	7.6	0.4	2.1	3.1	3.6	3.1
Sub-total, All Non-Farm Sectors								
(\$ billions)	1,073.4	1,170.0	1,277.9	1,303.8	1,348.7	1,426.2	1,523.5	1,610.0
(\$ 2000 billions)	1,100.3	1,188.3	1,277.9	1,284.5	1,310.2	1,351.3	1,401.4	1,444.2
percent change		8.0	7.5	0.5	2.0	3.1	3.7	3.1
Sub-total, All Private Sectors								
(\$ billions)	971.1	1,063.0	1,160.8	1,176.3	1,213.2	1,283.0	1,376.7	1,455.7
(\$ 2000 billions)	986.7	1,075.6	1,160.8	1,161.5	1,186.5	1,227.1	1,277.2	1,318.5
percent change		9.0	7.9	0.1	2.2	3.4	4.1	3.2
Public Sector								
(\$ billions)	119.9	125.1	135.9	146.3	154.6	163.5	168.0	175.5
(\$ 2000 billions)	128.3	129.6	135.9	141.0	143.1	144.3	144.3	146.4
percent change		1.0	4.8	3.8	1.5	0.8	0.0	1.4
Agricultural Production								
(\$ billions)	17.6	18.1	18.8	18.8	19.1	20.2	21.2	21.2
(\$ 2000 billions)	14.7	17.0	18.8	18.0	19.5	20.1	20.1	20.6
percent change		15.2	10.8	-4.3	8.4	3.2	-0.1	2.8
Mining & Quarrying								
(\$ billions)	4.8	6.7	10.7	9.7	9.8	10.4	12.1	13.0
(\$ 2000 billions)	9.1	10.8	10.7	9.5	11.0	11.2	12.0	12.4
percent change		18.4	-0.2	-11.5	15.2	1.8	7.3	3.2
Construction								
(\$ billions)	41.9	47.1	52.7	57.4	58.2	61.5	67.5	70.8
(\$ 2000 billions)	47.4	50.2	52.7	53.3	51.7	53.4	56.7	58.0
percent change		6.1	4.8	1.2	-3.0	3.2	6.2	2.2
Durables Manufacturing								
(\$ billions)	101.3	111.4	129.4	102.5	99.0	104.6	117.3	123.2
(\$ 2000 billions)	78.9	98.0	129.4	115.3	116.6	119.2	125.4	128.7
percent change		24.1	32.1	-10.9	1.1	2.2	5.2	2.6
Non-Durables Manufacturing								
(\$ billions)	47.4	48.9	53.7	53.0	52.5	55.5	60.5	62.9
(\$ 2000 billions)	49.6	51.4	53.7	49.0	51.2	53.0	54.8	56.2
percent change		3.5	4.6	-8.8	4.6	3.4	3.5	2.5
Information Services								
(\$ billions)	55.8	74.9	81.0	81.9	82.0	86.7	94.1	99.8
(\$ 2000 billions)	56.8	75.6	81.0	80.9	81.1	82.6	88.2	92.6
percent change		33.1	7.2	-0.2	0.3	1.9	6.7	5.0
Trans., Warehousing, and Utilities								
(\$ billions)	46.4	49.7	51.3	52.1	52.6	55.6	60.0	64.1
(\$ 2000 billions)	46.0	49.2	51.3	49.5	50.1	51.0	53.1	55.0
percent change		6.9	4.3	-3.5	1.3	1.9	4.0	3.6
Wholesale Trade								
(\$ billions)	67.4	71.8	74.5	76.7	79.6	84.2	90.5	97.3
(\$ 2000 billions)	70.1	73.8	74.5	79.7	81.9	84.7	88.4	93.3
percent change		5.3	1.0	7.0	2.7	3.4	4.4	5.5
Retail Trade								
(\$ billions)	76.6	83.0	89.4	92.9	103.5	109.5	117.9	125.2
(\$ 2000 billions)	76.6	82.8	89.4	95.7	103.4	107.2	112.3	116.7
percent change		8.0	8.0	7.0	8.0	3.7	4.8	3.9
Finance, Insurance, & Real Estate								
(\$ billions)	230.6	248.5	264.4	282.8	299.6	316.8	335.8	353.4
(\$ 2000 billions)	240.3	254.3	264.4	275.2	282.5	299.5	310.5	318.2
percent change		5.8	4.0	4.1	2.7	6.0	3.7	2.5
Professional & Business Services								
(\$ billions)	150.5	165.2	186.2	186.9	184.4	195.0	205.5	218.1
(\$ 2000 billions)	162.2	171.8	186.2	180.7	177.7	180.2	184.9	190.4
percent change		5.9	8.4	-3.0	-1.6	1.4	2.6	3.0
Educational & Health Services								
(\$ billions)	64.8	68.7	73.5	80.6	89.0	94.1	100.4	107.8
(\$ 2000 billions)	69.6	71.4	73.5	76.4	81.2	85.0	88.2	91.9
percent change		2.5	3.0	3.9	6.3	4.7	3.7	4.3
Leisure & Hospitality Services								
(\$ billions)	39.7	42.2	46.0	48.1	50.7	53.6	57.6	60.6
(\$ 2000 billions)	42.6	43.8	46.0	47.2	48.9	50.4	52.6	53.8
percent change		2.8	5.2	2.5	3.5	3.0	4.4	2.3
Other Services *								
(\$ billions)	26.3	26.9	29.1	32.7	33.2	35.1	36.5	38.4
(\$ 2000 billions)	29.0	28.3	29.1	30.6	29.5	29.8	30.1	30.8
percent change		-2.5	2.7	5.1	-3.7	1.2	1.1	2.1

Source: U.S. Bureau of Economic Analysis, UCSB Economic Forecast Project

* Other Services include Repair & Maintenance, Personal & Laundry, Civic & Professional Organizations, and Household Production.

TABLE 27: CALIFORNIA IMPLICIT PRICE DEFLATOR BY SECTOR

	1998	1999	2000	2001	2002	2003	2004	2005
<i>Index: 2000 = 100</i>			<i>-- history --</i>			<i>-- estimated --</i>	<i>-- forecast --</i>	
Total, All Sectors	97.8	98.6	100.0	101.5	102.9	105.5	108.7	111.4
percent change	0.8	1.4	1.5	1.3	2.5	3.0	2.5	
Sub-total, All Non-farm Sectors	97.6	98.5	100.0	101.5	102.9	105.5	108.7	111.5
percent change		0.9	1.6	1.5	1.4	2.5	3.0	2.5
Sub-total, All Private Sectors	98.4	98.8	100.0	101.3	102.3	104.5	107.8	110.4
percent change		0.4	1.2	1.3	1.0	2.2	3.1	2.4
Public Sector	93.4	96.5	100.0	103.7	108.0	113.3	116.4	119.9
percent change		3.3	3.6	3.7	4.1	4.9	2.7	3.0
Agricultural Production	119.8	107.0	100.0	104.4	98.1	100.5	105.6	102.8
percent change		-10.7	-6.5	4.4	-6.0	2.5	5.1	-2.7
Mining & Quarrying	53.3	62.0	100.0	102.4	89.5	93.0	100.9	105.0
percent change		16.3	61.4	2.4	-12.6	3.9	8.5	4.0
Construction	88.5	93.8	100.0	107.7	112.5	115.2	119.0	122.1
percent change		6.1	6.6	7.7	4.4	2.5	3.2	2.6
Manufacturing	115.6	107.3	100.0	94.6	90.2	93.0	98.7	100.7
percent change		-7.2	-6.8	-5.4	-4.7	3.1	6.1	2.0
Durables Manufacturing	128.3	113.8	100.0	88.9	84.8	87.8	93.5	95.8
percent change		-11.3	-12.1	-11.1	-4.6	3.5	6.5	2.4
Non-durables Manufacturing	95.5	95.1	100.0	108.1	102.4	104.7	110.4	111.9
percent change		-0.4	5.2	8.1	-5.3	2.3	5.4	1.4
Information Services	98.2	99.1	100.0	101.3	101.1	105.0	106.7	107.9
percent change		0.9	0.9	1.3	-0.1	3.8	1.7	1.1
Trans., Warehousing, & Utilities	100.9	100.9	100.0	105.3	105.0	109.0	113.1	116.5
percent change		0.0	-0.9	5.3	-0.3	3.8	3.8	3.0
Wholesale Trade	96.2	97.2	100.0	96.2	97.2	99.5	102.3	104.3
percent change		1.1	2.8	-3.8	1.0	2.3	2.9	1.9
Retail Trade	100.0	100.3	100.0	97.1	100.2	102.2	105.0	107.3
percent change		0.3	-0.3	-2.9	3.2	2.0	2.8	2.2
Finance, Insurance, & Real Estate	96.0	97.7	100.0	102.8	106.0	105.8	108.2	111.1
percent change		1.8	2.3	2.8	3.2	-0.2	2.2	2.7
Professional & Business Services	92.8	96.2	100.0	103.5	103.8	108.2	111.1	114.5
percent change		3.6	4.0	3.5	0.3	4.3	2.7	3.1
Education & Health Services	93.0	96.3	100.0	105.5	109.6	110.7	113.8	117.3
percent change		3.5	3.9	5.5	3.9	1.0	2.8	3.0
Leisure & Hospitality Services	93.2	96.5	100.0	102.0	103.7	106.5	109.4	112.7
percent change		3.6	3.6	2.0	1.7	2.7	2.7	3.0
Other Services *	90.5	94.8	100.0	107.0	112.8	117.9	121.0	124.6
percent change		4.8	5.4	7.0	5.4	4.5	2.7	2.9

Source: U.S. Bureau of Economic Analysis, UCSB Economic Forecast Project

* Other Services include Repair & Maintenance, Personal & Laundry, Civic & Professional Organizations, and Household Production.

TABLE 28: CALIFORNIA GROSS LABOR PRODUCTIVITY BY SECTOR

<i>thousands of dollars</i>	1998	1999	2000 <i>-- history --</i>	2001	2002	2003 <i>-- estimated --</i>	2004 <i>-- forecast --</i>	2005 <i>-- forecast --</i>
Total, All Sectors								
(\$ thousands)	77.9	82.5	87.0	88.3	92.2	97.9	103.6	108.6
(\$ 2000 thousands)	79.6	83.7	87.0	86.9	89.7	92.9	95.3	97.5
percent change		5.1	4.0	-0.1	3.1	3.6	2.7	2.3
Sub-total, All Non-Farm Sectors								
(\$ thousands)	78.9	83.6	88.2	89.3	93.3	99.1	104.8	109.9
(\$ 2000 thousands)	80.9	84.9	88.2	88.0	90.6	93.9	96.4	98.6
percent change		4.9	3.9	-0.3	3.0	3.6	2.7	2.3
Sub-total, All Private Sectors								
(\$ thousands)	82.0	87.4	92.3	93.4	98.0	103.9	110.0	115.2
(\$ 2000 thousands)	83.4	88.5	92.3	92.2	95.8	99.4	102.0	104.3
percent change		6.1	4.3	-0.1	3.9	3.8	2.6	2.3
Public Sector								
(\$ thousands)	55.4	55.9	58.6	61.4	63.2	67.4	70.3	73.6
(\$ 2000 thousands)	59.2	57.9	58.6	59.2	58.5	59.5	60.4	61.4
percent change		-2.3	1.2	1.0	-1.2	1.7	1.5	1.7
Agricultural Production								
(\$ thousands)	43.4	44.9	46.0	49.4	51.3	53.5	57.3	56.7
(\$ 2000 thousands)	36.2	42.0	46.0	47.4	52.3	53.3	54.2	55.2
percent change		15.8	9.6	3.0	10.4	1.9	1.8	1.8
Mining & Quarrying								
(\$ thousands)	176.6	253.8	406.1	381.0	424.8	466.7	527.2	573.1
(\$ 2000 thousands)	331.5	409.7	406.1	372.0	474.5	501.9	522.4	546.0
percent change		23.6	-0.9	-8.4	27.6	5.8	4.1	4.5
Construction								
(\$ thousands)	68.2	69.0	72.0	73.7	75.2	77.3	79.6	81.5
(\$ 2000 thousands)	77.1	73.6	72.0	68.4	66.9	67.1	66.9	66.7
percent change		-4.6	-2.1	-5.0	-2.3	0.3	-0.2	-0.3
Durables Manufacturing								
(\$ thousands)	83.9	94.1	106.7	87.7	93.9	106.6	120.5	129.4
(\$ 2000 thousands)	65.4	82.7	106.7	98.7	110.7	121.4	128.8	135.1
percent change		26.4	29.0	-7.6	12.2	9.6	6.1	4.9
Non-Durables Manufacturing								
(\$ thousands)	72.9	75.7	83.3	85.9	89.7	98.0	108.2	113.6
(\$ 2000 thousands)	76.3	79.6	83.3	79.5	87.6	93.6	98.0	101.5
percent change		4.3	4.6	-4.6	10.3	6.8	4.7	3.6
Information Services								
(\$ thousands)	115.5	144.7	140.8	148.5	164.9	182.2	195.0	206.8
(\$ 2000 thousands)	117.6	146.1	140.8	146.6	163.1	173.5	182.7	191.7
percent change		24.2	-3.6	4.2	11.2	6.4	5.3	4.9
Trans., Warehousing, and Utilities								
(\$ thousands)	93.4	97.7	99.2	101.5	107.1	115.7	124.5	132.6
(\$ 2000 thousands)	92.6	96.8	99.2	96.3	102.0	106.2	110.1	113.9
percent change		4.6	2.4	-2.9	6.0	4.1	3.7	3.4
Wholesale Trade								
(\$ thousands)	109.8	114.3	115.6	116.5	122.1	129.6	138.3	146.2
(\$ 2000 thousands)	114.2	117.5	115.6	121.1	125.6	130.3	135.2	140.2
percent change		2.9	-1.7	4.8	3.7	3.8	3.7	3.7
Retail Trade								
(\$ thousands)	52.0	55.0	57.3	59.0	65.5	69.0	72.9	76.3
(\$ 2000 thousands)	52.0	54.9	57.3	60.8	65.3	67.5	69.5	71.1
percent change		5.5	4.5	6.0	7.5	3.3	2.9	2.4
Finance, Insurance, & Real Estate								
(\$ thousands)	298.0	313.3	332.6	338.6	351.3	357.7	371.9	388.5
(\$ 2000 thousands)	310.4	320.6	332.6	329.5	331.3	338.2	343.9	349.8
percent change		3.3	3.7	-0.9	0.6	2.1	1.7	1.7
Professional & Business Services								
(\$ thousands)	73.9	78.0	82.9	85.5	87.2	93.8	97.9	102.5
(\$ 2000 thousands)	79.6	81.1	82.9	82.6	84.0	86.6	88.1	89.5
percent change		1.8	2.3	-0.4	1.7	3.1	1.7	1.6
Educational & Health Services								
(\$ thousands)	48.7	50.2	52.6	55.7	59.4	61.3	64.2	67.6
(\$ 2000 thousands)	52.4	52.2	52.6	52.8	54.2	55.3	56.4	57.7
percent change		-0.4	0.8	0.4	2.6	2.1	2.0	2.2
Leisure & Hospitality Services								
(\$ thousands)	31.4	32.6	34.6	35.3	36.7	38.3	39.9	41.6
(\$ 2000 thousands)	33.7	33.8	34.6	34.6	35.4	36.0	36.5	36.9
percent change		0.1	2.4	0.2	2.2	1.7	1.4	1.3
Other Services *								
(\$ thousands)	57.1	56.8	59.8	65.6	65.7	69.7	72.3	75.6
(\$ 2000 thousands)	63.1	59.9	59.8	61.3	58.2	59.1	59.8	60.6
percent change		-5.2	-0.1	2.5	-4.9	1.5	1.1	1.5

Source: U.S. Bureau of Economic Analysis, CA Employment Development Department, UCSB Economic Forecast Project.

