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ECONOMIC OUTLOOK
2007**

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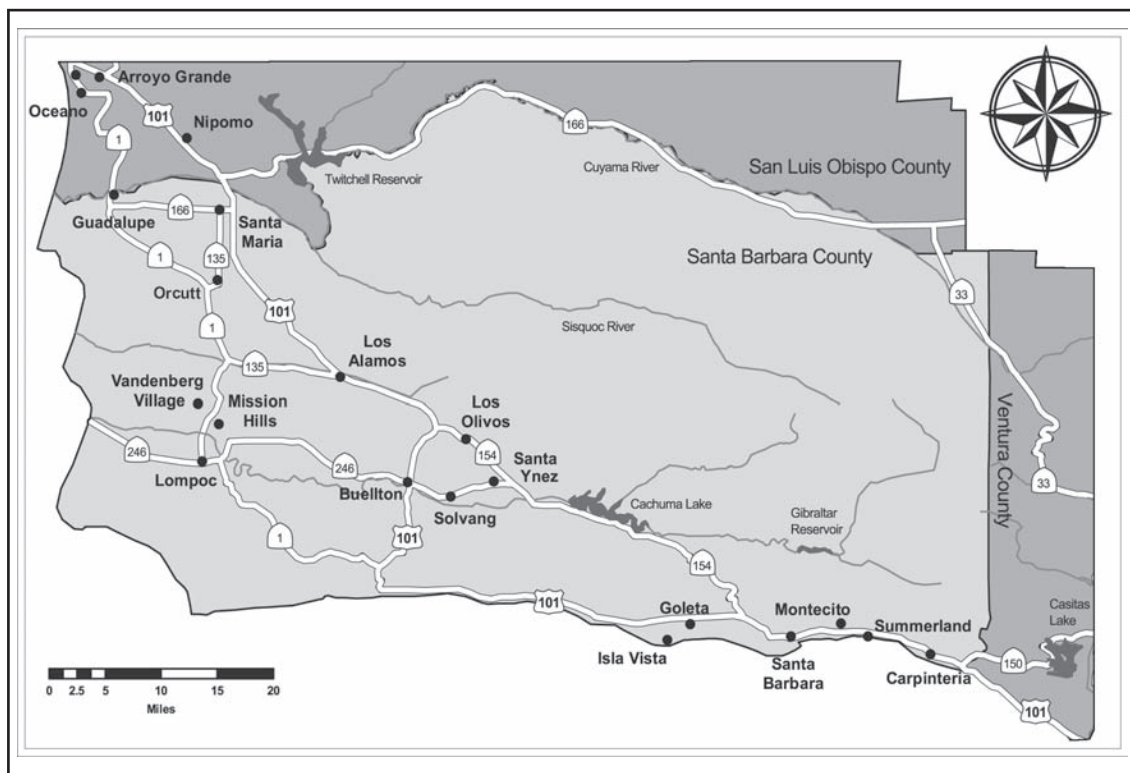
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EXECUTIVE SUMMARY



Once again, we are pleased to present the 2007 Santa Barbara County Economic Outlook. As always, the bulk of this publication is on the enclosed CD. We ask the reader to please take the time to open this large document. It is full of United States data, California data, Tri-Counties data, and most importantly Santa Barbara County data. Here is a summary of our analysis:

Demographics

According to recent data, almost all communities in Santa Barbara are seeing population declines. Given the County's proximity to Los Angeles, its large institutions (Vandenberg and UCSB) and California's population growth, Santa Barbara County's population declines are not what would naturally be expected. Indeed, the declining population is a result of high housing costs arising from limited construction. The declining population is also changing the population's composition, essentially eliminating the middle in income and age.

Economic Activity

The South Coast has seen little economic growth for several years. In 2006 the North County's

economic growth slowed considerably. We believe the County will experience slow population growth throughout the forecast horizon. Consequently, we propose some measures of economic progress for a no-growth environment. Finally, we discuss the impact of the sub-prime loan collapse. We think the Santa Barbara County impact from foreclosures will probably be small. Over-reaction on the part of lenders and regulators could have more serious impacts.

Real Estate

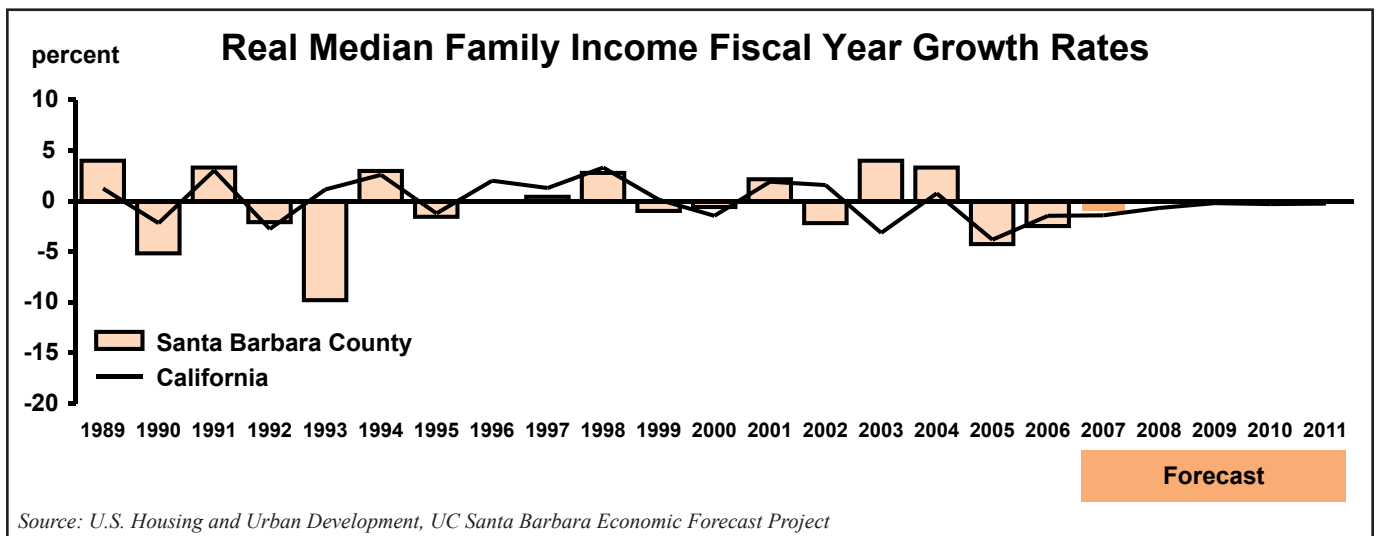
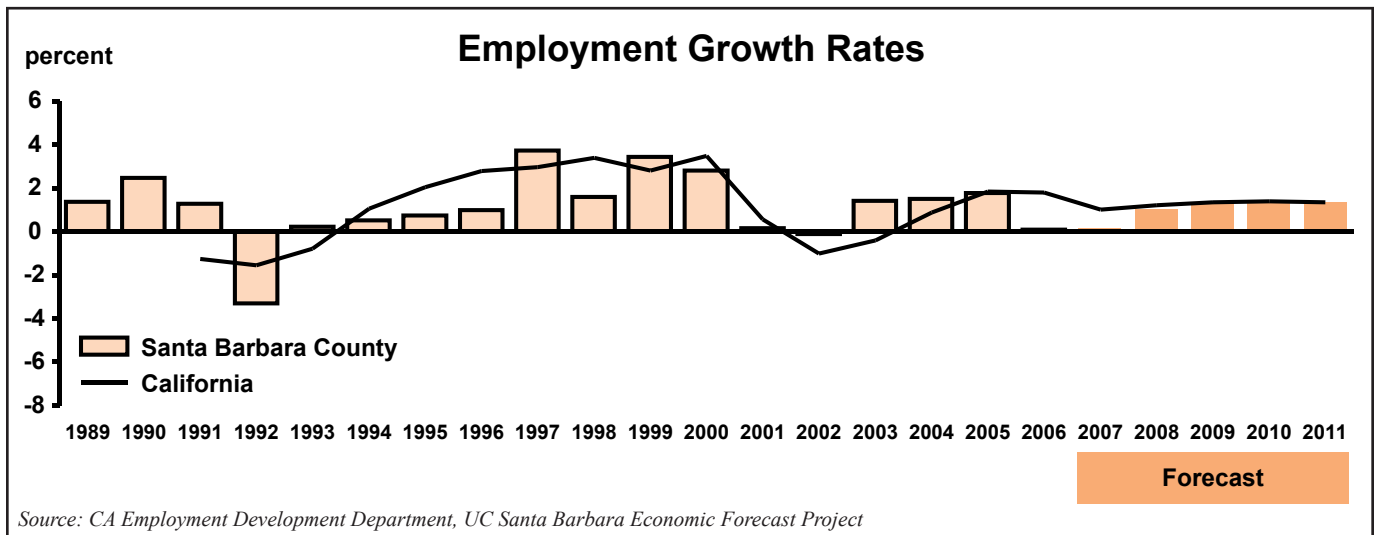
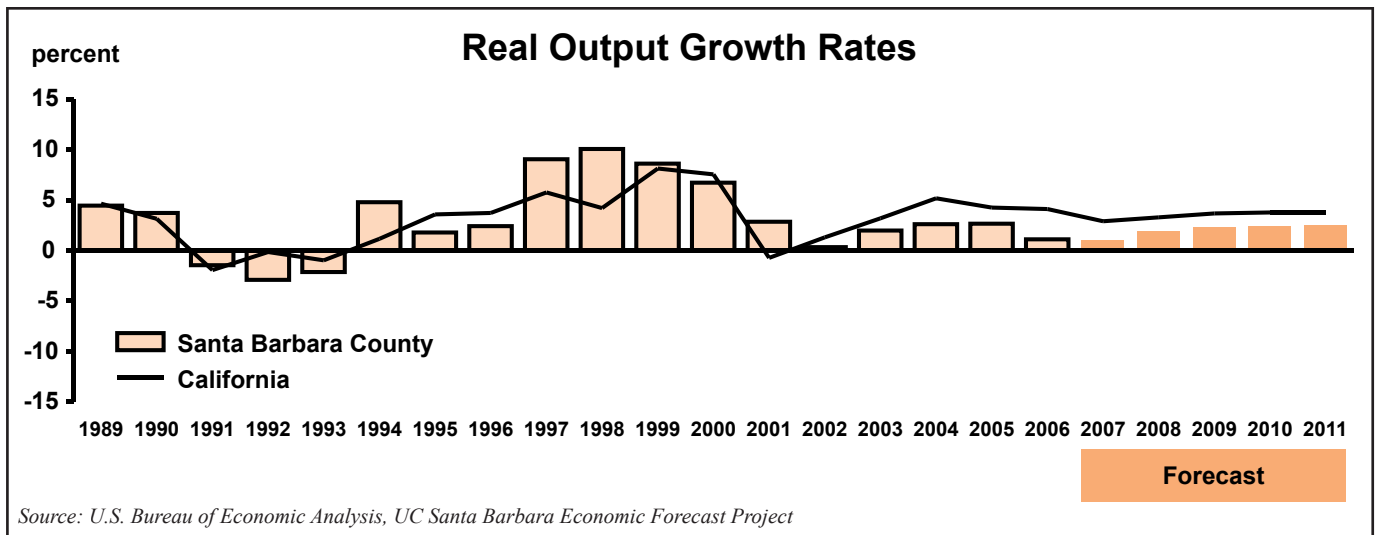
The commercial real estate markets remain hot. Vacancies are low, lease and purchase prices are high. The residential markets, by contrast, have seen flat prices and dramatic declines in sales numbers.

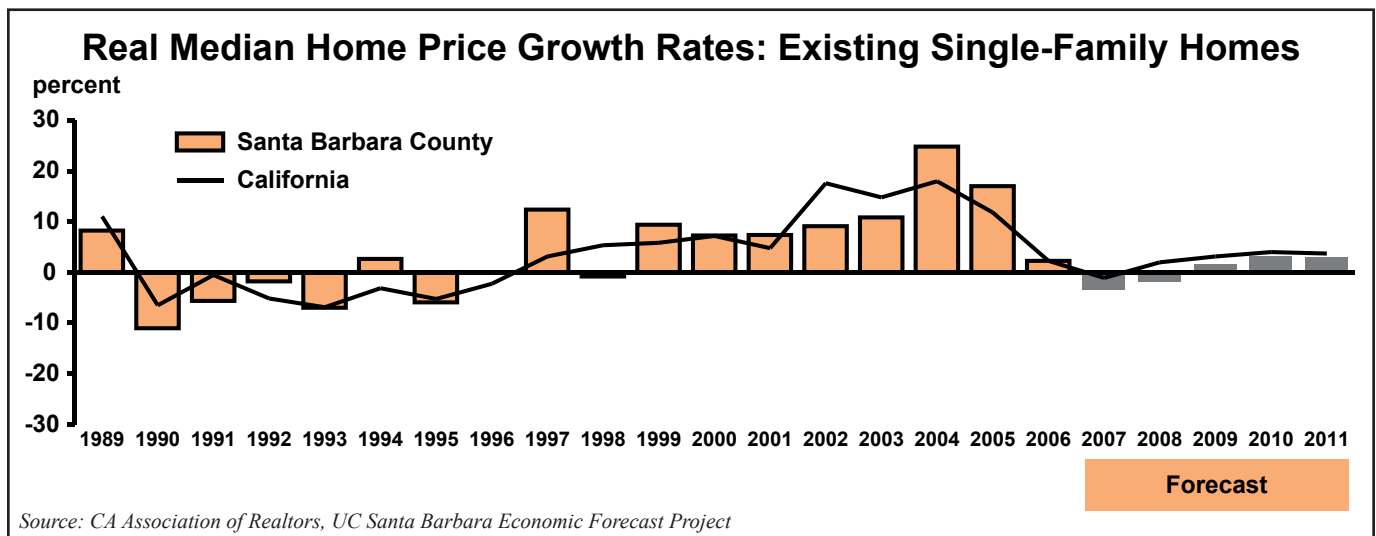
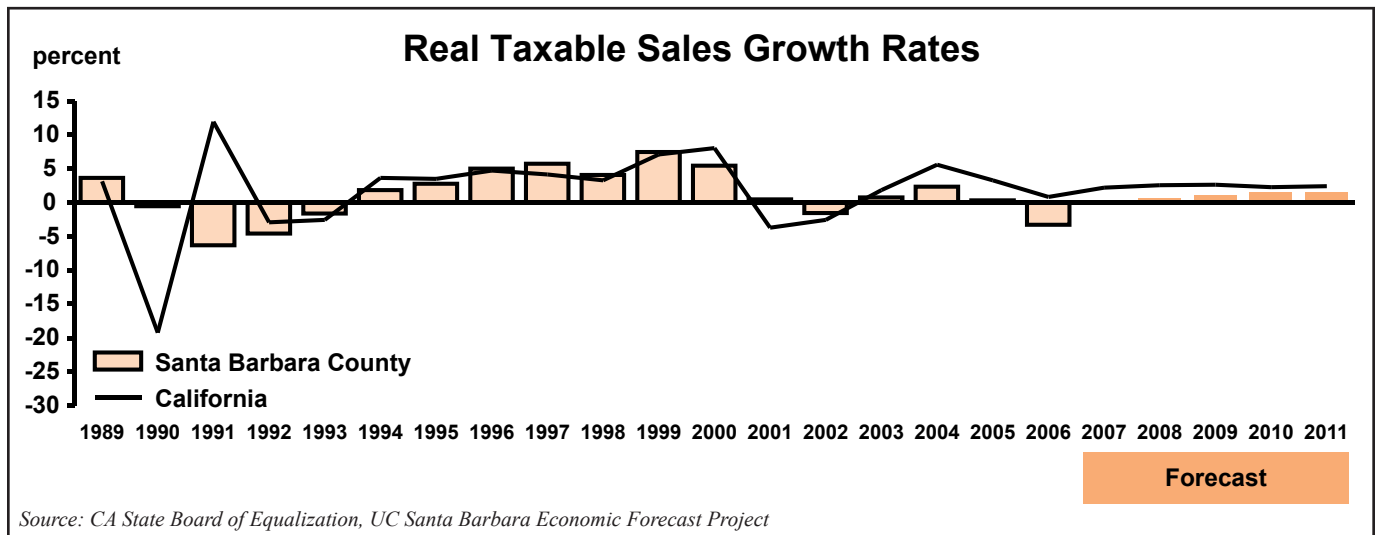
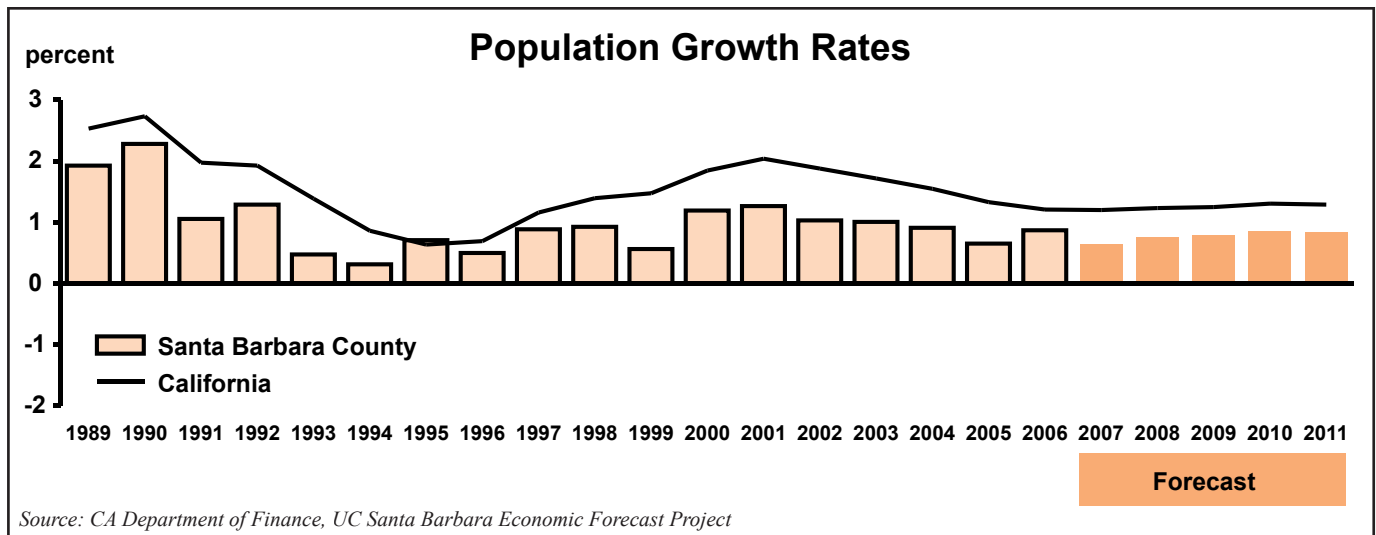
Community

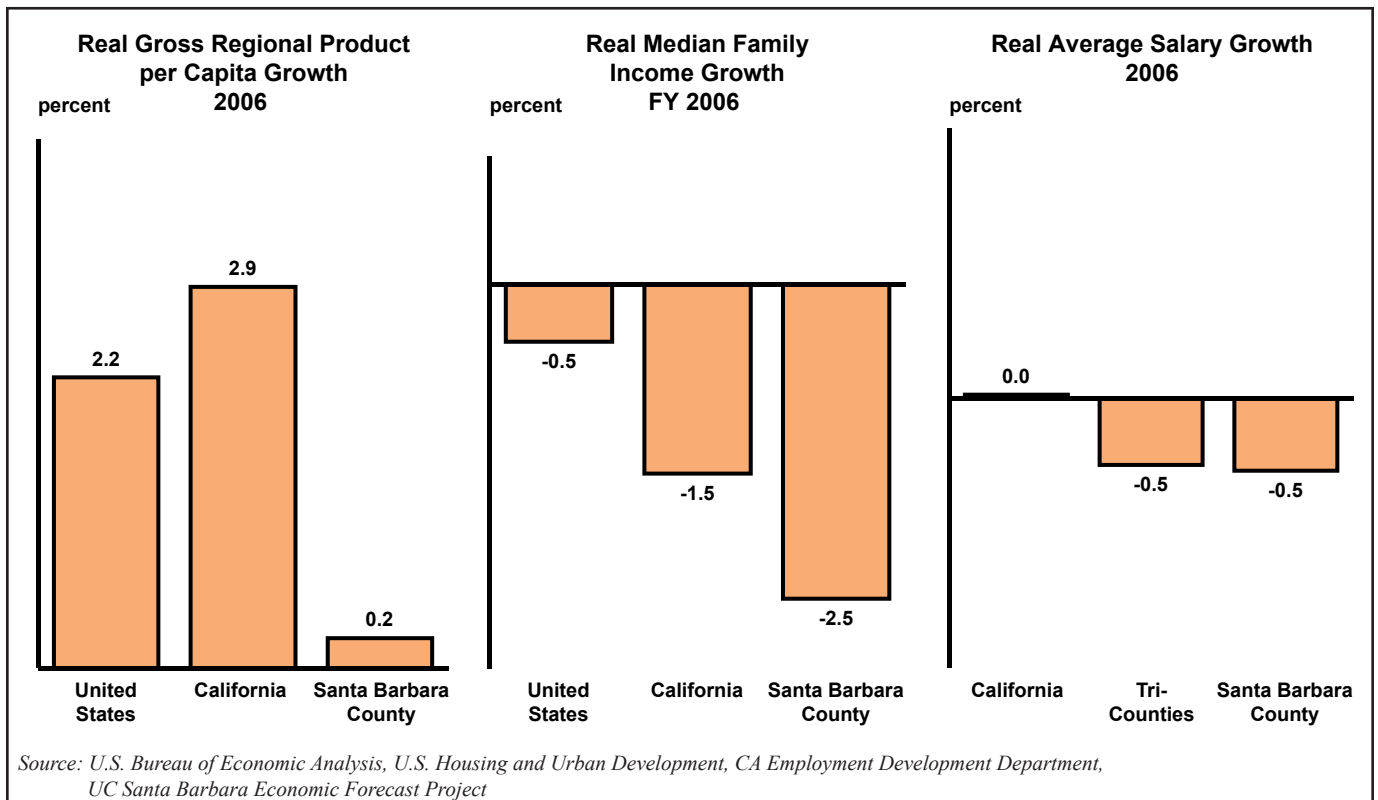
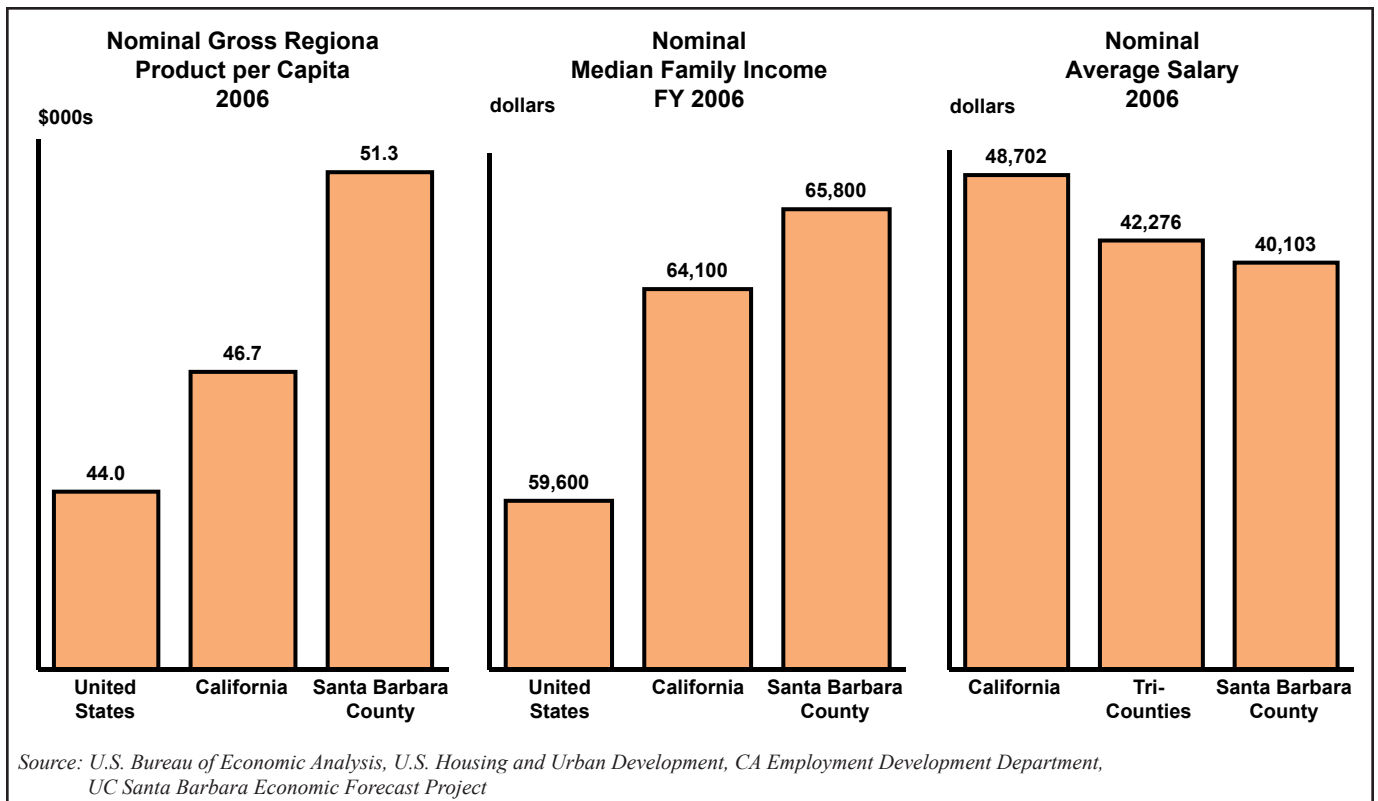
In this section we discuss and the different meanings of "quality of life" to different people based on their economic status. For many it means no growth, a luxury good. We point out that limited growth has costs, and those costs disproportionately impact low-socio-economic-status citizens through lack of opportunity.

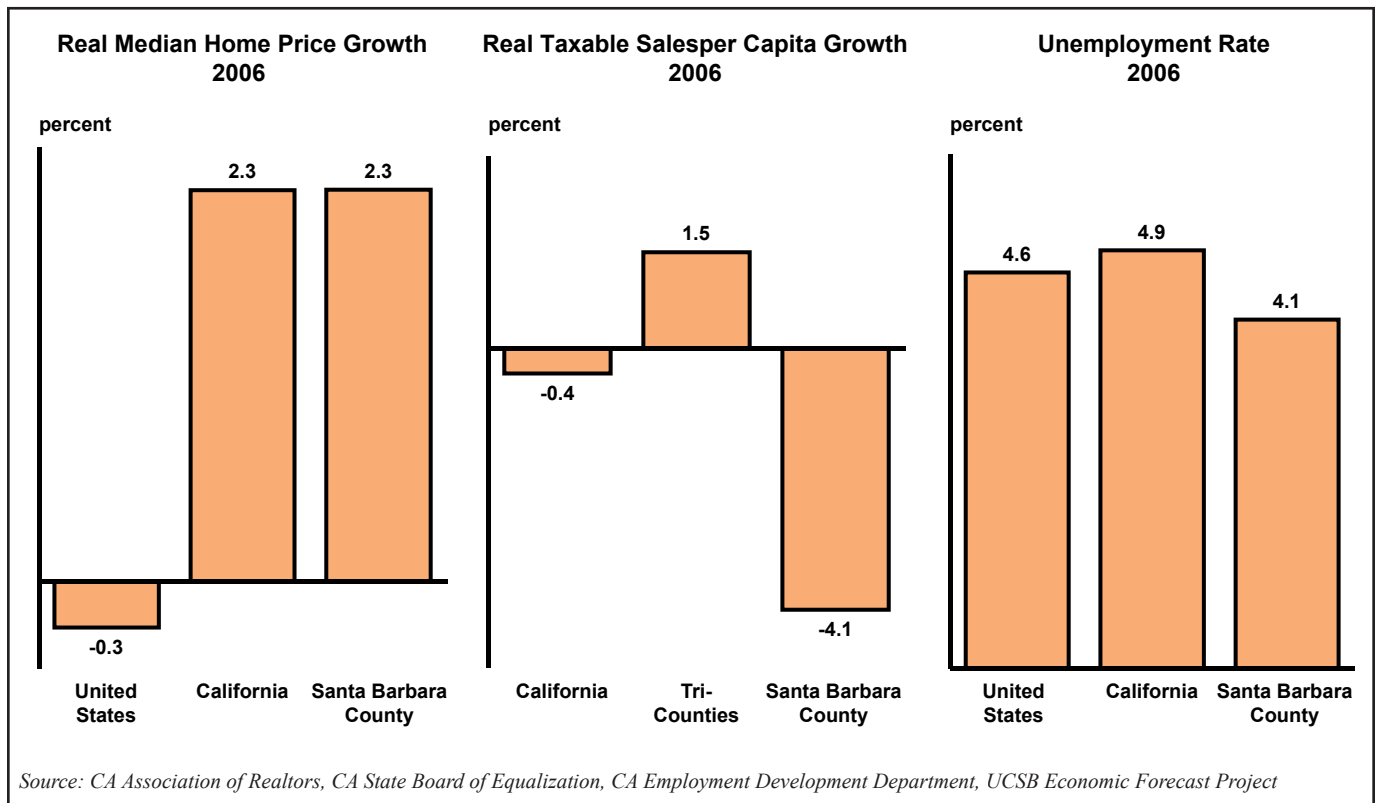
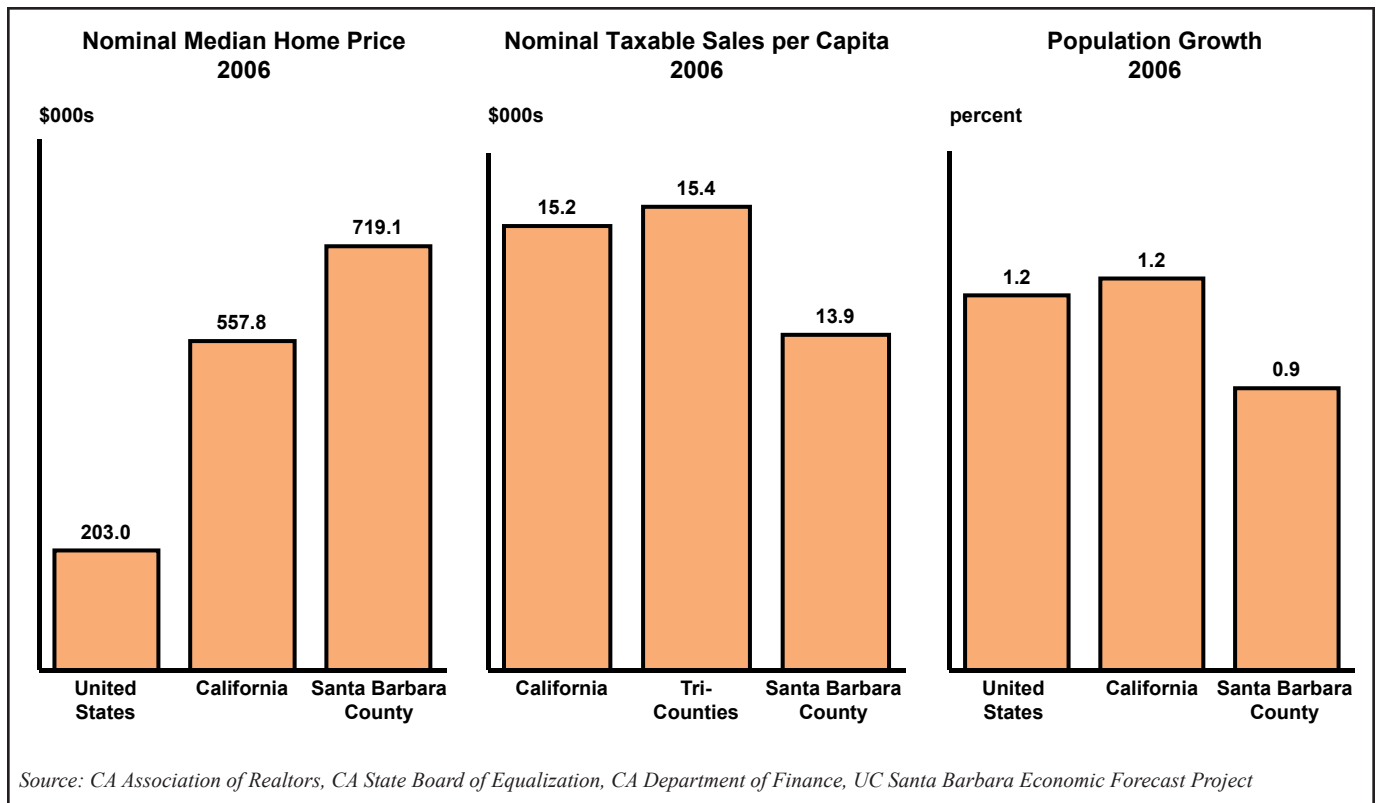
Economic Review and Forecast

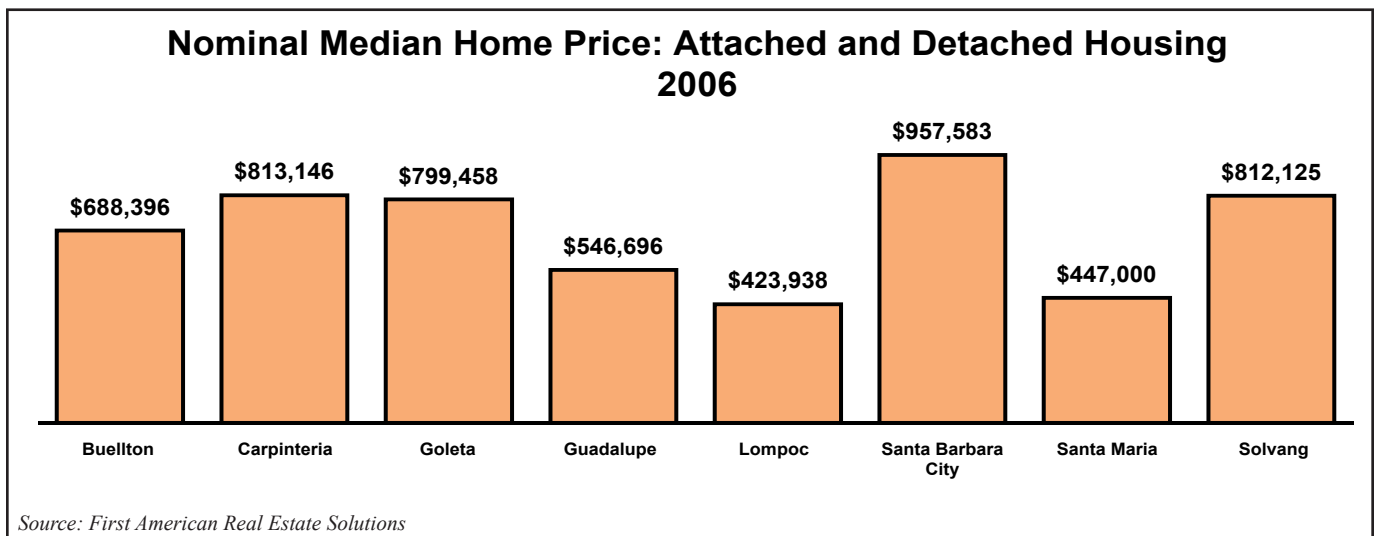
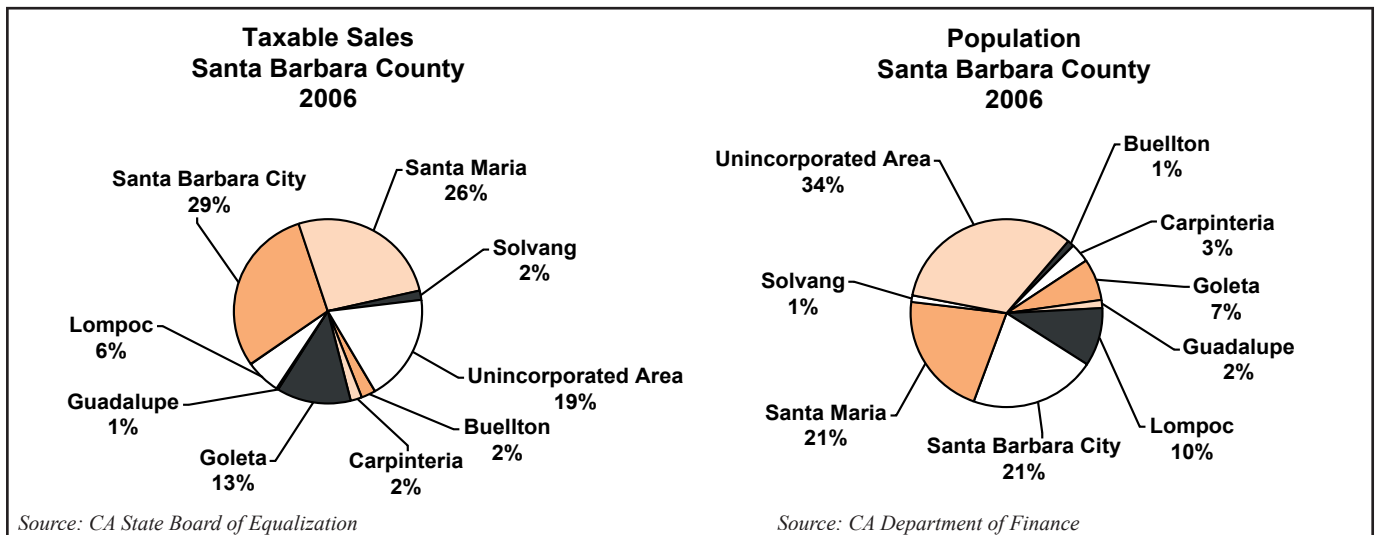
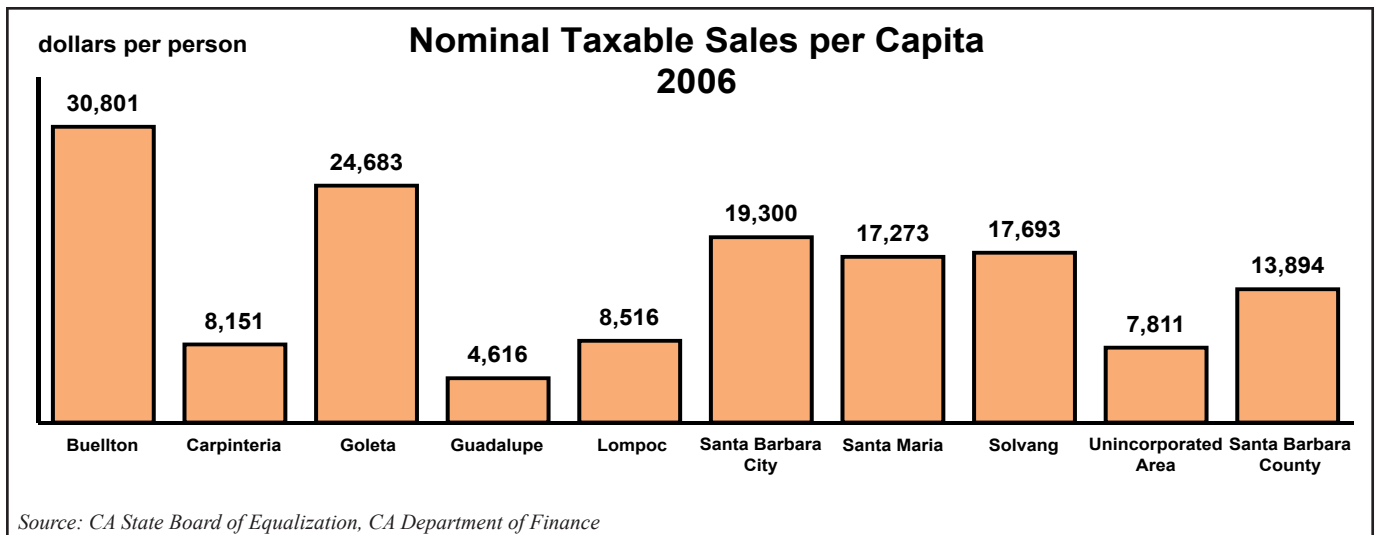
We think the FED has avoided a recession. The United States economy will likely grow at a modest pace in the remainder of 2007. California's economy will grow somewhat more rapidly than will the United States'. Santa Barbara County's economy will remain anemic.

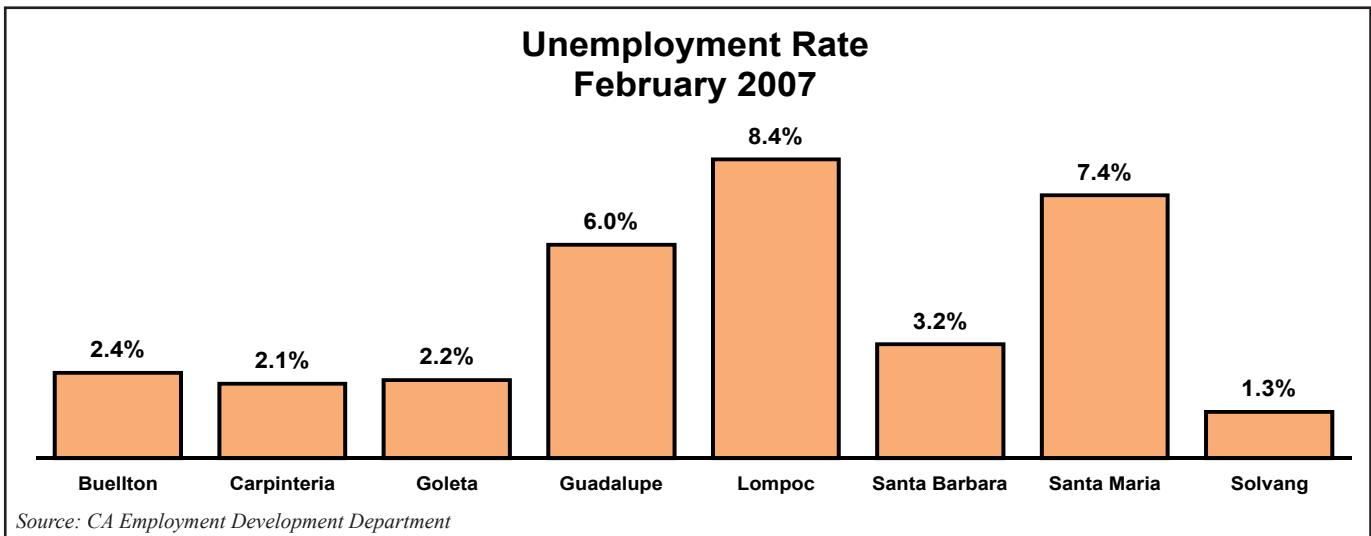
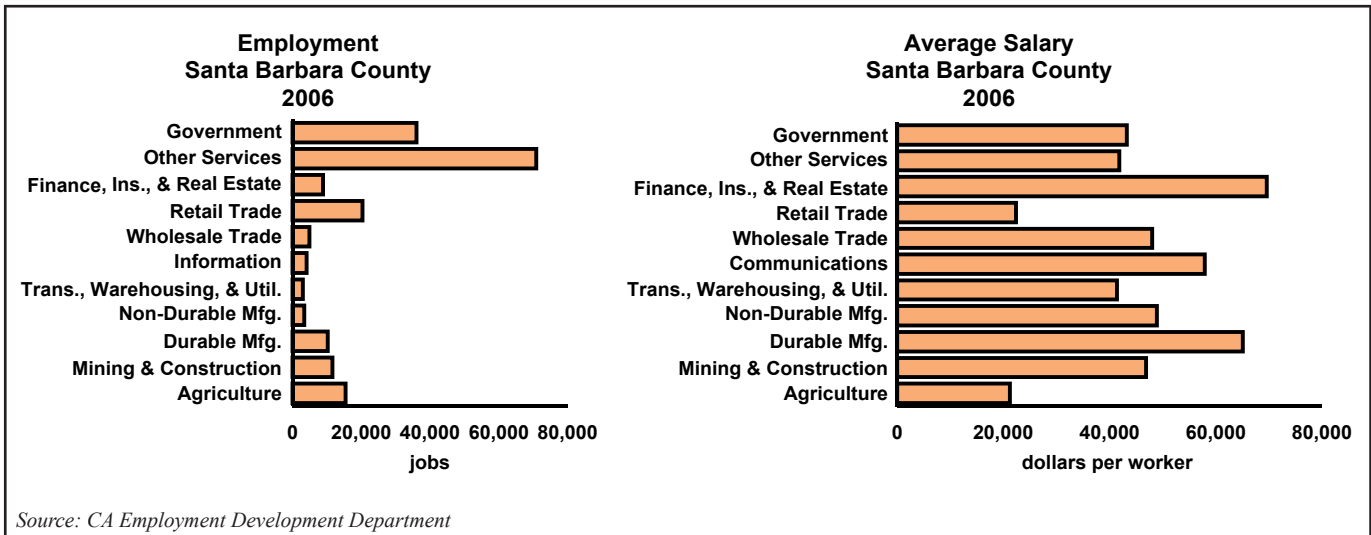
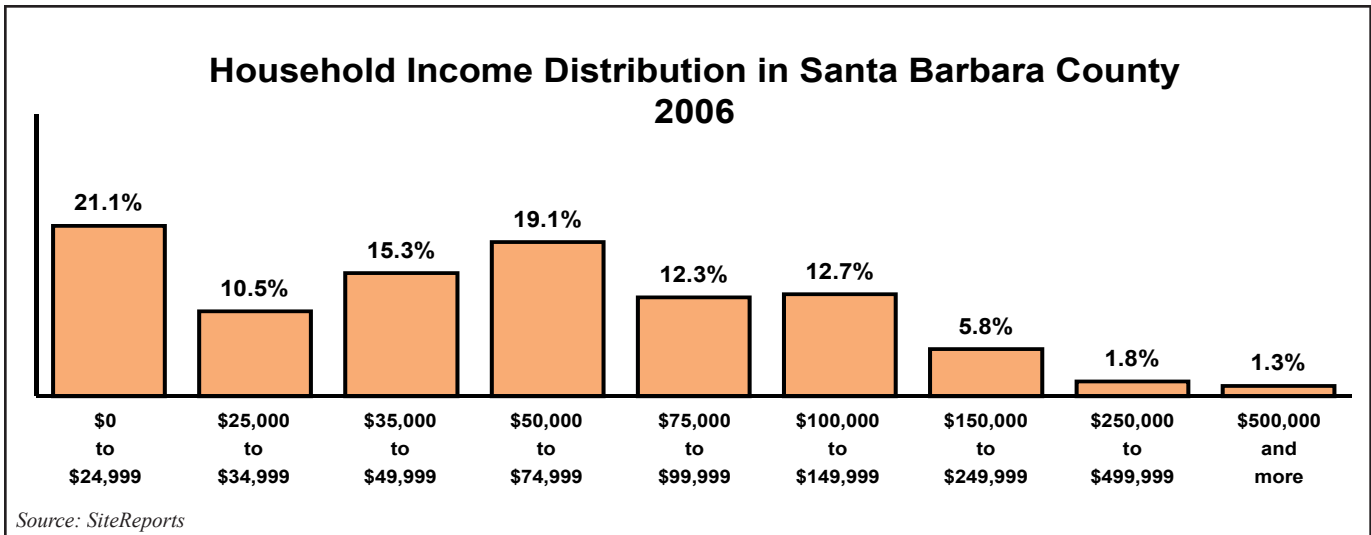














DEMOGRAPHICS

The Santa Barbara County is about 45 miles from Los Angeles County, from County line to County line on Highway 101. It is in a state that is growing by about 500,000 people per year and that is seeing strong economic growth. Santa Barbara County has two large institutional employers, UC Santa Barbara and Vandenberg AFB. It has what many consider the best climate in the world. Yet each year, an increasing number of the County's communities have lost population. In the year ended January 2006, only Santa Maria, the County's Unincorporated Area, and Guadalupe experienced significant population growth.

South Coast communities have been losing population longer than have North County communities. Santa Barbara City's population appears to have peaked in 2000. Some people doubt this phenomenon (and it is true that populations are only estimates). They cite the strong commercial real estate market we see on the South Coast as evidence for their skepticism.

We'll have much less uncertainty about Santa Barbara County's population after the next census. Still both the California and the United States governments spend a fair amount of money on their inter-census population es-

timates. These estimates are the best we have. However, other indicators suggest that the population is declining in many Santa Barbara County communities: jobs data show declines in some County cities, and the most recent sales tax data show declining retail sales in many cities. We believe that, at least on the South Coast, the population is declining.

Given the facts listed in the first paragraph of this essay, it is reasonable to ask, "Why is the population declining?" In large part, the population decline is a result of the public will. An increasingly wealthy population has elected to limit opportunity

and growth. This has mostly been accomplished by limiting new construction. As we've warned for years, zero growth is very close to negative growth. Has the public overshot and reached negative growth? Maybe. But perhaps negative growth was the goal. It is certainly possible that some people prefer a less-populated County. These people's incomes are probably not threatened by the decline in population.

The will of the people is not the immediate cause of the population declines we observe. The immediate cause is high housing costs and a lack of opportunity. The high housing costs reflect lim-

ited construction and the wealth and age of the Baby Boomer generation. The lack of opportunity arises from employers' response to wage demands resulting from the high housing costs: employers migrate to locations where housing costs and wage demands are less. Given the demographics and wealth of the Baby Boomers, we do not expect to see a significant decline in Santa Barbara County housing demand.

We have witnessed an interesting paradox between demand and supply on the South Coast. Surveys have shown that there is a consensus for new housing on Santa Barbara County's South

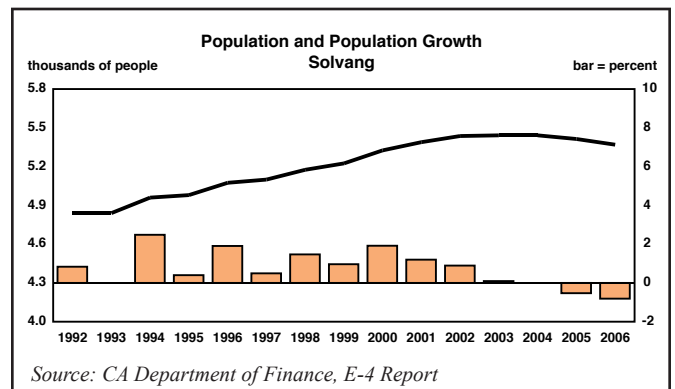
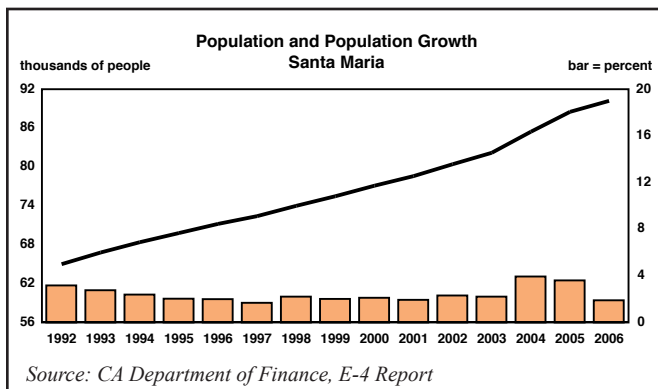
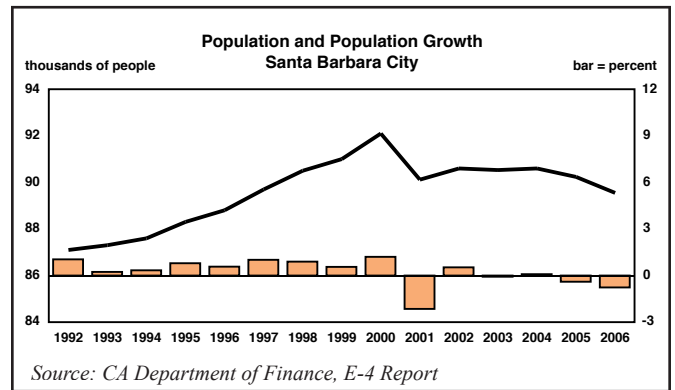
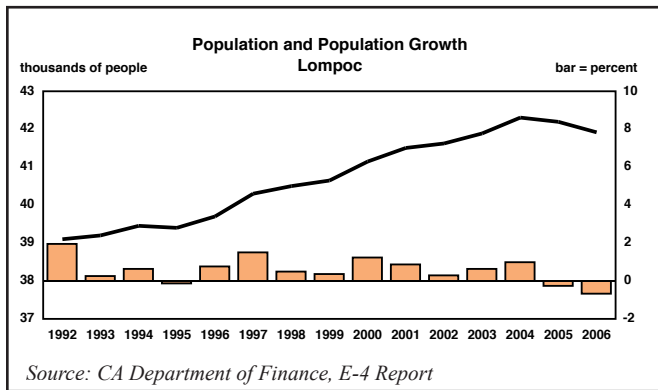
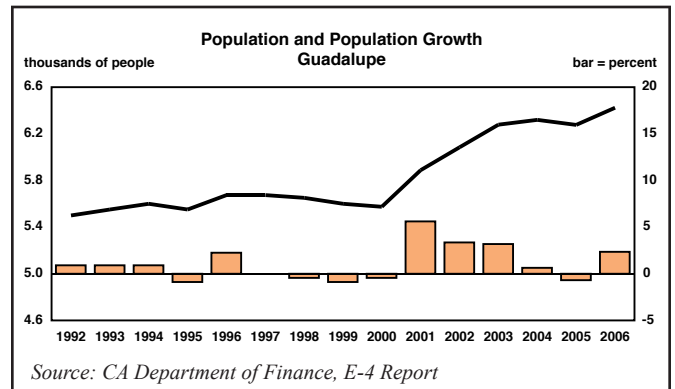
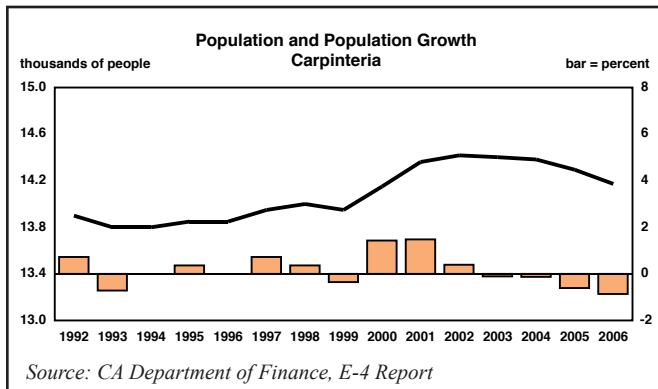
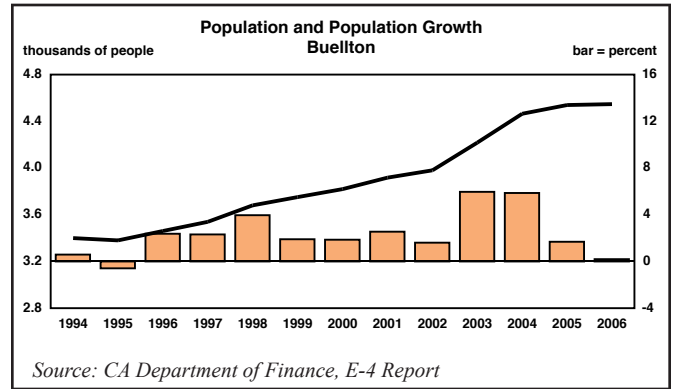
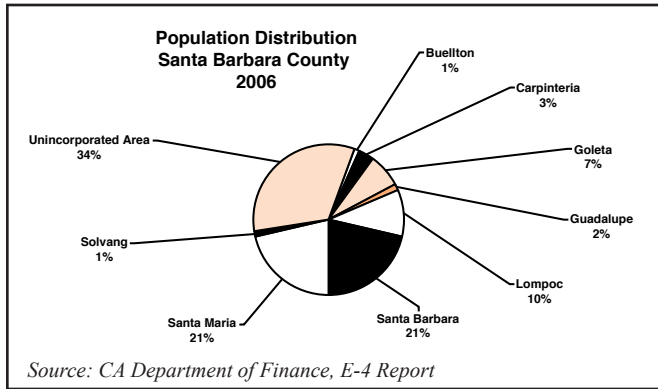
Coast. However, as soon as any project or site is advanced, that consensus evaporates. Given the resistance we observe when any significant housing is proposed in many communities, we do not expect to see a significant increase in the supply of homes.

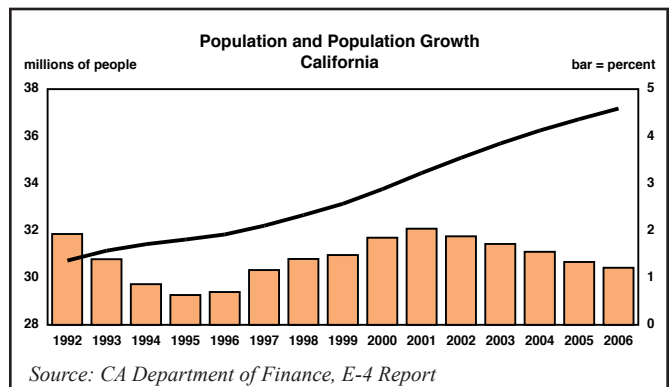
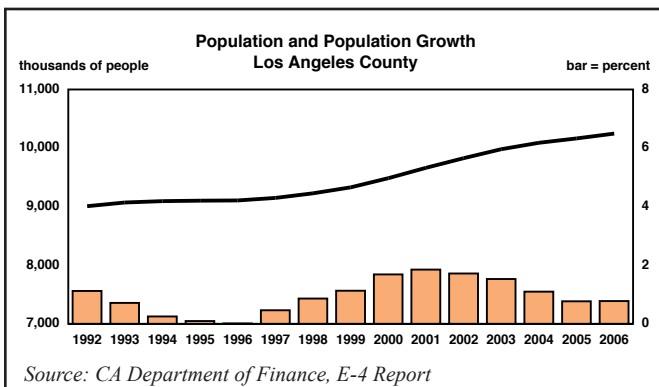
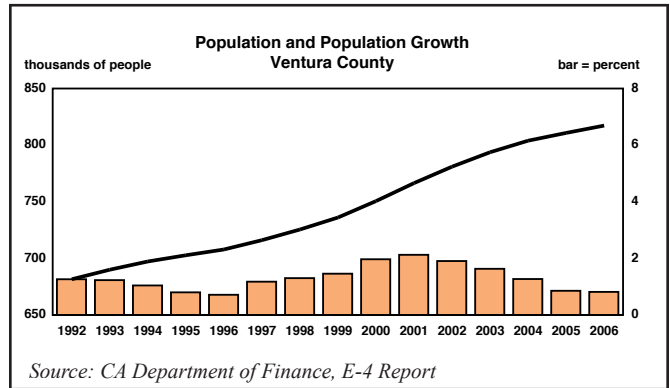
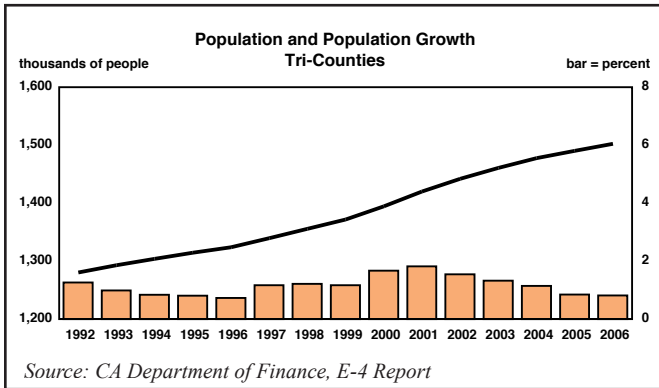
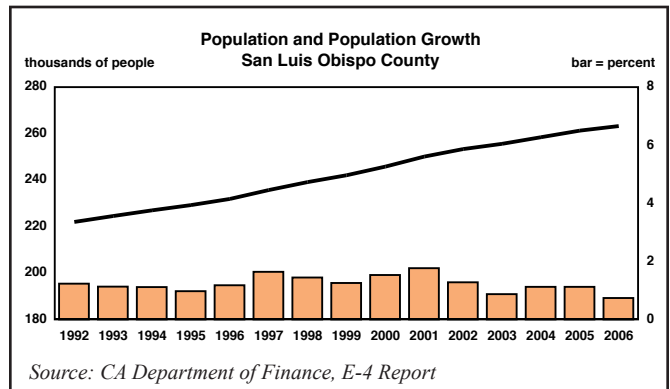
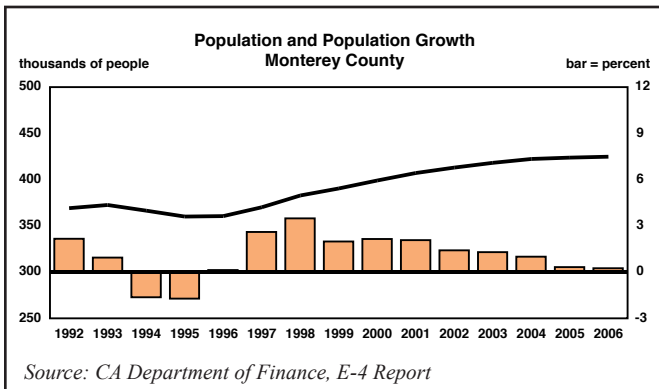
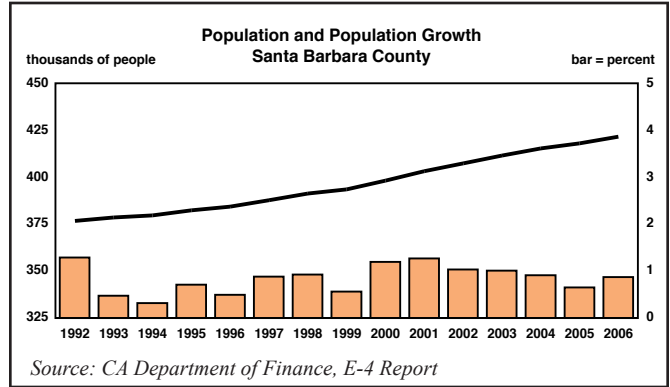
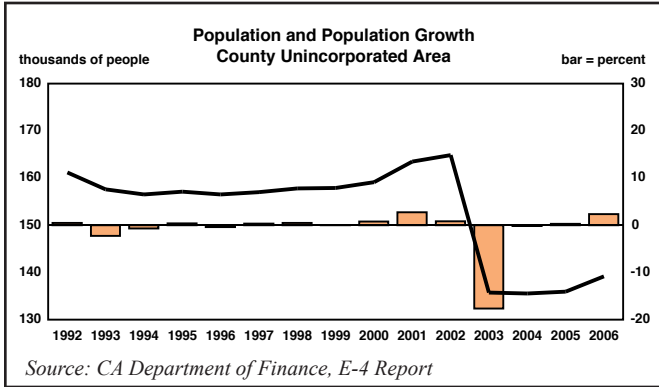
“...high housing costs will continue to drive population declines in many Santa Barbara County communities.”

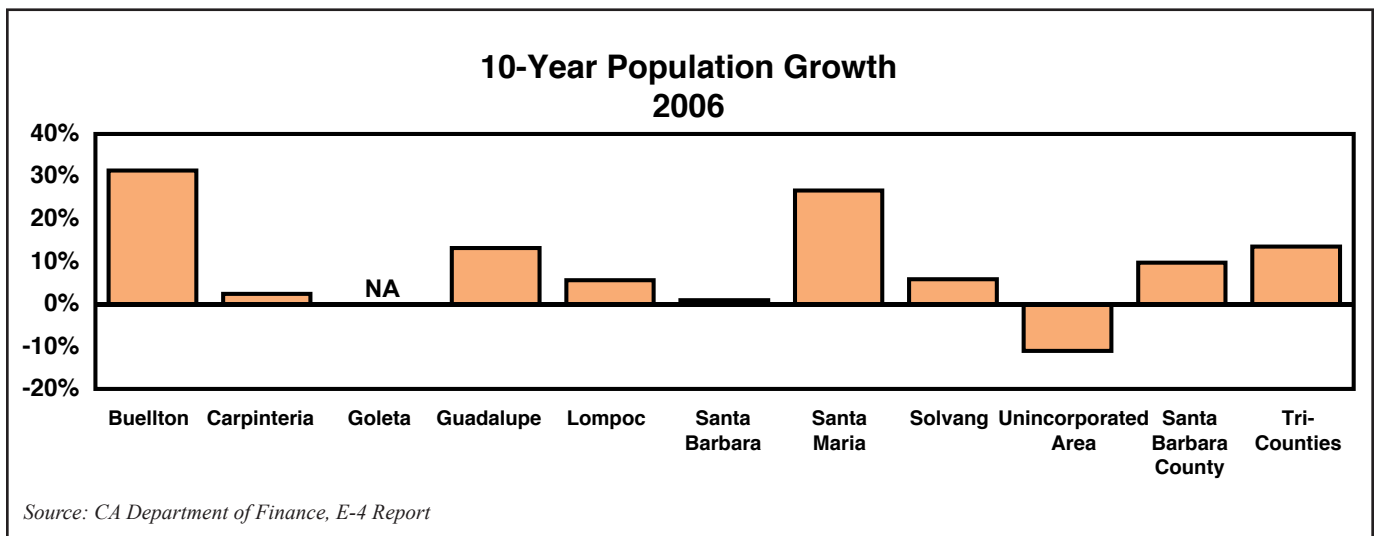
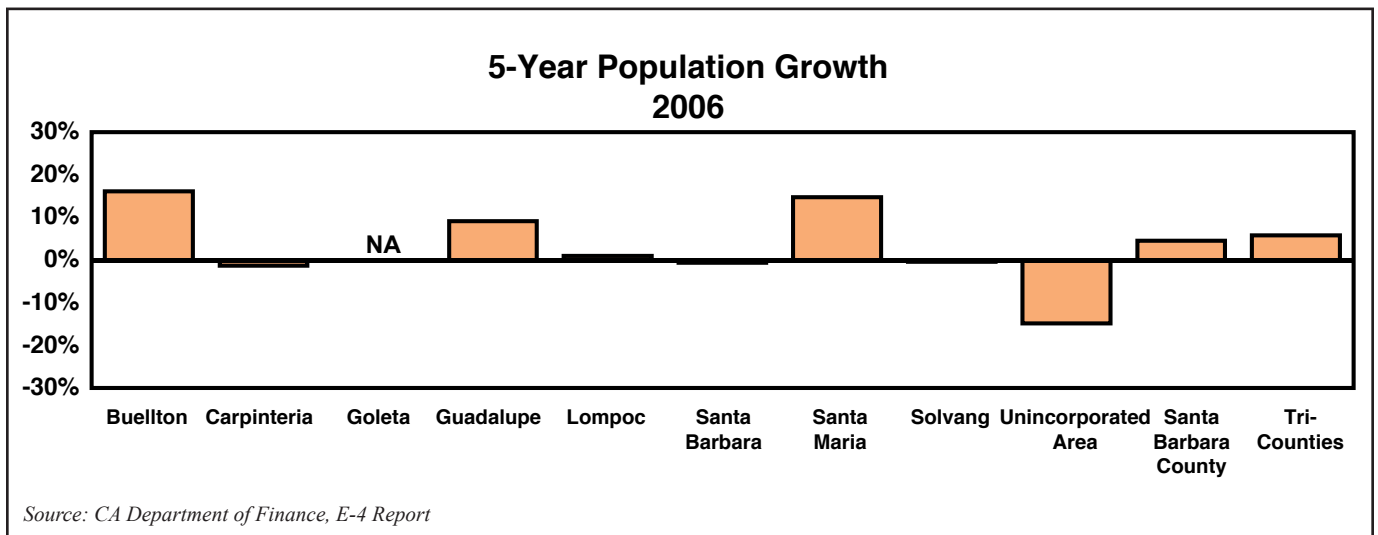
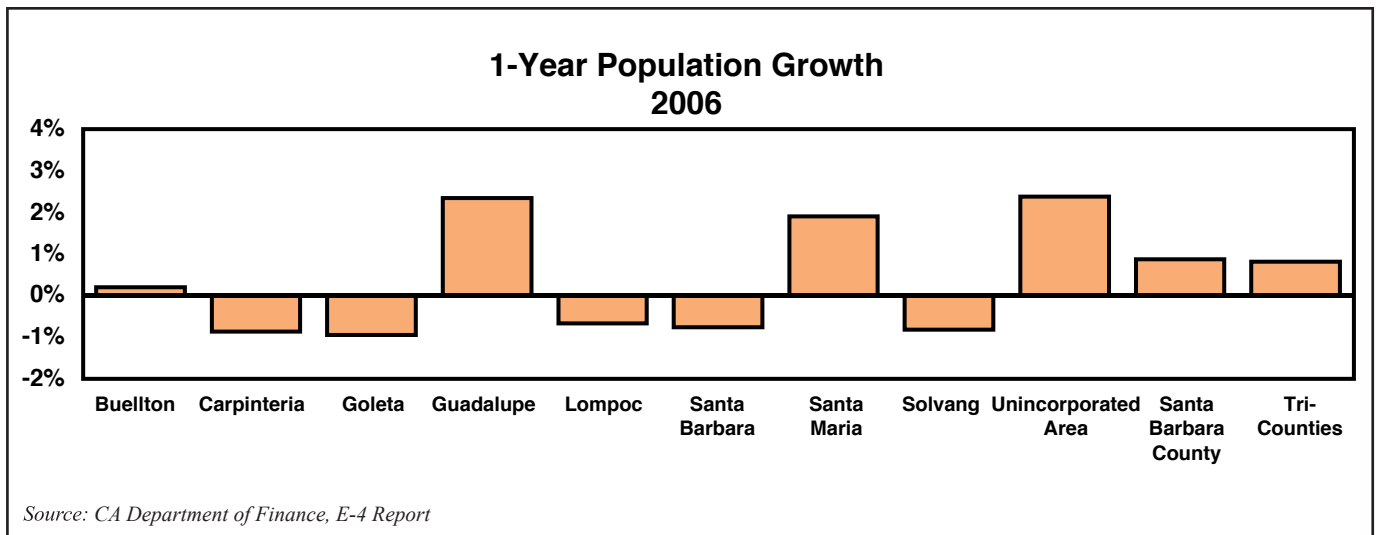
Therefore, high housing costs will continue to drive population declines in many Santa Barbara County communities.

With the decline in population come changes in the population. We have previously documented the declining

middle class, and we discuss it in the “Community” section of this publication. Essentially, the middle class is declining, as young families leave for opportunity and home ownership. The population is becoming bimodal, with a large over-45, relatively wealthy population and a large, relatively young, poor population. Many of the older population need not work. Most of the poor population work in services or agriculture. Most of the over-45 cohort own their homes. The young cohort rents, often several families to a unit. All indications are that these trends will continue throughout the forecast horizon.







Population Distribution in Santa Barbara County

	Population as of January 1, 2005	Population as of January 1, 2006	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	4,539	4,548	9	0.2%	16.1%	31.4%	3.2%	3.1%
Carpinteria	14,295	14,172	-123	-0.9%	-1.3%	2.3%	-0.3%	0.2%
Goleta	30,580	30,290	-290	-0.9%	NA	NA	NA	NA
Guadalupe	6,276	6,423	147	2.3%	9.1%	13.2%	1.8%	1.3%
Lompoc	42,197	41,915	-282	-0.7%	1.0%	5.6%	0.2%	0.6%
Santa Barbara City	90,238	89,548	-690	-0.8%	-0.6%	0.8%	-0.1%	0.1%
Santa Maria	88,521	90,204	1,683	1.9%	14.8%	26.7%	3.0%	2.7%
Svang	5,413	5,369	-44	-0.8%	-0.4%	5.8%	-0.1%	0.6%
Unincorporated Area	135,929	139,156	3,227	2.4%	-14.9%	-11.1%	-3.0%	-1.1%
Santa Barbara County	417,988	421,625	3,637	0.9%	4.6%	9.7%	0.9%	1.0%
Tri-Counties	1,490,061	1,502,213	12,152	0.8%	5.8%	13.5%	1.2%	1.3%

Source: CA Department of Finance, E-4 Report

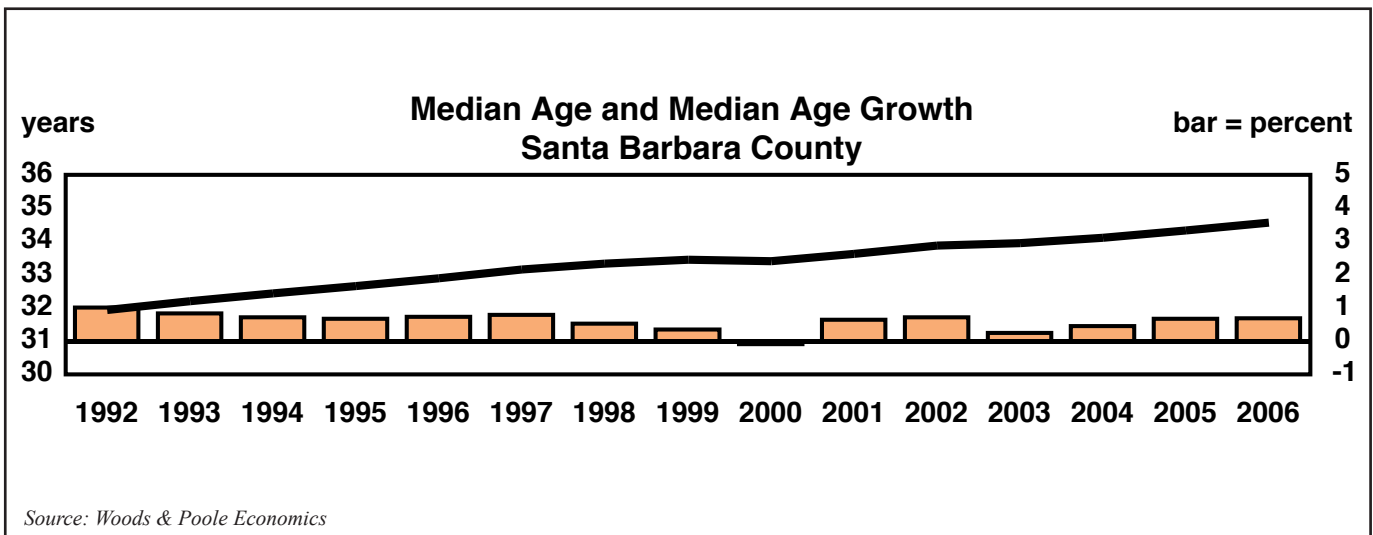
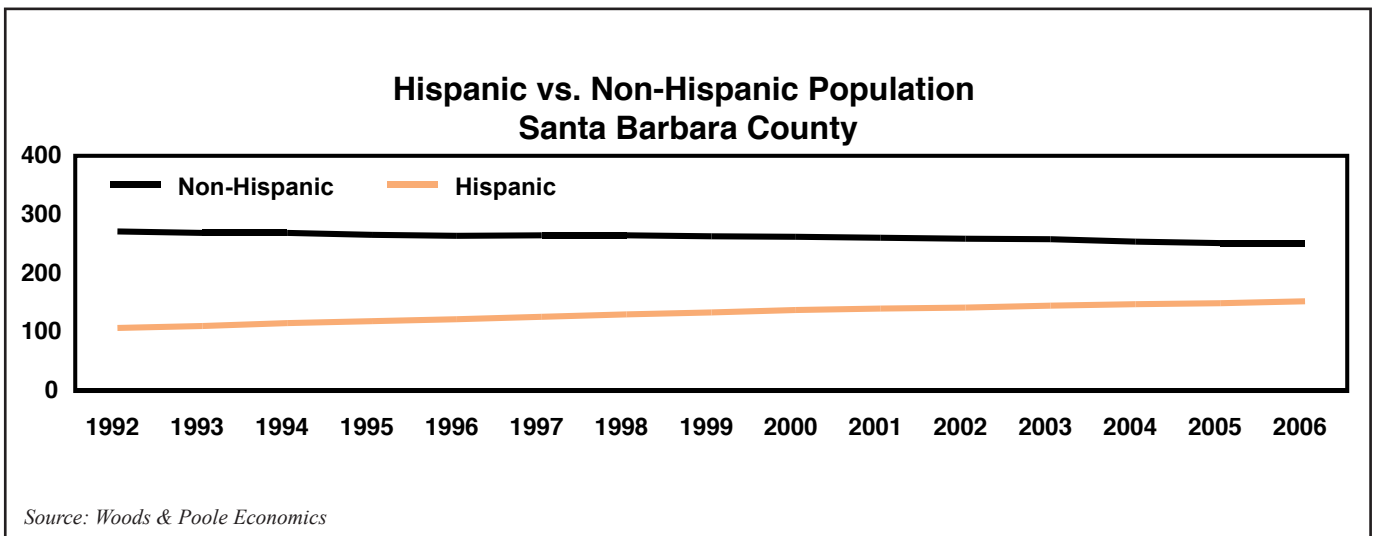
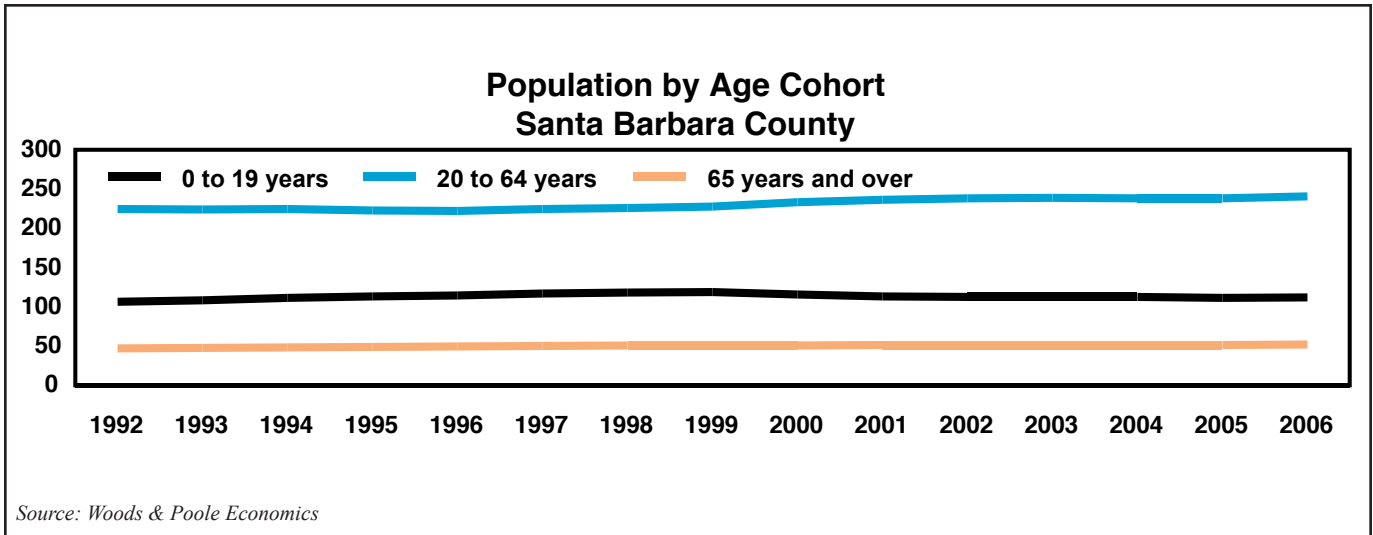
Population and Housing in Santa Barbara County

	1999	2000	2001	2002	2003	2004	2005	2006
Population (January)	393,500	398,200	403,247	407,409	411,528	415,271	417,988	421,625
percent change	0.6	1.2	1.3	1.0	1.0	0.9	0.7	0.9
Population in Existing Housing Stock	390,888	382,730	387,007	391,246	394,666	398,622	400,853	404,566
percent change	1.0	-2.1	1.1	1.1	0.9	1.0	0.6	0.9
Population in Group Quarters	15,940	16,617	16,240	16,163	16,862	16,649	17,135	17,059
percent change	-0.6	4.2	-2.3	-0.5	4.3	-1.3	2.9	-0.4
Housing Density (people per household)	2.872	2.801	2.815	2.827	2.820	2.819	2.804	2.778
net change	0.012	-0.071	0.014	0.012	-0.007	-0.001	-0.015	-0.026

Source: CA Department of Finance, E-5 Report

Demographic Detail Santa Barbara County											
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Age Cohorts (thousands of people)											
Population Under 5 Years	30.0	29.0	27.9	26.7	26.0	26.1	26.1	26.9	27.5	27.1	26.9
Population 5 To 9 Years	29.9	30.4	30.4	30.0	29.4	28.4	27.4	26.5	25.8	25.5	25.8
Population 10 To 14 Years	26.7	26.8	26.8	27.0	28.2	28.8	28.9	29.2	29.1	28.2	27.2
Population 15 To 19 Years	28.1	30.5	33.3	34.7	32.1	30.2	29.8	29.9	30.0	30.8	31.8
Population 20 To 24 Years	30.9	30.8	30.8	31.9	37.2	39.0	39.1	38.0	34.8	33.0	31.9
Population 25 To 29 Years	29.8	29.6	28.9	28.2	27.5	27.3	27.9	29.5	32.2	32.5	33.0
Population 30 To 34 Years	31.7	30.7	29.7	28.8	28.0	27.9	27.8	27.2	26.5	26.7	27.7
Population 35 To 39 Years	32.1	32.2	31.9	31.3	30.2	29.1	28.0	27.2	26.3	26.3	26.5
Population 40 To 44 Years	27.7	28.7	29.4	29.6	29.8	29.9	30.0	29.7	29.2	28.5	28.0
Population 45 To 49 Years	23.4	23.9	24.8	25.7	26.3	26.9	27.5	28.0	28.2	28.4	28.6
Population 50 To 54 Years	18.4	20.1	20.8	21.8	22.9	23.9	24.0	24.5	24.7	25.1	26.3
Population 55 To 59 Years	15.1	15.5	16.1	16.5	17.2	17.6	19.1	19.8	20.6	21.5	22.2
Population 60 To 64 Years	12.7	13.0	13.5	13.9	14.2	14.3	14.5	15.0	15.4	15.8	16.6
Population 65 To 69 Years	13.6	13.4	13.1	13.0	12.8	12.8	12.7	12.8	12.9	13.2	13.4
Population 70 To 74 Years	12.7	12.7	12.7	12.5	12.4	12.2	12.2	11.8	11.5	11.1	11.2
Population 75 To 79 Years	10.0	10.5	10.7	11.0	11.1	11.1	10.7	10.6	10.2	10.0	9.9
Population 80 To 84 Years	7.2	7.3	7.3	7.4	7.5	7.9	8.4	8.6	8.9	8.8	8.8
Population 85 Years And Over	6.1	6.4	6.5	6.7	7.0	7.2	7.4	7.7	7.9	8.1	8.4
Total Population	386.1	391.3	394.7	396.9	399.7	400.7	401.6	402.9	401.7	400.8	404.3
Ethnicity (thousands of people)											
White	234.1	234.5	233.9	232.7	231.7	230.8	229.1	227.4	223.8	221.1	220.9
Black	9.7	9.8	9.7	9.7	9.6	9.4	9.2	9.1	9.0	8.9	9.0
Other	20.1	20.5	20.7	20.9	20.7	20.7	21.1	21.3	21.5	21.6	22.0
Hispanic , Any Race	122.2	126.6	130.3	133.6	137.7	139.9	142.2	145.0	147.4	149.1	152.4
Gender (thousands of people)											
Male	193.3	195.8	197.5	198.7	200.0	200.5	200.9	201.9	201.7	201.3	203.1
Female	192.8	195.5	197.2	198.2	199.7	200.2	200.7	201.0	200.0	199.5	201.1
Median Age Of Population (years)											
	32.9	33.2	33.3	33.4	33.4	33.6	33.9	33.9	34.1	34.3	34.6

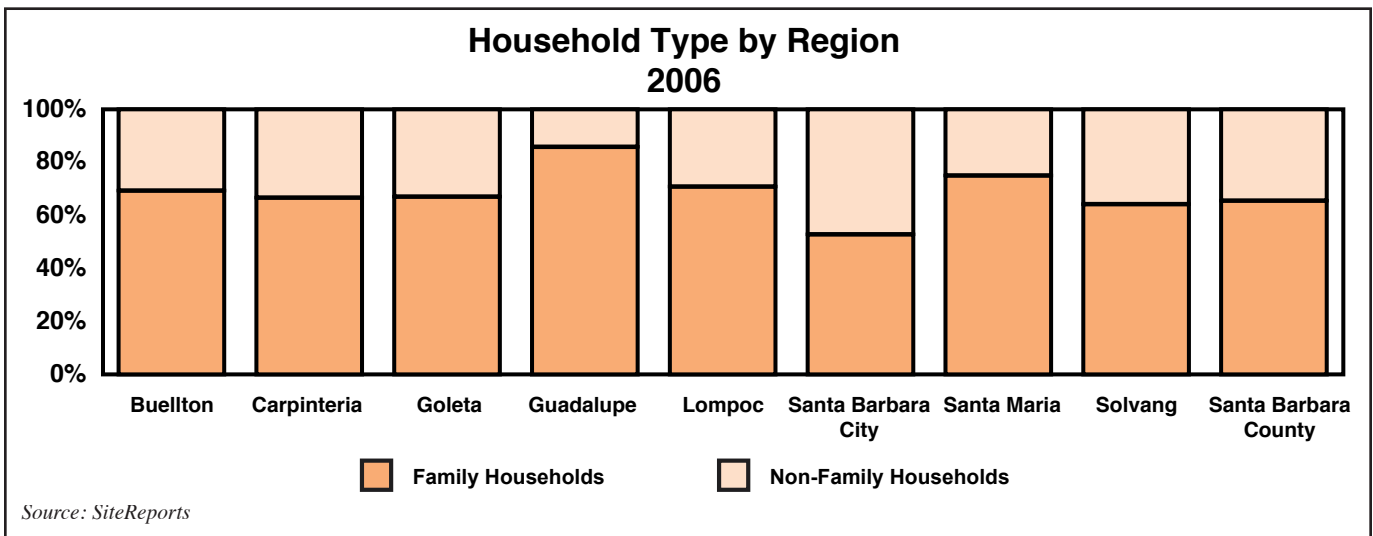
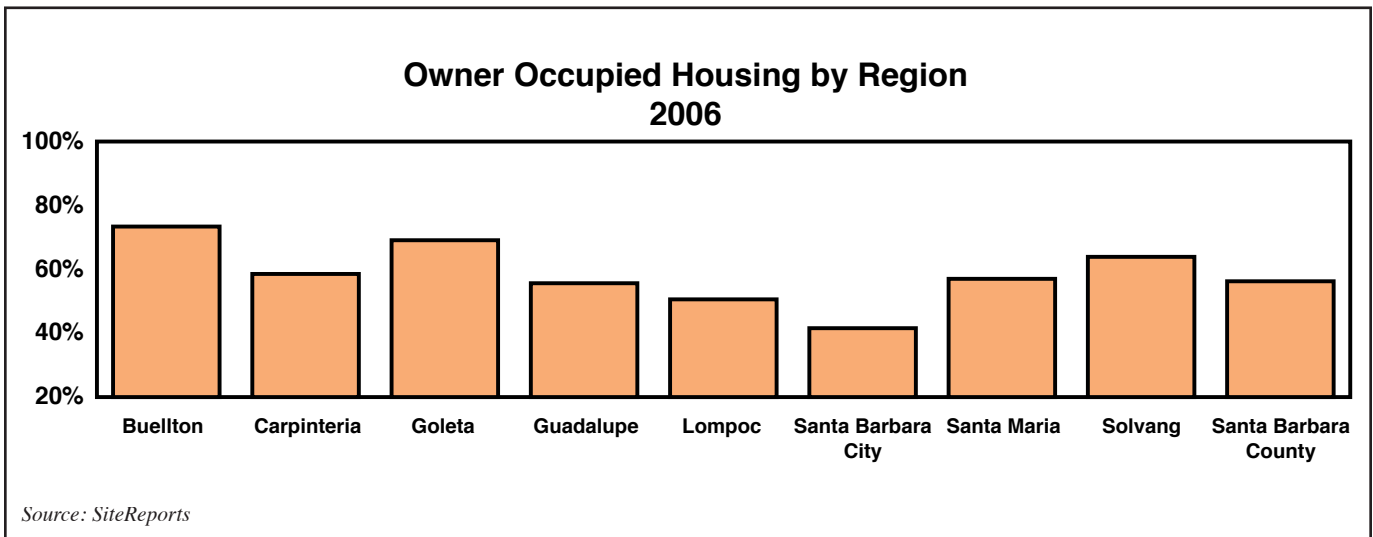
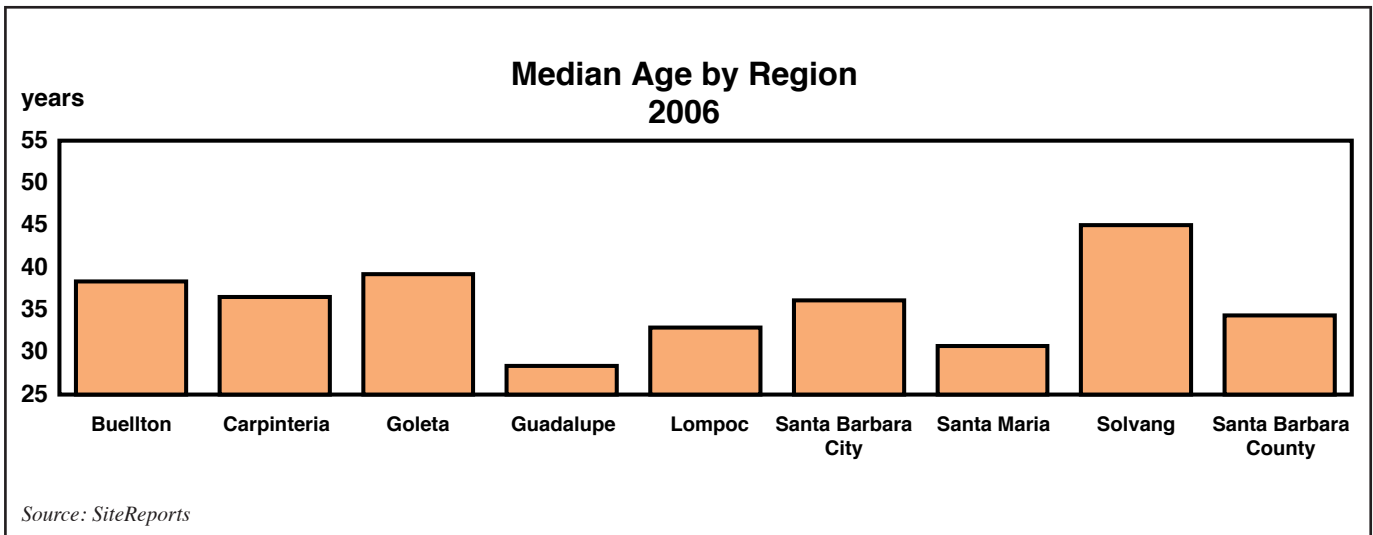
Source: Woods & Poole Economics

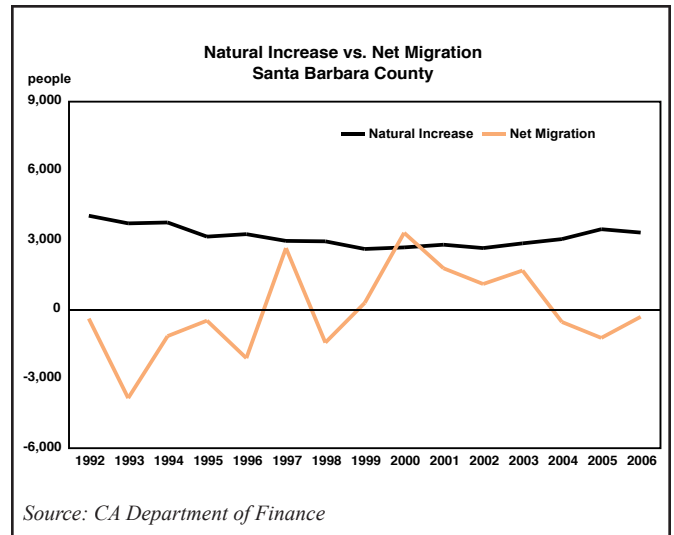
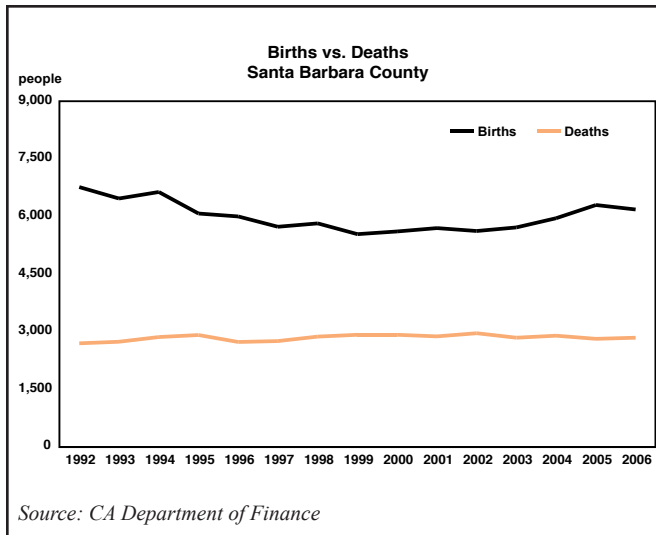


POPULATION CHARACTERISTICS: AREAS IN SANTA BARBARA COUNTY

Description	Buellton	Carpinteria	Goleta	Guadalupe	Lompoc	Santa Barbara City	Santa Maria	Solvang	Santa Barbara County	South Coast	Santa Ynez Valley	North Santa Barbara
Population												
2006 Estimate	3,951	13,637	54,992	6,176	41,157	89,959	87,372	5,213	406,466	198,704	20,399	186,458
2000 Census	3,828	14,194	55,204	5,659	41,103	92,325	77,423	5,332	399,347	202,204	20,279	175,963
1990 Census	3,392	13,756	51,894	5,632	37,660	86,019	62,326	4,750	369,784	192,517	18,042	158,366
Growth 2000-2006	3.21%	-3.92%	-0.38%	9.14%	0.13%	-2.56%	12.85%	-2.23%	1.78%	-1.73%	0.59%	5.96%
2006 Est. Population Hispanic or Latino by Origin	3,951	13,637	54,992	6,176	41,157	89,959	87,372	5,213	406,466	198,704	20,399	186,458
Not Hispanic or Latino	2,820	7,314	41,424	948	23,875	57,349	31,273	4,139	254,433	139,687	16,266	98,093
Hispanic or Latino:	1,131	6,323	13,568	5,228	17,282	32,610	56,099	1,074	152,033	59,017	4,133	88,365
Mexican	983	5,600	11,426	4,714	14,638	27,786	49,437	925	130,743	50,051	3,550	76,683
Puerto Rican	10	24	118	7	193	196	287	5	1,180	402	29	744
Cuban	7	7	62	7	70	103	34	7	377	213	23	141
All Other Hispanic or Latino	131	692	1,962	500	2,381	4,525	6,341	137	19,733	8,351	531	10,797
2006 Est. Population by Sex	3,951	13,637	54,992	6,176	41,157	89,959	87,372	5,213	406,466	198,704	20,399	186,458
Male	1,973	6,894	27,351	3,152	21,948	44,550	44,479	2,488	204,113	98,464	9,982	95,177
Female	1,978	6,743	27,641	3,024	19,209	45,409	42,893	2,725	202,353	100,240	10,417	91,281
2006 Est. Median Age	38.34	36.55	39.23	28.36	32.90	36.12	30.71	45.03	34.36	35.27	42.22	32.65
2006 Est. Average Age	38.00	37.28	39.55	30.96	34.20	38.41	33.39	44.12	36.62	37.89	40.73	34.83
2006 Est. Pop. Age 25+ by Educational Attainment	2,595	9,132	38,245	3,432	25,792	62,634	51,742	3,756	259,897	130,889	14,040	114,421
Less than 9th grade	212	1,268	1,911	1,413	3,311	6,195	12,711	271	30,300	10,368	911	18,888
Some High School, no diploma	307	935	2,781	514	3,516	5,940	7,776	321	26,360	10,881	998	14,386
High School Graduate (or GED)	586	1,696	6,991	717	6,425	9,464	11,721	776	49,527	20,521	2,798	26,039
Some College, no degree	742	2,109	8,534	555	6,785	12,354	10,923	1,055	59,557	27,305	3,903	28,244
Associate Degree	241	695	3,197	82	2,263	4,219	3,074	218	19,773	9,604	1,011	9,149
Bachelor's Degree	352	1,693	8,866	103	2,369	14,850	3,843	700	45,562	31,342	2,761	11,431
Master's Degree	106	474	3,729	25	849	5,755	1,142	301	18,302	12,593	1,057	4,645
Professional School Degree	24	160	980	23	241	2,124	422	78	5,916	4,219	435	1,259
Doctorate Degree	25	102	1,256	0	33	1,733	130	36	4,600	4,056	166	380
2006 Est. Households by Household Type	1,467	4,776	19,768	1,536	12,954	34,466	24,653	2,137	137,633	72,541	7,697	57,099
Family Households	1,016	3,178	13,246	1,317	9,171	18,166	18,499	1,372	90,217	41,363	5,516	43,129
Nonfamily Households	451	1,598	6,522	219	3,783	16,300	6,154	765	47,416	31,178	2,181	13,970
2006 Est. Household Type, Presence Own Children	1,467	4,776	19,768	1,536	12,954	34,466	24,653	2,137	137,633	72,541	7,697	57,099
Single Male Householder	138	425	1,817	71	1,424	4,666	1,869	237	13,789	8,427	668	4,644
Single Female Householder	210	805	2,645	103	1,634	6,732	2,995	405	19,674	11,936	1,065	6,651
Married-Couple Family, own children	419	1,229	4,801	644	3,559	5,978	7,653	437	33,926	14,276	2,035	17,523
Married-Couple Family, no own children	428	1,228	6,003	322	2,982	7,580	6,304	694	36,797	18,098	2,586	16,030
Male Householder, own children	27	106	362	42	445	608	692	33	2,980	1,248	161	1,558
Male Householder, no own children	26	116	367	52	264	753	620	38	2,748	1,438	132	1,175
Female Householder, own children	62	257	852	143	1,306	1,739	2,015	94	7,882	3,291	332	4,247
Female Householder, no own children	54	242	861	114	615	1,508	1,215	76	5,884	3,012	270	2,596
Nonfamily, Male Householder	56	189	1,099	23	415	2,555	795	79	7,501	5,629	259	1,606
Nonfamily, Female Householder	47	179	961	22	310	2,347	495	44	6,452	5,186	189	1,069
2006 Est. Households by Household Size	1,467	4,776	19,768	1,536	12,954	34,466	24,653	2,137	137,633	72,541	7,697	57,099
1-person household	348	1,230	4,462	174	3,058	11,398	4,864	642	33,463	20,363	1,733	11,295
2-person household	503	1,435	6,620	250	3,589	11,211	6,492	804	43,585	24,019	2,827	16,662
3-person household	201	725	3,251	233	2,107	4,744	3,456	272	20,654	10,615	1,194	8,804
4-person household	227	628	2,900	287	1,988	3,416	3,552	239	18,946	9,033	1,110	8,765
5-person household	108	358	1,392	262	1,177	1,705	2,436	110	10,205	4,283	498	5,390
6-person household	46	179	620	166	539	857	1,476	38	5,037	2,058	199	2,764
7 or more person household	34	221	523	164	496	1,135	2,377	32	5,743	2,170	136	3,419
2006 Est. Average Travel Time to Work in Minutes	26.12	23.29	18.07	25.77	28.05	18.59	22.16	21.40	21.28	18.94	25.80	23.65
2006 Est. Tenure of Occupied Housing Units	1,467	4,776	19,768	1,536	12,954	34,466	24,653	2,137	137,633	72,541	7,697	57,099
Owner Occupied	1,076	2,799	13,651	855	6,563	14,353	14,067	1,367	77,365	37,098	5,460	34,641
Renter Occupied	391	1,977	6,117	681	6,391	20,113	10,586	770	60,268	35,443	2,237	22,458
2006 Est. Median All Owner-Occupied Housing Value	\$529,211	\$630,032	\$849,713	\$254,212	\$298,490	\$1,013,742	\$300,998	\$723,188	\$560,981	\$947,736	\$768,076	\$319,679

Source: SiteReports





Population and Components of Change Santa Barbara County							
	Population As of July 1	Population Change	Births	Deaths	Natural Increase	Net Migration	Population Growth Rate
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	374,833	3,433	6,709	2,593	4,116	1,764	0.92
1992	378,511	3,678	6,768	2,703	4,065	-387	0.98
1993	378,413	-98	6,469	2,739	3,730	-3,828	-0.03
1994	381,033	2,620	6,638	2,865	3,773	-1,153	0.69
1995	383,717	2,684	6,076	2,914	3,162	-478	0.70
1996	384,878	1,161	6,001	2,737	3,264	-2,103	0.30
1997	390,515	5,637	5,732	2,757	2,975	2,662	1.46
1998	392,029	1,514	5,822	2,873	2,949	-1,435	0.39
1999	394,936	2,907	5,543	2,921	2,622	285	0.74
2000	400,943	6,007	5,614	2,925	2,689	3,318	1.52
2001	405,539	4,596	5,696	2,884	2,812	1,784	1.15
2002	409,309	3,770	5,625	2,964	2,661	1,109	0.93
2003	413,865	4,556	5,714	2,848	2,866	1,690	1.11
2004	416,385	2,520	5,955	2,901	3,054	-534	0.61
2005	418,639	2,254	6,301	2,818	3,483	-1,229	0.54
2006	421,656	3,017	6,180	2,848	3,332	-315	0.72
Average per Year		4,507	5,846	2,729	3,117	1,492	1.25

Source: CA Department of Finance and UC Santa Barbara Economic Forecast Project
 *Demographic Research Unit, Report E-2 & E-6
 Note: Components will not add to total population for "Averages per Year"
 2000 and 2002 detailed population figures are estimated by the UC Santa Barbara Economic Forecast Project.