* Other Services include Repair & Maintenance, Personal & Laundry, Civic & Professional Organizations, and Household Production

TABLE 29: CALIFORNIA EMPLOYMENT BY SECTOR

	1998	1999	2000	2001	2002	2003	2004	2005
<i>thousands of jobs</i>			<i>-- history --</i>					<i>-- forecast --</i>
Total, All Sectors	14,002.3	14,395.8	14,896.7	14,981.5	14,830.5	14,769.7	14,909.1	15,021.5
percent change	3.4	2.8	3.5	0.6	-1.0	-0.4	0.9	0.8
Sub-total, All Non-Farm Sectors	13,596.1	13,991.8	14,488.2	14,602.0	14,457.8	14,392.3	14,538.8	14,647.4
percent change	3.6	2.9	3.5	0.8	-1.0	-0.5	1.0	0.7
Sub-total, All Private Sectors	11,836.2	12,156.5	12,578.6	12,599.4	12,383.4	12,344.1	12,518.8	12,637.2
percent change	3.8	2.7	3.5	0.2	-1.7	-0.3	1.4	0.9
Public Sector	2,166.1	2,239.3	2,318.1	2,382.1	2,447.1	2,425.5	2,390.3	2,384.3
percent change	1.2	3.4	3.5	2.8	2.7	-0.9	-1.5	-0.3
Agricultural Production	406.2	404.0	408.5	379.5	372.7	377.4	370.3	374.0
percent change	-1.7	-0.5	1.1	-7.1	-1.8	1.3	-1.9	1.0
Mining & Quarrying	27.5	26.3	26.5	25.6	23.1	22.2	22.9	22.6
percent change	6.0	-4.3	0.7	-3.3	-9.7	-3.8	3.0	-1.2
Construction	614.0	682.9	731.0	779.0	773.5	795.9	847.3	868.8
percent change	10.7	11.2	7.1	6.6	-0.7	2.9	6.5	2.5
Manufacturing	1,857.2	1,829.9	1,857.5	1,785.7	1,638.2	1,547.9	1,532.7	1,505.7
percent change	1.8	-1.5	1.5	-3.9	-8.3	-5.5	-1.0	-1.8
Durables Manufacturing	1,206.7	1,184.0	1,212.1	1,168.9	1,053.3	981.9	973.3	952.4
percent change	2.8	-1.9	2.4	-3.6	-9.9	-6.8	-0.9	-2.1
Non-durables Manufacturing	650.6	645.9	645.4	616.8	584.8	566.1	559.4	553.3
percent change	-0.2	-0.7	-0.1	-4.4	-5.2	-3.2	-1.2	-1.1
Information Services	482.8	517.4	575.4	551.5	497.3	476.2	482.5	482.9
percent change	4.6	7.2	11.2	-4.2	-9.8	-4.2	1.3	0.1
Trans., Warehousing, & Utilities	496.9	508.0	517.2	513.7	491.0	480.6	482.2	483.2
percent change	3.9	2.2	1.8	-0.7	-4.4	-2.1	0.3	0.2
Wholesale Trade	614.1	628.2	644.9	658.5	652.1	649.5	653.9	665.3
percent change	3.1	2.3	2.7	2.1	-1.0	-0.4	0.7	1.8
Retail Trade	1,473.9	1,508.9	1,559.4	1,574.5	1,581.7	1,587.9	1,616.5	1,640.2
percent change	2.2	2.4	3.3	1.0	0.5	0.4	1.8	1.5
Finance, Insurance, & Real Estate	774.0	793.2	795.1	835.2	852.8	885.6	902.8	909.7
percent change	4.0	2.5	0.2	5.0	2.1	3.8	1.9	0.8
Professional & Business Services	2,037.0	2,119.2	2,246.0	2,186.5	2,114.3	2,080.0	2,098.7	2,127.0
percent change	7.9	4.0	6.0	-2.6	-3.3	-1.6	0.9	1.3
Education & Health Services	1,330.0	1,368.3	1,398.0	1,446.9	1,498.8	1,536.4	1,562.2	1,594.2
percent change	3.0	2.9	2.2	3.5	3.6	2.5	1.7	2.0
Leisure & Hospitality Services	1,262.9	1,297.1	1,332.6	1,364.1	1,382.4	1,400.2	1,442.3	1,456.0
percent change	2.2	2.7	2.7	2.4	1.3	1.3	3.0	1.0
Other Services *	460.0	473.2	486.7	499.0	505.7	504.3	504.5	507.6
percent change	3.3	2.9	2.9	2.5	1.3	-0.3	0.0	0.6

Source: CA Employment Development Department, UCSB Economic Forecast Project

* Other Services include Repair & Maintenance, Personal & Laundry, Civic & Professional Organizations, and Household Production.

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The Bank remains true to its vision of being the BANK OF CHOICE on the Central Coast. This achievement results from a unique brand of customer service delivered by dedicated employees who are recognized for their TEAM SPIRIT, loyalty and expertise. SBB&T has long been committed to recruiting, retaining, and rewarding the most qualified people in its communities to provide exceptional banking to their friends and neighbors.

SBB&T and its employee team are WIDELY RESPECTED for their commitment to enhancing the economic vitality and social welfare of the communities we serve, forging the customer and COMMUNITY PARTNERSHIPS that result in the consistent growth of our company, the creation of SHAREHOLDER VALUE, and the preservation of the unique quality of life we all share along California’s Central Coast.

Santa Barbara Bank & Trust is a brand of Pacific Capital Bank, N.A. PCB, with \$6 billion in assets, is a nationally chartered financial services company that also operates under the highly respected brands of First National Bank of Central California, South Valley National Bank, San Benito Bank and Pacific Capital Bank.

On behalf of our entire employee team, we are once again HONORED TO PARTNER with the UCSB Economic Forecast Project to deliver this important local economic analysis to our community.

We CONGRATULATE THE PROJECT on its continued fine work on behalf of the Santa Barbara community.



County of Santa Barbara
Auditor-Controller

County of Santa Barbara
Housing & Community Development

The County of Santa Barbara was established by an act of the State legislature on February 18, 1850. The County provides a wide range of services to its residents including public protection through sheriff, fire, district attorney, probation, child protection and courts, public and mental health services, public assistance programs, construction and maintenance of roads and bridges, environmental services, parks, and a variety of other governmental services. The county has a 4,600-person workforce that strives to provide these services in an effective and efficient manner.

Information provided by the UCSB Economic Forecast Project concerning current and projected economic conditions has proven extremely valuable to the County for strategic planning, and in preparing revenue forecasts and the annual budget. The County believes that participation in the Economic Forecast Project better enables it to serve the needs of its citizens in a progressive and informed manner.



County of Santa Barbara
Board of Supervisors

- First District - Salud Carbajal
- Second District - Susan Rose, Chair
- Third District - Brooks Firestone
- Fourth District - Joni Gray, Vice Chair
- Fifth District - Joseph Centeno

The mission of the County of Santa Barbara's Housing and Community Development Department (HCD), working in cooperation with county citizens, cities, governmental entities, commercial interests and other valuable county stakeholders, is to:

Coordinate the development and implementation of regional strategic housing and community development processes that respect local needs, priorities and our natural environment, that lead to the development and maintenance of healthy and viable neighborhoods and an improved quality of life for all in our region. HCD will facilitate this community building effort by developing partnerships and strategies to create a full spectrum of housing and economic vitality; promoting advocacy & educational activities on well designed development initiatives.

Lead Sponsors



KRUZ 103.3
More Music... Better Variety

KRUZ 103.3, the Tri-counties' Variety Station, with the # 1 signal in the U.S., broadcasting at 105,000 watts! KRUZ covers the entire central coast of California. KRUZ delivers the biggest at-work listening audience in the market, reaching more desktops and retail stores than any other station in the region. KRUZ's adult contemporary format is the most accessible music mix on the radio, delivering the Tri- Counties' best variety of music from the 70s, 80s, 90s and today.

MAGIC 97.5
The Sound of Santa Barbara

Smooth Jazz and Smooth Vocals MAGIC 97.5 KMGQ is the Tricounties' exclusive Smooth Jazz and Smooth Vocal station. MAGIC's signal delivers the region's second best coverage- reaching all 3 counties! MAGIC delivers more affluent listeners at work and home than any station in the market. MAGIC's audience is dedicated to the station and listeners longer to MAGIC than any other format available- guaranteeing your message will be heard.



Oldies 106.3 KKSB: Targeting baby boomers ages 25-64. Rock-based OLDIES 106.3 features the best music from 1964-75. With the south coast resident's average age of 34, this station is reaching the largest radio audience in the market. OLDIES is capturing more at-work listeners every day. OLDIES is one of the best media values in Santa Barbara!



Goleta Valley
Chamber of Commerce

The Voice Of Business

These are dynamic times for the Goleta Valley - historic times. As our City develops, new directions are emerging from the people who live, work and play here. The Goleta Valley Chamber of Commerce will continue to serve as the Voice of Business throughout these changes in our community by:

ADVOCATING specifically for the business community's interests to local, county and state government. With issues like workers' compensation and the jobs-housing balance at stake, advocacy for business has never been more important.

Providing BUSINESS RESOURCES for starting or growing a business, gaining new contacts, getting permits, contacting elected officials, or learning new skills. Our library of resources and trained staff can guide you to the solutions you need.

Providing opportunities to NETWORK with fellow businesses and potential customers at Business After Hours Mixers, Membership Luncheons, special events, and through mailings and newsletters.

PROMOTING our community and making our citizens proud through the California Lemon Festival in Goleta, beautiful printed materials to distribute to newcomers and visitors, and direct referrals of member businesses to potential customers.

Contact us for Goleta Maps, Goleta Magazines, Membership Directories, Business Referrals, Demographic Data, and Economic Data. Please visit our website www.goletavalley.com to learn more.



LIMOTTA Internet Technologies has been a full service Internet Technology Solutions Provider since 1997. The company began with a geographic focus of serving small to mid-size businesses in central coast California (Ventura County, Santa Barbara County and San Luis Obispo County) and have recently expanded to offer services throughout California and 13 other states.

LIMOTTA Internet Technologies can address many questions you may have such as; How do I get internet connectivity when DSL is unavailable? How do I connect to my main office from home or other offices? How do I reduce downtime? How do I reduce the risk of someone hacking into my network? How do I reduce the risk of data loss? How do I increase my connection speed? How do I minimize the labor cost to maintain and support my network? How do I minimize my investment in email/unified messaging? How do I open up new distribution channels for my company's products and services? How do I legally reduce software licensing costs? How do I invest in hardware and software for my business that will guarantee the highest possible return? How do I improve the reliability and lower the costs of my telephone systems?

Our service offerings consist of: BROADBAND INTERNET CONNECTIONS, NETWORK SUPPORT CONTRACTS, WEBSITE/APPLICATIONS DEVELOPMENT, HARDWARE, SOFTWARE INVESTMENTS, FIBER & WIRELESS RETROFITS, VOIP TELEPHONY SOLUTIONS



Mid-State Bank & Trust serves Santa Barbara, Ventura and San Luis Obispo Counties with 41 offices, including three in Santa Barbara and two in Goleta.

We offer commercial real estate and construction loans, agricultural and SBA loans, business equipment leasing, business checking and savings plans, investment management, and trust services.

We provide over \$1 billion in loans per year to local individuals and businesses. Our lending decisions are made locally and the money you deposit in our Bank is invested back into the community through loans to local businesses like yours.

With \$2.2 billion in assets, Mid-State Bank & Trust is a community bank with big bank capabilities. We are large enough to provide you with state-of-the-art, comprehensive banking services, yet friendly enough to know you by name. As "Partners in Your Community," our unique size allows us to respond quickly to your needs and tailor our services to each community we serve.

To learn how Mid-State Bank & Trust can help you reach your business goals, visit our Web site at www.midstatebank.com or call us at (800) 473-7788.



**City of Santa Barbara
Community Development Department**

The City has adopted an Economic Development Plan and Implementation Program that contains the following Goal Statement:

To affect and stimulate the Santa Barbara economy through proactive collaboration, teamwork, and establishment of partnerships with the business community, school districts, universities and colleges resulting in replacement of lost jobs, expansion of the diversity of the economic base, and increase of economic activity for sustaining our local economy.

Toward that goal, the City has established a management-level Economic Development Response Team that meets regularly to address specific issues and respond to economic development opportunities. Staff members of the City Administrator's Office and the Community Development Department are charged with implementation of the Plan.

The Redevelopment Agency of the City of Santa Barbara engages in activities in the Central City Redevelopment Project Area that promote economic development and the elimination of blighting influences. Those activities include acquisition and consolidation of property, below-market-rate financing, public-private partnerships, and the provision of affordable housing.



The Greater Los Angeles Coldwell Banker Residential Brokerage mission is to be the highest quality, most respected, innovative, technologically advanced and successful Real Estate service firm serving the counties of Santa Barbara, Ventura & Los Angeles, while maintaining the highest professional integrity. The Coldwell Banker Company has 52 offices covering three counties with over 3,800 real estate associates. The Santa Barbara, Montecito & Santa Ynez Valley areas are covered by four offices and over 200 Realtors. Established in 1906 Coldwell Banker has more than 3,700 residential and commercial offices and 120,000 sales associates in over 28 countries. We are a full service company specializing in Luxury Estates, residential, commercial, ranch & land, new home sales and global relocation. Ms. Betty Graham is President & COO and Diana Brookes is Executive Vice President & General Manager of the Greater Los Angeles Company covering the Santa Barbara, Ventura and a portion of Los Angeles County. H. Edward Heron, Vice President represents the company in community relations, marketing and E-Strategies

The local management team consists of Robert P. Ruccione (Santa Barbara) Charles Farish (Montecito) & Robert Verna (Santa Ynez Valley). Please, visit our websites at www.CaliforniaMoves.com or www.ColdwellBanker.com



5034 CARPINTERIA AVENUE CARPINTERIA, CALIFORNIA 93013

Epsteen & Associates, California's premiere retail real estate brokerage company, was founded over 40 years ago to provide the best locations for retail clients seeking a broad array of experience from a company with an outstanding record of success.

The Tri-County office, covering Ventura, Santa Barbara and San Luis Obispo counties, was formed by Mike Hieshima, Managing Partner, in 2001. Mike has over 18 years of multifaceted experience in real estate, strategic expansion of retailers, landlord representation, development, acquisition and disposition of retail properties.

The retail clients represented by Mike include: Borders Books, Ross, Starbucks Coffee, Petco, Albertsons, Savon, Chico's, Motherhood Maternity, Vitamin Shoppe, Blockbuster and Ventura County Credit Union. Mike's landlord/developer clients include: The Towbes Group, Regency Centers, Donahue Schriber and Sandstone Properties.

Adding to the rich tapestry of experience Epsteen & Associates offers to its clients are partners Phillip Kyle, whose 18 years of experience in commercial retail sales, leasing, disposition and acquisition are enhanced by his international perspective as a Sydney, Australia native; David Morgan, who has overseen the redevelopment, management and leasing of over 10 million square feet of retail properties in his target region, which encompasses Ventura county; and Lawrence Tanji, who has handled exclusive listings for numerous major clients, including Pardee Construction Company, Santa Barbara Bank & Trust, Albertsons, Savon and Arroyo and Coates.

Retail success in California depends on finding the right connection, and Epsteen & Associates is that link.



First American Title

First American Title Insurance Company, the largest subsidiary of The First American Corporation, traces its history to 1889. One of the largest title insurers in the nation, the company offers title services through more than 900 offices and an extensive network of agents throughout the United States and abroad. One of the nation's largest title insurers with the industry's most advanced title production and delivery technology, this segment's strategy is to create a fully automated, centralized title searching facility. Sound acquisitions and improved efficiencies gained from innovative technology solutions allow this segment to expand market share and support profitability.

First American's role in buying a home—providing all of the related services needed to complete a home purchase, including real estate appraisal, title insurance, flood-zone determination, mortgage document preparation, property and casualty insurance, and more. The company has its headquarters in Santa Ana, Calif. Information about The First American Corporation's subsidiaries and an archive of company information can be found on the Internet at www.firstam.com.

Advisory Sponsors



Jordano's is an 89 year old family business and is the tri-counties largest wholesale distributor of food and beverages with \$190 million annual sales.

From its beginnings in 1915 as a family owned grocery store, the company has grown into a modern corporation. Jordano's has more than 500 employees with two divisions. The divisions include Jordano's Foodservice and Pacific Beverage.

Jordano's Foodservice is the Central Coast's largest distributor of food, equipment and supplies to restaurants and other foodservice operations. It has been named one of the 50 largest Foodservice Companies in the United States.

Pacific Beverage proudly distributes Anheuser-Busch brands and other fine beers through its four warehouses in the Tri-Counties, Oxnard, Santa Barbara, Santa Maria and Santa Margarita. Oxnard is a new, 125,000 square-foot facility open in May 2004.

Jordano's remains a locally owned company dedicated to providing the best possible products and service to their customers. They are committed to the welfare of their employees and their employees' families in the tri-counties.



Pacific Coast Business Times is an exciting weekly business journal that has gained a reputation as the "newspaper of record" for businesses across the Tri-County business corridor. Each week the paper chronicles successful companies in Santa Barbara, Ventura and San Luis Obispo counties. The company is locally owned, locally printed and headquartered in Santa Barbara. The Editor and Publisher is Henry Dubroff, a nationally recognized business journalist and former editor of the Denver Business Journal and the business section of the Denver Post.

Each week, the Pacific Coast Business Times offers readers a variety of news and information including sections on technology, start-up strategies, small business, personal finance, public records and a "Top 25" list. Also included are monthly special reports ranging from Who's Who roundups to a Tax Planning Guide and Top 25 Book of Lists.

bargainnetwork

Founded in 1995, Bargain Network is a unique service that saves subscribers time and money on significant purchases by helping them make buying decisions that are based on truly objective product performance and pricing information. Bargain Network uses advanced search and database technology to provide fast and accurate data on millions of motor vehicles, homes and brand-name consumer durables

Bargain Network is able to ensure its consumers receive objective information through a membership model that refuses compensation from advertisers, sponsors or merchants. Members pay a low membership fee after a free trial in exchange for guaranteed unbiased, impartial and up-to-date product and pricing information. Bargain Network members are never more than a few moments away from live, personalized help with their purchasing decisions via Bargain's toll-free, 24x7x365 telephone support. Besides access to live agents, members can opt to access information through the website, or via email, fax and home delivery of regularly updated catalogs.

Bargain Network has excelled as a result of its vertically integrated operations, its industry-leading proprietary systems and technical capabilities, and its world-class customer service.

Bargain Network is located in Goleta, California and is one of Santa Barbara County's largest private employers with more than 800 staff members. Bargain Network was recognized in the 2003 Pacific Coast Business Times survey as among the fastest-growing companies in the region.

To learn more about benefiting from Bargain Network's premier search and pricing service, call 800.300.6140, or go to www.bargain.com.



**BARTLETT,
PRINGLE &
WOLF, LLP**

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

The certified public accountants and consultants of Bartlett, Pringle & Wolf, LLP have been serving the financial needs of central coast individuals and businesses since 1948.

The firm's commitment to providing a broad and integrated range of services means that if a client needs tax services today, a cost segregation study on a building purchased tomorrow, and estate planning at some time in the future, the firm's full complement of services can be structured to anticipate and keep pace with the client's ever-changing environment.

In partnership with their clients and business affiliates, BPW is able to provide:

- tax planning and preparation
- estate planning
- wealth management
- litigation support
- the area's largest, dedicated audit department
- implementation and support of Microsoft Business Solutions
- bookkeeping
- cost segregation studies

One of the firm's rapidly growing departments is the Microsoft Business Solutions Center, providing a full range of implementation and support services. As the world's leading publisher of financial and business management solutions, such as Great Plains and Solomon, Microsoft's offerings meet the needs of a wide range of organizations in both size and industry scope.

One of the firm's key affiliates is Mission Wealth Management, LLC. The advisors at Mission Wealth Management have extensive experience assisting people in identifying, selecting and implementing appropriate financial strategies.

Another of BPW's affiliates is RSM McGladrey Network, the nation's premier affiliation of independent accounting and consulting firms.



BUSINESS FIRSTSM
NATIONAL BANK

Business First National Bank opened in 2001 on 800 Milpas Street to meet the banking needs of Santa Barbara's business community. Defying the challenging economy, Business First made a profit in just 24 months of business, beating the general industry standard of 36 months. By December 2001, Business First grew to \$20 million in assets; by December 2003, the bank quadrupled its assets to \$83 million; and Business First proudly closed out 2004 with more than \$113 million in total assets.

Not only is Business First an example of a successful local start-up business venture, but also a banking leader that assists small and mid-size business owners to focus on their business goals. Business First, to this day, is the only Santa Barbara bank entirely committed to servicing local businesses with fast, customized products and services designed to meet the specific needs of the business and the principles of those businesses.

To expand the service Business First provides, the Bank opened its second branch, which is located at 1035 State Street in the heart of Santa Barbara's downtown business community. The new branch opening marked one of two important milestones for the Bank, the second being the Bank's four year anniversary, celebrated on January 29.

Business First is committed to providing all of their clients with extraordinary personalized service—Business First's dedicated staff listens to their clients and reacts quickly when businesses need them most.

For more information, visit online at www.businessfirst.com or call Eloy Ortega, CEO and President, at 805.899.4300.

Business Associate Sponsors

Cabrillo Business Park

SARES•REGIS Group
Market-proven performance

SARES•REGIS Group® is one of the West Coast's leading and most diversified builders, developers and managers of commercial and residential real estate.

The company has acquired or developed approximately 30 million square feet of commercial properties and 15,000 residential homes and apartments since its inception.

Currently, SARES•REGIS Group® manages over 9,000 apartment units and 12 million square feet of commercial real estate. SARES•REGIS Group™ is currently redeveloping Cabrillo Business Park in Goleta, a former Delco Defense Facility, and Hollister Center, the former Applied Magnetics Corporation Facility.



**CALIFORNIA
ASSOCIATION
OF REALTORS®**

The CALIFORNIA ASSOCIATION OF REALTORS™ is a trade association representing more than 105,000 REALTORS® statewide. As members of organized real estate, REALTORS® subscribe to a strict code of ethics and have access to numerous services and programs to enhance their professionalism. Preventative legal programs provide members with the latest in legal information to give them the competitive edge. C.A.R.'s extensive legislative advocacy program means members are well-represented on local, state and federal issues. Educational programs and year-round seminars help members gain new skills and professional designations like the prestigious Graduate REALTOR® Institute.

In addition to these programs, the CALIFORNIA ASSOCIATION OF REALTORS® offers its members a variety of business tools—from Research data and top-notch publications to cutting-edge technology.

All these—and other—programs and services are designed to increase the professionalism of members and give them the tools they need to better serve their clients—the consumer.



Clear Channel Santa Barbara has been in existence for over six years giving Santa Barbara, Goleta, Carpinteria and Ventura listeners nothing but the best in a variety of radio programming. Clear Channel owns and operates seven local stations including KTYD-FM (album-oriented rock), KSBL-FM (K-LITE) (adult contemporary), KTMS-AM (news-talk), KIST-FM (alternative rock), KIST-AM (news-talk), KSPE-FM (Spanish) and KBKO-AM (Spanish). Clear Channel also has a Joint Sales Agreement (JSA) with KDB-FM (classical music). This JSA along with help from Santa Barbara Foundation allowed KDB to continue operating as one of the only classical music formats in the country as Clear Channel believes in supporting all music and arts in the Santa Barbara community. All radio and television stations are operated locally in downtown Santa Barbara.

Outside of Santa Barbara, Clear Channel owns and operates over 1400 radio stations worldwide, 41 television stations nationwide and thousands of outdoor advertising units in over 83 markets worldwide. Clear Channel Entertainment promotes live music concerts, tours and theatre shows and owns several concert venues. Clear Channel also owns SFX—a sports management company representing such professional athletes as Tracy McGrady, Roger Clemens, Pedro Martinez, Andre Agassi, Andy Roddick and many others.

Clear Channel also supports several local charities and non-profit organizations and events including the MDA's Black and Blue

Ball, CASA, Make a Wish, Unity Shoppe, Big Dog Foundation, "Hear and Now Concert" for La Conchita, The Teacher's Fund, MS Society, The Ad Council, Storyteller and several others.



SANTABARBARA COTTAGE HOSPITAL. Today a 366-bed acute care teaching hospital and trauma center, the largest of its kind between Los Angeles and the San Francisco Bay Area, the hospital was founded in 1888 by 50 women determined to provide a healthcare facility for the growing community of Santa Barbara. Now with annual admissions of more than 21,000 patients, 36,000 emergency department visits, and 2,300 births, the hospital is renowned for its comprehensive maternal-child and pediatric services (Cottage Children's Hospital), cardiac, neurosurgical, and oncology programs, emergency and trauma services, modern operating rooms, sophisticated diagnostic radiology equipment, outpatient surgery, eye center, and psychiatric and chemical dependency services. Its medical staff of more than 600 includes specialists in all major clinical areas.

GOLETA VALLEY COTTAGE HOSPITAL. Founded in 1966 to serve the growing community of Goleta Valley, the hospital today is licensed for 122 acute-care beds, admits 1,800 patients a year, sees 17,000 emergency visits, welcomes 300 newborns to its designated "Baby Friendly" birth center, and is recognized for its comprehensive Breast Care Center. The hospital joined forces with Cottage Health System in 1996 and opened a Subacute unit in 1998.

SANTA YNEZ VALLEY COTTAGE HOSPITAL. Offering acute-care services to the residents and visitors of Santa Ynez Valley since 1964, the 22-bed hospital became affiliated with Cottage in 1995, and today continues to provide inpatient and outpatient surgery, 24-hour emergency services, and a physician office rental program that brings specialists to the Valley.



*Your Friend in the Digital Age*SM



Cox Communications (NYSE: COX), a Fortune 500 company, is a multi-service broadband communications company with approximately 6.6 million total customers, including 6.3 million basic cable subscribers. A full-service provider of telecommunications products, Cox offers an array of services, including Cox Cable; Cox High Speed Internet residential high-speed Internet access; advanced digital video programming services under the Cox Digital Cable brand; Cox High Definition Television and Cox Digital Video Recorders services; commercial data services via Cox Business Services and local advertising opportunities for businesses through Cox Media in both North and South County.

Cox Communications has received the National Cable Television Association Award for Customer Excellence nine years running. The editors of Cablevision Magazine, a cable industry trade publication named Cox "Operator of the Year" three times for the company's quality of management, customer relations, community service and financial acumen. Cox has recently been awarded PC Magazine's Readers' Choice Award for its Cox High Speed Internet (CHSI) service

Cox Communications Santa Barbara has been recognized for support of the community through various programs in education, social services, the arts and cultural activities. receiving the 1999 Philanthropist of the Year Award, the 1999 Business of the Year from the Goleta Chamber, the 2000 United Way Community Service Award, the 2003 Member of the Year from the Santa Barbara Chamber and various National awards for producing local television shows.



The Dreier Group is a multi-faceted privately-held organization, involved in fields such as property management, archival systems, private party and event planning and trend watching. The various interests of The Dreier Group management team is constantly leading the company into new directions, creating a very dynamic environment. As the company forays into uncharted territory, it develops and designs its own systems and methods of practice to create a cohesive unit out of the many areas in which The Dreier Group is active.

The background of The Dreier Group personnel covers such specialties as computer information technology and networking, graphic design, education, literature, fine arts, accounting, marketing and acquisitions. Every team member brings a fresh perspective to any goal or challenge.

Established in Santa Barbara in 2003, The Dreier Group is committed to community involvement. Its employees are urged to participate in charitable causes, such as the Santa Barbara Zoo, the Santa Barbara Bowl, Girls Inc., and the Santa Barbara Chamber Orchestra. This volunteer activity has resulted in an increased understanding of the inner-workings of the great city of Santa Barbara, as well as meeting many of the people that make this city a wonderful place to live and work.

The Dreier Group is pleased to support the UCSB Economic Forecast Project and appreciate the fine work it does for the community.