2006 County Population Rankings							
California Counties Ranked by 1/1/2006 Total Population, and 2005-2006 Numeric Change and Percent Change							
County	Jan-2006 Total Population	Rank	County	Numeric Change	Rank	County	Percent Change
Los Angeles	10,245,572	1	Los Angeles	79,155	1	Yuba	3.6
Orange	3,072,336	2	Riverside	65,019	2	Riverside	3.4
San Diego	3,066,820	3	San Bernardino	41,023	3	Imperial	3.1
San Bernardino	1,991,829	4	San Diego	27,543	4	Kern	2.9
Riverside	1,953,330	5	Orange	25,282	5	Placer	2.6
Santa Clara	1,773,258	6	Kern	21,987	6	Madera	2.6
Alameda	1,510,303	7	Santa Clara	20,605	7	Colusa	2.6
Sacramento	1,385,607	8	Sacramento	18,670	8	Sutter	2.6
Contra Costa	1,029,377	9	Fresno	15,864	9	Merced	2.2
Fresno	899,514	10	San Joaquin	12,946	10	Tulare	2.2
Ventura	817,346	11	Contra Costa	10,276	11	San Bernardino	2.1
San Francisco	798,680	12	Alameda	10,075	12	San Joaquin	2.0
Kern	779,869	13	Stanislaus	9,018	13	Kings	1.8
San Mateo	724,104	14	Tulare	8,918	14	Fresno	1.8
San Joaquin	668,265	15	Placer	8,077	15	Stanislaus	1.8
Stanislaus	514,370	16	Ventura	6,583	16	El Dorado	1.6
Sonoma	479,929	17	San Francisco	5,728	17	Yolo	1.5
Monterey	424,842	18	Merced	5,287	18	Calaveras	1.4
Solano	422,848	19	Imperial	4,964	19	Sacramento	1.4
Santa Barbara	421,625	20	San Mateo	4,449	20	Glenn	1.3
Tulare	420,619	21	Madera	3,649	21	Tehama	1.3
Placer	316,508	22	Santa Barbara	3,637	22	Santa Clara	1.2
San Luis Obispo	263,242	23	Yolo	2,769	23	Napa	1.1
Santa Cruz	262,351	24	El Dorado	2,693	24	Tuolumne	1.0
Marin	253,341	25	Kings	2,619	25	Contra Costa	1.0
Merced	246,751	26	Solano	2,541	26	Shasta	1.0
Butte	217,209	27	Yuba	2,433	27	Butte	0.9
Yolo	190,344	28	Sutter	2,280	28	San Diego	0.9
Shasta	181,483	29	Sonoma	2,232	29	Santa Barbara	0.9
El Dorado	176,204	30	Butte	2,020	30	Trinity	0.8
Imperial	166,585	31	San Luis Obispo	1,932	31	Orange	0.8
Kings	147,729	32	San Luis Obispo	1,932	32	Amador	0.8
Madera	144,396	33	Shasta	1,791	33	Ventura	0.8
Napa	134,444	34	Marin	1,521	34	Los Angeles	0.8
Humboldt	132,526	35	Napa	1,454	35	Santa Cruz	0.8
Nevada	100,066	36	Monterey	1,088	36	San Luis Obispo	0.7
Sutter	91,450	37	Tehama	813	37	San Francisco	0.7
Mendocino	90,445	38	Calaveras	625	38	Mariposa	0.7
Yuba	69,827	39	Tuolumne	592	39	Alameda	0.7
Lake	64,105	40	Nevada	556	40	San Mateo	0.6
Tehama	61,533	41	Colusa	539	41	Lake	0.6
Tuolumne	58,231	42	Humboldt	507	42	Solano	0.6
San Benito	57,627	43	Lake	388	43	Marin	0.6
Siskiyou	46,146	44	Glenn	380	44	Nevada	0.6
Calaveras	45,711	45	Amador	310	45	San Benito	0.5
Amador	38,133	46	San Benito	277	46	Sonoma	0.5
Lassen	35,452	47	Mendocino	170	47	Mono	0.4
Del Norte	29,196	48	Siskiyou	170	48	Humboldt	0.4
Glenn	28,651	49	Mariposa	125	49	Siskiyou	0.4
Colusa	21,512	50	Trinity	116	50	Del Norte	0.3
Plumas	21,444	51	Del Norte	78	51	Monterey	0.3
Inyo	18,515	52	Lassen	62	52	Mendocino	0.2
Mariposa	18,216	53	Mono	60	53	Lassen	0.2
Trinity	14,024	54	Modoc	9	54	Modoc	0.1
Mono	13,597	55	Plumas	5	55	Plumas	0.0
Modoc	9,836	56	Alpine	-11	56	Inyo	-0.3
Sierra	3,501	57	Sierra	-27	57	Sierra	-0.8
Alpine	1,241	58	Inyo	-65	58	Alpine	-0.9

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

Alphabetical 2006 County Population Rankings				
Alphabetical California Counties with Population and Numeric and Percent Change Ranks				
County	Jan-2006 Population Rank	2005-2006 Numeric Change Rank	2005-2006 Percent Change Rank	County
Alameda	7	12	39	Alameda
Alpine	58	56	58	Alpine
Amador	46	45	32	Amador
Butte	27	30	27	Butte
Calaveras	45	38	18	Calaveras
Colusa	50	41	7	Colusa
Contra Costa	9	11	25	Contra Costa
Del Norte	48	51	50	Del Norte
El Dorado	30	24	16	El Dorado
Fresno	10	9	14	Fresno
Glenn	49	44	20	Glenn
Humboldt	35	42	48	Humboldt
Imperial	31	19	3	Imperial
Inyo	52	58	56	Inyo
Kern	13	6	4	Kern
Kings	32	25	13	Kings
Lake	40	43	41	Lake
Lassen	47	52	53	Lassen
Los Angeles	1	1	34	Los Angeles
Madera	33	21	6	Madera
Marin	25	34	43	Marin
Mariposa	53	49	38	Mariposa
Mendocino	38	47	52	Mendocino
Merced	26	18	9	Merced
Modoc	56	54	54	Modoc
Mono	55	53	47	Mono
Monterey	18	36	51	Monterey
Napa	34	35	23	Napa
Nevada	36	40	44	Nevada
Orange	2	5	31	Orange
Placer	22	15	5	Placer
Plumas	51	55	55	Plumas
Riverside	5	2	2	Riverside
Sacramento	8	8	19	Sacramento
San Benito	43	46	45	San Benito
San Bernardino	4	3	11	San Bernardino
San Diego	3	4	28	San Diego
San Francisco	12	17	37	San Francisco
San Joaquin	15	10	12	San Joaquin
San Luis Obispo	23	32	36	San Luis Obispo
San Mateo	14	20	40	San Mateo
Santa Barbara	20	22	29	Santa Barbara
Santa Clara	6	7	22	Santa Clara
Santa Cruz	24	31	35	Santa Cruz
Shasta	29	33	26	Shasta
Sierra	57	57	57	Sierra
Siskiyou	44	48	49	Siskiyou
Solano	19	26	42	Solano
Sonoma	17	29	46	Sonoma
Stanislaus	16	13	15	Stanislaus
Sutter	37	28	8	Sutter
Tehama	41	37	21	Tehama
Trinity	54	50	30	Trinity
Tulare	21	14	10	Tulare
Tuolumne	42	39	24	Tuolumne
Ventura	11	16	33	Ventura
Yolo	28	23	17	Yolo
Yuba	39	27	1	Yuba

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

ECONOMIC ACTIVITY



UNITED STATES

After several years of above-trend growth, the United States economic growth rate slowed in the second half of 2006. Current data are decidedly mixed. However, the most recent data, particularly jobs data, have been strong.

The Federal Reserve System (FED), after two years of consecutive increases in the Target Federal Funds Rate, has recently refrained from changes in the Target Rate. They believe that they have engineered a soft landing. If they have, it would be the first time in history. We think they may have.

The “worry of the day” is sub-prime loans. In general, we believe the concern about foreclosures is over-hyped. We do have concerns about the reactions of lenders and regulators. We analyze this later in this section.

While its leadership in computing and communications is well known, California’s biotech sector is exceedingly strong and has enormous potential. Even less visible is the State’s potential in nano-technology and materials technology. UC Santa Barbara will contribute significantly to the advances in these technologies.

The State’s debt has been increasing, along with its debt service. Current borrowing authorizations will likely be used up sometime in the next two budget years. This will force Sacramento to go either cut spending, increase taxes, or go to the voters and ask for increased borrowing authority.

CALIFORNIA

California, with oodles of self-inflicted challenges, continues to amaze us. Recent data revisions make it likely that California’s economy is outperforming the United States’ economy. We attribute the State’s strength to its position on the leading edge of technology.

The primary concern for California’s economy is the lack of budget discipline at the State level. Politicians speak of balanced budgets, but this is creative semantics. The fact is the State has been spending billions more than it has taken in as taxes and fees.

Most likely, State leaders would prefer to exclusively borrow. Politics and financial markets will most likely make this impossible. Therefore, when the budget crunch comes, funds to local governments will again be cut. This combined with the slowdown in the rate of increase of property taxes will put stress

on City and County budgets. Those communities with little or no population growth will be most hurt, as they will not be able to offset the losses with development fees or increased sales taxes.

SANTA BARBARA COUNTY

Santa Barbara County, as a whole, has not really shared in the vitality of the current economic expansion. Indeed, since 2001, the County's has not seen a real economic growth rate in excess of 2.6 percent. This has occurred at a time when the United States economy has been growing at over 3 percent. Job performance has been worse. In three of the past six years the County has seen essentially zero job growth.

Of course, Santa Barbara County has two very different, but inter-related economies. The North County, benefiting from high housing costs in the South Coast and San Luis Obispo and enjoying the economic benefits of Vandenberg AFB, has been the County's economic engine. The South Coast's economy has been anemic for years.

However, in 2006, North County's economic growth slowed dramatically. In part this is due to the slowdown in housing. Another part is a decline in reported jobs at Vandenberg. While retail sales data confirm a slowdown, we are not convinced that the job losses at Vandenberg have been as large as reported.

It is also possible that the slow-growing economies of San Luis Obispo City and Santa Barbara County's South Coast are having a negative impact on Santa Barbara's North County. For years, the North County benefited from the slow growth and high housing costs of these communities. It has been and is their suburb or bedroom. Consequently, it saw a housing boom, rising retail sales, and related growth.

Surely the Santa Barbara County's South Coast will continue to see little or no population or job growth through the forecast horizon. Beyond that, we see little likelihood of significant growth. Therefore we have been thinking about how to measure economic performance in an economy where a political consensus exists to limit population growth. The following comments contain our thoughts-to-date.

MEASURING PROGRESS IN A NO-GROWTH ENVIRONMENT

Progress in modern economies has always been measured by economic growth (Gross Product Growth) and job growth. In the not-so-long run, both of these measures imply population growth. However, if population growth is ruled out, previously accepted measures of economic performance are also out. We are left with the question: how is economic progress measured in an economy where population growth is constrained to be zero or close to zero? We refer to this as a "No-Growth" Environment.

Ultimately, what we interested in is consumption. We produce so we can consume. So, to measure economic progress, we would like to measure local consumption. We would ask how much was consumed, and who consumed it. Unfortunately, these data are not available, nor are any reasonable proxies available. In general, supply-side data are more available. So, we look to these data.

One possible approach is to just normalize the standard

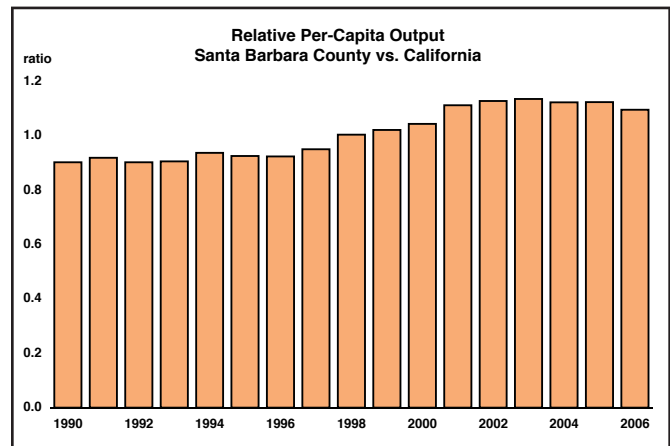
measures of economic progress by the population. In fact, we do this when we report Per-Capita measures. The problem with this approach is that the numbers are not familiar to most people; they don't know what good is. Consider unadjusted Gross Product data. Many people, but not as many as we'd like, could tell you that the long-run average Real Gross Product Growth Rate for the United States is a bit over 3 percent. What is the long-run average Real Per-Capita Gross Product Growth Rate for the United States? Few, if any, of our readers know. Even if they did know, it wouldn't give us the entire context we need.

To truly evaluate the local economy, we'd need something else to compare our performance with, in order to condition on the general and regional economic environments that happen to prevail at the time. To that end, we've prepared a ratio of Santa Barbara (subject region) Per-Capita Output to California (reference region) Per-Capita Output. This ratio is easily interpreted: If the ratio is one, the County and California are performing at the same level. If the ratio is over one, the County is doing well relative to the State. If the ratio is less than one, the County is not doing as well as California.

After years of performing below the State, Santa Barbara's economy, relative to California, picked up in 1998. This measure peaked in 2003 at 1.14. It has since slipped to 1.10.

Another No-Growth measure of relative economic performance is the difference in Per-Capita Economic Growth Rates between the subject region and the reference region. A positive number shows that the subject region is doing well relative to the reference region. A negative number shows that the subject region is performing less well than the reference region. Again, we compare Santa Barbara County with California.

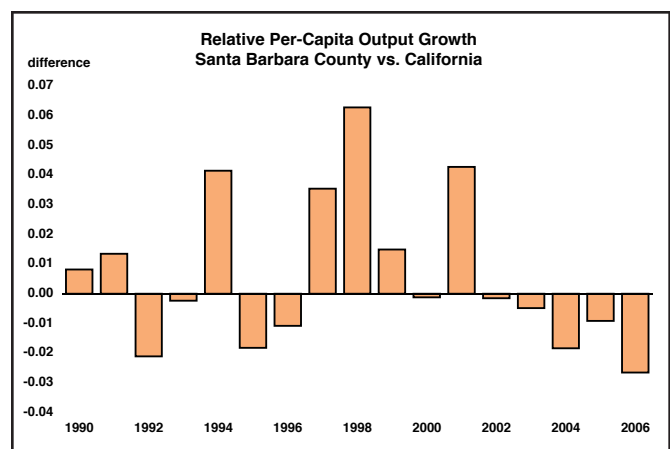
By this measure, while the County maintains an advantage in per-capita output, that advantage is diminishing. The consistency, size, and acceleration of the relative



weakness is cause for concern.

Our third measure of No-Growth economic performance is the ratio of the subject region's (Santa Barbara County) unemployment rate to that of the reference region (California). Here, the lower the value the better the performance. A ratio less than one indicates that the County is doing better than is the State.

While the County has consistently produced unemployment rates below California's unemployment rates, the County's advantage



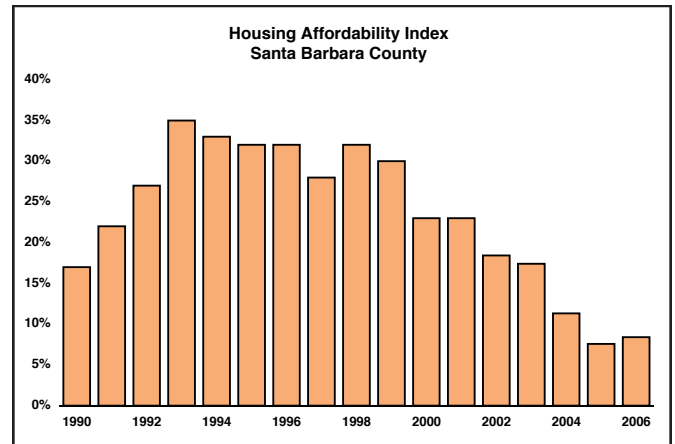
has been declining since 2003. Again, this is cause for concern.

Our final measure is the Housing Affordability Index, which is the percentage of the population that could afford to purchase the median priced home at standard rates and terms.

There are no surprises here. Santa Barbara County has long been a place where a relatively small proportion of the population could afford the median priced home. While the up-tick in 2006 is welcome, the extremely low levels of this measure certify that the County is not a middle-class friendly location.

What does all this mean? Well, Santa Barbara County's per-capita output is better than California's, but all of the trends are negative. To us, this indicates that the County is at risk of losing its advantage. The ways to reverse the negative trends, assuming that the development of significant new

manufacturing activity is out of the question, is to retain high-value-added service jobs and attempt to increase their numbers to replace job losses in other sectors.¹



THE ECONOMIC IMPACT OF SUB-PRIME LOANS

As we said above, concerns about sub-prime loans constitute the crises de jour. In general, people tend to over react to bad news, and economic impacts are seldom as serious as some report.

Hurricane Katrina is an excellent example. Immediately after the event, it was easy to find

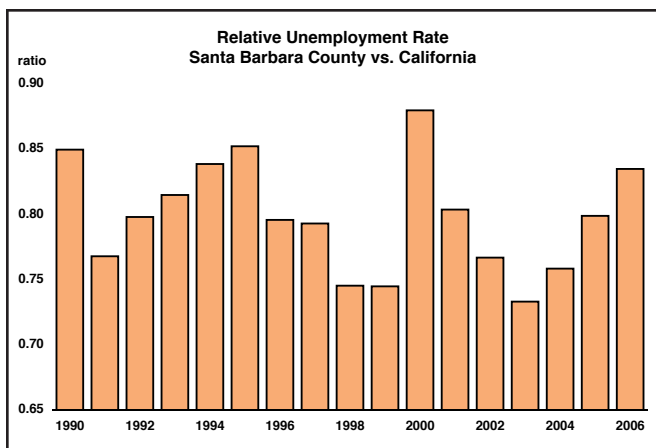
an economist predicting a national economic disaster resulting from the hurricane. If they had bothered to look at the data, they would have found that the New Orleans economy was

relatively small. Given the size of New Orleans economy, national disaster was impossible.

So, we have looked at the sub-prime data. This isn't easy. Much of the data we'd like to see doesn't exist. Some of the data out there is contradictory. So, we created some scenarios from the data.

The first question is how many sub-prime loans are out there? We found credible estimates of the percentage of sub-prime loan originations of 14 percent and 20 percent. The FED estimates that 8.5 percent of outstanding loans are sub-prime. It makes sense that the percentage outstanding would be less than the percentage originations, because of subsequent sales or refinances.

We also found that about 10 percent of sub-prime loans and 3.3 percent of other home loans are currently past due.



We wanted to find out the maximum exposure to potential foreclosures. So, we constructed two scenarios. The first one is extreme. We assume all 20 percent of homes sold in the past two years have loans that are sub-prime and every currently delinquent loan will result in a foreclosure. For the second scenario, we assumed 14 percent of homes sold in the past two years have loans that are sub-prime and half of currently delinquent loans will result in a foreclosure. We consider even scenario 2's assumption draconian.

Our assumptions are in the above table.

Then, we just ran the numbers based on home sold in each of our local markets. The results are in the table below.

As you can see, the number of potential foreclosures, even with extreme assumptions, ap-

pears small, especially when compared to the total number of homes. That however, isn't quite the right question. We really want to know if number of foreclosures is likely to impact home price. Then we are interested in the number of foreclosures relative to sales.

Here, the number is a bit above 25 percent in the very worst case and about half that in scenario two. That assumes all of the foreclosures will happen in one year. That will not be the case. Given the foreclosure process, it would take a minimum of two years. Credible economists estimate it may take up to six years

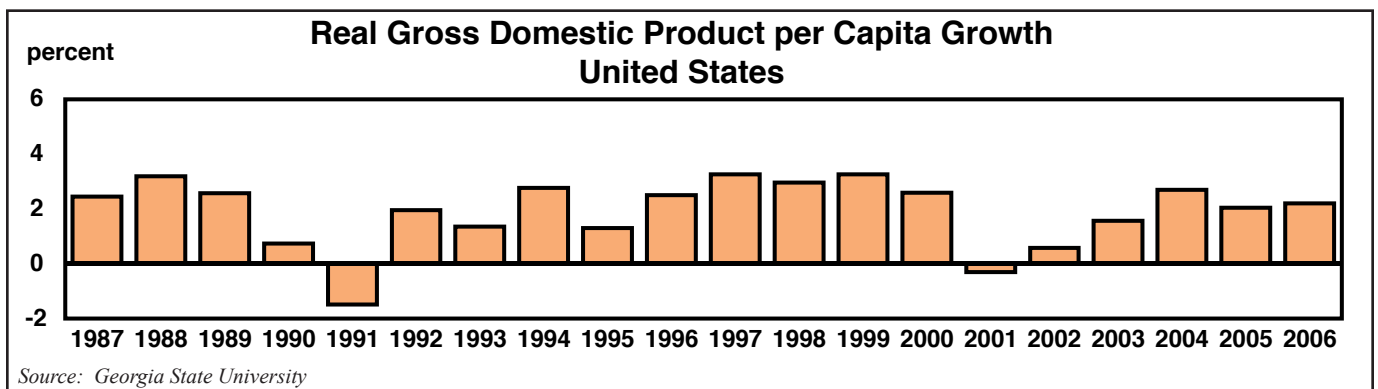
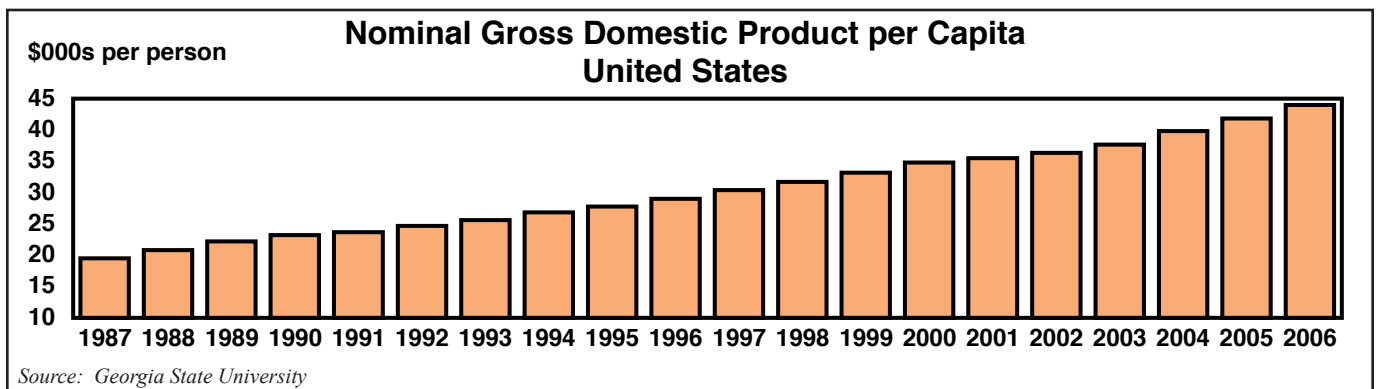
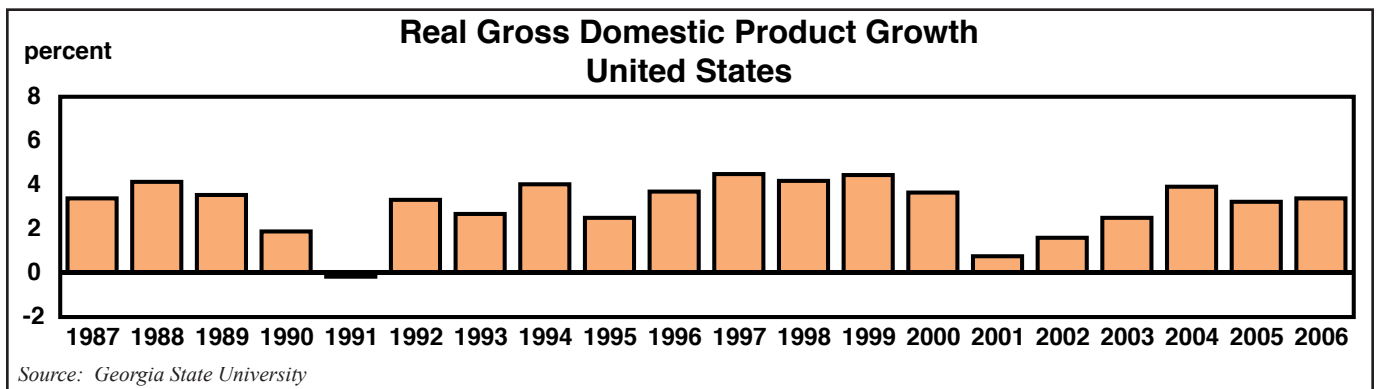
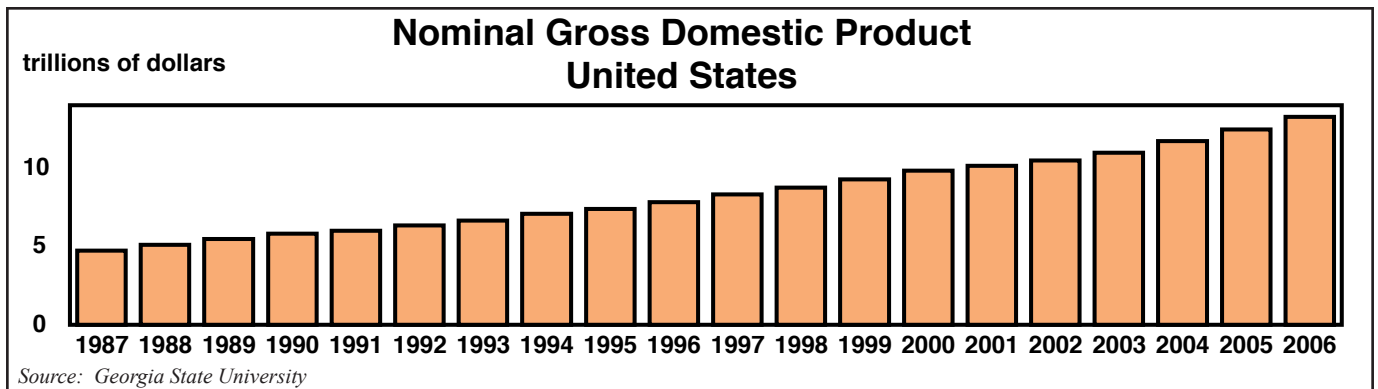
Scenarios	One	Two
% Sub-prime	20%	14%
Default rate	10%	10%
Foreclosure rate	10%	5%
% Prime	80%	86%
Default rate	3.3%	3.3%
Foreclosure rate	3.3%	1.7%

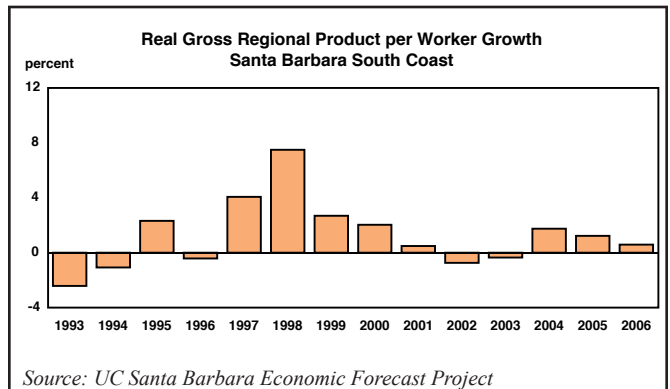
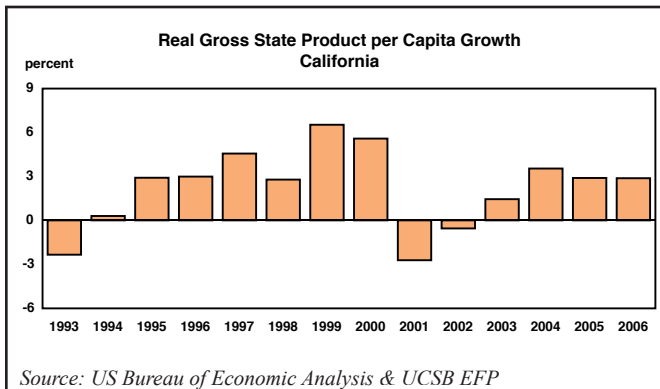
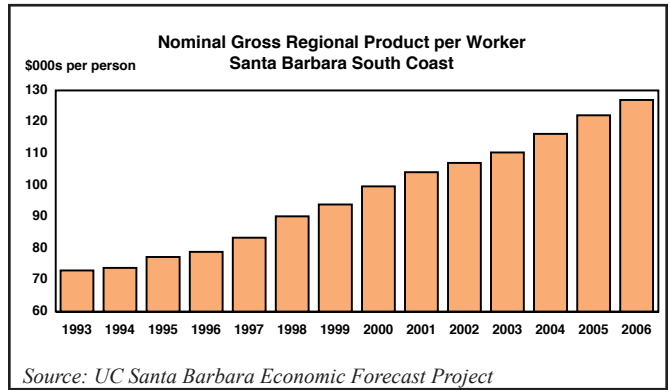
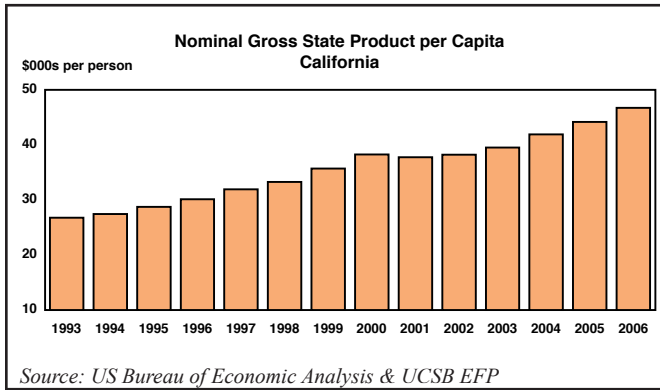
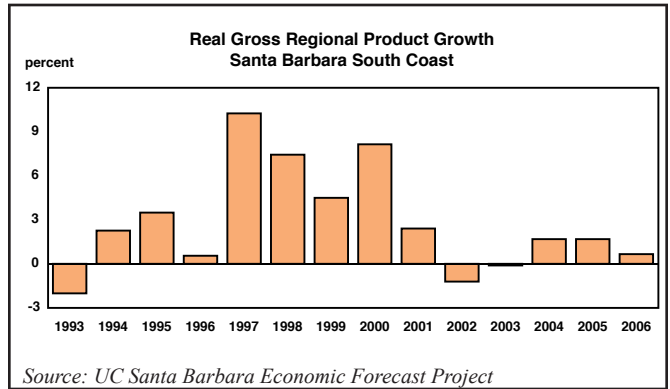
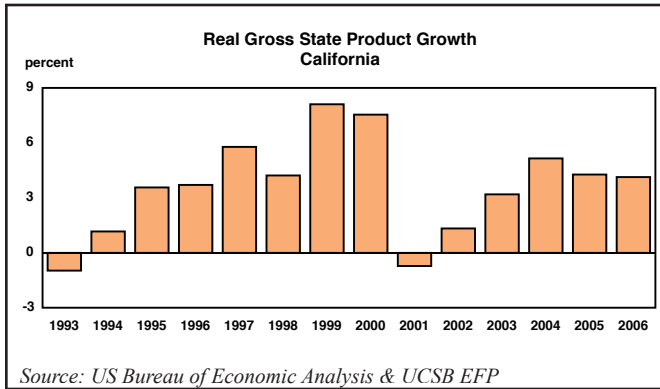
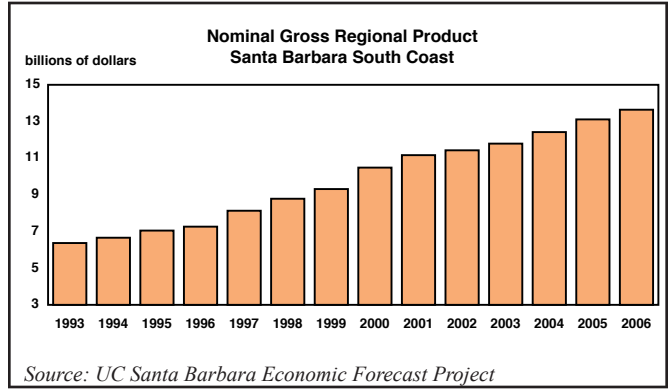
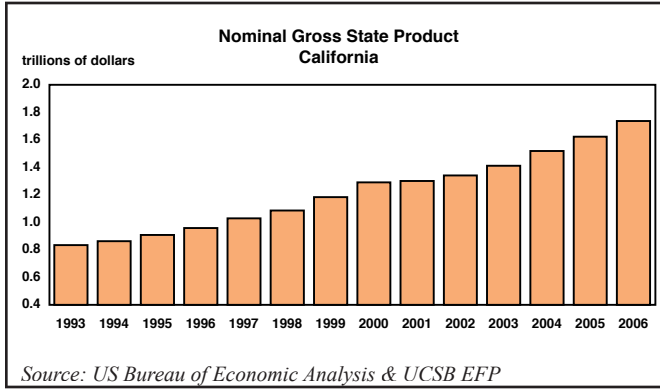
to complete the foreclosures. We conclude that foreclosures of sub-prime loans are unlikely to be the cause of a market glut of homes and a subsequent price collapse.

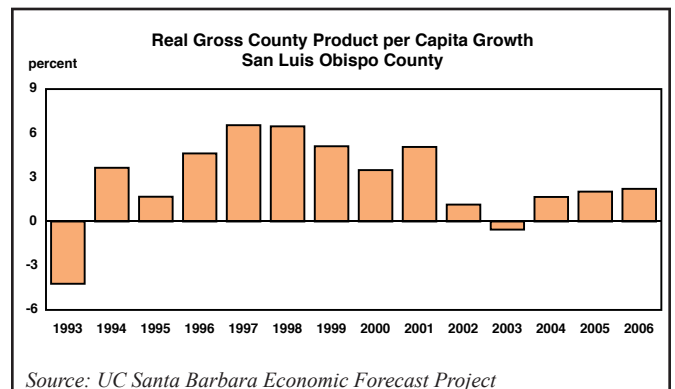
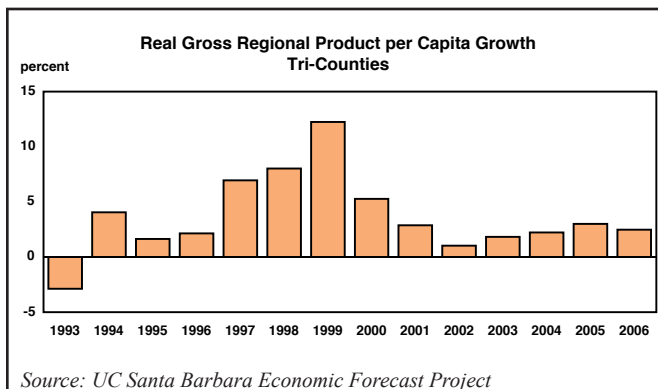
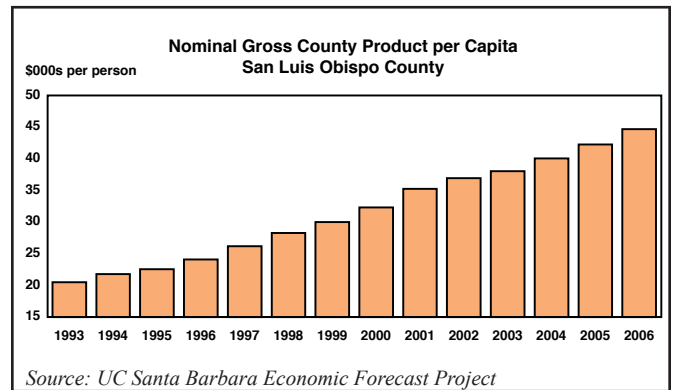
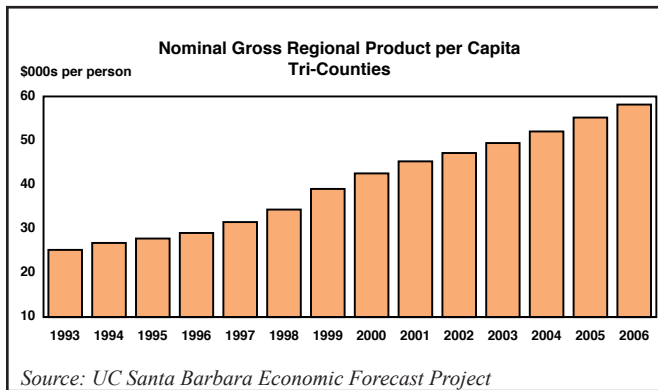
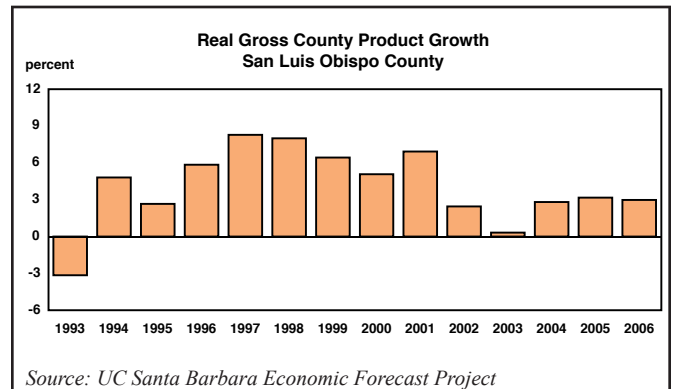
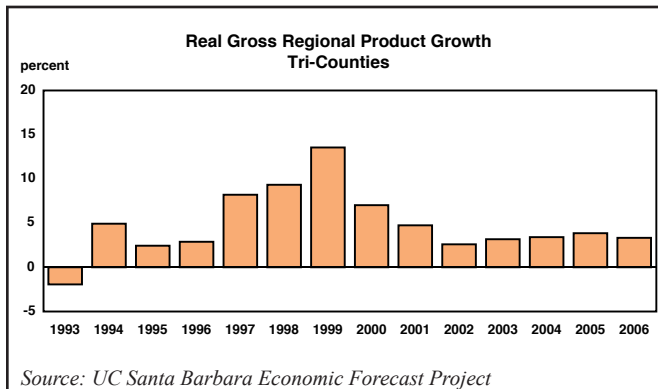
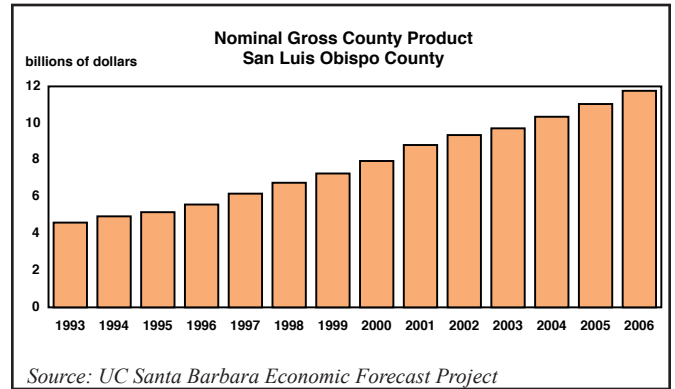
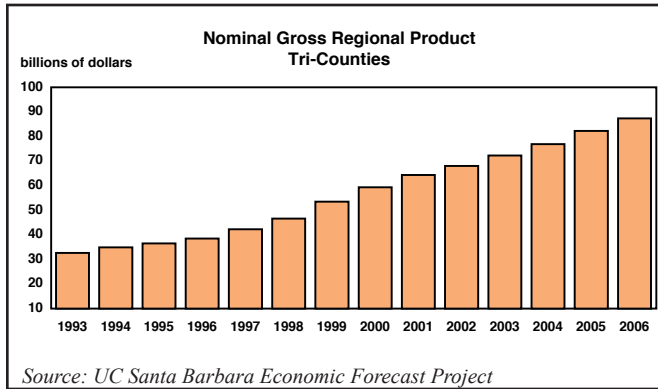
We think that a retrenchment of new lending by gun-shy lenders is more likely to have an impact on the real estate market. The potential for markets and regulators to over-react, as they did during and immediately after the savings and loan crises of a decade and half ago, is the more serious potential threat to Santa Barbara County real estate markets.

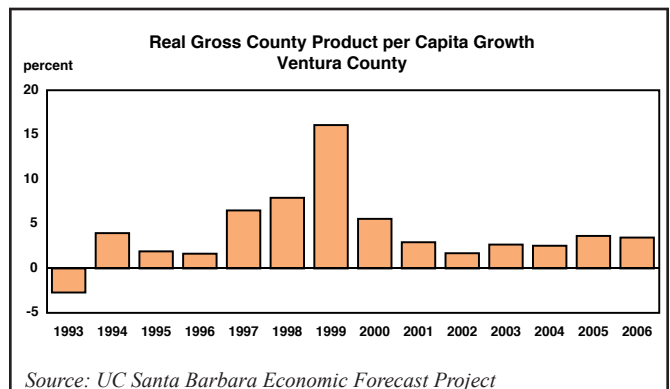
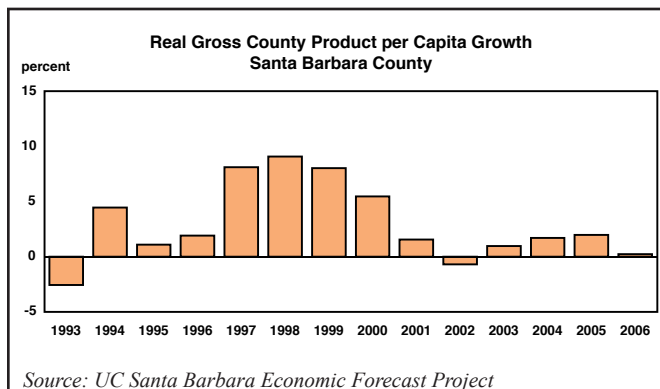
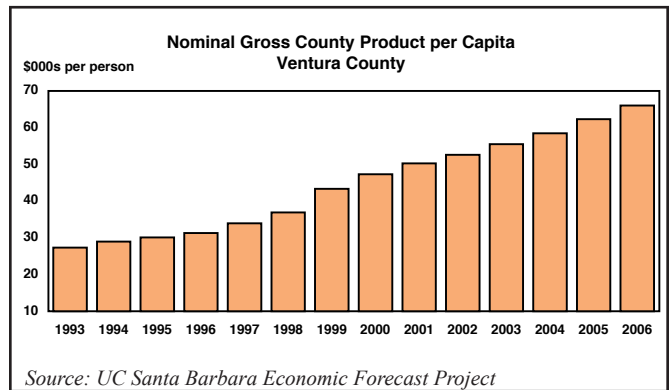
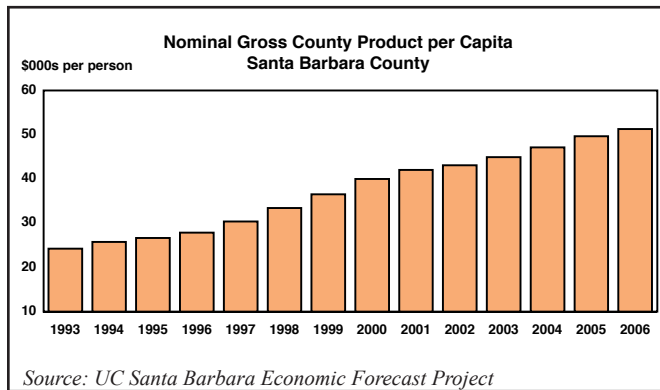
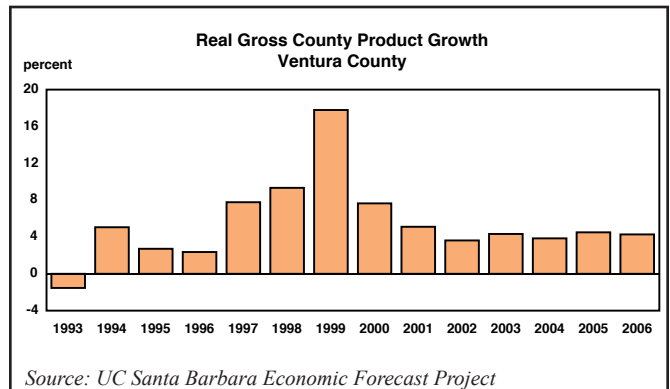
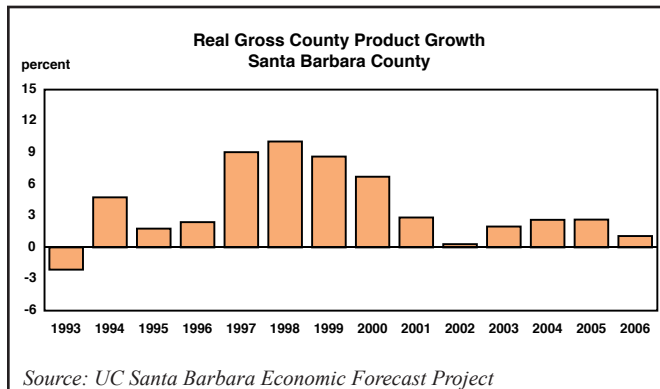
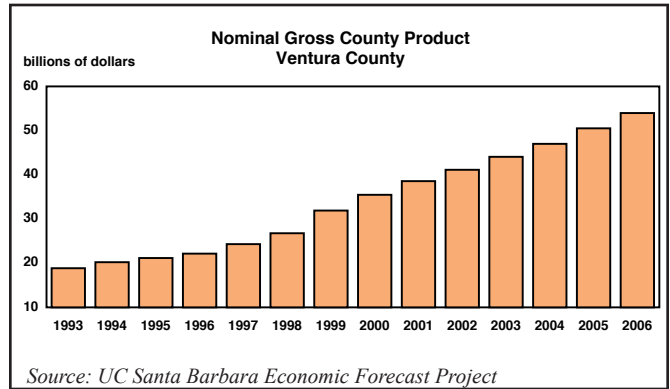
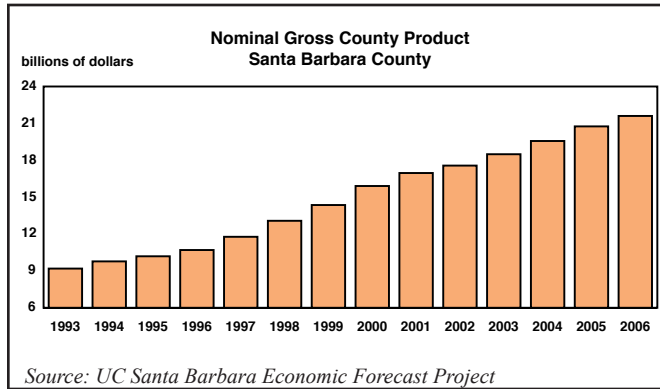
City	Average Sales	Scenario 1		Scenario 2	
		Foreclosures	% of homes	Foreclosures	% of homes
Buellton	51	14	0.8	7	0.4
Carpinteria	92	24	0.4	12	0.2
Goleta	176	47	0.4	24	0.2
Lompoc	589	157	1.1	79	0.6
Santa Barbara	751	200	0.5	101	0.3
Santa Maria	1630	433	1.6	218	0.8
Solvang	105	28	1.2	14	0.6

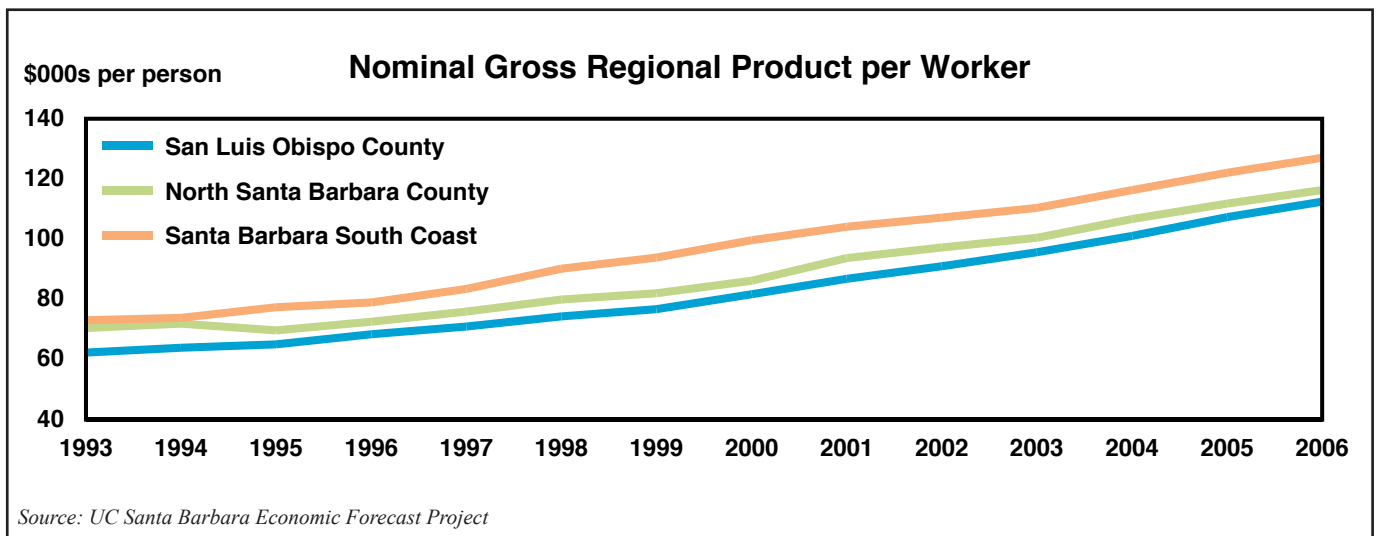
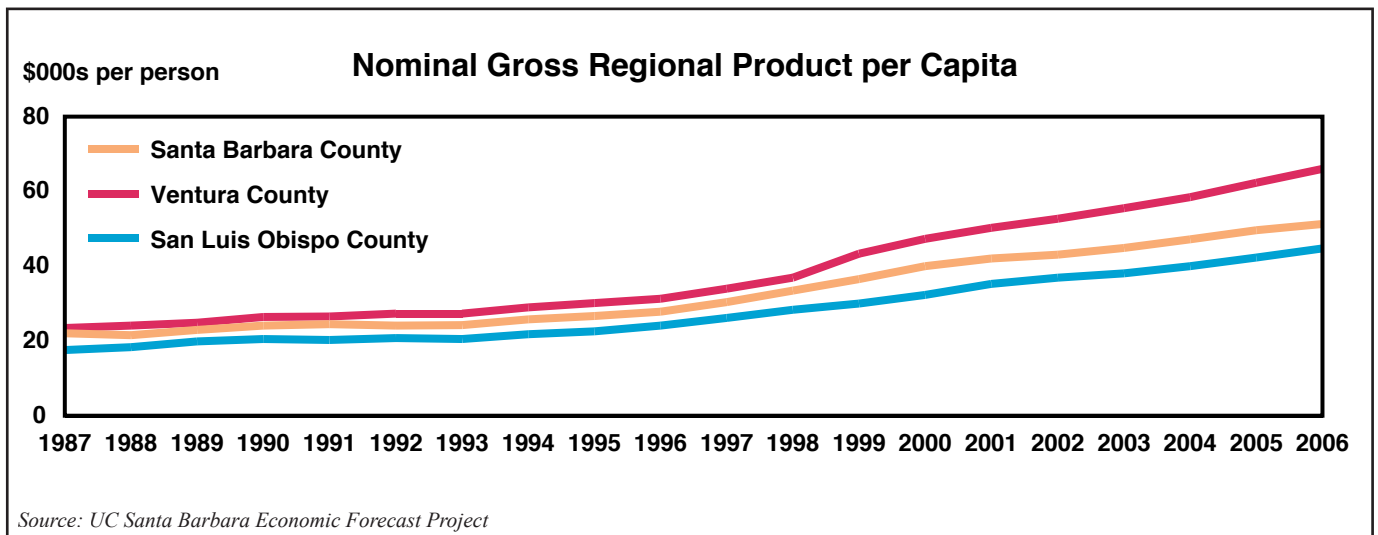
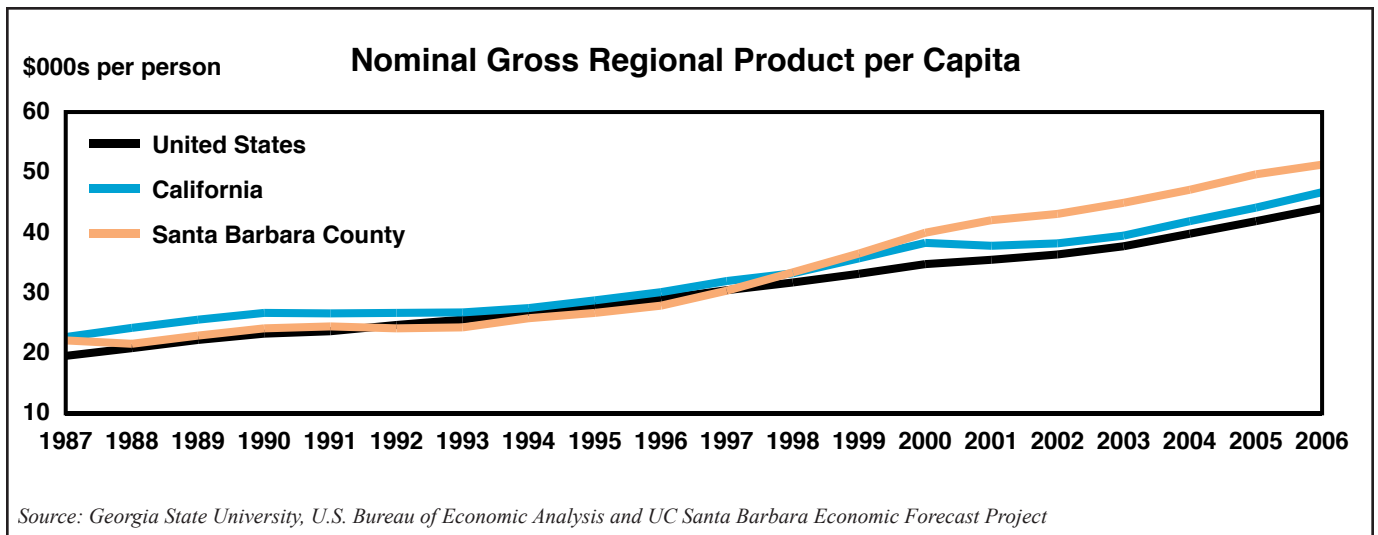
¹New economic activity in Santa Barbara County's manufacturing sector is ruled out due to high costs of business relative to competitive locations.









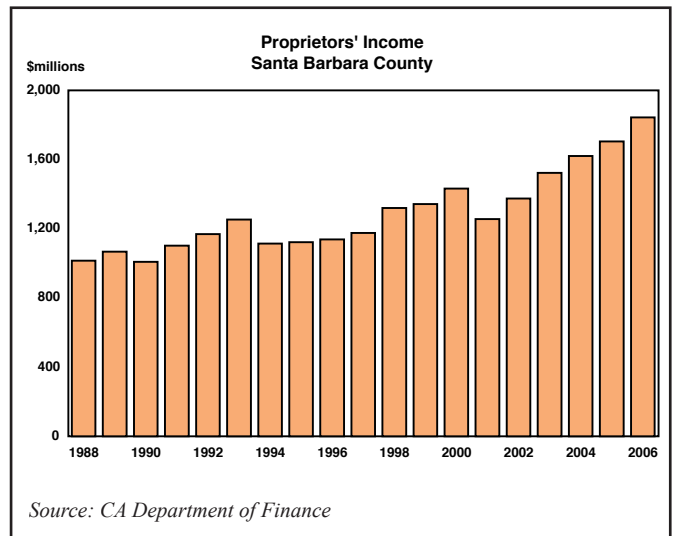
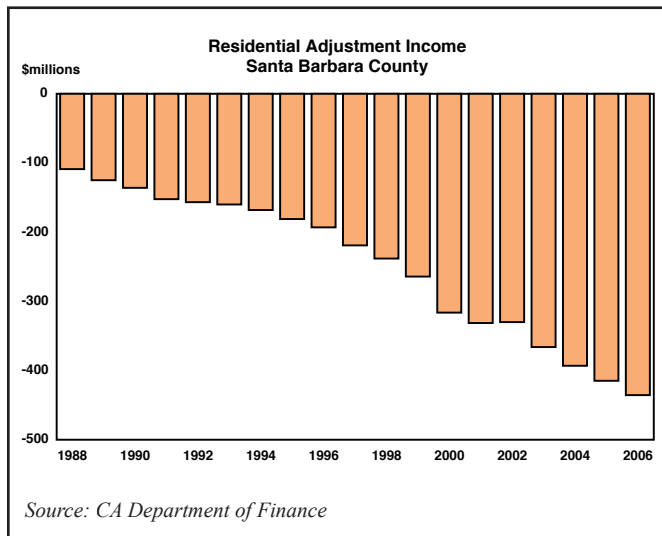
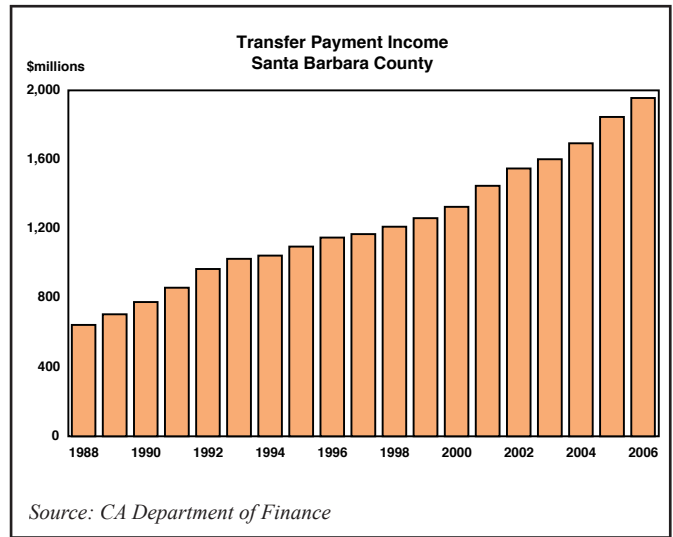
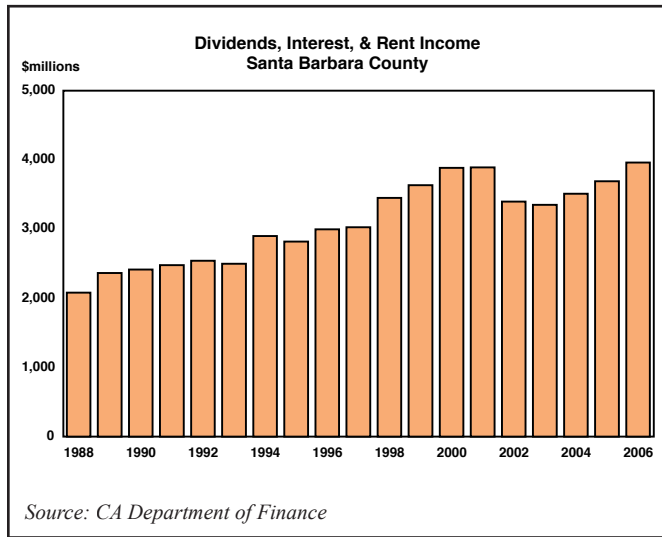
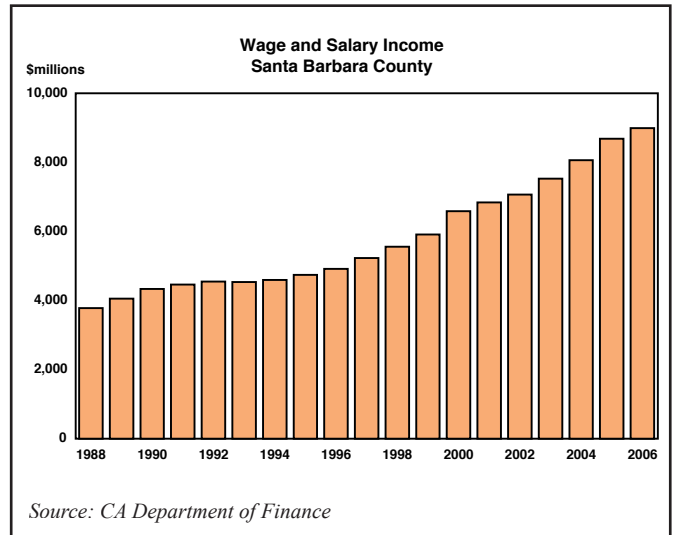
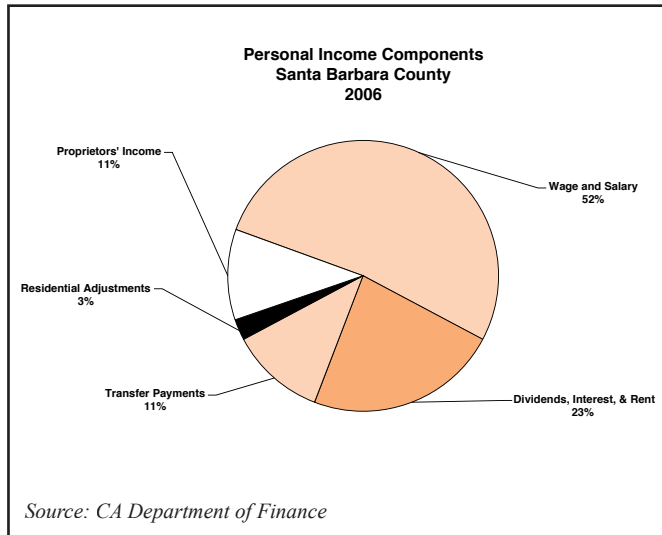


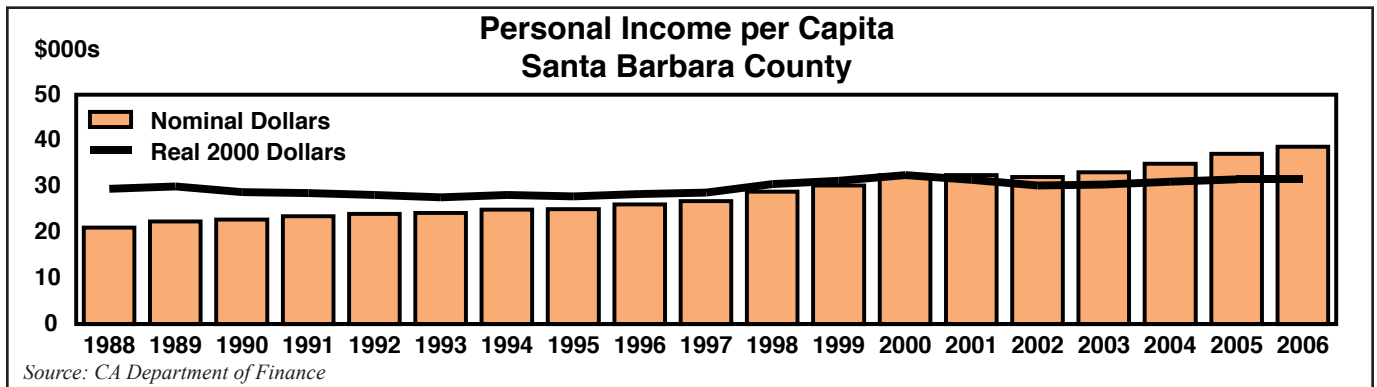
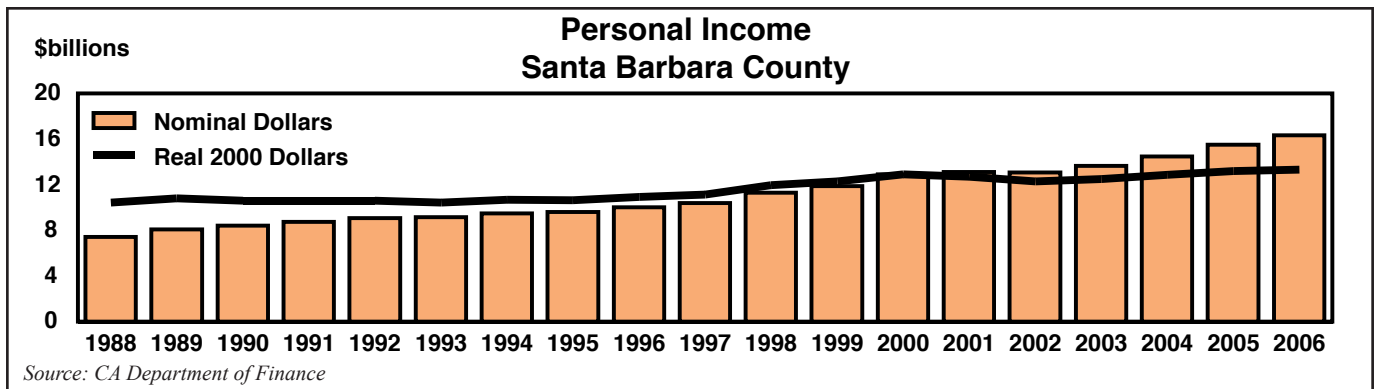
Gross Regional Product						
	2001	2002	2003	2004	2005	2006
United States						
Gross Domestic Product (\$Trillions)	10.1	10.5	11.0	11.7	12.5	13.3
Real Gross Domestic Product (\$2000 Trillions)	9.9	10.0	10.3	10.7	11.0	11.4
real percent change	0.8	1.6	2.5	3.9	3.2	3.4
Gross Domestic Product per Capita (\$000s)	35.5	36.3	37.7	39.8	41.9	44.0
real percent change	-0.3	0.6	1.6	2.7	2.0	2.2
California						
Gross State Product (\$Trillions)	1.30	1.34	1.41	1.52	1.62	1.74
Real Gross State Product (\$2000 Trillions)	1.28	1.30	1.34	1.41	1.47	1.53
real percent change	-0.7	1.3	3.2	5.2	4.3	4.1
Gross State Product per Capita (\$000s)	37.8	38.2	39.5	41.9	44.2	46.7
real percent change	-2.7	-0.5	1.4	3.5	2.9	2.9
Tri-Counties						
Gross County Product (\$Billions)	64.3	68.0	72.3	76.9	82.3	87.4
Real Gross County Product (\$2000 Billions)	62.2	63.8	65.8	68.1	70.7	73.0
real percent change	4.7	2.6	3.2	3.4	3.9	3.3
Gross County Product per Capita (\$000s)	45.3	47.2	49.5	52.0	55.2	58.2
real percent change	2.9	1.0	1.8	2.2	3.0	2.5
Santa Barbara County						
Gross County Product (\$Billions)	17.0	17.6	18.5	19.6	20.8	21.6
Real Gross County Product (\$2000 Billions)	16.4	16.4	16.7	17.2	17.6	17.8
real percent change	2.9	0.3	2.0	2.6	2.6	1.1
Gross County Product per Capita (\$000s)	42.1	43.1	44.9	47.1	49.7	51.3
real percent change	1.6	-0.7	1.0	1.7	2.0	0.2

Source: Georgia State University, U.S. Bureau of Economic Analysis and UC Santa Barbara Economic Forecast Project

Personal Income Components and Median Family Income California, Tri-Counties and Santa Barbara County											
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
California											
Personal Income (\$Billions)	812.4	861.6	931.6	995.3	1,100.7	1,135.3	1,147.7	1,187.0	1,268.0	1,335.4	1,420.2
Real Personal Income (2000 \$Billions)	897.5	933.0	990.8	1,030.7	1,100.7	1,093.8	1,078.6	1,089.3	1,131.0	1,145.8	1,170.6
Percent Change	3.4	4.0	6.2	4.0	6.8	-0.6	-1.4	1.0	3.8	1.3	2.2
Median Family Income (Dollars)	48,400	50,000	52,600	54,100	55,200	58,400	60,800	60,300	62,500	62,500	64,100
Real Median Family Income (2000 Dollars)	53,470	54,145	55,945	56,023	55,200	56,265	57,141	55,336	55,745	53,626	52,832
Percent Change	2.0	1.3	3.3	0.1	-1.5	1.9	1.6	-3.2	0.7	-3.8	-1.5
Tri-Counties											
Personal Income (\$Millions)	34,192	36,377	38,725	41,256	45,076	46,282	47,136	49,304	52,728	56,447	60,306
Real Personal Income (2000 \$Millions)	37,276	39,007	40,940	42,616	45,076	44,777	44,373	45,240	46,819	47,977	49,161
Percent Change	2.6	4.6	5.0	4.1	5.8	-0.7	-0.9	2.0	3.5	2.5	2.5
Santa Barbara County											
Wage and Salary (\$Millions)	4,917	5,227	5,560	5,915	6,586	6,844	7,067	7,527	8,061	8,682	8,991
Non-Wage (\$Millions)	4,145	4,193	4,660	4,896	5,210	5,339	4,947	4,953	5,205	5,538	5,916
Dividends, Interest & Rent (\$Millions)	2,995	3,024	3,449	3,635	3,883	3,890	3,398	3,351	3,511	3,692	3,960
Transfer Payments (\$Millions)	1,149	1,168	1,211	1,261	1,326	1,449	1,549	1,602	1,694	1,846	1,956
Residential Adjustments (\$Millions)	-193	-219	-238	-264	-316	-331	-330	-366	-393	-415	-436
Proprietors' Income (\$Millions)	1,138	1,176	1,319	1,343	1,432	1,256	1,375	1,524	1,621	1,705	1,843
Total Personal Income (\$Millions)	10,007	10,377	11,301	11,890	12,911	13,107	13,059	13,638	14,493	15,509	16,314
Real Total Personal Income (2000 \$Millions)	10,910	11,127	11,948	12,282	12,911	12,681	12,294	12,514	12,869	13,182	13,299
Percent Change	2.5	2.0	7.4	2.8	5.1	-1.8	-3.1	1.8	2.8	2.4	0.9
Median Family Income (Dollars)	48,300	49,300	51,400	52,100	53,500	56,500	56,800	60,600	64,700	64,700	65,800
Real Median Family Income (2000 Dollars)	52,656	52,864	54,341	53,818	53,500	54,663	53,470	55,606	57,450	54,992	53,640
Percent Change	0.0	0.4	2.8	-1.0	-0.6	2.2	-2.2	4.0	3.3	-4.3	-2.5

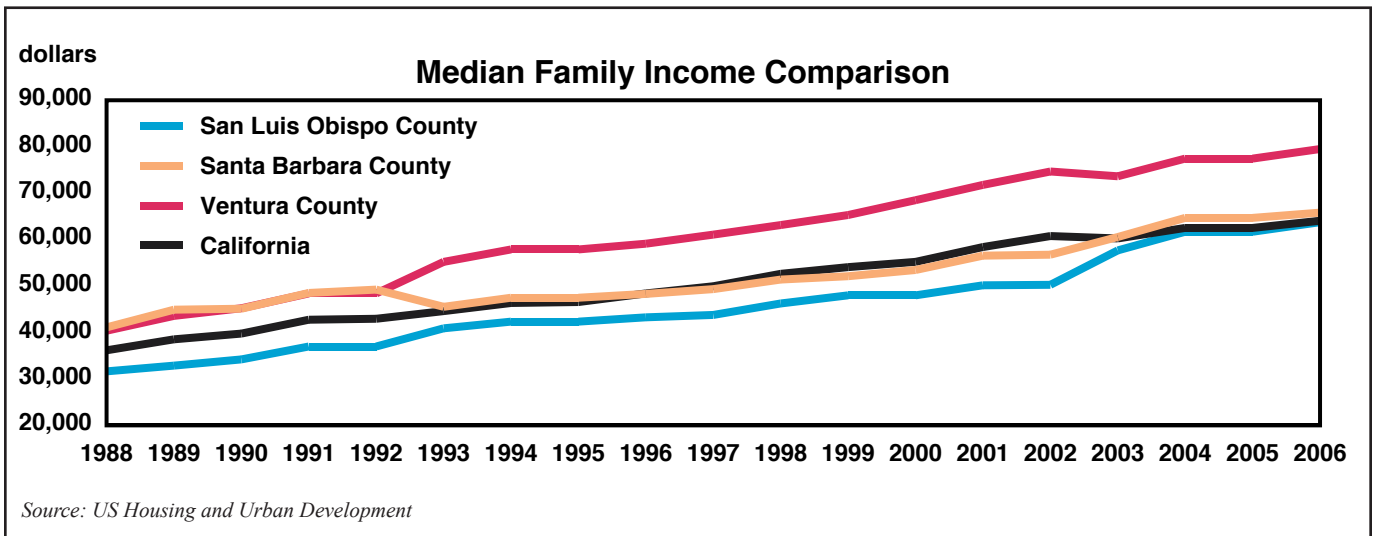
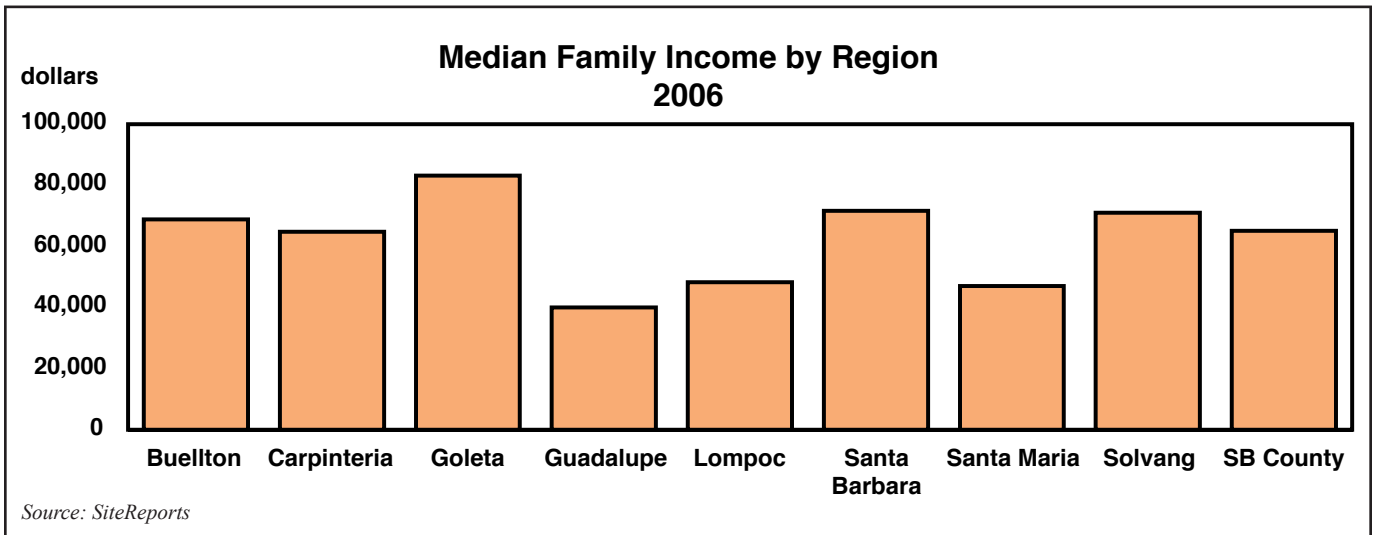
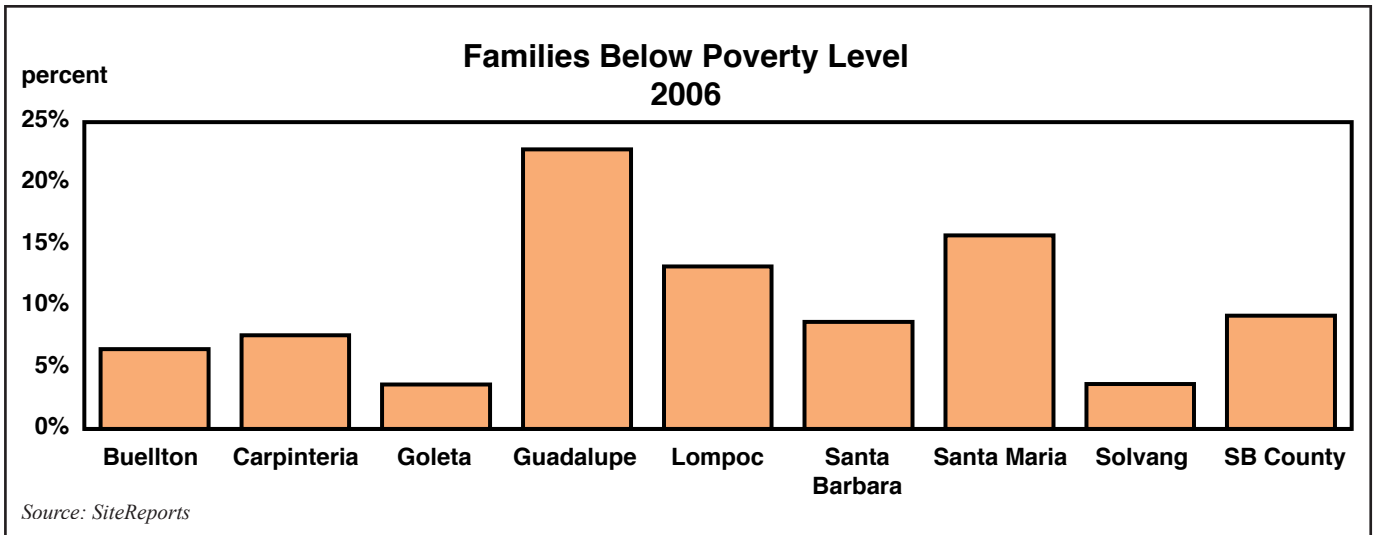
Source: CA Dept. of Finance, US Housing and Urban Development, and UC Santa Barbara Economic Forecast Project
 Note: Personal Income is estimated for the last two years at the county level and estimated for the last year at the state level.
 Median Family Income is for fiscal years.