DAVIES is a strategic communication firm offering public affairs, public relations, and marketing services to clients across industries, with an emphasis on our four specialty practice areas- Real Estate, Healthcare, Energy & Natural Resources, and Nonprofit. With 34 professionals working out of offices within Santa Barbara and Los Angeles, DAVIES is ranked the third largest firm in Southern California and in the top 35 nationally. The Holmes Report, a leading PR industry trade publication, named DAVIES the Boutique Agency of the year for 2003.

Innovative strategies and high-impact messages-supported by flawless execution-have helped DAVIES grow into a recognized national leader. The firm's blue chip clients include ExxonMobil, Centex Homes, Dunmore Homes, Cottage Health System, The Grupe Company, Harrahs Entertainment, Exempla Healthcare, PG & E, Chevron, Hyatt Development Corporation, Tenet Healthcare, and dozens of others.

DAVIES maintains strong local roots by representing some of the best-known local companies and organizations. The agency has represented the Santa Barbara Museum of Natural History, the Cities of Santa Barbara and Port Hueneme, Business First National Bank, the County of Santa Barbara, Santa Barbara City College, Santa Barbara MTD, Westmont College, Sansum-Santa Barbara Medical Foundation Clinic, Isolite Systems, and countless others. DAVIES prides itself on being at the epicenter of the Tri-counties business community.

DAVIES' sponsorship of important community events like the UCSB Economic Forecast Seminar is but one way the firm expresses its pride in being part of the Tri-County business community.

Business Associate Sponsors



Engles Communications, Inc. was founded as a Broadcasting Group in 1990. ECI grew to include three Television Stations in the midwest, four Radio Stations in Santa Barbara and a Broadcast Towers Complex in Santa Barbara County.

During the past eight years ECI changed its core focus to Real Estate investments and development and is now actively pursuing commercial and residential properties and selling its broadcast assets.



When you work with us, we will provide you with the personal attention and service that you are entitled to! We feel very proud of the reputation that we have established within our local community. You deserve the best and we believe we can provide it.

Equity Title Company was founded in 1980, and our Santa Barbara branch was opened in 1990. Since then we have worked very hard to assemble some of the very best professionals in this industry. When you need title or escrow services please call us. We will be more than happy to help you. (805) 564-8366 or www.equitysb.com



Farm Credit West (which is composed of Farm Credit West, FLCA and Farm Credit West, PCA) is a borrower-owned cooperative providing credit to producers of food, fiber, and flowers in Kern, Kings, San Luis Obispo, Santa Barbara, Tulare, and Ventura counties. Farm Credit West is pleased to sponsor this Economic Outlook program in an effort to better document agriculture's important role in California economy.

As a lender specializing in a single industry--agriculture--Farm Credit West is dedicated solely to proving that THE CUSTOMER COMES FIRST by providing superior customer service at competitive rates. The Board of Directors for Farm Credit West is composed of agricultural leaders who ensure that the Association provides the highest quality, value-added service by developing an in-depth understanding of California agriculture. Capitalizing on its customer-driven specialization, Farm Credit West is the premier originator of agricultural operating and mortgage loans in its territory. Other services offered include lease origination and fee appraisals.

Visit www.FarmCreditWest.com for more complete information!



FIRST REPUBLIC BANK
It's a privilege to serve you®

Merger mania has been sweeping the banking industry for the past few years. With many banks consolidating branches, many consumers are frustrated by having to explain their financial needs again and again to new bank employees as the new guard takes over.

True to its company motto, "It's a privilege to serve you," First Republic Bank offers a welcome alternative.

"Our goal is to make banking as easy as possible for our clients. They are busy people who want a single point of contact and a single decision-maker who doesn't change each month or year. This is precisely what my colleagues and I at First Republic provide – stability and service," says Regional Manager Rebecca Thaler. "We believe that the critical measure of our success is the high number of satisfied, repeat customers we serve."

First Republic specializes in personal and business banking, including a highly-acclaimed free Online Banking and Bill Pay service and a state-of-the-art Online Cash Management for businesses. The Bank's lending services include mortgages for primary and vacation homes, an all-in-one construction to permanent loan, a wide range of commercial loans, a 24-hour response Eagle One Loan for businesses, and security-secured and unsecured personal loans. Rounding out the private banking services are a wide range of investment management, high net worth brokerage and trust services.

One of the Bank's most popular accounts is the tremendously convenient ATM Rebate Checking Account with free access to 650,000 ATM's worldwide, including the reimbursement of ATM surcharges imposed by other institutions.

Publicly traded on the New York Stock Exchange, First Republic is small enough to know each customer, yet large enough to provide a wealth of products and services, and, more importantly, offer stability and a strong capital foundation.

The Bank's broad array of financial and wealth management services are available in offices in California, Las Vegas and New York City, as well as online at firstrepublic.com. Regional Manager Rebecca Thaler, Senior Relationship Manager Melissa Gough and Relationship Manager Magda Arroyo can be reached at (805) 560-6883 at First Republic's local Preferred Banking Office, 18 W. Canon Perdido.



FOUR SEASONS BILTMORE
Santa Barbara

The Four Seasons Biltmore sits on twenty acres of lush gardens, nestled between the Santa Ynez Mountains and the Pacific Ocean in picturesque Santa Barbara, California. Convenient direct flights are available into Santa Barbara Airport, ten miles to the north, or Los Angeles International Airport, 90 miles to the south.

One of the premier resorts of the West Coast, the Four Seasons Biltmore offers 12 conference rooms with 16,000 square feet of meeting space. A new 10,00 square foot spa and fitness center have recently been completed. Four of the ten treatment rooms offer fireplaces, whirlpool tubs and balconies overlooking the Pacific Ocean. The resort offers two pools, tennis, award-winning restaurants, and nightly entertainment.



GRAHAM CHEVROLET CADILLAC SAAB is a local family business.

Established in 1990, the business has expanded several times to accommodate the growing opportunities here in the Santa Barbara area.

“Meeting the automotive needs of the Santa Barbara community is our only business. Our family commitment is to be at the dealership to insure customer satisfaction every day in every way”, says Richard Graham. “We have 80 associates who are just as committed to customer satisfaction in price and quality of services offered.”

“Many community non-profits have benefited from our commitment to give back to this special community we live in.”

CHEVROLET is the #1 selling brand of the #1 selling manufacturer in the world with 10 brand new Chevys being introduced this year.

“An American Revolution”

CADILLAC, the premium brand of General Motors, is once again becoming the “Standard of the World”

SAAB offers strong Scandinavian design heritage and the very latest technology.

“Welcome to the State of Independence”



Hatch & Parent is a full-service law firm with expertise in corporate and tax, complex litigation, public agency, water law, real estate and land use, environmental quality, trusts and estates, employment law, appellate law and legislative advocacy. The firm has offices in Santa Barbara, Los Angeles, Sacramento, San Diego, South Lake Tahoe and Westlake Village.



Consider Inamed, “The Company of Choice.”

Inamed Corporation is a global healthcare leader with over 25 years of experience developing, manufacturing, and marketing innovative, high quality, science-based products and services that enhance the quality of people’s lives. Current products include breast implants for aesthetic augmentation and reconstructive surgery; a range of dermal products to treat wrinkles; and minimally invasive devices for obesity intervention, including the LAP-BAND System for morbid obesity.

Inamed employs approximately 1200 people around the world and is headquartered in Santa Barbara, California.

We embrace hard work, teamwork and workplace diversity and the Inamed values we espouse are: Performance, Innovation and Respect. We live by the INAMED values and create the best work environment where the best people choose. We also aspire to deliver superior shareholder returns and to be a good corporate citizen in the communities where our employees live and work. We have dedicated ourselves to living and working by this value system

Inamed’s commitment to its customers, employees and community is embodied by our company philosophy. We listen and deliver unparalleled satisfaction and service to our employees, customers and community. What makes Inamed special is the way in which these values are brought to the workplace and marketplace: by promoting individual and company action toward the common goal of making our community a better place in which to live and work. This is our commitment to you and the community we serve.

In recognition of our commitment to excellence and service, Inamed was listed among Forbes 200 Best Small Companies in 2002 for our achievements as a premier medical device company.



Indigo produces several thermal imaging systems that “see” at night, through smoke and haze, outside the parameters of “visible” images. Pivotal to automotive night vision, industrial control, security and surveillance, scientific measurement, optical analysis and high-performance military capabilities, these camera families cover the entire infrared spectrum, and include the world’s smallest and lightest IR camera and thermal video imaging systems. These cameras are collectively, Indigo’s core business.

Custom integrated circuit design, including silicon ROICs (readout integrated circuits) and

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focal plane arrays (FPAs or sensors) for commercial, industrial, military, and telecom use, and systems and software engineering, are the critical components that have propelled Indigo into a high-volume production capability. Their silicon chip design expertise, proprietary technology, and manufacturing advantage has made Indigo the only company in the IR industry with all required technologies in-house.

In April 2002, Indigo Systems introduced the smallest IR camera in the world, the Omega™ camera. Weighing in less than 100 grams and smaller than 3.5 cubic inches, the Omega permits thermal imaging in tight and previously inaccessible spaces. The TH-10 long-range surveillance camera system with a ruggedized enclosure was also introduced in late 2002. This system is designed for use in demanding environmental conditions where continuous, reliable IR imaging is required.

In early 2003, Indigo Systems was awarded the F-35 Joint Strike Fighter (JSF) contract from Northrop Grumman, Electronic Systems, to deliver infrared sensors (Integrated Detective Assemblies or IDAs) for the multi-role, supersonic, stealth JSF aircraft. The F-35 program represents the largest military procurement contract in U. S. history, with an estimated value of more than \$200 billion over the life of the program.

In January 2003, Indigo Systems' Human Resources Department received the top honor for the second consecutive year from the Santa Barbara Human Resources Association. Responsive to the community, Indigo Systems also sponsors a matching "gifting" program each year. Indigo's employees are encouraged to donate a percentage of their salaries to their individual favorite charities. Indigo matches, dollar for dollar, the employees' contributions by presenting an annual check to The United Way. This past year, at the fourth annual Giving Reception, Indigo Systems and employees presented over \$55,000 to local, regional and national charities.

Today, Indigo Systems is housed in three facilities, with its new headquarters in Goleta, California. The new 86,200 square foot corpo-

rate offices and manufacturing plant combine with the detector operations plant and the new Florida software facility, totaling over 115,000 square feet and housing 212 employees. Indigo's strategy is to deliver high-performance infrared products at commercially viable prices to markets around the world. Honored by Deloitte & Touche in 2002, Indigo Systems was ranked #393 among the fastest growing technology firms in the nation with an 844% revenue growth over the past five years.



KPMR-TV/Channel 38, the Univision affiliate owned and operated by Entravision Communications Corporation, is a full-power Spanish-language TV station in the Santa Barbara, Santa Maria, San Luis Obispo Designated Market Area (DMA). At 2,450 kilowatts, KPMR's signal is the strongest broadcast signal originating within the DMA, offering consistent TV coverage from Ventura north to Paso Robles! Additionally, KPMR is carried on channel 16 on all major cable systems in the DMA. These are: Cox Communications in Santa Barbara, Comcast in Santa Maria, and Charter Communications in San Luis Obispo. KPMR is also seen on DirecTV and Dish network.

As the leading Spanish-language TV station in the Central Coast, KPMR-TV is the single most effective medium to the valuable and expanding Hispanic market of today. 29% of the DMA's total population is Hispanic and in some areas it's over 60%. By the year 2008, the Hispanic population in the Central Coast is projected to grow to 221,136. With an average household income of over \$60,000 and \$2.6 Billion in buying power, Hispanics represent 14% of the Central Coast's consumer spending.

KPMR-TV offers popular Univision network programming specifically tailored to meet the needs, tastes and preferences of U.S. In 2003, KPMR launched "Noticias Univision Costa Central," a local Spanish-language news-

cast committed to keeping the Central Coast community well informed regarding current topics, issues, events and other matters of concern. "Noticias Univision Costa Central" airs Monday thru Friday at 6 p.m. For up-to-the-minute news, Central Coast Hispanics have come to rely upon and tune in to the number one-rated Spanish-language local newscast in the region, "Noticias Univision Costa Central."

KPMR's impressive line-up draws hundreds of thousands of Central Coast viewers of all ages throughout the Central Coast!



At LandAmerica Lawyers Title we are committed to customer satisfaction. With this in mind, we have assembled a highly-qualified team of title insurance and escrow professionals in Santa Barbara to assist you with your real estate transactions; John Hebda, County Manager, Carolyn Ferrick, Title Operations Manager; T. J. Dwire, Title Officer, our exceptional Escrow Officers Carol Friedrichs, Susan Lowe and Ceci Murphy and our expert sales team of Darcie McKnight and Lara Woodward. With offices in Santa Barbara, Montecito, the Santa Ynez Valley and Santa Maria, we look forward to assisting you with all of your title and escrow needs.

LandAmerica Lawyers Title has been an integral part of the Santa Barbara County title and escrow community for over 3 decades and has over 75 years experience in serving residential and commercial customers nationwide. One of the largest title insurers in the nation, we are a leader in providing title insurance and a broad range of real estate related services, including escrow.



Leider Hayes Commercial serves a wide range of clients with significant expertise and a sophisticated approach to commercial real estate. The firm's four partners, Stephen Leider, Steve Hayes, Clarice Cornell, and Francois De-John, average nearly twenty years of commercial real estate experience and all work collectively. The same team approach is incorporated by the seasoned group of Leider Hayes' associate agents Brian McCririe, Michael Martz and Kristopher Roth. This allows clients, both individual and institutional, access to additional expertise and a deeper pool of professional resources. The combination of talent creates an ability to provide pinpointed experience to a broad array of client needs that separates Leider Hayes Commercial from its competition.

Maloney & Associates *Organizational Solutions*

We are a business consulting firm comprised of seasoned veterans who are successful in their own specialized fields. We excel in the areas of management, legal settlement advisement, leadership, mediation, and most importantly, communication. We work in the private or public sectors. We are a proprietary firm highly sensitive to the confidentiality of our clients.

Maloney & Associates are part of a new generation of individuals who are bringing their successful experiences to the business community. We employ solid business basics, common sense and logical processes, and are committed to ethical business practices. We promote clear thinking accountability. One of our primary rules is to always tell the client the complete story and not just what they may want to hear. More often than not, some consultants perpetuate the problem by not telling the complete story, especially if it may concern the decision maker. To often, they fear "biting the hand that feeds them" and losing their business. We are there to help people

solve their existing problems, not to perpetuate them. We also give our clients the tools they need to resolve future concerns.

We have been retained for assignments such as executive level leadership development, legal settlement advisors, mergers and acquisition transitions, strategic planning, conflict intervention in partnership and shareholder disputes and communication seminars. We are also available for speaking engagements and retreat workshops. Michael Maloney, co-founder of this group, spent his early career with IBM and then commercial real estate and institutional investments and acquisitions. He presently volunteers his time as a mediator for the Ventura County Superior Court specializing in business litigation.

Mr. Maloney may be reached at his office (805) 389-5306, through his website at thinkcommonsense.com or e-mail at maloney@thinkcommonsense.com



Montecito Bank & Trust

This year, Montecito Bank & Trust celebrates 30 years of serving the banking, borrowing, trust and investment needs of the communities where we are privileged to do business. As a locally-owned and managed community bank, we believe in giving something back to the communities we serve and are proud to be able to support more than 100 local non-profit organizations in the good work they do through our Anniversary Grants and our Community Dividends Awards programs. We also believe in putting our deposits to work right here, in the form of loans to local companies, professionals and individuals.

Much more than a lender, Montecito Bank and Trust also provides Portfolio Management, Investment and Trust services as well as a full array of business and on-line banking services. Our relationship managers listen,

taking the time to learn and understand our client's total financial picture, before they craft individual solutions. Unlike many of the big banks, we can be flexible and creative in response to our client's unique financing and investment needs.

Although we have grown to more than \$600 Million in assets, we remain a community bank that takes pride in being able to provide exceptional service through seven banking offices conveniently located in Westlake Village, Carpinteria, Montecito, and Santa Barbara, as well as our location at Valley Oaks Bank in Solvang. We are pleased to sponsor the UCSB Economic Forecast Project again this year and are proud to contribute to the economic vitality that benefits everyone in the communities we serve.

If you would like to learn more about how Montecito Bank & Trust can be your financial partner or are interested in establishing a relationship with bankers who will treat you with the attention and respect you deserve, please contact Janet Garufis @ 805-564-0260, jgarufis@montecito.com, or visit our website at www.Montecito.com.



QAD is a leading provider of enterprise applications for global manufacturing companies. QAD applications provide critical functionality for managing manufacturing resources and operations within and beyond the enterprise, enabling global manufacturers to collaborate with their customers, suppliers and partners to make and deliver the right product, at the right cost and at the right time. Headquartered in Santa Barbara, California, QAD was founded by UCSB graduate Pamela Meyer Lopker and her husband Karl Lopker, and is this year

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celebrating 25 years in business. Today, QAD operations circle the globe, with offices in 26 countries, six development centers and more than 1,200 employees worldwide. Many of the biggest brand name companies in the world -- including Ford, Coca-Cola, General Electric and Avon -- use QAD applications in approximately 5,300 licensed sites in more than 90 countries and in as many as 27 languages.



Radius Group Commercial Real Estate was formed in April 2002 and is comprised of a team of seasoned, successful and well-established agents with over 100 years of commercial real estate experience in Santa Barbara County.

Founding partners, Scott Glenn, Steve Golis, Bob Tuler and Steve Brown have an exemplary track record for successful sales and leasing of commercial, industrial and multi-family properties in the greater Santa Barbara area. Client loyalty has been their reward for hard work and dedication to service. The founding partners are joined by a talented group of agents that includes Mike Chenoweth, Rob Adams, Brad Frohling and Steve Battaglia. Along with a staff of seven, the Radius Group prides itself in providing the highest level of service, integrity and results for their clients.

In just their first year of operation, Radius Group has become the second largest of the seven South Coast commercial real estate firms, measured not only by the size of its staff, but also its agents, sales and leasing activity for the year.

Radius Group - Experience, Integrity, Results.

Raytheon

After 45 years of doing business in the Goleta Valley, Raytheon continues to be a strong member of the local business community. Raytheon's business operations in Goleta provide development, design and production of state-of-the art government and commercial electronic and electro-optical products. Included among these products are self-protection electronic and countermeasures systems for military platforms; infrared detectors and subsystems for surveillance, target acquisition, and scientific applications; and space instruments for earth remote sensing and planetary exploration missions. These systems are deployed on a variety of combat vehicles, ships, aircraft, and spacecraft. In all, the three Raytheon organizations in Goleta do business in more than 30 countries around the world, achieve annual revenues typically exceeding \$500 million, and maintain an employee population of more than 1,900.

Raytheon prides itself on offering a prestigious, creative high-technology atmosphere backed by the resources of the Raytheon Company. Raytheon Company, with 2004 sales of \$20.2 billion, is an industry leader in defense, government and commercial electronics, space, information technology, technical services, and business as well as special mission aircraft. With headquarters in Waltham, Mass., Raytheon employs more than 80,000 people worldwide. The relatively small size of the local organizations enables a highly flexible, dynamic workforce comprised of a wide range of technological expertise.



The Santa Barbara Airport is one of the county's most important centers of economic activity with an annual impact of more than a half billion dollars. SBA contributes to the vitality of the region by fostering business, tourism and trade.

It is the gateway to world for the South Coast with over 80 commercial flights each day. The Airport is the county's primary transportation hub providing air service for more than 750,000 passengers annually.

Owned and operated by the City of Santa Barbara, the Airport is completely self-supporting and debt-free, generating revenue through user fees and tenant rents. Over \$2.8 million is obtained each year in Federal grants to fund capital improvements. Local, state and federal tax revenue generated by Airport economic activity totals over \$35 million annually.

There are 120 aviation and commercial/industrial Airport tenants that contribute more than \$80 million annually to the local economy. Total employment generated by the Airport exceeds \$80 million each year for 2,200 jobs.

Visitors who use SBA contribute significantly to the local economy by spending \$542 million each year. A 2001 economic impact study revealed airline visitors using SBA represent 31% of Santa Barbara county hotel revenues.

There are 194 private aircraft based at SBA representing an estimated value of over \$160 million. Visitors to the area via general aviation contribute over \$55 million to the local economy each year. Airfreight companies shipped over six million pounds of freight through the Santa Barbara Airport in 2003.



SANTA BARBARA
ASSOCIATION
OF
REALTORS

The purpose of the Santa Barbara Association of REALTORS® is to serve its members by providing and promoting programs and services to enhance members' freedom and ability to conduct their individual business successfully, with integrity and competency, and through collective action to promote the extension and preservation of the right to own, transfer, manage, and use real property.

Members of the local Association of Realtors are pledged, through their membership, to uphold the Code of Ethics of the National Association of Realtors. In the Code, Realtors "are pledged to provide equal opportunity in housing, truth in advertising, fair treatment to all parties to a transaction, avoidance of controversy with others, willingness to cooperate with governmental agencies, gaining full knowledge regarding laws, and many other principles of professionalism.

THE SANTA BARBARA **Independent** News, Arts & Entertainment

The 40,000 circulation Santa Barbara Independent is Santa Barbara County's most comprehensive weekly guide to local politics, entertainment and the arts. It contains the most complete listing of community events and is must reading for active Santa Barbara County residents.

The Independent is an active sponsor of numerous community events through advertising grants that have supported the Mariachi Festival, Old Spanish Days, UCSB Athletics and the Economic Forecast Project. More

than 125 community non-profits from the Arts Fund to the Endowment for Youth, receive free advertising through the Independent's public affairs program.

Readership surveys reveal that the average Independent reader is 40 years old, college-educated and affluent. With a pass-along rate of 3 readers per copy, the total reach of the Santa Barbara Independent is more than 120,000 South Coast readers.

The Independent is available at more than 400 locations from Carpinteria to Lompoc. Like the best things in life, its still free.

SANTA BARBARA NEWS-PRESS

As Southern California's oldest daily newspaper, the Santa Barbara News-Press has reported on Santa Barbara County news for more than a century. More than 140,000 readers turn to the News-Press daily for a complete look at the issues that affect the county, state and nation. The newspaper is the leading supplier of news, information and advertising for the Santa Barbara County area. During recent years, the News-Press has been awarded the California Newspaper Publishers Association's prestigious General Excellence Award five times.

In addition to producing a daily paper, the News-Press also publishes other printed and web-based information. This includes an award-winning web site, www.newspress.com, which offers an online version of the Santa Barbara News-Press and comprehensive community information pertaining to the South Coast. NP Commercial Printing offers prepress services and high volume offset printing for publishers throughout California.

As part of its ongoing commitment to the community, the News-Press supports more than 100 non-profit organizations each year. Through donated advertising space and cash donations, the News-Press contributes nearly \$500,000 to Santa Barbara area non-profits yearly.



"The South Coast Beacon, Santa Barbara County's most dynamic community newspaper, was founded in 2002 to deliver Writing Worth Reading to sophisticated and discriminating families in Santa Barbara, Montecito and Goleta. Each Thursday, more than 20,000 copies of the Beacon are direct-mailed to affluent single-family neighborhoods with large numbers of children living at home, in every South Coast ZIP code.

In 2004, in our first year of eligibility, the Beacon was awarded First Place for General Excellence by the California Newspaper Publishers Association, as well as Second Place in Public-Service Reporting for our coverage of South Coast health-care and housing issues.

Led by longtime local newspaperman William M. Macfadyen, the Beacon's small reporting staff consistently out-hustles our far larger competition and our enterprise reporting is routinely copied by others following our lead. The clear star of the news team, however, is Leslie Dinaberg, whose popular South Coast-ing column is eagerly awaited by a large - and growing - number of fans.

Extensive recent independent surveys have found the Beacon to be the most family-oriented news and information source on the South Coast; it also received the highest marks for its fair and balanced coverage of local issues. In addition, the surveys revealed that the Beacon's famously responsive readers reliably purchase products and services from our advertising.

As a startup business, the South Coast Beacon is privileged and proud to support the UCSB Economic Forecast Project. A free market and a healthy economy will ensure the continued vitality of our South Coast paradise."

Business Associate Sponsors

THE TOWBES GROUP, INC.

The Towbes Group, Inc. is a Santa Barbara based development, construction and asset management company. Our services range from development and construction to maintenance and management of these properties, all of which is provided in a professional manner. We are long-term owners and managers of our properties, and we take great pride in both the quality of our developments and our exacting management standards.

As a developer and property owner in the Goleta Valley for nearly forty years, we are pleased to be a sponsor and to support the Greater Goleta Valley Chamber and the UCSB Economic Forecast Project.



Throughout its 45-year history, The Towbes Group, Inc. and its predecessors and affiliates ("The Towbes Group" or "TGI"), has experienced notable success acquiring, developing and managing real estate assets for its own account. At present, TGI owns and manages approximately 1.3 million square feet of commercial real estate and over 1,700 multifamily residential housing units.

The Towbes Group is owned in full by Michael Towbes and includes an 89-person investment, development, finance and property management team. In addition to his ownership of TGI, Michael Towbes is the chairman of the board and sole shareholder of Montecito Bancorp, a bank holding company which owns Montecito Bank & Trust, a community bank with approximately \$460 million in assets.

Towbes Capital Partners, LLC, a California limited liability company ("Towbes Capital Partners or TCP"), was formed to expand the Towbes Group's real estate

portfolio by combining the capital of its principals with capital from third party investors. In doing so, TCP formed Towbes Capital Partners Fund I, LLC, a discretionary real estate investment fund.

Towbes Capital Partners' principals are Michael Towbes, Jeffrey Giller, Robert Skinner, and Craig Zimmerman. Prior to joining TCP, Mr. Giller was with the J.E. Robert Companies, an international real estate investment fund manager, where he was responsible for acquisition and business development activities and from 1995 to his departure from the firm in 2000, he was Managing Director responsible for JER France, SA, the company's European subsidiary. Prior to joining TGI and TCP, Mr. Zimmerman was Senior Vice President of McGuire Partners, a Los Angeles based real estate developer, where he led teams that acquired and financed more than \$1.2 billion of real estate. Prior to joining TCP, Mr. Skinner was an attorney with White & Case specializing in real estate transaction and bankruptcy work. Mr. Skinner also serves as General Counsel and as a member of the Board of Directors of Montecito Bank & Trust, an affiliate of TGI and TCP.

Towbes Capital Partners also has a Board of Advisors that consists of Dr. Edward Birch, Dr. Robert Emmons, and Phillip Nicholson. Throughout his career, Dr. Birch has held senior administrative positions at distinguished colleges and universities and has served as chairman and/or director of a number of public company, charity, civic, and cultural boards. Phillip R. Nicholson is a founding partner of the law firm of Cox, Castle & Nicholson LLP. Cox, Castle & Nicholson has offices in Los Angeles, Irvine and San Francisco, California and is nationally recognized for its work in complex real estate transactions. Dr. Robert Emmons is Managing Partner of Emmons Capital, an investment partnership, and serves on the boards of Bourgeon Capital Management and Hunter Marine. Previously, Dr. Emmons was Chairman and Chief Executive Officer of Smart & Final Inc., a New York Stock Exchange company, and has held President and Chief Executive Officer positions for a number of other major corporations.



Established as a primary financial institution in Ventura County for more than 50 years, Ventura County Credit Union is a financially strong and growing provider of personal financial solutions. As not-for-profit, cooperative financial institutions, credit unions provide lower loan rates and higher returns on investments worldwide. The credit union philosophy has always been People Helping People.

More than 43,000 VCCU member-owners enjoy individual attention and high-tech financial services. VCCU's full-spectrum of financial products include convenient checking, high-yield investments and savings, personal, home and auto loans and 24-hour account access with free online banking and bill payment service, telephone banking and a large network of no-fee ATMs. In addition, more than 220 employers throughout Ventura and Santa Barbara counties offer VCCU membership as a no-cost addition to their employee benefits package.

VCCU offices are located in Ventura, Oxnard, Camarillo, Thousand Oaks and Simi Valley. For more information about Ventura County Credit Union, or to become a member of the largest credit union headquartered in Ventura County, call 805/ 477-4000 or log on to www.vccuonline.net.



Village Properties is one of the leading Real Estate Companies of Santa Barbara County with offices in Montecito, Santa Barbara and Santa Ynez: Serving Carpinteria, Summerland, Montecito, Goleta, Santa Barbara and Santa Ynez. The key to Village Properties' success is Experience. Our agents are knowledgeable, connected, and committed to providing you with the finest professional real estate service available. Our association with Christie's gives us the worldwide connections to present the finest properties in our communities to a new group of prospective buyers. We have enjoyed an enhanced level of service by marketing our properties internationally through Christie's and Christie's Great Estates. Call us at 805-969-8900 or email us today to learn more about buying or selling a home, and our local real estate market.



WELLS FARGO

Wells Fargo (NYSE: WFC) is a diversified financial services company providing banking, insurance investments, mortgage and consumer finance for more than 27 million customers through 6,000+ stores, the internet and other distribution channels across North America and internationally.

Wells Fargo has \$422 billion in assets and 146,000 team members. We are one of the United States' top 40 largest private employers. Moody's Investors Service rated Wells Fargo as the only 'AAA' bank in the U.S. Diversity Inc. rated us among the top 25 companies in all industries for diversity. Wells Fargo was rated by Forbes as one of the top 25 U.S. companies in all industries based on a composite ranking of revenue, profits, assets and market value.