Income Limits for the Public Housing and Section 8 Programs Fiscal Year 2007								
	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Oxnard-Thousand Oaks-Ventura, CA MSA								
Median Family Income: \$79,500								
30% OF MEDIAN	18,000	20,550	23,150	25,700	27,750	29,800	31,850	33,900
VERY LOW INCOME	30,000	34,300	38,550	42,850	46,300	49,700	53,150	56,550
LOW-INCOME	48,000	54,850	61,700	68,550	74,050	79,500	85,000	90,500
San Luis Obispo-Paso Robles, CA MSA								
Median Family Income: \$64,200								
30% OF MEDIAN	13,500	15,400	17,350	19,250	20,800	22,350	23,850	25,400
VERY LOW INCOME	22,450	25,700	28,900	32,100	34,650	37,250	39,800	42,350
LOW-INCOME	35,950	41,100	46,200	51,350	55,450	59,550	63,650	67,800
Santa Barbara-Santa Maria, CA MSA								
Median Family Income: \$67,100								
30% OF MEDIAN	14,100	16,100	18,150	20,150	21,750	23,350	25,000	26,600
VERY LOW INCOME	23,500	26,850	30,200	33,550	36,250	38,900	41,600	44,300
LOW-INCOME	37,600	42,950	48,350	53,700	58,000	62,300	66,600	70,900

Source: US Housing and Urban Development



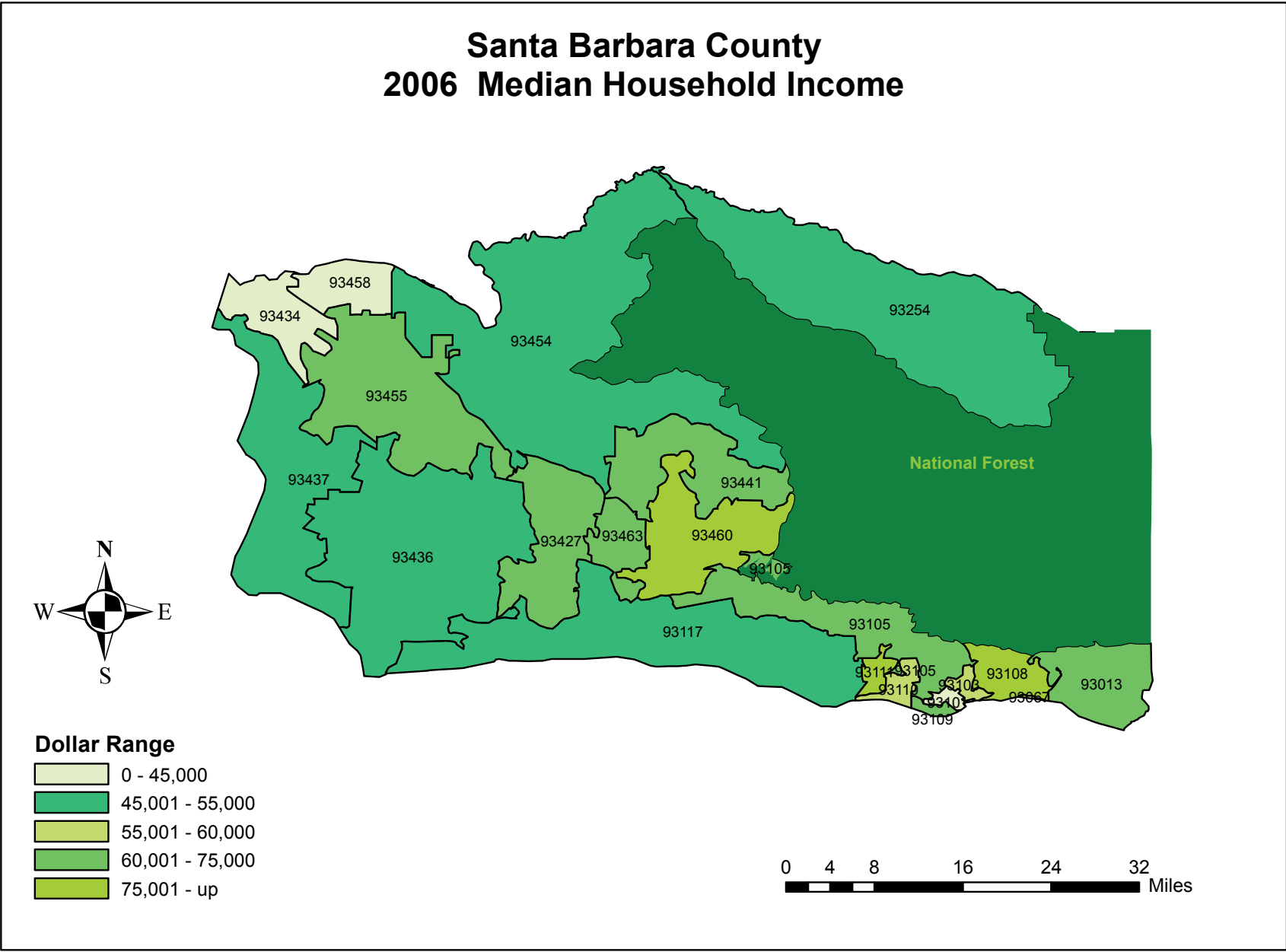
INCOME CHARACTERISTICS: AREAS IN SANTA BARBARA COUNTY

	Buellton	Carpinteria	Goleta	Guadalupe	Lompoc	Santa Barbara City
2006 Est. Households by Household Income	1,467	4,776	19,768	1,536	12,954	34,466
Income Less than \$15,000	118	429	1,199	266	1,936	4,015
Income \$15,000 - \$24,999	179	424	1,225	216	1,708	3,145
Income \$25,000 - \$34,999	144	545	1,556	240	1,841	3,446
Income \$35,000 - \$49,999	212	730	2,657	224	2,201	5,197
Income \$50,000 - \$74,999	281	955	4,174	282	2,476	6,504
Income \$75,000 - \$99,999	232	642	3,121	140	1,423	4,106
Income \$100,000 - \$149,999	232	666	3,397	106	1,095	4,404
Income \$150,000 - \$249,999	58	333	1,663	22	228	2,458
Income \$250,000 - \$499,999	6	47	430	36	40	762
Income \$500,000 and more	5	5	346	4	6	429
2006 Est. Average Household Income	\$67,456	\$71,047	\$91,102	\$55,394	\$51,576	\$78,239
2006 Est. Median Household Income	\$57,181	\$56,812	\$69,446	\$38,100	\$41,761	\$55,498
2006 Est. Per Capita Income	\$25,233	\$25,193	\$33,047	\$13,777	\$17,308	\$30,573
2006 Est. Average Family Household Income	\$78,482	\$78,316	\$107,028	\$55,905	\$56,682	\$99,192
2006 Est. Median Family Household Income	\$68,778	\$64,849	\$83,186	\$40,050	\$48,281	\$71,678
2006 Est. Number of Families	1,016	3,178	13,246	1,317	9,171	18,166
Families with Income At or Above Poverty Level:						
Married-Couple Family, own children	428	1,287	5,097	575	3,404	5,923
Married-Couple Family, no own children	369	1,034	5,464	210	2,574	6,952
Male Householder, own children	32	111	393	30	374	587
Male Householder, no own children	21	72	291	15	225	551
Female Householder, own children	61	225	775	118	998	1,548
Female Householder, no own children	39	207	747	69	383	1,017
Families with Income Below Poverty Level:						
Married-Couple Family, own children	32	93	166	157	471	583
Married-Couple Family, no own children	18	43	77	24	92	100
Male Householder, own children	0	22	37	25	105	196
Male Householder, no own children	0	17	8	24	5	27
Female Householder, own children	16	67	176	70	476	594
Female Householder, no own children	0	0	15	0	64	88

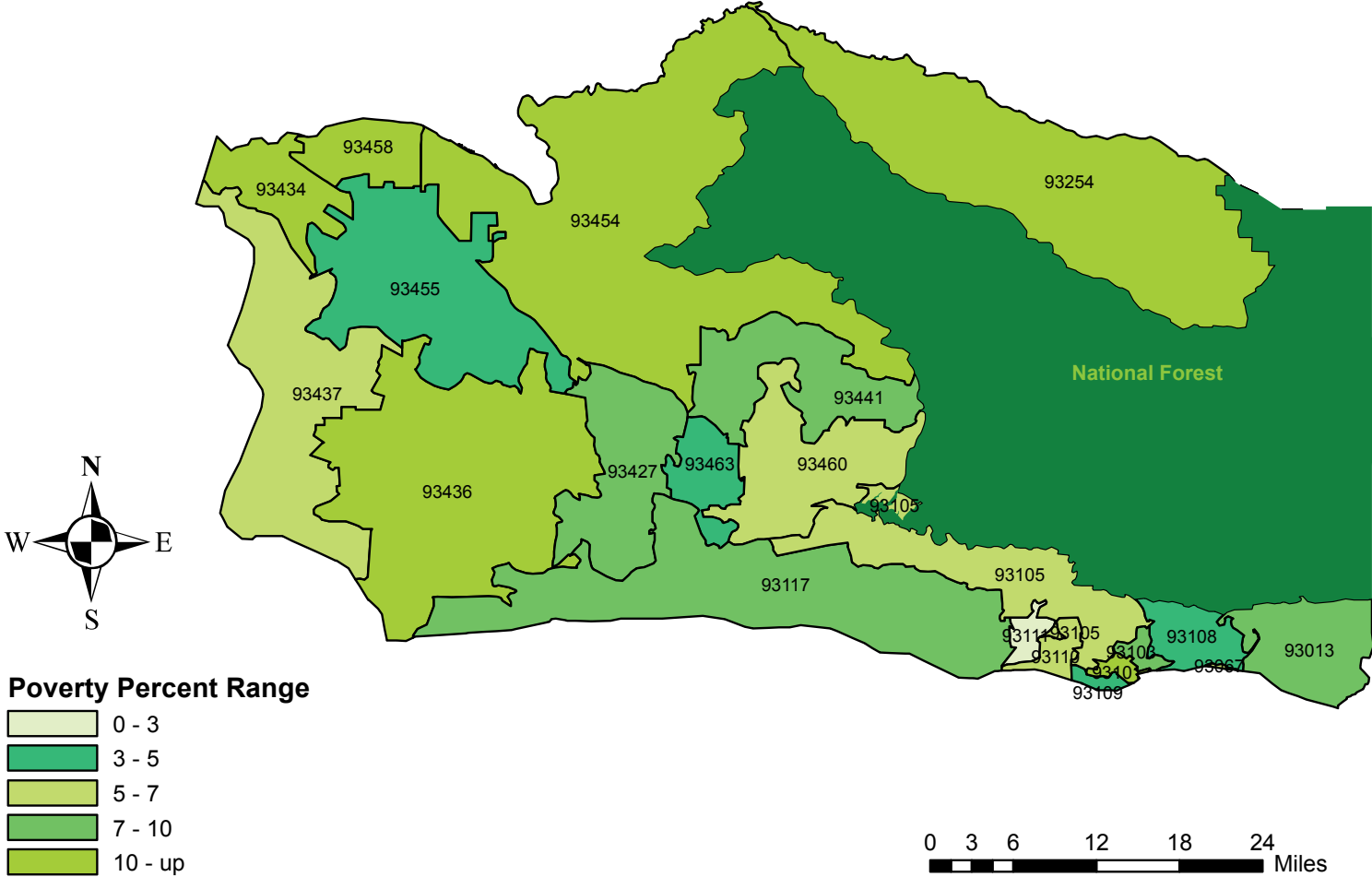
	Santa Maria	Solvang	Santa Barbara County	South Coast	Santa Ynez Valley	North Santa Barbara
2006 Est. Households by Household Income	24,653	2,137	137,633	72,541	7,697	57,099
Income Less than \$15,000	3,346	186	15,568	8,225	575	6,718
Income \$15,000 - \$24,999	3,485	255	13,541	6,094	714	6,684
Income \$25,000 - \$34,999	3,364	238	14,501	6,657	702	7,119
Income \$35,000 - \$49,999	4,482	346	21,027	9,974	976	10,026
Income \$50,000 - \$74,999	4,936	361	26,328	13,212	1,332	11,717
Income \$75,000 - \$99,999	2,471	233	16,882	9,146	1,015	6,697
Income \$100,000 - \$149,999	1,906	363	17,435	10,219	1,377	5,817
Income \$150,000 - \$249,999	528	137	8,046	5,585	714	1,747
Income \$250,000 - \$499,999	106	13	2,546	1,896	195	450
Income \$500,000 and more	29	5	1,759	1,533	97	124
2006 Est. Average Household Income	\$52,443	\$69,959	\$75,340	\$86,311	\$88,755	\$59,674
2006 Est. Median Household Income	\$42,134	\$53,039	\$53,969	\$60,068	\$66,542	\$47,011
2006 Est. Per Capita Income	\$15,402	\$29,828	\$26,052	\$32,000	\$33,899	\$18,885
2006 Est. Average Family Household Income	\$57,251	\$84,940	\$87,427	\$109,007	\$99,927	\$65,262
2006 Est. Median Family Household Income	\$47,086	\$71,050	\$65,110	\$78,608	\$77,823	\$53,702
2006 Est. Number of Families	18,499	1,372	90,217	41,363	5,516	43,129
Families with Income At or Above Poverty Level:						
Married-Couple Family, own children	6,908	481	33,312	14,583	2,018	16,633
Married-Couple Family, no own children	5,542	622	33,250	16,441	2,391	14,346
Male Householder, own children	643	50	2,863	1,254	170	1,427
Male Householder, no own children	343	20	1,898	1,002	106	785
Female Householder, own children	1,314	57	6,278	2,879	276	3,120
Female Householder, no own children	835	92	4,300	2,281	226	1,787
Families with Income Below Poverty Level:						
Married-Couple Family, own children	1,273	25	3,352	1,014	152	2,162
Married-Couple Family, no own children	234	3	809	336	60	412
Male Householder, own children	268	1	777	331	16	433
Male Householder, no own children	58	0	190	99	1	88
Female Householder, own children	996	10	2,826	1,002	87	1,729
Female Householder, no own children	85	11	362	141	13	207

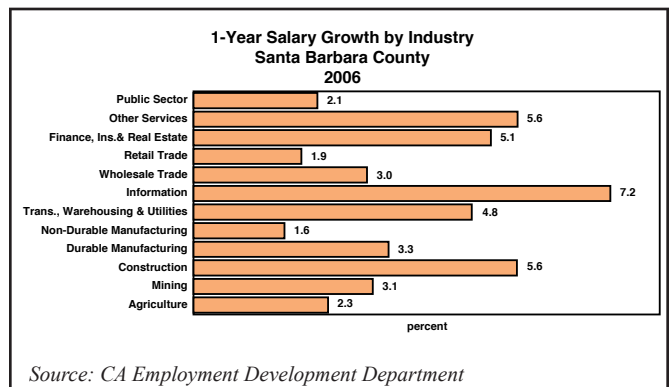
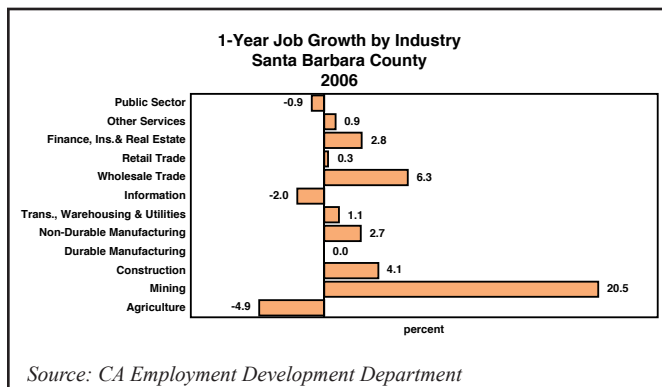
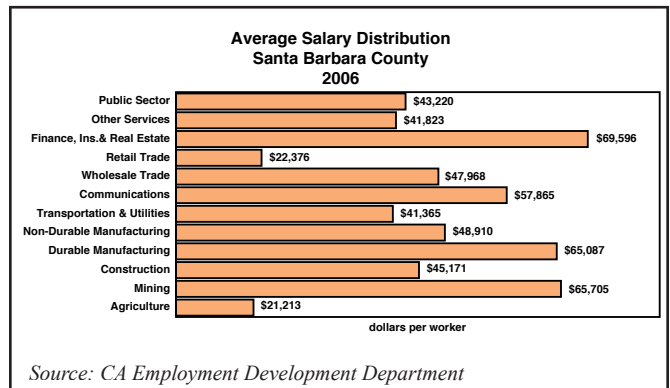
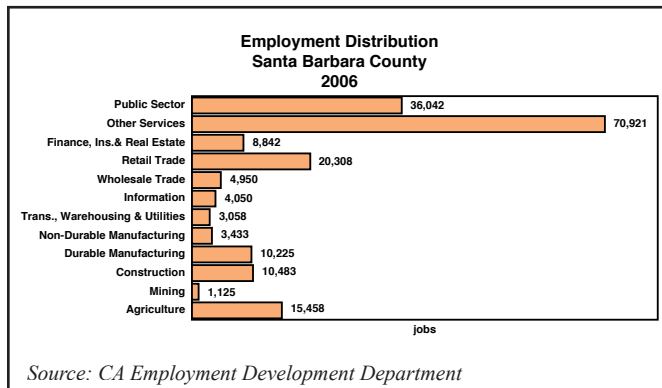
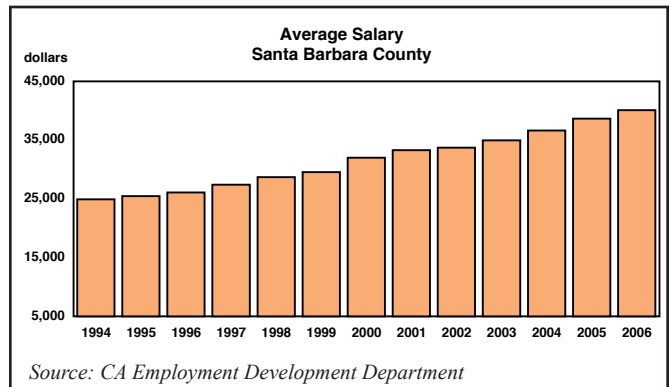
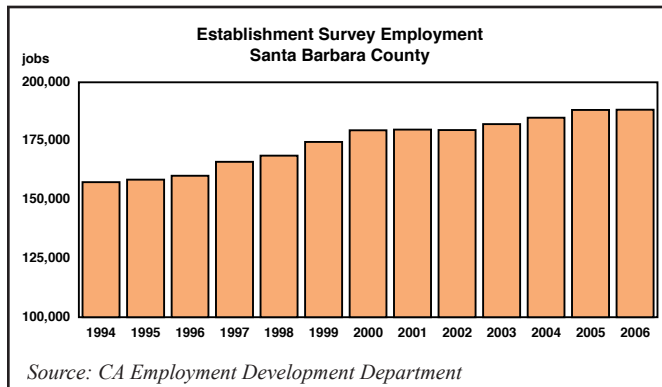
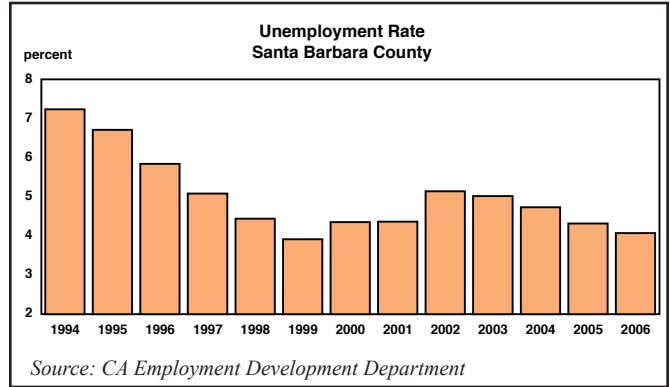
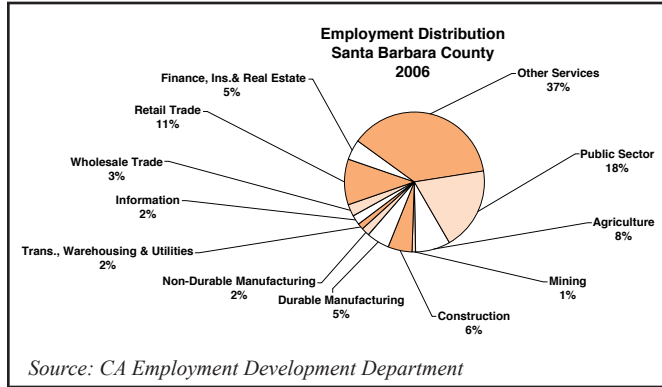
Source: SiteReports

Santa Barbara County 2006 Median Household Income



Santa Barbara County 2006 Percent of Families Below Poverty Threshold



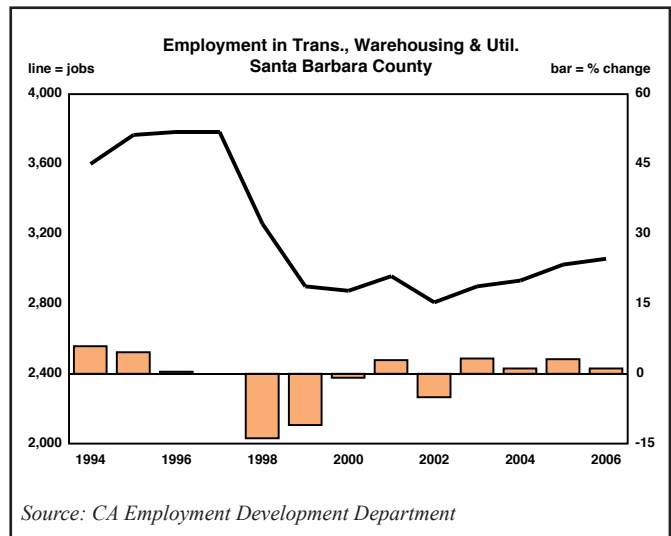
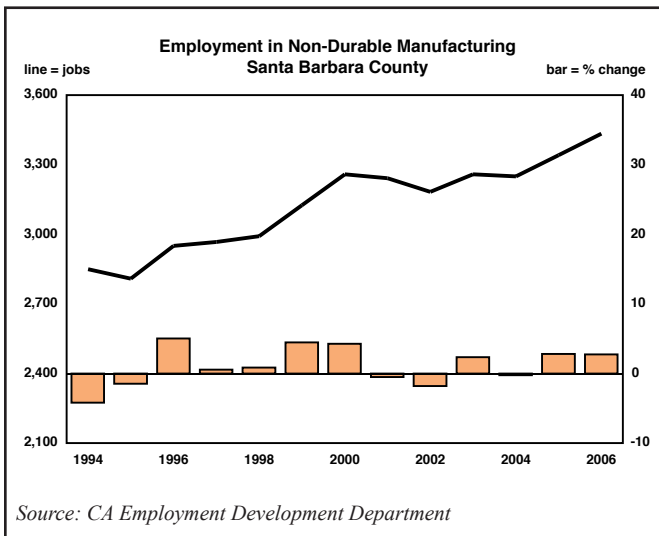
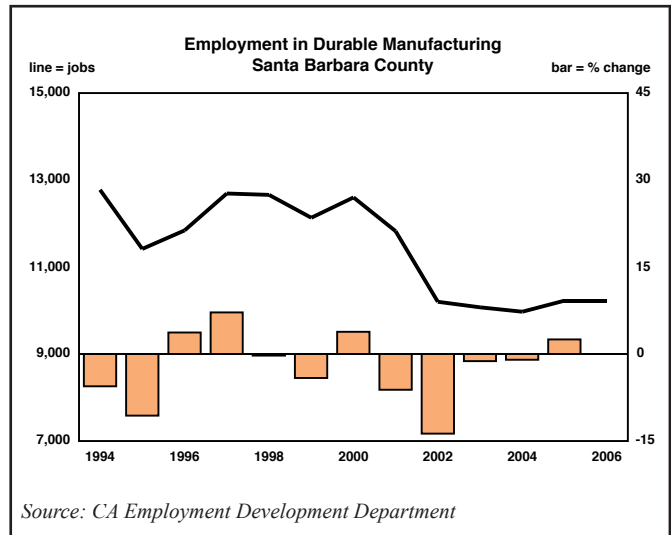
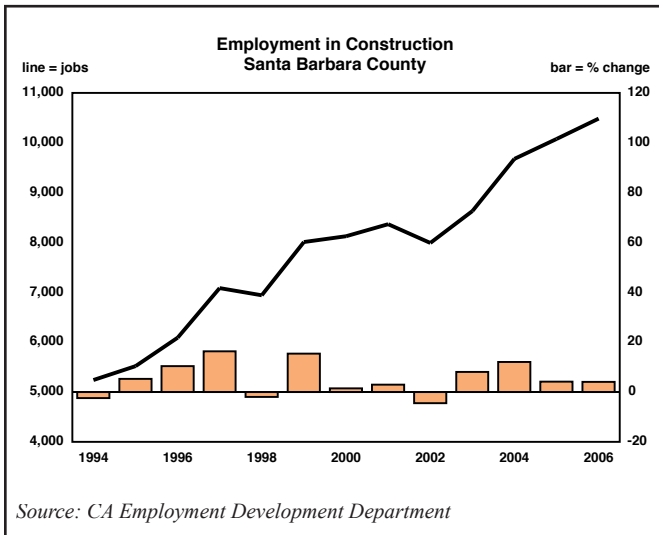
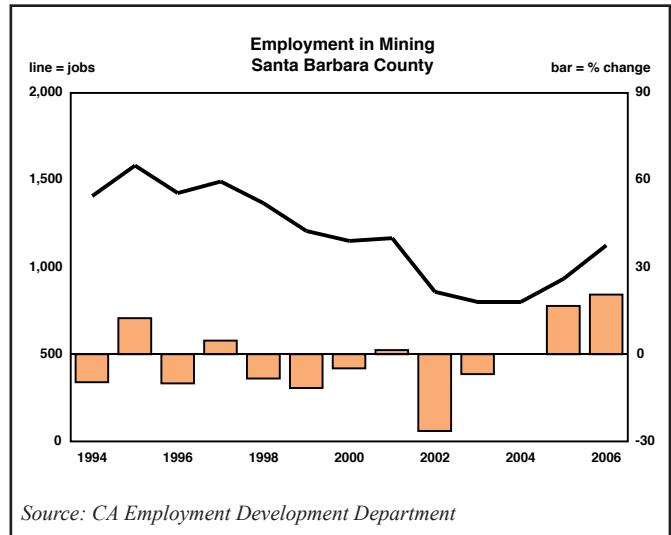
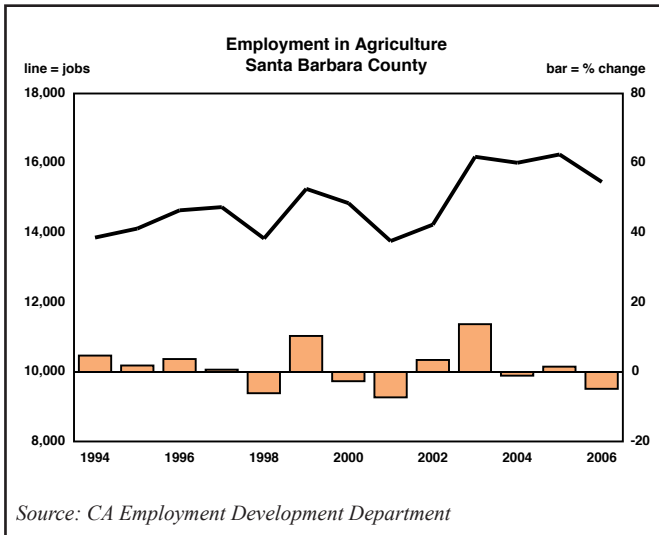


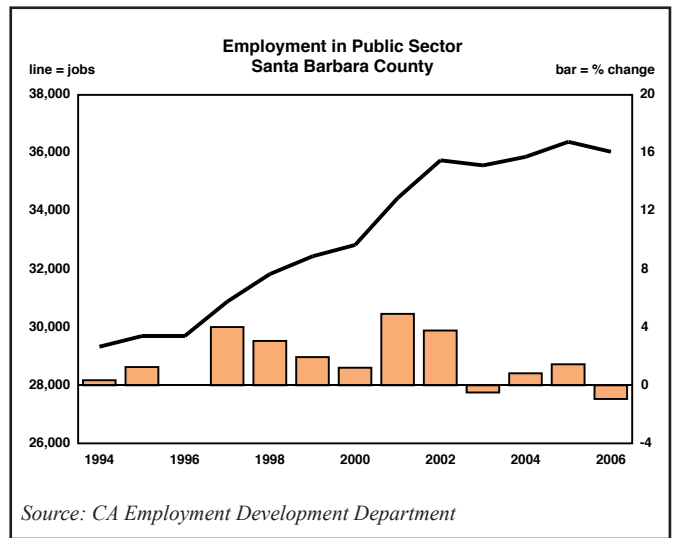
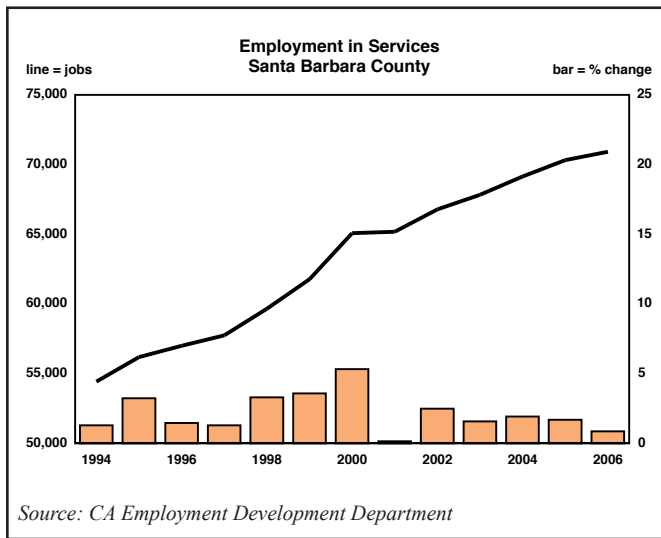
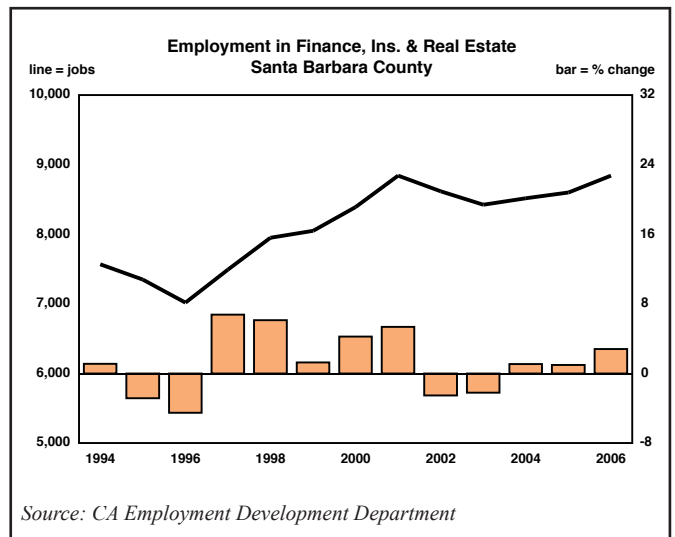
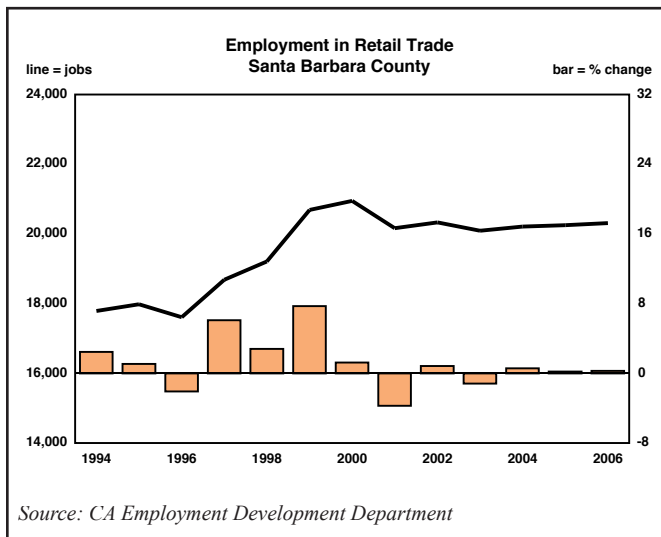
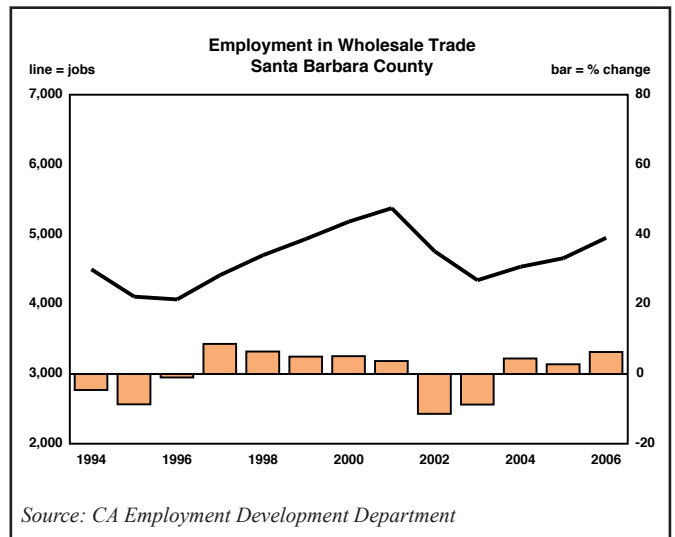
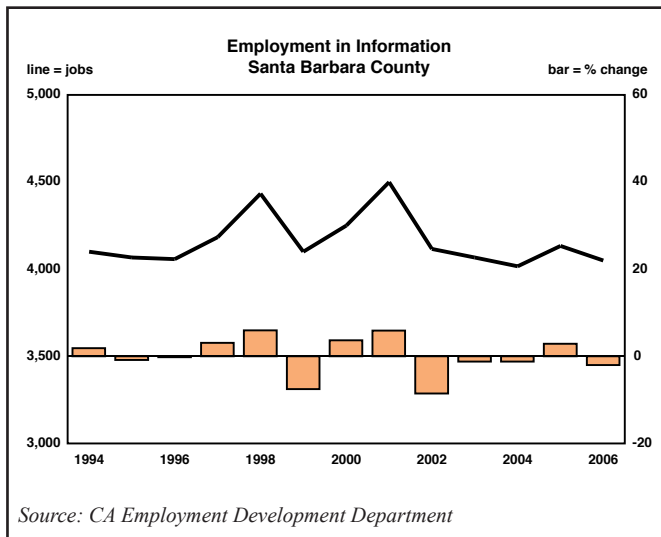
Job Growth by Sector Santa Barbara County				
	Jobs in 2005	Jobs in 2006	Jobs Created or Lost	Percent Change
Sector				
Agriculture	16,250	15,458	-792	-4.9
Mining	933	1,125	192	20.5
Construction	10,075	10,483	408	4.1
Durable Manufacturing	10,225	10,225	0	0.0
Non-Durable Manufacturing	3,342	3,433	92	2.7
Trans., Warehousing & Utilities	3,025	3,058	33	1.1
Information	4,133	4,050	-83	-2.0
Wholesale Trade	4,658	4,950	292	6.3
Retail Trade	20,250	20,308	58	0.3
Finance, Ins. & Real Estate	8,600	8,842	242	2.8
Other Services	70,317	70,921	605	0.9
Public Sector	36,383	36,042	-342	-0.9
Total, All Industries	188,192	188,350	158	0.1

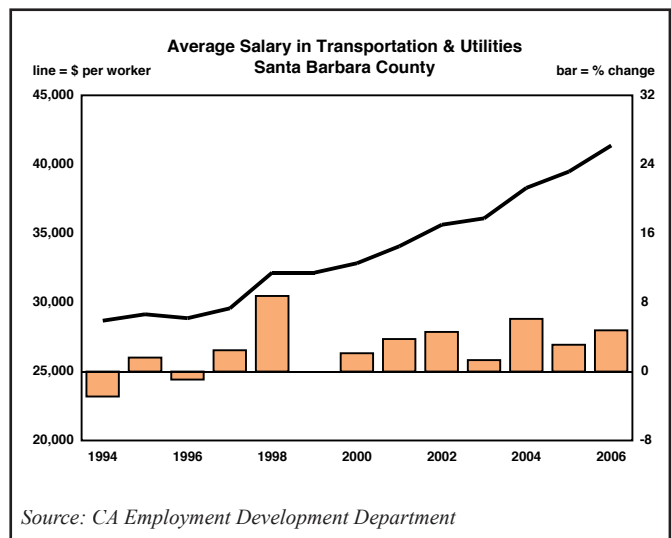
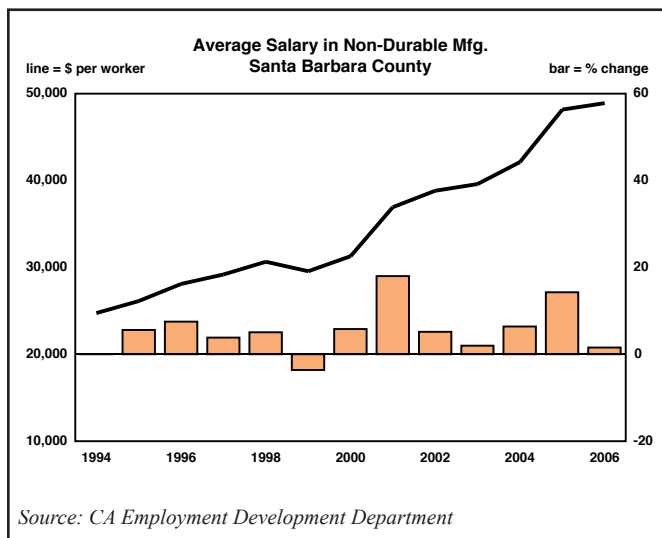
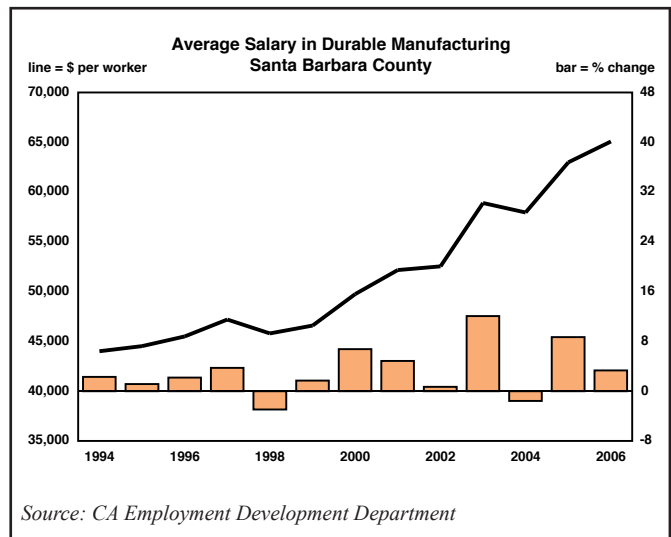
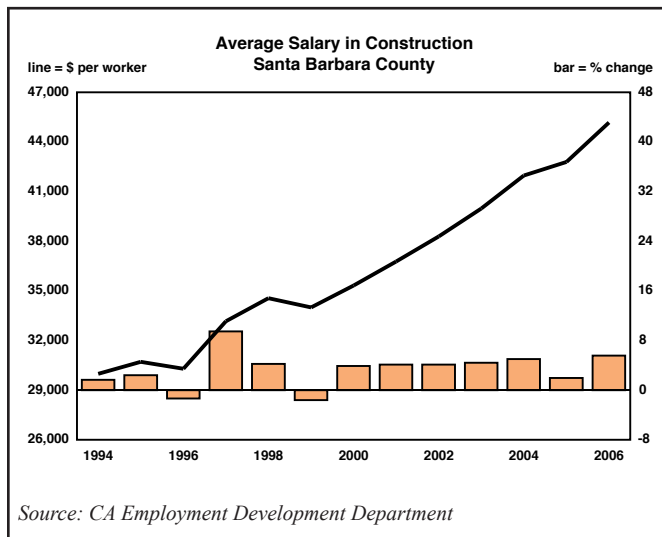
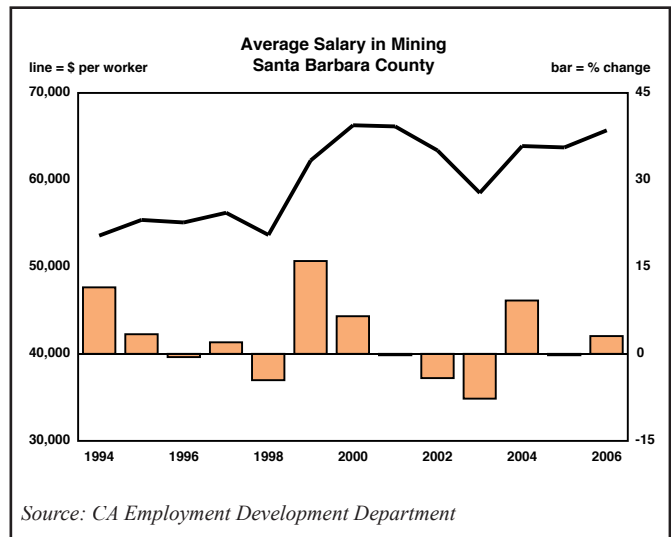
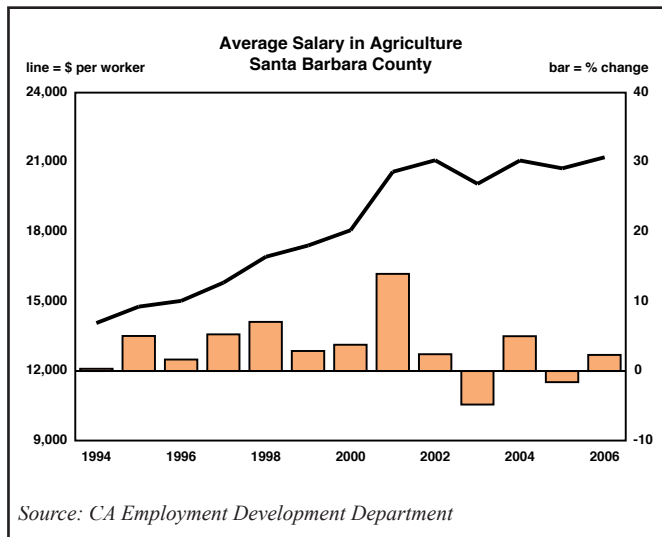
Source: CA Employment Development Department

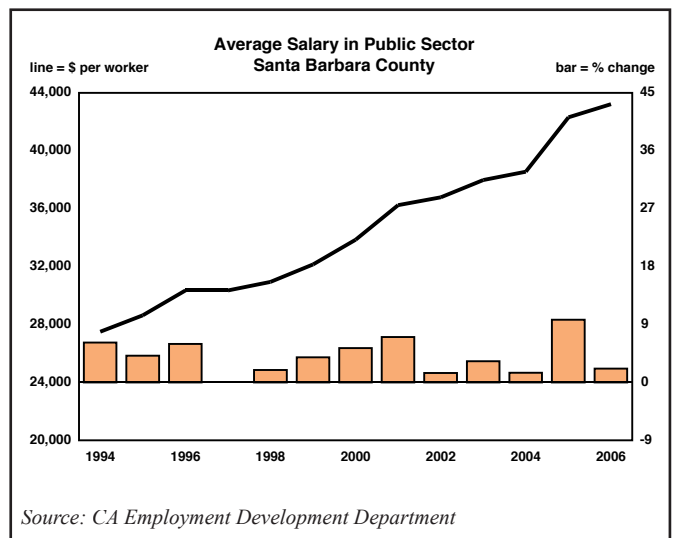
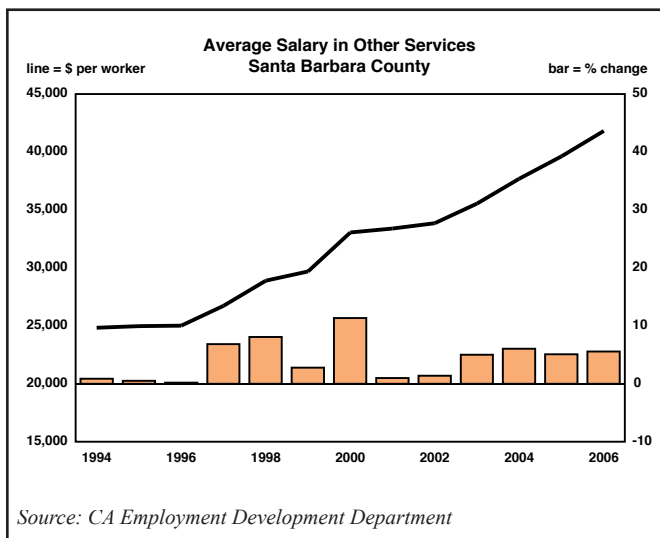
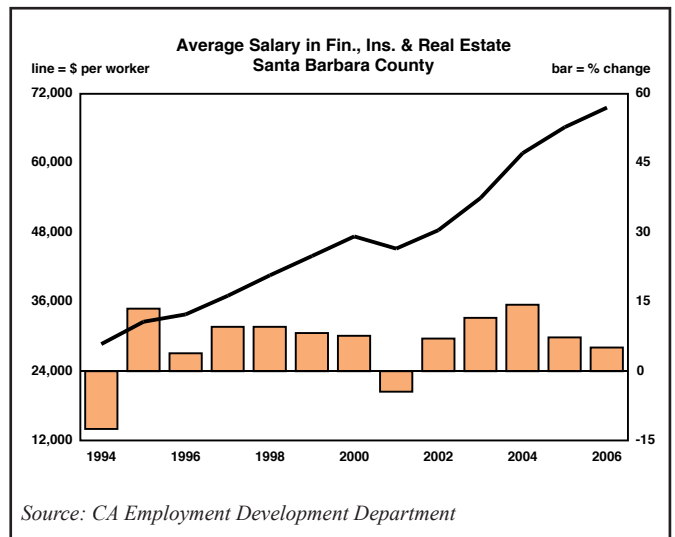
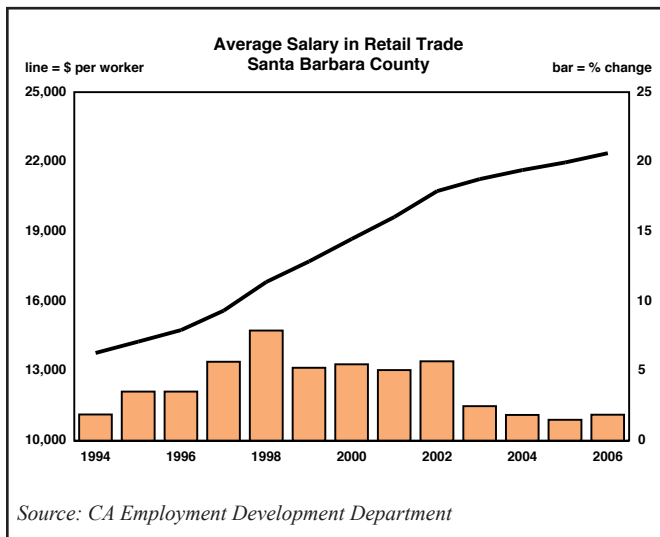
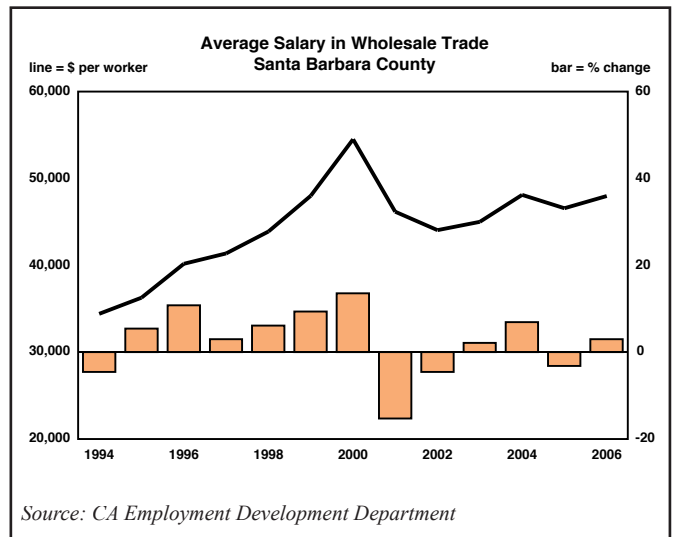
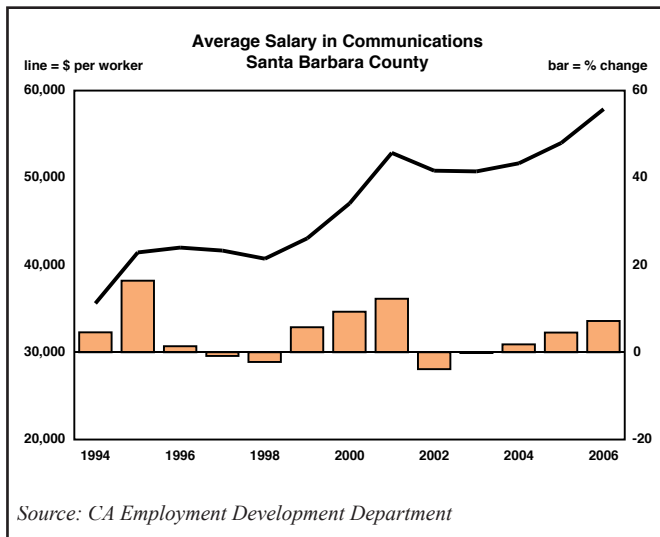
Salary Growth by Sector Santa Barbara County				
	Average Salary in 2005	Average Salary in 2006	Change in Average Salary	Percent Change
Sector				
Agriculture	20,734	21,213	479	2.3
Mining	63,743	65,705	1,962	3.1
Construction	42,796	45,171	2,376	5.6
Durable Manufacturing	62,979	65,087	2,108	3.3
Non-Durable Manufacturing	48,158	48,910	752	1.6
Transportation & Utilities	39,481	41,365	1,885	4.8
Communications	54,002	57,865	3,863	7.2
Wholesale Trade	46,582	47,968	1,386	3.0
Retail Trade	21,970	22,376	407	1.9
Finance, Ins. & Real Estate	66,218	69,596	3,378	5.1
Other Services	39,620	41,823	2,203	5.6
Public Sector	42,320	43,220	900	2.1
Total, All Industries	38,671	40,103	1,432	3.7

Source: CA Employment Development Department









Employment by Industry Sector Santa Barbara County

	1999	2000	2001	2002	2003	2004	2005	2006
Sector	Number of Jobs							
Agriculture	15,258	14,850	13,758	14,233	16,183	16,008	16,250	15,458
Mining	1,208	1,150	1,167	858	800	800	933	1,125
Construction	8,008	8,125	8,367	7,992	8,633	9,675	10,075	10,483
Durable Manufacturing	12,133	12,600	11,825	10,200	10,075	9,975	10,225	10,225
Computer and Electronic Mfg.	4,875	4,067	3,892	3,158	3,125	3,358	3,700	3,608
Non-Durable Manufacturing	3,125	3,258	3,242	3,183	3,258	3,250	3,342	3,433
Transportation, Warehousing, & Utilities	2,900	2,875	2,958	2,808	2,900	2,933	3,025	3,058
Information Services	4,100	4,250	4,500	4,117	4,067	4,017	4,133	4,050
Wholesale Trade	4,933	5,183	5,375	4,758	4,342	4,533	4,658	4,950
Retail Trade	20,692	20,950	20,167	20,333	20,092	20,208	20,250	20,308
Finance, Insurance & Real Estate	8,050	8,392	8,842	8,617	8,425	8,517	8,600	8,842
Real Estate and Related	3,142	3,517	3,683	3,500	3,242	3,192	3,133	3,100
All Other Service Sectors	61,783	65,075	65,175	66,792	67,842	69,142	70,317	70,921
Education & Health Services	18,017	18,433	18,600	19,250	19,317	19,567	19,383	19,433
Leisure and Hospitality Services	20,167	20,817	21,000	20,950	21,700	21,908	22,433	22,983
Other Services **	5,475	5,617	5,958	5,983	5,750	5,583	5,667	5,817
Sub-total, Private Sector	142,192	146,708	145,375	143,892	146,617	149,058	151,808	152,659
Public Sector	32,442	32,833	34,450	35,750	35,575	35,867	36,383	36,042
Total, All Industries	174,633	179,542	179,825	179,642	182,192	184,925	188,192	188,350
Addendum: Non-Farm	159,375	164,692	166,067	165,408	166,008	168,917	171,942	173,073

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

	1999	2000	2001	2002	2003	2004	2005	2006
Sector	Dollars per Worker							
Agriculture	17,412	18,069	20,588	21,085	20,064	21,070	20,734	21,213
Mining	62,254	66,296	66,151	63,391	58,510	63,902	63,743	65,705
Construction	34,006	35,327	36,775	38,292	39,975	41,972	42,796	45,171
Durable Manufacturing	46,593	49,745	52,169	52,541	58,889	57,955	62,979	65,087
Computer and Electronic Mfg.	48,607	52,750	59,750	63,107	66,464	71,566	72,241	76,025
Non-Durable Manufacturing	29,554	31,281	36,920	38,828	39,605	42,132	48,158	48,910
Transportation, Warehousing, & Utilities	32,152	32,836	34,069	35,630	36,095	38,299	39,481	41,365
Communications	43,078	47,075	52,858	50,817	50,732	51,664	54,002	57,865
Wholesale Trade	47,995	54,501	46,165	44,060	44,996	48,096	46,582	47,968
Retail Trade	17,710	18,679	19,624	20,740	21,253	21,645	21,970	22,376
Finance, Insurance & Real Estate	43,938	47,304	45,201	48,381	53,954	61,715	66,218	69,596
Real Estate and Related	28,993	29,234	33,741	36,730	39,484	45,548	48,777	49,122
All Other Service Sectors	29,693	33,060	33,391	33,854	35,546	37,697	39,620	41,823
Education & Health Services	31,537	33,231	35,175	36,367	38,164	40,754	42,840	45,084
Eating and Drinking	11,755	11,915	12,287	13,042	13,612	14,138	14,592	14,713
Accommodations	17,340	19,113	20,565	21,595	22,232	23,267	24,223	25,085
Sub-total, Private Sector	28,950	31,569	32,605	32,949	34,246	36,194	37,852	39,414
Public Sector	32,146	33,859	36,247	36,781	37,986	38,558	42,320	43,220
Total, All Industries	29,542	31,986	33,302	33,710	34,974	36,652	38,671	40,103
Addendum: Non-Farm	30,895	32,394	33,609	35,728	38,156	40,702	44,058	45,767

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

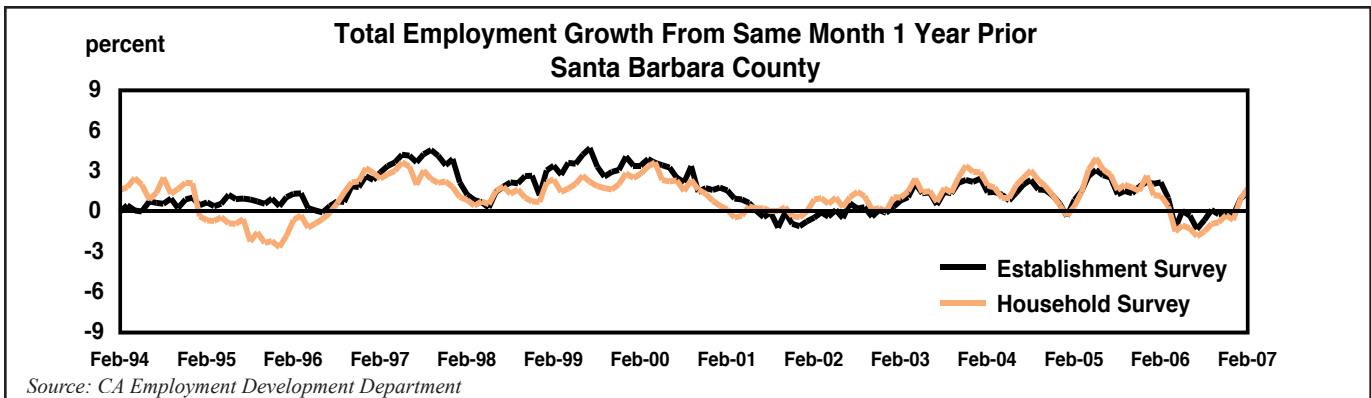
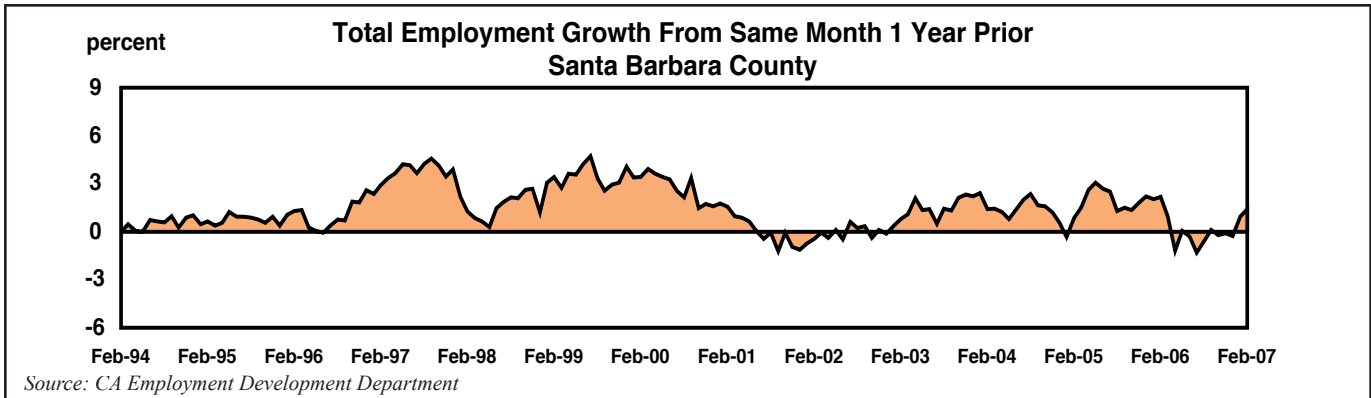
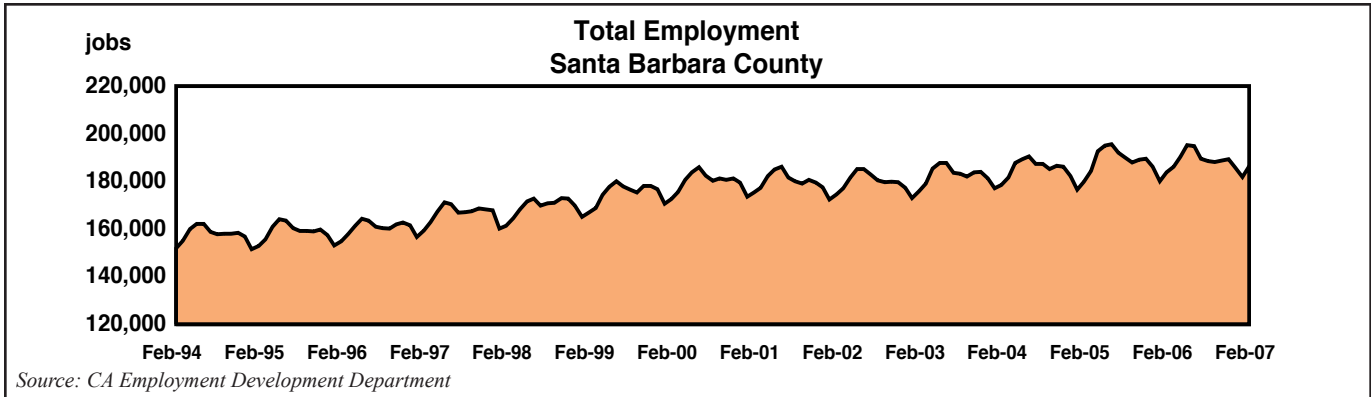
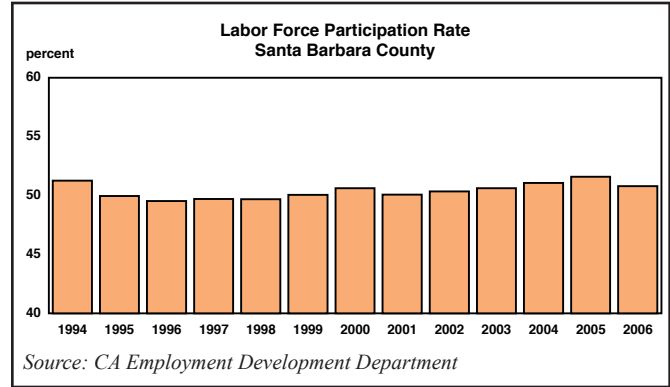
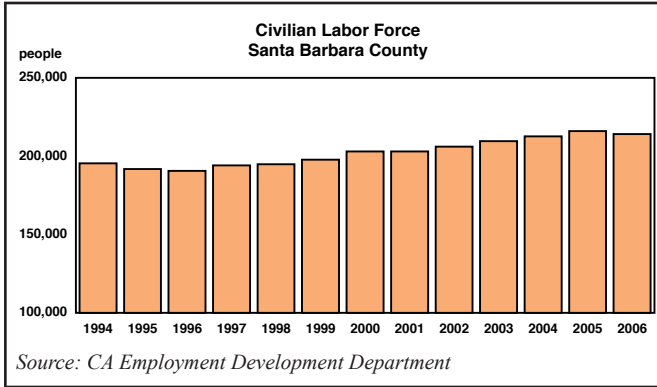
	1999	2000	2001	2002	2003	2004	2005	2006
Employment (jobs)								
Agriculture	11,231	11,507	10,101	10,946	12,925	12,682	12,889	12,242
Construction	2,073	2,436	2,463	2,277	2,497	3,259	3,542	3,602
Industrial	4,570	5,642	5,709	4,584	4,603	4,592	4,776	4,910
Trans., Comm. & Utilities	1,708	1,699	1,987	1,956	2,041	2,120	2,253	2,349
Trade	11,808	11,892	9,551	8,997	8,507	9,014	9,213	9,523
Wholesale	1,660	1,662	1,668	1,656	1,206	1,424	1,554	1,629
Retail	10,148	10,230	7,883	7,341	7,301	7,590	7,659	7,894
Finance, Ins. & Real Estate	1,201	1,260	1,897	2,056	2,091	2,348	2,364	2,321
Services	10,305	11,035	13,690	15,107	15,704	15,631	16,317	16,634
Public Sector	18,449	19,332	18,007	19,066	19,275	18,062	17,745	17,495
Private Sector	42,896	45,471	45,398	45,923	48,368	49,646	51,354	51,581
Total	61,345	64,803	63,405	64,989	67,643	67,708	69,099	69,077
Average Salaries (dollars per worker)								
Agriculture	16,650	16,708	19,983	20,189	19,236	20,042	19,646	20,118
Construction	36,081	34,477	36,675	39,016	38,884	40,633	40,250	41,921
Industrial	32,730	40,781	42,693	36,622	37,468	37,724	40,048	41,887
Trans., Comm. & Utilities	30,336	31,377	30,233	31,996	32,951	34,962	36,866	38,062
Trade	19,954	20,445	23,389	25,182	26,506	27,445	27,649	28,942
Wholesale	37,840	38,226	32,679	31,624	38,502	38,536	37,379	38,662
Retail	17,028	17,556	21,424	23,728	24,525	25,364	25,674	26,936
Finance, Ins. & Real Estate	32,688	34,301	34,854	38,079	40,757	39,485	46,098	47,915
Services	22,573	23,122	22,201	22,217	22,965	24,808	26,089	27,609
Public Sector	43,182	45,603	47,937	53,523	54,374	56,877	58,727	58,858
Private Sector	22,628	24,216	26,200	25,712	25,984	27,430	28,421	29,825
Total	28,810	30,596	32,373	33,871	34,074	35,286	36,204	37,179

Source: CA Employment Development Department

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

	1999	2000	2001	2002	2003	2004	2005	2006
Employment (jobs)								
Agriculture	3,558	3,769	2,939	2,670	2,669	2,811	2,874	2,891
Mining	470	435	478	282	236	213	210	208
Construction	4,884	5,022	5,184	4,970	5,157	5,629	5,702	5,672
Manufacturing	10,304	10,130	9,387	8,500	8,016	7,920	8,176	8,136
Durable	8,398	8,129	7,804	7,248	6,904	6,572	6,774	6,737
Non-Durable	1,906	2,001	1,583	1,252	1,112	1,348	1,402	1,399
Trans., Comm. & Utilities	2,427	2,772	4,086	4,140	4,109	4,091	4,264	4,230
Trade	22,845	24,361	16,966	14,427	13,644	14,089	14,015	14,409
Wholesale	3,845	4,375	3,450	3,021	2,704	2,822	2,684	2,650
Retail	19,000	19,986	13,516	11,406	10,940	11,267	11,331	11,759
Finance, Ins. & Real Estate	4,853	5,622	7,702	7,360	7,112	7,009	7,252	7,213
Services	32,819	35,611	41,762	44,387	46,406	45,698	45,126	45,028
Public Sector	17,062	17,446	18,675	19,941	19,578	19,404	19,732	19,637
Private Sector	82,160	87,722	88,504	86,736	87,349	87,460	87,619	87,788
Total	99,222	105,168	107,179	106,677	106,927	106,864	107,351	107,425
Average Salaries (dollars per worker)								
Agriculture	20,661	21,372	22,157	24,426	25,099	25,372	24,959	25,213
Mining	77,001	81,636	88,385	87,705	76,576	91,425	80,162	81,715
Construction	33,648	35,776	37,268	38,326	40,626	41,995	44,317	47,178
Manufacturing	46,324	48,797	51,420	54,275	60,115	59,182	63,898	65,788
Durable	48,988	51,922	55,224	57,698	63,885	63,721	69,289	71,491
Non-Durable	34,588	36,102	32,664	34,455	36,706	37,050	37,849	38,319
Trans., Comm. & Utilities	38,001	41,976	50,478	51,639	50,948	55,565	63,302	66,622
Trade	23,915	26,899	29,417	32,588	32,148	32,941	32,911	33,034
Wholesale	53,959	61,456	52,184	50,893	48,078	52,001	50,586	52,259
Retail	17,835	19,334	23,606	27,740	28,211	28,167	28,724	28,702
Finance, Ins. & Real Estate	48,097	50,909	50,918	52,234	58,754	70,561	74,240	78,104
Services	31,986	36,158	32,654	31,785	32,978	34,918	36,333	38,415
Public Sector	37,196	38,083	40,978	41,845	44,182	45,205	46,344	48,373
Private Sector	32,535	35,744	36,659	37,135	38,612	40,905	43,059	44,923
Total	33,337	36,132	37,411	38,016	39,631	41,686	43,663	45,554

Source: CA Employment Development Department



Average Employment per Firm Santa Barbara County

jobs per firm	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Agriculture	15	16	15	17	17	16	18	18	22	23	28	27	28
Mining	26	26	38	36	37	26	27	25	36	30	30	31	34
Construction	5	5	5	6	7	7	7	8	8	7	8	9	9
Durable Goods Manufacturing	44	41	36	34	37	34	33	37	33	28	30	31	32
Nondurable Goods Manufacturing	18	18	19	21	23	22	18	19	20	20	20	20	23
Transportation	11	12	12	13	15	12	10	11	14	13	14	13	14
Communications	23	24	20	18	19	18	20	20	19	18	17	17	18
Utilities	30	28	23	23	20	18	20	23	21	19	19	19	19
Wholesale Trade	11	10	9	10	11	10	11	13	13	11	10	10	11
Retail Trade	12	13	13	13	14	13	14	15	15	15	15	16	16
Finance, Insurance & Real Estate	8	9	7	7	8	8	7	8	9	9	8	8	8
Services	8	8	8	9	9	9	9	9	9	9	9	9	9
Public Sector	135	135	121	118	109	95	96	99	103	107	106	108	103
Total, All Sectors	13	13	12	13	14	13	14	15	14	14	14	14	14

Source: CA Employment Development Department

Average Payroll per Firm Santa Barbara County

dollars per firm	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Agriculture	211,569	221,766	228,852	247,957	271,938	276,180	317,895	333,595	449,694	491,524	565,972	570,663	587,597
Mining	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	2,005,902	2,184,434
Construction	138,961	152,560	153,768	172,092	234,074	230,516	245,967	279,962	287,942	277,413	305,519	357,857	381,455
Durable Goods Manufacturing	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	1,797,928	2,013,545
Nondurable Goods Manufacturing	451,562	450,556	486,130	577,933	664,166	669,998	546,330	608,960	721,556	758,592	787,641	859,175	1,103,564
Transportation	262,924	283,815	290,929	303,774	382,164	346,069	279,160	302,194	422,311	424,511	458,059	456,744	504,659
Communications	772,317	841,715	827,594	735,841	791,763	752,531	847,487	949,516	1,000,532	925,281	877,754	899,763	960,601
Utilities	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	1,125,828	1,247,924
Wholesale Trade	395,660	359,514	340,753	383,434	438,149	448,216	522,498	682,415	577,580	495,293	431,799	503,613	506,393
Retail Trade	165,688	179,775	179,327	188,810	213,901	226,436	243,558	283,958	291,402	307,812	321,439	336,700	351,335
Finance, Insurance & Real Estate	259,859	260,431	227,635	233,491	285,596	329,685	324,361	384,394	420,400	426,698	450,673	506,507	551,917
Services	205,928	210,818	197,890	214,924	252,279	248,679	258,800	313,862	301,373	299,264	312,721	324,314	345,605
Public Sector	3,508,018	3,715,874	3,460,066	3,572,776	3,300,477	2,925,932	3,083,205	3,345,959	3,749,841	3,942,809	4,029,606	4,156,174	4,372,873
Total, All Sectors	324,919	333,200	316,174	337,485	390,220	385,091	400,023	467,312	481,621	474,866	496,850	518,614	553,032

Source: CA Employment Development Department

Number of Firms by Sector Santa Barbara County

number of firms	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Agriculture	967	944	1,006	991	923	951	963	898	630	619	591	592	575
Mining	42	41	34	32	29	30	30	30	32	28	28	26	26
Construction	1,090	1,002	1,073	1,020	957	1,022	1,075	1,025	1,064	1,096	1,100	1,152	1,132
Durable Goods Manufacturing	335	323	335	346	338	361	377	353	358	357	337	330	320
Nondurable Goods Manufacturing	208	205	208	206	201	205	201	194	259	257	258	258	234
Transportation	231	241	259	259	246	247	251	236	204	200	205	220	216
Communications	62	62	65	66	65	71	74	71	88	79	74	73	73
Utilities	32	31	34	34	33	35	35	32	23	24	27	26	23
Wholesale Trade	488	506	560	534	518	554	551	514	409	435	441	436	426
Retail Trade	2,361	2,300	2,457	2,371	2,284	2,398	2,435	2,275	2,292	2,301	2,270	2,239	2,209
Finance, Insurance & Real Estate	918	976	1,036	1,014	935	972	1,002	968	1,132	1,148	1,176	1,217	1,230
Services	5,069	5,133	5,745	5,663	5,080	5,463	5,610	5,408	5,611	5,899	6,036	6,205	6,258
Public Sector	216	217	246	252	284	337	338	332	333	334	336	333	331
Total, All Sectors	12,017	11,979	13,057	12,786	11,893	12,645	12,940	12,337	12,433	12,777	12,876	13,105	13,053

Source: CA Employment Development Department

Services Sector Employment Detail Santa Barbara County, Second Quarter 2006

Title	NAICS Code	Firms	Average Employment	Average Salary (Annualized)
Motion Picture and Sound Recording Industries	512	59	416	34,419
Professional, Scientific, and Technical Services	541	1,324	10,598	62,425
Administrative and Support Services	561	601	9,148	30,724
Educational Services	611	155	2,552	37,473
Ambulatory Health Care Services	621	878	6,971	47,186
Hospitals	622	10	3,707	50,633
Nursing and Residential Care Facilities	623	123	2,922	26,933
Social Assistance	624	195	3,055	23,449
Performing Arts, Spectator Sports, and Related Industries	711	113	412	42,983
Museums, Historical Sites, and Similar Institutions	712	28	542	28,329
Amusement, Gambling, and Recreation Industries	713	96	1,953	17,748
Accommodation	721	128	4,666	24,287
Food Services and Drinking Places	722	787	15,641	15,006
Repair and Maintenance	811	274	1,310	32,309
Personal and Laundry Services	812	205	1,590	25,391
Religious, Grantmaking, Civic, Professional, and Similar Organizations	813	244	2,017	22,533
Private Households	814	2,001	1,903	20,028
Totals		7,221	69,403	33,163

Source: CA Employment Development Department

High Technology Manufacturing Employment Detail Santa Barbara County, Second Quarter 2006I

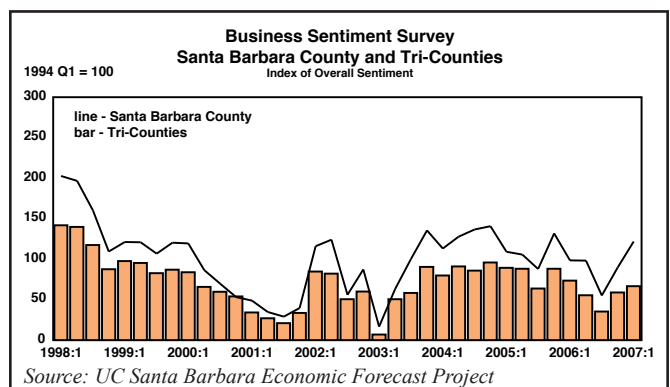
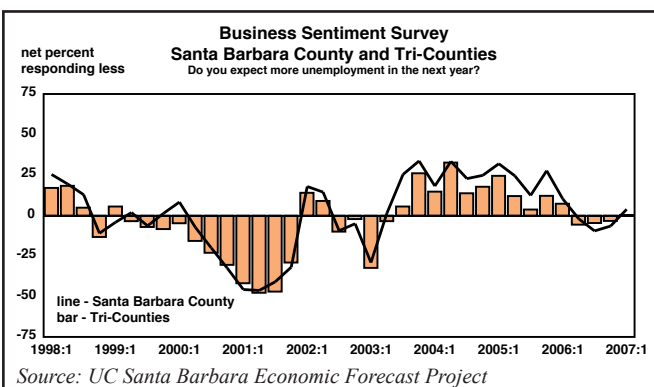
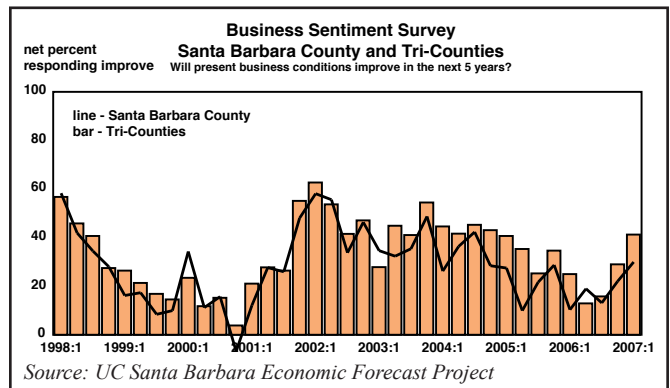
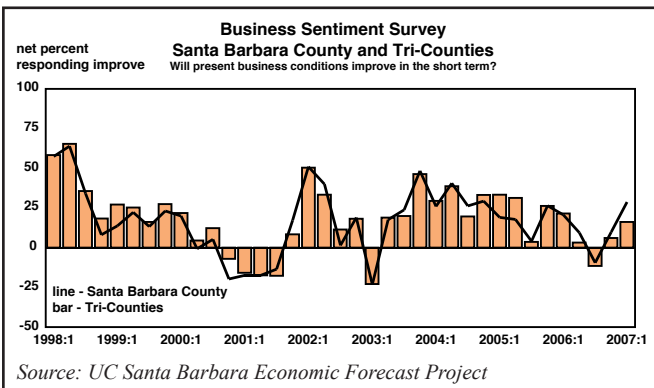
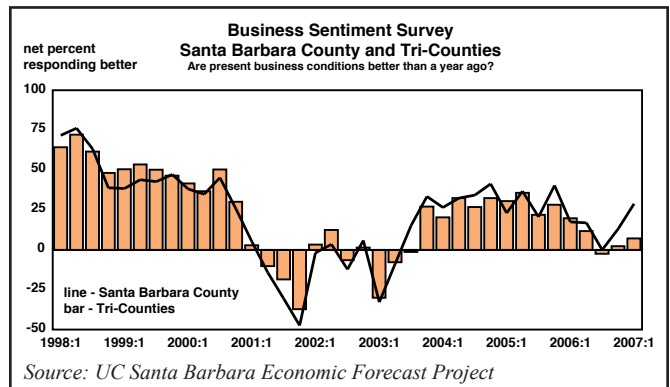
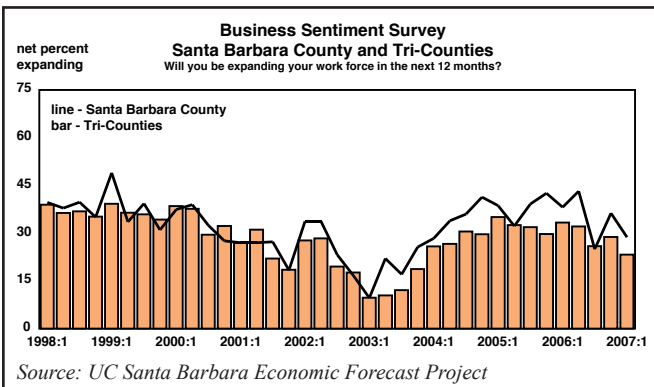
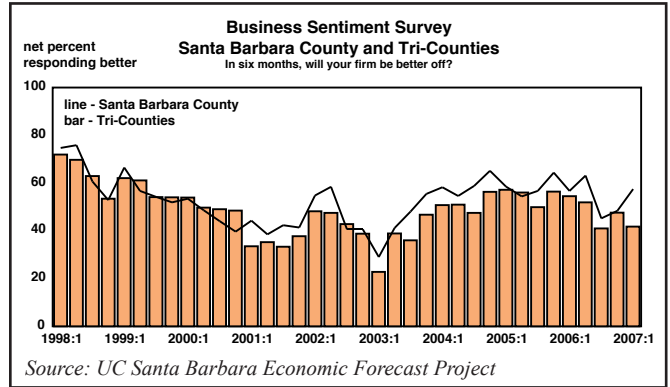
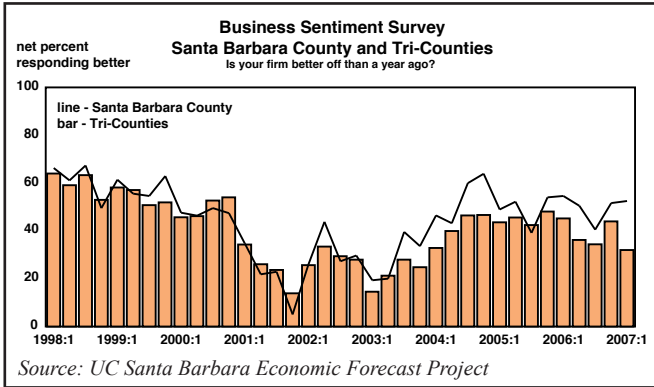
Title	NAICS Code	Firms	Average Employment	Average Salary (Annualized)
Electric Power Generation, Transmission and Distribution	2211	1	***	***
Resin, Synthetic Rubber, and Artificial Synthetic	3252	1	***	***
Pharmaceutical and Medicine Manufacturing	3254	3	***	***
Other Chemical Product and Preparation Manufacturing	3259	5	84	82,139
Other Fabricated Metal Product Manufacturing	3329	2	***	***
Industrial Machinery Manufacturing	3332	4	40	54,931
Commercial and Service Industry Machinery Manufacturing	3333	7	154	50,908
Computer and Peripheral Equipment Manufacturing	3341	3	55	67,127
Communications Equipment Manufacturing	3342	5	132	96,875
Semiconductor and Other Electronic Component Manufacturing	3344	23	767	68,262
Navigational, Measuring, Electromedical, and Controls Manufacturing and Reproducing Magnetic and Optical	3345	33	2,916	66,408
Aerospace Product and Parts Manufacturing	3364	8	1,417	71,360
Medical Equipment and Supplies Manufacturing	3391	30	1,507	143,692
Software Publishers	5112	17	913	83,254
Wired Telecommunications Carriers	5171	9	207	68,762
Wireless Telecommunications Carriers (except Satellites)	5172	17	90	52,356
Telecommunications Resellers	5173	8	72	61,255
Satellite Telecommunications	5174	10	228	67,841
Internet Service Providers and Web Search Portals	5181	20	192	185,447
Data Processing, Hosting, and Related Services	5182	11	320	76,177
Architectural, Engineering, and Related Services	5413	247	2,513	70,935
Computer Systems Design and Related Services	5415	137	1,782	72,097
Management, Scientific, and Technical Consulting	5416	265	1,554	57,087
Scientific Research and Development Services	5417	72	1,313	76,642
Electronic and Precision Equipment Repair and Maintenance	8112	11	50	35,731
Space Research and Technology	9271	1	***	***
Totals		953	16,320	77,829

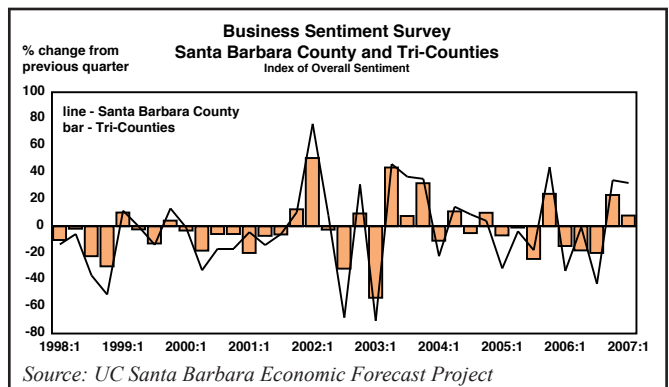
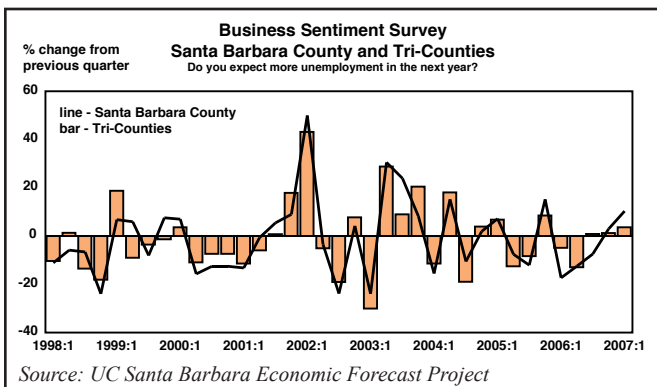
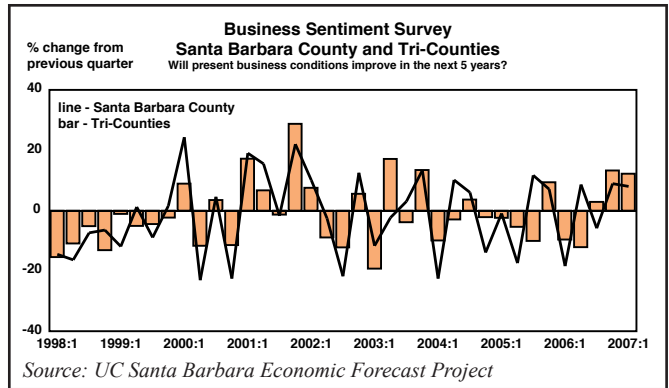
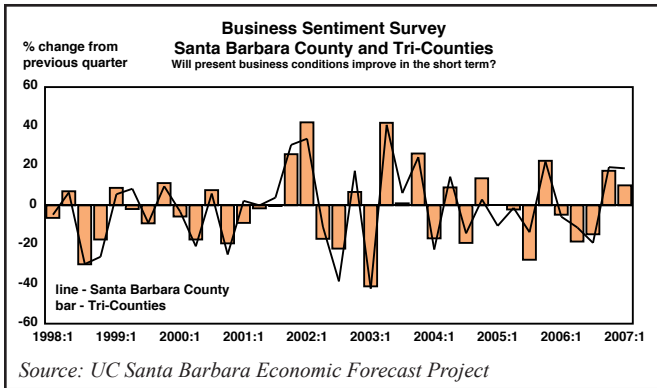
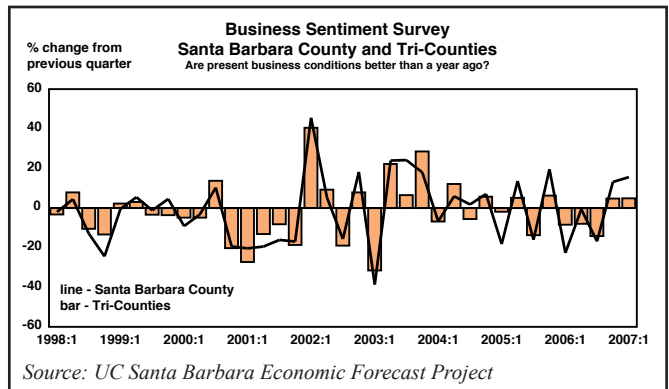
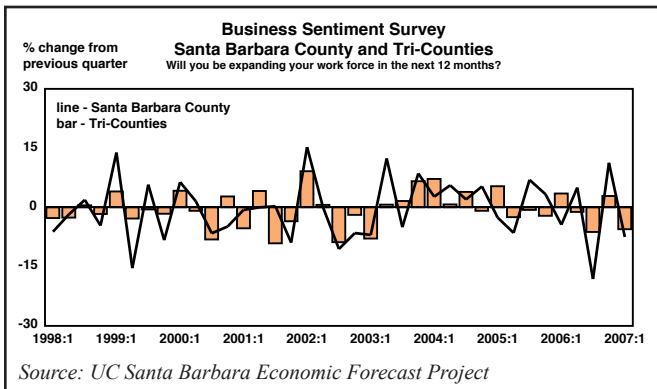
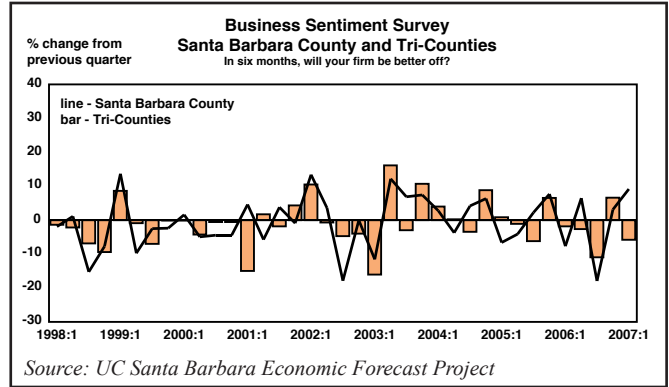
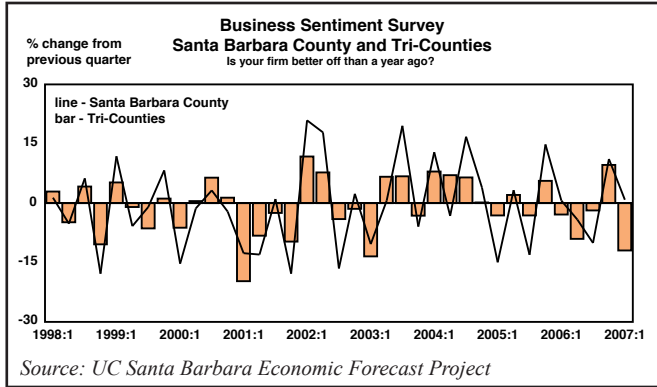
Source: CA Employment Development Department
NA = not available.

Top Employers - Santa Barbara County April 2007

Rank	Company Name	Location	Industry	Jobs	Date of Jobs Count
1	UCSB	Goleta	Public Education	9,501	Feb-07
2	Vandenberg Air Force Base	Lompoc	National Security	4,782	Apr-05
3	County of Santa Barbara	Santa Barbara	Public Administration	4,214	Feb-07
4	Santa Barbara School District Admin.	Santa Barbara	Public Education	2,968	Apr-07
5	Santa Barbara Cottage Hospital	Santa Barbara	Health Care and Social Assistance	2,518	Feb-07
6	Santa Barbara City College	Santa Barbara	Public Education	2,360	Mar-07
7	Raytheon Electronic Systems	Santa Barbara County	Durables Manufacturing	1,633	Feb-07
8	Santa Maria Bonita School District	Santa Maria	Public Education	1,600	Mar-07
9	City of Santa Barbara	Santa Barbara	Public Administration	1,487	Feb-07
10	Lompoc Unified School District	Lompoc	Public Education	1,427	Feb-07
11	Marian Medical Center	Santa Maria	Health Care and Social Assistance	1,410	Feb-07
12	Allan Hancock College	Santa Maria	Public Education	1,343	Feb-07
13	Santa Barbara County Education Office	Santa Barbara	Public Education	1,276	Feb-07
14	Sansum Santa Barbara Medical Foundation Clinic	Santa Barbara	Health Care and Social Assistance	1,100	Feb-07
15	Pacific Capital Bancorp	Santa Barbara	Finance/Insurance	894	Feb-07
16	Bacara Resort and Spa	Goleta	Accommodation and Food Services	850	Feb-07
17	Albertsons Stores	Santa Barbara County	Retail Trade	789	Feb-07
18	Vons	Santa Barbara County	Retail Trade	787	Feb-07
19	Goleta Union School District	Goleta	Public Education	750	Feb-07
20	Santa Maria Joint Union School District	Santa Maria	Public Education	734	Mar-07
21	Orcutt Union School District	Santa Maria	Public Education	673	Feb-07
22	Lockheed Martin Corporation	Vandenberg	Durables Manufacturing	612	Apr-07
23	Den-Mat Corporation	Santa Maria	Durables Manufacturing	586	Feb-07
24	Federal Correction Institution	Lompoc	Public Administration	530	Feb-07
25	Lompoc Hospital	Lompoc	Health Care and Social Assistance	500	Feb-07

Source: UC Santa Barbara Economic Forecast Project
 Note: Includes both full and part-time employees.