With Commercial Banking offices in both Santa Barbara and Ventura Counties, Wells Fargo provides you and your business with local personal attention in addition to the vast resources of one of the world's most sophisticated financial networks.



Founded in 1975, Wilson Printing was established adjacent to the University of California, Santa Barbara campus as The Alternative Copy Shop to provide copying and binding services to the faculty, staff, and students of UCSB. Over the next 25 years, Wilson Printing has evolved to become the area's leader in providing color printing, digital copying and printing, color copying, digital prepress, bindery and bookbinding services. Wilson Printing continues to be a major supplier of these services to the university, as well as many of the hi-tech companies, schools, and institutions in the Santa Barbara area.

Located in Old Town Goleta, Wilson Printing caters to discriminating business clients who need close attention to detail, careful color reproduction, and exacting standards in their printed communication pieces. Wilson Printing was the first to bring digital Xerox Docutech copying and digital color copying to Santa Barbara County. Wilson Printing remains innovative in bringing the most current printing technology and pre-press proofing systems together.

Wilson Printing prides itself in its involvement in the surrounding community. We currently and actively support many University programs; organizations such as the Boy Scouts, Girl Scouts, YMCA, local area schools, various youth sports programs; and many local charities and service clubs.

Wilson Printing may be contacted at (805) 964-8875; on the World Wide Web at www.wilprint.com; or join us at 5777 Hollister Avenue in Goleta for a personalized tour.

Corporate Sponsors



Based in Santa Barbara, Archbald & Spray LLP has gained a statewide reputation for providing exceptional legal service to businesses and individuals throughout the Central Coast. A strong litigation practice has been the firm's cornerstone since 1960. In addition to litigation, our attorneys provide preventive law counseling and handle transactional matters as counsel to businesses in varied industries, including energy, manufacturing, high-tech, service, transportation, hospitality, health care, and insurance. We also represent governmental entities, non-profit organizations, and a wide range of professionals.

At Archbald & Spray LLP, we work closely with our clients to achieve effective and cost-sensitive solutions to legal problems. By emphasizing four core principles—integrity, industry, intelligence and innovation—Archbald & Spray LLP has earned professional respect from the judiciary and other counsel, enabling our attorneys to efficiently obtain prompt, favorable results for our clients in both negotiation and litigation.

We have successfully defended clients faced with business-threatening lawsuits in state and federal courts, including contract and commercial disputes, employment, environmental, land use, product and professional liability, and insurance coverage matters, handling both trial and appellate phases.

We applaud the significant contributions made by the UCSB Economic Forecast Project and are proud to sponsor its activities.



The Ventura Regional Commercial Banking Office of Bank of America serves the counties of Santa Barbara, San Luis Obispo and Ventura. We do business with companies in such diverse fields as agribusiness, real estate investment, healthcare, finance and consumer products. Bank of America's extensive worldwide network gives us a major advantage in serving clients. We can fill your commercial banking requirements—credit, cash management, trade finance, leasing, investments and checking plans. We can also serve your individual banking needs through our network of preferred banking officers. Whatever the solution you are seeking, we have access to the resources to make it happen.



Bermant Development Company was founded in 1983 by Jeffrey C. Bermant to help solve the complex challenges facing California's communities. We begin residential projects with a simple goal: balance the need for competitively priced homes, a community's need for environmentally sensitive development, and the requirements of the marketplace.

Our comprehensive team of planners, engineers, architects, environmentalists, builders, and managers enable us to look at the larger issues-to master plan a project to meet the needs of communities. Our team is able to generate solutions not traditionally offered by developers. The results are innovative projects that add

value to the community, win the support of neighborhoods, and the approval of local governments.

Through its Bermant Homes affiliate, it has built 400 homes in Santa Barbara and San Luis Obispo Counties in the last five years. We currently have about 800 residential units in various stages of planning or production. Through our commercial division we have built almost 1,000,000 square feet of Class A executive office buildings, planned research and development parks, and light industrial property.

Our BDC Metro affiliate was formed to create solutions for working families who are being priced out of housing in their communities. Its innovative solutions for workforce housing will allow cities to develop housing for the critical workers that serve their communities without public funds.

BDC Management is our management company for properties of third party clients. BDC Management presently manages more than 900 apartment units and 300,000 square feet of commercial property.



For over two decades our name has been Christensen & Drake. But most everyone just calls us C & D. So now we've made it official.

It's not just our role as certified public accountants and advisors that makes us understand the importance of a vital local economy. It's our role as citizens as well. That's why the partners and our entire team proudly sponsor the UCSB Economic Forecast Project.

Our team at C&D has been committed to reinvesting in our central coast community. We work with clients as diverse as manufacturers, entrepreneurs, investors, real estate professionals, wineries and retailers. With specialization in taxation, accounting and auditing, and business and estate planning, we have special expertise in agricultural operations and winery and vineyard operations. It's this experience that gives us valuable insight into the importance of a healthy and robust local economy.

Partners Kathleen Campbell, Deborah Gioia, Verva Enoch and Tammy Vogsland are committed to building lasting relationships and delivering the highest standards of personal and professional service. We feel that by helping our clients improve their current financial profitability and plan their long-term financial goals, we're not only working to build their future, but the future of our community as well.



CallWave is a profitable, fast-growing consumer software company that is harnessing the power of the Internet to enhance the functionality of traditional phone lines. CallWave services over 800,000 paid lines and handles more than 2 million calls per day at Telco-level reliability - making CallWave's mass-market customer base the largest in the VoIP virtual line field. With its proven technology platform, CallWave is poised to take advantage of the increasing demand for VoIP (Voice Over Internet Protocol) services by consumers and businesses. The company recently completed its 9th consecutive quarter of profitable, cash-flow-positive operations.

CallWave serves value-conscious subscribers who save hundreds of dollars a year by installing CallWave software on their PC and receiving voice calls and faxes through the Internet. CallWave's phone software is free to try, easy to download, and quick to deliver value. At installation, the software issues phone numbers to the subscriber (or arranges for call forwarding of an existing number) and demonstrates how the subscriber's broadband or dial-up Internet connection can be used to reduce costs in their home or office, while getting more of their important calls.



The Cancer Center of Santa Barbara is an independent, non-profit cancer treatment center founded in 1949 by Elisha Converse. Mr. Converse wished to bring the most advanced cancer treatment available to the local community in honor of his wife, Lillian, who had suffered from the disease.

Today, the Center is comprised of three medical departments - radiation oncology, hematology/medical oncology and nuclear medicine - all of which serve the Central Coast. A wellness program is in place to implement preventative programs, community alliances and educational tools for risk reduction, cancer management and the prevention of re-occurrence. The social services department offers assistance with: child care, health-insurance, long term care and transportation. Under the auspices of the National Cancer Institute and other research consortia, the latest cancer treatments are made available to patients, while participating in the progress that

is being made nationwide to achieve more effective cancer treatments. Additionally, the Center is involved in designing its own research studies as well as funding research at UCSB to provide better treatment.

The mission of the Cancer Center serves as a guiding force and allows us to maintain the quality and compassionate care that have been our hallmark for more than half a century.

CBRE
CB RICHARD ELLIS

CB Richard Ellis, Inc. is the world's leading commercial real estate services firm. The company serves real estate owners and investors in more than 240 offices worldwide. Services include property sales and leasing, property management, corporate advisory services, mortgage banking, investment management, appraisal/valuation and research & consulting.

The Sales professionals at CB Richard Ellis have the depth of knowledge and breadth of experience to keep up with today's ever-changing real estate market. Our full service brokerage capabilities combined with unparalleled local market knowledge of Santa Barbara, Ventura and San Luis Obispo counties result in an ability to offer clients effective, intelligent and strategic solutions in a timely manner.

Enjoying a longstanding reputation of professionalism, one-on-one personalized service and innovation, CB Richard Ellis is dedicated to meeting the needs of each client and successfully closing every transaction.

We are proud to be a continuing sponsor of UCSB's Economic Forecast Project.



Since our inception in 1983, Cearnal Andrulaitis, a 16 person architectural and interior design firm, has been committed to providing the highest quality architectural and interior design services available on the South Coast. Our responsibility to the thorough understanding of each challenge we encounter ensures unique design solutions to meet our clients' aesthetic, budgetary and program objectives.

Over the past 20 years, our clients have included the County and City of Santa Barbara, Santa Barbara Bank & Trust, Westmont College, St. Francis Hospital, Cottage Hospital, Michael Towbes Development, Sansum/Santa Barbara Medical Foundation, The Lee Group Development Company, Senior Resource Group, Capital Pacific Homes, and Morgans Hotel Group (formerly Ian Schrager Hotels). Currently, we are overseeing the construction of the new Santa Barbara County District Attorney's building. Our newest projects include planning for the St. Francis Hospital site and a new downtown Housing Authority project. We were also the architect for the recently completed new educational center for the Braille Institute.

Cearnal Andrulaitis has always been committed to sustainable architecture. Conscious choices in our planning, design, building methods and materials is always a part of what we do. We continually work to educate ourselves and our clients about how we can create buildings that lessen the load on the planet.

Our greatest asset is our ability to achieve results through teamwork; always striving for the highest quality design solutions; always grounded in integrity and honesty; always committed to the collective service of our clients and our community.



Chicago Title

Chicago Title welcomes you with a professional, experienced team. You can depend on our title and escrow personnel for prompt and thorough performance. Our goal is dependable, accurate service on every transaction. It's a tradition you can trust.

As a member of the Chicago Title and Trust Family of Title Insurers, we offer superior financial strength, 3,800 locations nationwide and revenues exceeding \$1 billion annually. We look forward to serving you.

1847-2004 BUILDING FOR THE NEXT 157 YEARS

Corporate Sponsors



Experience the credit union difference at CoastHills, a not-for-profit financial cooperative owned by the people who save and borrow there. CoastHills Federal Credit Union was established in 1958 at Vandenberg Air Force Base to serve the financial needs of its military personnel. The credit union changed its name to CoastHills in October of 2003, and has steadily grown into a top-rated financial institution serving the San Luis Obispo and northern Santa Barbara counties. Currently CoastHills has ten branches along the Central Coast, plus a call center and convenient access to on-line services through our web site, BankAmongFriends.com.

Currently CoastHills has assets of more than 440 Million, and serves more than 46,000 members. With some of the best rates on consumer and mortgage loans, plus financial planning and insurance services, CoastHills consistently receives the highest marks for member service satisfaction.

CoastHills' goal is to serve all of our members well, including those of modest means. Our vision statement is to "make a difference in our neighbors' lives," and we strive to live up to that promise to our members and to our community.

Beginning in January of 2005, CoastHills provides 100% medical, dental, and vision insurance premiums for all eligible employees and their families. This is a huge commitment to our 155 employees and their families as we establish CoastHills as the employer of choice on the Central Coast.

CoastHills and the credit union movement financially supports the Children's Miracle Network (CMN), an alliance of premier

hospitals for children. CMN is a non-profit organization dedicated to helping kids by raising funds for 170 children's hospitals across North America.



Carl Schneider, A.I.A., NCARB

Offering a full range of services, CSA Architects is an aggressive, award winning architectural firm with a strong focus on design, sustainability, and personal attention to follow through for all projects. Founded by Carl Schneider, AIA, CSA Architects offers a depth and breadth of knowledge in residential architecture that benefits the complex criteria and constraints of a diverse clientele.

Specializing in residential work, CSA is versed in the requirements for affordable housing, senior housing and multi-family condominiums as well as for lavish custom estates. Capabilities also encompass community centers, recreation buildings, commercial buildings and sophisticated mixed-use programs.

CSA believes designing projects with sustainable features is in the best interest of the client, as well as the community. We encourage our clients to incorporate sustainable features into their projects. CSA designed the first building in Santa Barbara County that incorporates a geothermal loop system for heating and cooling. Other projects include systems such as roof mounted photovoltaic cells for electrical generation, a natural fresh air ventilation system so a conventional air conditioning was not required, and a health clinic with all interior materials done with zero to very low VOC's to provide a healthy interior environment.

CSA's reputation for top performance is matched by its commitment in every transaction, and to a positive outcome for each client. CSA is based in Santa Barbara, California, with clients throughout the Western United States. Awards range from a Pacific Coast Builders Conference "Award of Merit" in the category of Best Custom Residence under 6,000 square feet to the Las Casitas Housing Excellence Award for Best Custom Home by the New Mexico Home Builders Association.

Mr. Schneider's experience encompasses nearly three decades in the field of professional architecture. Licensed in California since 1982, Mr. Schneider earned accreditation with the National Council of Architectural Registration Boards (NCARB) in 1983 and is a member of the Santa Barbara Chapter of the American Institute of Architects. He currently serves on the "Design Review Board" for the City of Goleta and was an inaugural member.



Community West Bank, founded in 1989 as Goleta National Bank, focuses on three core competencies: Relationship Banking, Mortgage Banking and SBA Lending. Keeping credit and other banking decisions local is the key to Community West Bank's success.

With offices in Goleta, Ventura and a new office in Santa Maria, the Relationship Banking division offers a full range of business and consumer loan and deposit products. Clients can choose to bank at one of the branch offices, through on-line banking, or by use of convenient courier services.

The Bank's Mortgage Banking division originates residential

real estate loans throughout the tri-counties and in the expanding markets of Sacramento and Lake Tahoe. The Mortgage Banking division also has an established manufactured housing financing program to assist with affordable housing primarily in Santa Barbara and Ventura counties.

Community West Bank is one of the nation's premier Small Business Administration (SBA) lenders offering government guaranteed loans in 10 states. As a "preferred lender" in 13 SBA districts within those states the Bank gains a competitive advantage allowing it to expedite loan processing and have more decision authority than a non-preferred lender.

A key strength of Community West Bank is the people. The Board of Directors is comprised of some of the most experienced business people in the marketplace. The employees are experienced, dedicated and committed to serving the community. It is through their efforts that the Bank's mission of "serving a diverse customer base by providing extraordinary service and competitive banking products," is carried out.



First built in 1922, the El Paseo Restaurant embodies a proud and historic Santa Barbara tradition of service, style and hospitality. Enjoy authentic Mexican entrees or sip margaritas by the fireplace in a beautiful indoor/outdoor courtyard with bougainvillea-draped balconies, murals, fountain, flower cart and a unique retractable roof.