Tri-County Business Sentiment Survey Raw Data Summary for Santa Barbara County 2007 Quarter 1

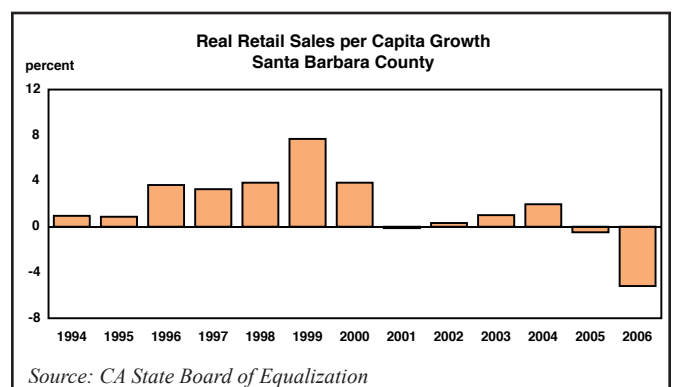
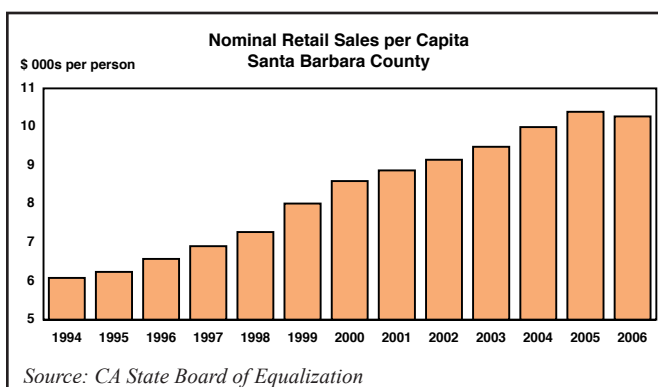
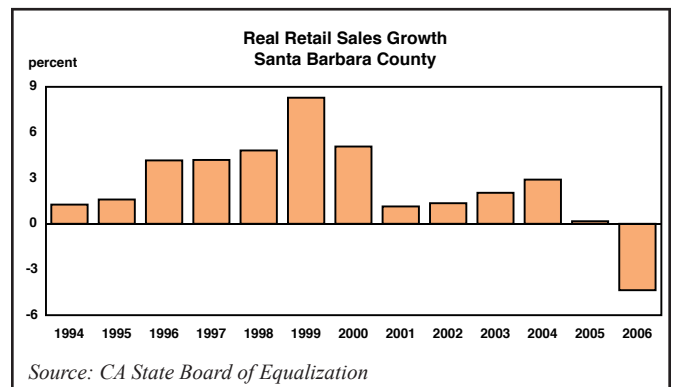
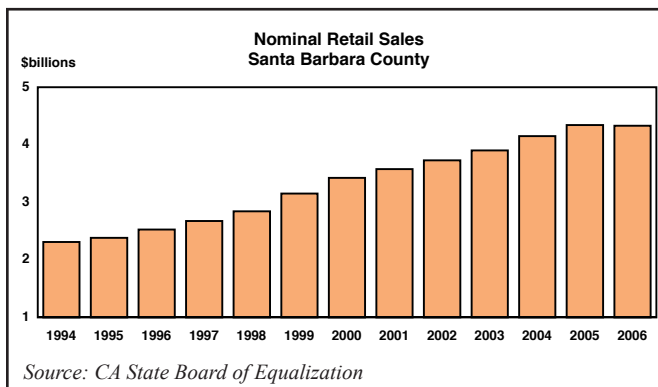
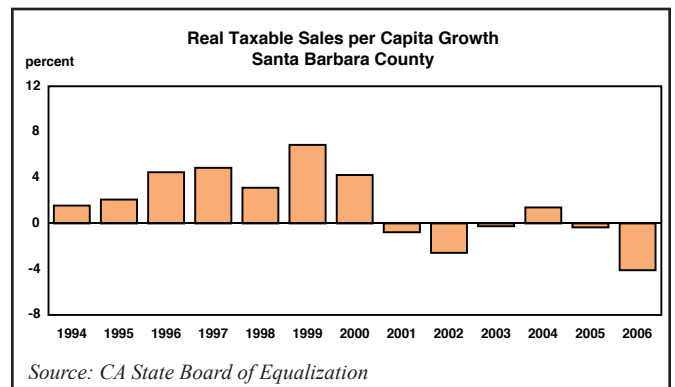
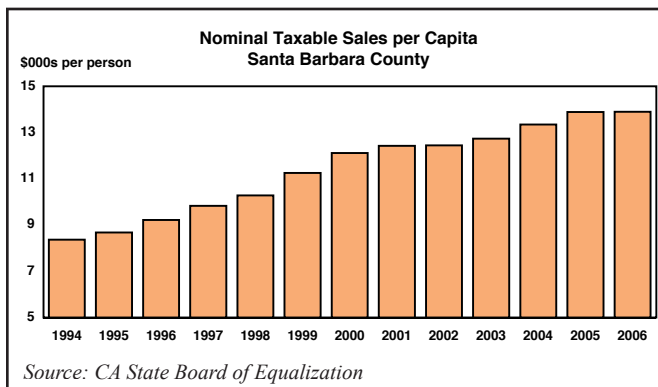
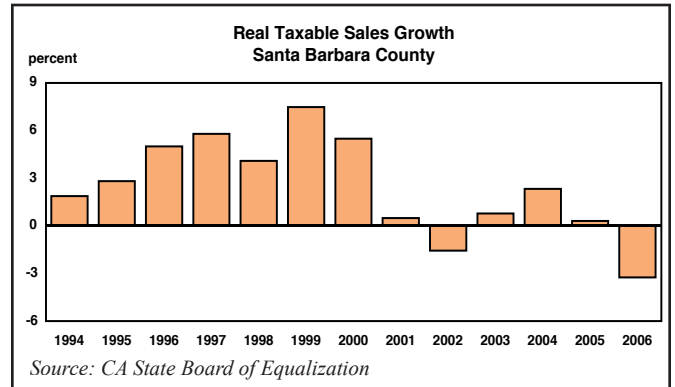
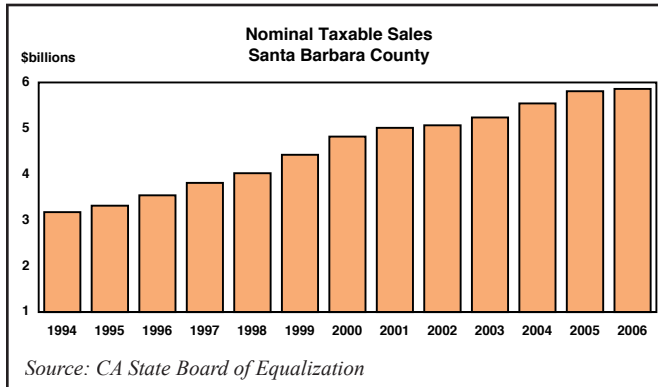
	much worse	worse	no change	better	much better	total
IS YOUR FIRM BETTER OFF OR WORSE THAN ONE YEAR AGO?	12.50	48.75	31.25	6.25	1.25	100.00
IN SIX MONTHS, DO YOU EXPECT YOUR FIRM TO BE BETTER OR WORSE OFF?	3.75	61.25	28.75	6.25	0.00	100.00
ARE PRESENT BUSINESS CONDITIONS BETTER OR WORSE THAN A YEAR AGO?	2.50	41.25	43.75	12.50	0.00	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?	8.75	31.25	50.00	8.75	1.25	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?	3.75	35.00	53.75	6.25	1.25	100.00
DO YOU EXPECT THE LOCAL ECONOMY TO HAVE BETTER OR WORSE CONDITIONS IN THE NEXT FIVE YEARS?	3.75	43.75	38.75	12.50	1.25	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?	2.50	15.00	71.25	10.00	1.25	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?	2.50	27.50	41.25	28.75	0.00	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?	1.25	32.50	57.50	6.25	2.50	100.00
DO YOU THINK IT IS A GOOD TIME OR A BAD TIME TO PURCHASE MAJOR HOUSEHOLD ITEMS OR AUTOMOBILES?	5.00	52.50	25.00	15.00	2.50	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?	7.50	28.75	42.50	21.25	0.00	100.00

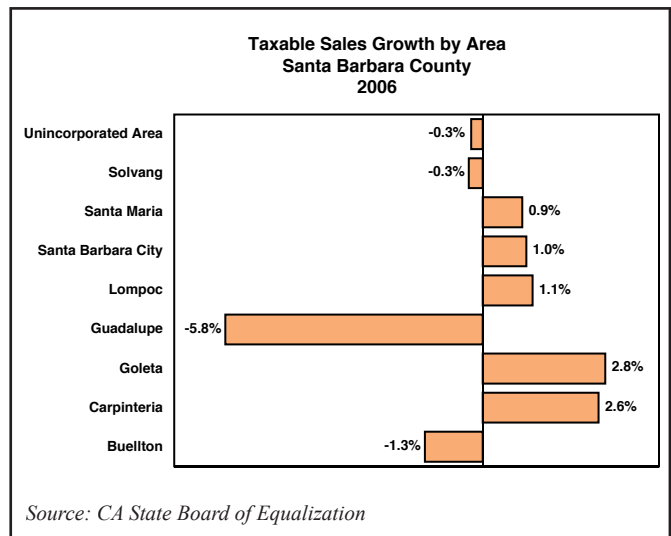
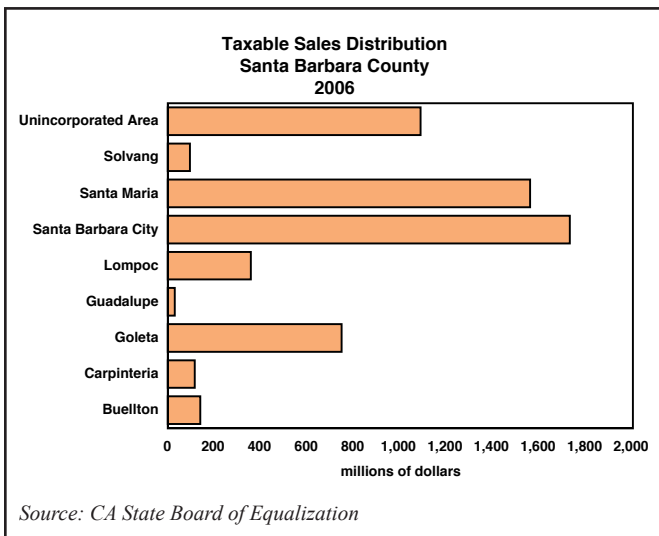
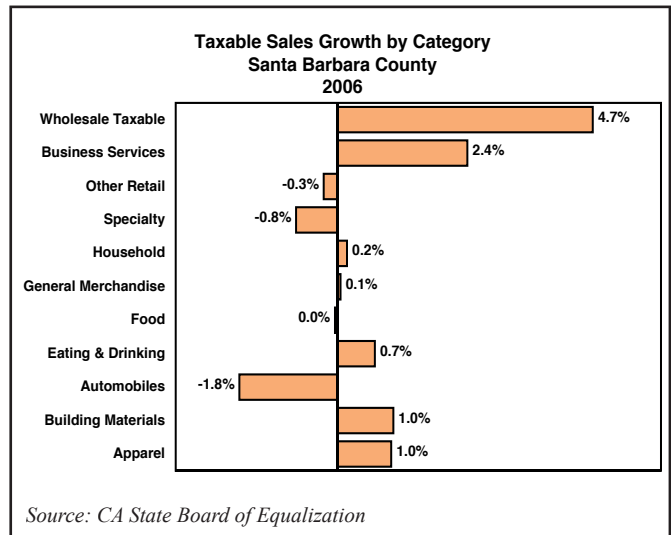
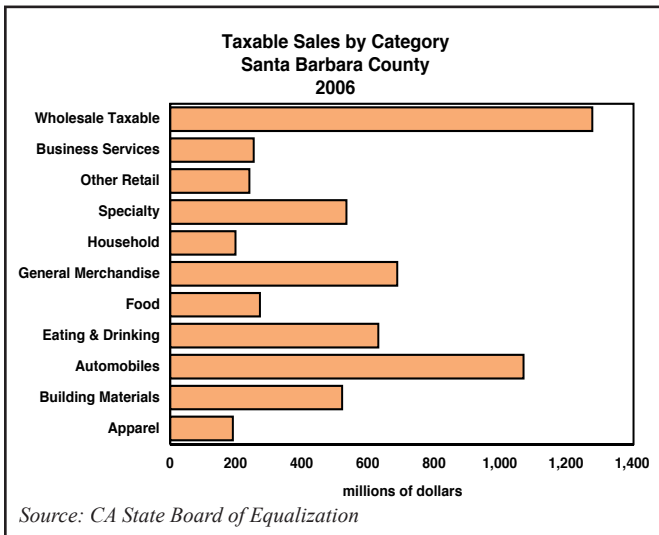
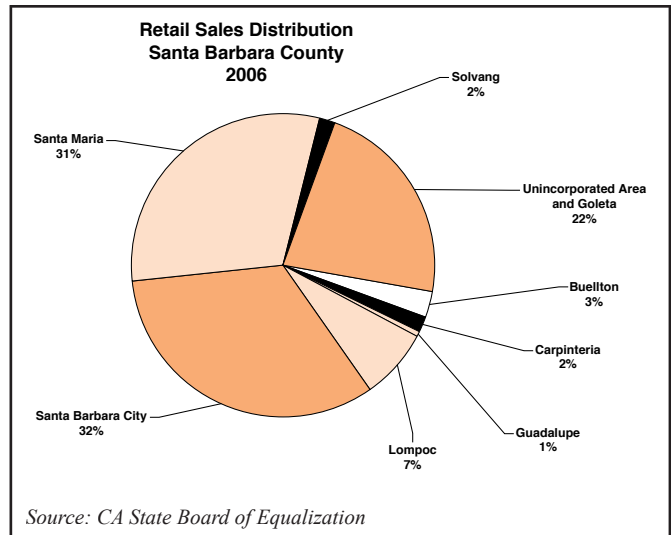
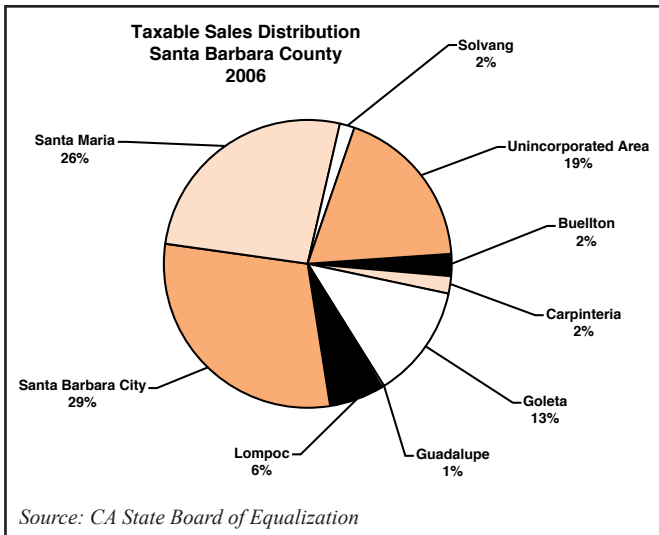
*Note: These values represent the percentage of respondents answering each particular choice.
Source: UC Santa Barbara Economic Forecast Project*

Tri-County Business Sentiment Survey Raw Data Summary for the Tri-Counties 2007 Quarter 1

	much worse	worse	no change	better	much better	total
IS YOUR FIRM BETTER OFF OR WORSE THAN ONE YEAR AGO?	9.14	40.48	34.65	14.49	1.25	100.00
IN SIX MONTHS, DO YOU EXPECT YOUR FIRM TO BE BETTER OR WORSE OFF?	4.34	47.98	37.55	10.14	0.00	100.00
ARE PRESENT BUSINESS CONDITIONS BETTER OR WORSE THAN A YEAR AGO?	1.67	26.99	51.44	19.91	0.00	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?	7.89	24.71	58.49	7.27	1.65	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?	2.08	31.30	51.06	15.14	0.42	100.00
DO YOU EXPECT THE LOCAL ECONOMY TO HAVE BETTER OR WORSE CONDITIONS IN THE NEXT FIVE YEARS?	6.44	52.67	26.77	13.70	0.42	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?	2.90	13.70	69.89	13.09	0.42	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?	1.67	25.74	45.23	27.36	0.00	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?	4.55	33.02	56.60	4.98	0.83	100.00
DO YOU THINK IT IS A GOOD TIME OR A BAD TIME TO PURCHASE MAJOR HOUSEHOLD ITEMS OR AUTOMOBILES?	4.97	48.15	26.76	19.29	0.83	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?	3.95	30.11	43.98	21.96	0.00	100.00

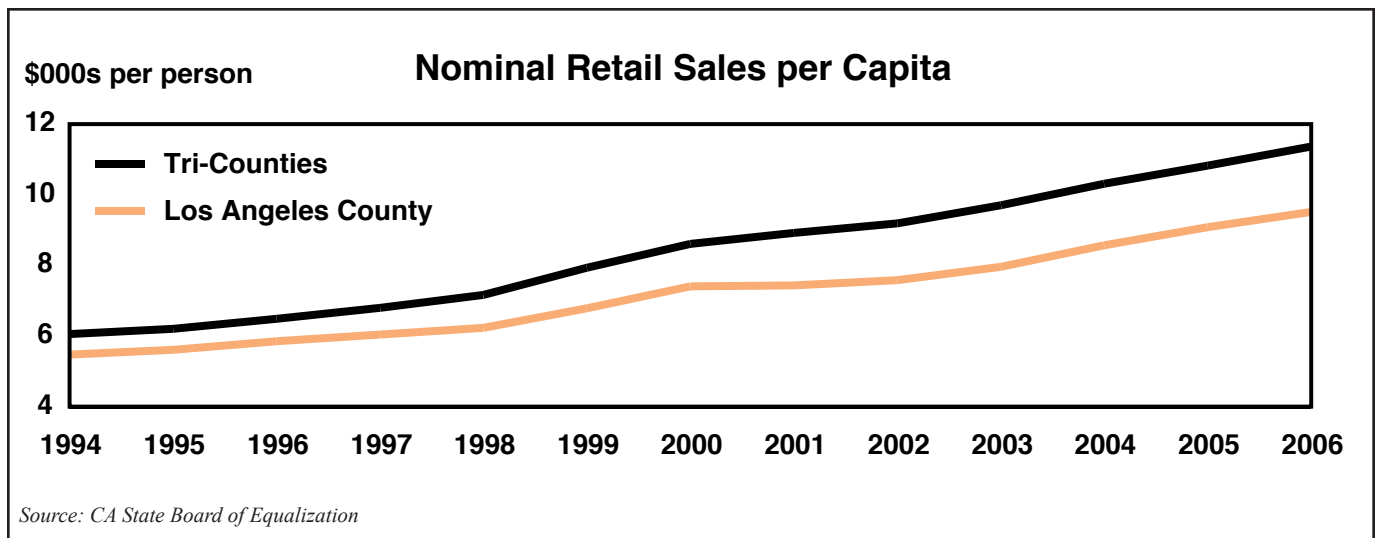
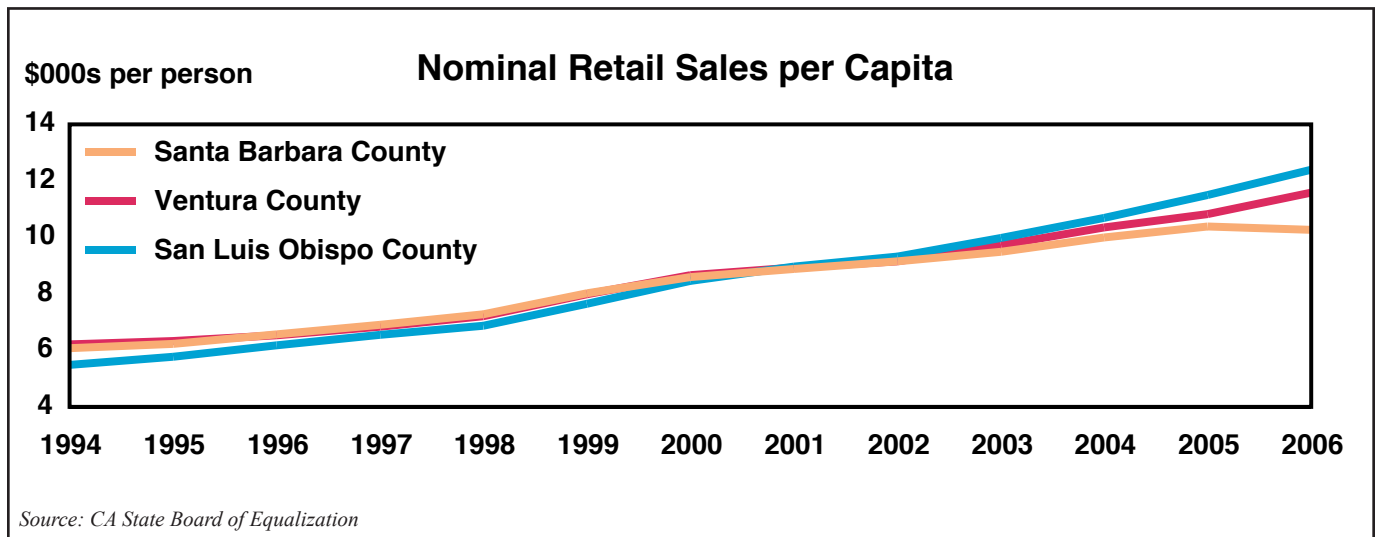
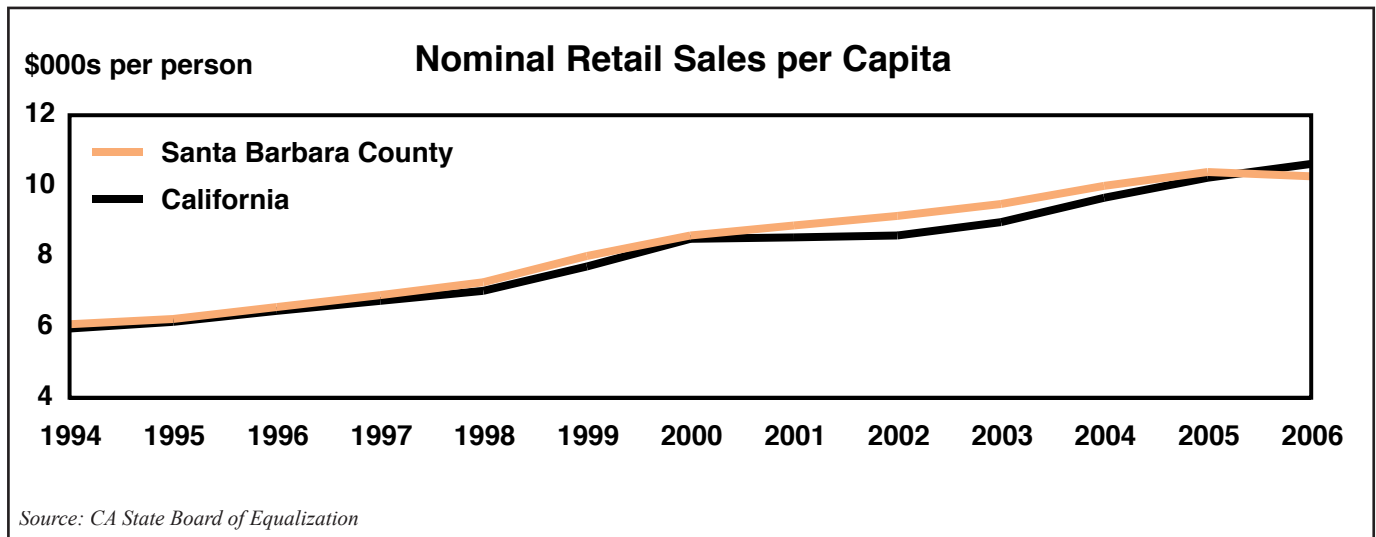
*Note: These values represent the percentage of respondents answering each particular choice.
Source: UC Santa Barbara Economic Forecast Project*

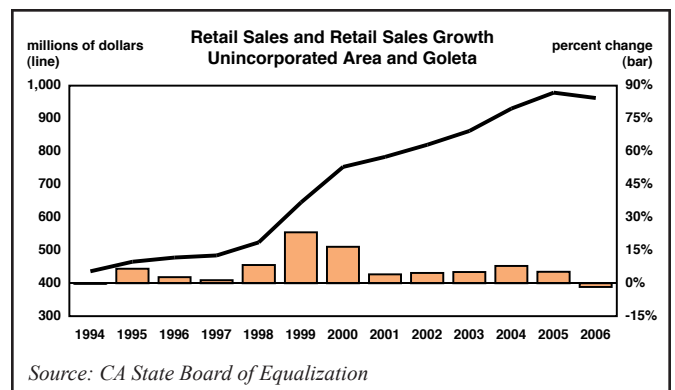
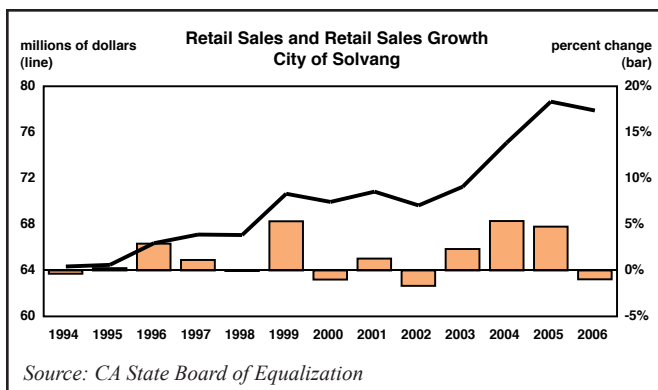
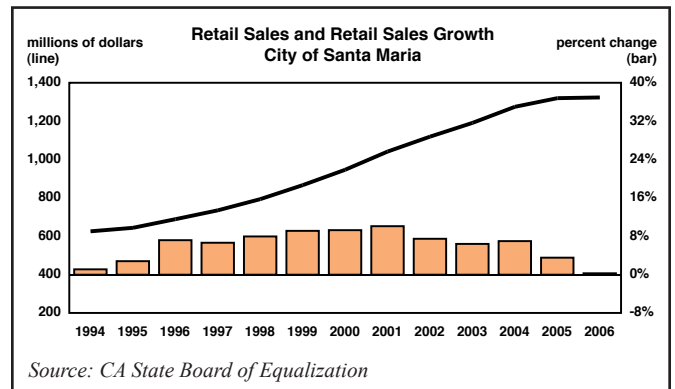
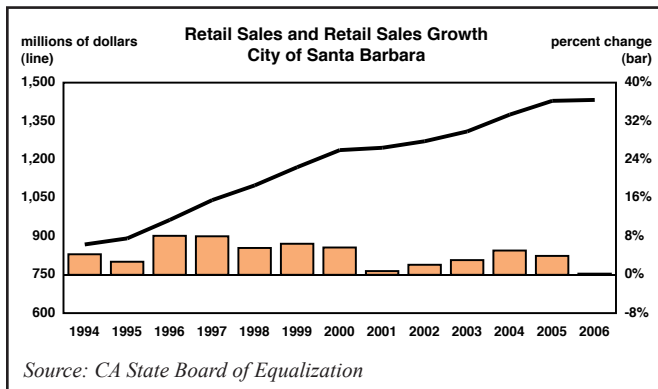
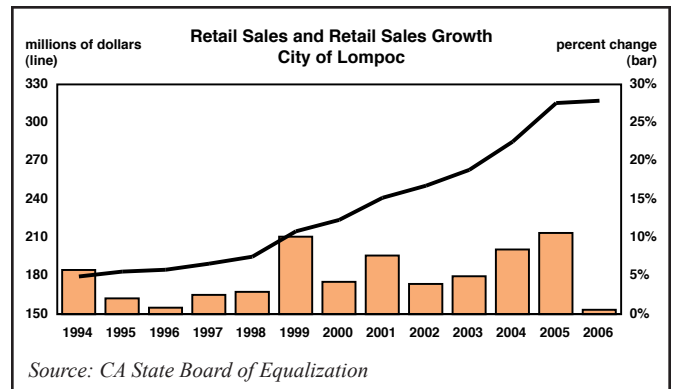
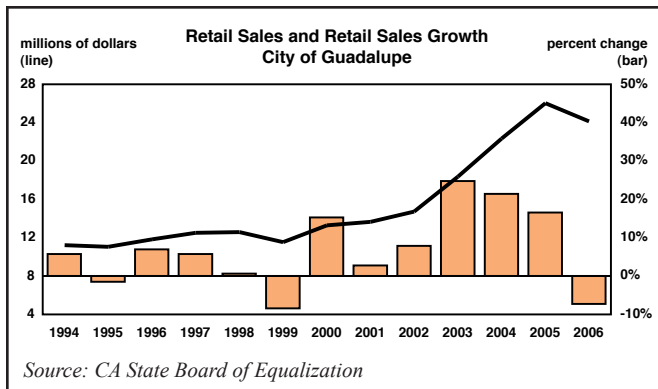
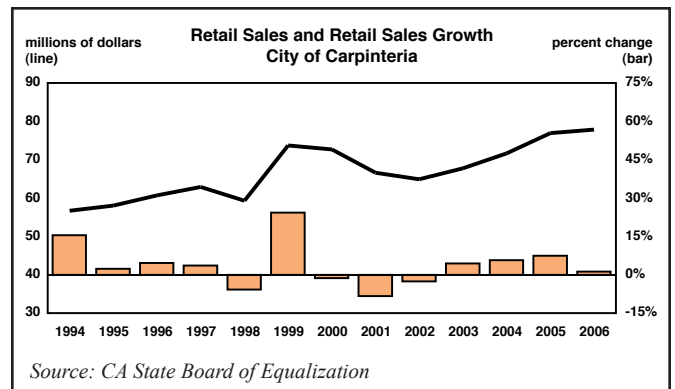
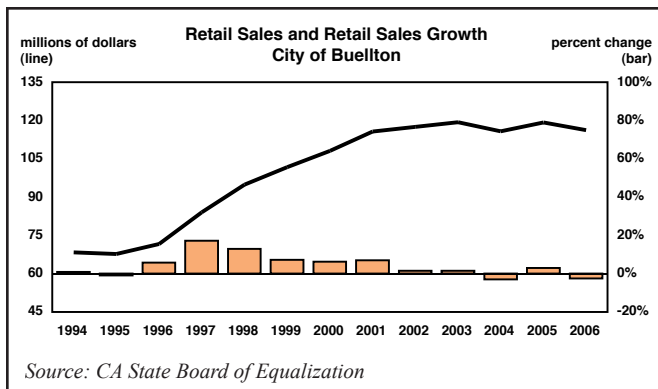


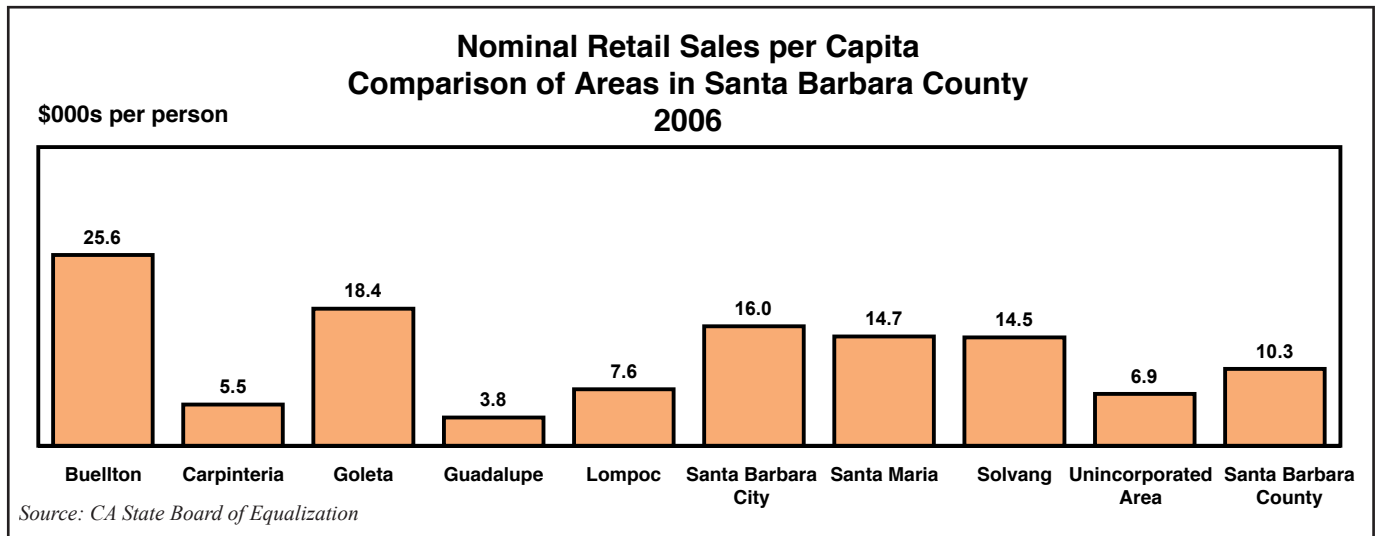
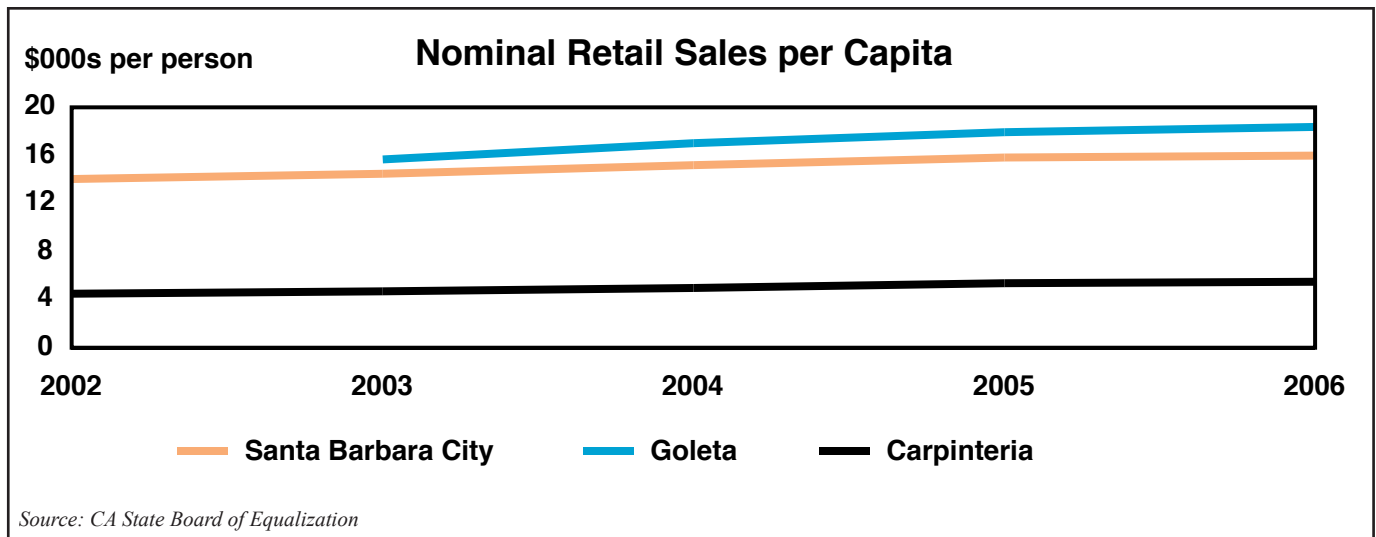
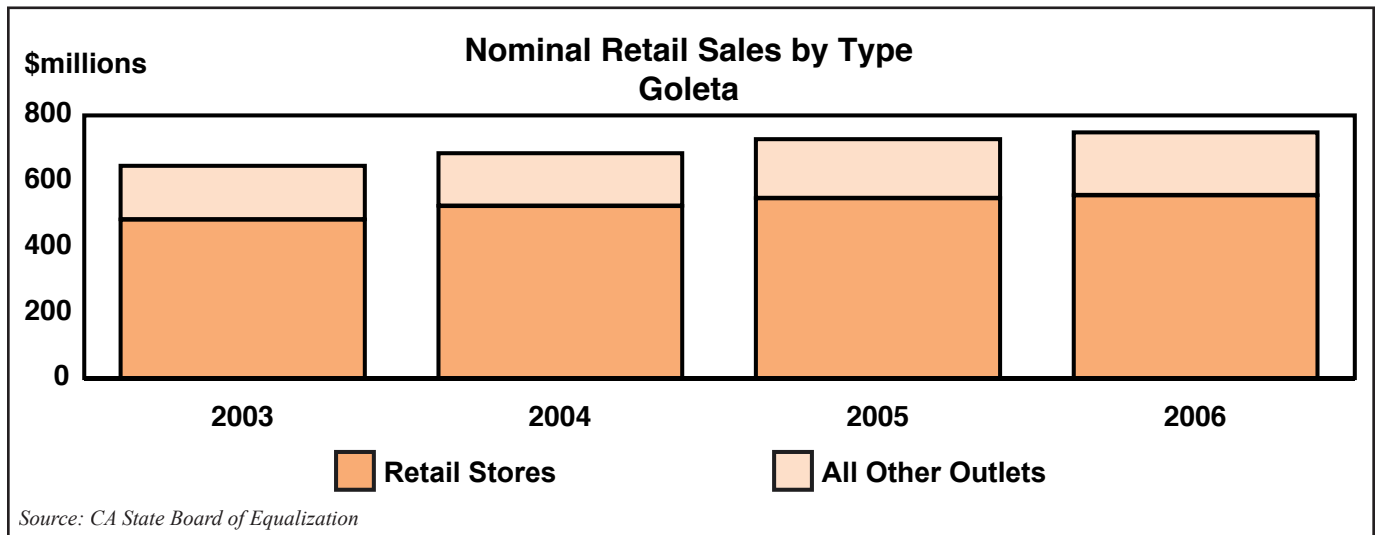


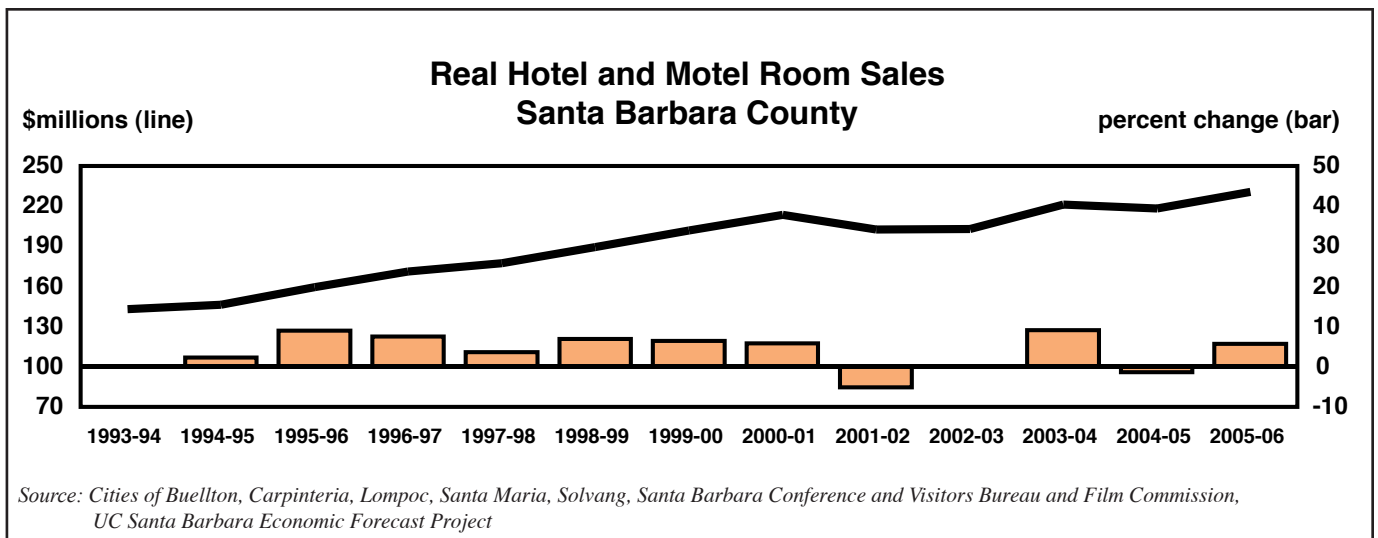
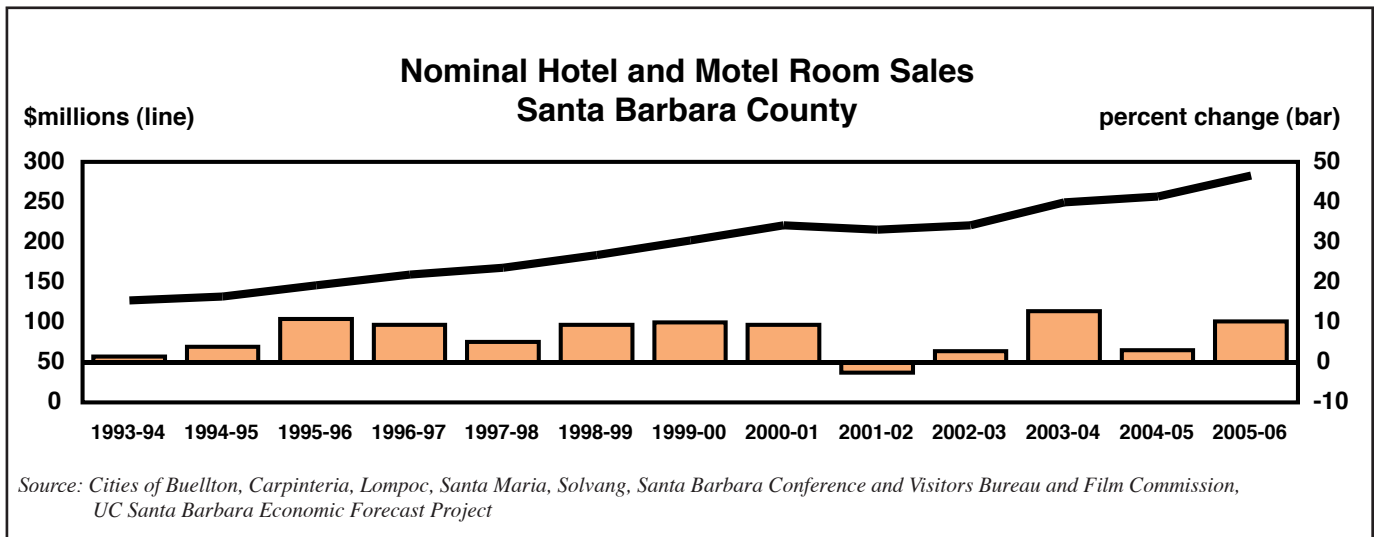
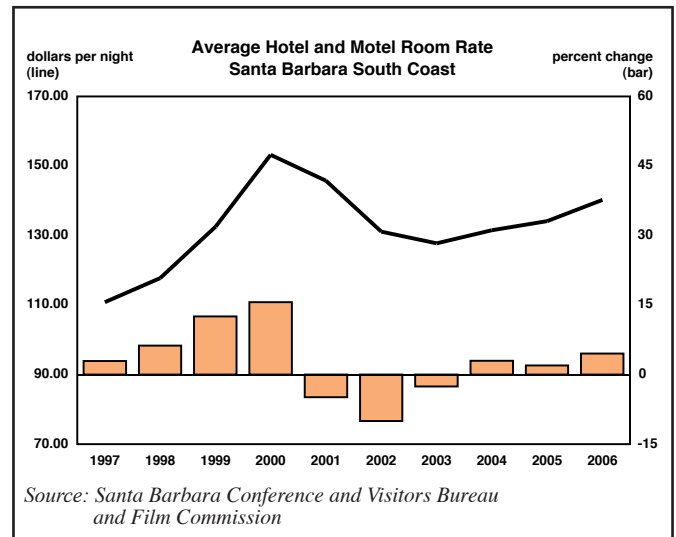
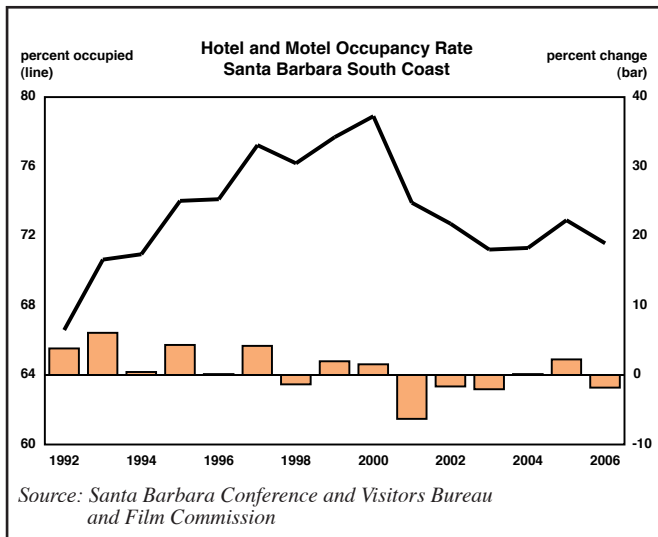
Santa Barbara County Retail Sales by Type							
	2000	2001	2002	2003	2004	2005	2006
Total Taxable Sales (\$millions)	4,823.3	5,009.9	5,068.4	5,240.2	5,541.5	5,806.9	5,858.1
Total Taxable Sales (2000 \$millions)	4,823.3	4,846.9	4,771.3	4,808.3	4,920.6	4,935.7	4,775.5
percent change	5.5	0.5	-1.6	0.8	2.3	0.3	-3.2
Wholesale Taxable Sales (\$millions)	1,142.1	1,181.7	1,096.0	1,093.4	1,148.4	1,217.7	1,275.4
Wholesale Taxable Sales (2000 \$millions)	1,142.1	1,143.2	1,031.7	1,003.3	1,019.7	1,035.0	1,039.7
percent change	7.8	0.1	-9.8	-2.8	1.6	1.5	0.5
Business Services Sales (\$millions)	258.1	249.5	244.8	244.2	243.1	246.0	252.0
Business Services Sales (2000 \$millions)	258.1	241.4	230.4	224.1	215.9	209.1	205.4
percent change	1.1	-6.5	-4.6	-2.7	-3.7	-3.1	-1.8
Retail Sales (\$millions)	3,423.1	3,578.7	3,727.7	3,902.5	4,150.0	4,343.2	4,330.8
Retail Sales (2000 \$millions)	3,423.1	3,462.3	3,509.2	3,580.9	3,685.0	3,691.5	3,530.4
percent change	5.1	1.1	1.4	2.0	2.9	0.2	-4.4
Apparel Sales (\$millions)	120.1	124.6	140.3	150.1	171.0	187.5	189.4
Apparel Sales (2000 \$millions)	120.1	120.6	132.1	137.8	151.8	159.4	154.4
percent change	-2.4	0.4	9.5	4.3	10.2	5.0	-3.1
Bldg Mat'l and Farm Sales (\$millions)	349.9	379.4	393.1	427.1	484.3	514.3	519.6
Bldg Mat'l and Farm Sales (2000 \$millions)	349.9	367.1	370.1	391.9	430.0	437.1	423.6
percent change	5.5	4.9	0.8	5.9	9.7	1.7	-3.1
Autos/Supplies/Gas Sales (\$millions)	809.7	877.8	944.7	1,001.3	1,055.1	1,087.1	1,067.3
Autos/Supplies/Gas Sales (2000 \$millions)	809.7	849.3	889.3	918.8	936.8	924.0	870.0
percent change	8.9	4.9	4.7	3.3	2.0	-1.4	-5.8
Eating and Drinking Sales (\$millions)	483.8	511.5	533.8	553.9	585.9	624.4	628.7
Eating and Drinking Sales (2000 \$millions)	483.8	494.9	502.5	508.3	520.3	530.7	512.5
percent change	5.2	2.3	1.5	1.1	2.4	2.0	-3.4
Food Stores Sales (\$millions)	228.8	235.0	242.4	246.9	248.6	271.4	271.2
Food Stores Sales (2000 \$millions)	228.8	227.4	228.2	226.6	220.8	230.6	221.1
percent change	-1.8	-0.6	0.4	-0.7	-2.5	4.5	-4.1
General Merchandise Sales (\$millions)	625.2	639.2	644.6	662.9	685.7	685.7	686.1
General Merchandise Sales (2000 \$millions)	625.2	618.4	606.8	608.3	608.8	582.8	559.3
percent change	2.2	-1.1	-1.9	0.3	0.1	-4.3	-4.0
Home Furnish./Appliances Sales (\$millions)	171.8	160.5	174.0	181.4	190.7	196.3	196.7
Home Furnish./Appliances Sales (2000 \$millions)	171.8	155.3	163.8	166.4	169.3	166.9	160.3
percent change	19.3	-9.6	5.5	1.6	1.7	-1.4	-3.9
Specialty Stores Sales (\$millions)	458.7	472.8	475.4	479.3	515.9	536.7	532.6
Specialty Stores Sales (2000 \$millions)	458.7	457.4	447.5	439.8	458.1	456.2	434.1
percent change	5.4	-0.3	-2.2	-1.7	4.2	-0.4	-4.8
Other Retail Sales (\$millions)	175.2	178.3	179.5	199.6	212.8	239.8	239.2
Other Retail Sales (2000 \$millions)	175.2	172.5	169.0	183.1	188.9	203.9	195.0
percent change	-0.1	-1.5	-2.0	8.4	3.2	7.9	-4.3

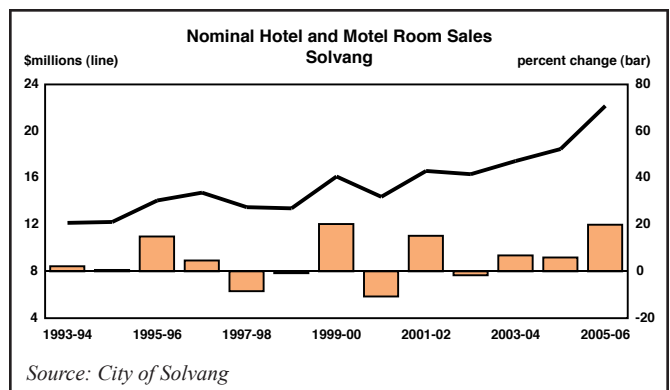
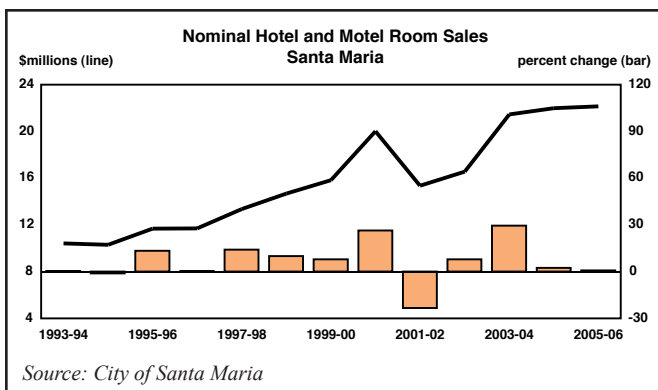
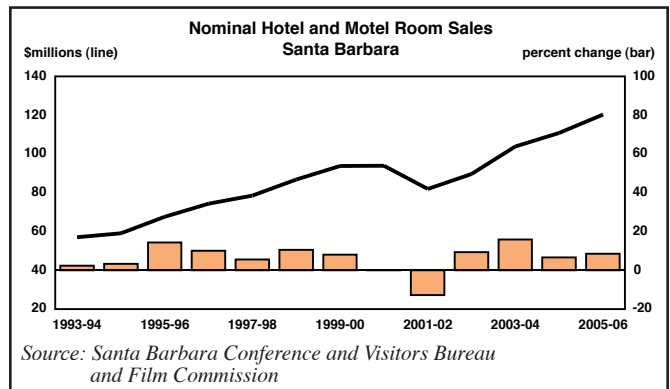
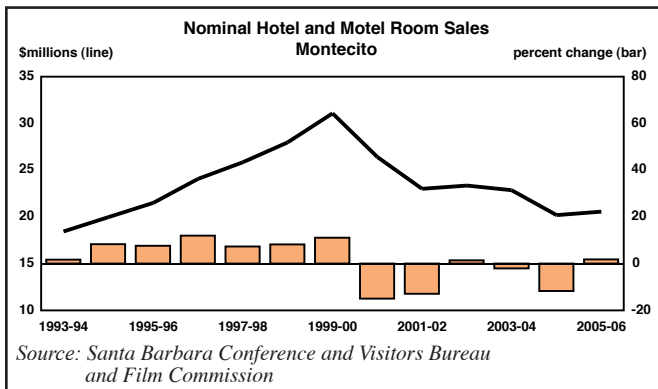
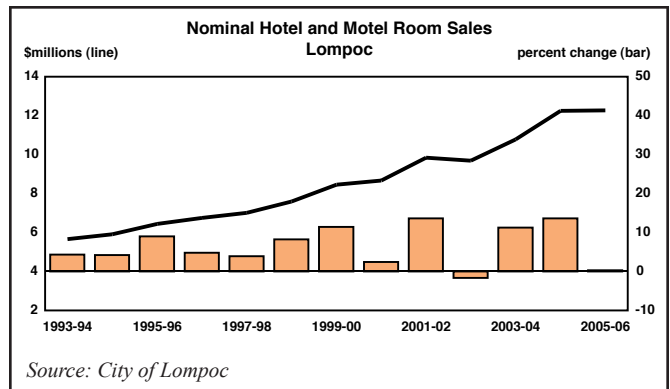
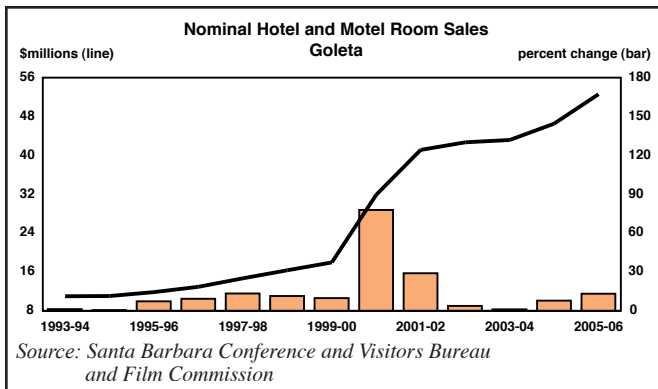
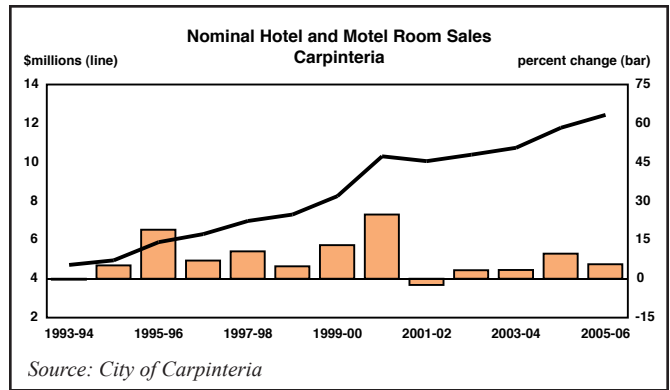
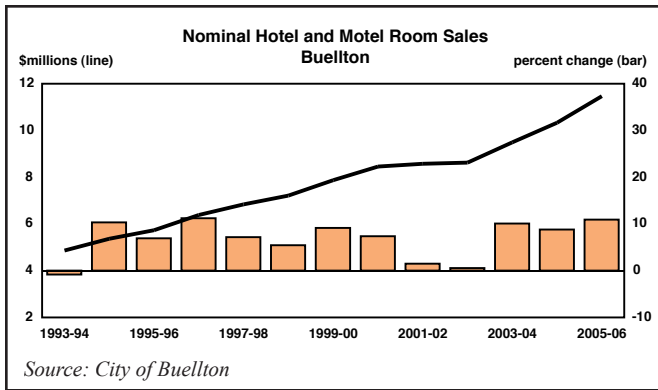
Source: CA State Board of Equalization and UC Santa Barbara Economic Forecast Project







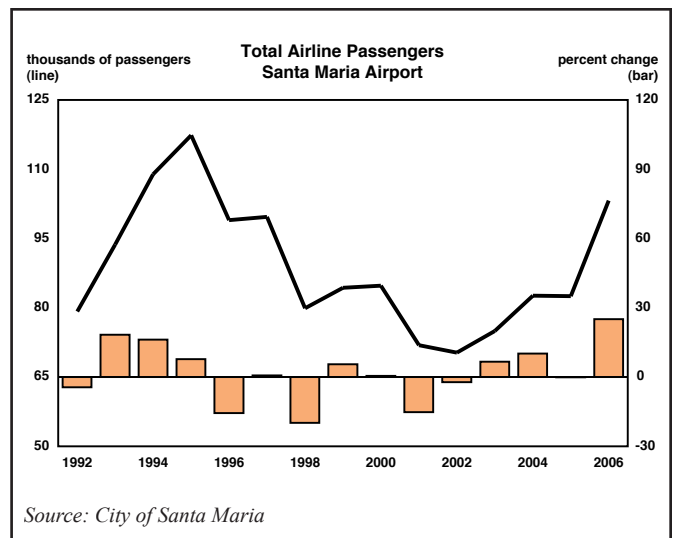
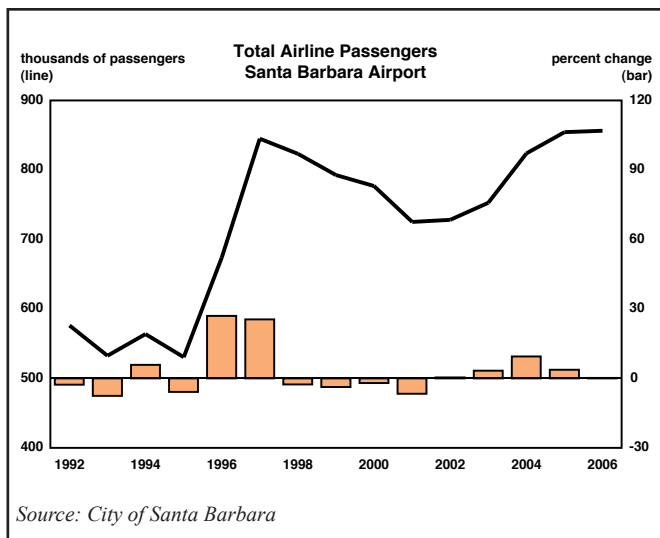




Fiscal Year Hotel / Motel Room Sales Santa Barbara County

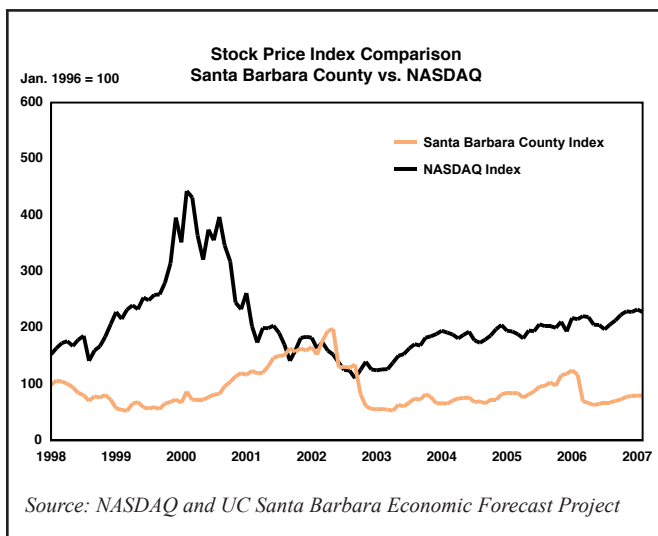
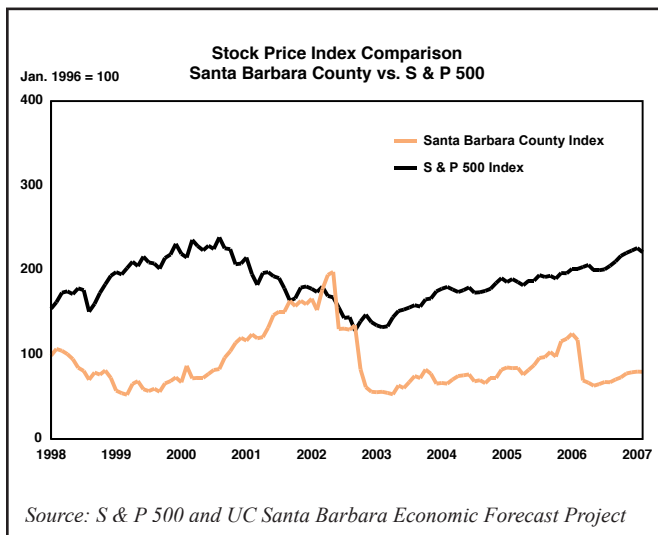
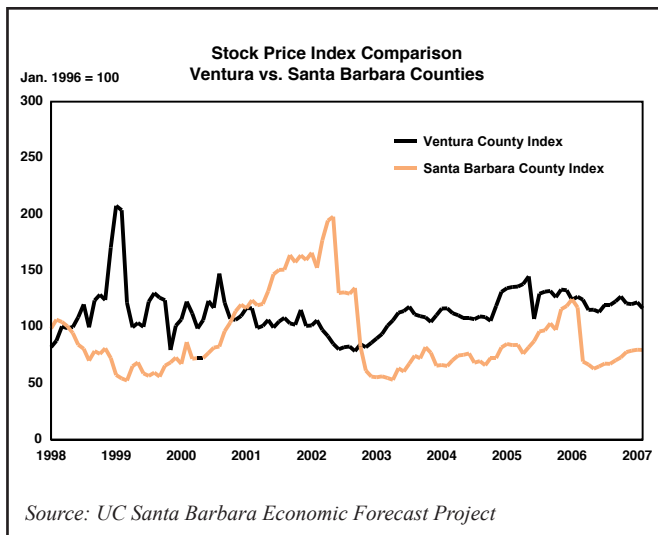
	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Region (\$000s)								
Buellton	7,209	7,870	8,451	8,578	8,625	9,496	10,333	11,463
Carpinteria	7,310	8,260	10,306	10,057	10,391	10,739	11,779	12,439
Goleta Valley *	16,326	17,933	31,875	41,103	42,668	43,143	46,509	52,598
Lompoc	7,590	8,458	8,664	9,843	9,682	10,773	12,242	12,276
Montecito	27,971	31,080	26,417	23,010	23,347	22,865	20,190	20,551
Santa Barbara	86,829	93,838	93,946	81,982	89,641	103,926	110,814	120,317
Santa Maria **	14,679	15,834	20,020	15,350	16,553	21,449	21,984	22,148
Solvang	13,399	16,122	14,392	16,587	16,313	17,437	18,474	22,166
Other	2,185	2,433	6,741	8,647	3,816	9,434	4,416	8,992
Santa Barbara County (\$000s)	183,497	201,828	220,813	215,157	221,036	249,261	256,740	282,950
percent change	9.4	10.0	9.4	-2.6	2.7	12.8	3.0	10.2
Santa Barbara County (2000 \$000s)	189,546	201,828	213,631	202,544	202,819	221,329	218,218	230,658
percent change	6.9	6.5	5.8	-5.2	0.1	9.1	-1.4	5.7

Source: Cities of Buellton, Carpinteria, Lompoc, Santa Maria, Solvang, Santa Barbara Conference and Visitors Bureau and Film Commission, UC Santa Barbara Economic Forecast Project
 Note: Fiscal Years *Includes both city and county land. **Without annual accruals.



Santa Barbara County Travel Impacts							
	1992	2000	2001	2002	2003	2004	2005
Total Direct Travel Spending (\$Million)							
Visitor Spending at Destination	760	1,158	1,157	1,168	1,209	1,272	1,355
Other Travel	10	12	11	10	10	12	12
Total Direct Spending	770	1,169	1,168	1,179	1,219	1,284	1,367
Visitor Spending by Type of Traveler Accommodation (\$Million)							
Hotel, Motel	416	687	704	714	742	786	847
Private Campground	18	23	23	23	24	26	26
Public Campground	14	16	16	16	17	18	18
Private Home	88	114	111	112	115	119	124
Vacation Home	22	27	29	29	30	31	32
Day Travel	201	290	273	274	282	294	307
Spending at Destination	760	1,158	1,157	1,168	1,209	1,272	1,355
Visitor Spending by Commodity Purchased (\$Million)							
Accommodations	144	241	253	260	268	281	308
Food & Beverage Services	209	304	303	313	324	344	363
Food Stores	25	36	36	37	38	40	41
Ground Tran. & Motor Fuel	61	96	89	84	101	119	142
Arts, Entertainment & Recreation	120	182	181	184	189	196	200
Retail Sales	197	295	291	287	286	290	296
Air Transportation (visitor only)	4	4	4	4	4	4	4
Spending at Destination	760	1,158	1,157	1,168	1,209	1,272	1,355
Industry Earnings Generated by Travel Spending (\$Million)							
Accommodations & Food Service	145	235	235	248	262	276	291
Arts, Entertainment & Recreation	55	84	83	84	86	90	93
Retail	31	42	45	45	45	46	47
Auto Rental & Ground Tran.	1	3	3	3	3	3	3
Air Transportation (visitor only)	3	3	4	3	3	3	3
Other Travel	7	8	8	8	7	8	7
Total Direct Earnings	242	374	378	391	407	427	444
Industry Employment Generated by Travel Spending (Thousand Jobs)							
Accommodations & Food Service	7.6	10.3	9.8	9.8	10.0	10.2	10.3
Arts, Entertainment & Recreation	3.0	3.8	3.6	3.5	3.5	3.7	3.9
Retail	1.5	1.7	1.7	1.6	1.5	1.6	1.6
Auto Rental & Ground Tran.	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Air Transportation (visitor only)	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other Travel	0.3	0.3	0.2	0.2	0.2	0.2	0.2
Total Direct Employment	12.6	16.2	15.5	15.2	15.5	15.8	16.2
Tax Receipts Generated by Travel Spending (\$Million)							
Local Tax Receipts	18	31	31	32	35	36	39
State Tax Receipts	31	47	45	47	48	51	54
Total Direct Tax Receipts	50	77	76	79	83	87	93

Source: The CA Division of Tourism



Company and Ticker Listing	
Applied Material	APM *
Benton Oil	BNO *
Big Dog	BDOG
Calavo Growers	CVGW
CKE Restaurants	CKR
Community West Bank	CWBC
Computer Motion, Inc.	RBOT *
Deckers Outdoor Company	DECK
EarthShell Corp	ERTH.OB
Expertelligence	EXPG.PK *
Fidelity National Informa Financials	FNIS *
Greka Energy	GRKA *
Harrington West Financial Group Inc	HWFG
INAMED	IMDC *
Mentor Corporation	MNT
Mirivant Medical Technologies	MRVT.PK
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: UC Santa Barbara 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

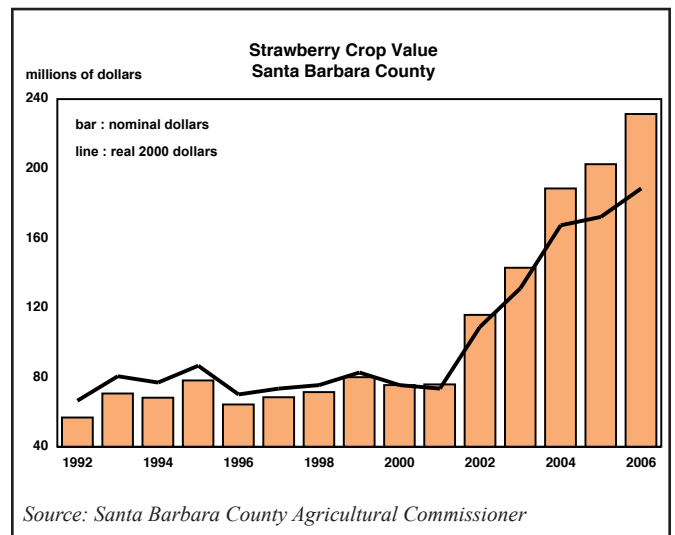
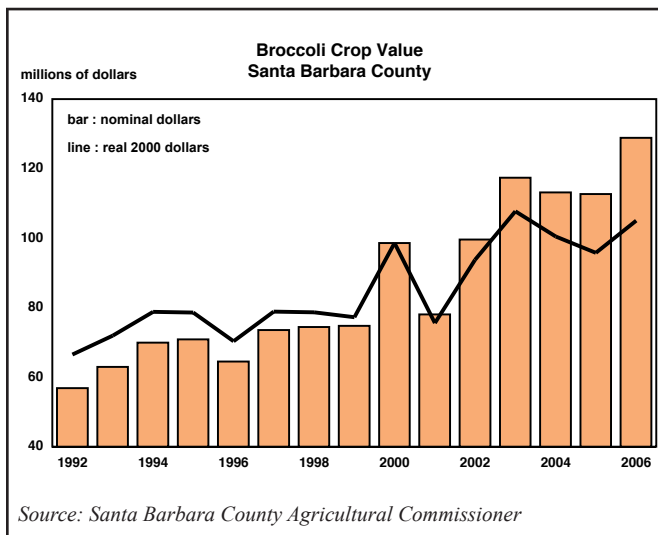
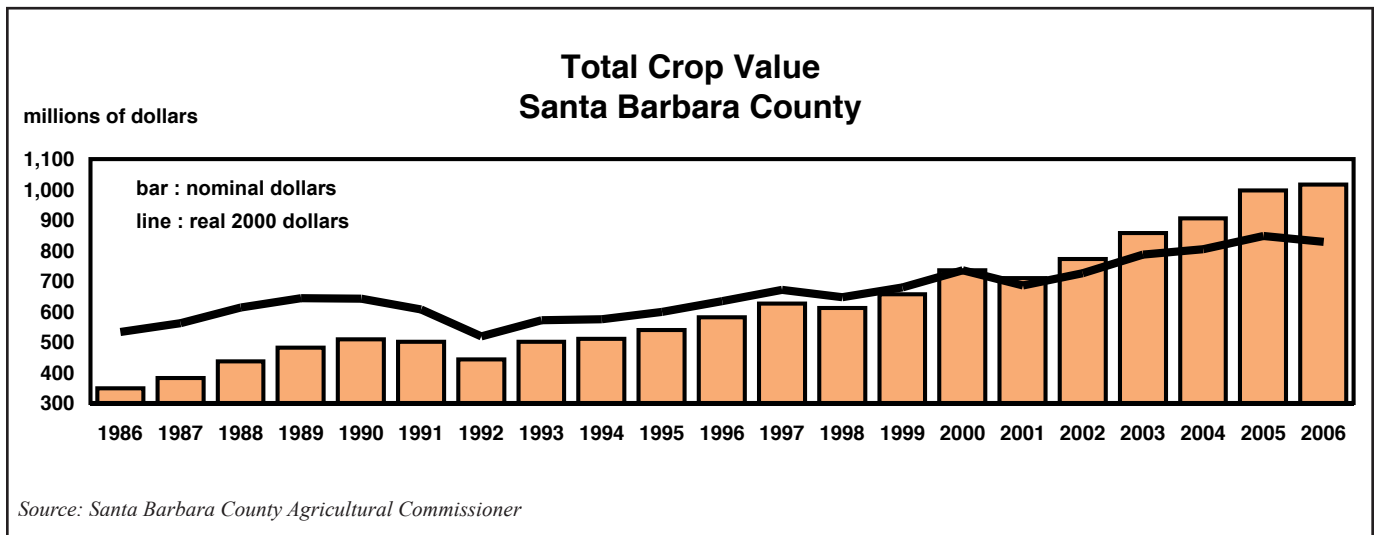
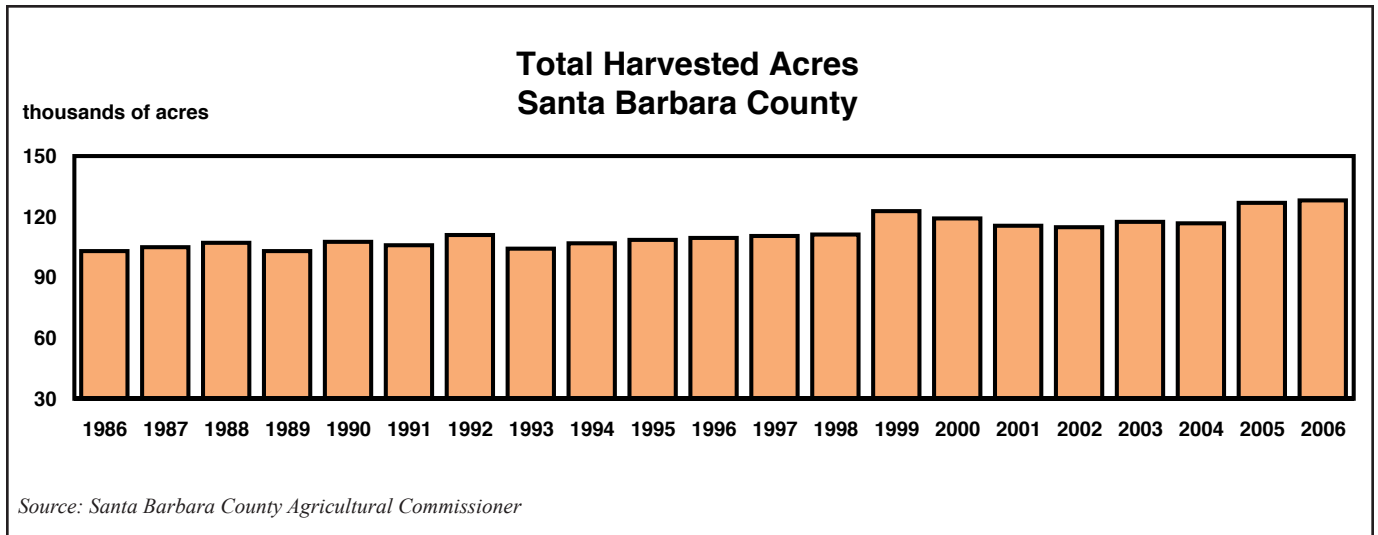
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Total Crop Value (\$Millions)	581.6	626.0	611.9	657.0	735.0	709.1	771.7	858.0	905.4	997.6	1,016.7
percent change	7.8	7.6	-2.3	7.4	11.9	-3.5	8.8	11.2	5.5	10.2	1.9
Real Total Crop Value (2000 \$Millions)	634.1	671.2	646.9	678.6	735.0	686.1	726.4	787.3	803.9	847.9	828.8
percent change	6.0	5.9	-3.6	4.9	8.3	-6.7	5.9	8.4	2.1	5.5	-2.3
Total Agricultural Acreage (000s of acres)											
Total Agricultural Acreage (000s of acres)	713	714	714	726	714	711	710	712	712	722	723
Total Harvested Acreage (000s of acres)	110	111	111	123	119	115	115	117	117	127	128
Pasture Acreage (000s of acres)	604	604	603	603	595	595	595	595	595	595	595
Earnings per Harvested Acre (\$)	5,310	5,663	5,498	5,347	6,162	6,143	6,727	7,304	7,757	7,869	7,935
Real Earnings per Harvested Acre (2000 \$)	5,789	6,072	5,813	5,523	6,162	5,944	6,333	6,702	6,887	6,689	6,468
Employment in Agriculture (Jobs)											
Employment in Agriculture (Jobs)	14,642	14,733	13,833	15,258	14,850	13,758	14,233	16,183	16,008	16,250	15,458
Average Salary in Agriculture (\$ per worker)	15,019	15,810	16,926	17,412	18,069	20,588	21,085	20,064	21,070	20,734	21,213
Real Average Salary in Agriculture (2000 \$ per worker)	16,373	16,953	17,895	17,986	18,069	19,919	19,848	18,410	18,709	17,623	17,293
Number of Farm Proprietors											
Number of Farm Proprietors	1,630	1,628	1,692	1,682	1,658	1,528	1,528	1,469	1,442	1,462	1,422
Farm Proprietor Income (\$Millions)	134.4	160.8	150.1	167.8	151.4	68.3	159.0	242.4	211.3	224.3	236.9

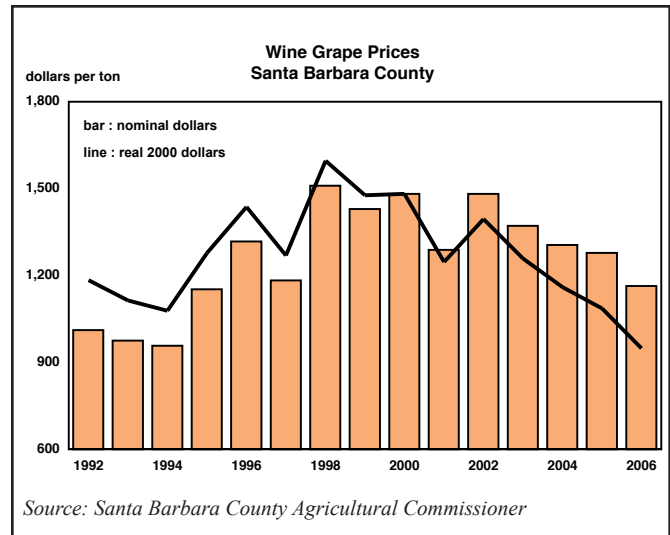
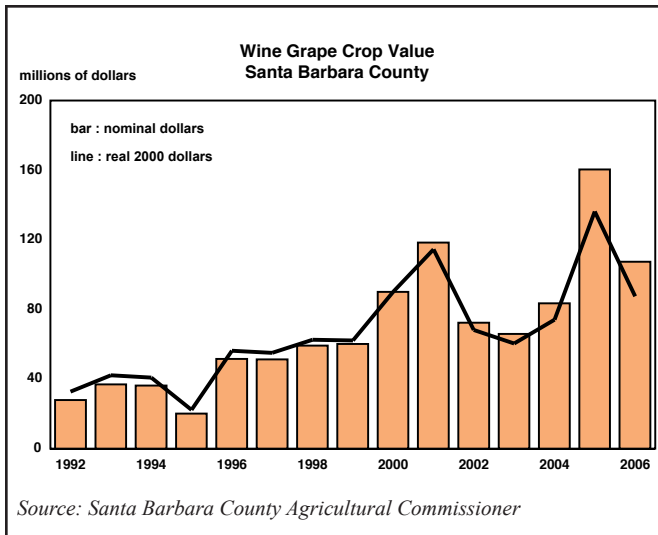
Source: CA Employment Development Department, CA Department of Finance, Santa Barbara County Agricultural Commissioner

Leading Agriculture Production by Dollars Santa Barbara County

Crop	2006 ranking	2006 Value	2005 ranking	2005 Value
Strawberries	1	\$231,391,853	1	\$202,616,827
Broccoli	2	\$128,873,188	3	\$112,690,506
Wine Grapes	3	\$107,377,849	2	\$160,365,223
Head Lettuce	4	\$66,950,045	4	\$59,191,137
Celery	5	\$41,691,008	8	\$27,453,638
Avocados	6	\$40,287,927	7	\$29,017,588
Cauliflower	7	\$37,415,108	5	\$39,288,326
Leaf Lettuce	8	\$26,851,912	9	\$23,976,443
Cattle	9	\$26,603,797	6	\$30,791,535
Lily cut flowers	10	\$18,910,555	NA	NA

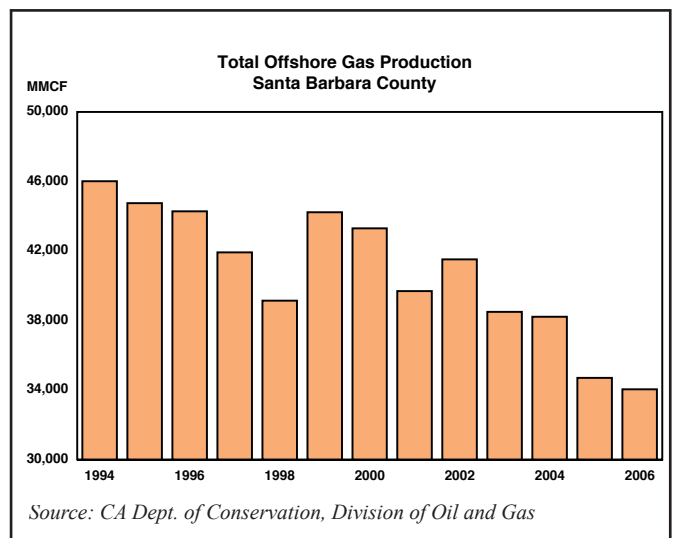
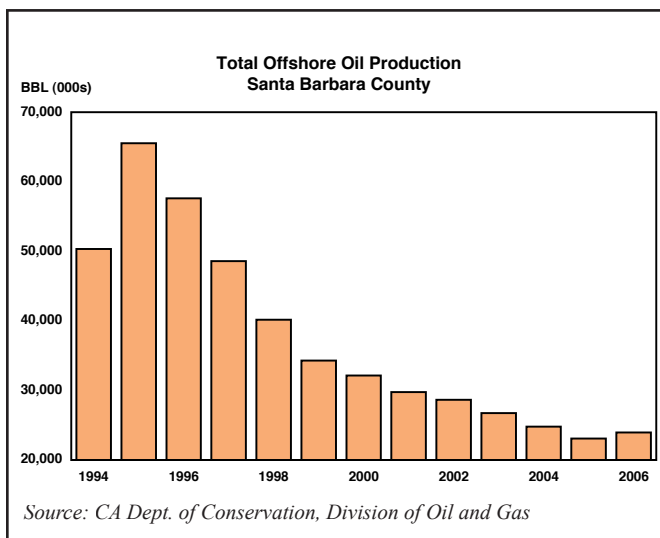
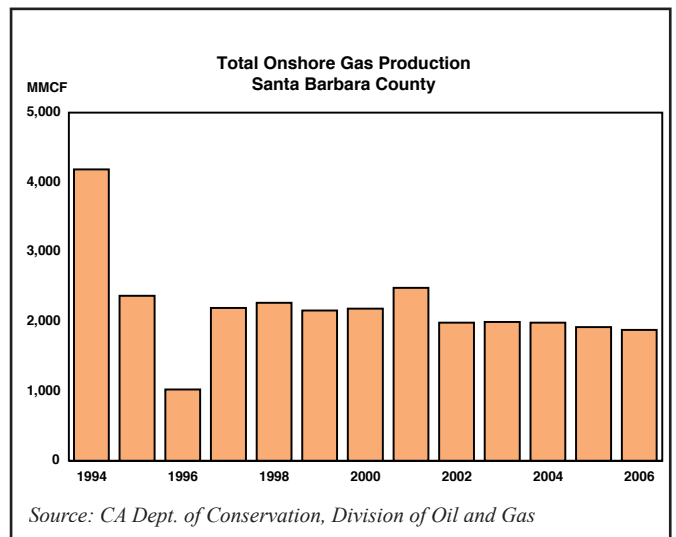
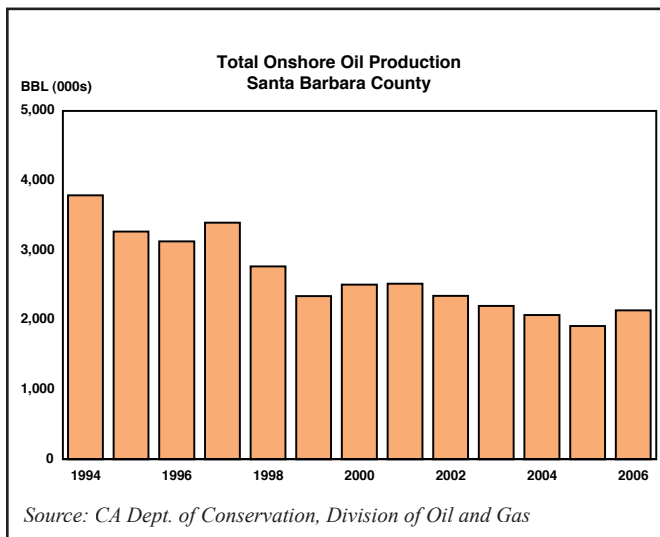
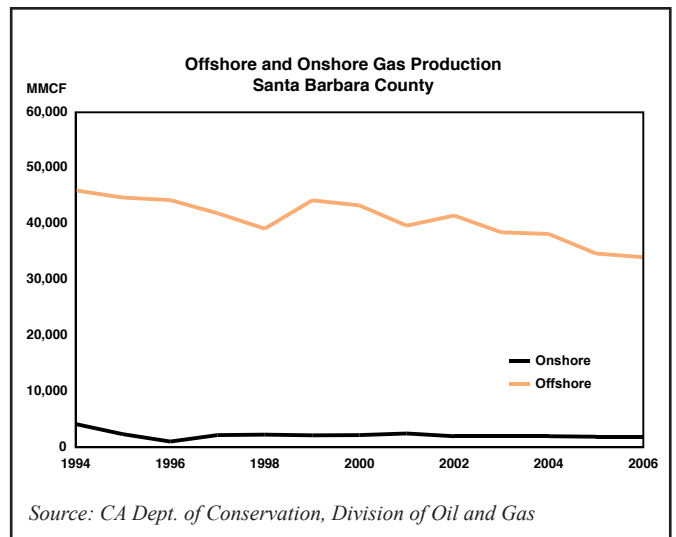
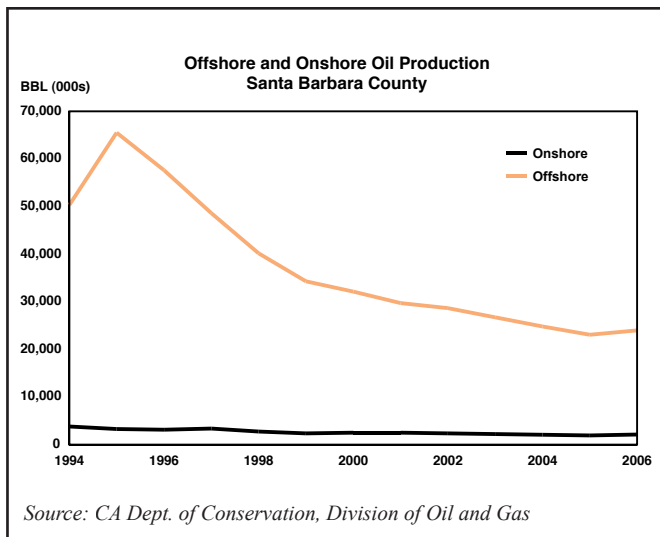
Source: Santa Barbara County Agricultural Commissioner





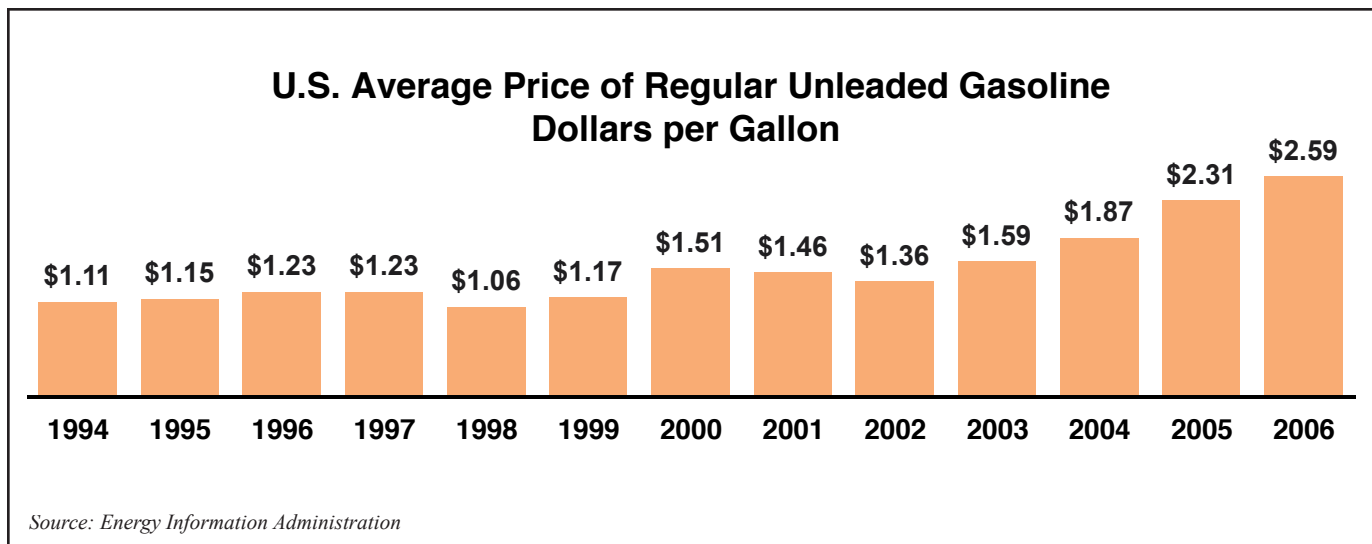
District 8* Total Grape Production and Average Wine Grape Prices					
Grape Variety	2006 Tons of Grapes Crushed	2006 Tons of Grapes Purchased	2006 Average Price (dollars per ton)	2005 Average Price (dollars per ton)	Percentage Change
Chardonnay	47,635	17,377	1,210	1,215	-0.4
Sauvignon Blanc	6,955	4,008	881	847	+4.0
Others	12,456	6,798			
Total White	67,046	28,183	1,145	1,137	+0.7
Cabernet Sauvignon	50,635	32,026	893	833	+7.2
Merlot	25,397	15,253	906	960	-5.6
Pinot Noir	12,407	5,603	2,670	2,351	+13.6
Syrah	17,316	10,487	1,214	1,035	+17.3
Zinfandel	12,668	8,890	910	701	+29.8
Others	14,139	9,568			
Total Red	132,561	81,827	1,099	977	+12.5
Total White & Red	199,607	110,010	1,111	1,015	+9.4

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											
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Ventura County											
Oil (thousands of BBL)	9,809	10,334	9,457	9,030	8,724	8,322	8,280	8,047	7,723	6,870	9,330
Gas (MMCF)	10,589	11,364	9,641	9,229	9,320	8,839	8,231	7,424	7,220	6,441	8,450
Santa Barbara County											
Oil (thousands of BBL)	3,129	3,395	2,768	2,344	2,507	2,522	2,345	2,201	2,070	1,914	2,139
Gas (MMCF)	1,022	2,196	2,269	2,157	2,183	2,485	1,983	1,994	1,984	1,919	1,881
San Luis Obispo County											
Oil (thousands of BBL)	702	644	640	686	693	717	764	718	668	642	441
Gas (MMCF) *	200	191	175	-369	-379	-119	-176	-105	-220	1	93
State of California											
Oil (millions of BBL)	262.9	264.2	263.8	254.1	253.2	243.6	241.2	232.6	224.5	214.1	208.0
Gas (BCF)	233.8	238.7	272.4	322.2	326.3	330.7	315.2	298.5	279.7	280.1	192.0
Percent of Tri-County Onshore Production to Total California Onshore Production											
Oil (%)	5.2	5.4	4.9	4.7	4.7	4.7	4.7	4.7	4.7	4.4	5.7
Gas (%)	5.1	5.8	4.4	3.4	3.4	3.4	3.2	3.1	3.2	3.0	5.4

Source: CA Dept. of Conservation, Division of Oil and Gas
 Note: BBL = barrels, MMCF = millions of cubic feet, BCF = Billions of cubic feet, Oil = oil and condensate
 * The negative production number indicates that oil & gas production operations consume more natural gas than they produce. Some operations employ gas-fueled turbines to generate both electricity and steam (also known as co-generation). The steam is used as a source of heat for enhanced recovery of oil in mature reservoirs and for processing operations. The electricity powers production and processing operations; excess may be sold to the public utility.



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

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Ventura County											
State Oil (thousands of BBL)	474	663	678	421	327	302	229	224	202	135	111
State Gas (MMCF)	397	626	614	358	274	204	158	202	242	66	127
Federal											
Federal Oil (thousands of BBL)	5,053	4,836	4,561	4,463	4,053	3,575	3,615	3,177	2,859	2,665	2,595
Federal Gas (MMCF)	4,778	4,446	4,501	4,173	3,801	3,873	4,115	3,535	3,145	2,909	2,992
Total Offshore											
Total Offshore Oil (thousands of BBL)	5,526	5,499	5,239	4,885	4,380	3,877	3,844	3,401	3,060	2,799	2,706
Total Offshore Gas (MMCF)	5,175	5,072	5,115	4,531	4,075	4,077	4,273	3,738	3,388	2,975	3,119
Santa Barbara County											
State Oil (thousands of BBL)	1,474	1,755	1,238	1,252	1,336	1,204	1,246	1,194	1,185	1,041	1,080
State Gas (MMCF)	1,018	1,450	1,291	1,398	1,736	1,798	2,071	1,262	1,775	1,994	1,800
Federal											
Federal Oil (thousands of BBL)	56,150	46,846	38,926	33,046	30,818	28,545	27,402	25,540	23,623	22,042	22,890
Federal Gas (MMCF)	43,259	40,469	37,855	42,829	41,572	37,892	39,441	37,232	36,446	32,701	32,240
Total Offshore											
Total Offshore Oil (thousands of BBL)	57,624	48,601	40,164	34,298	32,154	29,749	28,648	26,734	24,808	23,083	23,970
Total Offshore Gas (MMCF)	44,277	41,919	39,146	44,226	43,308	39,690	41,511	38,494	38,221	34,695	34,040
California											
Total Offshore Oil (thousands of BBL)	84,331	76,237	67,396	57,412	54,251	50,166	48,359	45,648	43,141	41,755	41,400
Total Offshore Gas (MMCF)	54,854	52,920	50,281	54,262	52,716	49,046	50,805	47,195	46,687	42,821	40,900
Percent of Ventura and Santa Barbara Counties Offshore Production as a percent of Total California Offshore Production											
Oil (%)	74.9	71.0	67.4	68.2	67.3	67.0	67.2	66.0	64.6	62.0	64.4
Gas (%)	90.2	88.8	88.0	89.9	89.9	89.2	90.1	89.5	89.1	88.0	90.9

Source: CA Dept. of Conservation, Division of Oil and Gas
 Note: BBL = barrels, MMCF = millions of cubic feet, Oil = Oil and Condensate

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

Field	Crude Oil (thousands of BBL)					Natural Gas (MMCF)				
	2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
Federal Leases										
Point Arguello	5,725	4,708	3,624	2,855	3,300	2,652	3,651	3,573	2,737	2,730
Hondo	8,919	7,665	7,698	6,126	5,730	24,347	21,690	21,803	18,132	16,400
Pescado	6,724	6,329	5,253	5,000	5,100	5,362	5,968	5,378	5,031	5,780
Pitas Point	2	1	1	0	0	3,080	1,798	850	684	1,060
Point Pedernales	2,244	2,328	2,387	2,541	3,010	1,074	907	877	963	1,460
Sacate	2,173	2,776	2,958	3,767	4,230	898	1,552	2,506	3,612	3,490
Sockeye	1,617	1,734	1,701	1,753	1,520	2,027	1,665	1,459	1,543	1,320
Carpinteria	712	624	519	506	525	484	422	374	384	435
Dos Cuadras	1,955	1,752	1,547	1,431	1,410	2,428	2,339	2,156	1,831	1,950
Hueneme	71	59	113	146	142	434	207	134	237	260
Santa Clara	878	742	680	582	518	769	567	482	456	347
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	0	0	0	0	0	0	0	0	0	0
South Elwood	1,246	1,194	1,185	1,041	1,080	2,071	1,262	1,775	1,994	1,800
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	95	98	97	88	67	117	147	134	36	104
Rincon	134	126	104	47	44	41	55	108	30	23
Federal Total	31,018	28,717	26,481	24,706	25,485	43,556	40,767	39,591	35,610	35,232
State Total	1,475	1,418	1,387	1,176	1,191	2,229	1,464	2,017	2,060	1,927
Ventura and Santa Barbara County Offshore Totals	32,492	30,134	27,868	25,882	26,676	45,785	42,231	41,608	37,670	37,159
California Offshore Totals	48,359	45,648	43,141	41,755	41,400	50,805	47,195	46,687	42,821	40,900
Percent of Ventura and Santa Barbara Counties Offshore Production as a percent of Total California Offshore Production										
percent	67.2	66.0	64.6	62.0	64.4	90.1	89.5	89.1	88.0	90.9

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

Note: BBL = barrels, MMCF = millions of cubic feet, Oil = Oil and Condensate

All Governmental Revenues and Expenditures Santa Barbara County											
	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Revenues (Millions of Dollars)	fiscal years										
Taxes	87.2	89.6	97.0	103.5	113.6	125.6	132.3	126.6	140.6	176.7	202.1
Property Taxes	47.8	49.3	51.6	54.8	58.2	65.9	70.0	72.4	80.4	113.1	173.8
Property Transfer Taxes	1.3	1.6	2.2	2.6	3.1	3.0	3.4	2.6	4.4	5.0	4.5
Sales Taxes	7.8	6.9	8.6	8.9	10.8	12.2	11.3	8.9	9.1	7.0	7.8
Transient Occupancy Taxes	3.5	3.9	4.2	4.6	5.1	6.5	5.9	4.4	5.4	4.8	5.6
Other Taxes	26.7	27.9	30.4	32.6	36.3	38.0	41.7	38.3	41.3	46.8	10.4
Licensing & Permits	7.3	7.9	8.9	10.1	10.3	12.4	13.5	12.3	14.4	13.7	14.1
Fines & Penalties	7.1	6.3	7.9	9.1	8.3	8.1	10.8	12.2	9.6	9.7	12.0
Use of Money & Property	10.8	10.8	13.0	10.4	10.3	18.5	14.0	10.7	5.5	9.5	10.8
Inter-Governmental	199.7	193.5	194.2	221.0	233.5	252.9	270.4	260.8	260.6	253.1	263.0
Charges for Current Services	66.5	71.8	77.2	85.8	95.9	101.9	117.5	117.1	123.7	134.3	134.7
Other Revenues	11.6	12.0	11.8	11.7	17.8	11.2	16.8	13.5	13.1	15.8	15.3
Total Revenues	390.1	392.0	410.1	451.7	489.7	530.5	575.3	553.1	567.5	612.8	652.0
Expenditures (Millions of Dollars)											
General	30.9	34.2	35.9	39.4	43.3	47.1	59.9	58.4	59.2	55.3	53.4
Public Protection	146.6	145.9	158.0	165.8	176.1	186.1	200.9	210.0	221.7	235.0	242.8
Public Ways & Facilities	17.4	21.4	26.6	29.1	27.2	30.8	43.8	36.7	24.4	32.5	31.9
Health Services	64.8	72.1	75.4	81.2	87.3	103.8	106.8	110.4	117.3	130.2	139.1
Public Assistance	89.8	85.5	84.2	94.7	94.9	100.0	104.7	105.9	105.2	107.4	116.9
Education	1.9	2.3	2.1	2.2	2.4	2.5	2.7	2.6	2.8	2.7	2.8
Debt Services	13.5	10.7	10.7	10.0	9.4	9.5	8.7	9.2	9.6	10.0	11.3
Other Expenditures	13.5	10.7	10.7	10.0	9.4	9.5	8.7	9.2	9.6	10.0	42.5
Total Expenditures	365.0	372.0	393.0	422.3	440.6	479.8	527.4	533.4	540.2	573.1	629.4
Surplus or Deficit	25.1	20.0	17.1	29.3	49.2	50.8	47.9	19.7	27.3	39.7	22.6

Source: County of Santa Barbara

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
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	50,430	10,558	46,529	21,142	39,510	35,575	42,159
2004	3,783	54,250	10,383	47,948	21,700	39,220	35,867	42,575
2005	3,758	57,028	10,425	48,389	22,200	40,609	36,383	43,887
2006	3,717	56,510	10,308	49,619	22,017	41,436	36,042	44,631

Source: CA Employment Development Department

Largest Property Tax Payers - Santa Barbara County Fiscal Year 2006-07

Rank	Owner Name	Total Tax		Total Values
		Dollars		
1	Exxon Corporation	3,748,788		365,634,230
2	Verizon California Inc.	2,315,024		212,920,853
3	Southern California Gas Company	1,708,587		159,358,111
4	1260 Bb Property, Llc	1,498,431		132,000,000
5	Ht-Santa Barbara Inc	1,378,866		130,000,000
6	Raytheon Company	1,306,012		122,281,860
7	Pacific Offshore Pipeline Co	1,185,287		115,637,710
8	Southern California Edison Co.	1,172,386		108,233,398
9	Sp Maravilla Llc	1,116,135		102,628,140
10	Fairway Bb Property, Llc	1,095,985		107,779,665
11	Mcdonnell Douglas Corporation	1,073,262		102,084,210
12	Lockheed Martin Astronautics	995,970		94,732,504
13	Beringer Wine Estates Company	968,692		88,249,825
14	Redevelopment Agency/Santa Barbara	924,723		88,987,245
15	Pacific Gas & Electric Co.	902,664		83,317,824
16	Tara li, Llc	872,202		85,676,636
17	Parker Fess Doubletree Hotel	785,543		76,330,414
18	Marsupial Properties, Llc	705,343		68,886,809
19	Jackson Family Estates li Llc	688,298		63,356,456
20	Sperling, Peter V	632,035		61,815,238
21	Breitburn Energy Company, Lp	603,680		55,138,000
22	New Albertson'S, Inc	585,185		54,871,772
23	Camino Real li Limited Liability Company	566,179		50,226,840
24	Patterson Apartments Lp	509,628		14,853,319
25	Rice Ranch Ventures, Llc	502,563		45,900,000
26	Plains Exploration & Production	494,470		45,551,473
27	Kelly, Brian J 1998 Revocable Trust 2/11	481,530		51,321,870
28	Boeing Company	476,759		45,347,346
29	Tropicana Gardens Ag Borrower Llc	470,190		41,271,300
30	I V Investments, L P	462,118		43,240,824
31	Pini, Dario L	453,235		42,398,372
32	Miramar Bb Property, Llc	436,376		42,523,800
33	Nettleship Patricia S Trustee	434,308		42,261,736
34	Islay Investments	418,965		27,884,177
35	Mcc Bb Property, Llc	409,233		39,673,820
36	Nassau Land Company Lp	408,299		38,277,067
37	Colombo, Paul	399,724		40,230,181
38	Venoco, Inc	394,648		38,320,085
39	Santa Maria Partners, Llc	390,156		31,212,951
40	Pacific Oaks, Lp	388,972		32,599,440
41	Ire-Sb Inc	387,695		37,235,173
42	University Business Center Associates	383,007		35,581,739
43	Okonite Company Inc	377,537		35,372,410
44	Essex Portfolio, Lp	371,155		28,371,861
45	Santa Barbara Cottage Hospital Foundatio	367,973		34,292,133
46	Spaceport Systems International Lp	344,960		32,811,171
47	Ampersand Publishing, Llc	344,362		32,739,390
48	Qad Ortega Hill Llc	337,359		32,328,180
49	Rockbridge Investments, L P	335,681		31,940,736
50	Windscape Village Llc	325,270		28,429,447

Source: County of Santa Barbara



REAL ESTATE

RESIDENTIAL REAL ESTATE

Santa Barbara County's residential real estate market slowed considerably in 2006. The slowdown was reflected in all aspects of the market: sales plummeted, price growth halted, and new housing production declined. Given this market, it is notable that existing single-family median home prices held steady. We expect that housing sales will slowly pick up in 2008, and that home prices will remain flat.

We view these market changes as a return to a more normal market. The housing market was overheated during the 2000 to 2005 period. That performance will not likely be matched again anytime soon. We point out that (so far) this is not a "bubble bursting." A bubble is an over-priced asset. When a bubble bursts, the price of real estate falls significantly. This has not happened in Santa Barbara County.

Many of the fundamentals for residential real estate remain solid: these include relatively low long-term interest rates, a good economy, historically low new-housing production for the past 15 years, and sustained household-

sector wealth creation. Apartment market rental rates are now experiencing stronger growth than has occurred since 2003.

Recent Evidence

California's 2006 existing single-family sales volumes were down 24 percent, and Santa Barbara County's volumes were down 23 percent. Santa Barbara County's 2006 existing single-family median home prices remained firm; they were up 6.6 percent. California's 2006 existing single-family median home prices were also up, by 6.4 percent.

Median home price growth rates slowed significantly across

all Santa Barbara cities in 2006. In the South Coast, using MLS data, most city-level markets experienced declines in prices in 2006. One exception is Montecito, which experienced a 10-percent increase in single-family median home prices. The median home price data are significantly affected by changes in the composition of sales. If higher-end homes are a larger proportion of sales in a time period, the median home price will grow. For all of the South Coast, 2006 single-family median home prices were up by 5.4 percent. Yet despite this growth in price, all of the South Coast sub-markets except Goleta

South experienced a decline in sales volumes in 2006. For the South Coast as a whole, 2006 single-family sales were down by 15 percent.

In North Santa Barbara County city markets, 2006 housing sales fell 37 percent in Lompoc and 43 percent in Santa Maria, while in the Santa Ynez Valley, 2006 housing sales fell by about 40 percent in Solvang and in Santa Ynez Township, but rose six percent in Buellton. In North Santa Barbara County and the Santa Ynez Valley, median home prices increased in each area, by one to three percent, except Solvang where they fell by less than one percent.

Building Activity

Santa Barbara County granted 850 new housing construction permits in 2006, a 10-year low. This is a very low rate of new housing production, about two

new homes per thousand people. It is also the lowest new-home production rate in the Tri-Counties. The 10-year high (2002) was double the 2006 rate at four homes per thousand people.

“Santa Barbara County’s 2006 existing single-family median home prices remained firm; they were up 6.6 percent. California’s 2006 existing single-family median home prices were also up, by 6.4 percent.”

INTEREST RATES

The U.S. Federal Reserve System Board of Governors (FED) has paused in its program of interest rate increases, leaving the Federal Funds Target rate at 5.25 percent. This is from a recent low of one percent in June 2004. In just over two years (27 months), the Target was raised 425 basis points. The interest rate increase program appears to have dampened the enthusiasm of those who were investing in residential real estate.

The FED is currently holding short-term interest rates steady. The Board is stalemated between killing economic growth if they raise rates and fueling inflation if they ease rates. This stalemate would seem to indicate

that the current value of 5.25 percent for the Federal Funds Rate will hold throughout 2007 and into 2008. The 30-year Fixed Mortgage

Rate will rise by only 25 basis points in 2007.

As we have previously noted, long-term interest rates are only slightly affected by FED policy actions that target short-term interest rates. The dominant factor driving long-term interest rates is the demand for long-term bonds, especially United States Treasury securities. Domestic and foreign demand for long-term bonds has declined a bit from a year ago, but it remains strong. We expect that this demand will diminish, but only gradually over the next few years.

WHERE IS THE HIGH END REAL ESTATE MARKET IN THE SPRING OF 2007?

Gary Goldberg, Coastal Properties

Now, that is the question. Where is the market today? What surprises most people is “where” they think the market is, is usually behind reality. What I mean by this is that when markets shift from seller’s markets to neutral market to buyers markets, or fluctuate in between the three markets, most buyers or sellers are really behind the shift/change in the market by many months. Why? The market is actually changing monthly, but the public does not typically see the difference until houses actually close escrow (e.g. a property may go into escrow and not close for a month or two, and the press reports the closing only, they do not know when or how properties are going into escrow). In other words, Realtors watch the market change and the public tends to follow months later. For this simple reason, I always recommend buyers and sellers use Realtors when handling their real estate transactions.

I said the exact same thing this time last year that I am saying now. Well, it’s even truer today than last year. How about answering the question, where is the market today? In Santa Barbara, where we have so many

sub-markets (based upon price ranges) within our entire market, one has to look at the various price ranges to truly see where the market is. The high-end market, (\$5,000,000 and up), is absolutely on fire. We have had a sale over \$100,000,000 this year and an ocean front sale in Carpinteria at \$70,000,000 and some of the property that makes up this latter sale was not even on the market when it was purchased. On top of these “out-of-the-atmosphere” sales, we also had 7 sales over \$10,000,000 this year and its only April. And if you just look at the number of sales above \$5,000,000 and below \$10,000,000 a total of 11 closed just this year – there is shock again ... 11. Yes, the high end is absolutely crazy lately. And, as is the case of most high end buyers, most of these purchases are all cash.

Now, let’s take a look at \$2,000,000 to \$5,000,000 market. Where is this market? ... it is a neutral market. That means it is neither a seller’s nor a buyer’s market. So it is this price range, if both buyers and sellers are willing to negotiate, and the seller sets realistic prices, a deal will be made. And, this year there has been a

large number of sales between \$2,000,000 and \$5,000,000. But, when a seller sets an unrealistic asking price, and keeps their head in the 2000-2005 markets, their homes will sit on the market for quite some time.

For the rest of the market, below \$2,000,000, it is starting to feel like the buyers and sellers are all willing to deal and reach agreements. The key factor here is that sellers are starting to understand the importance of pricing, and buyers are feeling like prices are fair. On top of that, the interest rates are still very, very low and banks are competing for lending business. This has enabled buyers to obtain good financing, unless it was with a sub-prime lender or 1000/0 financing, tied to adjustable interest rates. In this second category, there are lots of problems.

THE SANTA BARBARA COUNTY RESIDENTIAL INCOME MARKET?

Steve Golis, Radius Group

South County - 2006 Review and 2007 Forecast

2006 saw a shift in transaction activity from the North County back to the South Coast. Nearly all the major deals of 2006 took place in the cities of Santa Barbara, Goleta, and Isla Vista. Overall, the South Coast continues to be very active but prices have remained relatively unchanged since 2005. Currently the South County has a greater supply of properties for sale than in previous years as sellers hope to capitalize on the tremendous appreciation from the past 5 years. This increased supply has had very little effect on prices though, as buyers still outnumber sellers and property and market fundamentals are still good. Contributing factors to these strong fundamentals include high barriers to entry for developers of new multiple-unit properties, very low vacancy rates, increasing rental rates, and historically low interest rates.

Rents in the South County have been exceptionally strong with 2006 showing 5 to 7 percent increases across all South County sub-markets. These strong increases stem directly from the

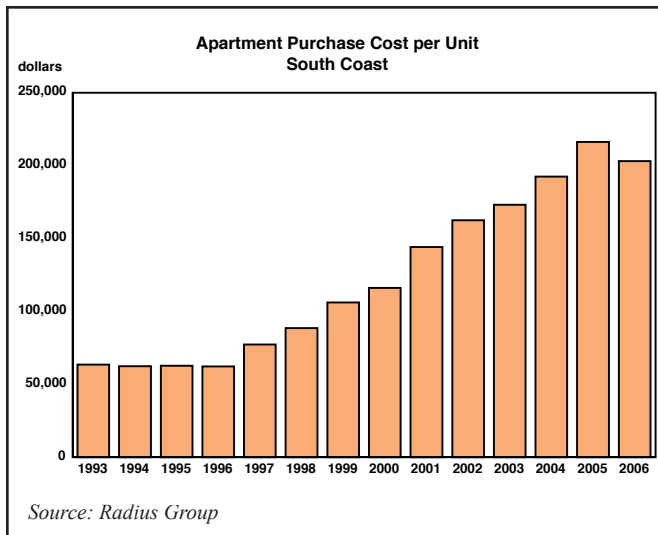
increased demand for affordable housing by South Coast residents that have been priced out of the residential market. With little if any new rental units coming on the market, we are in an environment where too many people are chasing after too few available rentals and therefore driving up the rents. Vacancy rates less than 3 percent are the norm throughout most of the South and North County.

Currently interest rates are still in the low ranges for apartment properties over 5 plus units though not at the historic lows we previously saw. The 10-year Treasury rates are at approximately 4.6 percent as of early April 2007 which puts interest rates in the mid to high 6 percent range for at least 5-year fixed rate money. Though interest rates did move up during 2006, we are now back to rates only slightly higher than this time last year.

The combination of slightly higher interest rates and increased supply have put slight downward pressure on prices and Gross Rent Multipliers, (GRMs), and have resulted in slightly higher capitalization rates in 2006 compared with 2005. In terms of raw data, the 2005 price per unit, (PPU), for 5 to 9 unit buildings was \$240,435 ver-

sus a 2006 PPU of \$235,690. This amounts to a 2 percent decrease which is really insignificant. The 2005 price per unit for 10+ unit buildings was \$216,260 versus a 2006 PPU of \$203,073. This is a 6 percent decrease which is still relatively insignificant. With regards to Gross Rent Multipliers, 2006 figures for both 5 to 9-unit buildings and 10+ unit buildings were about 10 percent less than 2005's with 5 to 9 unit GRMs in 2006 being 14.82 versus 16.40 in 2005 and 10+ Units coming in at 13.88 in 2006 versus 15.35 in 2005. Inversely, capitalization rates showed an increasing trend of about 10 percent for the 10+ unit buildings but were basically flat for 5 to 9 unit buildings.

Even though the data points to a flattening in the appreciation of apartments in 2006, the low vacancy rates and increasing rents as well as the still low interest rate environment has resulted in a large pool of buyers, (though fewer buyers than in the two previous years), still seeking to purchase apartment buildings. This should continue to sustain a seller's market for the remainder of 2007 as long as interest rates remain low.



Short term forecast for 2007 for the South County

- Average sales for 2006 for 5 to 9 unit buildings were \$235,690 per unit and \$203,073 for 10+ unit buildings. We should see the average price per unit remain relatively flat for the remainder of 2007.
- Cap Rates of sales will be in the high 4's to low 5's. However, this will change if interest rates go up. Average CAP rates in 2006 were 3.93% for 5 to 9 unit buildings and 4.43% for 10+ unit buildings.
- Gross Rent Multipliers will stay in the range for 10 plus units of 12.00 – 14.00. This also will change if interest rates go up. The average GRM in 2006 was 14.82 for 5 to 9 unit buildings and 13.88

for 10+ unit buildings.

Look for 2007 to continue to be a robust year for sales in the South County with available inventories being absorbed by the strong demand from apartment buyers.

If interest rates move higher we may start to see a shift away from our current seller's market which will afford buyers more choices.

North County – 2006 Review and 2007 Forecast

The North County, in particular the Lompoc Valley and Santa Maria, saw a significant slowdown in multiple-family transactions in 2006 from previous years. There were only 3 recorded sales that we are aware of for complexes with 5 or more units and a single sale of a property with greater than 20 units, (which was in Solvang, not Santa Maria or Lompoc). In 2005 we saw significant sales of large buildings in Lompoc and Santa Maria, however, those were non-existent in 2006. These numbers were a continuation of a trend that

we began to see in the second half of 2005 but that we anticipate to reverse in 2007.

Rents in the first half of 2006 showed signs of softening in Santa Maria and actually decreased in Lompoc as the single family rentals that speculators purchased in previous years got absorbed and as gas prices made the lower rent benefits evaporate for many commuters. Rents showed a 5 to 7 percent increase in the second half of 2006 in Santa Maria while rents in Lompoc stabilized. For example, two bedroom units in Santa Maria were renting in 2005 for approximately \$825. At this time, rents on those same units are \$895, with vacancy stabilized at 3 to 4 percent. We forecast that 2007 will experience an increase in rents in both Santa Maria and Lompoc but with the highest percentage change being in Santa Maria.

With the media ablaze in 2005 and early 2006 with doom and gloom reports of an impending crash in the real estate markets and with the Federal Reserve raising the Fed's Fund rate 17 consecutive times between June 2004 and June 2006, investors in multi-family properties kept their check books closed and opted to take a wait-and-see approach in 2006. With a majority

of all larger transactions in the North County originating from South County and institutional investors in past years, we were not surprised to see the North County activity slow as these investors held off on making any new acquisitions in 2006. For those investors that did acquire new assets, many chose to keep their money in the South County as the perceived risk seems to be lower. We are already seeing a shift in 2007 with an increase in activity in the North County as investor sentiment and property fundamentals improve. Already one large sale has occurred in the North County with the sale of the 117-unit Parke Orcutt Apartments for \$23.9 million and a 22-unit property that is slated to close in early April.

2007 will see two very important changes from the previous year that we think point to a turnaround in North Santa Barbara County. The first is a positive

increase in investor sentiment for multifamily real estate. After only a slight softening in the market rather than a full blown crash as anticipated and with the Federal Reserve keeping the Federal Funds rate steady (with many anticipating them to drop the rate in 2007), we expect investors attitudes to improve. The second important change will come from the fact that even though the for-sale housing and condo market has seen a major slowdown, the population and job growth in the North County continue to grow and eclipse that of the South County. This means that the region's multifamily market is poised for a positive increase in occupancy and rents.

North County Short Term Forecast for 2007

- Price per unit averages for 10+ unit buildings will stay at or near \$115,000 per unit the

remainder of this year in Santa Maria while Lompoc should see averages closer to \$100,000 per unit. Smaller buildings, (2 to 4 units), will continue to sell between \$135,000 and \$185,000 per unit.

- Cap Rates will remain in a range of 5.0 to 6.0 percent, depending on the condition and quantity of units.
- The Gross rent multiplier will stay at or near 10.5 to 12.25 times Gross.
- Rents in Santa Maria will increase by another 5 to 7 percent. Rents in Lompoc will see only modest gains, (after suffering losses in 2006), of between 3 to 5 percent. This would essentially bring Lompoc rents back to 2005 levels.
- After decreasing in 2006, 2007 occupancy rates will increase in both Lompoc and Santa Maria, with Santa Maria showing more strength.

**Multi-Family Housing Rent Survey
Current Survey Data - April 2007**

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	457	405 sq ft	\$700	\$1,970	\$917
Minimum Property Size: 5 Units	1 Bedroom	2,921	587 sq ft	\$800	\$1,800	\$1,160
Maximum Property Size: 183 Units	2 Bedroom	1,595	873 sq ft	\$975	\$2,700	\$1,708
Average Property Age: 40 Years	3 Bedroom	167	1,265 sq ft	\$1,550	\$3,000	\$2,135
Weighted Average Vacancy Rate: 2.26%	Overall	5,140	682 sq ft	\$700	\$3,000	\$1,340

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	123	456 sq ft	\$700	\$1,970	\$937
Minimum Property Size: 8 Units	1 Bedroom	1,442	581 sq ft	\$860	\$1,800	\$1,174
Maximum Property Size: 168 Units	2 Bedroom	685	933 sq ft	\$1,000	\$2,500	\$1,644
Average Property Age: 44 Years	3 Bedroom	84	1,471 sq ft	\$1,675	\$3,000	\$2,225
Weighted Average Vacancy Rate: 1.56%	Overall	2,334	710 sq ft	\$700	\$3,000	\$1,337

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	61	450 sq ft	\$900	\$1,085	\$937
Minimum Property Size: 12 Units	1 Bedroom	654	588 sq ft	\$910	\$1,490	\$1,163
Maximum Property Size: 183 Units	2 Bedroom	404	837 sq ft	\$1,165	\$2,010	\$1,598
Average Property Age: 36 Years	3 Bedroom	81	1,054 sq ft	\$1,550	\$2,305	\$2,052
Weighted Average Vacancy Rate: 2.03%	Overall	1,200	696 sq ft	\$900	\$2,305	\$1,358

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	\$825	\$1,115	\$881
Minimum Property Size: 14 Units	1 Bedroom	688	594 sq ft	\$975	\$1,350	\$1,137
Maximum Property Size: 170 Units	2 Bedroom	412	839 sq ft	\$1,485	\$2,700	\$1,989
Average Property Age: 37 Years	3 Bedroom	0	n/a	n/a	n/a	n/a
Weighted Average Vacancy Rate: 1.07%	Overall	1,300	638 sq ft	\$825	\$2,700	\$1,367

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	\$967
Minimum Property Size: 5 Units	1 Bedroom	137	601 sq ft	\$800	\$1,575	\$1,130
Maximum Property Size: 78 Units	2 Bedroom	94	749 sq ft	\$975	\$1,800	\$1,422
Average Property Age: 37 Years	3 Bedroom	2	1,175 sq ft	\$1,600	\$1,800	\$1,700
Weighted Average Vacancy Rate: 6.83%	Overall	306	595 sq ft	\$800	\$1,800	\$1,184

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-05	Oct-05	Apr-06	Oct-06	Apr-07	Apr-05	Oct-05	Apr-06	Oct-06	Apr-07
Studio	\$861	\$881	\$897	\$911	\$917	\$2.19	\$2.25	\$2.29	\$2.30	\$2.31
1 Bedroom	\$1,065	\$1,089	\$1,122	\$1,132	\$1,160	\$1.84	\$1.88	\$1.94	\$1.97	\$2.01
2 Bedroom	\$1,582	\$1,616	\$1,651	\$1,663	\$1,708	\$1.84	\$1.88	\$1.92	\$1.94	\$1.99
3 Bedroom	\$2,022	\$2,057	\$2,081	\$2,094	\$2,135	\$1.65	\$1.68	\$1.70	\$1.71	\$1.74
Overall	\$1,237	\$1,264	\$1,295	\$1,308	\$1,340	\$1.87	\$1.91	\$1.96	\$1.98	\$2.02
Weighted Average Vacancy Rate for Dates Indicated Above:						2.25%	1.60%	1.34%	1.41%	2.26%

City of Santa Barbara Market Area

Unit Type	Average Monthly Rent in \$					Average Monthly Rent in \$ per Sq. Ft.				
	Apr-05	Oct-05	Apr-06	Oct-06	Apr-07	Apr-05	Oct-05	Apr-06	Oct-06	Apr-07
Studio	\$880	\$883	\$903	\$924	\$937	\$2.09	\$2.09	\$2.15	\$2.05	\$2.08
1 Bedroom	\$1,067	\$1,105	\$1,134	\$1,145	\$1,174	\$1.86	\$1.93	\$1.98	\$2.03	\$2.08
2 Bedroom	\$1,568	\$1,582	\$1,585	\$1,596	\$1,644	\$1.72	\$1.74	\$1.74	\$1.76	\$1.81
3 Bedroom	\$2,082	\$2,113	\$2,149	\$2,151	\$2,225	\$1.43	\$1.45	\$1.48	\$1.48	\$1.53
Overall	\$1,237	\$1,265	\$1,285	\$1,302	\$1,337	\$1.82	\$1.87	\$1.91	\$1.93	\$1.98
Weighted Average Vacancy Rate for Dates Indicated Above:						1.90%	0.58%	0.68%	0.87%	1.56%

Goleta Valley Market Area

Unit Type	Average Monthly Rent in \$					Average Monthly Rent in \$ per Sq. Ft.				
	Apr-05	Oct-05	Apr-06	Oct-06	Apr-07	Apr-05	Oct-05	Apr-06	Oct-06	Apr-07
Studio	\$909	\$934	\$936	\$936	\$937	\$2.03	\$2.09	\$2.10	\$2.10	\$2.10
1 Bedroom	\$1,083	\$1,097	\$1,132	\$1,141	\$1,163	\$1.87	\$1.89	\$1.93	\$1.95	\$1.99
2 Bedroom	\$1,520	\$1,528	\$1,552	\$1,573	\$1,598	\$1.85	\$1.86	\$1.87	\$1.89	\$1.92
3 Bedroom	\$1,971	\$2,011	\$2,020	\$2,045	\$2,052	\$1.88	\$1.91	\$1.92	\$1.95	\$1.95
Overall	\$1,281	\$1,295	\$1,323	\$1,337	\$1,358	\$1.87	\$1.89	\$1.92	\$1.94	\$1.97
Weighted Average Vacancy Rate for Dates Indicated Above:						3.99%	1.60%	1.35%	1.31%	2.03%

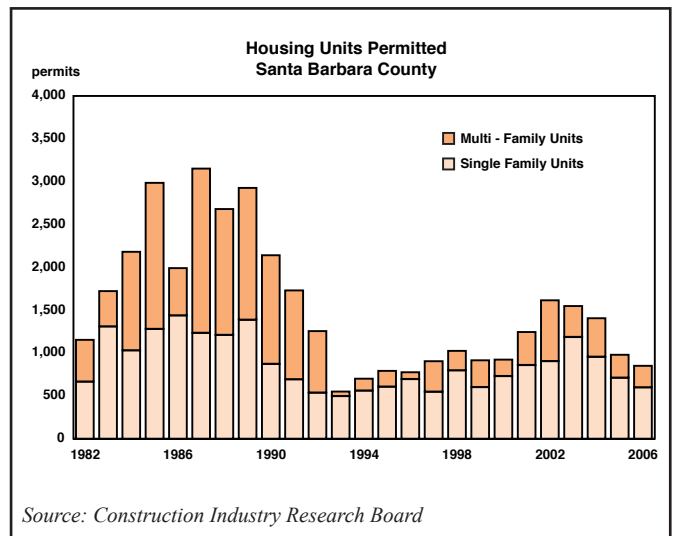
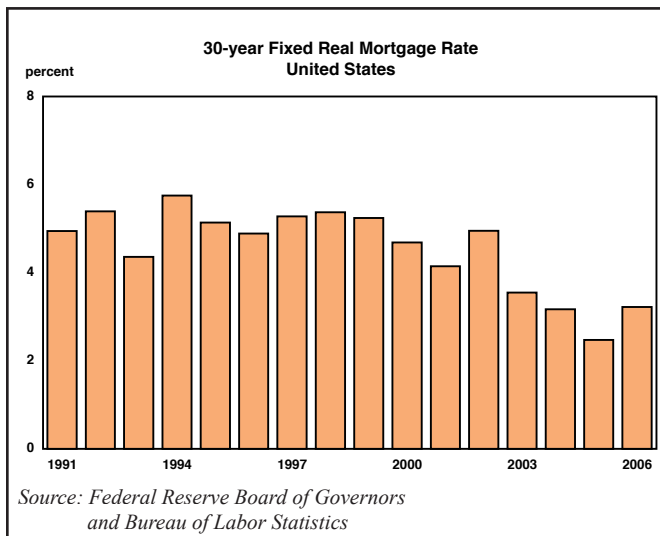
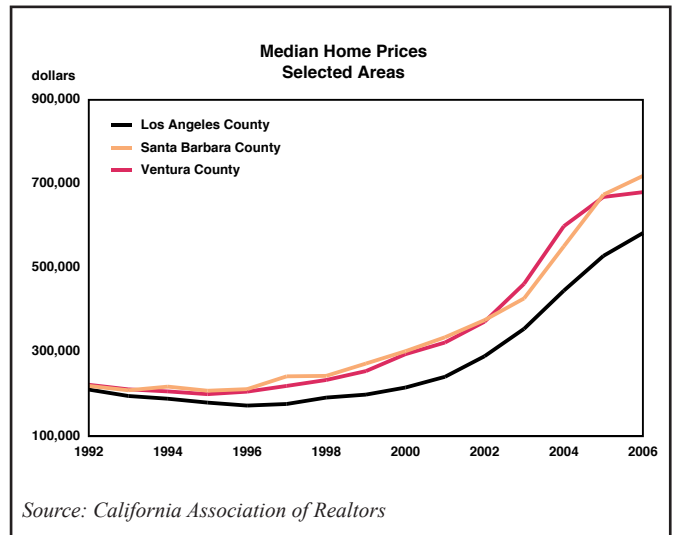
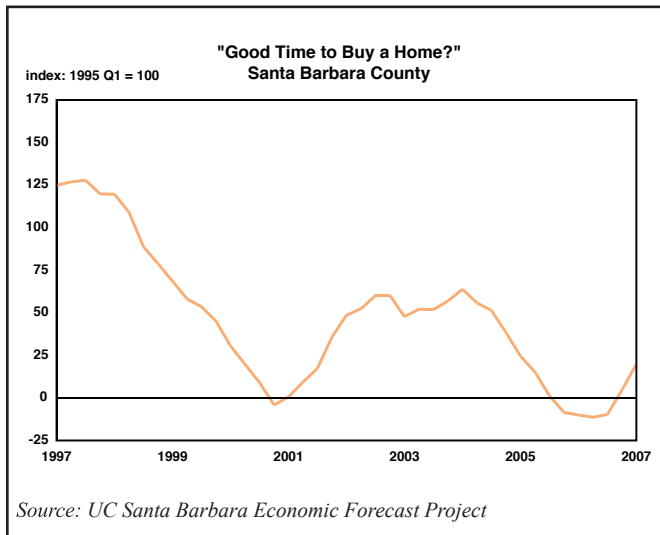
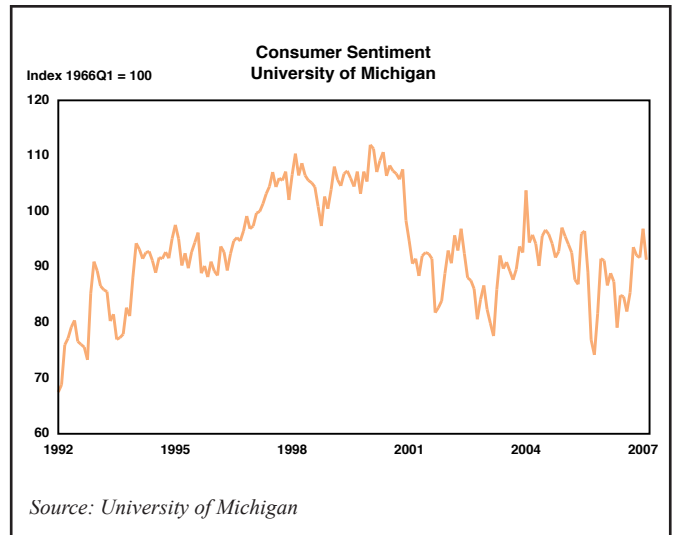
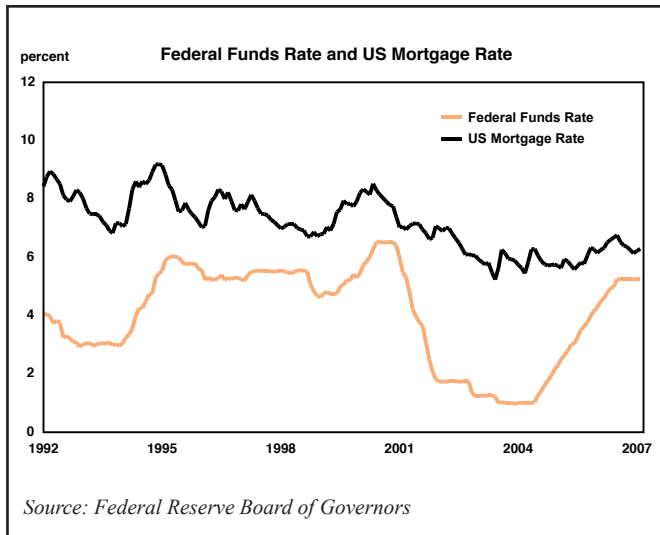
Isla Vista Market Area

Unit Type	Average Monthly Rent in \$					Average Monthly Rent in \$ per Sq. Ft.				
	Apr-05	Oct-05	Apr-06	Oct-06	Apr-07	Apr-05	Oct-05	Apr-06	Oct-06	Apr-07
Studio	\$799	\$827	\$846	\$867	\$881	\$2.16	\$2.23	\$2.28	\$2.33	\$2.37
1 Bedroom	\$1,041	\$1,052	\$1,094	\$1,103	\$1,137	\$1.77	\$1.79	\$1.87	\$1.88	\$1.94
2 Bedroom	\$1,715	\$1,807	\$1,911	\$1,917	\$1,989	\$2.05	\$2.15	\$2.27	\$2.28	\$2.36
3 Bedroom	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Overall	\$1,217	\$1,257	\$1,315	\$1,325	\$1,367	\$1.92	\$1.97	\$2.06	\$2.08	\$2.14
Weighted Average Vacancy Rate for Dates Indicated Above:						1.93%	0.00%	1.21%	1.49%	1.07%

City of Carpinteria Market Area

Unit Type	Average Monthly Rent in \$					Average Monthly Rent in \$ per Sq. Ft.				
	Apr-05	Oct-05	Apr-06	Oct-06	Apr-07	Apr-05	Oct-05	Apr-06	Oct-06	Apr-07
Studio	\$947	\$981	\$987	\$987	\$967	\$2.64	\$2.76	\$2.78	\$2.78	\$2.70
1 Bedroom	\$1,083	\$1,087	\$1,098	\$1,101	\$1,130	\$1.81	\$1.82	\$1.84	\$1.84	\$1.89
2 Bedroom	\$1,364	\$1,402	\$1,422	\$1,422	\$1,422	\$1.83	\$1.88	\$1.90	\$1.90	\$1.90
3 Bedroom	\$1,625	\$1,625	\$1,800	\$1,700	\$1,700	\$1.40	\$1.40	\$1.53	\$1.45	\$1.45
Overall	\$1,141	\$1,162	\$1,176	\$1,176	\$1,184	\$2.01	\$2.06	\$2.08	\$2.08	\$2.09
Weighted Average Vacancy Rate for Dates Indicated Above:						1.42%	7.57%	3.93%	3.47%	6.83%

Source: Dyer Sheehan Group, Inc.



Residential Real Estate Market Activity							
	2000	2001	2002	2003	2004	2005	2006
California							
Median Home Price	\$241,350	\$262,350	\$316,130	\$371,520	\$450,770	\$524,020	\$557,809
Median Home Price (\$2000)	\$241,350	\$252,760	\$297,103	\$340,936	\$402,054	\$449,614	\$459,749
percent change	7.2	4.7	17.5	14.8	17.9	11.8	2.3
Ventura County							
Median Home Price	\$295,080	\$322,560	\$372,400	\$462,520	\$599,280	\$668,870	\$680,500
Median Home Price (\$2000)	\$295,080	\$312,070	\$350,568	\$424,401	\$532,125	\$568,512	\$554,737
percent change	12.0	5.8	12.3	21.1	25.4	6.8	-2.4
Santa Barbara County							
Median Home Price	\$302,260	\$335,540	\$376,350	\$427,850	\$551,680	\$674,440	\$719,072
Median Home Price (\$2000)	\$302,260	\$324,628	\$354,287	\$392,588	\$489,859	\$573,246	\$586,180
percent change	7.3	7.4	9.1	10.8	24.8	17.0	2.3
Number of Home Sales	2,905	2,774	3,098	2,901	2,900	2,607	2,018

Source: California Association of Realtors

Home Prices and Income							
	2000	2001	2002	2003	2004	2005	2006
California							
Median Home Price	\$241,350	\$262,350	\$316,130	\$371,520	\$450,770	\$524,020	\$557,809
percent change	11.0	8.7	20.5	17.5	21.3	16.2	6.4
Median Family Income	\$55,200	\$58,400	\$60,800	\$60,300	\$62,500	\$62,500	\$64,100
percent change	2.0	5.8	4.1	-0.8	3.6	0.0	2.6
Santa Barbara County							
Median Home Price	\$302,260	\$335,540	\$376,350	\$427,850	\$551,680	\$674,440	\$719,072
percent change	10.8	11.0	12.2	13.7	28.9	22.3	6.6
Median Family Income (Fiscal Years)	\$53,500	\$56,500	\$56,800	\$60,600	\$64,700	\$64,700	\$65,800
percent change	2.7	5.6	0.5	6.7	6.8	0.0	1.7

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

Condominium Listings, Sales and Prices Santa Barbara and Goleta									
	2000	2001	2002	2003	2004	2005	2006	Jan-07	Feb-07
Santa Barbara - East of State Street									
Listings (# of condos)	120	93	125	78	64	95	60	3	1
Sales (# of condos)	90	70	98	77	65	95	78	6	10
Median Price (dollars)	371,792	395,792	555,667	542,167	615,167	732,336	727,083	749,000	625,000
Average Price (dollars)	412,493	455,676	559,084	636,953	681,836	872,114	904,639	707,417	736,800
Santa Barbara - West of State Street									
Listings (# of condos)	134	118	129	120	113	112	55	2	4
Sales (# of condos)	107	100	101	126	110	123	67	4	5
Median Price (dollars)	301,292	358,083	412,708	481,950	738,222	680,667	661,583	635,000	649,000
Average Price (dollars)	327,211	379,185	455,475	511,601	740,883	759,278	738,517	608,375	664,400
Goleta - North of Highway 101									
Listings (# of condos)	88	87	77	58	81	49	34	3	2
Sales (# of condos)	81	81	72	58	75	55	51	7	2
Median Price (dollars)	268,475	308,638	374,417	452,658	546,208	609,250	544,583	532,500	550,000
Average Price (dollars)	266,672	310,628	383,652	462,275	562,250	627,731	609,368	498,529	597,500
Goleta - South of Highway 101									
Listings (# of condos)	111	100	79	93	75	85	46	5	1
Sales (# of condos)	91	89	82	91	74	77	65	6	6
Median Price (dollars)	250,625	305,792	337,367	385,500	521,458	596,292	542,083	560,000	465,000
Average Price (dollars)	277,462	309,531	358,117	415,371	517,896	626,247	568,495	604,751	537,583

Source: Santa Barbara Association of Realtors Multiple Listing Service

Single Family Home Listings, Sales and Prices Santa Barbara South Coast									
	2000	2001	2002	2003	2004	2005	2006	Jan-07	Feb-07
Santa Barbara South Coast									
Listings (# of homes)	1,727	1,666	1,195	1,133	1,161	1,168	1,152	54	20
Days on Market (days)	87	85	59	61	57	61	73	NA	NA
Sales (# of homes)	1,267	1,068	1,132	1,144	1,191	1,049	889	58	69
Median Price (dollars)	585,000	655,000	765,000	859,000	1,020,000	1,198,000	1,262,500	1,150,000	1,000,000
Average Price (dollars)	810,864	964,673	1,081,719	1,180,995	1,453,365	1,379,748	1,434,505	1,954,034	2,430,082
Carpinteria / Summerland									
Listings (# of homes)	140	130	88	71	75	56	48	4	2
Days on Market (days)	117	104	66	79	51	88	94	NA	NA
Sales (# of homes)	90	76	98	96	85	66	61	5	5
Median Price (dollars)	545,000	649,000	749,000	725,000	920,000	1,295,000	1,250,000	1,615,000	7,250,000
Average Price (dollars)	702,534	972,351	1,010,025	1,006,117	1,768,869	2,413,521	3,047,369	3,088,000	12,806,000
Montecito									
Listings (# of homes)	312	284	201	169	143	149	124	9	7
Days on Market (days)	126	132	98	100	123	101	97	NA	NA
Sales (# of homes)	215	164	205	196	200	200	164	14	10
Median Price (dollars)	1,410,000	1,595,000	1,675,000	1,900,000	2,505,000	2,450,000	2,700,000	2,862,500	2,350,000
Average Price (dollars)	1,679,687	2,115,291	2,187,644	2,429,115	3,127,331	3,203,723	3,731,979	3,466,607	4,368,150
Santa Barbara East of State Street									
Listings (# of homes)	460	400	279	255	254	238	195	16	4
Days on Market (days)	74	78	55	56	49	60	64	NA	NA
Sales (# of homes)	338	271	279	274	304	273	235	15	20
Median Price (dollars)	625,000	719,000	795,000	950,000	1,115,000	1,310,000	1,255,000	900,000	965,000
Average Price (dollars)	728,572	840,569	918,401	1,061,798	1,272,486	1,455,598	1,462,148	989,867	1,251,063
Santa Barbara West of State Street									
Listings (# of homes)	334	348	241	211	200	200	153	10	3
Days on Market (days)	77	74	50	42	46	43	69	NA	NA
Sales (# of homes)	287	251	253	229	234	213	181	13	15
Median Price (dollars)	500,000	600,000	675,000	766,000	915,000	1,056,000	1,012,500	1,015,000	895,000
Average Price (dollars)	572,865	679,463	760,235	882,121	1,013,633	1,173,662	1,147,680	1,318,731	989,200
Hope Ranch									
Listings (# of homes)	28	46	30	29	29	20	15	2	1
Days on Market (days)	167	108	90	103	57	85	94	NA	NA
Sales (# of homes)	20	21	24	34	33	27	17	1	1
Median Price (dollars)	1,800,000	1,725,000	1,850,000	1,925,000	2,241,000	2,700,000	2,550,000	6,900,000	2,655,000
Average Price (dollars)	2,127,719	1,925,865	2,123,600	2,356,764	2,653,988	4,050,315	2,792,353	6,900,000	2,655,000
Goleta North of Highway 101									
Listings (# of homes)	245	229	175	166	203	165	125	9	2
Days on Market (days)	61	60	39	45	40	34	62	NA	NA
Sales (# of homes)	211	190	183	193	228	187	145	3	13
Median Price (dollars)	483,000	549,000	648,900	739,000	900,000	993,000	940,000	825,000	939,000
Average Price (dollars)	565,225	627,111	756,210	919,970	1,065,713	1,149,898	1,073,458	870,667	1,023,915
Goleta South of Highway 101									
Listings (# of homes)	126	111	91	117	91	80	77	4	1
Days on Market (days)	68	52	28	31	25	38	61	NA	NA
Sales (# of homes)	106	95	90	122	107	83	86	7	5
Median Price (dollars)	433,000	475,500	599,000	675,000	852,000	925,000	905,000	854,000	825,000
Average Price (dollars)	468,203	526,068	662,013	750,099	895,158	1,040,921	984,424	1,122,571	827,800

Source: Santa Barbara Association of Realtors Multiple Listing Service

Residential Real Estate Market Activity in Santa Barbara County							
	2000	2001	2002	2003	2004	2005	2006
Buellton							
Median Home Price	\$272,167	\$318,396	\$371,227	\$457,583	\$577,479	\$672,550	\$688,396
Median Home Price (\$2000)	\$272,167	\$308,041	\$349,464	\$419,871	\$512,767	\$571,640	\$561,174
percent change	14.3	13.2	13.4	20.1	22.1	11.5	-1.8
Number of Home Sales	56	61	51	57	95	52	55
Carpinteria							
Median Home Price	\$320,750	\$357,504	\$418,917	\$507,917	\$648,125	\$752,313	\$813,146
Median Home Price (\$2000)	\$320,750	\$345,877	\$394,358	\$466,056	\$575,496	\$639,435	\$662,869
percent change	16.8	7.8	14.0	18.2	23.5	11.1	3.7
Number of Home Sales	125	95	103	114	170	134	50
Goleta							
Median Home Price	\$389,854	\$395,917	\$439,208	\$570,792	\$737,375	\$868,833	\$799,458
Median Home Price (\$2000)	\$389,854	\$383,041	\$413,460	\$523,749	\$654,745	\$738,472	\$651,711
percent change	13.6	-1.7	7.9	26.7	25.0	12.8	-11.7
Number of Home Sales	351	223	249	223	278	217	134
Guadalupe							
Median Home Price	\$83,818	\$136,375	\$179,313	\$217,000	\$284,604	\$372,438	\$372,104
Median Home Price (\$2000)	\$83,818	\$131,940	\$168,801	\$199,116	\$252,711	\$316,557	\$303,336
percent change	-12.3	57.4	27.9	18.0	26.9	25.3	-4.2
Number of Home Sales	25	49	50	60	69	71	43
Lompoc							
Median Home Price	\$153,063	\$184,981	\$235,663	\$283,792	\$363,229	\$417,917	\$423,938
Median Home Price (\$2000)	\$153,063	\$178,965	\$221,847	\$260,403	\$322,526	\$355,212	\$345,590
percent change	10.9	16.9	24.0	17.4	23.9	10.1	-2.7
Number of Home Sales	642	656	630	654	714	721	457
Santa Barbara							
Median Home Price	\$430,354	\$500,224	\$562,945	\$662,263	\$895,333	\$1,068,250	\$957,583
Median Home Price (\$2000)	\$430,354	\$483,955	\$529,943	\$607,682	\$795,002	\$907,968	\$780,613
percent change	21.6	12.5	9.5	14.7	30.8	14.2	-14.0
Number of Home Sales	862	580	586	649	1,084	1,125	376
Santa Maria							
Median Home Price	\$158,243	\$188,063	\$243,667	\$293,313	\$366,896	\$440,479	\$447,000
Median Home Price (\$2000)	\$158,243	\$181,946	\$229,382	\$269,139	\$325,781	\$374,389	\$364,390
percent change	10.7	15.0	26.1	17.3	21.0	14.9	-2.7
Number of Home Sales	1,423	1,496	1,439	1,621	2,054	2,077	1,182
Solvang							
Median Home Price	\$327,042	\$392,534	\$451,845	\$575,771	\$721,625	\$813,854	\$812,125
Median Home Price (\$2000)	\$327,042	\$379,768	\$425,356	\$528,318	\$640,760	\$691,742	\$662,036
percent change	2.4	16.1	12.0	24.2	21.3	8.0	-4.3
Number of Home Sales	133	107	129	131	132	130	80

Source: First American Real Estate Solutions

Residential Building Activity							
	2000	2001	2002	2003	2004	2005	2006
Carpinteria							
Total Residential Units Permitted	43	8	1	5	4	14	63
Single Family Units Permitted	4	8	1	1	1	5	14
Multiple Family Units Permitted	39	0	0	4	3	9	49
Residential Building Value (\$millions)	5.7	2.7	1.5	1.7	2.5	5.4	11.8
Guadalupe							
Total Residential Units Permitted	22	111	130	11	100	31	42
Single Family Units Permitted	22	103	50	11	1	14	20
Multiple Family Units Permitted	0	8	80	0	99	17	22
Residential Building Value (\$millions)	3.5	18.3	22.5	1.9	6.6	2.3	2.8
Lompoc							
Total Residential Units Permitted	0	4	21	74	34	25	64
Single Family Units Permitted	0	0	21	72	30	25	29
Multiple Family Units Permitted	0	4	0	2	4	0	35
Residential Building Value (\$millions)	8.2	3.5	9.6	27.6	9.9	9.5	14.7
Santa Barbara							
Total Residential Units Permitted	55	106	138	115	120	256	108
Single Family Units Permitted	33	44	39	61	56	46	27
Multiple Family Units Permitted	22	62	99	54	64	210	81
Residential Building Value (\$millions)	17.4	28.7	52.8	59.4	46.6	82.1	69.2
Santa Maria							
Total Residential Units Permitted	333	762	984	976	765	317	223
Single Family Units Permitted	333	556	630	704	643	294	193
Multiple Family Units Permitted	0	206	354	272	122	23	30
Residential Building Value (\$millions)	54.5	109.2	142.9	159.6	133.6	65.1	51.3
Santa Barbara County							
Total Residential Units Permitted	924	1,245	1,614	1,549	1,406	980	850
Single Family Units Permitted	731	858	904	1,186	956	711	597
Multiple Family Units Permitted	193	387	710	363	450	269	253
Residential Building Value (\$millions)	233.8	283.1	356.6	409.7	357.5	340.5	318.1

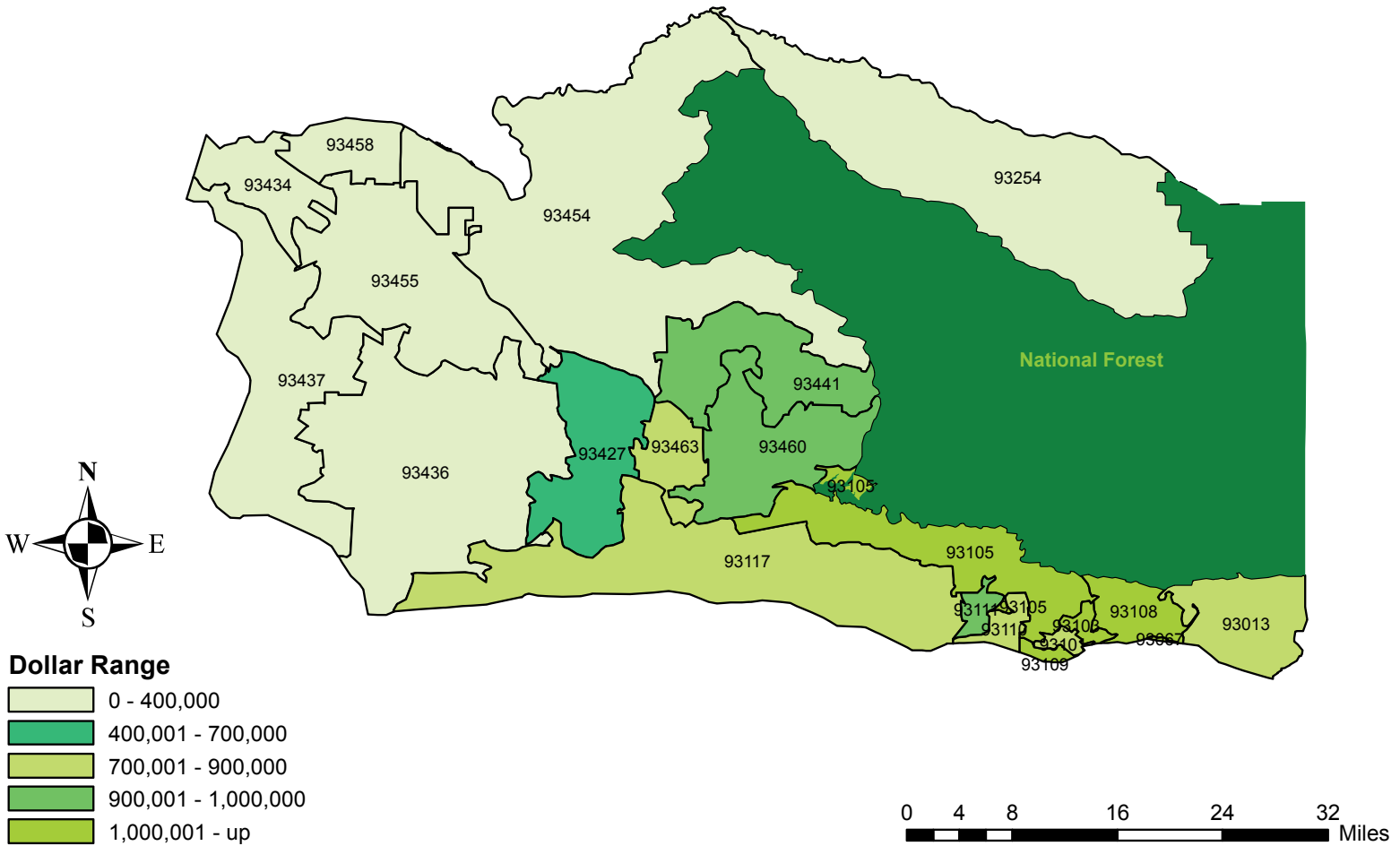
Source: Construction Industry Research Board

New Residential Building Permits by Region in Santa Barbara County

	number of permits			
	2002	2003	2004	2005
Santa Barbara Region				
Total Residential Units	273	53	31	141
Single Family Units	23	32	14	123
Multi Family Units	235	1	5	2
Condominium Units	0	0	0	0
Santa Barbara Unincorporated				
Total Residential Units	24	49	25	133
Single Family Units	13	28	9	116
Multi Family Units	0	1	4	1
Condominium Units	0	0	0	0
Hope Ranch				
Total Residential Units	1	2	3	2
Single Family Units	1	2	3	2
Multi Family Units	0	0	0	0
Condominium Units	0	0	0	0
Goleta Unincorporated				
Total Residential Units	246	2	1	2
Single Family Units	7	2	1	2
Multi Family Units	235	0	0	0
Condominium Units	0	0	0	0
Isla Vista				
Total Residential Units	2	0	2	4
Single Family Units	2	0	1	3
Multi Family Units	0	0	1	1
Condominium Units	0	0	0	0
Carpinteria / Summerland				
Total Residential Units	12	23	21	19
Single Family Units	9	20	14	17
Multi Family Units	0	0	2	0
Condominium Units	0	0	0	0
Montecito / Mission Canyon				
Total Residential Units	25	15	21	24
Single Family Units	24	14	21	23
Multi Family Units	1	1	0	0
Condominium Units	0	0	0	1
North Santa Barbara Unincorporated				
Total Residential Units	74	86	98	115
Single Family Units	32	78	74	88
Multi Family Units	4	0	15	0
Condominium Units	26	0	0	19
Lompoc Unincorporated				
Total Residential Units	40	48	71	28
Single Family Units	12	47	66	9
Multi Family Units	4	0	3	0
Condominium Units	22	0	0	19
Santa Maria Unincorporated				
Total Residential Units	34	38	27	87
Single Family Units	20	31	8	79
Multi Family Units	0	0	12	0
Condominium Units	4	0	0	0
Santa Ynez Valley				
Total Residential Units	123	158	53	34
Single Family Units	114	146	38	30
Multi Family Units	2	5	6	0
Condominium Units	3	0	0	0
Buellton City				
Total Residential Units	63	131	30	11
Single Family Units	60	123	18	9
Multi Family Units	0	4	6	0
Condominium Units	3	0	0	0
Solvang City				
Total Residential Units	12	3	7	2
Single Family Units	12	2	6	2
Multi Family Units	0	1	0	0
Condominium Units	0	0	0	0
Santa Ynez Township				
Total Residential Units	48	24	16	21
Single Family Units	42	21	14	19
Multi Family Units	2	0	0	0
Condominium Units	0	0	0	0

Source: County of Santa Barbara

Santa Barbara County 2006 Median All Owner-Occupied Housing Value



NON-RESIDENTIAL REAL ESTATE

Commercial leasing activity on Santa Barbara County's South Coast was spectacular in 2006. This is especially impressive given the anemic local economy. Commercial vacancies fell a remarkable eight percent, to near historic lows, due at least in part to the leasing of significant Goleta space. The amount of sub-lease space fell 10 percent. The year-ending 2006 Retail vacancy was 1.4 percent, while the Office vacancy rate was 5.0, and the Industrial vacancy rate was 3.1 percent. Actual lease rates grew an impressive eight percent from 2005 to 2006, while sale prices grew 10 percent.

The South Coast's Retail space vacancy rates are following

regional and national trends, in that they are historically low in most sub-markets. Santa Barbara City's January 2007 Retail vacancy rate was 1.2 percent. The low rate is a result of two primary factors: the sustained growth of household sector wealth and the lengthy permit process.

“Commercial leasing activity on Santa Barbara County's South Coast was spectacular in 2006. This is especially impressive given the anemic local economy.”

January 2007 Office vacancy rates were relatively low in most of the South Coast sub-markets. Carpinteria's January 2007 Office vacancy was the only exception at 15.3 percent (up from 12.9 percent in January 2006). Goleta's January 2007 Of-

ice vacancy was 5.3 percent, up from 4.9 percent in January 2006 (but still a relatively low rate). Santa Barbara City's January 2007 Office vacancy rate of 2.8 percent is a very low rate.

January 2007 Industrial vacancy rates were also tight: 4.4 percent in Carpinteria, 5.6 percent in Goleta, and an amazingly low 1.2 percent in Santa Barbara City. Goleta's January 2007 Indus-

trial vacancy rate is substantially lower than the January 2006 rate of 8.7 percent. This change in Goleta was due to the leasing of a number of large buildings at 7406 Hollister Avenue and at 6868 Cortona Drive.

THE SANTA BARBARA COUNTY RETAIL REAL ESTATE MARKET

A.J. Schrader and Phillip Kyle, Epsteen and Associates

Overall Impression

Santa Barbara Retail real estate continues to be very strong, characterized by low vacancy rates and strong rents across the county. Upper State Street in

Santa Barbara, as well as certain areas of Santa Maria continue to be the main areas of growth in Santa Barbara County.

Retail in North County continues to grow with a few large centers under construction or

in planning. These include a 150,000 square foot project at the corner of Broadway and McCoy in Santa Maria that will open with Kohl's and Rite Aid in early 2007, as well as a 200,000 square foot neighborhood project planned for

the corner of Battles and Blosser in Santa Maria.

Several new retailers will enter the market in 2007. Most notably, Tesco has approved the opening of several stores on the west coast that will go by the name of Fresh and Easy. Old Navy will also open its first store in Santa Barbara in 2007.

There are three major vacancies in Santa Barbara County, all located on State Street in downtown Santa Barbara. Pep Boys and Cost Plus World Market have left their State Street locations, resulting in two of these vacancies. The third vacancy will come in 2007, as Pier 1 Imports is rumored to be leaving their 3-level space on State Street.

Carpinteria, Summerland, and Montecito

There are two major centers in Carpinteria: Sheppard Place and Casitas Pass Shopping Center. Rite Aid is being asked to leave Casitas Pass and is being replaced by Longs. Rite Aid is currently looking for a new home. Sheppard Place is still 100 percent leased.

The small center at the southwest corner of Linden and Carpinteria Ave was completed in 2006 adding Coffee Bean and Tea Leaf, as well as Luxury Nails

Salon. Both tenants are open and trading well. Rents in this center are around \$2.50 per square foot.

Napa Auto Parts, formerly located at 5065 Carpinteria Avenue, closed and relocated. The asking rent for the 2900 square foot space is around \$2.50 per square foot.

Summerland is a small retail market with little vacancy and rents greater than \$4.00 per square foot. The city is becoming the desired location for Spa, Fitness, and Antique retailers. Following this trend, Platinum Fitness opened their second location in Summerland, adding to the spa and fitness element.

Montecito continues to have a demand for boutique stores, with rents exceeding \$5.00 per square foot with little vacancy and low turnover.

Santa Barbara

As mentioned above, several new retailers will open in Santa Barbara in 2007. Old Navy signed a lease to fill the space left by Copeland's on the 1100 block of State Street. Marmalade Restaurant is rumored to be coming to the La Cumbre Mall in 2007.

Also mentioned above, there will be three major vacancies on State Street with asking rents around \$4.00 per square foot.

There is a 24,000 square foot vacancy at 610 State Street that was formerly a Cost Plus World Market. The asking rent is \$4.00 per square foot. There is 16,900 square foot space available at 424 State Street, formerly a Pep Boys. The asking rent is \$4.25 per square foot. Pier 1 Imports is rumored to be vacating their 21,000 square foot, 3-level, space at 928 State Street, which will add the third large vacancy in 2007. There are several smaller vacancies in Santa Barbara as well, including an 8500 square foot space available at 1230 State Street for \$3.00 per square foot.

In 2006, Wescom Credit Union filled the 5715 square foot vacancy at 3883 La Cumbre that was formerly Strouds.

The proposal for the redevelopment of the Circuit City Shopping on Upper State Street is in the annexation process. The new center will be anchored by Whole Foods market and Circuit City. For more information please visit <http://www.wholefoodsmarket.com/stores/santabarbara/>.

Goleta

Goleta has relatively new or refurbished spaces at Fairview shopping center, Calle Real, and Camino Real Marketplace. All of these are filled with retailers

that continue trading well. The Fairview Center remodel was completed in 2006, with rents going for \$2.50 to 3.00 per square foot. The center is 100 percent leased. The revitalization of Old Town Goleta is still in planning. The existing tenants will be forced leave, or to occupy new buildings at higher rents.

Hollywood Video left their existing location in the Calle Real shopping center, opening up a 7250 square foot vacancy. While they left this location, there is still the potential for several other Hollywood Video stores to open in the Goleta Market in the future.

Several potential Retail opportunities could arise in Goleta as the Saris Regis development at the corner of Los Carneros and Hollister moves through the planning process. This proposed 1 million square foot development will be largely Industrial, with the potential for Office and Retail to be mixed in.

Buellton

Buellton has a low Retail vacancy, with rents continuing to exceed \$2.00 per square foot. The Oaks Springs Village project, a 22-acre mixed-use center proposed for the corner of McMurray and 246, is in escrow and is due

to close on May 21st. Several national retailers have showed interest in the 9-acre Retail segment of this development.

The Santa Ynez Valley continues to grow with the expansion of the wine industry and the Chumash casino resort.

Lompoc

Lompoc continues to be the city with the highest retail vacancy rate in Santa Barbara County. In-line space larger than 10,000 square feet is renting for around \$1.00 per square foot, with smaller space renting for around \$1.50 per square foot.

Coast Furniture filled a 25,000 square foot vacancy next to Sears, in the formerly remodeled Kmart building. Dollar Tree relocated to an expanded space on the other side of Sears.

Orcutt

There are several proposed retail developments in Orcutt. Orcutt Village Marketplace is a 300,000 square foot mixed-use project planned for the northwest corner of Clark and Highway 101 that will include a Hotel as well as Office and Retail space. The Retail segment will be anchored by a 35,000 square foot Spencer's Fresh Market. The

project is planned for delivery in the 4th quarter of 2008.

Orcutt Plaza Shopping Center, anchored by Vons, is planned for the northwest corner of Santa Maria Way and Highway 101. This center will be 22-acres and is currently in the annexation process.

Santa Maria

Santa Maria continues to be a strong retail market, with rents around \$1.50 per square foot for existing in-line space, \$2.75 for new in-line space, and \$3.50 for new pad space. The downtown mall continues to suffer from high operating costs and a large amount of vacancies, and needs to be pushed in a new direction.

The Westar development, College Square, a 6-acre, 65,000 square foot shopping center, located at the southwest corner of College and Betteravia, is almost finished. The first pad has been completed with Starbucks Coffee, Jamba Juice, and Westcom Credit Union opening in late 2006. There is an additional 35,000 square feet of retail that should be completed in early 2007.

The 150,000 square foot Regency Centers Development located at McCoy and Broad-

way is almost completed and will add Kohl's and Rite Aid in early 2007.

The 15-acre, 200,000 square foot development planned for the

northwest corner of Battles and Blosser is continuing through the approval process. This development will be a neighborhood center anchored by a grocery store,

drug store, restaurant, and gas station. The center will help support the growth of the western side of Santa Maria and the extension of Battles Road.

SANTA MARIA FIRST QUARTER 2007 – A CHANGING MARKET

Steve McCarty and Greg Stafford
Stafford-McCarty Commercial Real Estate

Highlights

- Income producing investment properties are very difficult to find.
- All commercial market segments of real estate show improvement over the 1st quarter of 2006.
- Price of commercial land continues its upward climb.
- Commercial rents are rising.
- Industrial vacancy is approximately 3.6%, in contrast with 5.64% for the 1st quarter of 2006.
- Retail vacancy continues to be in the two percent range, which is a very low rate.
- A surge of sub-prime loan defaults creates uncertainty in the markets.

For most individuals the weather vane of real estate is the residential market and from that they tend to measure the industry as a whole. Given the latest

economic news of the sub-prime fall-out and the already softening residential market, uncertainty has been created. How this will affect all markets is yet to be told. Presently the commercial markets have been performing well and commercial land prices are seeing all-time high valuations in the Santa Maria area. The following is a brief description of the various market segments.

Residential

A shift has occurred from last year in that there are now more sellers than buyers. Still, mortgage interest rates remain attractive (6+%) and asking prices of homes in the Santa Maria area are some of the most affordable for the Central Coast.

The median sales price for a home in north Santa Barbara County is currently \$414,290. The median price this time last

year was \$469,350 which represents an 11.7% decrease in sales price from one year ago. Sales of homes are down by 23.6% from this time last year. (The median price of a home in California is \$559,640, an increase of 1.9% from a year ago.)

Generally speaking, prices are basically flat with some continued downward pressure. Sellers are becoming more realistic and adjusting to the new market paradigm. Many residential experts are predicting that the pace of home sales will increase significantly as summer approaches. There are virtually no investor buyers of homes. In August 2006, 55 vacant homes sold. Buyers are not looking for fixer-uppers but looking for homes ready to move into. Tracts of entitled land are now for sale. Inland Pacific Homes, one of Santa Maria's major builders, sold four of their entitled projects last year.

Permits for single-family dwellings significantly decreased in 2006 to 144 from 294 in 2005 and 642 in 2004. Builders of approved projects are reluctant to build new homes due to the existing soft market. As of March 14, 2007, there were 298 homes on the market in the Santa Maria area. Eighty-four (84) homes sold in February 2007 for the combined Santa Maria and Orcutt market area. As of the publishing date of this article, there are 17 listings in Orcutt, which are priced over \$1,000,000. The average listing price for a home in Santa Maria is \$432,000 for a 1,400 to 1,500 sq. ft. home, and the average listing price for a home in Orcutt is \$604,546. Homes currently are on the market for 109 days in Santa Maria, and 138 days in Orcutt.

There is currently a mortgage industry fallout regarding sub-prime loans. These are risky loans that were made to people with serious credit issues and could not qualify for conventional loans. These sub-prime borrowers have encountered escalating monthly payments due to the adjustable nature of the interest rates and there has been a tremendous increase in the number of loan defaults. An influx of REO properties plus builders of new homes

cutting prices on new homes have contributed to creating downward pressure on home prices.

Retail/Commercial

First, some general notes on the impacts of new construction costs for commercial development. There emerges a two-tier system of rental rates: one for existing inventory and the other for new construction, which can be double the rent of existing inventory. Not only has the cost of new construction driven up rental rate requirements in order to achieve reasonable ownership returns on equity, these costs have also been a windfall to existing product owners by adding value, which in turn has maintained the pressure for higher prices on older product.

Available commercial/retail space within the City of Santa Maria (as of first quarter 2006) is about 85,000 sq. ft. Since last year, most of the former Home Base building has been leased leaving 22,000 sq. ft. available at \$1.35/sq. ft./mo./NNN. Club 24 has taken approximately half of the former Montgomery Ward's building leaving approximately 30,000 sq. ft. vacant. These are the only large vacant retail spaces remaining within the city. For

the purpose of this report, data-bank numbers include functional, non-competitive inventory (older buildings and warehouses) and excludes non-market square footage such as mini-storage, airport hangers, etc.

Retail space vacancy continues to be very low-approximately +/-2% (total retail inventory base in the City of Santa Maria is approximately 4,107,000 sq. ft.). For the most part, there has been little anchored or general retail space added to the city's inventory in the last several years; however, the College Square development which is under construction will add approximately 55,000 sq. ft. of retail space with rents of \$2.50 to \$3.50/sq. ft. (As of this article, the leasing agent for College Square stated that there are 5 or 6 tenants who have submitted letters of intent to lease)

The +/-117,000 sq. ft. Santa Maria Commons shopping center at the SWC of McCoy and Broadway has recently been completed. The site consists of 10 ac. with Kohl's as the primary retail anchor store, and World Savings, Starbucks, T Mobil as smaller users. Plans to re-develop the former Stephen's Auto Center at the NWC of Skyway and Broadway continue to move forward to construct approximately 40,000

sq. ft. of retail and office space. The existing structures will be demolished to make way for the new commercial complex. The Westgate Marketplace (+/-120,000 sq. ft.) to be located at the NWC S. Blosser & Battles Rd. is in pre-leasing phase.

In our previous article, we stated that shopping center-sized land is very hard to find and to expect prices of \$15 to \$20 per sq. ft. The situation remains unchanged in regards to finding suitable shopping center land, but land prices have increased significantly. A buyer can expect to see prices ranging from \$25 to \$50 per sq. ft. depending upon size and location of the retail zoned parcels.

The following is a brief update on two large retail developments planned for Orcutt on which we have reported in the past:

Orcutt Plaza (approximately 230,000 sq. ft.): Pre-leasing has been placed on hold as the property is going through an annexation

process into the City of Santa Maria. The application is currently with LAFCO for processing.

Orcutt Marketplace (approximately 295,000 sq. ft.): This center is a mixed-use development, which will consist of office, retail and hospitality. The center will be anchored by a 35,000 sq. ft. Spencer’s Fresh Market. Other tenants expressing interest include a Starbuck’s drive-thru and an ARCO service station. Another aspect of the development will be an upper end hotel-motel consisting of 105 to 125 rooms. Construction should commence the 1st quarter of next year.

Office

This market segment continues to be very tight. Office base inventory is currently approximately 1,015,000 sq. ft., which is an 8.8% increase over last year (933,000 sq. ft.). The last two years have pro-

duced healthy increases to the base inventory as opposed to prior years of limited growth (2.4% increase from 2003 to 2004).

The Parkway Medical Center medical building consisting of +/-30,000 sq. ft. on Professional Parkway has recently been completed. Two units (total of +/-7,000 sq. ft.) remain available for sale. The Shepard Medical Office/Surgery Center at 1418 E. Main Street consisting of 15,298 sq. ft. has been recently completed. Additionally, a 14,702 sq. ft. medical building (SLS Medical Clinic) at 1510 E. Main Street along with the 36,600 sq. ft. VA Clinic at 1520 E. Main Street are nearing completion.

Market rents for 2nd generation office space has increased somewhat from last year (average of +/--\$1.10 to \$1.15/sq. ft./mo./NNN) to an average of +/--\$1.25/sq. ft./mo./NNN. Newly constructed office buildings command rents in excess of \$2.00/sq. ft./mo./NNN. Slowly

Commercial Vacancy Rates City of Santa Maria Metropolitan Area					
(Year End and First Quarter of the Next Year)	2002	2003	2004	2005	2006
R&D / Industrial / Warehouse	5.90%	6.70%	7.50%	5.50%	3.60%

Source: Stafford-McCarty Commercial Real Estate

but surely triple net (NNN) leases are supplanting the long-standing modified gross leases, which have been prevalent in Santa Maria.

The price of appropriately zoned land allowing construction of office is similar to the discussion of land prices in the Retail segment above, as Santa Maria’s C-2 zoning allows office uses as well as retail uses. Land prices are increasing and hard-to-find smaller parcels are generally costing \$25 to \$50/sq. ft. (depending on location).

Industrial

Industrial vacancy is at an all time low, approximately 3.6%. Both, user/buyers and investors, continue to drive transactions in the Santa Maria industrial market segment for larger space requirements—mostly above 10,000 sq. ft. The Stafford-McCarty databank indicates that the industrial base for completed, functioning inventory in Santa

Maria at the time of this article is approximately 7,200,000 sq. ft., an increase of about 295,000 sq. ft. over last year.

2006 was an active market for Industrial building sales.

Key User Expansions

For the wine industry, Central Coast Wine Services on Aviation Way has completed approximately 43,000 sq. ft., the latest in their multi-phased series of expansions bringing their facility to approximately 250,000 sq. ft. The adjacent Fess Parker’s Wine Center is preparing to build a facility for Consilience Winery of approximately 20,000 sq. ft. on its surplus land.

Driscoll Strawberries purchased approximately 20 acres of land on Stowell Road and has completed its approximately 156,000 sq. ft. cooler and crate shed. Okonite, a long time Santa Maria manufacturer and employer, is under construction with a 76,000 sq. ft. addition. Home grown CafeFX continues with

their business growth with the purchase of a 36,300 sq. ft. building. Cloud Star is expanding its operations into the former Boston Pet facilities consisting of two buildings of about 20,000 sq. ft. each on W. McCoy Lane.

Key User Shrinkage

CerOx has listed their 18,658 sq. ft. facility for sublease and has moved their enterprise to northern California. Boston Pet has placed two adjacent buildings totaling approximately 40,000 on the market, which has recently been occupied and gone into escrow with Cloud Star as noted above.

The Santa Maria market typical industrial requirement has been 4,000+/- sq. ft., which is coming from tenants looking for incubator space and other small users. Multi-tenant industrial projects offering smaller units have demonstrated good absorption and have stabilized. The tightening of the market coupled with all time high new construction costs has lead to an increase of rents. Rents for 2,500 to 4,000 sq. ft. spaces have moved up about a dime, escalating from approximately \$0.75 to \$0.85 per sq. ft. NNN. Asking rents for 2nd generation multi-tenant buildings have increased and range from approximately \$0.45/sq. ft. to \$0.75/sq. ft. NNN.

<u>Address</u>	<u>Price</u>	<u>Price/sq. ft.</u>	<u>Sq. Ft.</u>
3030 Industrial Parkway	\$3,285,000	\$106.56	30,827
2602 Airpark	\$3,500,000	\$187.32	18,685
3010 Skyway	\$4,500,000	\$150.00	30,000
2811 Airpark	\$3,900,000	\$107.44	36,300
1290 W. McCoy Lane	\$4,000,000	\$131.15	30,500

The seven-building, 139,000+/- sq. ft. FairSky Technology Park targeted larger office and R & D users, which have been noticeably absent from Santa Maria. The +/-20,000 sq. ft. buildings have been broken up into industrial condominiums for the smaller user/buyers present in the market. Valuations for these products are in the \$125 per square foot range for a finished shell. As of this article, there is 28,258 sq. ft. vacant or approximately 20% of the complex.

The trend of non-manufacturing users occupying manufacturing zoned properties continues. Non-denominational churches have been moving into industrial properties, both free-standing as well as multi-tenant. Quasi retail users, such as furniture stores, and commercial services users are also back filling spaces, which were traditionally filled by manufacturing companies. Retaining manufacturing companies has been difficult in the Central Coast even though Santa Maria is one of the most affordable areas.

Meyer Asset Management has acquired land on the western side of A Street and is under construction with the first phase of a 174,973 sq. ft. development. This developer has brought to the market product meeting the needs

of companies seeking ownership. What has changed this year is that additional "For Sale" buildings have come on the market, giving buyers some choices.

Industrial Land

It continues to be increasingly difficult to find finished lot product. One to seven acre sale prices can range from approximately \$8.00 to \$12.00/sq. ft. for CM and M1 zoned land, if they can be located. Minimal industrial transactions occurred last year. However, a noteworthy sale was a 9.22 acre PD M2 parcel on Stowell Road with partial infrastructure selling for \$6.22 per sq. ft. M2 zoned land typically has not sold at values so near its M1 and CM zoned relatives.

The Airport District, which controls the bulk of the M-1 Light Industrial zoned land, is proposing an approximate 42-acre research park of approximately 500,000 sq. ft. A portion of the project has been approved with 15-20 lots, leasehold interest only. However, the status has remained the same for the last four years as the District awaits a non-jeopardy biological opinion in order to proceed.

Even though there is limited supply of product, there persists the higher and better use pressure

for existing well-located larger inventory. Conversion of industrial land for housing and retail has come under scrutiny by the City Council. There exists sensitivity for creating an industrial preserve, specifically targeting the 56 and 120-acre sites along Betteravia Rd. on the westside.

The solution to the existing inventory problem is the approximately 932-acre annexation, known as Area 9, detailed in previous articles. Although these properties have come into the City, they lack infrastructure and sub-division. It may be several years, in addition to heavy infrastructure funding not yet quantified, before parcels become build-able. In the mean time owners with existing properties will see strong valuation.

Agricultural

Growers are seeking ground for organic production, which has taken two directions. First, evaluating and bringing into production previously unfarmed ground, which carries the adage, "it was unfarmed for a reason", meaning the quality of the ground and/or resources is poor, and second, focusing on quality ground and going through costs associated with the three year certification program.

Strawberry and vegetable ground values are over \$40,000 per acre. As noted in previous articles, rarely will quality land become openly available on the market. Potential buyers push the market to new highs attracting seller’s attentions.

For comparative purposes, Oxnard land valuations are in the low to mid \$70,000 per acre range. In the Salinas Valley, valuations are in the mid to high \$50,000 per acre range. Ground lease rates in Oxnard surpass Salinas rates. Reportedly, owners are seeking \$3,200 to 3,500 per acre rental rates for berries and \$2,000 to \$2,400 per acre for vegetable ground in Oxnard. As a comparison, Salinas Valley annual lease rates are \$2,200 to \$2,400 per acre for quality ground. Santa Maria Valley ranges from \$1,200 to \$1,800 per acre for vegetable ground and, as projected, strawberry ground leases have passed \$2,000 per acre this past year.

Currently, capitalization rates for agricultural ground are approximately 4 to 5%.

Commercial Investment

Capitalization rates, termed “Cap Rates” have become less a standard number and have moved into a wider spread this last year. A Cap Rate is calculated by dividing the annual net operating income (NOI—which does not include debt service) by the purchase price, e.g.. \$100,000 NOI/ \$1,500,000 purchase price equals .0667 or a 6.67 cap rate.

Buyers appear to be more sensitive to the quality of the income stream and asset location as opposed to just the return. With interest rates rising over last year, (Prime is at 8.25 at the time of this writing), properties with low capitalization rates will become less and less attractive. Buyers seeking 1031 exchanges have slowed. Many prospective 1031

reinvestment buyers are electing to pay capital gain taxes versus overpaying for property, or waiting to see if prices fall before they sell their property. That being said, it is difficult to find shopping center owners willing to sell at higher capitalization rates—in other words they still want high prices even in the light of softening valuations.

Retail, office and industrial capitalization rates have ranged between 5.6 and 7.5, with high sixes and mid sevens being the target. Cap Rates have turned upward and have moved approximately 0.5 to 1.0 point up from the previous year.

The following capitalization rate ranges evinced over the last five years appear in the table below.

To illustrate the capitalization influence on valuation, let us assume a commercial building produces a net income to the investor of \$100,000 per year. The

Capitalization Rates and Relative Corresponding Values Santa Maria Metropolitan Area					
Asset valuations based upon \$100,000 NOI	2002	2003	2004	2005	2006
Investment Cap Rates	9.0 to 9.5	7.0 to 8.0	6.5 to 7.5	5.5 to 6.5	6.0 to 7.5
Corresponding Valuations	\$1,100,000	\$1,428,000	\$1,538,000	\$1,818,000	\$1,666,000

Source: Stafford-McCarty Commercial Real Estate

market Cap Rates would correlate to the approximate purchase prices for the same piece of property and income according to the following years as noted in the table.

Several market transactions between \$2,000,000 and \$3,500,000 for Santa Maria:

- 3030 Industrial Parkway
Single Tenant
\$3,285,000
30,000 sq. ft.
7.5 Cap Rate
Investor
- West Stowell*
Mini-Storage
\$2,669,000
53,750 sq. ft.
9.2 Cap Rate
Investor
- 1846 North Broadway
Single tenant Retail
\$3,250,000
7,000 sq. ft.
6.6 Cap Rate
Investor

**This transaction falls outside market parameters, but may foreshadow the changing market.*

Ancillary issues and observations: The equity required for conventional loans and down payments has climbed in order to bridge the gap between lender debt coverage ratio requirements (DCR) and current market rental rates. In short, investors need to put more cash into the transactions. Shopping center investors/developers continue to report difficulty in adding value by renovating properties in order to attract higher rate paying tenants. This group is now looking for “ground-up opportunities”—meaning they are seeking land on which to build.

Santa Maria continues to be similar to other investment markets in that there is little availability of investment product. This condition also holds true for the balance of the Central Coast. However, we see change on the horizon.

Summary

Santa Maria is positioned to become the population center for the Central Coast. Even with the downturn in housing production, it continues to be the only city in the Central Coast producing any significant quantity of housing stock. Santa Maria is preparing for continued growth of all market segments with several large annexations and infrastructure development.

Transactions for 2006 demonstrate confidence in the region and stability for the Santa Maria market; however, housing valuations and absorption show less vigorous signs than the boom of the last few years. We are on the same path as last year in that commercial investment valuations may soften as interest rates increase and with fewer exchange buyers in the market. But, the litmus test for valuations of commercial assets remains tied to the reality of high reproduction costs.