**Fell, Marking, Abkin,
Montgomery, Granet
& Raney, LLP**

Fell, Marking, Abkin, Montgomery, Granet & Raney, LLP, has been providing legal services for over 25 years. The firm's attorneys specialize in a broad spectrum of legal fields, including: general and complex civil litigation and dispute resolution, business and technology, international commercial transactions, real estate transactions, land use, environmental, securities, taxation, eminent domain, family law, estate planning, wealth preservation, probate, trust and estate administration, and telecommunications. The firm acts as general legal counsel to various entities, including publicly traded and privately held corporations, in a wide variety of business transactions. The attorneys in the firm are committed to providing the highest quality and individualized legal services consistent with each client's economic needs and constraints. The attorneys in the firm take great pride in the Santa Barbara County community and are proud to sponsor the UCSB Economic Forecast Project.

First Virtual Properties



Granite Peak Partners, Inc. structures Real Estate investments and 1031 exchanges for high net worth individuals, agricultural and small institutional investors by providing a superior full service approach to the real estate investment process. The Company uses strategically designed

ownership structures to acquire, operate and realize value from advantageously positioned real estate to deliver consistently better than market returns with managed risk to our investors.

Granite Peak Partners was founded in 2003 by three well-seasoned executives who have many years of experience in the purchase, rehabilitation, management, disposition and financing of real estate across several commercial sectors including retail, development, multifamily and office. The principals also have extensive experience running businesses and portfolio management. Granite Peak Partners' headquarters office is located in the city of Santa Barbara, and has another office serving the greater Los Angeles market from Marina del Rey, California.

HOLLISTER & BRACE
A PROFESSIONAL CORPORATION

Hollister & Brace was founded in 1966 by Santa Barbara attorneys J. James Hollister, III and William A. Brace. Today, Hollister & Brace consists of 11 shareholder attorneys, two associates and other professionals. The firm's areas of representation include Business and Tax, Natural Resources, Litigation and Estate Planning. The firm has become large enough to be able to offer clients outstanding expertise in a variety of specializations, while maintaining our commitment to excellence at every level.

HOWARD AND VAN SANDE
STRUCTURAL CONSULTANTS, INC.

Howard and Van Sande Structural Consultants, Inc., was founded by Lynn L. Howard and Gregory K. Van Sande in 1984.

Over the years, the firm has established itself as one of the most respected structural engineering firms in the Tri-

Counties. Paramount is our commitment to quality backed up by a very experienced staff.

As a supplement to the firm's veteran staff, the most current computer technology available in the industry is utilized for engineering and analysis and construction drawings.

The majority of services performed by Howard and Van Sande have been for structures located throughout the Central and South Coast and encompass commercial, industrial and public facilities as well as large scale private residences. Our experience also includes structural investigation and expert consultation to insurance companies and law offices regarding structural failures; seismic strengthening of unreinforced masonry buildings; structural investigations and reports; remodels and additions; construction administration; shop drawing; and computer animation studies.

The firm has considerable experience in working with various building construction techniques and materials such as: wood frame; cast-in-place, precast, and prestressed concrete; utilizing conventional and three dimensional ductile moment-resisting steel frames; and computer modeling and finite element analysis.



Investec is one of California's most diversified real estate companies providing Investment, Development, Construction, Property Management, and Sales & Marketing for commercial and residential properties throughout Central and Southern California since 1983.

Awarded the Central Coast Building Industry Association Builder of the Year and the Green Award for Environmental Excellence, Investec has earned the reputation as one of Santa Barbara's premier real estate investors.

As its principals, Kenneth Slaughter and Richard Ridgway lead a company that is committed to the highest standards of quality, innovation and responsible planning. Investec is pleased to participate as a sponsor of the UCSB Economic Forecast Project.



MarBorg Industries is a locally owned and operated waste management and recycling enterprise run by the Borgatello family. The Borgatellos have been in the Santa Barbara waste management business since 1934. MarBorg Industries' focus on recycling sets it apart from its competition. MarBorg Industries is the largest source of diversion from our landfill in both the City and County of Santa Barbara. Along with successful commercial and residential recycling programs MarBorg Industries has developed a state of the art Construction and Demolition recycling center off of Milpas St. The newest program in MarBorg's recycling portfolio is a comprehensive computer and electronics drop-off center located off Milpas St.

MarBorg Industries believes in protecting our environment through comprehensive recycling efforts so that our community's growth does not compromise our outstanding quality of life. We must look forward to the generations ahead so our children and grandchildren can enjoy the beauty of Santa Barbara just as we have.

Corporate Sponsors



The Montecito office of Merrill Lynch Private Client Group is proud to sponsor the UCSB Economic Forecast Project. Our firm is committed to helping people build and manage wealth.

Headed by Robert Gilson in Montecito, Merrill Lynch provides planning-based financial services, including investment services, private banking, retirement and group employee benefit services, insurance, home financing, personal credit and business financing services, trust services, estate planning, and financial portfolio planning to more than four million households, small-to-mid-sized businesses, and regional financial institutions.



Milpas Motors

Milpas Motors is a local company specializing in New and Pre Owned automobiles.

Any new make and model is available through our broker program which allows us to deliver any new car or truck at very competitive price.

Our commitment to service and customer satisfaction set Milpas Motors apart from the rest.

A few of the additional services offered by Milpas Motors include our exclusive Consignment service which allows our clients to maximize the amount they receive for their vehicle.

Milpas Motors also offers financing at some of the lowest rates in the industry.

Born out of a passion for automobiles and molded by a 25 year track record of success.

Milpas Motors a local company offering value and commitment to quality to our neighbors and friends in Santa Barbara.



Mission Wealth Management, LLC is an independent, registered investment advisory firm serving affluent individuals, foundations, and non-profit organizations throughout Southern California. Mission Wealth offers their clients a holistic approach to all areas of wealth management including investment management, tax planning, insurance, estate planning, risk management, retirement planning, and college funding.

Mission Wealth's comprehensive approach is driven by a dedication to the financial planning process and is delivered through their *Integrated Wealth Solutions™* process. Their team consists of highly trained professionals with Masters Degrees in Financial Planning and CFP, MBA, and CPA designations. In addition, their partnership with Bartlett, Pringle, and Wolf, LLP gives Mission Wealth a depth of resource and tax expertise critical to delivering a fully integrated wealth management experience to their clients.

The investment solutions at Mission Wealth Management are entirely customized to each individual client's needs, objectives, and risk tolerance. Mission Wealth acts as an objective advocate on behalf of each client and has structured its

business so that there is never a financial incentive to recommend a particular proprietary product or methodology. Instead, the end investment solution focuses on selecting an institutional blend of top money managers and providing a framework that monitors those managers ongoing for competence, performance, and risk management.

Mortgage we value our clients and know that they have special and specific financial needs. The clients we seek are those who demand, deserve and appreciate the highest level of service and performance in all of their real estate financing activities.



Pacifica Real Estate Group, a California Corporation, is a full service, diversified company offering expertise to investors in the acquisition, development, brokerage, and management of real property.

Pacifica and its affiliates have developed and/or acquired numerous commercial properties throughout California.

Our mission is to create value and profit in real estate for our clients and investor partners. Pacifica's success is based on the ability to acquire and develop properties at the optimum price; to maximize return through professional property management and brokerage services; and to implement successful exit strategies, which are carefully planned from the time of acquisition.

Once again, we are proud to sponsor the UCSB Economic Forecast Project, and we salute its valuable service to the community.



Pacific Riviera Mortgage is operated by a seasoned mortgage industry professional with extensive knowledge in Real Estate Financing! Locally owned, Pacific Riviera Mortgage is an affiliate of Guarantee Mortgage.

Guarantee Mortgage and its affiliates have an excellent, proven track record of long-term relationships with all of the major mortgage providers on the West Coast and Nationwide. This network of relationships with lenders guarantees our Loan Officers the accessibility to every competitive loan program available in the marketplace. These relationships along with GM's exceptional quality and volume of business equate to a wider selection of mortgage product choices at the lowest rates with superior lender support.

Pacific Riviera Mortgage acknowledges that our valued clients demand excellence in service. At Pacific Riviera

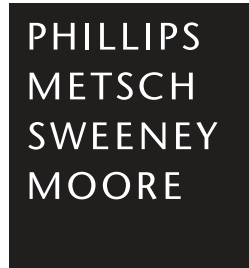


Paseo Nuevo Shopping Center, located in the heart of historic downtown Santa Barbara, is the premiere shopping destination for locals and tourists. Anchored by Nordstrom and Macy's, Paseo Nuevo includes 50 specialty shops and restaurants situated amongst garden courtyards and tropical, flowering vines. A unique feature of this outdoor center is the attached Arts Complex, home of the Contemporary Arts Forum and Center Stage Theater. Paseo Nuevo is the perfect blending of art, fashion and cuisine in Santa Barbara.



Penfield & Smith is an employee-owned, professional services company with Corporate headquarters located at 101 E. Victoria Street in Santa Barbara, California. The company was formed in 1946 and has grown to be the largest consulting firm of its type in the Santa Barbara area. Services provided include Civil Engineering, Transportation Planning and Design, Land Surveying, Land Planning, Permit Processing and Construction Administration. The company provides services to both public and private sector clients.

The company has two branch offices located in Camarillo and Santa Maria. With over 100 employees in three offices, Penfield & Smith is able to provide personal, high quality service to clients throughout the Central Coast and Southern California. For more information, please check our web site at www.penfieldsmith.com.



ARCHITECTS

Phillips Metsch Sweeney Moore Architects is a full service architectural planning and design firm that has served Santa Barbara County for nearly 100 years. We attribute our enduring success to dedicating ourselves to projects that enrich the community while maintaining our core values of honesty, integrity, and professionalism. Our reward has been the opportunity to work with the majority of our clients on a repeat basis.

Phillips Metsch Sweeney Moore Architects provides in-house planning, strategic programming, architectural design, project management, and construction administration services for public education, healthcare and municipal clients. We supplement our core services with additional specialized expertise including sustainable design, LEED certification, government approval processing, historic preservation, restoration, and renovation.

Distributed among offices in Santa Barbara, Santa Maria, and Paso Robles, our staff of 35 is committed to enhancing the future of Santa Barbara County. We are currently designing the restoration of the Granada Theatre, the Renaissance Plan for the Music Academy of the West, the Science & Health Occupations Building at Allan Hancock College, and several projects for Cottage Health System. Our current projects under construction include the new Psychology Building Addition at UCSB that will house an fMRI suite,

an addition to the Sports Pavilion at Santa Barbara City College, and a 3-pool indoor Aquatic Center for the City of Lompoc.

We appreciate the opportunity to serve Santa Barbara County. To learn more about Phillips Metsch Sweeney Moore Architects, please visit our website at www.pmsm-architects.com.



Reicker, Pfau, Pyle, McRoy & Herman LLP is Santa Barbara's premier business law and commercial litigation law firm. We represent the Central Coast community in their business, financial, real estate and securities transactions and related litigation. Our clients receive individual attention from an experienced and skilled partner who provides the finest legal representation available in an effective, efficient and cost-effective approach to solving problems.

Our transactional attorneys, Bruce W. McRoy, Michael E. Pfau, Daniel A. Reicker, Andrew D. Simons and Daalia Refaat, represent businesses and individuals in general business, corporate, securities, tax, real estate, intellectual property and other legal matters. They have extensive experience with a variety of sophisticated transactions, including private offerings of securities, venture capital investments, and mergers and acquisitions. They also have extensive experience in investment and financing transactions, domestic and international licensing, and technology transfer issues.

Our litigation attorneys, Alan A. Blakeboro, James E. Herman, Diana Jessup Lee, Kurt H. Pyle

and Jana M. Beck, concentrate on complex business disputes and commercial litigation, notably in the areas of corporate and partnership disputes, real estate disputes and leasing, securities arbitrations and disputes, contracts, debtor/creditor relations, civil writs and appeals, employment and retirement law, intellectual property litigation and disputes involving estates, trusts and wills.

The ROTTMAN Group

The ROTTMAN Group and its affiliates, led by Steven Rottman, president and chief executive officer, invest and manage a wide range of residential and commercial ventures throughout California.

The Company's in-house staff includes an experienced team of real estate development and management professionals with expertise in finance, accounting, planning and development, construction and property management.

The ROTTMAN Group, with its in-house and independent professionals is able to successfully manage over twenty-five partnerships and limited liability companies. The ROTTMAN Group's corporate offices are located in Santa Barbara, California.

Corporate Sponsors



Sansum-SantaBarbara Medical Foundation Clinic was created in October 1998 as a result of a merger between Sansum Medical Clinic and Santa Barbara Medical Foundation Clinic. Founded in the 1920s, the two clinics are among the oldest medical groups in California. Today, as a not-for-profit corporation, the Clinic serves approximately 300,000 patients from Santa Barbara County and throughout the country. There are over 30 specialized areas of medicine staffed by 200 physicians and healthcare practitioners and 900 employees.

Sansum-Santa Barbara Medical Foundation Clinic operates two multi-specialty clinics in the city of Santa Barbara: Sansum Clinic located at 317 West Pueblo Street and Foundation Clinic located at 215 Pesetas Lane. In addition to the two main multi-specialty clinics, the Clinic operates 7 primary care branches in Santa Barbara, Carpinteria, Goleta and Lompoc. Sansum-Santa Barbara Medical Foundation Clinic's primary care branches reflect the Clinic's continued dedication to providing healthcare services in close proximity to patients' home communities. There are also two specialty care branch offices specializing in ophthalmology and obstetrics/gynecology. The Clinic offers urgent care services at the Hitchcock Branch in Santa Barbara, Carpinteria Branch, and Lompoc Branch. For the convenience of employers of all size groups, Executive Health/VIPPhysicals, complimented by comprehensive Occupational Medicine services including Workers' Compensation, are available at the Occupational Medicine Center in Santa Barbara and Lompoc.

The Sansum-Santa Barbara Medical Foundation Clinic is a nonprofit, charitable organization. The Clinic is grateful to the individuals, organizations, corporations and foundations that provide philanthropic support for its pursuit of excellence in patient care, community health education and health-related research.



SANTA BARBARA ASSET MANAGEMENT is an investment advisory and portfolio management firm. The firm has experience and expertise in managing equity and balanced portfolios of marketable securities for individuals, corporations, foundations, and trusts. We are compensated by asset valued based fees. The hard won experience gained by our professionals over many investment and economic cycles is the cornerstone of our services.

SANTA BARBARA ASSET MANAGEMENT's mission is to provide experienced investment advice and asset management, with integrity, to our clients. In the provision of these services, the firm further undertakes, as its mission, the continued tradition of a business organization in which investment professionals can individually and collectively work, grow, and prosper in a manner that mutually benefits the client and the firm.

An investment philosophy is a set of beliefs about how one should approach the task of investing money. When capital growth is the objective, we believe the investor obtains the best potential return for the least amount of risk. This is assumed by owning a diversified portfolio of equities, in well managed companies, that have demonstrated their ability to achieve high and stable rates

of growth. We strive to invest in companies that not only have demonstrated success, but have the potential to continue that achievement.