2006 YEAR IN REVIEW, SOUTH COAST COMMERCIAL REAL ESTATE

Francois DeJohn and Kristopher Roth, Leider-Hayes Commercial Real Estate

Market Overview

2006 was an incredible year for commercial real estate on the South Coast with 87 commercial sales valued at \$329 million and

213 leases valued at \$100 million. Currently, there is approximately 35.1 million square feet (sf) of office, industrial and retail space with only one million sf vacant. This equates to an unbelievably

low vacancy rate of 2.88%, down 8% from 2005. The cooling of the housing market has led many to believe that the commercial real estate sector is experiencing a similar correction, however, 2006

Year in Review: 2006					
Vacancy	Net Absorption	Sublease Space	New Construction	Actual Lease Rates	Santa Barbara Sale Prices
↓ 8%	+ 88K	↓ 10%	+ 20K	↑ 8%	↑ 10%

Source: Leider Hayes Commercial

delivered a much different story. In fact, vacancy rates decreased, there was positive net absorption and lease rates and sale prices increased. Additionally, the sublease market improved considerably, with the total amount of space dropping 10% from 2005. Actual lease rates responded to these factors by increasing by 8% on average. Commercial development continued to be virtually non-existent, with approximately 20,000 sf built on the entire South Coast. Most notably was the construction of the 17,000 sf Penfield and Smith office building near the corner of Victoria and Anacapa Streets in Santa Barbara. Lastly, the sale market remained red hot, with prices increasing 10% on average in Santa Barbara.

Office Leasing

Santa Barbara

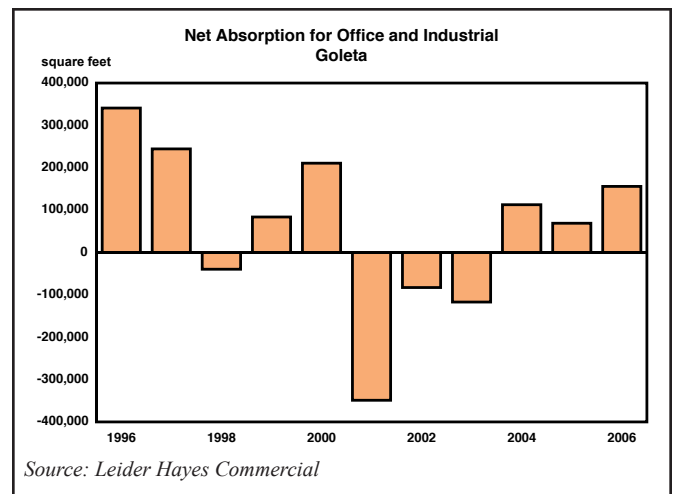
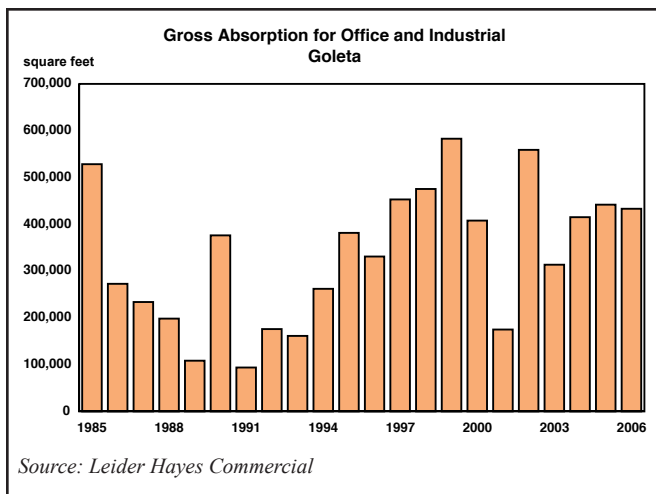
The Santa Barbara office market is best known for its charming “Spanish Style” buildings with red tiled roofs and close

proximity to the many restaurants and amenities of downtown Santa Barbara. The 2006 Santa Barbara office market continued its hurried pace of activity and vacancy rates remained near five year lows at 3.38%, slightly up from 3.03%. The majority of the office tenants are small to medium sized companies with a median size of approximately 2,000 sf. Commercial development is restricted to 30,000 sf per year and there is virtually no vacant land in the downtown area to develop. The only large approved office project, located at 6100 Hollister Avenue (160,000 sf) on the City of Santa Barbara’s airport property, was to be built by 2008 and occupied by Citrix Systems. However, this project is no longer moving forward and the City is looking at alternative uses for the site. Mixed-use development continues to be supported by the City, which has pushed land prices well above \$100 psf and has made pure office development economically unfeasible. Two such mixed-use developments

(Paseo Chapala and the Chapala One) broke ground in 2006 and are expected to be ready for occupancy in 2007.

There is approximately five million sf of office space in Santa Barbara. Currently, 169,000 sf is available for lease (18,000 sf for sublease) at an average asking rate of \$2.64 psf (\$2.15 at the end of 2005), ranging from \$1.28-\$4.25 psf. There are currently 43 active listings. Both asking and actual rates are above the \$2.00 psf mark for the third year in a row. In 2006, there was 235,000 sf of gross absorption (-18,000 sf net absorption) slightly below 2005’s amazing 252,000 sf. Santa Barbara office leases were completed at an average rental rate of \$2.33 psf (\$2.22 in 2005). Actual rental rates rose 5%, while asking rates rose 23%.

There were 81 leases signed in 2006 greater than 1,000 sf, one greater than 10,000 sf. The largest available space was vacated by Tenet Healthcare at 3760 State Street (20,000 sf). This space sat vacant for several months as the owner tried to lease the entire building to one tenant. However, following their decision to subdivide the building, Auto Lease Guide leased the entire 2nd and 3rd floors (12,000 sf) and there has been significant activity on



the remaining 8,000 sf. Interestingly, 20% of the vacant space in Santa Barbara is currently located in three buildings: 3938 State Street (formerly occupied by Fidelity National Title), 201 N. Calle Cesar Chavez, (formerly occupied by Authoria) and 525 Anacapa Street, (formerly occupied by SAIC).

Goleta

The Goleta office market is the location of choice for many of the South Coast’s medium to large sized companies with a median size of approximately 6,000 square feet. Its proximity to UCSB, the Santa Barbara Airport and a highly educated workforce makes Goleta a very desirable location for business. Approximately 50% of the office space in Goleta is located in the 15 largest properties, namely University Business Center, Hollister Busi-

ness Park and Castilian Tech Center. The only approved office projects in Goleta are located at 41 S. Los Carneros (100,000 sf), 420 S. Fairview (73,000 sf) and 5901 Hollister (40,000 sf). There has been only one office building (430 S. Fairview) built in Goleta over the past six years, adding a total of 61,000 sf to the market. However, the recent change from an anti-growth to a pro-business city council will have a significant affect on development over the next five years.

There is approximately 4.3 million sf of office space in Goleta. Currently, there are 27 active listings with 239,000 sf available for lease (55,000 sf for sublease) at an average asking rate of \$1.70 psf (\$1.70 at the end of 2005), ranging from \$0.93-\$2.50 psf. In 2006 there was 248,000 sf of gross absorption (29,000 sf net absorption) at an average actual rate of \$1.73 (\$1.60 in 2005). Actual rental rates increased 8% and asking rates remained flat. The vacancy rate is currently 5.5%, down from 6.2% (an 11% decrease).

Office Space Summary				
City	Available Space (s.f.) 12/31/06	Available Space (s.f.) 12/31/05	% Change	Net Absorption 2006
Santa Barbara	169,000	151,000	11.9%	-18,000
Goleta	239,000	267,000	-10.5%	28,000
Carpinteria	86,000	61,000	41.0%	-25,000
Totals	494,000	479,000	3.1%	-15,000

Source: Leider Hayes Commercial

Leasing activity in Goleta remained strong with a total of 23 transactions in 2006. Eight of these deals were above 10,000 sf, four of which were greater than 20,000 sf. Citrix continued its expansion by leasing 33,000 sf in two buildings, 120 Cremona and 301 Mentor. The increased strength of the Goleta office market is evident in the leasing of 47,000 sf at 6868 Cortona Drive by Occam Networks and GE’s leasing of 28,000 sf at the Cabrillo Business Park, both of which had been vacant for several years. Additionally, all 67,000 sf that Bargain Network vacated in 2006 was backfilled by JDSU (13,000 sf) at 7404 Hollister Avenue, Iconix (15,000 sf) at 7402 Hollister and Inogen (39,000 sf) at 326 Bollay Drive. The largest available office space in Goleta is currently located at 6500 Hollister Avenue (26,000 sf), which is for sublease from GBMI.

Carpinteria

The office market in Carpinteria is known for its small town charm and some of the most spectacular office buildings on the South Coast overlooking the Pacific Ocean. The market experienced vacancy rates in the 20-30% range from 2001 to 2004, however, the La-

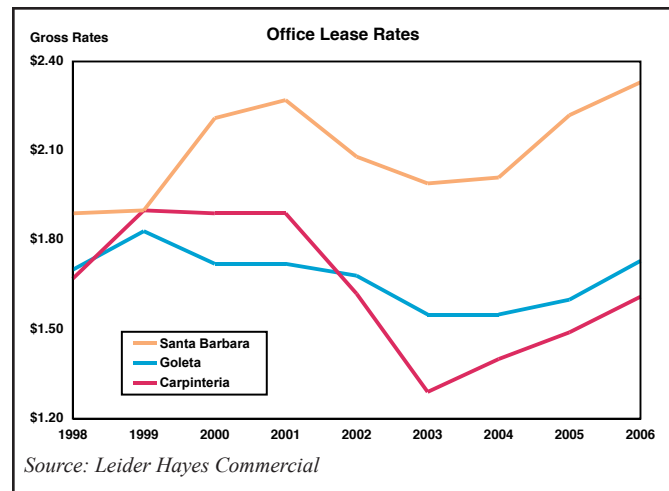
Office Gross Lease Rate Summary				
City	Average Actual Rate (\$ / s.f.) 2006	Average Actual Rate (\$ / s.f.) 2005	% Change	Average Asking Rate (\$ / s.f.) 12/31/06
Santa Barbara	\$2.33	\$2.22	5.0%	\$2.64
Goleta	\$1.73	\$1.60	8.1%	\$1.70
Carpinteria	\$1.61	\$1.49	8.1%	\$1.58
Averages	\$1.89	\$1.77	7.0%	\$1.97

Source: Leider Hayes Commercial

gunitas Business Park has recently been approved after ten years of review and will add 145,000 sf to the market in 2009. There is approximately 565,000 sf of office space in Carpinteria. Currently, there is 86,000 sf available for lease (28,000 sf for sublease) in 12 active listings at an average asking rate of \$1.59 psf (\$1.41 at the end of 2005), ranging from \$1.30-\$2.18 psf. In 2006, there was 37,000 sf of gross absorption (-25,000 sf net absorption) at an average actual rate of left the area. However, 2005 was a real turning point as the vacancy rate dropped by 44% when several new companies moved to Carpinteria for its attractive lease rates and close proximity to the labor force found in Ventura County. 2006’s rise in vacancy, from 10.9% to 15.3%, is slightly skewed by the inclusion of the 19,000 sf available at 6398 Cindy Lane. This property accounts for 22% of the entire inventory and is in escrow to be purchased by an owner-user. The Carpinteria office market, by far the smallest on the South Coast, consists of tenants of a medium size of approximately 4,000 sf. There has been no office development over the past six years, however, the La-

gunitas Business Park has recently been approved after ten years of review and will add 145,000 sf to the market in 2009.

There is approximately 565,000 sf of office space in Carpinteria. Currently, there is 86,000 sf available for lease (28,000 sf for sublease) in 12 active listings at an average asking rate of \$1.59 psf (\$1.41 at the end of 2005), ranging from \$1.30-\$2.18 psf. In 2006, there was 37,000 sf of gross absorption (-25,000 sf net absorption) at an average actual rate of



\$1.61 (\$1.49 in 2005). Actual rental rates and asking rates rose 8.1% and 12.8%, respectively.

2006 was a below average year in terms of leasing activity in Carpinteria with 12 transactions taking place, with only one north of 10,000 sf. SAIC inked the largest lease when they moved from downtown Santa Barbara into 11,200 sf at 5464 Carpinteria Avenue. This has been the only lease above 10,000 sf over the past two years. Currently, the largest space available is located at 6410 Via Real (26,000 sf), which was previously occupied by QAD.

Industrial Leasing

Santa Barbara

The Santa Barbara industrial market remained strong with vacancy rates decreasing from 2.2% to 0.69%. The decrease in inventory pushed the actual rates and asking rates up 7% and 8%, respectively, since the beginning of 2006. This segment is mostly comprised of small to medium sized local businesses, with a median size of approximately 2,500 sf. Demand from home improvement / construction tenants has continued to keep this sector strong.

There is approximately 4.8 million sf of industrial space in Santa Barbara. Currently, only

33,000 sf is available for lease (none for sublease) in four active listings at an average asking rate of \$1.35 psf (\$1.25 at the end of 2005), ranging from \$1.25-\$1.52 psf. In 2006, there was 125,000 sf of gross absorption (70,000 sf net absorption) at an average actual rate of \$1.28 (\$1.20 in 2005).

22 leases were signed in 2006, three of which were above 10,000 sf. John Kenney Construction completed the largest industrial lease in Santa Barbara by leasing 15,580 sf at 617 East Montecito Street. Due to the lack of small industrial spaces available in Santa Barbara smaller companies have been forced to look to Goleta and Carpinteria to fill their needs.

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 sf. The large industrial sector (10,000 sf+) has been affected by the downsizing or relocation of several large manufacturers (Dupont, Joslyn Electronics, Agility Communications and Hendry Telephone). Furthermore, there continues to be very little demand from large users (10,000+ sf) 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 sf) has remained strong.

There is approximately 4.2 million sf of industrial space in Goleta. Currently, there is 229,000 sf available for lease (118,000 sf for sublease) in the 12 active listings at an average asking rate of \$1.26 psf (\$1.26 at the end of 2005), ranging from \$0.96-\$1.57 psf. In 2006, there was 184,000 sf of gross absorption (127,000 sf net absorption)

Industrial Space Summary				
City	Available Space (s.f.) 12/31/06	Available Space (s.f.) 12/31/05	% Change	Net Absorption 2006
Santa Barbara	33,000	103,000	-68.0%	70,000
Goleta	229,000	356,000	-35.7%	127,000
Carpinteria	54,000	52,000	3.8%	-2,000
Totals	316,000	511,000	-38.2%	195,000

Source: Leider Hayes Commercial

at an average actual rate of \$1.15 (\$1.19 in 2005). Asking rates remained flat and actual rates decreased slightly by 3.4%. Surprisingly, the industrial vacancy in Goleta saw a large decline in 2006, dropping from 8.5% to 5.5% (a 36% decrease), due in large part to Textron signing the largest lease of 2006 at 7406 Hollister Avenue (53,000 sf).

2006 was a dynamic year in industrial leasing with 15 lease transactions completed; six of which were above 10,000 sf. To add to the good news, the former headquarters for Hendry Telephone located at 75 Castilian Drive (37,000 sf) was sold to Bermant Development and will be converted to a high-tech incubator, with an expected delivery date of June 2007. There are currently eight available spaces over 10,000 sf, with very little demand from large warehouse and manufacturing users. Owners of large industrial buildings will need to consider re-positioning their buildings into office / R&D space or demising their buildings into smaller spaces. The two largest available spaces, 118,000 sf at 6775 Hollister Avenue (DuPont) and 57,000 sf Nexxus at 82 Coromar Drive (Nexxus), account for 77% of all vacant industrial space in Goleta.

Industrial Gross Lease Rate Summary				
City	Average Actual Rate (\$ / s.f.) 2006	Average Actual Rate (\$ / s.f.) 2005	% Change	Average Asking Rate (\$ / s.f.) 12/31/06
Santa Barbara	\$1.28	\$1.20	6.7%	\$1.35
Goleta	\$1.15	\$1.19	-3.4%	\$1.26
Carpinteria	\$1.22	\$1.14	7.0%	\$1.14
Averages	\$1.22	\$1.18	3.4%	\$1.25

Source: Leider Hayes Commercial

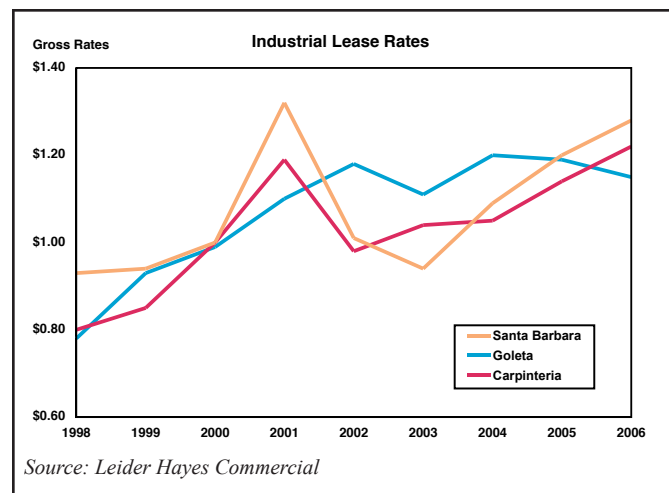
Carpinteria

The Carpinteria industrial market is comprised of medium sized companies, with a median size of approximately 3,500 sf. Most of the industrial properties are concrete tilt-up construction and are in better condition than many of the buildings in Goleta and Santa Barbara. There are no approved industrial buildings to be built in Carpinteria.

There is approximately 1.33 million sf of industrial space in Carpinteria. Currently, 54,000 sf is available for lease (31,000 sf for sublease) in seven active listings at an average asking rate of \$1.14 psf (\$1.22 at the end of 2005), ranging from

\$0.95-\$1.48 psf. In 2006, there was 57,000 sf of gross absorption (-2,000 sf net absorption) at an average rental rate of \$1.22 (\$1.14 in 2005). Asking rental rates decreased 6.6%, but actual rates rose 7%. The vacancy rate is currently 4.1%, slightly up from 3.9%.

There were 10 industrial leases signed in 2006, with only one above 10,000 sf. Inter-Aero Insurance Services completed the largest industrial lease in Carpinteria of 30,000 sf at 1005 Mark Avenue with plans of occupying



roughly half of the building. The remaining 17,000 sf is currently the largest available space.

Retail Leasing

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. This segment is comprised of both local and national retailers, with the median sized tenants of approximately 2,500 sf. This has been the tightest segment of our local market and it will continue to be very challenging for retailers to find the right space in Santa Barbara. There are virtually no new retail projects planned, but several of the largest retail centers have changed hands over the past three years, namely Paseo Nuevo, La Cumbre Shopping Mall and Five Points Shopping Center. Retail rents have continued to soar in Santa Barbara putting a strain on local retailers, increasing vacancy and opening the door for national retailers who are willing to pay the high rates. State Street experienced a considerable amount of turnover in 2006.

Retail Space Summary				
City	Available Space (s.f.) 12/31/06	Available Space (s.f.) 12/31/05	% Change	Net Absorption 2006
Santa Barbara	160,000	73,000	119.2%	-87,000
Goleta	21,000	28,000	-25.0%	7,000
Carpinteria	23,000	7,000	228.6%	-16,000
Totals	204,000	108,000	88.9%	-96,000

Source: Leider Hayes Commercial

There is approximately 14.9 million sf of retail space on the South Coast, 10.5 million sf in Santa Barbara, four million sf in Goleta and 440,000 sf in Carpinteria. Currently, there is only 204,000 sf available for lease (none for sublease) on the entire South Coast at an average asking rate of \$2.86 psf (\$2.82 at the end of 2005), ranging from \$1.50 to \$6.50 psf. In 2006, there was 163,000 sf of gross absorption (-96,000 sf net absorption).

Santa Barbara had 35 leases signed in 2006, at an average actual rate of \$3.36 psf (\$2.96 in

2005). The largest retail lease of the year was completed by Open Wide Furniture at 530 State Street (11,500 sf), the former RADD Thrift Store site.

Sales

The South Coast has approximately 3,300 commercial properties situated on approximately 3,100 acres of land. Furthermore, there are only approximately 275 acres of undeveloped commercial land with very rigid growth controls in place.

Retail Gross Lease Rate Summary				
City	Average Actual Rate (\$ / s.f.) 2006	Average Actual Rate (\$ / s.f.) 2005	% Change	Average Asking Rate (\$ / s.f.) 12/31/06
Santa Barbara	\$3.36	\$2.96	13.5%	\$3.77
Goleta	NA	NA	NA	\$2.26
Carpinteria	NA	NA	NA	\$2.54
Averages	NA	NA	NA	\$2.86

Source: Leider Hayes Commercial

The sale market for office, industrial, retail, medical and land was very active in 2006. In fact, there were a total of 89 sales on the South Coast that totaled \$331 million up from \$255 million in 92 sales in 2005. Relatively low interest rates, an increase in rental rates, the lack of developable land and demand for quality real estate from investors, owners and developers has outpaced supply pushing sales prices higher. Given that there are so few sales in Goleta and Carpinteria, the following are highlights for Santa Barbara only:

There were three sales over \$20 million in 2006; 6500 Hollister Avenue, 1 South Los Carneros and 71 South Los Carneros Road, each of which was fully leased by a single tenant. However, leased properties are not the only properties investors are chasing after. The low vacancy seen in every product type across the South Coast has made vacant or

remodel projects also attractive to investors. For example, 500 South Fairview Avenue (108,000 sf) was purchased by a local investor and was 40% vacant at close of escrow. By the end of 2006, the entire building was leased up. Lastly, the largest retail sale of the year was the Pharmacy Property in Montecito for approximately \$11 million. This is the first sale on the entire South Coast greater than 2,000 sf to sell for over \$1,000 psf.

Outlook

Office Leasing

The office market will continue to tighten across the South Coast. Look for overall vacancy to decline from 5% to 4% in 2007, with Santa Barbara dropping below 3%. Landlords with high quality office space in downtown SB will see the greatest rates increases. The Goleta mar-

ket will also see a nice increase in rates in 2007, but Carpinteria will remain flat.

Industrial Leasing

The industrial markets in SB and Carp will continue to be strong. However, with the continued displacement of the low-tech manufacturers, the large industrial market in Goleta (10K+) will continue to be challenging. Owners of large vacant spaces will look to re-position their buildings into smaller spaces. Overall vacancy will remain flat at 3%.

Retail Leasing

The retail vacancy has doubled over the past 12 months in Santa Barbara, which may get some to think that this market is softening. However, this couldn't be farther from the truth. The demand from national retailers wanting to be on State Street has started to push out many local retailers as rents have increased to unprecedented levels. Look for 2007 to be a transition year for many buildings on State Street, as owners look for higher rates and better tenant credit. The completion of the Granada Theater in late 2007 will also have significant positive affect on the 1200 Block of State Street.

Sales Summary 2006					
	Cap Rates	Price PSF	% Change	# of Sales	Total Value
Office	5-6%	\$573	25%	14	\$54 million
Medical	5-6%	\$625	-7%	13	\$13 million
Industrial	6-7%	\$366	1%	12	\$20 million
Retail	4-5%	\$600	29%	10	\$42 million
Land	NA	\$144	1%	10	\$28 million
Totals			10%	59	\$157 million

Source: Leider Hayes Commercial

Sales

The South Coast’s unbelievably low vacancy rates (less than 3% overall), increasing lease rates, a growing economy

and virtually no new commercial development, all point to another strong year in the sales market. Historically low interest rates will also help keep the sale market hot in 2007.

2006 SOUTH COAST COMMERCIAL/INDUSTRIAL YEAR END REPORT

Brian Johnson, Bob Tuler, and Paul Gamberdella, Radius Group Commercial Real Estate

2006 Year End Review

Along the South Coast, commercial markets remained strong throughout 2006. With the exception of the Carpinteria Office market all vacancies have fallen below 6% for the first time since 2001. Across all three Industrial markets on the South Coast, prices for Industrial spaces dropped in 2006. In 2007, expect overall vacancy

rates to remain tight with lease rates increasing slightly.

Santa Barbara

Office Space

After a number of years of volatility the Santa Barbara Office market vacancy remained near a historic low of 2.8% in 2006.

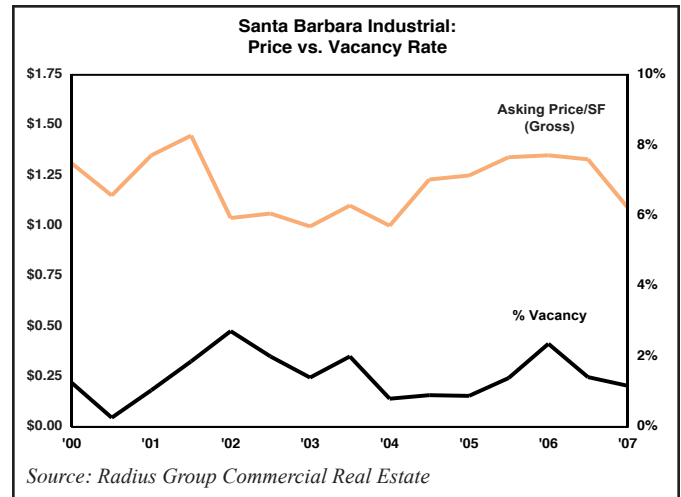
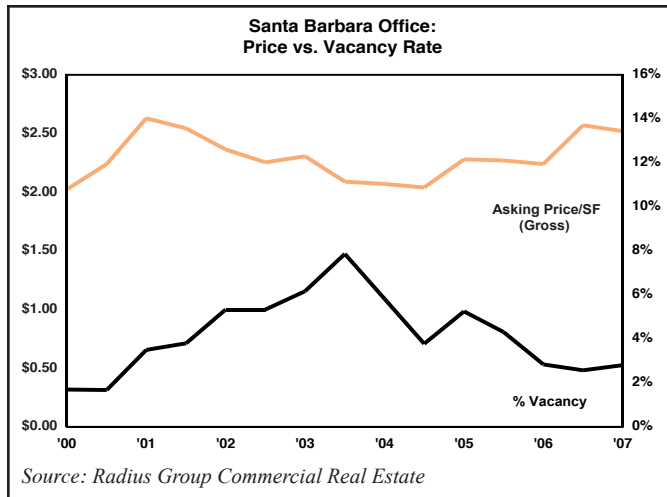
The average asking lease rate on a gross basis, (includes

triple net expenses), increased by more than \$0.25 to 2.52 per square foot gross. This price increase has been most pronounced in the downtown office market where tenants are willing to pay a higher lease rate and have less parking for a location in the downtown corridor.

In 2007 Office vacancies will remain below 3% and Office lease rates will continue to increase.

Vacancy Rate				Rental Rate			
	Jan-06	Jan-07	% Change		Jan-06	Jan-07	% Change
Santa Barbara				Santa Barbara			
Office	2.8%	2.8%	0.0%	Office	\$2.24	\$2.52	12.5%
Industrial	2.4%	1.2%	-50.0%	Industrial	\$1.35	\$1.09	-19.3%
Retail	0.6%	1.2%	100.0%	Retail	\$3.00	\$3.55	18.3%
Goleta				Goleta			
Office	4.9%	5.3%	8.2%	Office	\$1.65	\$1.59	-3.6%
Industrial	8.7%	5.6%	-35.6%	Industrial	\$1.25	\$1.20	-4.0%
Carpinteria				Carpinteria			
Office	12.9%	15.3%	18.6%	Office	\$1.44	\$1.57	9.0%
Industrial	3.2%	4.4%	37.5%	Industrial	\$1.15	\$1.05	-8.7%

Source: Radius Group Commercial Real Estate



With limited Santa Barbara Office space available in 2006, lease terms increased in duration as landlords were able to require tenants to complete long-term deals.

Industrial Space

Santa Barbara’s historically tight industrial market finished the year with a vacancy at 1.2%, down from 2.4% at the start of 2006. The Santa Barbara Industrial market is shrink-

ing as Industrial buildings are becoming residential condos or Office space.

We will continue to see extremely low vacancy rates and rising lease rates in 2007.

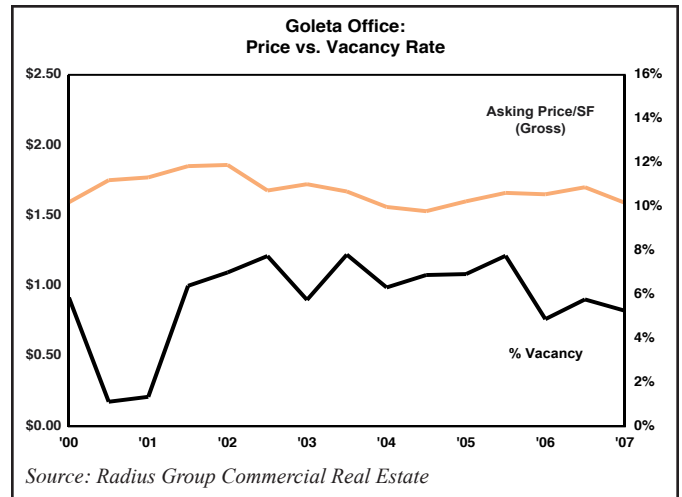
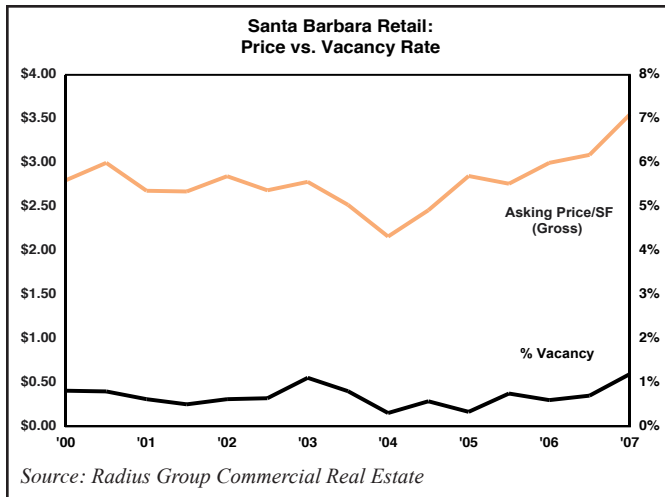
In 2006, both the vacancy rate and the average gross asking

LARGEST AVAILABLE OFFICE SPACES IN SANTA BARBARA			LARGEST OFFICE SPACE LEASE DEALS IN SANTA BARBARA		
ADDRESS	SIZE (SF)	VACATED BY	ADDRESS	SIZE (SF)	NEW TENANT
525 Anacapa Street	10,700	SAIC	3760 State Street	11,800	ALG
3938 State Street	10,000	Metrocities Mortgage	506 Chapala Street	9,200	SB Business College
115 S. La Cumbre	8,200	ALG	4181 State Street	8,400	MGPL
510 State Street	8,000	English Language	135 E. Ortega Street	7,500	World Publications

Source: Radius Group Commercial Real Estate

LARGEST AVAILABLE INDUSTRIAL SPACES IN SANTA BARBARA			LARGEST INDUSTRIAL SPACE LEASE DEALS IN SANTA BARBARA		
ADDRESS	SIZE (SF)	VACATED BY	ADDRESS	SIZE (SF)	NEW TENANT
415 N. Salsipuedes	14,500	SB Bank & Trust	18 Anacapa Street	9,700	Smart Business Interiors
740 Cacique Street	12,700	PJ Miligan	1 N. Calle Cesar Chavez	7,700	A American Self Storage
203 Chapala Street	7,100	SB Medco	734 Cacique	6,400	Alex's Tile Works
1 N. Calle Cesar Chavez	6,700	Iparq	134 Nopalitos	6,400	United Refrigeration

Source: Radius Group Commercial Real Estate



lease rate declined in the Santa Barbara Industrial market as less improved warehouse space came onto the market as opposed to more built out R&D/Industrial space.

Retail Space

The most dramatic price increase across all market segments took place in the Santa Barbara Retail market. This change was championed by dramatic increases in the lease rates along State Street. Historically, lease rates greater than \$3.50 per

square foot gross could only be achieved in and around the Paseo Nuevo mall area. Recently we have seen rates exceeding \$4.00 per square foot gross extend up to the 1200 block and down to the 400 block of State Street. In the Paseo Nuevo, rents can top \$8.00 per square foot gross.

While the Santa Barbara Retail vacancy has increased slightly (still only 1.2%) this increase is predominantly due to a few larger spaces coming onto the market (Cost Plus World Market and Pep Boys).

Goleta

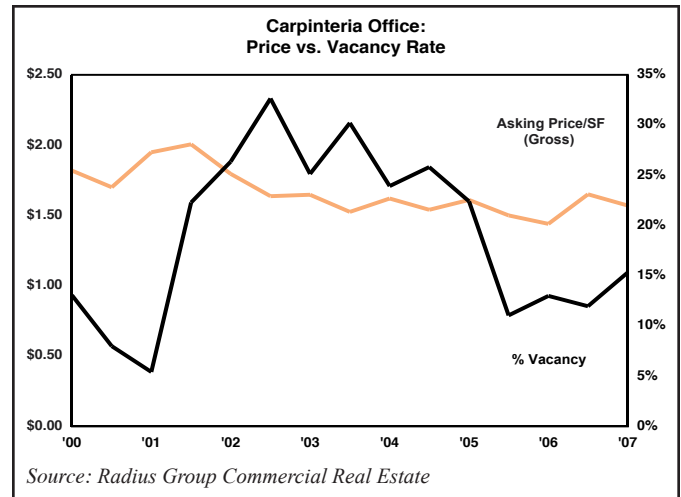
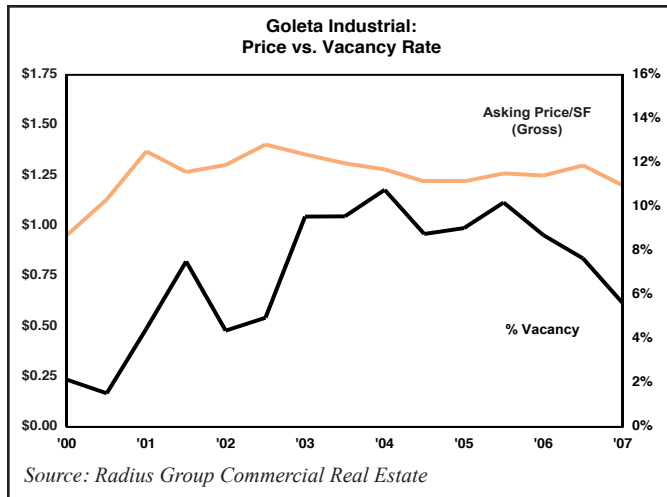
Office Space

Throughout 2006 the Goleta Office market hovered around a 5% vacancy rate.

With the changes in the latest City of Goleta elections we may begin to see a more favorable business climate in Goleta, which could help streamline the approval process. However, in 2007 we will see little to no new commercial projects completed in Goleta.

LARGEST AVAILABLE RETAIL SPACES IN SANTA BARBARA			LARGEST INDUSTRIAL RETAIL DEALS IN SANTA BARBARA		
ADDRESS	SIZE (SF)	VACATED BY	ADDRESS	SIZE (SF)	NEW TENANT
610 State Street	24,000	Cost Plus	1137 State Street	12,000	Old Navy
424 State Street	16,900	Pep Boys	530 State Street	11,500	Khyber Pass
1117 State Street	11,300	Kim3	602 Anacapa Street	10,000	Cafe Gliss
1114 State Street	11,200	Acapulco	436 N. Milpas Street	6,800	Kragen Auto Parts

Source: Radius Group Commercial Real Estate



LARGEST AVAILABLE OFFICE SPACES IN GOLETA			LARGEST OFFICE SPACE LEASE DEALS IN GOLETA		
ADDRESS	SIZE (SF)	VACATED BY	ADDRESS	SIZE (SF)	NEW TENANT
7410 Hollister Avenue	39,000	General Dynamics	6868 Cortona Drive	47,000	Occam Networks
1351 Holiday Hill	22,000	Infogenesis	326 Bolly Road	38,900	Inogen
7408 Hollister Avenue	19,000	General Dynamics	6769 Hollister Avenue	27,800	General Electric
749 Ward Drive	18,600	ConMed Corporation	7402 Hollister Avenue	15,100	Iconix Video

Source: Radius Group Commercial Real Estate

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	7406 Hollister Avenue	52,900	IST, Inc.
82 Coromar Drive	57,000	Nexus	99 Aero Camino	25,900	Storage
6868 Cortona Drive	15,000	Joslyn Electronics	7200 Hollister Avenue	19,500	Weddie Industries
475 Pine Avenue	11,800		5511 Ekwil Street	5,600	RMS Group

Source: Radius Group Commercial Real Estate

LARGEST AVAILABLE OFFICE SPACES IN CARPINTERIA			LARGEST OFFICE SPACE LEASE DEALS IN CARPINTERIA		
ADDRESS	SIZE (SF)	VACATED BY	ADDRESS	SIZE (SF)	NEW TENANT
6410 Via Real	26,000	QAD & Somera	5464 Carpinteria Avenue	11,200	SAIC
5464 Carpinteria Avenue	11,000	Veneco	6450 Via Real	4,800	New Sun Nutrition

Source: Radius Group Commercial Real Estate

The average gross lease rate in Goleta continues to maintain mild changes, hovering between \$1.55 to \$1.75 per square foot gross over the last eight years.

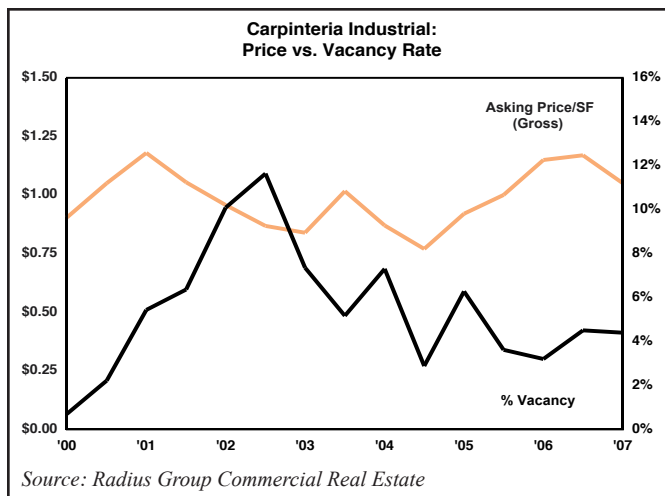
Look for the vacancy rate to continue to decrease to below 5% by the end of the year and for lease rates to increase slightly.

Industrial Space

In 2006, the Industrial vacancy rate in Goleta dropped from 8.7% to 5.6%. This drop was caused in part by the leasing of a number of larger Industrial buildings (7406 Hollister Avenue

and 6868 Cortona Drive).

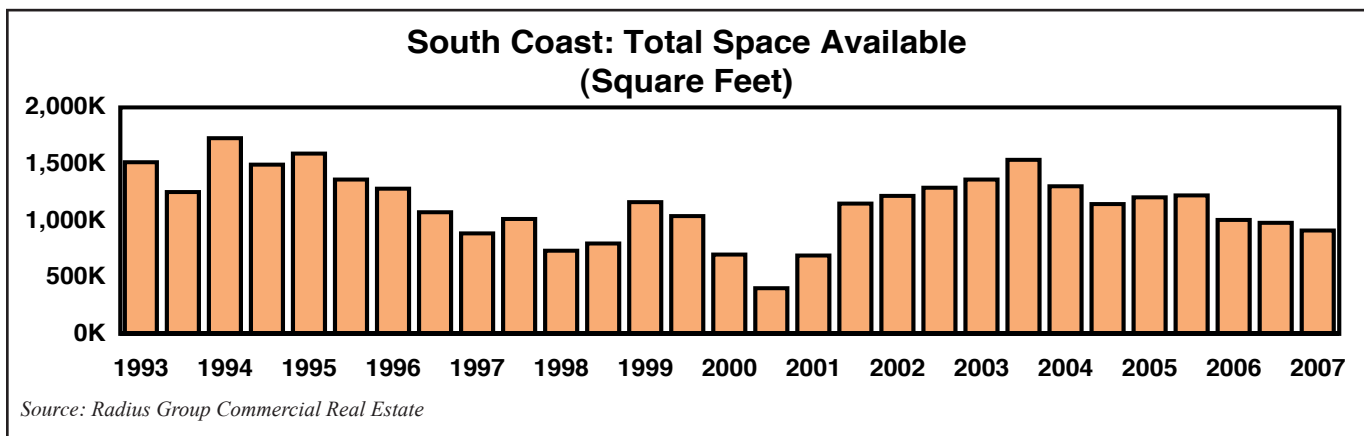
As we have seen in Santa Barbara Office tenants have been looking at building-out Industrial buildings to suit their needs. Ocam Networks, which leased 6868 Cortona Drive, is currently in the process of converting their 47,000 square feet of Industrial space to nearly entirely Office space.



In 2007, expect Industrial lease rates to increase slightly as vacancies continue to decline.

LARGEST AVAILABLE INDUSTRIAL SPACES IN CARPINTERIA			LARGEST INDUSTRIAL SPACE LEASE DEALS IN CARPINTERIA		
ADDRESS	SIZE (SF)	VACATED BY	ADDRESS	SIZE (SF)	NEW TENANT
1026-1030 Cindy Lane	25,000	Multiple Tenants	1005 Mark Avenue	29,000	Inter-Aero
1005 Mark Avenue	16,600	Inter-Aero	1045 Cindy Lane	22,000	Burton

Source: Radius Group Commercial Real Estate



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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007*
Office										
Carpinteria	3.4%	6.2%	10.5%	13.9%	29.5%	27.7%	24.9%	16.7%	12.5%	15.3%
Goleta	5.3%	7.0%	3.5%	3.9%	7.4%	6.8%	6.6%	7.4%	5.3%	5.3%
Santa Barbara	3.2%	4.0%	1.7%	3.6%	5.3%	7.0%	4.8%	4.8%	2.7%	2.8%
Industrial										
Carpinteria	3.2%	2.5%	1.5%	5.9%	10.9%	6.3%	5.1%	5.0%	3.9%	4.4%
Goleta	1.6%	6.3%	1.8%	6.0%	4.7%	9.6%	9.8%	9.6%	8.2%	5.6%
Santa Barbara	2.3%	2.8%	0.8%	1.5%	2.4%	1.7%	0.9%	1.1%	1.9%	1.2%
Retail										
Santa Barbara	1.0%	0.8%	0.8%	0.6%	0.6%	1.0%	0.4%	0.5%	0.7%	1.2%

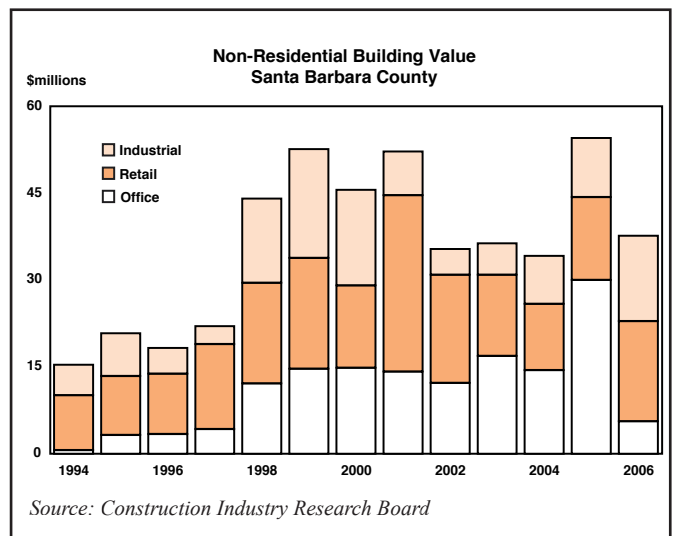
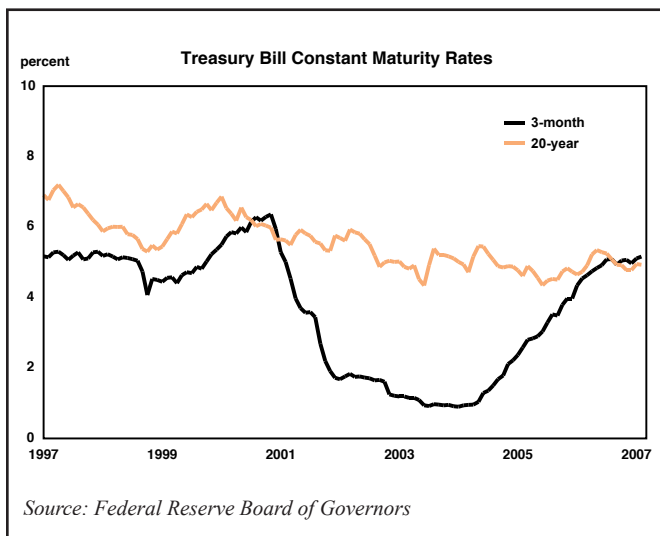
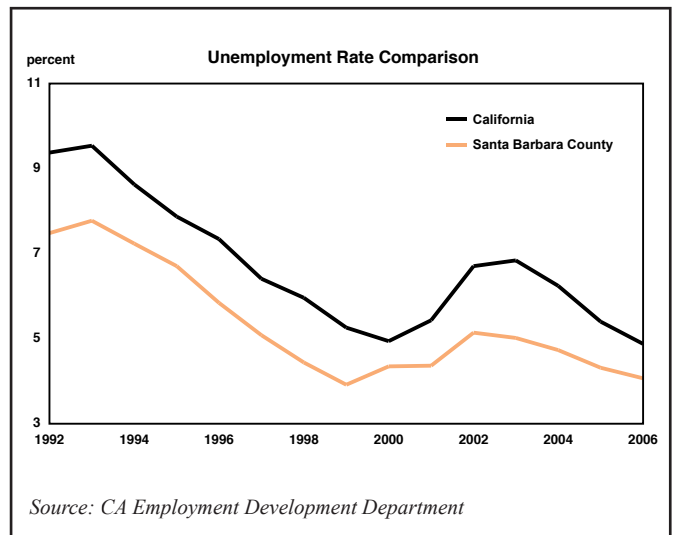
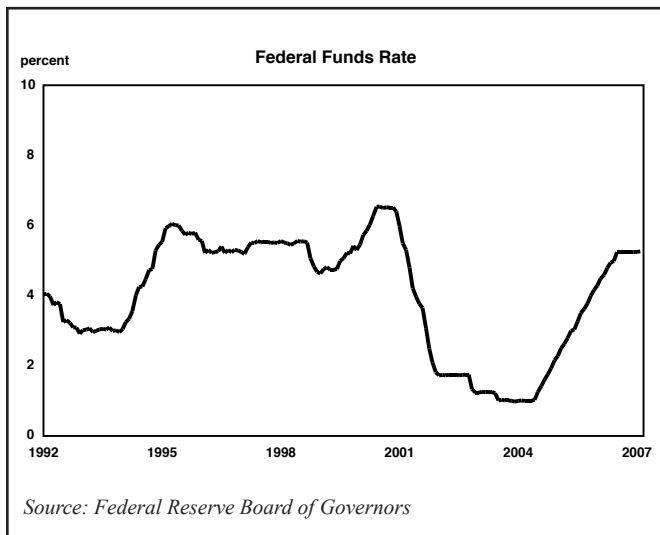
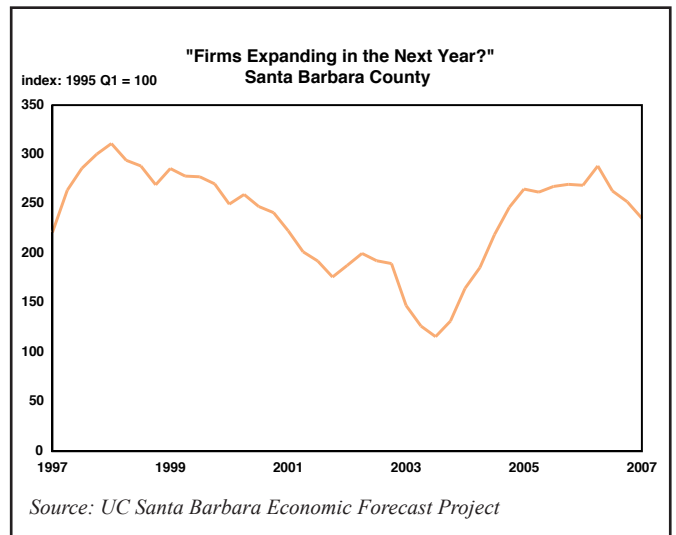
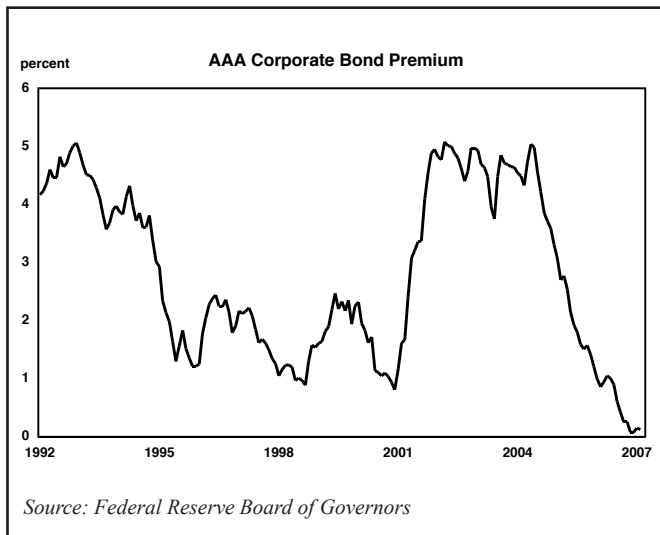
Source: Radius Group Commercial Real Estate

Note: * Estimated

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007*
----- dollars per square foot per month -----										
Office										
Carpinteria	\$1.80	\$1.44	\$1.76	\$1.98	\$1.72	\$1.59	\$1.58	\$1.56	\$1.55	\$1.57
Goleta	\$1.36	\$1.61	\$1.67	\$1.81	\$1.77	\$1.70	\$1.55	\$1.63	\$1.68	\$1.59
Santa Barbara	\$1.85	\$2.02	\$2.13	\$2.59	\$2.31	\$2.20	\$2.06	\$2.28	\$2.41	\$2.52
Industrial										
Carpinteria	\$0.86	\$0.86	\$0.98	\$1.12	\$0.92	\$0.93	\$0.82	\$0.96	\$1.16	\$1.05
Goleta	\$0.93	\$1.28	\$1.04	\$1.32	\$1.35	\$1.33	\$1.25	\$1.24	\$1.28	\$1.20
Santa Barbara	\$1.01	\$1.15	\$1.23	\$1.40	\$1.05	\$1.05	\$1.12	\$1.30	\$1.34	\$1.09
Retail										
Santa Barbara	\$2.43	\$2.40	\$3.36	\$2.68	\$2.77	\$2.65	\$2.31	\$2.81	\$3.05	\$3.55

Source: Radius Group Commercial Real Estate



Non-Residential Building Values

	2000	2001	2002	2003	2004	2005	2006
	millions of dollars						
Carpinteria							
Non-Residential Building Value	0.8	5.8	0.8	1.2	1.4	2.8	2.6
Office Building Value	0.0	2.6	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	0.5	0.0	1.2	1.1
Guadalupe							
Non-Residential Building Value	0.0	0.0	0.0	0.0	0.0	0.1	0.1
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	14.5	7.7	8.7	4.0	4.3	3.5	7.0
Office Building Value	0.0	0.0	2.9	0.0	0.0	0.0	0.6
Industrial Building Value	6.0	0.0	0.0	0.0	0.0	0.0	0.0
Retail Building Value	1.6	5.7	0.4	0.2	0.0	0.0	0.0
Santa Barbara							
Non-Residential Building Value	38.3	29.7	43.0	40.0	21.3	71.7	65.0
Office Building Value	3.2	0.0	0.4	0.0	1.3	22.6	0.0
Industrial Building Value	1.3	0.0	0.0	0.0	0.0	0.0	0.0
Retail Building Value	6.1	2.7	5.3	4.2	3.3	7.2	4.5
Santa Maria							
Non-Residential Building Value	21.7	48.3	35.7	36.2	31.6	33.0	52.2
Office Building Value	3.0	11.2	4.8	7.2	7.9	6.4	3.2
Industrial Building Value	5.6	4.4	0.9	2.3	4.3	5.1	12.3
Retail Building Value	4.9	21.5	11.8	8.1	4.1	2.9	11.1
Santa Barbara County							
Non-Residential Building Value	133.2	134.2	142.1	130.1	118.0	162.3	181.3
Office Building Value	14.8	14.2	12.2	16.9	14.4	30.0	5.6
Industrial Building Value	16.5	7.6	4.5	5.4	8.3	10.2	14.7
Retail Building Value	14.2	30.4	18.7	14.0	11.5	14.3	17.3

Source: Construction Industry Research Board

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

		2002	2003	2004	2005	2006
		thousands of dollars				
Santa Barbara Region						
Total New Non-Residential Value		\$18,570	\$15,394	\$8,502	\$1,125	\$1,844
Office		\$2,963	\$4,455	\$101	\$0	\$0
Retail		\$1,330	\$3,857	\$3,736	\$0	\$0
Industrial		\$0	\$0	\$235	\$0	\$68
Santa Barbara Unincorporated						
Total New Non-Residential Value		\$14,321	\$11,185	\$3,742	\$396	\$1,394
Office		\$2,963	\$4,455	\$0	\$0	\$0
Retail		\$0	\$225	\$178	\$0	\$0
Industrial		\$0	\$0	\$0	\$0	\$68
Hope Ranch						
Total New Non-Residential Value		\$1,435	\$398	\$767	\$209	\$405
Office		\$0	\$0	\$0	\$0	\$0
Retail		\$0	\$0	\$0	\$0	\$0
Industrial		\$0	\$0	\$0	\$0	\$0
Goleta Unincorporated						
Total New Non-Residential Value		\$2,802	\$3,810	\$3,993	\$416	\$33
Office		\$0	\$0	\$101	\$0	\$0
Retail		\$1,330	\$3,632	\$3,557	\$0	\$0
Industrial		\$0	\$0	\$235	\$0	\$0
Isla Vista						
Total New Non-Residential Value		\$13	\$0	\$0	\$104	\$12
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		\$2,432	\$1,175	\$1,915	\$1,103	\$1,582
Office		\$244	\$518	\$332	\$3	\$0
Retail		\$0	\$0	\$451	\$3	\$614
Industrial		\$158	\$0	\$0	\$9	\$165
Montecito / Mission Canyon						
Total New Non-Residential Value		\$3,610	\$2,689	\$2,917	\$3,096	\$3,028
Office		\$116	\$0	\$0	\$0	\$0
Retail		\$0	\$0	\$0	\$0	\$0
Industrial		\$688	\$0	\$0	\$10	\$0
North Santa Barbara Unincorporated						
Total New Non-Residential Value		\$1,260	\$9,977	\$4,484	\$1,022	\$1,229
Office		\$351	\$198	\$2,559	\$2	\$9
Retail		\$0	\$2	\$0	\$0	\$0
Industrial		\$4	\$9,208	\$0	\$0	\$0
Lompoc Unincorporated						
Total New Non-Residential Value		\$234	\$256	\$144	\$232	\$986
Office		\$127	\$0	\$0	\$0	\$0
Retail		\$0	\$0	\$0	\$0	\$0
Industrial		\$0	\$0	\$0	\$0	\$0
Santa Maria Unincorporated						
Total New Non-Residential Value		\$1,027	\$9,721	\$4,340	\$790	\$243
Office		\$224	\$198	\$2,559	\$2	\$9
Retail		\$0	\$2	\$0	\$0	\$0
Industrial		\$4	\$9,208	\$0	\$0	\$0
Santa Ynez Valley						
Total New Non-Residential Value		\$5,924	\$7,725	\$4,875	\$9,174	\$6,118
Office		\$323	\$0	\$0	\$1,009	\$945
Retail		\$40	\$0	\$179	\$0	\$0
Industrial		\$2,977	\$3,472	\$3,045	\$5,584	\$2,367
Buellton City						
Total New Non-Residential Value		\$1,861	\$4,921	\$3,907	\$7,355	\$4,790
Office		\$0	\$0	\$0	\$1,009	\$945
Retail		\$0	\$0	\$179	\$0	\$0
Industrial		\$1,802	\$3,199	\$3,045	\$5,584	\$2,367
Solvang City						
Total New Non-Residential Value		\$211	\$95	\$127	\$166	\$46
Office		\$0	\$0	\$0	\$0	\$0
Retail		\$40	\$0	\$0	\$0	\$0
Industrial		\$0	\$0	\$0	\$0	\$0
Santa Ynez Township						
Total New Non-Residential Value		\$3,853	\$2,710	\$841	\$1,653	\$1,282
Office		\$323	\$0	\$0	\$0	\$0
Retail		\$0	\$0	\$0	\$0	\$0
Industrial		\$1,175	\$272	\$0	\$0	\$0

Source: County of Santa Barbara

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. The specific plan was approved with: 20 single-family units, 28 townhomes, 24 affordable units and 75 senior assisted-living units. All the divisions are pending approval from the City Council. Construction could begin as early as summer 2007.

Carpinteria

Lavender Court

A 40-unit condominium project at 4646 Carpinteria Ave. is currently under construction. 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.

Lagunitas

Investec and Parkstone are proposing to build 73 condos and small homes that will be geared toward city employees and middle-income families at 6380 Via Real. The project is pending approval.

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 62 single-family residences in the area bordering the south side of 7800s Hollister Avenue. This is under City jurisdiction. This planning and development effort relocates previously planned resi-

dential 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.

Residences at Sandpiper

Originally approved by Santa Barbara County, the City of Goleta rejected Residences at Sandpiper. Builder Chuck Lande and the Oly-Chadmar Partnership envision 87 market-rate and 22 affordable homes on 14.5 acres along Hollister Avenue between Highway 101 and the Sandpiper Golf Course. The developer and the city have been conducting their discussions of this project in court. It is not clear at this time that the project will move forward.

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 265 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. Development of a child-care facility may also accompany the residential option. This project is pending approval.

Sumida Gardens

Located near Hollister and Turnpike Avenues, this is a 208-unit apartment project with half of the units to be Affordable Housing. The developer is The Towbes Group and the project has been approved. Construction is planned for summer 2007.

Bishop Ranch Development

During the year of 2006, Bishop Ranch LLC proposed a plan to construct up to 1,200 homes on the 239 acres just off Highway 101 between Glen Annie, Cathedral Oaks and Los Carneros roads. The City of Goleta did not approve Bishop Ranch’s request. On January 2, 2007, Bishop Ranch filed a lawsuit that alleged Goleta failed to properly analyze the proposal, in violation of state laws.

Lompoc

Courtyards At Briar Creek

145 residential units have been approved for a site on the

southeast corner of Central and Bailey avenues. The residences will be a mix of single-family residences and apartments, and will include a community park. A 13-acre wetland area and a 3-acre riparian area are to be preserved as well. Developer DS Ventures expects that construction could begin sometime soon.

Gardens At Briar Creek

Originally slated as the southern parcel of Seabreeze Estates, this project was bought by Centex Homes. The project will consist of 150 single-family homes on the intersection of North and Bailey streets. The plans have been approved and construction is expected to begin sometime in 2006.

Burton Ranch

The Wye Annexation, on the intersection of Harris Grade and Highway 1, contains two segments totaling 150 acres. One piece will be developed by the Towbes Group and the other by Martin-Farrell Homes. 462 home, single-family and multi-family, are planned to be built on these two parcels. There are nine other parcels that are part of the Annexation, but development of those parcels is farther down the road.

PXP development

Texas-based oil giant, Plains Exploration and Production Company (PXP) is considering a project to build an estimated 1,300 homes on 804 acres three miles north of Lompoc along the western portion of Harris Grade Road. The project is called Purisima Hills. The project is still in the pre-application stages.

Los Alamos

The Junction

John Van den Bergh is developing The Junction, a mixed-use project at the intersection of Main and Bell streets. The residential portion of the project is planned to include 19 multiple-family units apartments in the second story. The bottom floor will include approximately 13,000 square feet of retail space. The project is pending approval.

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. There will be 447 single-family homes, 146 multi-family affordable units, and 132 market-rate multi-family housing units. The community will also contain an elementary school, a 26-acre neighborhood park, and “pocket gathering places.” Construction is expected to begin sometime in 2007. 354 of the homes are planned for the initial phase to be completed within ten years.

Orcutt Key Site 30

Key Site 30 is a 78-acre parcel of agriculturally zoned land located at the west side of Bradley Road between Woodmere Road and Amethyst Drive. Tentative plans call for 80 single-family homes along the perimeter of the property.

Santa Barbara City

St. Francis Condos

The Santa Barbara Planning Commission approved a proposed plan to build 115 condominiums including 81 affordable housing units on the current site of St. Francis Hospital. The St. Francis Hospital is located on the 600 block of East Micheltorena Street. The project is being developed by the Cottage Hospital Foundation.

St. Vincent's/Mercy Housing Project

Mercy Housing is constructing a senior 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 in construction. It will include 29 condominiums and 10,000 square feet of retail space, although the retail area is not new square footage. It will be located in Downtown Santa Barbara on Chapala Street not far from the Paseo Nuevo Mall.

State Street Lofts

This mixed development project on 3885 & 3887 State Street will include 38 condos, 17 affordable units and 9,243 square feet of retail space. The project has been rejected once and is currently back in the planning process because opponents of this project cite traffic and parking issues as emerging problems.

Carrillo Plaza

Planner Steve Delson of the DBN Development Company has proposed a redevelopment of existing Carrillo Plaza on 210 West Carrillo Street. Plans consist of demolishing the 19,000 square feet of retail space and construct a mixed-use development in its stead. The new plans include 15,000 square feet of commercial space and 55 condos, a few of which will be live/work housing. The developer, Mr. Delson, envisions a village-style development with parking underground on two levels, plus businesses and condos above. A substantial amount of the units will be affordable housing and work-force housing.

Teacher Housing Plans

Hidden Valley may be a site for affordable housing that will be used for teachers and faculty members in Santa Barbara. The

council is reviewing options to build affordable housing on two plots: Hidden Valley site, where Palermo Dr. ends, and Tatum property is located between San Marcos High and Ellwood Elementary schools.

Veronica Meadows

This approved project is located off Los Positas Road, some distance south of highway 101. The developer Mark Lee is planning on constructing 25 two, three, and four bedroom single-family homes on the 14.8 acres between Arroyo Burro Creek and Campnil Hill.

Santa Barbara County

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 20 homes (5 of them being affordable), 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. The project has recently been approved.

Santa Barbara Ranch

Matt Osgood is proposing homes on 485 acres of land

in Naples on the Gaviota coast. There are two options being discussed: one consisting of 54-units and another of 72-units. The homes are planned for four-acre to ten-acre parcels. The project has currently gone to the Council for review. June 15, 2007 is the end of the Public Comment period on the Revised Draft EIR.

Habitat Housing Project

Habitat for Humanity is seeking a loan of \$400,000 from the city Redevelopment Agency so Habitat can turn the 6,600 square-foot vacant lot near Via Lucero Road and La Cumbre Road into condominiums. Three of the condos have been sold to low income families.

Santa Maria

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

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 pending approval 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.

The Harvest Glen project is located on South Blosser Road between Carmen and Sonya lanes. The developer Capital Pacific Homes is planning on constructing 203 townhomes, 169 single-family homes, an elementary school, and a park. The project was approved on August 2006.

A plan to build 118 homes near Pioneer High School in Santa Maria has been approved. The project is called La Ventana and it will include two phases: La Ventana I and La Ventana II. The project is located at the corner of East Main Street and Panther Drive. The developer is Inland Pacific Builders.

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.

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.

Mahoney Ranch Project

Black Road Ranch LLC, a developer in the Mahoney Ranch Project, has proposed to build more than 1,000 homes, commercial space, and a school on the Mahoney Ranch property on the southwest edge of Santa Maria. The project will be located south of Betteravia Road, between Black Road and the Santa Maria Public Airport property and north of Tanglewood.

Refugio Townhomes

Weinstock Porter has proposed a project that will consist of 130 townhomes on 7.2 acres. The housing size ranges from 1,185 to 1,500 square-feet. It

will be located at McCoy Lane and Professional Parkway. The project is pending.

The Terrace at Pacific Crest

Santa Maria Planning Commission will meet and discuss the status on 112 condos that will be build at the southwest corner of West Battles Road and South Depot Street near the Estates at Pacific Crest.

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 87 acres. The developer Curtis Homes is planning on splitting the construction of the homes into four phases within 10 years. The first phase is in construction.

UC Santa Barbara

UCSB Student Housing

There are two new housing projects planned for UCSB students. The first one, Sierra Madre Apartments, will consist of 151 three-bedroom units and will primarily serve as student-family housing. The Sierra Madre Apartments will be located at the southwest corner of Storke Road and Whittier Drive. The

second development is the San Clemente Apartments. It is 215 housing units, 976-bed project with combinations of one, two, or four bedroom units. The San Clemente Apartments will be located between Phelps Road and the Ocean Meadows Golf Course. It is mainly targeted at housing graduate students and completion is expected in April 2008.

UCSB Faculty Housing

UCSB is planning to construct 172 units for faculty near Phelps and Canon Green roads.

Vandenberg Village

Providence Landing

Providence Landing is a project of 140 acres on Burton Mesa at the intersection of Casmalia and Constellation Drives. The project consists of 284 single-family homes between 1,700 and 2,900 square feet with prices that expect to start around \$475,000. 72 affordable townhomes 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.

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 106 standard guest rooms, 1,000 square feet of restaurant space, 1,200 square feet of meeting facilities, and other complimentary uses located on 412 and 450 Avenue of the Flags. Other features include two meeting rooms, a fitness center, and a pool and spa. This project is approved.

Oak Springs Village

This project is the commercial space portion of the Oak Springs Village Specific Plan, which calls for a total of 145,000 square feet of commercial space on McMurray and Highway 246. This includes 103,000 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. The project is still under review but should be approved soon. Construction could begin as early as summer 2007.

Carpinteria

Lagunitas

Investec and Parkstone are proposing five two-story commercial buildings at 6380 Via Real. The five buildings cover 85,000 square feet and will house research and development and office space. The project is pending approval.

Goleta

Old Town Inn and Village

Architect and developer Detlev Peikert plans to build a Hampton Inn and 37 townhouses at 5665 Hollister Avenue, which is next to the Goleta Valley Community Center. The Hampton Inn will be a 98-room, three-story hotel fronting Hollister Avenue. The townhouses will be at the rear of the property. Six townhouses are designated as affordable. Construction has begun.

Cabrillo Business Park

The Sares-Regis Group is planning an Office and/or R&D development on 6767 Hollister Avenue. They have proposed development of 740,600 square feet of Office/R&D space, self-

storage, and onsite service related uses. Over 240,00 square feet would be in 6 existing buildings, which would be remodeled. About 175,000 square feet would be self-storage units. The project is pending approval.

Lompoc

Lompoc Community Development

The Lompoc Housing and Community Development Corporation has submitted a proposal for a 34,332 square foot retail and general office complex. The project would be located on the northeast corner of Ocean Avenue and 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. The project was approved earlier this year and should begin construction soon.

Orcutt

Orcutt Marketplace

The Orcutt Marketplace is a 306,100 square foot neighborhood shopping center proposed for the northwest corner of Clark Avenue and Highway 101. The center will

likely contain Spencer's Fresh Market (35,000 sq.ft.), a 16,500 sq.ft. health club and 68,100 sq.ft. of shops including: Starbucks, ARCO service station, a financial institution, some freeway service retail, and three restaurant pads. All this retail is envisioned to be on the first floor while there will be a hotel-motel on the second floor. Recently the specific plan for this project added another 100,000 square feet to the development. Because of this new space, the project is still in the planning process. The hotel-motel will consist 105 to 125 rooms. Construction may begin around the first quarter of 2008.

Orcutt Plaza

The County Planning Commission approved Hawkeye Investments' Orcutt Plaza on June 11, 2003. As planned, the project is a development with 220,779 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. This and several other projects have recently applied for annexation into the City

of Santa Maria, which would allow them to receive city services, including water. The County Planning Commission approved the annexation during the fourth quarter of 2006. Further development is pending completion of the annexation process.

Orcutt Mixed Use

The developer Coker Ellsworth is proposing a mixed-use project that will include retail and apartments along the south side of Clark directly east of Highway 135. The project is estimated at 98,000 square feet with 56,806 square feet of commercial space and 42,000 square feet of residential space. The first floor of the five buildings will be retail shops while 30 apartments will be built on top of the shops.

Santa Barbara City

Old Navy

A brand new Old Navy Clothing Store will be open on the corner of State St. and Anapamu St. The store is expected to complete construction in the spring or summer 2007.

3579-3763 State St.

The Regency Center is planning to construct a Circuit City, Citibank, and Whole Foods located at upper State Street. Citibank

will occupy approximately 20,000 square feet; Circuit City will have a building that is roughly 19,000 square-foot; Whole Food will occupy the remaining space of 38,000 square feet.

Santa Maria

Meyer Asset Management has recently completed construction 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.

The Parkway Medical Center located at 1418 East Main Street was recently completed. Another medical building, SLS Medical Clinic, at 1510 East Main Street and the VA Clinic at 1520 East Main Street are close to completion.

Coyway Commercial Center at the 2300s of South Broadway has begun construction of a new center with Office and Retail space, that will yield a total build-out of 67,800 square feet.

Skyway Industrial Park

The Skyway Industrial Park will be located at the corner of Fairway Drive and A Street. The

Rottman Group is planning on constructing 10-15 smaller buildings that will be ranging from 4,300 square feet to 8,000 square feet.

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

Airport Business Park

Airport Business Park will be located in between Foster Road and Blosser Road. The plan will include light industrial, research, manufacturing, and commercial land uses, in addition to an 18-hole golf course. Construction could begin by spring 2009.

Huntington Investments is building 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 begun construction of 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.

Accord Engineering

Todd Sorenson Construction is constructing a four-plex of two-story industrial office buildings located at the northeast corner of Skyway Drive and West McCoy Lane. The new site will be the home for Accord Engineering and the other three will be sold.

Santa Maria Commons

This 117,000 square foot retail project has begun construction on the SW corner of McCoy and Broadway. It will include a Kohl's department store (88,000 sq.ft), a Rite-Aid (16,710 sq.ft) and two other retail buildings at 6,000 and 3,500 square feet, respectively. Robinsons-May will convert into a new Macy store. On top of that, Gottschalks will be renovated into single story and the second floor will be a multi-screen movie theater. In October 2006, Kohl's department store was completed.

Santa Maria Westgate Marketplace

The Santa Maria Westgate Marketplace is located at northwest corner south Blosser and Battles Road. The pending project is approximately 120,000 square feet.

Solvang

Solvang's Downtown Corridor

At the corner of Alisal Road and Mission Drive, there will be a new commercial development with restaurants and retail stores. The Silver Oaks Investments LLC has entered into a 45-year lease with the landowner in order to build general retail stores on the lot.

Vandenberg Village

California Space Center

A space center has been proposed to be built on 66 acres just outside Vandenberg's main gate. The goal is to attract more tourists and students to Vandenberg Air Force Base. The project will include a permanent launch viewing site, visitor center, educational complex, a conference center and an IMAX theater. The project is pending approval.

Pending Residential Development in Santa Barbara County

<u>Project Name</u>	<u>Location/Area</u>	<u>Type</u>	<u># Units</u>
Buellton			
Central Ave Condos	655 Central Ave	Condominiums	10
William Senior Comm.	Jonata Park Rd	Senior Units	257
SY Valley Wine Center	E. McMurray/E. Damassa	Condominiums	35
Carpinteria			
Green Heron Spring	1300 Cravens Lane	Condominiums	34
Lagunitas	6380 Via Real	Condominiums	73
Gaviota Coast			
SB Ranch	Naples Site nr Hwy 101	Single-Family Homes	73
Morehart Land	W SB Ranch/S of Hwy	Single-Family Homes	8
Eagle Canyon	E of SB Ranch	Single-Family Homes	N/A
Las Varas Ranch	W of Naples Site	Single-Family Homes	N/A
Goleta			
Citrus Village	7388 Calle Real	Apartments	11
Village@Los Carneros	S. Los Carneros/Castilian	Townhomes	275
Guadalupe			
Minami	N/A	Single-Family Homes	488
Lompoc			
Burton Ranch	Harris Grade/Casmalia	Single-Family Homes	225
Burton Ranch	Harris Grade/Casmalia	Single-Family Homes	N/A
Burton Ranch	Harris Grade/Casmalia	Single-Family Homes	N/A
Burton Ranch	Harris Grade/Casmalia	Multi-Family Homes	N/A
Los Alamos			
St. Joseph Place	End of Joseph St	Condominiums	28
N/A	Bell St	Apartments	8
N/A	SWC Den/Bell	N/A	N/A
The Junction	Main/Bell	Apartments	19
Orcutt			
Rancho Maria	S of Hwy 1/E of Betteravia	Single-Family Homes	137
Rancho Maria	S of Hwy 1/E of Betteravia	Single-Family Homes	36
Rancho Maria	S of Hwy 1/E of Betteravia	Single-Family Homes	30
Orcutt Gateway	Clark Ave/Hwy 101	Single-Family Homes	66
English-Joseph Specific	SE of Orcutt Rd/Clark Ave	Condominiums	N/A
Bradley Village Project	SWC Patterson/Bradley Rd	Single-Family Homes	280
Orcutt Union Plaza	201 S. Broadway	Multi-Family Homes	6
Santa Barbara County			
Park Hill Estates	4700 Via Los Santos	Single-Family Homes	12
Noel Hsg Project	Cath. Oaks/Patterson	Single-Family Homes	82
N/A	BT Kellogg/Camino	Single-Family Homes	12

<u>Project Name</u>	<u>Location/Area</u>	<u>Type</u>	<u># Units</u>
N/A	nr Hwy 101/Los Alamos	Single-Family Homes	59
Hillside House	1235 Veronica Springs Rd	Apartments	127
Ocean Meadows	Storke/El Colegio	Single-Family Homes	32
Ocean Meadows	Storke/El Colegio	Condominiums	21
“MTD Property”	C Real/San Antonio	Apartments	400
Tecolote Ranch	N/A	Single-Family Homes	26
Santa Barbara City			
N/A	1418 Cliff Dr	Single-Family Homes	12
St. Francis Project	601 E. Micheltorena St	Live/Work Units	115
N/A	210 W. Carrillo St	Condominiums	55
Sandman Inn	3714 State St	Condominiums	73
N/A	412 Anacapa St	Condominiums	7
Rogers Tract	422 Santa Fe Pl	Townhomes	14
N/A	1298 Coast Village	Condominiums	8
Garden Apartments	230 Lighthouse Rd	Apartments	12
N/A	1025 Santa Barbara St	Condominiums	15
N/A	433 E. Canon Perdido St	Condominiums	18
N/A	1722 State St	Condominiums	12
N/A	101 Garden	Condominiums	101
Andalucia Bldg	318 State St	Condominiums	29
N/A	3880 State St	Condominiums	8
N/A	920 Summit Rd	Single-Family Homes	9
N/A	222 Santa Barbara St	Affordable Housing	16
N/A	117 W. De La Guerra	Condominiums	9
Los Portales	535 E. Montecito	Condominiums	48
N/A	116 E Yanonali St	Condominiums	6
N/A	630 Anacapa St	Condominiums	10
Santa Maria			
McCoy Senior Housing	500 W. McCoy Ln	Senior Units	21
Refugio	NWC Professional/McCoy	Townhomes	130
Crabtree	580 E. Newlove St	Single-Family Homes	11
Terraces@Pacific Crest	SWC Battles/SMVRR	Townhomes	116
La Vigna@Westgate	NEC Westgate/Marsala	Single-Family Homes	172
Westfield@Pacific Crest	SWC Battles/SMVRR	Condominiums	128
Solvang			
Solvang Lutheran Home	636 Atterdag Rd	Duplex	25
UC Santa Barbara			
North Campus Faculty	Phelps Rd/Canon Greek Rd	Faculty Housing	172
Sierra Madre	SWC Storke Rd/Whittier Dr	Student Family Housing	151
Vandenberg Village			
Oak Hills	Galaxy Wy/Oak Hill	Single-Family Homes	21

Approved Residential Units in Santa Barbara County

<u>Project Name</u>	<u>Location/Area</u>	<u>Type</u>	<u># Units</u>
Buellton			
Oak Springs Village	McMurray/246 (NE)	Affordable Housing	25
Oak Springs Village	McMurray/246 (NE)	Townhomes	28
Oak Springs Village	McMurray/246 (NE)	Senior Units	75
Country Crossroads	SEC Ave of Flags/2nd	Apartments	17
Ranch Club Condo	330 W. Hwy 246	Condominiums	232
Hwy 246 Townhomes	NWC Hwy 246/LA Lata	Townhomes	44
Oak Springs Village	McMurray/246 (NE)	Single-Family Homes	20
Carpinteria			
Mission Terrace	1497 Linden	Single-Family Homes	27
Goleta			
Sumida Gardens	5501 Overpass Rd.	Apartments	200
Yardi Systems	5901-49,-59,-79 Hollister	Apartments	6
Lompoc			
N/A	SEC Ocean Ave/"U" St	Single-Family Homes	60
River Terrace	E. Laurel/12th	Apartments	22
River Terrace	E. Laurel/12th	Condominiums	147
River Terrace	E. Laurel/12th	Townhomes	65
Coastal Meadows	1275 N. "V" St	Single-Family Homes	42
N/A	SEC Ocean Ave/"R" St	Single-Family Homes	13
Chestnut Crossing	Chestnut Ave/"H" St	Single-Family Homes	34
River Terrace	E. Laurel/12th	Single-Family Homes	62
Los Alamos			
Legacy Estates	Den St	Single-Family Homes	59
Orcutt			
Centex Homes	Clark Ave/Hwy 101	Lots	6
Stonegate	Broadway/Rice Rnch	Single-Family Homes	44
Old Mill Run	Blosser/Old Mill	Single-Family Homes	60
Orcutt Creek	W. Bradley/S. Clark	Single-Family Homes	16
Ward Building	340 E. Clark	Apartments	N/A
Knollwood Meadows	Nr. Clarke & Foster	Apartments	32
Centex Homes	Clark Ave/Hwy 101	Single-Family Homes	141
Rice Ranch	Rice Ranch/Stubblefield	Single-Family Homes	494
Rice Ranch	Rice Ranch/Stubblefield	Condominiums	231
Centex Homes	Clark Ave/Hwy 101	Townhomes	160
Santa Barbara County			
Preserve at San Marcos	NE of Hwy 154/Foothill Rd	Single-Family Homes	15
Preserve at San Marcos	NE of Hwy 154/Foothill Rd	Affordable Housing	5
Devereux School	701 Storke Rd	N/A	20

<u>Project Name</u>	<u>Location/Area</u>	<u>Type</u>	<u># Units</u>
Santa Barbara City			
N/A	121 W. De La Guerra	Condominiums	14
N/A	21 E. Anapamu	Affordable Housing	12
N/A	523 Chapala St	Condominiums	7
N/A	531 Chapala St	Condominiums	7
N/A	3757 State St	Condominiums	15
N/A	222-224 W Yanonali St	Apartments	10
Veronica Meadows	900-1100 Las Positas	Single-Family Homes	25
N/A	210 Megis Rd	Condominiums	10
Santa Maria			
Celebration	NWC Inger/Miller	Single-Family Homes	42
Ted Zenich Gardens	1034 E. Chapel St	Affordable Housing	24
Harvest Glen	SEC Sonya/Blosser	Townhomes	203
Acquistapace	NEC Sonya/Western	Single-Family Homes	169
Centennial Square	SWC Plaza/Miller	Apartments	7
Centennial Square	SWC Plaza/Miller	Condominiums	72
Mattei's Landing	Battles/Westgate	Affordable Housing	375
Celebration	NWC Inger/Miller	Townhomes	21
Celebration	NWC Inger/Miller	Live/Work Units	15
Solvang			
Cerny TM	Old Mission Dr	Single-Family Homes	8
Old Mill LLC	1945 Old Mill Ln	Single-Family Homes	8
Mission Meadows North	1925-27 Windmill Ct	Condominiums	8
In Construction Residential Units in Santa Barbara County			
Buellton			
Vintage Walk	W. Ave of Flags/S.	Townhomes	10
Valley Station	E. Industrial/ W. Central	Single-Family Homes	36
Carpinteria			
Sparrow's Landing	4367 Carpinteria Ave	Condominiums	8
Lavender Court	4646 Carpinteria	Condominiums	40
Goleta			
Robinson Homes	Baker,Violet,Daffodil Lns	Single-Family Homes	13
Ellwood Devereux	7800s Hollister	Single-Family Homes	62
Old Town Village	5665 Hollister Ave	Townhomes	37
Lompoc			
Lompoc Hsg Asst.	NEC College/"G" St	Apartments	35
Crown Laurel	NEC Laurel/V St	Single-Family Homes	73
Gardens@ Briar Creek	NEC North Ave/Bailey Ave	Single-Family Homes	150
Courtyards@ Briar Creek	SEC Central Ave/Bailey	Apartments	145

<u>Project Name</u>	<u>Location/Area</u>	<u>Type</u>	<u># Units</u>
Orcutt			
Vintage Ranch	End of Stubblefield	Single-Family Homes	52
Harp Springs	Harp Ave/Clark	Single-Family Homes	44
Cobblestone	S of Clark Ave/ W of	Single-Family Homes	57
Mesa Verde	S end of Stillwell Rd	Single-Family Homes	64
Jensen's Crossing	S of Clark Ave/ W of	Single-Family Homes	55
Santa Barbara County			
N/A	4385 Hollister Ave	Townhomes	12
Zaca Creek Homes	Jonata Park Rd	Single-Family Homes	11
Santa Barbara City			
N/A	323 S. Voluntario	Affordable Housing	20
Laguna Court	1420-1430 Laguna St	Condominiums	15
N/A	4004 Via Lucero	Condominiums	10
Club Casa Mina	622 Anacapa St	Condominiums	N/A
Paseo Chapala	721-739 Chapala	Apartments	29
Chapala One	401 Chapala St	Condominiums	46
SB Mental Health	617 Garden St	Affordable Housing	51
St. Vincent's	4200 Calle Real	Senior Units	170
Santa Maria			
La Ventana	1575 E. Main St	Single-Family Homes	52
Foxenwoods Townhomes	4300s S. Foxenwood Cir	Townhomes	32
Brian Court	S. End of Brian St.	Single-Family Homes	10
Estates at Pacific Crest	SWC Westgate/Battles	Single-Family Homes	291
Siena@Westgate Ranch	Battles/Westgate	Condominiums	117
Arbor View Terrace	1220 N. Suey	Senior Units	242
Solvang			
Skytt Mesa	Chalk Hill Rd	Single-Family Homes	169
Summerland			
Montecito Ranch Estates	101/Evans Ave	Single-Family Homes	8
UC Santa Barbara			
San Clemente	NWC El Colegio & Stadium	Student Housing	327
Vandenberg Village			
Providence Landing	Lom. Casmalia/Constell.	Affordable Housing	72
Providence Landing	Lom. Casmalia/Constell.	Single-Family Homes	284
Heritage Senior Housing	Burton Mesa/Sirius Ave	Senior Units	173
<p>Source: Many, including City and County Reports Notes: Unit counts shown are total buildout. Larger Cities: 10 units or more, Smaller Cities: 5 units or more.</p>			

Pending Commercial Space in Santa Barbara County

<u>Project Name</u>	<u>Location/Area</u>	<u>Type</u>	<u>Size</u>
Buellton			
William Senior Comm.	Jonata Park Rd	Retail	14,790
Terravant Wine Comp.	SW of Industrial Wy	Industrial	124,000
Snta Ynez Villy. Wine Ctr	E. McMurray/E. Damassa	Winery	22,300
Carpinteria			
Easton	5103 Carpinteria Ave	General Office	8,270
Lagunitas	6385 Via Real	R&D	85,000
Goleta			
University Properties	SEC Tech/Thornwood	Industrial	5,427
Rincon Palms Hotel	6800 block Cortona Dr	Hotel	59,600
Bacara Expansion	8301 Hollister Ave	Hotel	N/A
Tech Dr Indus	W side of Tech Dr	Industrial	68,000
Cabrillo Busi. Pk.	6767 Hollister Ave	General Office	704,600
Fairview Comm Ctr	151 S. Fairview Ave	Retail	9,250
Marriott Residence Inn	6300 Hollister Ave	Hotel	98,000
Pacific Technology	5383 Hollister	General Office	12,040
Costco Gas Station	7095 Marketplace Dr	Retail	10,800
Fairview Comm Ctr	151 S. Fairview Ave	General Office	6,110
L Carneros Pt	1 S. Los Carneros	Retail	31,051
Los Alamos			
N/A	Bell St	Retail	N/A
N/A	Bell St	Hotel	N/A
N/A	SWC Den/Bell	Retail	N/A
The Junction	Main/Bell	Retail	13,000
Los Olivos			
Newport Farms	N. Refugio/Ontiveros	Agricultural	13,858
Dunn School	Hwy 154/Santa Ynez	N/A	125,000
Orcutt			
Orcutt Gateway	Clark Ave/Hwy 101	Retail	66,700
Lebard Retail Cntr.	Clark/Foxenwood	Retail	13,364
Orcutt Union Plaza	201 S. Broadway	Retail	N/A
Restaurant	NWC Clark/Foxenwood	Retail	7,500
English-Joseph Specific	SE of Orcutt Rd/Clark Ave	Retail	N/A
Orcutt Marketplace	Clark/W of 101	Retail	306,100
English-Joseph Specific	SE of Orcutt Rd/Clark Ave	General Office	N/A
Santa Barbara County			
N/A	2121 Alisos Ave	Winery	60,100
Airport Facilities	601 Firestone Blvd	Industrial	15,325
R San Marcos GC	E of Lk Cachuma/N Hwy 154	Retail	16,510
Patterson Packing	99 N. Patterson Ave	Warehouse	62,156
Por La Mar Nursery	905 S Patterson	Other	1,498,561

<u>Project Name</u>	<u>Location/Area</u>	<u>Type</u>	<u>Size</u>
Santa Barbara City			
N/A	3880 State St	Retail	4,289
Foothill Centre	4151 Foothill Rd	General Office	67,556
Airport Terminal	500 Fowler Rd	N/A	61,000
Sandman Inn	3714 State St	Hotel	63,166
Hotel	22 E. Montecito St	Hotel	25,822
N/A	117 W. De La Guerra	Retail	2,000
N/A	117 N. Quarantina	Industrial	37,600
N/A	920 Summit Rd	Retail	8,434
N/A	211 E Yanonali St	Retail	42,500
N/A	412 Anacapa St	Retail	6,375
N/A	630 Anacapa St	Retail	11,507
N/A	1298 Coast Village	General Office	6,472
N/A	210 W. Carrillo St	Retail	14,604
N/A	1025 Santa Barbara St	Retail	14,168
N/A	433 E. Canon Perdido St	General Office	9,500
N/A	1722 State St	Retail	10,000
N/A	116 E Yanonali St	Retail	4,615
Andalucia Bldg	318 State St	Retail	23,091
N/A	1298 Coast Village	Retail	5,028
Hotel	222 Helena Ave	Hotel	N/A
Santa Maria			
Westgate Marketplace	Battles/Westgate	Retail	120,000
N/A	NWC Skyway/Broadway	Retail	40,000
Moretti Project	Blosser/La Brea	Retail	N/A
Santa Ynez			
Airport Expansion	SY Valley Airport	N/A	150,000
Solvang			
SYV Cottage Hospital	2050 Viborg Rd	Medical Office	8,691
UC Santa Barbara			
Engineering II/4th Floor	UCSB Campus	School	N/A
OSEB	UCSB Campus	School	N/A
Vandenberg Village			
California Space Center	Nr Vanden. AFB	Industrial	N/A
Approved Commercial Space in Santa Barbara County			
Buellton			
Country Crossrds	SEC Ave of Flags/2nd	Retail	13,147
Industrial Wy Partners	270 Industrial Wy	Industrial	12,057
Bach Hotel	412 & 450 Ave. of Flags	Hotel	66,667
Oak Springs Village	McMurray/246	Retail	240,000

<u>Project Name</u>	<u>Location/Area</u>	<u>Type</u>	<u>Size</u>
Carpinteria			
Porter Office	5464 Carpinteria Ave	General Office	8,000
Goleta			
Yardi Systems	5901-49,-59,-79 Hollister	Retail	7,850
Yardi Systems	5901-49,-59,-79 Hollister	General Office	44,000
Fairview Corporate Center	420 S Fairview	General Office	73,203
Lompoc			
Chestnut Crossing	Chestnut Ave/"H" St	Retail	27,550
Loring/Pali Winery	SEC Barton Ave/Aviation Dr	Winery	30,000
Wilco Distributors	1200 W. Chestnut Ave	Industrial	18,000
Barto Heating & Air (Ph 2.)	300 N. "G" St	General Office	12,580
Lompoc Hsg Asst.	NEC Ocean/H St	Retail	34,332
Lompoc Indoor Market	316 E. Ocean Ave	Retail	21,000
Los Alamos			
Winery Warehouse	Hwy 101/Cat Canyon Rd	Storage	36,368
Orcutt			
Orcutt Plaza*	Santa Maria/College	Retail	220,779
<i>*In the process of annexation into the City of Santa Maria</i>			
Addamo Winery	E. Clark/101	Winery	33,000
Santa Barbara County			
Absolute Storage	4001 State St	Storage	70,000
Teixeira Winery	9660 Foxen Cnyn Rd.	Winery	N/A
Santa Barbara City			
Youth Hostel	12 E Montecito	Hostel	11,091
N/A	531 Chapala St	Retail	2,552
SB Gateway	6100 Hollister Ave	R&D	80,000
SB Gateway	6100 Hollister Ave	General Office	80,000
SB Gateway	6100 Hollister Ave	Retail	20,000
N/A	3757 State St	Retail	63,400
Granada Theater	1214-1216 State St	Other	13,360
N/A	523 Chapala St	Retail	2,552
Santa Maria			
Airport Industrial	1300-1400(odd) Fairway	Industrial	105,000
S.M. Asphalt Plant	Hwy 166/ Hwy 101	Industrial	N/A
Templo El Salvador (Ph. 1)	800 W. Hidden Pines	Industrial	9,989
Commercial Mfg Complex	1430 W. McCoy Ln	Industrial	24,614
Food Bank (Ph. 2)	490 W. Foster Rd	Warehouse	16,000
R. Jones Wrhse(Ph.2)	1440 Jason Way	Warehouse	17,032
Roemer Court Hotels	N. Broadway/Roemer Wy	Hotel	39,731
Roemer Court Hotels	N. Broadway/Roemer Wy	Hotel	51,952
Templo El Salvador (Ph. 2)	800 W. Hidden Pines	Industrial	11,500
Templo El Salvador (Ph. 3)	800 W. Hidden Pines	Industrial	6,464

<u>Project Name</u>	<u>Location/Area</u>	<u>Type</u>	<u>Size</u>
College Squares II	530 E. Betteravia Rd	Retail	64,100
Galaxy Theater (Ph. 2)	100 Town Center East	Retail	60,000
Blosser Commercial	755 S Blosser Rd	Industrial	18,638
SM Freeway Center	1000 E. Betteravia	Retail	10,578
Celebration	NWC Inger/Miller	General Office	24,000
Centennial Square	SWC Plaza/Miller	General Office	9,095
Arco Car Wash	SWC Blosser & Battles	Retail	12,597
Atlas Performance	1916 W. Stowell Rd	General Office	41,865
Hancock Plaza	626 S. Broadway	Retail	34,696
Marian Medical Center	1400 E. Church St.	Medical Office	216,000
Galaxy Theater (Ph. 1)	100 Town Center East	Retail	26,600
Santa Ynez			
Shoestring Winery	800 E Hwy 246	Winery	7,630
Solvang			
Wine County Inn	1554 Copenhagen Dr	Hotel	5,431
Mission/Alisal Project	1704 Mission Dr	Retail	19,265
Mission Meadows North	1925-27 Windmill Ct	Office Condos	10 rooms
Nyborg Office Bldg	1420 Mission	General Office	7,800
In Construction Commercial Space in Santa Barbara County			
Buellton			
Vintage Walk	W. Ave of Flags/S. Damassa	Retail	10,430
N/A	E. Hwy 101/S. Hwy 246	N/A	22,600
Goldstein Ind. Dev.	45-67(odd) Industrial Wy	Industrial	65,792
Lord Industrial Park	77 & 81 Industrial Wy	Industrial	33,842
Platinum Performance	E of Thomas north end	Industrial	31,187
Buellton Indus. Ptrs. II	S end of Industrial Wy	Industrial	37,166
Valley Station	E. Industrial/ W. Central	Retail	5,992
Carpinteria			
Lavender Court	4646 Carpinteria	Retail	4,672
Goleta			
Old Town Inn	5665 Hollister Ave	Hotel	98 rooms
Lompoc			
Barto Heating & Air (Ph 1)	300 N. "G" St	General Office	12,580
Lompoc Hospital	NEC Ocean/7th St.	Medical Office	111,000
Coastal Vision Building	113 S. "H" St.	General Office	10,500
Crown Laurel	NEC Laurel/V St	Industrial	23,000
Shepard Eye Clinic	425 West Cetral Ave	Medical Office	18,600
Santa Barbara County			
Mini Storage	Patterson/Hwy 101	N/A	30,000
Santa Barbara City			
Paseo Chapala	721-739 Chapala	Retail	9,788

<u>Project Name</u>	<u>Location/Area</u>	<u>Type</u>	<u>Size</u>
Chapala One	401 Chapala St	General Office	8,959
SB Mental Health	617 Garden St	General Office	13,075
Riviera Park	2050 Alameda Padre	General Office	12,369
Cottage Hospital	320 W. Pueblo St	Medical Office	434,955
Harbor View Inn	29 State St	Hotel	20,180
Santa Maria			
Donahue Properties	SEC Westgate/Jason	Retail	22,000
Good Samaritan	401 W. Morrison	Shelter	N/A
Driscoll Strawberry	SEC W. Stowell/"E" St	Industrial	156,000
Central Coast Packing	W. End of Jill/Craig	Warehouse	24,300
R. Jones Wrhse (Ph.1)	1440 Jason Way	Warehouse	15,698
Ctrl Coast Wine (Ph. 2)	2717 Aviation Way	Warehouse	41,458
Consilience Winery	adj to 2643 Industrial Pkwy	Winery	20,000
Good Samaritan	401 W. Morrison	Shelter	33,750
Aircraft Hangars	2975-2997 Airpark Dr	Warehouse	59,103
S.M. Commons	2413 S. Broadway	Retail	123,848
Salidin Indus. Bldg	909 W. Boone St	Industrial	16,000
Calderon Tires	1245 W. Main St	Retail	10,116
Okonite Expansion	2900 Skyway Dr	Industrial	79,555
"A" St. Business Cen	1503 A St.	Industrial	174,973
Accord Engineering	NEC Skyway/McCoy	Industrial	14,000
VA Outpatient Clinic	1520 E. Main St	Medical Office	36,600
Knutson Industrial Ofc	2370 SkyWay Dr	General Office	13,977
Mercury Office Bldg.	NEC Auto Park/Mercury	General Office	13,134
La Brea Ice Company	307 E. Oak St	Industrial	15,040
Fess Parker Wine Wrhse	2643 Industrial Pkwy	Warehouse	21,410
Santa Ynez			
Royal Oaks Winery	N. Refugio/Roblar	Winery	14,281
Family Sci	N. of Los Olivos	N/A	5,920
UC Santa Barbara			
ESSB	UCSB Campus	Academic Building	112,870
Noble Hall/Bio II	UCSB Campus	Academic Building	27,572
Faculty Club	UCSB Campus	Academic Building	24,027
Snidecor Hall	UCSB Campus	Academic Building	34,680
Student Resource Building	UCSB Campus	Academic Building	43,100
Alumni Housing	University/Mesa	General Office	N/A
<i>Source: Many, including City and County Reports</i>			
<i>Notes: Square footages shown are total buildout. Larger Cities: 10,000 square feet or more, Smaller Cities: 5,000 square feet or more.</i>			
<i>Hotels are also shown on their own table (next page). We do not track Mini/Personal Storage.</i>			

Hotels in Santa Barbara County

<u>Project Name</u>	<u>Location/Area</u>	<u># Units</u>	<u>Status</u>	<u>Developer</u>
Buellton				
Bach Hotel	412 & 450 Ave. of Flags	106	Approved	Kui Li
Carpinteria				
Rincon Bluffs Resort	Carpinteria Ave	225	Pending	King Ventures
Goleta				
Old Town Inn	5665 Hollister Ave	98	Construction	Ocean Park Hotels
Bacara Expansion	8301 Hollister Ave	62	Pending	Bacara Hotel
Page Hotel	W. side of Kellogg/Ekwill	247	Pending	John Cahill
Lompoc				
Extended Stay	513, 519 N "G" St	19	On Hold	Surf Development
Orcutt				
Hotel	Orcutt Marketplace	~110	Pending	N/A
Santa Barbara				
Sandman Inn	3714 State St	112	Pending	Blackbird Architects
Hotel	101 Garden	205	Pending	Lenvik and Minor
Harbor View Inn	29 State St	19	In Construction	A. Romasanta
Hotel	22 E Montecito St	50	Pending	Bankers Mort. Realty
Hotel	222 Helena Ave	25	Pending	Dawn Sherry
Solvang				
Wine County Inn	1554 Copenhagen Dr	13	Approved	Wine County Inn

Sources: Many, including City and County Reports and site visits

COMMUNITY



Almost everyone agrees: Santa Barbara County is a great place. If you can afford to live here (or even visit) and enjoy its charms, Santa Barbara County is about as close to Paradise as you can find on Earth. It has mountains, valleys, beaches, and plains. It has the best oak woodlands in the world. It has lovely communities, shopping, wine tasting, restaurants, and entertainment. The air is clean, as is the water. In short, Santa Barbara County has just about everything you might want, except opportunity.

Santa Barbara County hasn't always lacked opportunity. Even though the County, particularly the South Coast, has long been known as "the land of the newlywed and nearly dead," it once (not that long ago) had a thriving middle class. At that time, someone earning the median income could actually purchase a house, have a career, and raise a family. But that is no longer true for middle class workers.

Many people move to, or choose to continue living in, Santa Barbara County because of the "Quality of Life" here. But "Quality of Life" means different things to different people. For some, it means "no change" in the community they fell in love

with and retired to. For some it means "open space and wide vistas." For some it means "a growing community for their growing family." And for others, it means "no growth." However defined, "Quality of Life" has a cost.

Some of the costs of a no-growth policy are small. If you live on the South Coast and you want to shop at Target, for example, you will have to travel at least 30 miles. This is not a big deal for most people. But not all of the costs are insignificant. For example, populations and school enrollments are declining. This means that schools will be closed, and school closures mean communities must make very difficult decisions. Another cost is traffic,

as many of the South Coast's workers commute in and out each day. Consequently, traffic on our major arteries is gridlocked much of the day.

Commuting has other costs. Both the bedroom and the job hub pay a price. If a community's workers commute in each day, those workers are not in the community on weekends and evenings. They don't participate in a large portion of a community's life. If a community's workers commute out each day, they don't participate in the same ways that citizens who work in the community participate.

Not all workers can commute, though, and this is contributing to a bimodal population. This

is a population distribution with no middle—either in terms of age or income. A growing proportion of the South Coast’s jobs, in particular, are jobs that don’t pay enough to justify a commute. Rising commute costs and a changing job base mean that low-wage non-commuters are becoming a larger portion of the community’s population. One result is a bimodal population. This effects changes in the demographics of the schools and may accelerate middle-class flight.

Perhaps the most significant cost of a no-growth policy is the loss of opportunity that accompanies it. We are all aware that many businesses which produce tradable goods or services have been leaving the South coast. Those businesses remaining have become

more aggressive in outsourcing. The fact is that lack of opportunity is a luxury good. For our poorer citizens, opportunity is a “Quality of Life” issue, one that is much more important

“A declining and increasingly bimodal population with a large and growing underclass, declining schools, and little or no opportunity is not the standard description of a high ‘Quality of Life’ community. ”

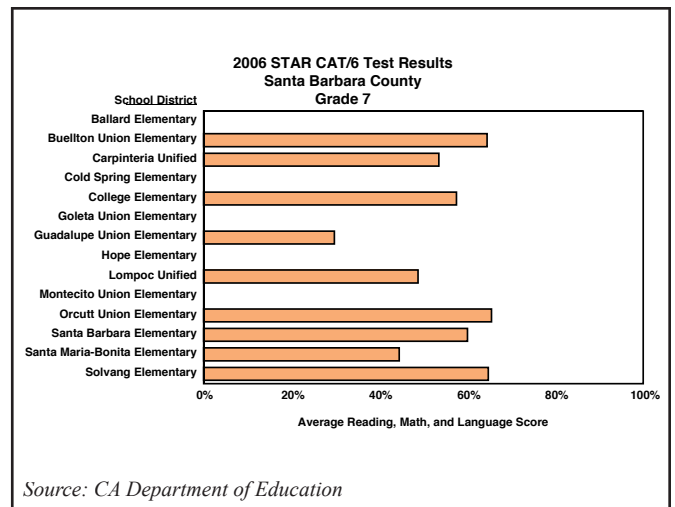
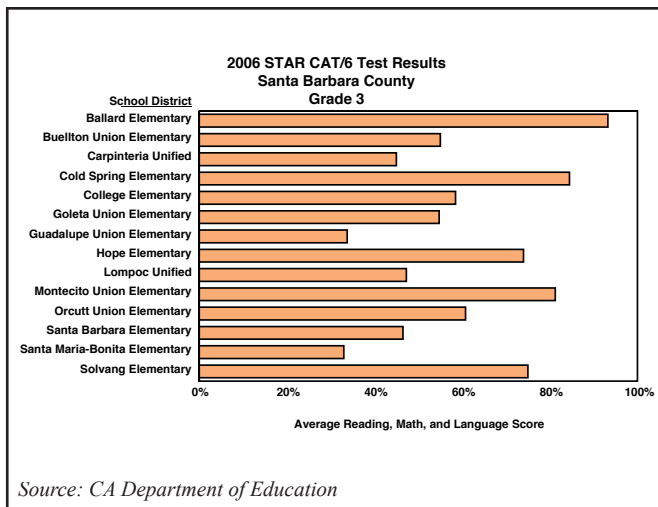
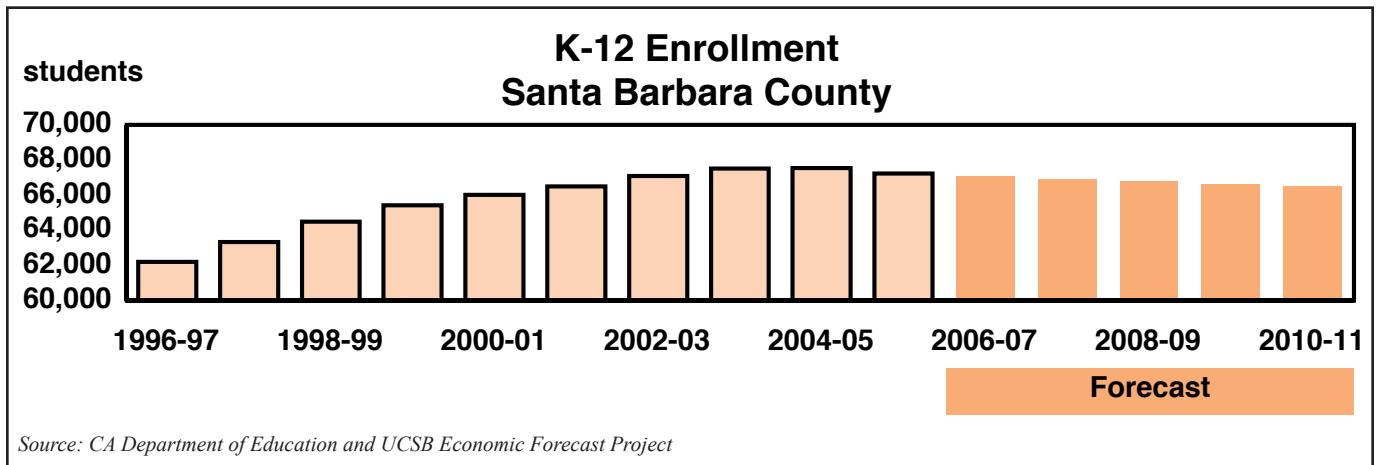
than another park or a marginally improved beach.

A declining and increasingly bimodal population with a large and growing underclass, declining schools, and little or no opportunity is not the standard description of a high “Quality of Life” community. So, why does it work here? Does it work here?

It doesn’t work for our farm workers or our lowest-paid hospital-ity workers. So far, it has worked

for many because we are in the early stages of the transition from what might be called a “more diversified community” to a “less diversified community.” The presence of two institutions, UC Santa Barbara and Vandenberg AFB, also moderates the impact. Without these institutions, the County would, if current trends continue, ultimately become a retirement and tourism community with a very large underclass serving the retirees and tourists.

Throughout the world and throughout history, these types of communities have been plagued with high crime and social unrest. Preventing or limiting crime and social unrest while simultaneously denying opportunity is a difficult business. It will be interesting to see if Santa Barbara County is up to the challenge.



Academic Performance Index (API) Santa Barbara County

High School	2006 Growth	2005 Base	Growth Target	Met Schoolwide Growth Target
Carpinteria Senior High	690	696	5	No
Cabrillo Senior High	770	768	2	Yes
Lompoc High	653	675	6	No
Dos Pueblos Senior High	771	798	1	No
San Marcos Senior High	729	749	3	No
Santa Barbara Senior High	740	743	3	No
Righetti (Ernest) High	706	707	5	No
Santa Maria Senior High	619	600	10	Yes
Santa Ynez Valley Union High	758	772	1	No

Source: CA Department of Education

2006 STAR CAT/6 Test Results Santa Barbara County

	Reading	Math	Language	Spelling	Average
Grade 3					
Ballard Elementary	100%	91%	91%	91%	93%
Buellton Union Elementary	54%	57%	61%	48%	55%
Carpinteria Unified	33%	55%	45%	47%	45%
Cold Spring Elementary	81%	91%	88%	78%	85%
College Elementary	52%	67%	56%	59%	59%
Goleta Union Elementary	49%	62%	51%	57%	55%
Guadalupe Union Elementary	17%	42%	26%	50%	34%
Hope Elementary	73%	80%	74%	69%	74%
Lompoc Unified	38%	52%	45%	54%	47%
Montecito Union Elementary	82%	85%	86%	72%	81%
Orcutt Union Elementary	56%	68%	58%	61%	61%
Santa Barbara Elementary	35%	54%	43%	54%	47%
Santa Maria-Bonita Elementary	22%	41%	29%	40%	33%
Solvang Elementary	67%	75%	79%	79%	75%
Santa Barbara County	39%	54%	45%	52%	48%
California	37%	55%	45%	57%	49%
Grade 7					
Ballard Elementary	NA	NA	NA	NA	NA
Buellton Union Elementary	60%	70%	59%	69%	65%
Carpinteria Unified	48%	54%	53%	59%	54%
Cold Spring Elementary	NA	NA	NA	NA	NA
College Elementary	59%	66%	61%	44%	58%
Goleta Union Elementary	NA	NA	NA	NA	NA
Guadalupe Union Elementary	25%	27%	24%	43%	30%
Hope Elementary	NA	NA	NA	NA	NA
Lompoc Unified	48%	47%	45%	55%	49%
Montecito Union Elementary	NA	NA	NA	NA	NA
Orcutt Union Elementary	60%	68%	63%	71%	66%
Santa Barbara Elementary	73%	53%	67%	47%	60%
Santa Maria-Bonita Elementary	38%	49%	39%	52%	45%
Solvang Elementary	66%	78%	58%	57%	65%
Santa Barbara County	50%	55%	50%	58%	53%
California	46%	50%	45%	58%	50%

Source: CA Department of Education

Student Teacher Ratios Santa Barbara County				
School District	Number of Students per Teacher			
	2002-03	2003-04	2004-05	2005-06
Ballard Elementary	18.3	18.6	21.8	19.5
Buellton Union Elementary	20.0	19.9	21.3	20.2
Carpinteria Unified	20.6	20.6	20.5	20.2
Cold Spring Elementary	15.8	17.0	14.4	11.9
College Elementary	19.6	20.1	18.6	16.9
Goleta Union Elementary	19.7	19.9	19.6	19.1
Guadalupe Union Elementary	18.7	18.9	18.9	18.5
Hope Elementary	20.5	21.0	20.5	20.6
Lompoc Unified	18.9	20.1	20.5	20.7
Los Alamos Elementary	16.6	18.8	18.8	19.3
Los Olivos Elementary	20.1	22.1	23.0	21.3
Montecito Union Elementary	14.0	12.9	13.0	13.5
Orcutt Union Elementary	21.1	22.7	21.9	22.5
Santa Barbara Elementary	19.8	19.8	19.6	18.6
Santa Barbara High	21.9	22.9	21.3	21.2
Santa Maria Joint Union High	24.9	25.0	26.3	25.8
Santa Maria-Bonita Elementary	20.5	21.3	21.7	21.6
Santa Ynez Valley Union High	26.8	25.7	26.5	25.6
Solvang Elementary	19.9	21.1	21.2	18.4
Santa Barbara County	20.2	20.9	20.9	20.6
California	20.7	21.2	21.2	21.0

Source: CA Department of Education

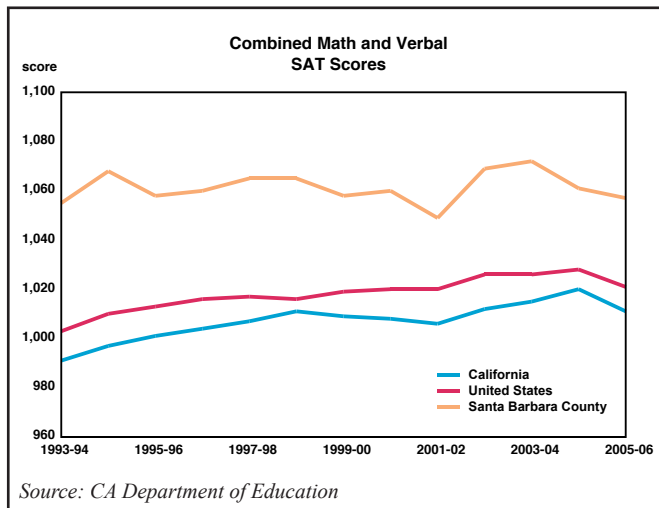
Average Class Size Santa Barbara County				
School District	Average Number of Students per Class			
	2002-03	2003-04	2004-05	2005-06
Ballard Elementary	18.3	18.6	21.8	19.5
Buellton Union Elementary	22.7	22.5	25.0	25.3
Carpinteria Unified	25.8	25.6	25.4	24.1
Cold Spring Elementary	18.0	19.5	18.2	15.1
College Elementary	18.6	19.8	20.3	18.1
Goleta Union Elementary	22.1	22.3	22.1	22.0
Guadalupe Union Elementary	23.6	25.4	25.0	23.7
Hope Elementary	22.3	22.3	20.3	22.4
Lompoc Unified	24.5	25.4	25.4	26.2
Los Alamos Elementary	17.8	21.5	21.5	20.0
Los Olivos Elementary	22.9	23.2	27.0	25.5
Montecito Union Elementary	17.7	16.7	17.2	17.7
Orcutt Union Elementary	25.3	26.0	26.2	26.8
Santa Barbara Elementary	21.5	21.4	22.0	21.4
Santa Barbara High	25.3	28.2	27.5	27.2
Santa Maria Joint Union High	28.0	27.8	28.4	28.3
Santa Maria-Bonita Elementary	24.7	25.9	26.4	25.9
Santa Ynez Valley Union High	26.9	26.7	26.3	27.0
Solvang Elementary	23.7	22.1	22.3	21.2
Santa Barbara County	25	26	26.0	26.0
Statewide	26.2	27.4	27.3	27.26

Source: CA Department of Education

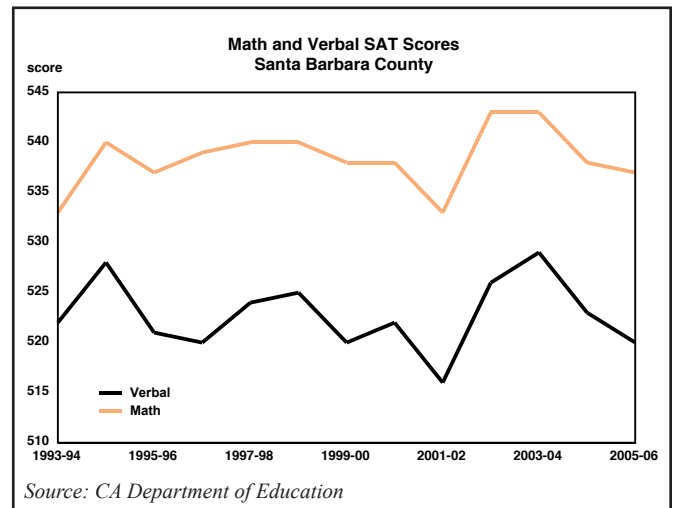
California High School Exit Exam Santa Barbara County 2005-06

School District	Percent Passing	
	Math	English / Language Arts
Carpinteria Unified	63%	62%
Lompoc Unified	64%	69%
Santa Barbara High	71%	69%
Santa Maria Joint Union High	66%	57%
Santa Ynez Valley Union High	77%	77%
Santa Barbara County	64%	63%
Statewide	59%	61%

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	Writing Average	2005-06 Total
Carpinteria Unified	183	70	38.3%	520	530	517	1,567
Lompoc Unified	649	207	31.9%	492	496	490	1,478
Santa Barbara High	1,685	778	46.2%	554	567	549	1,670
Santa Maria Joint Union High	1,468	366	24.9%	459	496	464	1,419
Santa Ynez Valley Union High	254	86	33.9%	539	547	533	1,619
Santa Barbara County	4,344	1,521	35.0%	520	537	518	1,575
California	383,460	155,295	40.5%	495	516	495	1,506

Source: CA Department of Education

Dropout Rates Santa Barbara County 2004-05			
High Schools	Number of Dropouts	Total Enrollment	One Year Rate
Carpinteria Senior High	2	861	0.2%
Cabrillo Senior High	5	1,629	0.3%
Lompoc Senior High	22	1,628	1.4%
Dos Pueblos Senior High	6	2,284	0.3%
San Marcos Senior High	13	2,212	0.6%
Santa Barbara Senior High	16	2,373	0.7%
Righetti (Ernest) High	12	2,594	0.5%
Santa Maria High	88	2,895	3.0%
Santa Ynez Valley Union High	4	1,183	0.3%
Santa Barbara County	298	20,682	1.4%
Statewide	60,176	1,937,014	3.1%

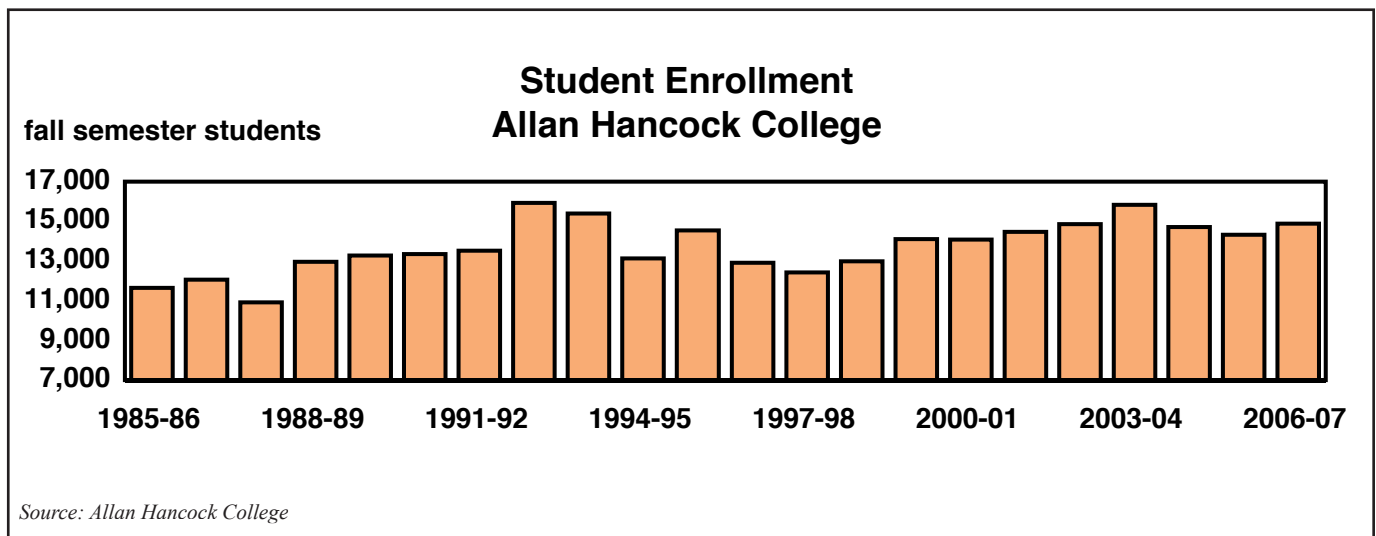
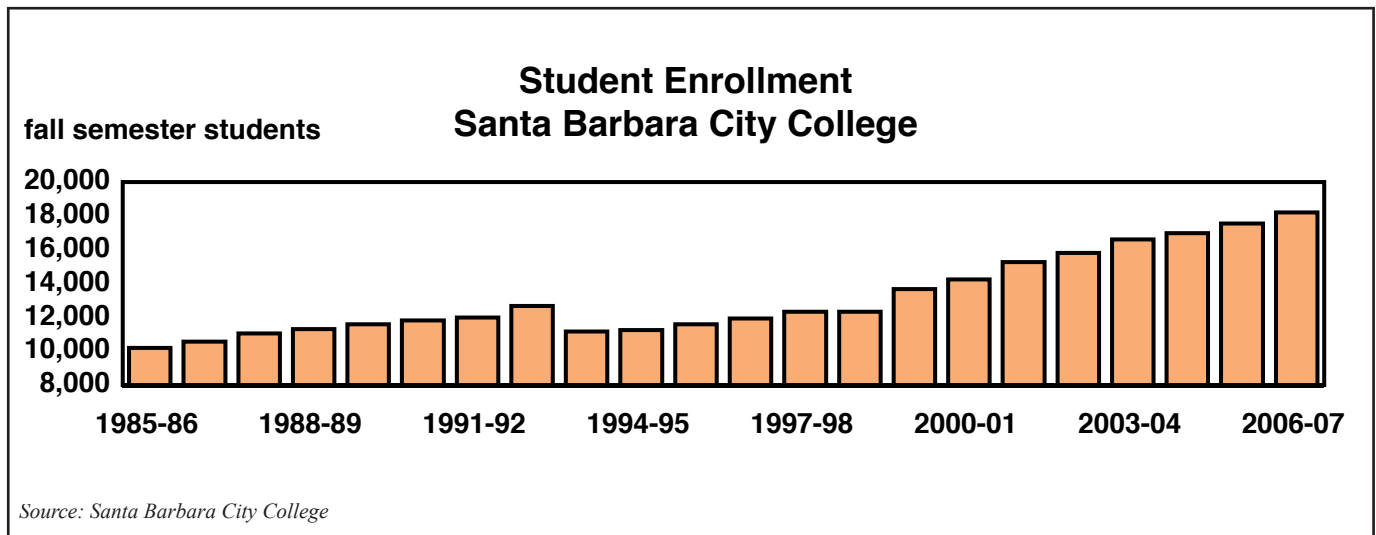
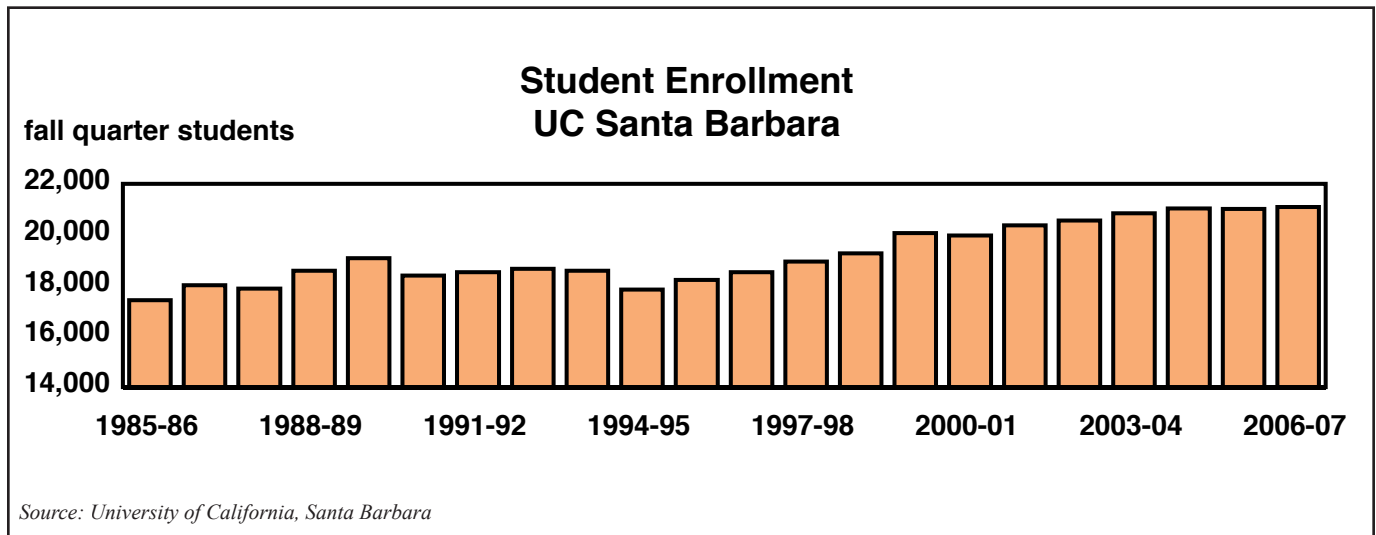
Source: CA Department of Education

High School Dropout Rates						
High Schools	One Year Dropout Rates					
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Carpinteria Senior High	0.0%	0.0%	0.5%	0.5%	0.0%	0.2%
Cabrillo Senior High	1.6%	0.7%	0.9%	0.7%	1.5%	0.3%
Lompoc Senior High	3.9%	4.7%	2.2%	1.7%	1.0%	1.4%
Dos Pueblos Senior High	0.5%	0.6%	0.2%	0.4%	0.3%	0.3%
San Marcos Senior High	0.2%	6.0%	0.7%	0.5%	0.5%	0.6%
Santa Barbara Senior High	0.9%	1.2%	0.5%	0.4%	0.2%	0.7%
Righetti (Ernest) High	1.1%	1.0%	0.6%	0.8%	0.7%	0.5%
Santa Maria High	1.9%	0.7%	2.5%	3.9%	3.1%	3.0%
Santa Ynez Valley Union High	0.3%	0.2%	0.5%	0.5%	0.4%	0.3%
Santa Barbara County	1.6%	1.5%	1.3%	1.8%	1.4%	1.4%
Statewide	2.8%	2.4%	3.2%	3.2%	3.3%	3.1%

Source: CA Department of Education

High School Graduates Santa Barbara County 2004-05					
School District	12th Grade Enrollment	Number of Graduating Seniors	Graduation Rate	UC/CSU Eligible Graduates	% UC/CSU Eligible Graduates
Carpinteria Senior High	217	212	97.7%	49	23.1%
Cabrillo Senior High	324	297	91.7%	152	51.2%
Lompoc Senior High	368	305	82.9%	92	30.2%
Dos Pueblos Senior High	483	452	93.6%	318	70.4%
San Marcos Senior High	470	415	88.3%	359	86.5%
Santa Barbara Senior High	504	439	87.1%	224	51.0%
Righetti (Ernest) High	558	526	94.3%	129	24.5%
Santa Maria High	793	598	75.4%	123	20.6%
Santa Ynez Valley Union High	260	238	91.5%	101	42.4%
Santa Barbara County	4,608	3,747	81.3%	1,558	41.6%
Statewide	409,560	355,231	86.7%	124,984	35.2%

Source: CA Department of Education



Ozone: Number of Days Above State 1-Hour Standard						
Monitoring Sites	2001	2002	2003	2004	2005	2006
San Luis Obispo County						
Atascadero-Lewis Avenue	0	0	0	0	1	0
Grover City-Lesage Drive	*	*	*	*	*	6
Morro Bay	0	0	0	0	0	*
Nipomo-Guadalupe Road	0	0	0	0	0	0
Nipomo-Regional Park	0	0	1	0	0	0
Paso Robles-Santa Fe Avenue	0	0	1	0	1	0
San Luis Obispo-3220 South Higuera St	*	*	*	*	0	0
San Luis Obispo-Marsh Street	0	0	0	0	0	*
Santa Barbara County						
Carpinteria-Gobernador Road	1	0	1	0	0	1
El Capitan Beach	0	0	1	1	0	0
Exxon Site 10-UCSB West Campus	*	*	*	*	*	*
Gaviota-East	*	*	*	*	*	*
Gaviota-GTC Site B	0	0	1	0	0	0
Gaviota-GTC Site C	*	*	*	*	*	*
Gaviota-West	*	*	*	*	*	*
Goleta-Fairview	0	0	1	0	0	0
Las Flores Canyon #1	1	0	1	2	0	0
Lompoc-HSandP	0	0	1	1	0	0
Lompoc-S H Street	0	0	0	0	0	0
Paradise Road-Los Padres National Forest	4	3	6	0	0	0
Point Conception-Lighthouse	*	*	*	*	*	*
Santa Barbara-700 East Canon Perdido	*	0	0	1	0	0
Santa Barbara-W Carillo Street	*	*	*	*	*	*
Santa Maria-906 S Broadway	0	0	0	0	0	0
Santa Maria-Broadway	*	*	*	*	*	*
Santa Rosa Island	0	0	0	2	*	*
Santa Ynez-Airport Road	1	0	1	0	0	0
Vandenberg Air Force Base-STs Power	0	0	0	0	0	0
Ventura County						
El Rio-Rio Mesa School #2	0	0	0	0	0	0
Ojai-Ojai Avenue	17	15	24	7	8	6
Piru-2 miles SW	*	*	*	*	*	*
Piru-3301 Pacific Avenue	16	10	27	6	7	8
Simi Valley-Cochran Street	32	14	26	18	13	14
Thousand Oaks-Moorpark Road	4	3	13	5	2	2
Ventura County-W Casitas Pass Road	3	5	*	*	*	*
Ventura-Emma Wood State Beach	0	0	0	0	0	0

Source: California Air Resources Board

* There was insufficient (or no) data available to determine the value.

SANTA BARBARA COUNTY'S HEALTH STATUS PROFILE FOR 2006

MORTALITY

RANK ORDER	HEALTH STATUS INDICATOR	2002-2004 DEATHS (AVERAGE)	CRUDE DEATH RATE	AGE-ADJUSTED DEATH RATE	95% CONFIDENCE LIMITS		AGE-ADJUSTED DEATH RATE		NATIONAL OBJECTIVE
					LOWER	UPPER	STATEWIDE	NATIONAL ¹	
11	ALL CAUSES (2002-2004 AVERAGE)	2,899.7	703.7	675.2	650.5	699.9	704.5	832.7	N/E
10	MOTOR VEHICLE ACCIDENTS	41.7	10.1	9.9	6.8	12.9	12.1	14.8	8.0
14	UNINTENTIONAL INJURIES	122.0	29.6	29.3	24.1	34.5	29.3	37.3	17.1
5	FIREARM INJURIES	21.0	5.1	5.1	2.9	7.3	9.4	10.3	3.6
10	HOMICIDE	6.3	1.5 *	1.6 *	0.3	2.8	6.7	6.0	2.8
17	SUICIDE	38.3	9.3	9.2	6.3	12.2	9.4	10.8	4.8
13	ALL CANCERS	656.7	159.4	158.1	146.0	170.3	164.1	190.1	158.6
7	LUNG CANCER	158.7	38.5	38.5	32.5	44.5	41.8	54.1	43.3
18	FEMALE BREAST CANCER	48.0	23.4	21.5	15.3	27.6	22.8	25.3	21.3
29	CORONARY HEART DISEASE	647.0	157.0	148.3	136.9	159.8	164.7	172.0	162.0
24	CEREBROVASCULAR DISEASE	229.7	55.7	51.9	45.1	58.6	52.4	53.5	50.0
33	DRUG-INDUCED DEATHS	46.3	11.2	11.5	8.2	14.9	10.0	9.9	1.2
25	DIABETES	76.3	18.5	18.3	14.1	22.4	21.3	25.3	NA ¹

MORBIDITY

RANK ORDER	HEALTH STATUS INDICATOR	2002-2004 CASES (AVERAGE)	CRUDE CASE RATE	95% CONFIDENCE LIMITS		CRUDE CASE RATE		NATIONAL OBJECTIVE
				LOWER	UPPER	STATEWIDE	NATIONAL ¹	
42	HEPATITIS C INCIDENCE	1.00	0.24 *	0.00	0.72	0.13	1.6	1.00
40	AIDS INCIDENCE (AGE 13 AND OVER)	25.33	7.44	4.54	10.33	13.72	17.6	1.00
40	TUBERCULOSIS INCIDENCE	24.33	5.91	3.56	8.25	8.71	5.1	1.00
35	CHLAMYDIA INCIDENCE	1,034.00	250.93	235.63	266.22	324.31	a	NA ²
29	SYPHILIS INCIDENCE	1.67	0.40 *	0.00	1.02	3.43	2.5	0.20
12	MEASLES INCIDENCE	0.00	0.00 +	-	-	0.01 *	a	0.00

INFANT MORTALITY

RANK ORDER	HEALTH STATUS INDICATOR	2001-2003 DEATHS (AVERAGE)	BIRTH COHORT INFANT DEATH RATE	95% CONFIDENCE LIMITS		BIRTH COHORT INFANT DEATH RATE		NATIONAL OBJECTIVE
				LOWER	UPPER	STATEWIDE	NATIONAL ²	
22	INFANT MORTALITY: ALL RACES	26.0	4.6	2.8	6.3	5.3	7.0	4.5
33	INFANT MORTALITY: ASIAN/PI	1.0	4.2 *	0.0	12.5	4.1	4.8	4.5
29	INFANT MORTALITY: BLACK	0.3	4.3 *	0.0	18.8	11.2	13.8	4.5
25	INFANT MORTALITY: HISPANIC	15.3	4.4 *	2.2	6.6	5.1	5.6	4.5
29	INFANT MORTALITY: WHITE	8.3	4.5 *	1.4	7.5	4.7	5.8	4.5

NATALITY

RANK ORDER	HEALTH STATUS INDICATOR	2002-2004 BIRTHS (AVERAGE)	PERCENT	95% CONFIDENCE LIMITS		PERCENTAGE		NATIONAL OBJECTIVE
				LOWER	UPPER	STATEWIDE	NATIONAL ¹	
40	LOW BIRTHWEIGHT INFANTS	389.3	6.6	5.9	7.3	6.6	7.9	5.0
36	LATE OR NO PRENATAL CARE	1,054.0	18.0	16.9	19.1	13.0	16.0	10.0
15	ADEQUATE/ADEQUATE PLUS CARE	4,545.7	77.8	75.5	80.0	78.3	75.4	90.0

RANK ORDER	HEALTH STATUS INDICATOR	2002-2004 BIRTHS (AVERAGE)	AGE-SPECIFIC BIRTH RATE	95% CONFIDENCE LIMITS		AGE-ADJUSTED DEATH RATE		NATIONAL OBJECTIVE
				LOWER	UPPER	STATEWIDE	NATIONAL ¹	
38	BIRTHS TO MOTHERS AGED 15-19	598.7	39.6	36.4	42.7	39.2	41.6	N/E

BREASTFEEDING

RANK ORDER	HEALTH STATUS INDICATOR	2002-2004 BIRTHS (AVERAGE)	PERCENT	95% CONFIDENCE LIMITS		PERCENTAGE		NATIONAL OBJECTIVE
				LOWER	UPPER	STATEWIDE	NATIONAL ¹	
11	BREASTFEEDING INITIATION	5,178.0	91.7	89.2	94.2	83.7	68.0	75.0

CENSUS

RANK ORDER	HEALTH STATUS INDICATOR	2003 NUMBER	PERCENT	95% CONFIDENCE LIMITS		PERCENTAGE		NATIONAL OBJECTIVE
				LOWER	UPPER	STATEWIDE	NATIONAL ³	
29	PERSONS UNDER 18 IN POVERTY	17,530.0	17.5	17.2	17.8	19.6	17.6	N/E

National¹ 2003 mortality, morbidity, and teenage birth rates. 2003 breastfeeding and natality percentages.

National² 2002 infant mortality.

National³ U.S. Census Bureau: Small Area Income and Poverty Estimates (<http://www.census.gov/hhes/www/saiper/>)

NA¹ National Objective is based on both underlying and contributing cause of death which requires use of multiple cause of death data files. California's data exclude multiple-contributing causes of death.

NA² Prevalence data is not available in California to evaluate Healthy People 2010 National Objective of no more than 3 percent testing positive in the population aged 15 to 24 years.

N/E National Objective for the HP2010 has not been established.

Note: Crude death rates, crude case rates, and age-adjusted death rates are per 100,000 population. Birth cohort infant death rates are per 1,000 live births. Age-specific birth rates are per 1,000 population.

Sources: Department of Health Services: Center for Health Statistics, Birth and Death Statistical Master Files, 2002-2004, and Birth Cohort Files, 2001-2003; Division of Communicable Disease Control, Office of Statistics and Surveillance; Office of AIDS, AIDS Case Registry; Genetic Disease Branch, Newborn Screening Program.

Department of Finance: 2003 Population Estimates with Age, Sex, and Race/Ethnic Detail, May 2004.

National Center for Health Statistics: Births: Final Data for 2003, National Vital Statistics Reports, Vol 54 No. 2, September 2005.

National Center for Health Statistics: Deaths: Final Data for 2003, Tables 1-4, Released January 2006.

U.S. Centers for Disease Control and Prevention (CDC), Healthy People 2010, CDC Wonder website at URL: <http://wonder.cdc.gov/data2010/obj.htm>

a National rate is not comparable to California due to rate calculation methods.

* Rate or percent unreliable; relative standard error greater than or equal to 23%.

+ Rate or percent indeterminate; no (zero) events.

- Upper and lower limits at the 95% confidence level are not calculated for no (zero) events.

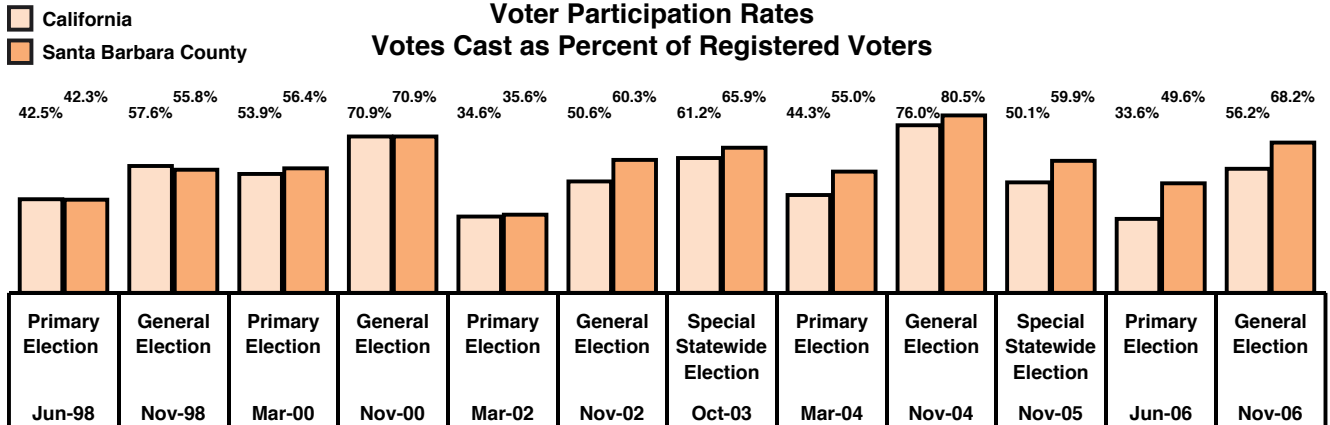
Source: CA Department of Health Services

Composition of Registered Voters in Santa Barbara County

Date	Election Type	Percent of Total Registered			
		Democrat	Republican	Independent	Green
Nov-98	General Election	42.8%	37.4%	2.0%	1.1%
Mar-00	Primary Election	41.7%	37.4%	2.0%	1.2%
Nov-00	General Election	41.3%	36.6%	2.1%	1.7%
Mar-02	Primary Election	40.8%	37.0%	2.1%	1.8%
Nov-02	General Election	40.1%	37.5%	2.0%	1.9%
Oct-03	Special Statewide Election	39.2%	37.4%	2.0%	2.0%
Mar-04	Primary Election	39.6%	37.3%	2.0%	1.8%
Nov-04	General Election	40.6%	35.4%	2.0%	1.5%
Nov-05	Special Statewide Election	40.6%	36.3%	2.0%	1.3%
Jun-06	Primary Election	40.5%	36.0%	2.0%	1.3%
Nov-06	General Election	40.4%	35.5%	2.0%	1.3%

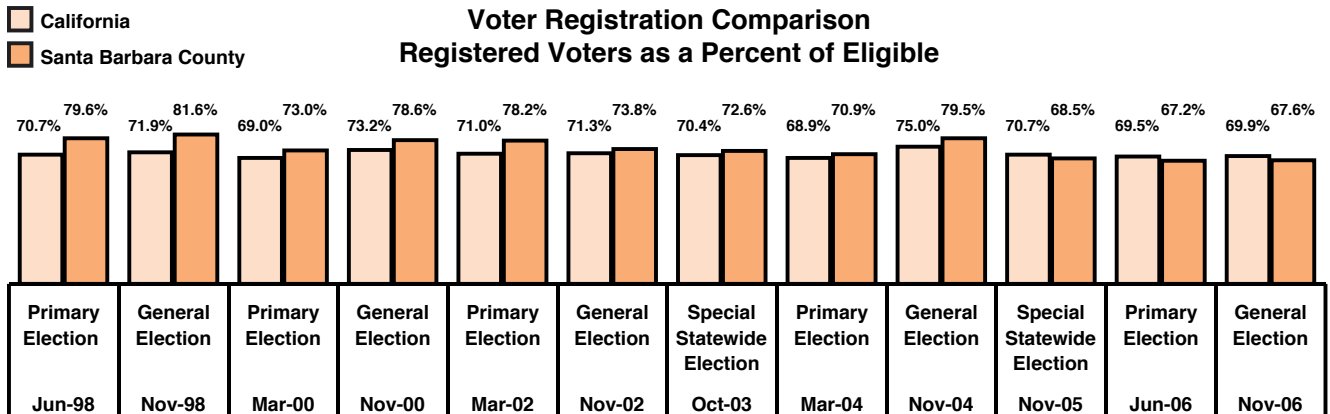
Source: CA Secretary of State

Voter Participation Rates Votes Cast as Percent of Registered Voters



Source: CA Secretary of State

Voter Registration Comparison Registered Voters as a Percent of Eligible



Source: CA Secretary of State

Annual Beach Report Card Comparison by County Dry April 2005 - Mar 2006

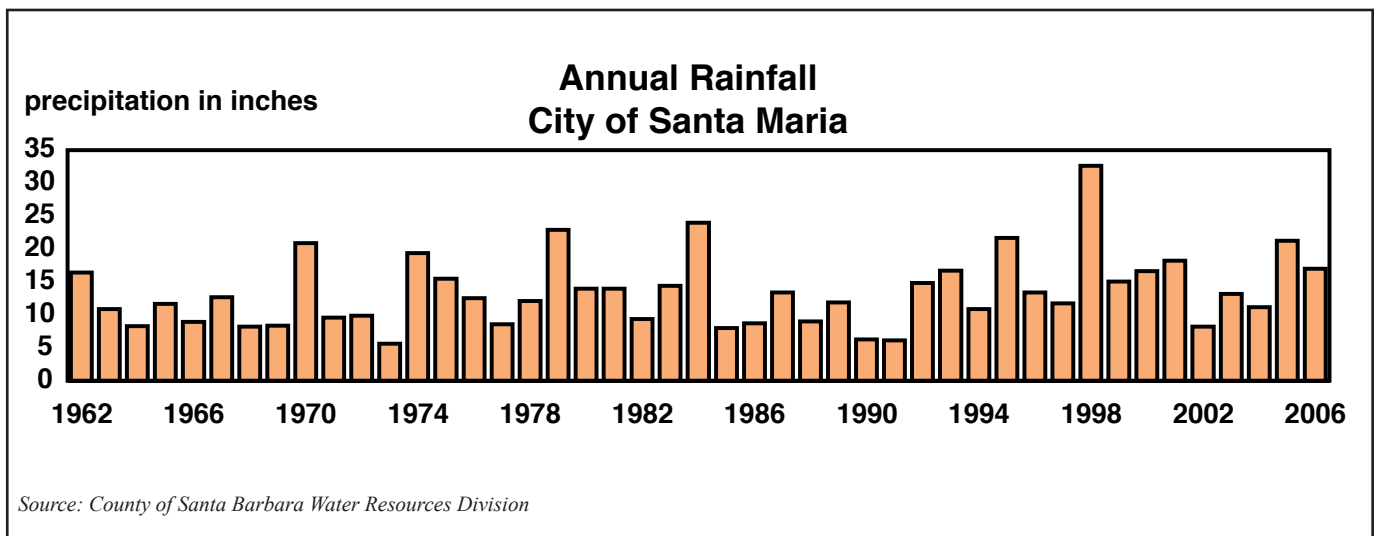
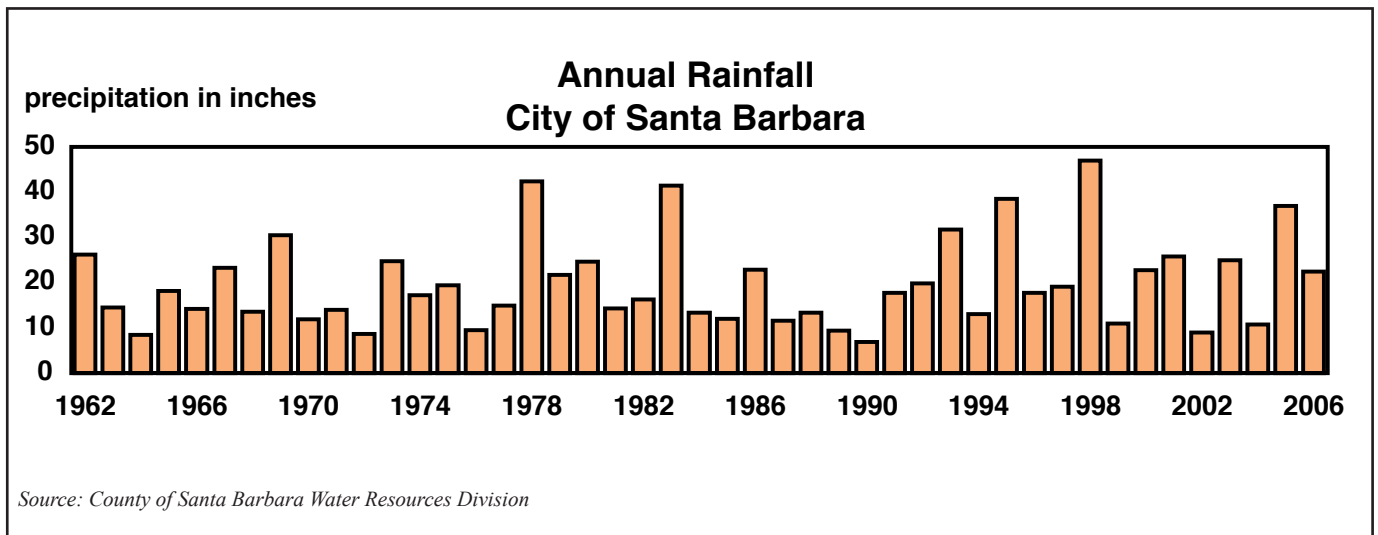
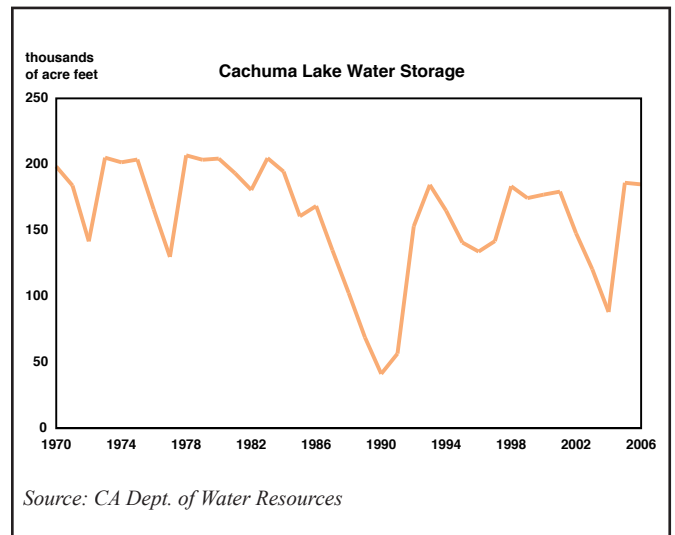
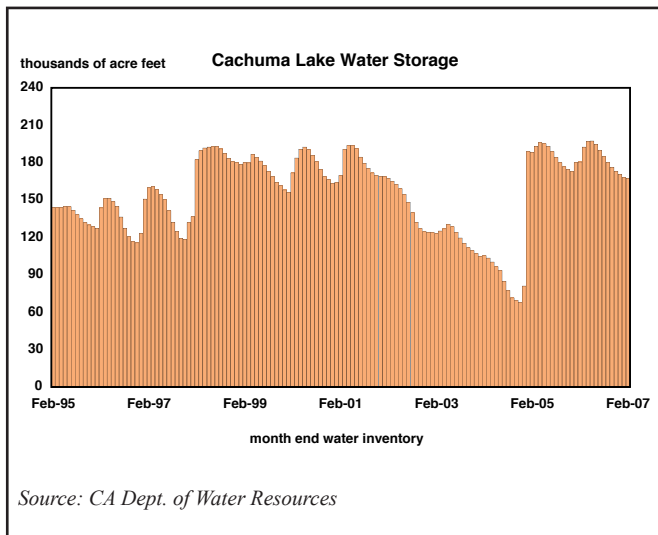
Counties - North to South	A	B	C	D	F
Monterey	NS	NS	NS	NS	NS
San Luis Obispo	100.0%	0.0%	0.0%	0.0%	0.0%
Santa Barbara	63.2%	21.1%	5.3%	10.5%	0.0%
Ventura	100.0%	0.0%	0.0%	0.0%	0.0%
Los Angeles	60.7%	6.7%	10.1%	3.4%	19.1%
Combined Averages	70.4%	7.0%	7.0%	3.5%	12.0%

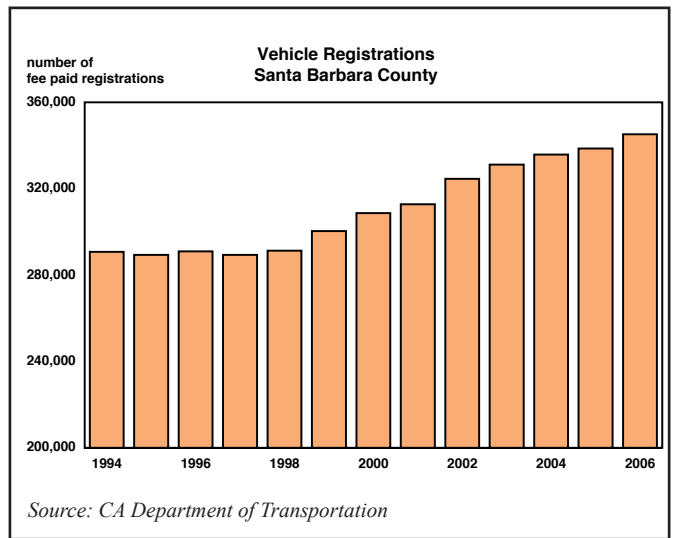
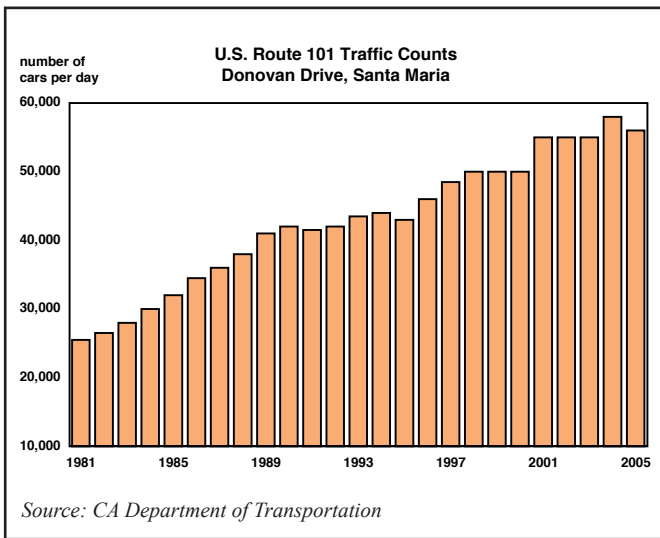
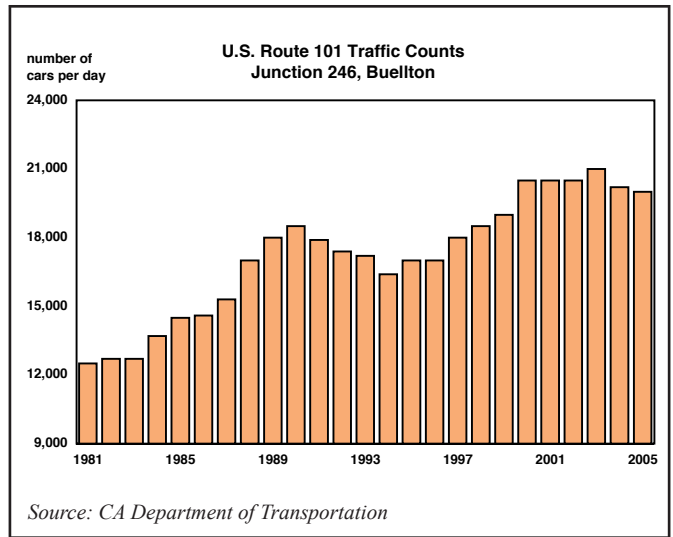
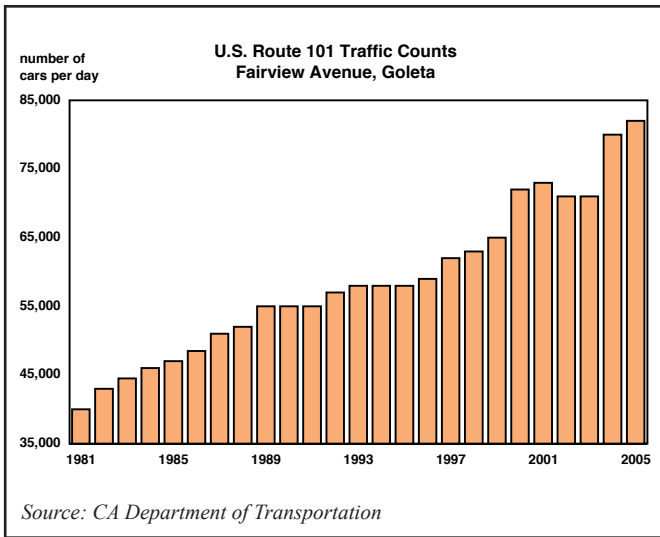
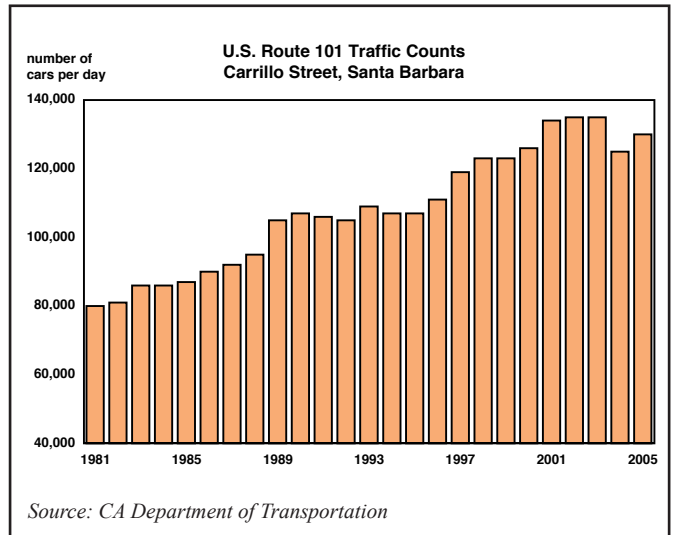
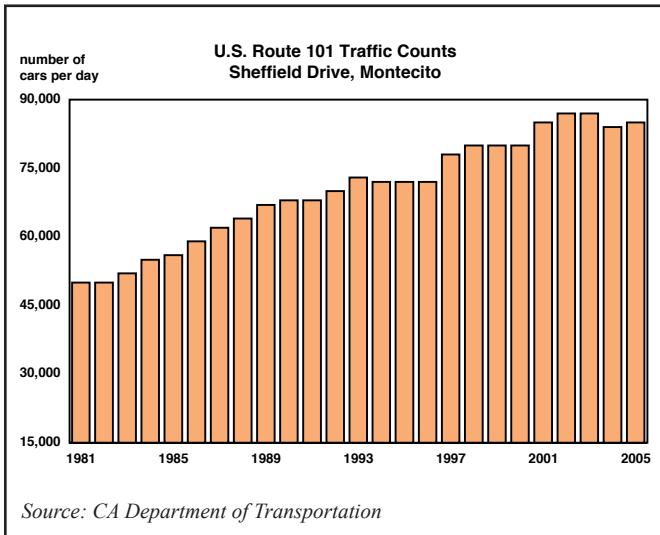
Source: Heal the Bay

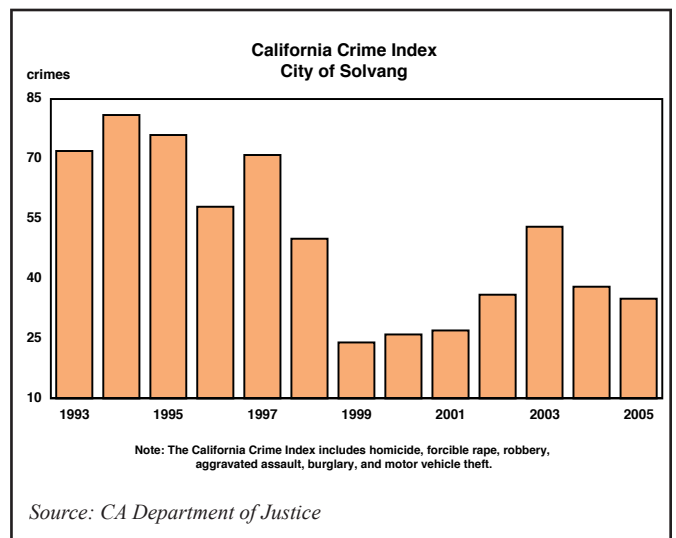
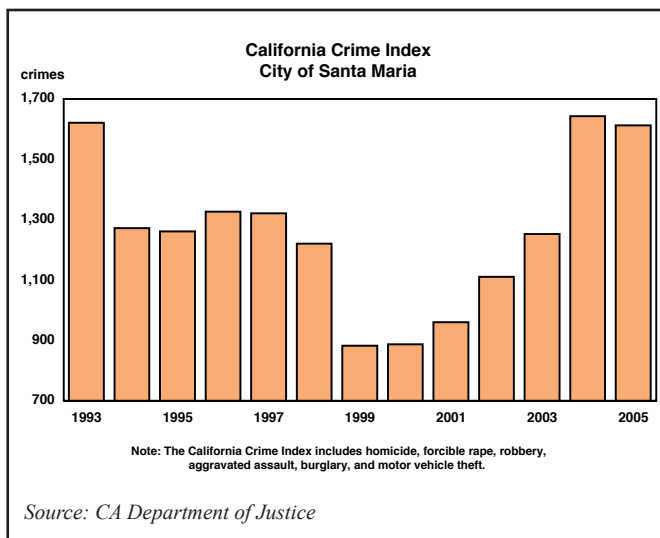
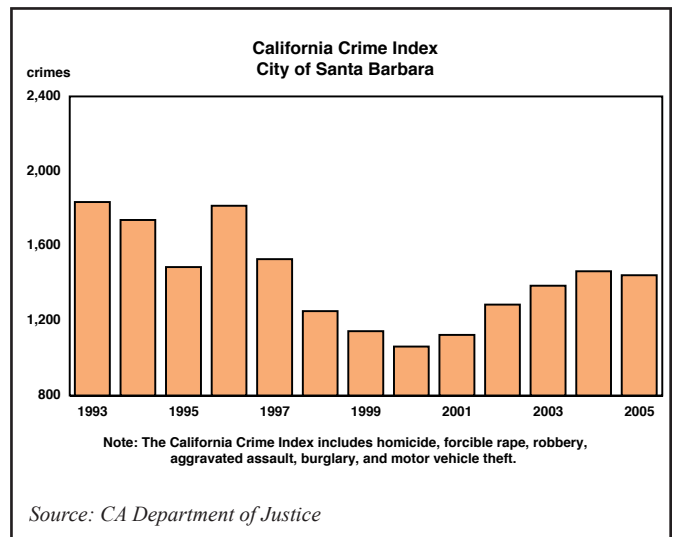
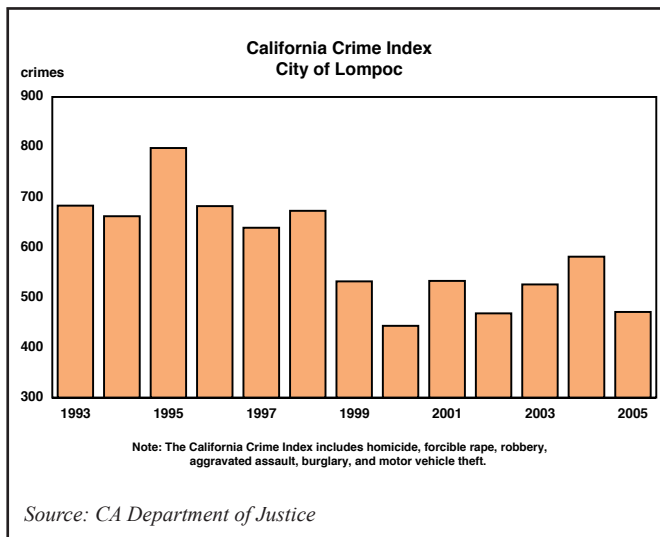
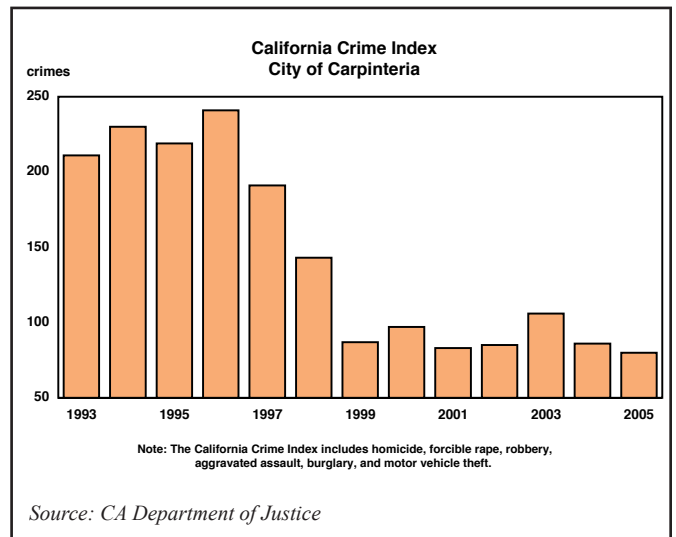
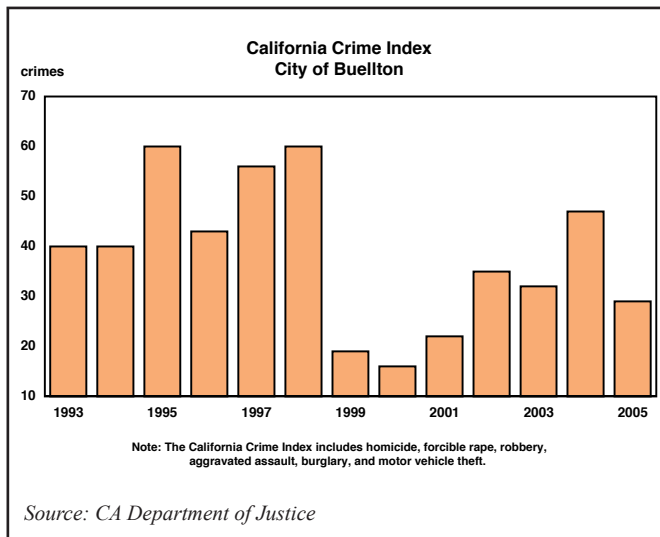
Annual Beach Report Card Santa Barbara County

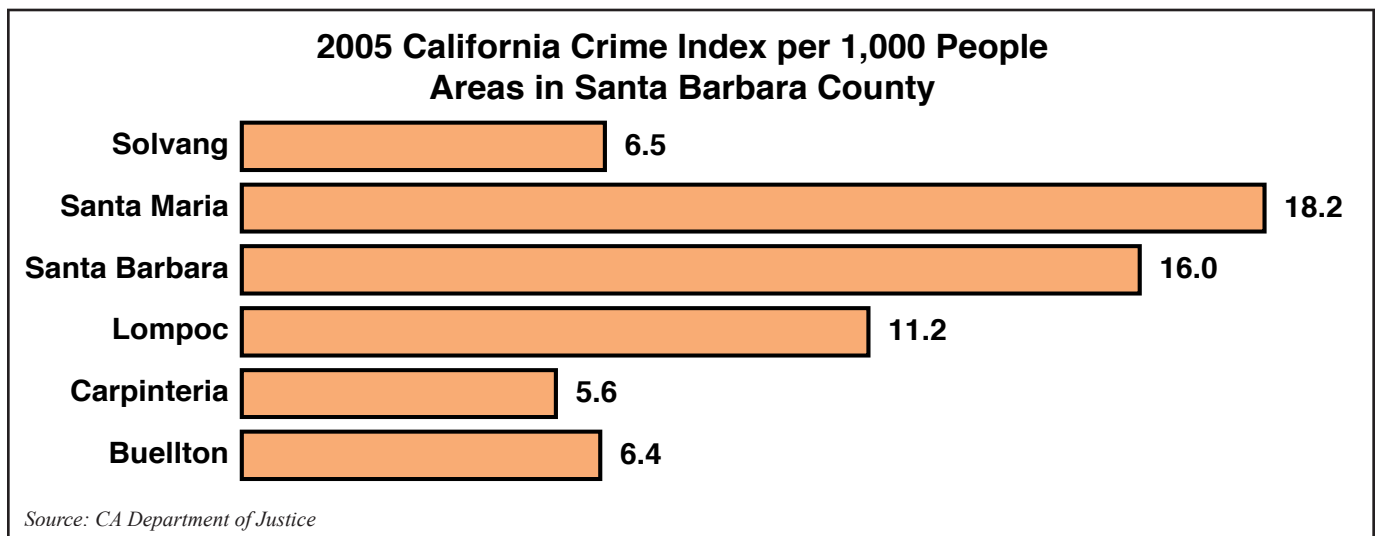
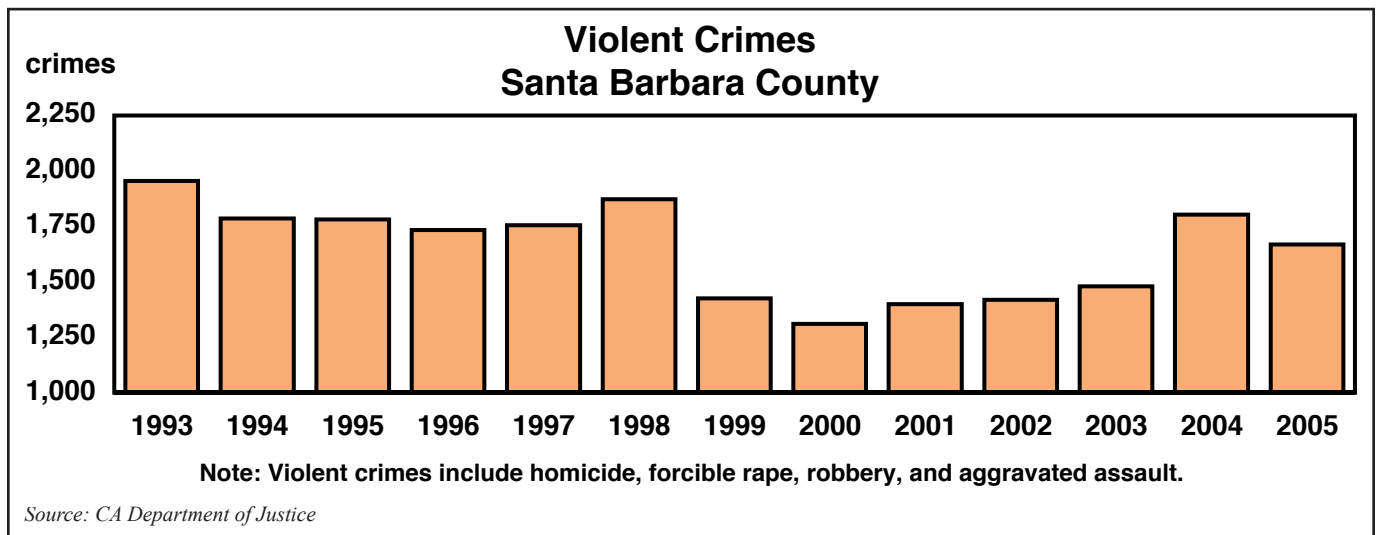
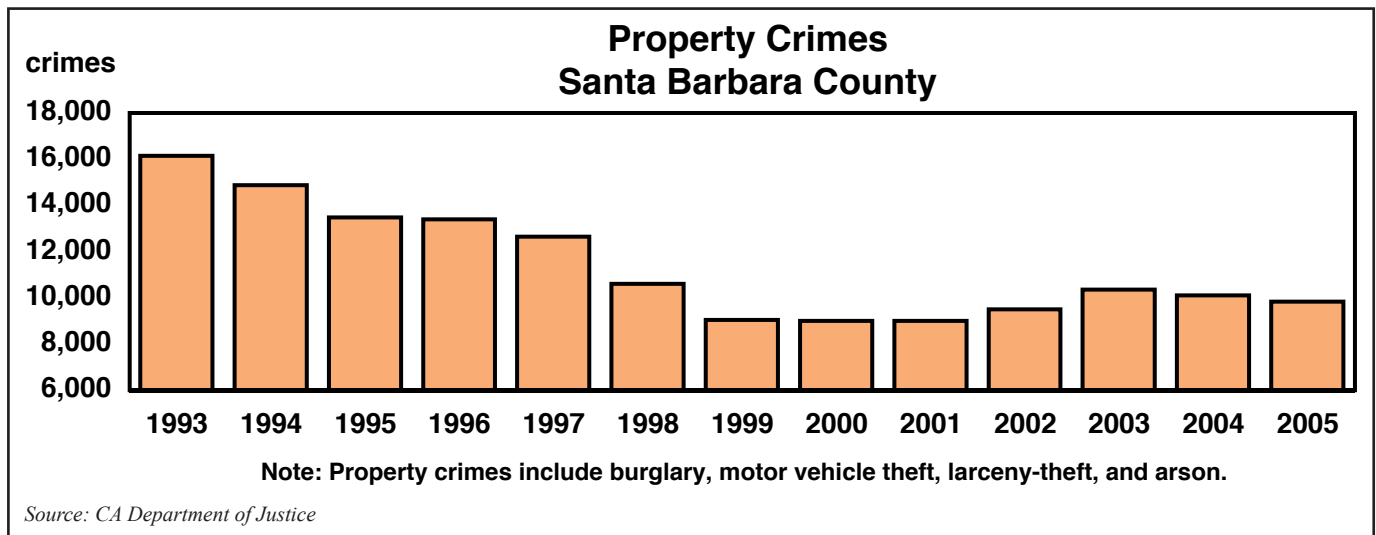
	2005-2006			2004-2005		
	Weather & Period			Weather & Period		
	Dry	Dry	Wet	Dry	Dry	Wet
	AB411 4/05-10/05	Year 4/05-3/06	Year 4/05-3/06	AB411 4/04-10/04	Year 4/04-3/05	Year 4/04-3/05
Beach Locations - North to South						
Guadalupe Dunes	A+	A	A	A	A	D
Ocean Beach at Santa Ynez River	A	A	B	A	A	F
Surf Beach (1/2 mile south from Ocean Beach)	ns	ns	ns	ns	ns	ns
Jalama Beach at Jalama Creek	C	C	C	A	A	F
Gaviota State Beach at Canada de las Cruces	B	B	B	B	B	D
Arroyo Quemada	A	ns	ns	A+	A	F
Refugio State Beach at Canada del Refugio	A	A	B	A	A	F
El Capitan State Beach at Canada del Capitan	B	B	A	A	A	D
Haskell's Beach	B	A	C	B	B	F
Sands at Coal Oil Point	A	A	A+	A	A	F
Goleta Beach- 200 yds east of pier	B	B	A+	B	C	F
Hope Ranch Beach at Las Palmas Creek	A	A	A	A	A	F
Arroyo Burro Beach at Arroyo Burro Creek	F	D	C	B	B	F
Leadbetter Beach at Honda Creek	A	A	B	A	A	F
East Beach at Mission Creek	D	D	D	B	F	F
East Beach at Sycamore Creek	A	B	C	A	A	F
Butterfly Beach	A	A	B	A	A	F
Hammond's Beach at Montecito Creek	A	A	A	A	A	F
Carpinteria City Beach- projection of Linden Av.	A	A	A	A	A	F
Carpinteria State Beach at Carpinteria Creek	A	A	D	A	B	F
Rincon Beach at Rincon Creek	A+	A+	A+	A+	A+	C

Source: Heal the Bay









ECONOMIC REVIEW AND FORECAST



Today it is easy enough to find economists who worry about a recession in the second half of 2007 or the first half of 2008. They note that the implications of this would be cuts in the Target Federal Funds Rate. Some go so far as to anticipate two cuts in the second half of 2007.

It is also easy to find economists who believe that the current Federal Funds Rate is too low, and thus inflationary. The implication of their analysis is that the FED will be forced to increase the Target Federal Funds rate in the second half of 2007 or the first half of 2008.

The FED itself seems convinced that we will avoid a recession. They worry about inflation, but they don't seem inclined to panic.

So far, we believe the data indicate that the FED has achieved a soft landing. Recent data on job gains, productivity gains, and wage gains reinforce this analysis. We believe that, in spite of increasing oil prices, international trade will keep inflation in check. Consequently, we expect no recession. We also see no need for increases in the Target Federal Funds Rate in the remainder of 2007.

People who follow our work know that we think concerns over the real estate market are, and

have been, overblown. In the past, recessions have caused real estate price collapse. Weakness in the real estate markets have not been the proximate cause of recessions. So far, our views have been vindicated. The real estate market, while experiencing huge decreases in sales volume, has not seen a collapse in values. We remain convinced that fundamentals make the probability of a collapse in real estate prices rather low.

The United States economy is doing pretty well. However, many other economists had predicted dire consequences from a weak residential real estate market. Why were so many of our colleagues' apocalyptic prognostications so wrong?

There were always two components to these scenarios of doom, and sometimes they got a bit muddled up. One story was that home prices were sure to collapse. This would lead to lower consumer wealth. Suddenly-poorer homeowners would stop spending. Then, companies would lay off workers who would in turn reduce consumer spending even more. The process would presumably lead to a self-reinforcing decent into a depression.

The other story was that a slowdown in housing construction would lead to the collapse of the construction industry with massive layoffs. These laid off workers would reduce their spending. Then companies would lay off workers

who would in turn reduce consumer spending even more...we know where this story goes.

Of course we never expected a housing price collapse. Fundamentals of demographics, demand, and limited supply—along with a robust economy—always seemed to us to provide a relatively high floor for residential real estate prices. If the prices would not fall significantly, the treadmill to depression could not start.

We also never expected that a slowdown in housing construction would lead to a recession. The fact is, we weren't building all that many homes relative to population and previous real estate booms. These days, the residential construction sector just isn't large enough to override the strength in the other sectors.

So, what do we expect in 2007?

We think the California economy will continue its modest growth through the first half of 2007, and accelerate toward the end of the year. If the growth

gets too hot, the FED will raise interest rates, but the impact will be delayed. Oil prices are a bigger concern. While high prices resulting from demand will not have a negative impact, supply interruptions or high risk premiums can have negative impacts. Of im-

“Given current markets and trends, we see little likelihood that Santa Barbara County’s economy will see significant growth in the remainder of 2007 or in 2008.”

mediate concern is the inflationary implication of rising oil prices and the FED's response. Premature tightening to temporary shocks could threaten the recovery.

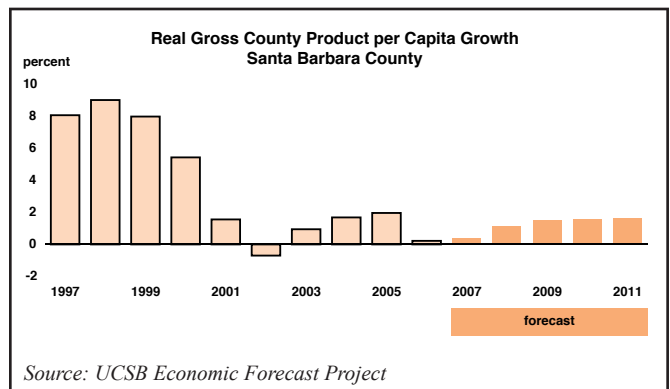
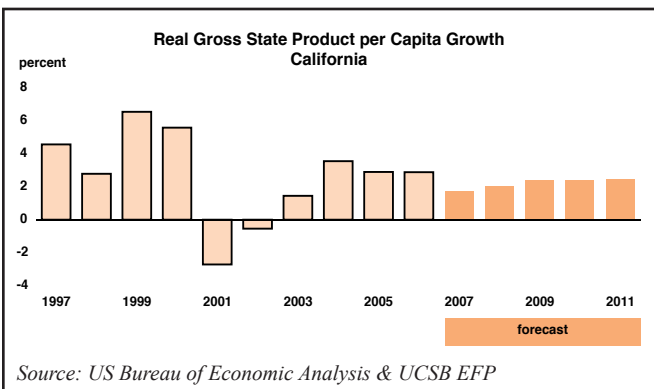
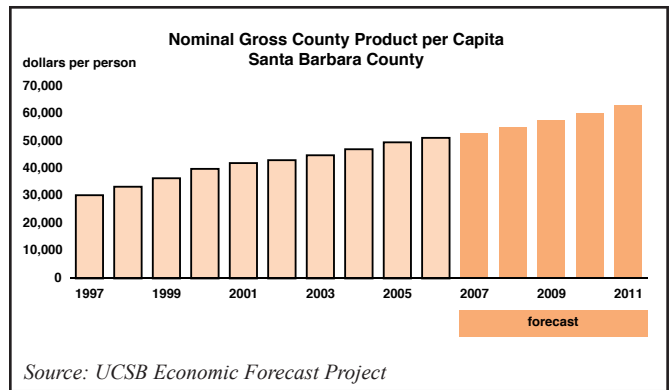
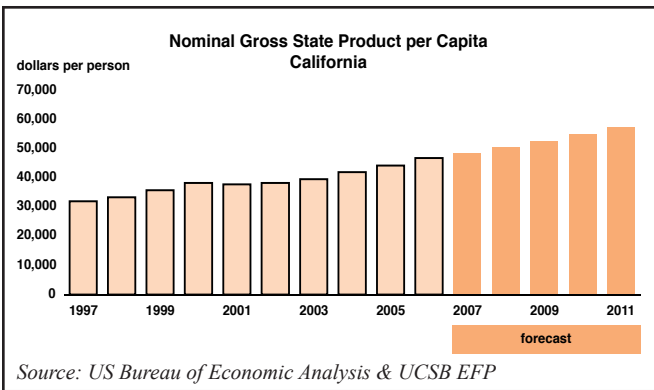
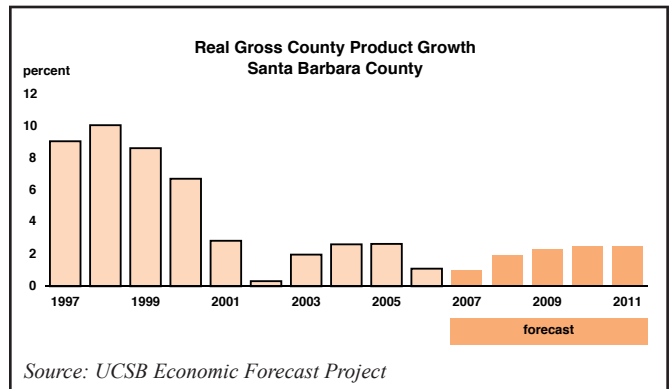
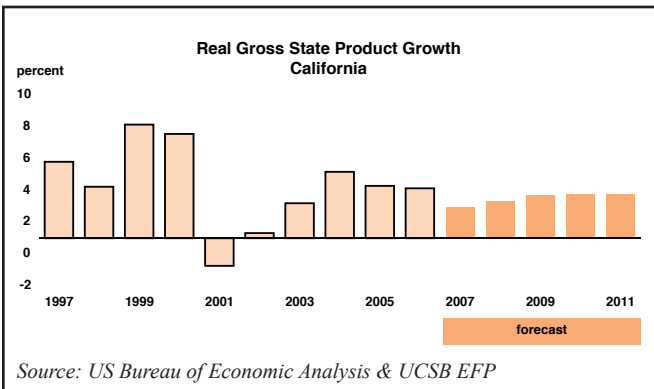
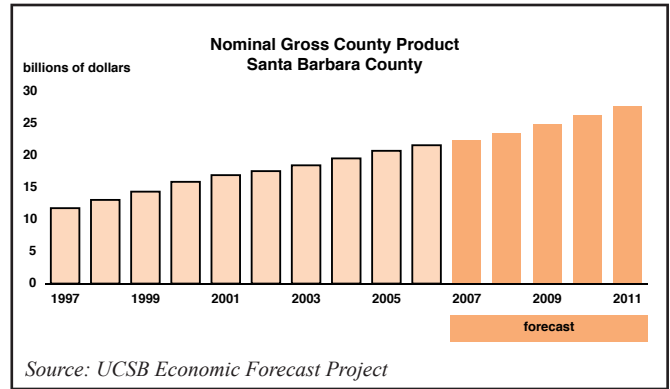
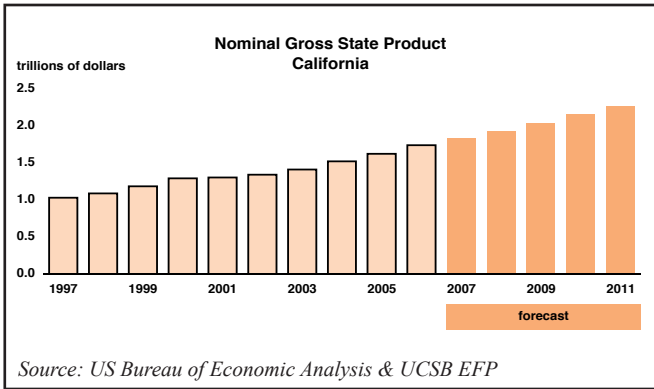
There are signs that the worst of the residential home sales decline is behind us. These things typically last about 24 months, and this one started in November or December 2005, depending on location. Given the overall economic strength and the minimal price impact from the slowdown, this market certainly has the potential to improve before November 2007.