SANTA BARBARA ASSET MANAGEMENT uses highly disciplined analytical procedures, based on historically reliable relationships between corporate financial performance and securities market performance, in managing investment portfolios. We believe our investment process has been consistent over varied market cycles.



Santa Barbara City College (SBCC) is a comprehensive community college serving the south coast of Santa Barbara County. SBCC is renowned not only as one of California's premier community colleges, but also as one of the leading two-year public colleges in the nation.

Established by the Santa Barbara High School District in 1909, SBCC is the second oldest of California's 108 community colleges. The college offers an extensive program of post-secondary education, which is especially responsive to the needs of those in the local community.

A wide range of associate degree and certificate programs are available, as are transfer programs that provide the first two years of study toward the baccalaureate degree, and a variety of general educational opportunities, both credit and non-credit, that allow students to develop new skills or broaden their cultural perspectives.

Students are attracted to SBCC by virtue of the college's emphasis on excellence as well as the beauty of the campus. Located on a stunning 74-acre bluff overlooking the Pacific Ocean, the college boasts state-of-the-art facilities, a first-rate faculty, small classes, and a wide array of student services and support programs.

SBCC's open admissions policy means that any state resident 18 years of age or older, or with a high school degree, can enroll. While students come primarily from the local community, other parts of the state are also represented, and the college's International Students Program draws students from 50 countries around the world.

Being responsive to local community needs is a high priority, and the college is actively involved in economic development, onsite workforce training, skills enhancement, job retraining, and lifelong learning opportunities. Over 14,000 students enroll annually in the college's credit division, while more than 43,000 individuals are served each year by the noncredit division ("Continuing Ed" or "Adult Ed").

Day, evening and online classes are available to meet students' needs. Noncredit classes are offered at the Schott Center in Santa Barbara, the Wake Center in Goleta, and dozens of other locations throughout the area.

Widely regarded as a "jewel in Santa Barbara's crown," SBCC is dedicated to providing student access, supporting student success and ensuring that all students have the resources to meet their educational goals.

For more information, visit our web site at www.sbccc.net.



www.unitedwaysb.org

Santa Barbara County's United Way has been building a better community and changing lives every day since 1923. We are the county's largest private source of investment funds for health and human services. During the past year, over 100 interrelated services worked together to comprise the Network for Caring. Each dollar you contribute is a solid investment in the health and vitality of all people in our community.

We receive more charitable gifts from more people than any other charity in Santa Barbara County: over 15,000 individuals and 500 businesses contribute. A thirty-one member voluntary board of directors governs the organization. Each year, over 2,500 people volunteer to help in various ways. To continually improve efficiency and effectiveness, the fund raising and fund distribution processes are closely tied to market research, community needs assessments, and demographics.

Our value and services are aimed at fulfilling our mission of "helping Santa Barbara people and communities help themselves by being the best contributor driven charity". Along with the more traditional health & human services, we make job search & preparation, entrepreneur training, child care initiatives for working people & job seekers, home ownership, workplace assistance, and economic development services available. Many of these services are delivered by innovative multi-agency collaborations.

"You & I...helping local people as no one else can"



SANTA BARBARA
FOUNDATION

The Santa Barbara Foundation is tax-exempt public charity established in 1928 to enrich the quality of life for all of the County's citizens through philanthropy. The Foundation administers private resources for philanthropic purposes, spanning fields of interest that include education, personal development, health, human services, culture, recreation, environment, and community enhancement. The Foundation holds a vital role in Santa Barbara, addressing ever-changing challenges by strengthening local nonprofit agencies and fostering community-wide awareness and support.

The Foundation's mission is to serve as a leader, catalyst and resource for philanthropy; toward this end, the Foundation allocates approximately \$14 million annually in grants and scholarships; provides leadership by strategically investing and allocating resources; acts as a steward by overseeing the growth and effective use of donor directed gifts; and initiates and participates in partnerships with other agencies.



SANTA BARBARA TEACHERS
FEDERAL CREDIT UNION
SPONSORED BY THE SANTA BARBARA SCHOOL DISTRICT

The Santa Barbara Teachers Federal Credit Union is a non-profit financial institution that was formed in 1936. The Credit Union provides financial services to members who work for public and private schools in Santa Barbara County. Currently, the Credit Union serves 10,000 members, and has total assets of \$125 million. The Credit Union is member owned, and is governed by a volunteer Board of Directors from various school districts across the county.

The Credit Union offers checking, savings, and IRA accounts, as well as direct deposit and payroll deduction. Dividend-earning checking accounts are available, which feature a debit card that may be used at any Santa Barbara Bank & Trust ATM free of charge to the member. Cashier's checks and travelers checks are available to members free of charge. All accounts may be set up for free internet-based home banking at www.sbtfcu.org.

A full range of loans are available from the Credit Union at competitive rates. Members may apply for unsecured loans or Visa cards with credit limits up to \$10,000, auto loans, share secured loans, and fixed rate home equity (second mortgage) loans.

The Credit Union has three branches in Santa Barbara, Santa Maria, and Lompoc. For more information, check the web site at www.sbtfcu.org, or contact the Credit Union at 805-682-2467.

SEED MACKALL LLP

Seed Mackall LLP has been providing outstanding legal services to its clients for more than 25 years, emphasizing practical, result oriented approaches to client issues. Although the firm has a long history in Santa Barbara, our lawyers and their practices reflect sophisticated legal skills on par with much larger national firms. In fact, many of our lawyers joined the firm after practicing at national firms.

The firm serves as general legal counsel to partnerships, publicly traded and privately held corporations and other business entities. Seed Mackall also counsels clients engaged in offerings of equity and debt securities, tax-exempt financing, technology financing and licensing and the purchase and sale of public and privately held business entities.

Seed Mackall also provides a full range of estate planning services such as preparing wills, trusts and all the related documents that a client may need to develop a comprehensive estate plan.

Seed Mackall LLP represents clients in connection with real estate transactions, development, financing and leasing. In addition, Seed Mackall assists its clients in the litigation and resolution of complex business and real estate disputes and has represented secured and unsecured creditors in debtor reorganization and liquidation cases.

Corporate Sponsors



At Seymour Duncan, the phrase, "it's only rock 'n' roll" only tells half the story. The other half of their market-leading success is based on solid business practices and a commitment to helping the world's guitarists and bassists get "tone that sets them apart."

Seymour Duncan is the world's leading musical instruments pickup manufacturer. They've been in business for 22 years in Santa Barbara, California. Their products are carried by 1,500 music stores in the USA and are found in 45 countries internationally. Their OEM customers include nearly all major guitar builders. And their artist roster is a veritable "Who's Who" of the world's top guitarists and bassists representing bands from Aerosmith to ZZ Top and all points in between.

Since electric guitar pickups are an "image product" Seymour Duncan has employed a marketing-driven product push. In the USA, their print advertising presence represents one-third of the entire product category. Their advertising, collateral materials, and tradeshow displays have garnered numerous awards.

Their Goleta-based facility is home to 76 employees, 36 in manufacturing. They recently devoted nearly \$250,000 to Information Services technology. They own several patents for pickup designs and technology for electric and acoustic guitars.

Seymour Duncan's commitment to the community extends from their CEO's involvement in the CEC Indicators Project and the Economic Community Project, to the Company's founding

sponsorship of the Sings Like Hell concert series at the Lobero Theatre in Santa Barbara.

Seymour Duncan: For Tone that Sets You Apart!



Sunrise Mortgage and Investment Company is a 22-year-old mortgage banking firm specializing in the arrangement of financing for commercial real estate in California and Arizona. Sunrise secured \$450 million in commercial loans primarily through a network of correspondent insurance companies and conduit lenders during the past year. Sunrise Mortgage and Investment Company is ranked 49th nationwide by the Mortgage Bankers Association of America with a loan servicing portfolio of \$1.3 billion.

Loans can be arranged on office, industrial, retail, apartments and mobile home parks. Loans on other income property types are considered. Loans range from \$500,000 up to \$100,000,000. Loans can be structured with either a fixed (up to 25 years) or adjustable interest rate. Correspondent lenders include:

- AEGON USA Realty Advisors
- American Express
- First Fidelity Group/American Fidelity
- Genworth Financial
- Home Street Capital
- Key Commercial Mortgage
- Life Insurance Co. of the Southwest
- PNC Bank
- PPM Finance, Inc.
- Symetra Life Insurance Co.
- StanCorp Mortgage Investors, LLC
- Starr Mortgage Investment Co.
- Thrivent Financial for Lutherans
- Wells Fargo

Sunrise Mortgage and Investment Company offices are located in San Diego, Pasadena, West Los Angeles, San Luis Obispo and Phoenix, Arizona. Sunrise Mortgage and Investment Company is the source for all of your commercial real estate financing.



Since 1984, TCOF has been operated by local owners Bryan Burnell and Michael Young. The business is a full-service, contract furniture dealership that serves Santa Barbara, Ventura, and San Luis Obispo counties. We specialize in mid-priced systems furniture, but will cater to any and all of our client's needs, from budget to high end. Our services include ergonomic evaluations, project management, design and space planning, CAD services, move management, warehousing, installation, reconfiguration, and much more! All of the manufactures we represent share our commitment to quality and service at every price point. We are especially proud to represent the product lines of Herman Miller, Inc., which is one of the largest and most respected furniture manufactures in the world.

We bring to each project the same high standards and commitments to professionalism that characterize the businesses, institutions, and professionals who buy from us. Whether your needs involve simply replacing a worn out chair or furnishing a multi-story 100,000

sq. ft. facility, we bring the same desire and commitment to give you first class service at the lowest possible price. Our knowledgeable employees strive to please every customer 100% of the time. We make this more than our goal. We make this our promise.



The Valley Voice serves the people of the Goleta Valley with a lively mix of news, sports, arts and entertainment coverage. Home-delivered throughout the Valley every Friday, the Voice offers a variety of features on life in the Good Land, including in-depth interviews with interesting people who live and work in the Goleta Valley.

The sports programs of the area's high schools, junior highs, SBCC and UCSB are a big part of the Voice. In fact, we have the biggest sports section of any weekly paper on the South Coast. The Sheriff's Blotter is always a favorite with readers, and the News of the Weird has its own take on people behaving in what might be termed inappropriate ways.

Our arts and entertainment section includes reviews and previews of dramatic and music productions of the South Coast's art community, including the wide range of offerings from UCSB. Movies,

of course, get their due, with reviews of the most popular films as well as many independent features. The Calendar section, too, informs our readers of the wide range of activities that are always on-going in our area.

As the “Voice of the Goleta Valley,” we are not at all reluctant to share our opinions about events and trends in our part of paradise. Indeed, we see as our primary responsibility the defense of the interests of the people of the Goleta Valley, which are somewhat different from the interests of the South Coast as a block.

So, if you’re not familiar with our paper, pick up a copy. You are bound to find something in the Voice to capture your interest.



Venoco, Inc. is the largest California-based, independent oil and gas production company. Headquartered in Carpinteria, Calif., Venoco’s operations include six offshore platforms in the Santa Barbara Channel, the Beverly Hills and Santa Clara Avenue oil fields in Southern California, five natural gas fields in California’s Sacramento Basin, and the Big Mineral Creek field located in the Hagerman National Wildlife Refuge in Texas. Venoco is one of the largest natural gas producers in California. Venoco has expanded to include an International Division with operations in Argentina and is actively pursuing other opportunities in Latin America.

Since its inception in 1992, Venoco has demonstrated its

corporate responsibility to the community, its employees and all its neighbors by employing state-of-the-art technology, continually upgrading and improving both operations and procedures and achieving an exceptional record of clean, safe operations. Venoco safely operates facilities in some of the most environmentally sensitive areas including on the campus of Beverly Hills High School, the Hagerman National Wildlife Refuge and offshore in the Santa Barbara Channel.

In recognition of its commitment to safe operations and the local community, Venoco was named 2001 Business of the Year by the Santa Barbara Chamber of Commerce, 2002 Business of the Year by the Goleta Valley Chamber of Commerce and 2002 Business of the Year by the Carpinteria Chamber of Commerce.



Vulcan is the largest producer of construction aggregates in the United States and one of the nations leading producers of chemicals and other construction materials.

Vulcan principal product, crushed stone is used in virtually all forms of construction. With over 330 aggregates facilities and other production and distribution facilities, Vulcan serves markets in over 20 states and the District of Columbia.

Vulcans Chemicals segment is a significant producer of liquid caustic soda, industrial specialty chemicals. We serve several industries, such as pulp, paper, textile and industrial and municipal environmental water management with chemicals and services.



Western States Petroleum Association (WSPA) is a non-profit trade association that represents approximately 30 companies that account for the bulk of petroleum exploration, production, refining, transportation and marketing in the six western states of Arizona, California, Hawaii, Nevada, Oregon and Washington. Founded in 1907, WSPA is the oldest petroleum trade association in the United States.

WSPA is dedicated to ensuring that Americans continue to have reliable access to petroleum and petroleum products through policies that are socially, economically and environmentally responsible. We believe the best way to achieve this goal is through better understanding of the relevant issues by government leaders, the media and the general public. Toward that end, WSPA works to disseminate accurate information on industry issues and provide a forum for the exchange of ideas on petroleum matters.

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I also thank my research staff for their skill and efforts in the preparation of this annual publication for 2005. I alone take responsibility for the errors that surely remain.

Bill Watkins, Executive Director

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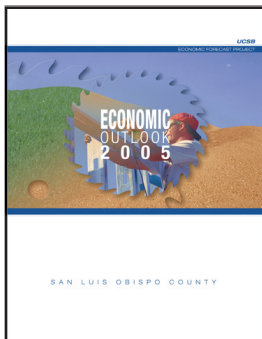
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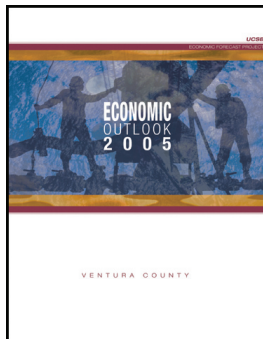
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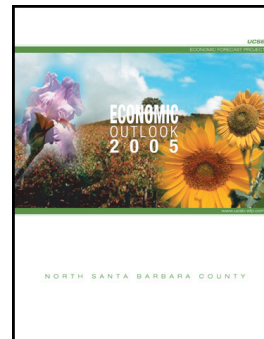
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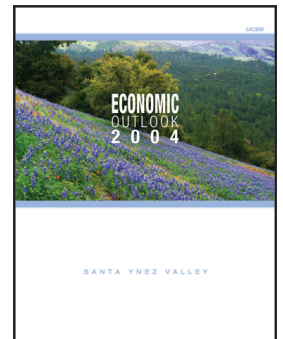
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