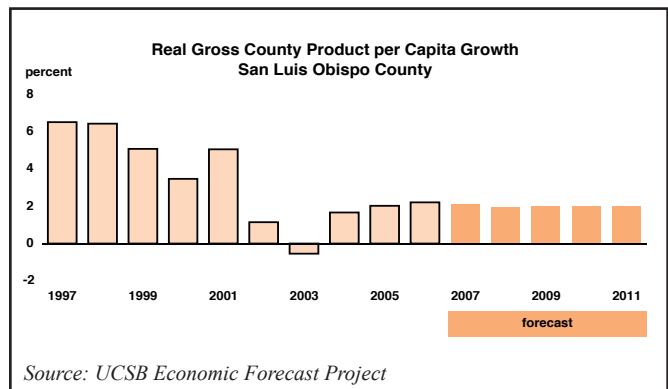
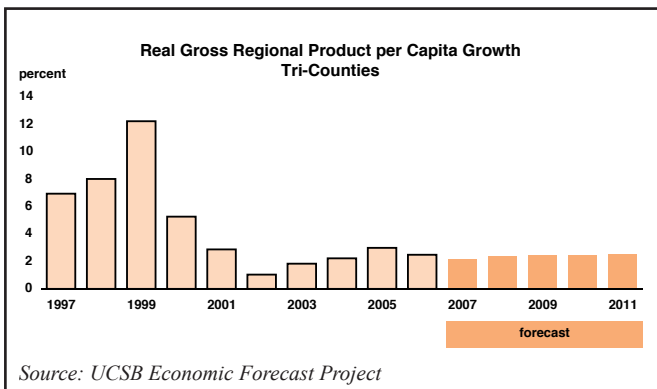
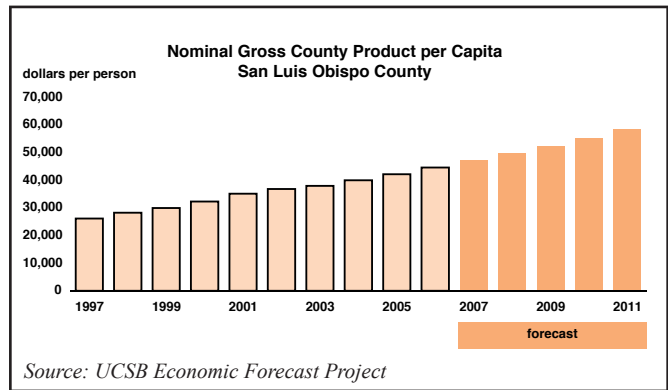
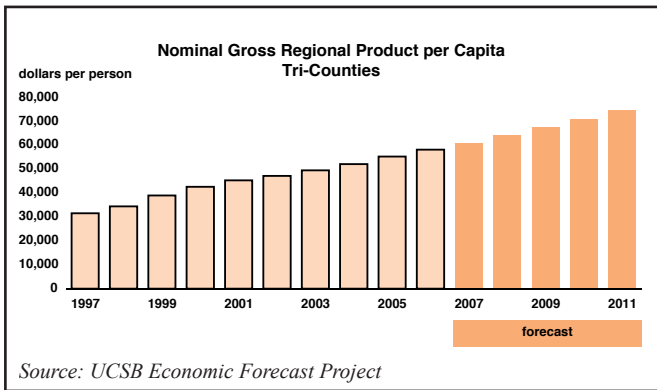
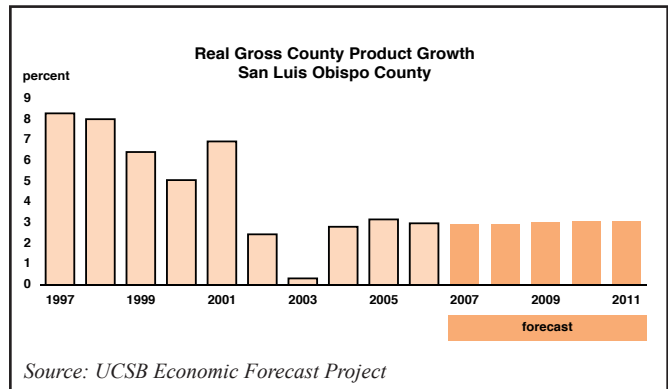
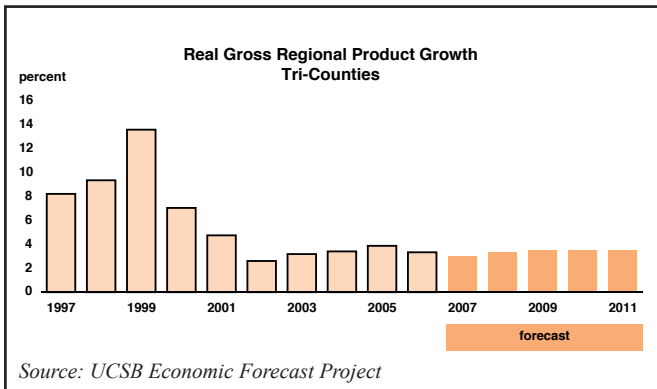
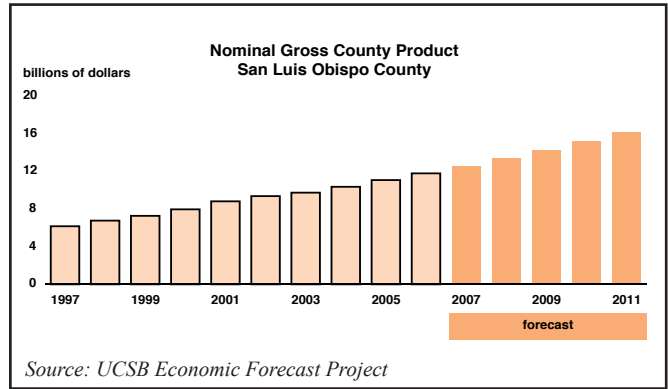
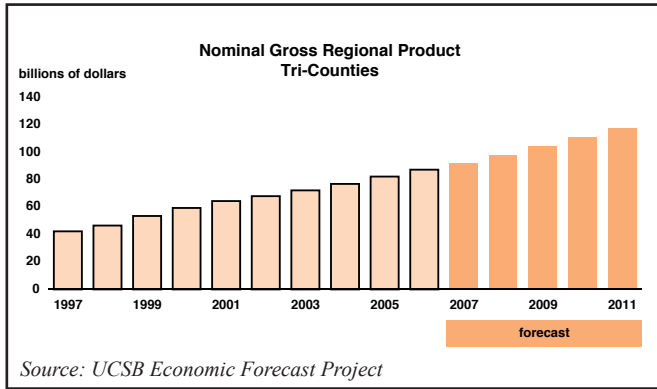
California, with its location on the Pacific Rim, its research

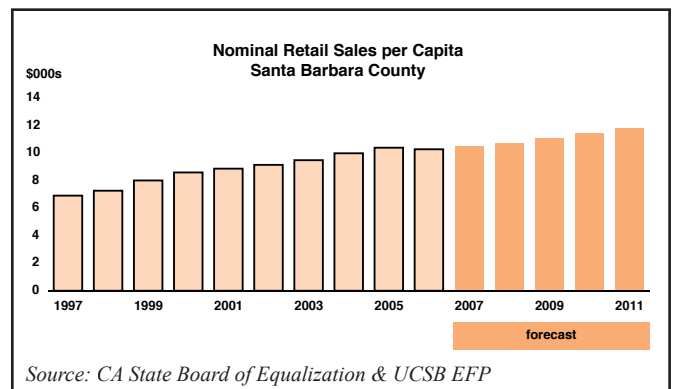
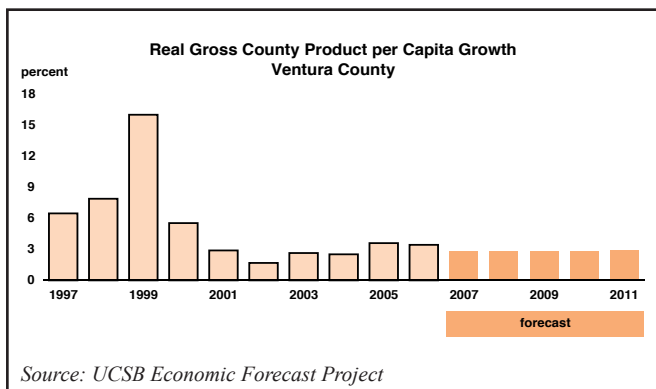
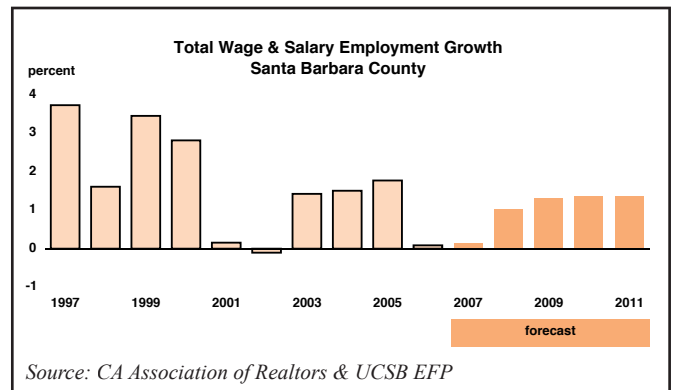
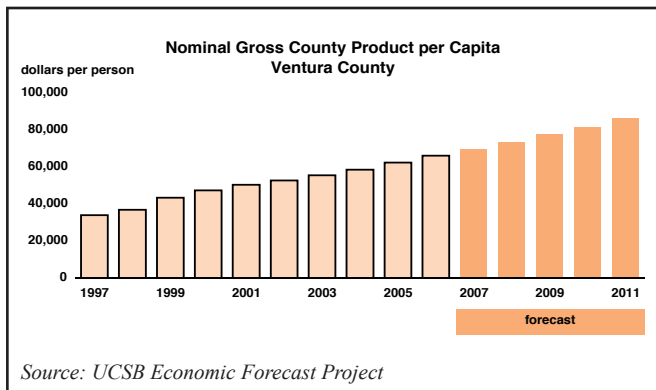
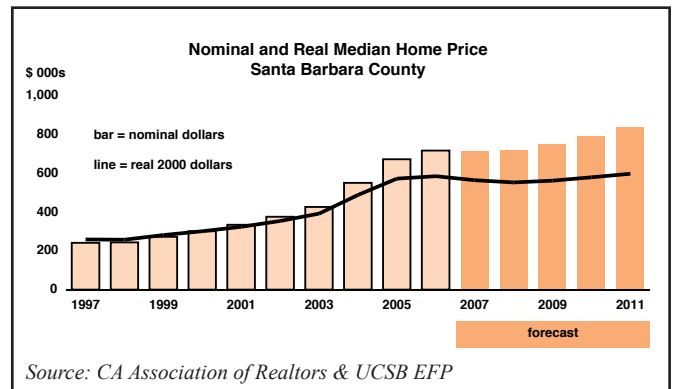
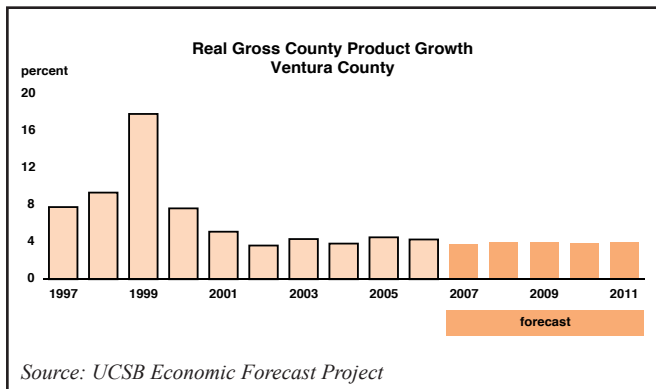
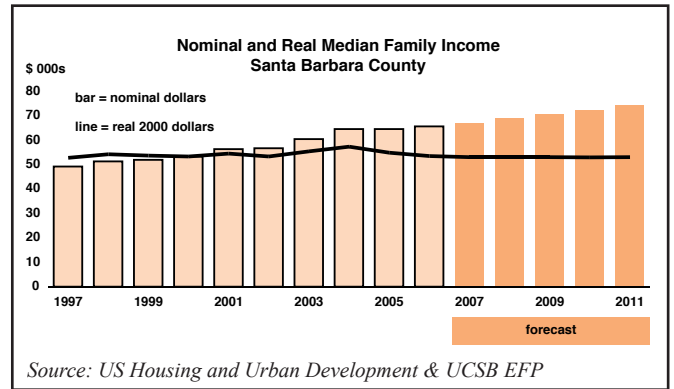
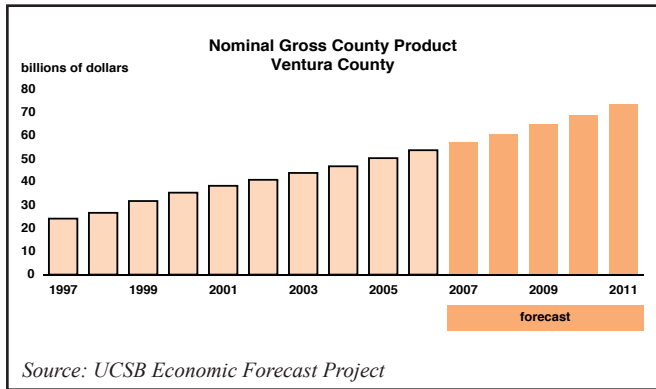
universities, and its high-tech companies is at the forefront of the global economy and productivity increases. Its economy will likely outperform the United States Economy. The risks to the California economy are high costs resulting from high home prices, regulation, the State Budget, and energy and water supplies.

Santa Barbara's economy will be weaker than California's or the United States. The South Coast's slow growth has been previously documented. In 2006, the North County experienced a slowdown. We discuss this slowdown in the Economic Activity section.

Given current markets and trends, we see little likelihood that Santa Barbara County's economy will see significant growth in the remainder of 2007 or in 2008. We think that slow growth is now structural in Santa Barbara County. Consequently, in the Economic Activity section we propose measures of economic activity for a slow-growth environment.







SANTA BARBARA COUNTY FORECAST HIGHLIGHTS

United States and Interest Rates

- United States economic growth was below trend for the second through fourth quarters of 2006. This does not necessarily mean that a recession is imminent. There is a possibility of a soft landing, in which growth strengthens in the fourth quarter of 2007. In fact, this is the scenario driving current FED policy. If this scenario unfolds, the driving factor behind future increases in economic growth will be job creation in the services sectors (excluding financial services). We forecast 2007 U.S. economic growth of 2.6 percent, and a 2008 growth rate of 2.8 percent.
- The U.S. Federal Reserve System Board of Governors (FED) is holding short-term interest rates steady. The Board is stalemated between killing economic growth if they raise rates and fueling inflation if they ease rates. This suggests that the current value of 5.25 percent for the Federal Funds Target Rate will likely hold for 2007 and 2008, although you can find credible economists predicting both Federal Funds Target Rate increases and decreases. The 30-year Fixed Mortgage Rate will rise by only 25 basis points in 2007.

Risks to the Forecast

- Further rate increases by the FED, should they occur, could slow economic growth. We do not expect rate increases, but this is conditional on inflation growth remaining near current rates.
- Sub-prime mortgages and mortgages written for borrowers with limited documentation have already had adverse impacts on certain companies and certain individuals. However, the impact to the overall economy is likely to be mild.

California

- California's 2006 economic growth rate of 4.1 percent was stronger than that of the United States' growth rate of 3.4 percent. We forecast California's growth to slow down to about 2.9 percent in 2007 and then to strengthen to 3.3 percent in 2008. Generally, economic growth is stronger in Southern California and in parts of the Central Valley than it is in the Bay and Coastal Areas.

- California's positive attributes (the climate, diversified economy, changing demographics, educational system, and location on the Pacific Rim) will overcome its many negatives. The negatives include high taxes, high housing costs, the budget deficit, and governmental gridlock.

Real Estate

Residential Real Estate

- California's 2006 existing single-family sales volumes were down 24 percent, and Santa Barbara County's volumes were down 23 percent. Our 2007 Santa Barbara County volume forecast is for a sales volume decline of about 1.5 percent. Sales volumes will then recover slowly in 2008 and later.
- Despite the large decline in sales volume, Santa Barbara County's existing single-family median home prices remain firm: 2006 prices were up 6.6 percent. This rate is above the State average: California's 2006 existing single-family median home prices were up 6.4 percent. Santa Barbara County's existing single-family median home prices will remain subdued in the near term, with a 2007 decline of 0.7 percent and a 2008 increase of 0.7 percent.

Commercial Real Estate

- Santa Barbara County's South Coast commercial leasing activity was strong in 2006. Vacancies fell eight percent, which are near historic lows. The amount of sub-lease space fell 10 percent. The year-ending 2006 Retail vacancy was 1.4 percent, while the Office vacancy rate was 5.0, and the Industrial vacancy rate was 3.1 percent. Actual lease rates grew eight percent from 2005 to 2006 while sale prices grew 10 percent.
- Leasing will continue to be strong from most sectors of the economy, except for construction and real estate. These two are likely to experience consolidation in their use of commercial space. While 2007 leasing activity might not be as strong as 2006, we expect it to be solid. Vacancy rates in 2007 will remain similar to 2006, in some cases increasing slightly.

The Santa Barbara County Economy

- Santa Barbara County's 2006 job growth of 0.1 percent was a dramatic slowdown from almost two percent growth in 2005. The sectors most responsible for the decline were Agricultural Production, Professional and Technical Services, and the Public Sector. The regional breakdown of the growth

slowdown is attributed mostly to North Santa Barbara County. North Santa Barbara County's job growth slowed from 1.5 percent in 2005 to zero percent in 2006. South Coast job growth was 0.1 percent in 2006, while Santa Ynez Valley's 2006 job growth was 0.6 percent.

- We forecast Santa Barbara County's 2007 job growth will be 0.2 percent, and the economy (real output) will grow at one percent. This suggests that Santa Barbara County's 2007 economic growth will be almost 200 basis points slower than California's 2007 economic growth rate of 2.9 percent.
- Santa Barbara County's population growth has been relatively slow, and we forecast this will continue. The South Coast will continue to experience a population decline, and North County's population growth will slow for a year or two while the economy slows.
- The Santa Barbara County unemployment rate decreased from 4.3 percent in 2005 to 4.1 percent in 2006. We expect that the Santa Barbara County's unemployment rate will remain low. This will be driven by slow labor force growth, a result of an aging labor force.
- Santa Barbara County 2006 (calendar year) Retail Sales are estimated to have declined by 0.3 percent. The slowdown in Retail Sales growth affected virtually all of the cities and towns in the County. We forecast a 2.7 percent Retail Sales growth rate in 2007.
- The 2006 Santa Barbara County South Coast hotel/motel occupancy rate was estimated at 71.6 percent, a rate lower than the 10-year average of 74 percent. This rate will hold steady during the next couple of years.
- Santa Barbara County South Coast's 2006 average daily hotel/motel room rates were \$140, up from \$134 in 2005. That relatively strong rate increase was consistent with national trends. Rates will increase more slowly in 2007 than they did in 2006.
- Santa Barbara County's 2006 new housing construction permits fell to a 10-year low of 850 units. Per capita new housing construction is also at a 10-year low of 2 units per thousand people, and this is the lowest new-home building rate in the Tri-Counties. We forecast yet another decline in 2007 to about 745 units. Santa Barbara County's construction activity will not begin to grow again until 2008.

Table 1: Santa Barbara County Forecast Overview - Part 1	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Output (see tables 5-6) *												<i>estimated</i>	<i>forecast</i>			
Gross County Product (\$ billions)	10.7	11.8	13.1	14.4	15.9	17.0	17.6	18.5	19.6	20.8	21.6	22.5	23.6	24.9	26.3	27.7
Gross County Product (\$ 2000 billions)	11.4	12.5	13.7	14.9	15.9	16.4	16.4	16.7	17.2	17.6	17.8	18.0	18.4	18.8	19.3	19.8
percent change	2.4	9.1	10.1	8.6	6.7	2.9	0.3	2.0	2.6	2.6	1.1	1.0	2.0	2.3	2.5	2.5
Per Capita Output (\$ thousands)	27.8	30.4	33.4	36.5	40.0	42.1	43.1	44.9	47.1	49.7	51.3	53.0	55.2	57.7	60.4	63.2
Per Capita Output (\$ 2000 thousands)	29.8	32.2	35.1	37.9	40.0	40.6	40.3	40.7	41.4	42.2	42.3	42.5	43.0	43.6	44.3	45.1
percent change	1.9	8.1	9.1	8.0	5.5	1.6	-0.7	1.0	1.7	2.0	0.2	0.4	1.2	1.5	1.6	1.7
Per Worker Output (\$ thousands)	64.7	69.6	77.1	82.0	88.3	94.3	97.6	101.0	105.5	111.2	115.4	119.9	124.6	129.9	135.3	141.1
Per Worker Output (\$ 2000 thousands)	69.2	73.7	80.9	85.1	88.3	91.0	91.2	91.6	92.7	94.5	95.2	96.1	97.1	98.1	99.3	100.5
percent change	0.4	6.6	9.8	5.1	3.8	3.1	0.2	0.3	1.2	2.0	0.8	0.9	1.0	1.1	1.2	1.2
Labor Force and Employment (see tables 9-10, 15) *																
Unemployment Rate (percent)	5.8	5.1	4.4	3.9	4.4	4.4	5.1	5.0	4.7	4.3	4.1	4.1	4.1	4.1	4.2	4.2
Civilian Labor Force (thousands of people)	190.6	194.1	194.8	197.7	203.0	203.1	206.1	209.5	212.7	216.0	214.2	214.6	216.8	219.1	221.8	224.3
percent change	-0.6	1.8	0.4	1.5	2.7	0.1	1.5	1.7	1.5	1.6	-0.8	0.2	1.0	1.1	1.2	1.1
Household Survey Employment (thousands of workers)	179.5	184.2	186.1	190.0	194.2	194.2	195.5	199.0	202.6	206.7	205.4	205.9	208.0	210.3	212.5	214.8
percent change	0.3	2.6	1.0	2.1	2.2	0.0	0.7	1.8	1.8	2.0	-0.6	0.2	1.1	1.1	1.1	1.1
Establishment Survey Employment (thousands of jobs)	160.2	166.2	168.8	174.6	179.5	179.8	179.6	182.2	184.9	188.2	188.4	188.6	190.6	193.1	195.7	198.4
percent change	1.0	3.7	1.6	3.4	2.8	0.2	-0.1	1.4	1.5	1.8	0.1	0.2	1.0	1.3	1.4	1.4
Average Salary (\$ thousands)	26.1	27.4	28.7	29.5	32.0	33.3	33.7	35.0	36.7	38.7	40.1	41.6	43.1	44.7	46.2	47.8
Average Salary (\$ 2000 thousands)	28.5	29.4	30.4	30.5	32.0	32.2	31.7	32.1	32.5	32.9	32.7	33.0	33.2	33.6	33.8	34.1
percent change	0.7	3.4	3.2	0.5	4.8	0.7	-1.5	1.1	1.4	1.0	-0.5	0.9	0.7	1.0	0.8	0.9
Demographics (see table 15) *																
Jan. 1 Population (thousands)	384.3	387.7	391.3	393.5	398.2	403.2	407.4	411.5	415.3	418.0	421.6	424.4	427.6	431.0	434.7	438.4
percent change	0.5	0.9	0.9	0.6	1.2	1.3	1.0	1.0	0.9	0.7	0.9	0.7	0.8	0.8	0.9	0.8
Jul. 1 Population (thousands)	384.9	390.5	392.0	394.9	400.9	405.5	409.3	413.9	416.4	418.6	421.7	424.4	427.7	431.0	434.8	438.4
percent change	0.3	1.5	0.4	0.7	1.5	1.1	0.9	1.1	0.6	0.5	0.7	0.7	0.8	0.8	0.9	0.8
Net In-Migration (thousands)	-2.1	2.7	-1.4	0.3	3.3	1.8	1.1	1.7	-0.5	-1.2	-0.3	-0.6	-0.1	-0.0	0.3	0.2
Natural Increase (thousands)	3.3	3.0	2.9	2.6	2.7	2.8	2.7	2.9	3.1	3.5	3.3	3.3	3.4	3.4	3.4	3.4
percent change	3.2	-8.9	-0.9	-11.1	2.6	4.6	-5.4	7.7	6.6	14.1	-4.3	0.3	0.8	0.8	-0.5	1.2
Births (thousands)	6.0	5.7	5.8	5.5	5.6	5.7	5.6	5.7	6.0	6.3	6.2	6.2	6.3	6.3	6.3	6.4
percent change	-1.2	-4.5	1.6	-4.8	1.3	1.5	-1.2	1.6	4.2	5.8	-1.9	0.4	0.8	0.7	0.1	0.8
Deaths (thousands)	2.7	2.8	2.9	2.9	2.9	2.9	3.0	2.8	2.9	2.8	2.8	2.9	2.9	2.9	2.9	2.9
percent change	-6.1	0.7	4.2	1.7	0.1	-1.4	2.8	-3.9	1.9	-2.9	1.1	0.6	0.8	0.5	0.9	0.4
K-12 Enrollment (thousands)	62.2	63.3	64.5	65.4	66.0	66.5	67.1	67.5	67.6	67.2	67.1	66.9	66.8	66.6	66.5	66.3
percent change	3.6	1.8	1.9	1.4	0.9	0.7	0.9	0.6	0.1	-0.5	-0.2	-0.3	-0.2	-0.2	-0.2	-0.2

Sources: UC Santa Barbara Economic Forecast Project, CA Employment Development Department, CA Department of Finance, CA Department of Education

* References to later tables for more detailed forecast data

Table 2: Santa Barbara County Forecast Overview - Part 2	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Income (see table 16) *												<i>estimated</i>	<i>forecast</i>			
Personal Income (\$ billions)	10.0	10.4	11.3	11.9	12.9	13.1	13.1	13.6	14.5	15.5	16.3	17.0	17.8	18.7	19.5	20.5
Personal Income (\$ 2000 billions)	10.9	11.1	11.9	12.3	12.9	12.7	12.3	12.5	12.9	13.2	13.3	13.5	13.7	14.0	14.3	14.6
percent change	2.5	2.0	7.4	2.8	5.1	-1.8	-3.1	1.8	2.8	2.4	0.9	1.2	1.9	2.2	2.0	2.2
Per Capita Personal Income (\$ thousands)	26.0	26.8	28.9	30.2	32.4	32.5	32.1	33.1	34.9	37.1	38.7	40.0	41.6	43.3	44.9	46.7
Per Capita Personal Income (\$ 2000 thousands)	28.4	28.7	30.5	31.2	32.4	31.4	30.2	30.4	31.0	31.5	31.5	31.7	32.1	32.5	32.9	33.3
percent change	2.0	1.1	6.4	2.2	3.9	-3.0	-4.1	0.8	1.9	1.8	0.0	0.5	1.1	1.4	1.1	1.3
Median Family Income (\$ thousands)	48.3	49.3	51.4	52.1	53.5	56.5	56.8	60.6	64.7	64.7	65.8	67.1	69.0	70.9	72.6	74.6
Median Family Income (\$ 2000 thousands)	52.7	52.9	54.3	53.8	53.5	54.7	53.5	55.6	57.5	55.0	53.6	53.1	53.2	53.2	53.1	53.2
percent change	-0.0	0.4	2.8	-1.0	-0.6	2.2	-2.2	4.0	3.3	-4.3	-2.5	-0.9	0.1	0.0	-0.2	0.1
Retail Sales (see tables 18-19) *																
Total Taxable Sales (\$ billions)	3.5	3.8	4.0	4.4	4.8	5.0	5.1	5.2	5.5	5.8	5.9	6.0	6.2	6.5	6.7	7.0
Total Taxable Sales (\$ 2000 billions)	3.9	4.1	4.3	4.6	4.8	4.8	4.8	4.8	4.9	4.9	4.8	4.8	4.8	4.9	4.9	5.0
percent change	5.0	5.8	4.1	7.5	5.5	0.5	-1.6	0.8	2.3	0.3	-3.2	-0.1	0.7	1.1	1.5	1.5
Retail Sales (\$ billions)	2.5	2.7	2.8	3.2	3.4	3.6	3.7	3.9	4.2	4.3	4.3	4.4	4.6	4.8	5.0	5.2
Retail Sales (\$ 2000 billions)	2.8	2.9	3.0	3.3	3.4	3.5	3.5	3.6	3.7	3.7	3.5	3.5	3.5	3.6	3.6	3.7
percent change	4.2	4.2	4.8	8.3	5.1	1.1	1.4	2.0	2.9	0.2	-4.4	-0.3	0.7	1.1	1.5	1.5
Per Capita Taxable Sales (\$ thousands)	9.2	9.8	10.3	11.3	12.1	12.4	12.4	12.7	13.3	13.9	13.9	14.2	14.6	15.0	15.5	16.0
Per Capita Taxable Sales (\$ 2000 thousands)	10.1	10.5	10.9	11.6	12.1	12.0	11.7	11.7	11.9	11.8	11.3	11.2	11.2	11.3	11.3	11.4
percent change	4.5	4.9	3.1	6.9	4.2	-0.8	-2.6	-0.2	1.4	-0.3	-4.1	-0.8	-0.0	0.3	0.7	0.7
Per Capita Retail Sales (\$ thousands)	6.6	6.9	7.3	8.0	8.6	8.9	9.2	9.5	10.0	10.4	10.3	10.5	10.8	11.1	11.4	11.8
Per Capita Retail Sales (\$ 2000 thousands)	7.2	7.4	7.7	8.3	8.6	8.6	8.6	8.7	8.9	8.8	8.4	8.3	8.3	8.3	8.4	8.4
percent change	3.7	3.3	3.9	7.7	3.8	-0.1	0.3	1.0	2.0	-0.5	-5.2	-0.9	-0.1	0.3	0.7	0.7
South Coast Tourism (see table 20) *																
Hotel/Motel Occupancy Rate (percent)	74.1	77.2	76.2	77.7	78.9	73.9	72.7	71.2	71.3	72.9	71.6	71.4	71.5	71.5	71.6	71.6
Hotel/Motel Average Room Rate (\$ dollars)	107.7	110.8	117.8	132.5	153.2	145.8	131.1	127.8	131.5	134.1	140.2	145.2	150.2	155.1	160.1	165.1
98145.451	117.4	118.8	124.5	136.9	153.2	141.0	123.5	117.2	116.8	114.0	114.3	115.0	115.8	116.5	117.1	117.7
percent change	6.1	1.2	4.8	10.0	11.9	-8.0	-12.5	-5.0	-0.4	-2.4	0.3	0.6	0.7	0.6	0.5	0.5
Real Estate (see tables 21-23, 26) *																
Median Home Price (\$ thousands) (1)	179.1	191.3	204.8	226.5	262.8	274.7	336.8	403.1	556.5	660.5	576.4	571.8	618.1	658.7	700.3	737.3
Median Home Price (\$ 2000 thousands)	195.3	205.2	216.5	234.0	262.8	265.8	317.1	369.9	494.1	561.4	469.9	452.9	476.5	494.5	512.2	525.6
percent change	-1.5	5.1	5.5	8.1	12.3	1.2	19.3	16.7	33.6	13.6	-16.3	-3.6	5.2	3.8	3.6	2.6
Number of Home Sales (thousands) (1)	3611	4047	4560	4517	3720	3338	3335	3613	4801	4723	2452	2255	2488	2641	2768	2863
Home Sales Turnover Rate (sales per thousand people) (1)	9.4	10.4	11.7	11.5	9.3	8.3	8.2	8.8	11.6	11.3	5.8	5.3	5.8	6.1	6.4	6.5
Building Activity (see tables 24-25) *																
Housing Units Permitted	775	903	1026	915	924	1245	1614	1549	1406	980	850	743	991	1102	1124	1170
Per Capita Housing Units Permitted (per thousand people)	2.0	2.3	2.6	2.3	2.3	3.1	4.0	3.8	3.4	2.3	2.0	1.8	2.3	2.6	2.6	2.7
Non-Residential Permit Value (\$ millions)	73.1	96.6	129.9	142.3	133.2	134.2	142.1	130.1	118.0	162.3	181.3	170.1	173.6	183.7	193.0	203.4
Non-Residential Permit Value (\$ 2000 millions)	79.7	103.6	137.3	147.0	133.2	129.9	133.8	119.4	104.8	138.0	147.8	129.8	128.9	132.8	135.9	139.6
percent change	38.2	30.0	32.5	7.1	-9.4	-2.5	3.0	-10.8	-12.2	31.7	7.1	-12.2	-0.7	3.0	2.4	2.7
Per Capita Non-Residential Permit Value (\$)	190.2	249.3	332.0	361.7	334.6	332.8	348.8	316.1	284.1	388.4	430.1	400.8	406.1	426.1	444.1	463.9
Per Capita Non-Residential Permit Value (\$ 2000)	207.4	267.3	351.0	373.6	334.6	322.0	328.4	290.0	252.3	330.1	350.6	305.9	301.5	308.1	312.7	318.4
percent change	37.5	28.9	31.3	6.5	-10.4	-3.8	2.0	-11.7	-13.0	30.9	6.2	-12.7	-1.5	2.2	1.5	1.8

Sources: CA Department of Finance, CA Board of Equalization, Smith-Travel Research, California Association of Realtors, First American Real Estate Solutions, Construction Industry Research Board, UC Santa Barbara Economic Forecast Project. * References are to later tables for more detailed forecast data. (1) All Homes.

Table 3: Tri-Counties Forecast, Part 1	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Output												<i>estimated</i>	<i>forecast</i>			
Gross County Product (\$ billions)	38.5	42.3	46.6	53.5	59.4	64.3	68.0	72.3	76.9	82.3	87.3	92.4	98.0	104.2	110.7	117.7
Gross County Product (\$ 2000 billions)	41.3	44.7	48.8	55.5	59.4	62.2	63.8	65.8	68.1	70.7	73.0	75.2	77.7	80.4	83.2	86.1
percent change	2.9	8.2	9.3	13.6	7.0	4.7	2.6	3.2	3.4	3.8	3.3	3.0	3.3	3.5	3.5	3.5
Per Capita Output (\$ thousands)	29.1	31.5	34.4	39.0	42.6	45.3	47.2	49.5	52.1	55.2	58.1	61.0	64.1	67.5	71.1	74.8
Per Capita Output (\$ 2000 thousands)	31.2	33.3	36.0	40.4	42.6	43.8	44.2	45.1	46.1	47.4	48.6	49.7	50.8	52.1	53.4	54.7
percent change	2.1	7.0	8.0	12.3	5.3	2.9	1.0	1.8	2.2	3.0	2.5	2.2	2.4	2.4	2.5	2.5
Per Worker Output (\$ thousands)	75.5	81.8	88.1	97.4	104.5	111.4	116.9	123.2	129.7	136.7	142.9	149.3	155.8	162.8	169.9	177.5
Per Worker Output (\$ 2000 thousands)	81.1	86.4	92.3	100.9	104.5	107.7	109.6	112.2	114.7	117.4	119.5	121.5	123.6	125.5	127.6	129.8
percent change	1.2	6.6	6.8	9.3	3.5	3.1	1.8	2.4	2.2	2.3	1.8	1.7	1.7	1.6	1.6	1.7
Labor Force and Employment																
Unemployment Rate (percent)	6.6	5.9	5.0	4.3	4.4	4.6	5.4	5.4	5.0	4.5	3.9	4.1	4.0	4.0	4.0	3.9
Civilian Labor Force (thousands)	669.8	678.1	689.1	703.6	719.3	728.6	742.8	751.2	758.5	769.2	779.6	780.0	788.5	797.3	807.2	815.7
percent change	-0.3	1.2	1.6	2.1	2.2	1.3	1.9	1.1	1.0	1.4	1.4	0.1	1.1	1.1	1.2	1.1
Household Survey Employment (thousands of workers)	625.5	637.9	654.4	673.2	687.8	695.4	702.8	710.8	720.4	734.6	749.3	748.4	756.7	765.6	774.8	783.7
percent change	0.2	2.0	2.6	2.9	2.2	1.1	1.1	1.1	1.3	2.0	2.0	-0.1	1.1	1.2	1.2	1.1
Establishment Survey Employment (thousands of jobs)	498.2	513.1	529.6	550.6	572.9	581.0	583.6	588.6	595.0	607.4	616.6	624.6	635.1	647.0	659.2	671.2
percent change	1.1	3.0	3.2	4.0	4.1	1.4	0.4	0.9	1.1	2.1	1.5	1.3	1.7	1.9	1.9	1.8
All Industries Average Salary (\$)	26.6	28.2	29.6	31.0	33.6	34.4	35.0	36.8	38.8	40.8	42.3	43.9	45.5	47.1	48.8	50.6
All Industries Average Salary (\$ 2000)	29.0	30.3	31.3	32.0	33.6	33.3	33.0	33.7	34.4	34.6	34.5	34.8	35.1	35.4	35.7	36.1
percent change	1.9	4.4	3.4	2.3	5.0	-0.8	-1.1	2.3	2.1	0.6	-0.5	0.9	0.9	0.9	0.9	1.1
Demographics																
Jan. 1 Population (thousands)	1,324	1,340	1,356	1,372	1,395	1,420	1,442	1,461	1,478	1,490	1,502	1,514	1,528	1,543	1,559	1,574
percent change	0.7	1.2	1.2	1.2	1.7	1.8	1.5	1.3	1.1	0.8	0.8	0.8	0.9	1.0	1.0	1.0
Jul. 1 Population (thousands)	1,329	1,350	1,362	1,382	1,408	1,432	1,452	1,470	1,485	1,495	1,507	1,519	1,533	1,548	1,564	1,579
percent change	0.7	1.6	0.9	1.5	1.9	1.7	1.4	1.3	1.0	0.7	0.9	0.8	0.9	1.0	1.0	1.0
Net In-Migration (thousands)	-1.6	10.3	1.5	9.9	16.2	14.2	10.1	8.1	3.9	-1.1	1.6	0.5	2.8	3.5	3.6	3.3
Natural Increase (thousands)	11.4	10.8	10.0	10.0	10.0	10.0	9.6	10.4	10.4	11.1	11.2	11.4	11.5	11.6	11.7	11.8
percent change	-4.3	-5.3	-7.3	-0.3	-0.1	0.2	-3.7	8.3	-0.3	6.7	0.6	1.9	1.1	1.1	0.7	0.6
Births (thousands)	20.4	19.8	19.5	19.4	19.7	19.7	19.4	20.2	20.5	20.9	21.1	21.3	21.5	21.6	21.7	21.8
percent change	-1.4	-3.1	-1.6	-0.3	1.2	0.4	-1.7	4.0	1.9	2.0	0.8	1.0	0.6	0.7	0.5	0.4
Deaths (thousands)	9.0	9.0	9.4	9.4	9.7	9.7	9.8	9.7	10.1	9.9	10.0	10.0	10.0	10.0	10.0	10.0
percent change	2.6	-0.3	5.4	-0.2	2.6	0.6	0.3	-0.2	4.3	-2.9	1.1	-0.0	0.2	0.1	0.2	0.1
K-12 Enrollment (thousands)	225.1	229.4	234.9	240.5	243.7	246.8	248.8	249.6	248.5	246.7	246.5	246.5	246.7	246.2	245.6	245.0
percent change	3.0	1.9	2.4	2.4	1.4	1.3	0.8	0.3	-0.5	-0.7	-0.1	0.0	0.1	-0.2	-0.2	-0.3
Income																
Personal Income (\$ billions)	34.2	36.4	38.7	41.3	45.1	46.3	47.1	49.3	52.7	56.4	60.3	63.6	67.2	71.3	75.6	80.0
Personal Income (\$ 2000 billions)	37.3	39.0	40.9	42.6	45.1	44.8	44.4	45.2	46.8	48.0	49.2	50.4	51.8	53.5	55.3	57.0
percent change	2.6	4.6	5.0	4.1	5.8	-0.7	-0.9	2.0	3.5	2.5	2.5	2.5	2.8	3.3	3.4	3.0
Per Capita Personal Income (\$ thousands)	25.8	27.2	28.6	30.1	32.3	32.6	32.7	33.8	35.7	37.9	40.1	42.0	44.0	46.2	48.5	50.8
Per Capita Personal Income (\$ 2000 thousands)	28.2	29.1	30.2	31.1	32.3	31.5	30.8	31.0	31.7	32.2	32.7	33.3	33.9	34.7	35.5	36.2
percent change	1.8	3.4	3.7	2.9	4.0	-2.4	-2.4	0.6	2.3	1.6	1.6	1.7	1.8	2.3	2.4	2.1

Sources: California Employment Development Department, CA Department of Finance, CA Department of Education, UC Santa Barbara Economic Forecast Project

Table 4: Tri-Counties Forecast, Part 2	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Retail Sales												<i>estimated</i>	<i>forecast</i>			
Total Taxable Sales (\$ billions)	12.1	13.0	13.8	15.4	16.8	17.6	18.1	18.9	20.4	21.7	23.1	24.3	25.6	27.1	28.6	30.2
Total Taxable Sales (\$ 2000 billions)	13.2	14.0	14.6	15.9	16.8	17.1	17.0	17.4	18.1	18.4	18.8	19.2	19.8	20.3	20.9	21.5
percent change	4.1	6.1	4.3	8.9	6.1	1.2	-0.1	2.0	4.2	1.7	2.2	2.4	2.7	2.8	2.9	2.9
Retail Sales (\$ billions)	8.6	9.1	9.7	10.9	12.0	12.7	13.2	14.2	15.2	16.1	17.0	17.9	18.9	20.0	21.1	22.3
Retail Sales (\$ 2000 billions)	9.4	9.8	10.3	11.2	12.0	12.3	12.5	13.0	13.5	13.7	13.9	14.2	14.6	15.0	15.4	15.9
percent change	3.6	4.3	5.1	9.5	6.8	2.1	1.7	4.3	4.0	1.4	1.2	2.4	2.8	2.8	2.9	2.9
Per Capita Taxable Sales (\$ thousands)	9.1	9.7	10.2	11.2	12.1	12.4	12.5	13.0	13.8	14.5	15.4	16.1	16.8	17.5	18.3	19.2
Per Capita Taxable Sales (\$ 2000 thousands)	10.0	10.4	10.7	11.6	12.1	12.0	11.8	11.9	12.3	12.4	12.5	12.7	12.9	13.2	13.4	13.7
percent change	3.4	4.8	3.0	7.7	4.4	-0.6	-1.6	0.7	3.1	0.8	1.3	1.6	1.8	1.8	1.9	1.9
Per Capita Retail Sales (\$ thousands)	6.5	6.8	7.2	7.9	8.6	8.9	9.2	9.7	10.3	10.8	11.3	11.8	12.4	13.0	13.6	14.2
Per Capita Retail Sales (\$ 2000 thousands)	7.1	7.3	7.6	8.2	8.6	8.6	8.6	8.9	9.2	9.2	9.2	9.4	9.6	9.7	9.9	10.1
percent change	2.8	3.1	3.9	8.2	5.0	0.3	0.2	2.9	2.8	0.5	0.4	1.6	1.8	1.8	1.9	1.9
Real Estate																
Median Home Price (\$ thousands) *	170.8	179.3	192.0	209.4	244.3	273.3	324.3	392.0	502.0	586.8	591.6	604.9	639.0	677.3	716.6	756.2
Median Home Price (\$ 2000 thousands)	186.2	192.3	203.0	216.4	244.3	264.5	305.3	359.7	445.7	498.8	482.2	479.1	492.6	508.4	524.1	539.0
percent change	-0.1	3.2	5.6	6.6	12.9	8.2	15.4	17.8	23.9	11.9	-3.3	-0.7	2.8	3.2	3.1	2.9
Number of Home Sales (thousands) *	16.6	18.4	21.9	21.3	18.1	16.6	17.7	16.9	18.8	17.9	12.9	12.4	13.6	14.9	15.8	16.4
percent change	9.5	10.9	18.9	-2.5	-15.2	-8.4	6.8	-4.7	11.7	-4.8	-28.3	-3.4	9.6	9.8	5.7	3.9
Home Sales Turnover Rate (sales per thousand people) *	12.5	13.7	16.1	15.5	13.0	11.7	12.3	11.5	12.7	12.0	8.6	8.2	8.9	9.7	10.1	10.4
percent change	8.7	9.7	17.4	-3.7	-16.6	-10.0	5.2	-5.9	10.5	-5.6	-28.9	-4.2	8.5	8.8	4.7	2.9
Building Activity																
Housing Units Permitted	4,304	4,548	5,938	7,021	6,532	6,478	6,050	7,438	6,093	7,009	4,279	4,149	4,636	5,358	5,760	5,776
percent change	9.2	5.7	30.6	18.2	-7.0	-0.8	-6.6	22.9	-18.1	15.0	-39.0	-3.0	11.7	15.6	7.5	0.3
Per Capita Housing Units Permitted (per thousand people)	3.3	3.4	4.4	5.1	4.7	4.6	4.2	5.1	4.1	4.7	2.8	2.7	3.0	3.5	3.7	3.7
percent change	8.4	4.4	29.0	16.9	-8.5	-2.6	-8.0	21.3	-19.0	14.1	-39.4	-3.8	10.7	14.5	6.5	-0.7
Non-Residential Permit Value (\$ millions)	299.5	355.7	496.0	602.1	531.9	531.3	551.7	622.9	577.8	645.6	703.8	619.9	663.6	686.1	706.8	727.3
Non-Residential Permit Value (\$ 2000 millions)	326.5	381.5	524.4	621.9	531.9	514.0	519.3	571.6	513.1	548.7	573.8	567.4	648.5	662.6	620.9	612.8
percent change	8.3	16.8	37.5	18.6	-14.5	-3.4	1.0	10.1	-10.2	6.9	4.6	-1.1	14.3	2.2	-6.3	-1.3
Per Capita Non-Residential Permit Value (\$)	226.2	265.6	365.9	438.9	381.4	374.2	382.6	426.4	391.1	433.3	468.5	409.5	434.2	444.5	453.5	462.2
Per Capita Non-Residential Permit Value (\$ 2000)	246.6	284.8	386.8	453.4	381.4	362.0	360.2	391.2	347.3	368.3	381.9	374.8	424.3	429.3	398.4	389.4
percent change	7.5	15.5	35.8	17.2	-15.9	-5.1	-0.5	8.6	-11.2	6.1	3.7	-1.9	13.2	1.2	-7.2	-2.3

Sources: CA Board of Equalization, First American Real Estate Solutions, Construction Industry Research Board, UC Santa Barbara Economic Forecast Project

* All homes.

Table 5: Gross Regional Product	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
California												<i>estimated</i>	<i>forecast</i>			
Gross State Product (\$ billions)	958.5	1,028.6	1,086.6	1,183.6	1,291.1	1,301.1	1,340.4	1,410.5	1,519.2	1,622.1	1,737.3	1,826.3	1,920.5	2,032.1	2,147.9	2,268.2
Gross State Product (\$ 2000 billions)	1,007.4	1,065.6	1,110.5	1,200.6	1,291.1	1,281.7	1,298.8	1,340.2	1,409.2	1,469.5	1,530.1	1,574.8	1,626.9	1,686.4	1,749.9	1,815.6
percent change	3.7	5.8	4.2	8.1	7.5	-0.7	1.3	3.2	5.2	4.3	4.1	2.9	3.3	3.7	3.8	3.8
All Industries Payroll (\$ billions)	436.8	458.2	493.9	539.6	611.4	618.0	613.3	629.4	666.1	711.2	754.0	805.6	859.4	920.2	979.8	1,044.5
All Industries Payroll (\$ 2000 billions)	482.5	496.2	525.4	558.8	611.4	595.4	576.4	577.6	594.1	610.3	621.4	645.4	669.8	696.0	721.3	748.4
percent change	-0.6	2.8	5.9	6.4	9.4	-2.6	-3.2	0.2	2.9	2.7	1.8	3.9	3.8	3.9	3.6	3.8
All Industries Price Deflator (2000=100)	95.1	96.5	97.8	98.6	100.0	101.5	103.2	105.3	107.8	110.4	113.5	116.0	118.1	120.5	122.7	124.9
percent change	1.7	1.5	1.4	0.8	1.4	1.5	1.7	2.0	2.4	2.4	2.9	2.1	1.8	2.1	1.9	1.8
The Tri-Counties																
Gross County Product (\$ billions)	38.5	42.3	46.6	53.5	59.4	64.3	68.0	72.3	76.9	82.3	87.3	92.4	98.0	104.2	110.7	117.7
Gross County Product (\$ 2000 billions)	41.3	44.7	48.8	55.5	59.4	62.2	63.8	65.8	68.1	70.7	73.0	75.2	77.7	80.4	83.2	86.1
percent change	2.9	8.2	9.3	13.6	7.0	4.7	2.6	3.2	3.4	3.8	3.3	3.0	3.3	3.5	3.5	3.5
All Industries Payroll (\$ billions)	13.5	14.6	15.7	17.0	19.1	19.9	20.4	21.6	23.0	24.5	25.8	27.2	28.6	30.2	31.8	33.6
All Industries Payroll (\$ 2000 billions)	14.8	15.6	16.6	17.6	19.1	19.2	19.2	19.8	20.4	20.9	21.1	21.5	22.1	22.7	23.3	23.9
percent change	3.5	5.9	5.9	6.2	8.5	0.8	-0.3	3.1	3.3	2.1	1.0	2.2	2.5	2.7	2.7	2.8
Santa Barbara County																
Gross County Product (\$ billions)	10.7	11.8	13.1	14.4	15.9	17.0	17.6	18.5	19.6	20.8	21.6	22.5	23.6	24.9	26.3	27.7
Gross County Product (\$ 2000 billions)	11.4	12.5	13.7	14.9	15.9	16.4	16.4	16.7	17.2	17.6	17.8	18.0	18.4	18.8	19.3	19.8
percent change	2.4	9.1	10.1	8.6	6.7	2.9	0.3	2.0	2.6	2.6	1.1	1.0	2.0	2.3	2.5	2.5
All Industries Payroll (\$ billions)	4.3	4.6	4.9	5.2	5.8	6.0	6.1	6.4	6.8	7.2	7.5	7.8	8.2	8.6	9.0	9.4
All Industries Payroll (\$ 2000 billions)	4.7	5.0	5.1	5.3	5.8	5.8	5.7	5.9	6.0	6.1	6.1	6.2	6.3	6.4	6.6	6.7
percent change	2.8	5.8	3.4	3.9	7.8	0.5	-1.4	2.8	2.8	1.7	-0.2	1.0	1.7	2.3	2.1	2.1
All Industries Price Deflator (2000=100)	93.5	94.5	95.3	96.3	100.0	103.6	107.0	110.4	113.9	117.7	121.2	124.7	128.4	132.4	136.3	140.3
percent change	2.5	1.0	0.9	1.1	3.8	3.6	3.2	3.2	3.2	3.4	3.0	2.9	2.9	3.1	3.0	3.0
South Coast Of Santa Barbara County																
Gross Regional Product (\$ billions)	7.3	8.1	8.8	9.3	10.5	11.2	11.4	11.8	12.4	13.1	13.6	14.2	14.8	15.5	16.3	17.1
Gross Regional Product (\$ 2000 billions)	7.8	8.6	9.3	9.7	10.5	10.7	10.6	10.6	10.8	11.0	11.0	11.1	11.2	11.4	11.5	11.7
percent change	0.6	10.3	7.4	4.5	8.2	2.4	-1.2	-0.1	1.7	1.7	0.7	0.7	1.1	1.2	1.3	1.3
All Industries Payroll (\$ billions)	2.7	3.0	3.2	3.3	3.8	4.0	4.1	4.2	4.5	4.7	4.9	5.1	5.3	5.6	5.8	6.1
All Industries Payroll (\$ 2000 billions)	2.9	3.2	3.3	3.4	3.8	3.9	3.8	3.9	4.0	4.0	4.0	4.0	4.1	4.2	4.3	4.3
percent change	1.3	9.6	3.2	2.6	11.2	2.1	-1.6	1.9	1.7	0.7	0.1	1.3	1.2	2.1	1.9	2.0
All Industries Price Deflator (2000=100)	92.8	94.2	94.8	96.1	100.0	103.1	106.3	109.8	113.3	116.9	120.5	124.2	128.1	132.1	136.3	140.6
percent change	2.4	1.6	0.6	1.4	4.1	3.1	3.1	3.3	3.2	3.2	3.1	3.1	3.1	3.2	3.2	3.2
North Santa Barbara County																
Gross Regional Product (\$ billions)	4.0	4.1	4.4	5.0	5.6	5.9	6.3	6.8	7.2	7.7	8.0	8.4	8.8	9.4	10.0	10.7
Gross Regional Product (\$ 2000 billions)	4.3	4.4	4.6	5.2	5.6	5.7	5.9	6.2	6.4	6.7	6.8	6.9	7.1	7.4	7.7	8.0
percent change	5.4	1.0	6.1	12.5	7.1	2.8	3.4	4.6	3.5	4.0	1.5	1.5	3.1	3.8	4.1	4.1
All Industries Payroll (\$ billions)	1.3	1.4	1.5	1.8	2.0	2.1	2.2	2.3	2.4	2.5	2.6	2.6	2.8	2.9	3.0	3.2
All Industries Payroll (\$ 2000 billions)	1.5	1.5	1.6	1.8	2.0	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.2	2.2	2.3
percent change	5.7	0.9	8.5	13.6	8.6	0.2	4.3	2.1	0.3	0.2	-1.5	-0.4	2.1	2.3	1.8	1.9

Sources: U.S. Bureau of Economic Analysis, CA Employment Development Department, UC Santa Barbara Economic Forecast Project

Table 6: Industrial Structure	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<i>Percent of Total Output</i>												<i>estimated</i>	<i>forecast</i>			
Santa Barbara County																
Agriculture	8.5	7.7	7.2	7.2	7.4	7.5	7.6	8.2	8.4	8.5	8.1	7.9	7.7	7.8	7.9	7.9
Mining & Quarrying	2.5	2.4	1.7	2.0	1.9	1.9	1.7	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.4
Construction	3.5	4.5	4.5	4.7	4.6	4.5	4.5	4.6	4.7	4.9	5.1	5.1	5.2	5.3	5.4	5.5
Durable Goods Manufacturing	8.2	8.5	8.4	8.1	8.4	8.3	7.6	7.5	7.2	6.8	6.6	6.4	6.1	5.8	5.5	5.3
Non-Durable Goods Manufacturing	2.2	2.4	2.5	2.5	2.7	2.6	2.5	2.5	2.3	2.2	2.1	2.1	2.0	1.9	1.8	1.7
Transportation	1.3	1.8	1.7	1.6	1.7	1.8	1.8	1.9	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Communications	1.4	1.6	1.7	1.6	1.6	1.6	1.4	1.2	1.1	1.1	1.1	1.1	1.0	1.0	1.0	1.0
Utilities	1.4	1.4	1.4	1.3	1.5	1.6	1.8	1.7	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Retail Trade	11.6	11.4	11.4	11.2	10.8	10.5	10.3	10.2	10.1	9.9	10.0	10.0	10.1	10.1	10.1	10.2
Wholesale Trade	5.3	5.4	5.5	5.9	6.9	6.5	6.3	6.0	5.8	5.7	5.6	5.5	5.4	5.3	5.1	4.9
Finance, Insurance & Real Estate	15.7	15.5	16.9	16.8	17.0	17.5	17.8	17.9	18.1	18.1	18.1	17.9	17.9	17.9	17.9	17.8
Services	20.8	20.4	21.1	20.4	20.6	20.7	21.2	21.3	21.8	22.4	22.9	23.5	24.0	24.5	24.9	25.3
Public Sector	17.4	17.0	16.0	16.9	15.1	14.9	15.4	15.4	15.3	15.2	15.1	15.0	14.9	14.7	14.6	14.5
South Coast of Santa Barbara County																
Agriculture	2.6	2.5	2.5	2.6	2.5	2.5	2.5	2.4	2.4	2.3	2.2	2.1	2.1	2.0	1.9	1.9
Mining & Quarrying	2.6	2.5	2.3	2.4	1.9	2.0	1.7	1.7	1.7	1.9	2.0	2.1	2.3	2.4	2.6	2.7
Construction	3.9	4.3	4.0	4.1	3.9	3.9	4.0	4.1	4.2	4.3	4.4	4.5	4.5	4.6	4.6	4.7
Durable Goods Manufacturing	11.7	11.9	10.1	9.9	8.6	8.3	7.8	7.4	7.1	6.7	6.4	6.2	5.8	5.6	5.3	5.0
Non-Durable Goods Manufacturing	2.6	2.6	2.7	2.5	2.5	2.5	2.3	2.2	2.1	2.0	1.9	1.9	1.8	1.7	1.6	1.5
Transportation, Communications & Utilities	4.0	4.5	4.0	3.9	3.9	4.3	4.3	4.1	3.8	3.6	3.5	3.5	3.4	3.3	3.2	3.2
Retail Trade	10.0	10.1	10.6	10.4	10.6	10.1	9.7	9.8	9.7	9.5	9.4	9.4	9.4	9.3	9.2	9.1
Wholesale Trade	5.6	5.6	5.9	6.4	7.5	7.0	6.8	6.5	6.4	6.2	6.1	6.0	5.9	5.7	5.6	5.4
Finance, Insurance & Real Estate	19.0	18.8	21.0	21.1	21.2	22.3	22.8	23.3	23.6	23.7	23.6	23.4	23.5	23.6	23.7	23.7
Services	24.1	23.7	24.8	24.8	25.8	25.9	26.8	27.1	27.7	28.6	29.2	29.9	30.6	31.2	31.8	32.4
Public Sector	13.9	13.4	12.1	11.9	11.4	11.1	11.3	11.4	11.3	11.2	11.2	11.1	10.9	10.7	10.5	10.3
North Santa Barbara County																
Agriculture	17.6	16.8	15.8	15.1	15.1	15.5	15.3	16.8	17.3	17.3	16.4	16.2	15.7	15.9	16.0	16.1
Construction	2.7	4.3	4.5	4.4	4.3	4.3	4.3	4.4	4.6	4.8	5.0	5.0	5.1	5.3	5.4	5.6
Industry (Manufacturing & Mining)	9.2	10.6	11.4	10.3	13.3	13.1	12.4	12.1	11.6	11.5	11.5	11.5	11.3	11.0	10.7	10.4
Transportation, Communications & Utilities	4.8	4.6	4.5	4.9	4.6	4.7	4.8	4.7	4.7	4.7	5.0	5.0	5.0	5.1	5.1	5.1
Retail Trade	12.4	12.5	12.3	12.1	11.4	11.1	11.2	10.7	10.7	10.6	10.9	11.1	11.4	11.5	11.6	11.8
Wholesale Trade	4.5	4.6	4.4	4.6	4.2	4.1	4.0	3.8	3.7	3.6	3.7	3.7	3.6	3.5	3.3	3.2
Finance, Insurance & Real Estate	9.4	9.0	8.9	8.4	8.1	8.1	8.1	8.0	8.1	8.1	8.1	8.0	7.9	7.9	7.9	7.9
Services	14.0	13.3	13.9	12.5	11.8	12.0	12.2	12.2	12.4	12.7	13.1	13.5	13.9	14.2	14.4	14.7
Public Sector	25.4	24.3	24.2	27.7	27.1	27.1	27.6	27.3	26.9	26.7	26.5	26.1	26.1	25.8	25.5	25.3

Sources: UC Santa Barbara Economic Forecast Project

Table 7: Tri-Counties Employment By Sector	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<i>Jobs</i>												<i>estimated</i>	<i>forecast</i>			
Agricultural Production	36,000	36,867	36,100	37,075	38,967	37,675	37,992	40,267	40,750	43,050	42,492	42,836	43,647	44,637	45,611	46,444
percent change	5.4	2.4	-2.1	2.7	5.1	-3.3	0.8	6.0	1.2	5.6	-1.3	0.8	1.9	2.3	2.2	1.8
Mining and Construction	24,075	26,067	27,675	31,417	31,475	32,850	31,975	33,567	35,233	38,392	41,433	41,621	42,167	42,834	43,572	44,322
percent change	-0.8	8.3	6.2	13.5	0.2	4.4	-2.7	5.0	5.0	9.0	7.9	0.5	1.3	1.6	1.7	1.7
Manufacturing	54,450	58,525	60,658	61,833	64,367	62,933	58,292	56,892	57,933	57,700	58,008	58,713	59,447	60,248	61,052	61,855
percent change	5.7	7.5	3.6	1.9	4.1	-2.2	-7.4	-2.4	1.8	-0.4	0.5	1.2	1.3	1.3	1.3	1.3
Durables Manufacturing	38,258	41,558	42,650	42,300	44,475	42,625	39,083	37,783	37,650	37,450	37,083	37,337	37,634	38,000	38,368	38,757
percent change	5.3	8.6	2.6	-0.8	5.1	-4.2	-8.3	-3.3	-0.4	-0.5	-1.0	0.7	0.8	1.0	1.0	1.0
Nondurables Manufacturing	16,192	16,967	18,008	19,533	19,892	20,308	19,208	19,108	20,283	20,250	20,925	21,376	21,813	22,248	22,684	23,098
percent change	6.5	4.8	6.1	8.5	1.8	2.1	-5.4	-0.5	6.2	-0.2	3.3	2.2	2.0	2.0	2.0	1.8
Transportation, Warehousing, and Utilities Services	12,500	12,483	11,800	11,442	11,592	12,083	11,950	12,067	12,300	12,475	13,033	13,232	13,503	13,827	14,205	14,604
percent change	-0.8	-0.1	-5.5	-3.0	1.3	4.2	-1.1	1.0	1.9	1.4	4.5	1.5	2.1	2.4	2.7	2.8
Information Services	11,408	12,083	12,867	13,850	14,000	14,617	13,717	12,658	12,283	11,842	11,750	11,849	12,011	12,165	12,334	12,499
percent change	-1.0	5.9	6.5	7.6	1.1	4.4	-6.2	-7.7	-3.0	-3.6	-0.8	0.8	1.4	1.3	1.4	1.3
Wholesale Trade Services	14,000	14,725	15,483	16,367	17,875	18,875	18,692	18,392	19,225	19,733	20,158	20,568	21,010	21,472	21,957	22,401
percent change	-0.7	5.2	5.2	5.7	9.2	5.6	-1.0	-1.6	4.5	2.6	2.2	2.0	2.1	2.2	2.3	2.0
Retail Trade Services	57,483	60,275	61,550	64,750	67,142	67,283	67,808	67,900	69,000	70,617	71,608	73,017	74,454	75,929	77,392	78,923
percent change	-0.4	4.9	2.1	5.2	3.7	0.2	0.8	0.1	1.6	2.3	1.4	2.0	2.0	2.0	1.9	2.0
Finance, Insurance, and Real Estate Services	22,833	23,825	26,233	27,892	29,867	32,300	35,100	36,283	37,358	37,892	38,692	38,786	39,242	39,997	40,813	41,628
percent change	-2.9	4.3	10.1	6.3	7.1	8.1	8.7	3.4	3.0	1.4	2.1	0.2	1.2	1.9	2.0	2.0
Professional and Technical Services	58,100	55,925	60,250	62,958	68,342	65,742	66,058	66,467	68,142	70,033	71,233	72,981	74,961	77,074	79,214	81,346
percent change	2.5	-3.7	7.7	4.5	8.6	-3.8	0.5	0.6	2.5	2.8	1.7	2.5	2.7	2.8	2.8	2.7
Education and Health Services	46,417	47,542	48,992	50,483	51,200	53,575	55,550	57,283	57,600	58,458	59,058	60,325	61,786	63,341	64,912	66,472
percent change	-0.1	2.4	3.1	3.1	1.4	4.6	3.7	3.1	0.6	1.5	1.0	2.1	2.4	2.5	2.5	2.4
Leisure and Hospitality Services	51,333	52,417	53,725	55,900	58,867	60,792	61,967	63,600	64,817	66,525	68,050	69,137	70,452	71,865	73,295	74,711
percent change	-1.2	2.1	2.5	4.1	5.3	3.3	1.9	2.6	1.9	2.6	2.3	1.6	1.9	2.0	2.0	1.9
Other Services*	17,225	17,908	18,167	18,675	19,608	19,950	20,533	20,450	20,042	20,317	20,375	20,451	20,582	20,732	20,874	21,001
percent change	1.4	4.0	1.4	2.8	5.0	1.7	2.9	-0.4	-2.0	1.4	0.3	0.4	0.6	0.7	0.7	0.6
Subtotal, All Private Industries	405,825	418,642	433,500	452,642	473,300	478,675	479,633	485,825	494,683	507,033	516,180	523,517	533,262	544,120	555,231	566,205
percent change	1.1	3.2	3.6	4.4	4.6	1.1	0.2	1.3	1.8	2.5	1.8	1.4	1.9	2.0	2.0	2.0
Government	92,417	94,483	96,058	97,917	99,575	102,342	103,967	102,792	100,300	100,400	100,683	101,070	101,881	102,888	103,927	104,978
percent change	1.2	2.2	1.7	1.9	1.7	2.8	1.6	-1.1	-2.4	0.1	0.3	0.4	0.8	1.0	1.0	1.0
Total, All Industries	498,242	513,125	529,558	550,558	572,875	581,017	583,600	588,617	594,983	607,433	616,575	624,588	635,142	647,008	659,158	671,183
percent change	1.1	3.0	3.2	4.0	4.1	1.4	0.4	0.9	1.1	2.1	1.5	1.3	1.7	1.9	1.9	1.8
Addendum, All Non-farm Industries	462,242	476,258	493,458	513,483	533,908	543,342	545,608	548,350	554,233	564,383	573,438	581,751	591,496	602,371	613,547	624,739
percent change	0.8	3.0	3.6	4.1	4.0	1.8	0.4	0.5	1.1	1.8	1.6	1.5	1.7	1.8	1.9	1.8

Sources: CA Employment Development Department

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

Table 8: Tri-Counties Average Salary by Sector		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Dollars													estimated	forecast				
Agriculture		15,632	17,262	18,685	18,973	19,519	20,342	21,005	20,809	21,359	21,535	21,935	22,333	22,747	23,059	23,442	23,916	
	percent change	0.3	10.4	8.2	1.5	2.9	4.2	3.3	-0.9	2.6	0.8	1.9	1.8	1.9	1.4	1.7	2.0	
Mining		54,601	56,521	55,151	57,638	55,230	60,957	59,107	56,590	59,500	64,767	65,849	67,504	69,196	71,130	73,191	75,391	
	percent change	7.9	3.5	-2.4	4.5	-4.2	10.4	-3.0	-4.3	5.1	8.9	1.7	2.5	2.5	2.8	2.9	3.0	
Construction		29,595	31,455	32,383	33,158	34,211	35,902	36,999	37,648	40,106	41,489	43,274	45,516	47,449	49,454	51,561	53,825	
	percent change	3.6	6.3	2.9	2.4	3.2	4.9	3.1	1.8	6.5	3.4	4.3	5.2	4.2	4.2	4.3	4.4	
Durables Mfg		39,125	42,506	41,916	46,879	50,190	50,363	48,450	51,496	54,409	57,906	60,581	63,840	67,221	70,245	73,428	76,741	
	percent change	2.6	8.6	-1.4	11.8	7.1	0.3	-3.8	6.3	5.7	6.4	4.6	5.4	5.3	4.5	4.5	4.5	
Non-Durables Mfg		30,300	32,376	34,150	54,453	79,564	64,070	60,129	68,043	69,750	78,443	83,330	88,156	93,330	99,029	104,541	110,547	
	percent change	7.4	6.9	5.5	59.5	46.1	-19.5	-6.2	13.2	2.5	12.5	6.2	5.8	5.9	6.1	5.6	5.7	
Transportation		25,154	26,173	28,184	29,281	29,921	31,480	32,915	33,979	36,682	37,766	39,012	40,750	42,363	43,874	45,384	46,915	
	percent change	0.9	4.1	7.7	3.9	2.2	5.2	4.6	3.2	8.0	3.0	3.3	4.5	4.0	3.6	3.4	3.4	
Communications*		44,690	50,000	46,128	41,131	50,176	54,132	57,112	54,908	59,725	60,493	63,311	65,867	68,362	71,297	74,233	77,324	
	percent change	0.9	11.9	-7.7	-10.8	22.0	7.9	5.5	-3.9	8.8	1.3	4.7	4.0	3.8	4.3	4.1	4.2	
Utilities		54,608	54,053	58,191	62,144	61,956	66,340	66,700	66,407	69,822	73,661	75,171	77,509	79,539	81,367	83,181	84,959	
	percent change	4.4	-1.0	7.7	6.8	-0.3	7.1	0.5	-0.4	5.1	5.5	2.1	3.1	2.6	2.3	2.2	2.1	
Retail Trade*		15,219	15,970	17,201	18,222	19,178	19,806	20,364	20,761	21,261	21,742	22,192	22,757	23,283	23,855	24,544	25,244	
	percent change	2.3	4.9	7.7	5.9	5.2	3.3	2.8	2.0	2.4	2.3	2.1	2.5	2.3	2.5	2.9	2.9	
Wholesale Trade		35,095	35,664	38,665	41,636	44,573	44,079	49,169	54,635	56,486	57,919	60,252	62,925	65,640	68,241	71,275	74,643	
	percent change	5.7	1.6	8.4	7.7	7.1	-1.1	11.5	11.1	3.4	2.5	4.0	4.4	4.3	4.0	4.4	4.7	
Finance, Ins. & Real Estate*		34,753	36,409	38,753	41,210	42,497	45,031	49,443	54,470	62,148	66,454	69,496	71,955	74,187	76,343	78,796	81,421	
	percent change	13.6	4.8	6.4	6.3	3.1	6.0	9.8	10.2	14.1	6.9	4.6	3.5	3.1	2.9	3.2	3.3	
Services*		25,728	27,602	29,687	28,657	30,624	31,670	31,951	33,344	35,024	36,709	38,285	39,903	41,348	42,967	44,447	46,019	
	percent change	3.9	7.3	7.6	-3.5	6.9	3.4	0.9	4.4	5.0	4.8	4.3	4.2	3.6	3.9	3.4	3.5	
Private Sector		25,481	27,271	28,771	30,322	33,195	33,809	34,141	35,876	37,992	39,847	41,443	43,123	44,722	46,387	48,097	49,920	
	percent change	3.6	7.0	5.5	5.4	9.5	1.9	1.0	5.1	5.9	4.9	4.0	4.1	3.7	3.7	3.7	3.8	
Public Sector		31,609	32,444	33,330	34,058	35,498	37,413	39,039	40,935	42,703	45,474	46,720	48,120	49,753	51,246	52,847	54,507	
	percent change	3.8	2.6	2.7	2.2	4.2	5.4	4.3	4.9	4.3	6.5	2.7	3.0	3.4	3.0	3.1	3.1	
Total, All Sectors		26,593	28,217	29,599	30,987	33,599	34,448	35,016	36,763	38,789	40,749	42,277	43,906	45,503	47,135	48,823	50,616	
	percent change	3.6	6.1	4.9	4.7	8.4	2.5	1.7	5.0	5.5	5.1	3.7	3.9	3.6	3.6	3.6	3.7	

Sources: CA Employment Development Department

* These sectors had significant changes in classification in 2001. Please contact us for details.

Table 9: Santa Barbara County Employment By Sector	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Jobs												estimated	forecast			
Agricultural Production	14,642	14,733	13,833	15,258	14,850	13,758	14,233	16,183	16,008	16,250	15,458	15,161	15,292	15,557	15,807	16,070
percent change	3.7	0.6	-6.1	10.3	-2.7	-7.4	3.5	13.7	-1.1	1.5	-4.9	-1.9	0.9	1.7	1.6	1.7
Mining and Quarrying	1,425	1,492	1,367	1,208	1,150	1,167	858	800	800	933	1,125	1,134	1,144	1,161	1,171	1,182
percent change	-10.0	4.7	-8.4	-11.6	-4.8	1.5	-26.4	-6.8	0.0	16.7	20.5	0.8	0.9	1.5	0.9	0.9
Construction	6,092	7,083	6,942	8,008	8,125	8,367	7,992	8,633	9,675	10,075	10,483	10,411	10,500	10,630	10,780	10,936
percent change	10.4	16.3	-2.0	15.4	1.5	3.0	-4.5	8.0	12.1	4.1	4.1	-0.7	0.9	1.2	1.4	1.4
Manufacturing	14,792	15,658	15,650	15,258	15,858	15,067	13,383	13,333	13,225	13,567	13,658	13,754	13,837	13,912	13,985	14,081
percent change	4.0	5.9	-0.1	-2.5	3.9	-5.0	-11.2	-0.4	-0.8	2.6	0.7	0.7	0.6	0.5	0.5	0.7
Durables Manufacturing	11,842	12,692	12,658	12,133	12,600	11,825	10,200	10,075	9,975	10,225	10,225	10,244	10,263	10,268	10,270	10,290
percent change	3.7	7.2	-0.3	-4.1	3.8	-6.2	-13.7	-1.2	-1.0	2.5	0.0	0.2	0.2	0.1	0.0	0.2
Nondurables Manufacturing	2,950	2,967	2,992	3,125	3,258	3,242	3,183	3,258	3,250	3,342	3,433	3,510	3,574	3,643	3,715	3,790
percent change	5.1	0.6	0.8	4.5	4.3	-0.5	-1.8	2.4	-0.3	2.8	2.7	2.2	1.8	1.9	2.0	2.0
Transportation, Warehousing, and Utilities Services	3,783	3,783	3,258	2,900	2,875	2,958	2,808	2,900	2,933	3,025	3,058	3,070	3,103	3,138	3,177	3,216
percent change	0.4	0.0	-13.9	-11.0	-0.9	2.9	-5.1	3.3	1.2	3.1	1.1	0.4	1.1	1.2	1.2	1.2
Information Services	4,058	4,183	4,433	4,100	4,250	4,500	4,117	4,067	4,017	4,133	4,050	4,059	4,097	4,138	4,183	4,228
percent change	-0.2	3.1	6.0	-7.5	3.7	5.9	-8.5	-1.2	-1.2	2.9	-2.0	0.2	0.9	1.0	1.1	1.1
Wholesale Trade Services	4,067	4,417	4,700	4,933	5,183	5,375	4,758	4,342	4,533	4,658	4,950	4,994	5,048	5,114	5,195	5,276
percent change	-1.0	8.6	6.4	5.0	5.1	3.7	-11.5	-8.8	4.4	2.8	6.3	0.9	1.1	1.3	1.6	1.5
Retail Trade Services	17,608	18,683	19,208	20,692	20,950	20,167	20,333	20,092	20,208	20,250	20,308	20,677	21,069	21,491	21,922	22,362
percent change	-2.1	6.1	2.8	7.7	1.2	-3.7	0.8	-1.2	0.6	0.2	0.3	1.8	1.9	2.0	2.0	2.0
Finance, Insurance, and Real Estate Services	7,017	7,492	7,950	8,050	8,392	8,842	8,617	8,425	8,517	8,600	8,842	8,674	8,673	8,765	8,876	8,992
percent change	-4.5	6.8	6.1	1.3	4.2	5.4	-2.5	-2.2	1.1	1.0	2.8	-1.9	-0.0	1.1	1.3	1.3
Professional and Technical Services	18,533	17,242	17,525	18,125	20,208	19,617	20,608	21,075	22,083	22,833	22,142	22,522	23,009	23,555	24,134	24,717
percent change	7.3	-7.0	1.6	3.4	11.5	-2.9	5.1	2.3	4.8	3.4	-3.0	1.7	2.2	2.4	2.5	2.4
Education and Health Services	15,850	16,350	17,158	18,017	18,433	18,600	19,250	19,317	19,567	19,383	19,433	19,728	20,116	20,552	21,016	21,482
percent change	-2.7	3.2	4.9	5.0	2.3	0.9	3.5	0.3	1.3	-0.9	0.3	1.5	2.0	2.2	2.3	2.2
Leisure and Hospitality Services	17,725	19,067	19,600	20,167	20,817	21,000	20,950	21,700	21,908	22,433	22,983	22,969	23,057	23,193	23,351	23,499
percent change	-0.5	7.6	2.8	2.9	3.2	0.9	-0.2	3.6	1.0	2.4	2.5	-0.1	0.4	0.6	0.7	0.6
Other Services*	4,900	5,083	5,367	5,475	5,617	5,958	5,983	5,750	5,583	5,667	5,817	5,798	5,806	5,826	5,851	5,874
percent change	1.6	3.7	5.6	2.0	2.6	6.1	0.4	-3.9	-2.9	1.5	2.6	-0.3	0.1	0.3	0.4	0.4
Subtotal, All Private Industries	130,492	135,267	136,992	142,192	146,708	145,375	143,892	146,617	149,058	151,808	152,659	152,951	154,751	157,031	159,448	161,913
percent change	1.2	3.7	1.3	3.8	3.2	-0.9	-1.0	1.9	1.7	1.8	0.6	0.2	1.2	1.5	1.5	1.5
Government	29,692	30,883	31,825	32,442	32,833	34,450	35,750	35,575	35,867	36,383	36,042	35,684	35,840	36,040	36,269	36,480
percent change	0.0	4.0	3.1	1.9	1.2	4.9	3.8	-0.5	0.8	1.4	-0.9	-1.0	0.4	0.6	0.6	0.6
Total, All Industries	160,183	166,150	168,817	174,633	179,542	179,825	179,642	182,192	184,925	188,192	188,350	188,635	190,591	193,071	195,718	198,394
percent change	1.0	3.7	1.6	3.4	2.8	0.2	-0.1	1.4	1.5	1.8	0.1	0.2	1.0	1.3	1.4	1.4
Addendum, All Non-farm Industries	145,542	151,417	154,983	159,375	164,692	166,067	165,408	166,008	168,917	171,942	173,073	173,473	175,298	177,514	179,911	182,324
percent change	0.7	4.0	2.4	2.8	3.3	0.8	-0.4	0.4	1.8	1.8	0.7	0.2	1.1	1.3	1.4	1.3

Sources: CA Employment Development Department

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

Table 10: Santa Barbara County Average Salary by Sector	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Dollars												estimated	forecast			
Agriculture	15,019	15,810	16,926	17,412	18,069	20,589	21,085	20,064	21,070	20,734	21,213	21,859	22,530	23,070	23,585	24,104
percent change	1.6	5.3	7.1	2.9	3.8	13.9	2.4	-4.8	5.0	-1.6	2.3	3.0	3.1	2.4	2.2	2.2
Mining	55,112	56,212	53,665	62,254	66,296	66,151	63,391	58,510	63,902	63,743	65,705	67,870	70,075	72,362	74,979	77,708
percent change	-0.5	2.0	-4.5	16.0	6.5	-0.2	-4.2	-7.7	9.2	-0.2	3.1	3.3	3.3	3.3	3.6	3.6
Construction	30,298	33,166	34,562	34,006	35,327	36,775	38,292	39,975	41,972	42,796	45,171	47,750	49,849	51,897	54,018	56,228
percent change	-1.3	9.5	4.2	-1.6	3.9	4.1	4.1	4.4	5.0	2.0	5.6	5.7	4.4	4.1	4.1	4.1
Durable Goods	45,494	47,194	45,808	46,593	49,745	52,169	52,541	58,889	57,955	62,979	65,087	67,831	70,862	73,686	76,425	79,130
percent change	2.2	3.7	-2.9	1.7	6.8	4.9	0.7	12.1	-1.6	8.7	3.3	4.2	4.5	4.0	3.7	3.5
Non-Durable Goods	28,099	29,178	30,662	29,554	31,281	36,921	38,828	39,605	42,132	48,158	48,910	50,406	51,844	53,410	54,950	56,511
percent change	7.5	3.8	5.1	-3.6	5.8	18.0	5.2	2.0	6.4	14.3	1.6	3.1	2.9	3.0	2.9	2.8
Transportation	23,999	25,975	27,979	26,659	27,515	31,012	32,397	33,181	34,826	35,693	37,397	39,251	41,009	42,808	45,323	47,969
percent change	-1.0	8.2	7.7	-4.7	3.2	12.7	4.5	2.4	5.0	2.5	4.8	5.0	4.5	4.4	5.9	5.8
Communications*	42,012	41,663	40,736	43,078	47,075	52,858	50,817	50,732	51,664	54,002	57,865	59,718	61,407	63,065	65,865	68,776
percent change	1.4	-0.8	-2.2	5.8	9.3	12.3	-3.9	-0.2	1.8	4.5	7.2	3.2	2.8	2.7	4.4	4.4
Utilities	49,329	48,940	52,206	53,470	51,398	52,212	53,759	52,520	58,194	66,134	69,291	72,728	75,984	79,317	83,978	88,879
percent change	2.2	-0.8	6.7	2.4	-3.9	1.6	3.0	-2.3	10.8	13.6	4.8	5.0	4.5	4.4	5.9	5.8
Retail Trade*	14,762	15,598	16,830	17,710	18,679	19,624	20,740	21,253	21,646	21,970	22,376	23,027	23,560	24,136	24,952	25,799
percent change	3.5	5.7	7.9	5.2	5.5	5.1	5.7	2.5	1.8	1.5	1.9	2.9	2.3	2.4	3.4	3.4
Wholesale Trade	40,171	41,374	43,899	47,995	54,501	46,165	44,060	44,996	48,096	46,582	47,968	50,019	51,858	53,873	56,322	58,912
percent change	10.8	3.0	6.1	9.3	13.6	-15.3	-4.6	2.1	6.9	-3.1	3.0	4.3	3.7	3.9	4.5	4.6
Finance, Insurance & Real Estate*	33,799	37,047	40,590	43,938	47,304	45,201	48,381	53,954	61,715	66,218	69,596	72,398	74,641	77,691	81,617	85,704
percent change	3.9	9.6	9.6	8.3	7.7	-4.4	7.0	11.5	14.4	7.3	5.1	4.0	3.1	4.1	5.1	5.0
Services*	25,016	26,728	28,888	29,693	33,060	33,391	33,854	35,546	37,697	39,620	41,823	44,014	45,976	48,346	50,208	52,173
percent change	0.2	6.8	8.1	2.8	11.3	1.0	1.4	5.0	6.1	5.1	5.6	5.2	4.5	5.2	3.9	3.9
Public Sector	30,353	30,351	30,937	32,146	33,859	36,247	36,781	37,986	38,558	42,320	43,220	44,171	45,400	46,766	47,805	48,905
percent change	6.0	-0.0	1.9	3.9	5.3	7.1	1.5	3.3	1.5	9.8	2.1	2.2	2.8	3.0	2.2	2.3
Private Sector	25,165	26,776	28,200	28,950	31,569	32,605	32,949	34,246	36,194	37,852	39,414	41,085	42,574	44,249	45,898	47,613
percent change	1.6	6.4	5.3	2.7	9.1	3.3	1.1	3.9	5.7	4.6	4.1	4.2	3.6	3.9	3.7	3.7
Total, All Sectors	26,097	27,429	28,713	29,542	31,986	33,302	33,710	34,975	36,652	38,672	40,103	41,638	43,078	44,695	46,233	47,839
percent change	2.4	5.1	4.7	2.9	8.3	4.1	1.2	3.8	4.8	5.5	3.7	3.8	3.5	3.8	3.4	3.5

Sources: CA Employment Development Department

* These sectors had significant changes in classification in 2001. Please contact us for details.

Table 11: South Coast Employment by Sector	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
												<i>estimated</i>	<i>forecast</i>			
<i>Jobs</i>																
Agriculture	3,142	3,269	3,427	3,558	3,769	2,939	2,670	2,669	2,811	2,874	2,891	2,898	2,901	2,904	2,908	2,919
percent change	7.0	4.0	4.8	3.8	5.9	-22.0	-9.2	-0.0	5.3	2.2	0.6	0.2	0.1	0.1	0.1	0.4
Mining	248	260	292	470	435	478	282	236	213	210	208	207	205	207	205	204
percent change	5.1	4.8	12.3	61.0	-7.4	9.9	-41.0	-16.3	-9.7	-1.4	-0.8	-0.8	-0.7	0.7	-0.7	-0.7
Construction	3,844	4,405	4,370	4,884	5,022	5,184	4,970	5,157	5,629	5,702	5,673	5,590	5,591	5,583	5,571	5,559
percent change	7.9	14.6	-0.8	11.8	2.8	3.2	-4.1	3.8	9.2	1.3	-0.5	-1.5	0.0	-0.1	-0.2	-0.2
Durables	8,334	9,072	8,238	8,398	8,129	7,804	7,248	6,904	6,572	6,774	6,737	6,676	6,614	6,550	6,490	6,443
percent change	-3.1	8.9	-9.2	1.9	-3.2	-4.0	-7.1	-4.7	-4.8	3.1	-0.5	-0.9	-0.9	-1.0	-0.9	-0.7
Non-Durables	2,374	2,413	2,633	1,906	2,001	1,583	1,252	1,112	1,348	1,402	1,399	1,404	1,396	1,389	1,383	1,378
percent change	16.8	1.6	9.1	-27.6	5.0	-20.9	-20.9	-11.2	21.2	4.0	-0.2	0.4	-0.6	-0.5	-0.5	-0.3
Transp. Comm, Utilities*	2,504	3,131	2,668	2,427	2,772	4,086	4,140	4,109	4,091	4,264	4,230	4,207	4,228	4,249	4,271	4,292
percent change	-9.2	25.0	-14.8	-9.0	14.2	47.4	1.3	-0.7	-0.4	4.2	-0.8	-0.5	0.5	0.5	0.5	0.5
Retail*	16,866	17,913	18,566	19,000	19,986	13,516	11,406	10,940	11,267	11,331	11,759	11,880	12,013	12,173	12,335	12,497
percent change	-0.9	6.2	3.6	2.3	5.2	-32.4	-15.6	-4.1	3.0	0.6	3.8	1.0	1.1	1.3	1.3	1.3
Wholesale	3,061	3,399	3,628	3,845	4,375	3,450	3,021	2,704	2,822	2,684	2,650	2,658	2,668	2,678	2,688	2,696
percent change	0.2	11.0	6.7	6.0	13.8	-21.1	-12.4	-10.5	4.4	-4.9	-1.3	0.3	0.4	0.3	0.4	0.3
Finance, Ins., & Real Estate*	4,595	4,661	5,375	4,853	5,622	7,702	7,360	7,112	7,009	7,252	7,213	7,079	7,099	7,164	7,227	7,293
percent change	-4.0	1.4	15.3	-9.7	15.8	37.0	-4.4	-3.4	-1.4	3.5	-0.5	-1.9	0.3	0.9	0.9	0.9
Services*	28,717	29,522	30,767	32,819	35,611	41,762	44,387	46,406	45,698	45,126	45,028	45,023	45,031	45,010	45,023	45,038
percent change	-0.9	2.8	4.2	6.7	8.5	17.3	6.3	4.5	-1.5	-1.3	-0.2	-0.0	0.0	-0.1	0.0	0.0
Public Sector	18,394	19,504	17,542	17,062	17,446	18,675	19,941	19,578	19,404	19,732	19,638	19,639	19,698	19,749	19,798	19,836
percent change	6.8	6.0	-10.1	-2.7	2.3	7.1	6.8	-1.8	-0.9	1.7	-0.5	0.0	0.3	0.3	0.2	0.2
Private Sector	73,685	78,045	79,964	82,160	87,722	88,504	86,736	87,349	87,460	87,619	87,788	87,622	87,746	87,905	88,101	88,319
percent change	-0.4	5.9	2.5	2.7	6.8	0.9	-2.0	0.7	0.1	0.2	0.2	-0.2	0.1	0.2	0.2	0.2
Total, All Sectors	92,079	97,549	97,506	99,222	105,168	107,179	106,677	106,927	106,864	107,351	107,425	107,261	107,444	107,654	107,899	108,155
percent change	1.0	5.9	-0.1	1.8	6.0	1.9	-0.5	0.2	-0.1	0.5	0.1	-0.2	0.2	0.2	0.2	0.2

Sources: CA Economic Development Department

*These sectors had significant changes in classification in 2001. Please contact us for details.

Table 12: South Coast Average Salaries by Sector	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<i>Dollars</i>												<i>estimated</i>	<i>forecast</i>			
Agriculture	17,210	18,192	18,492	20,661	21,372	22,157	24,426	25,099	25,372	24,960	25,214	25,928	26,497	27,320	27,972	28,585
percent change	3.3	5.7	1.7	11.7	3.4	3.7	10.2	2.8	1.1	-1.6	1.0	2.8	2.2	3.1	2.4	2.2
Mining	134,516	128,307	114,246	77,001	81,636	88,385	87,705	76,576	91,425	80,162	81,715	84,381	86,743	88,791	92,027	95,421
percent change	-4.8	-4.6	-11.0	-32.6	6.0	8.3	-0.8	-12.7	19.4	-12.3	1.9	3.3	2.8	2.4	3.6	3.7
Construction	31,712	33,826	34,436	33,648	35,776	37,268	38,326	40,626	41,995	44,317	47,178	50,326	52,525	54,867	57,174	59,584
percent change	-1.1	6.7	1.8	-2.3	6.3	4.2	2.8	6.0	3.4	5.5	6.5	6.7	4.4	4.5	4.2	4.2
Durables Mfg	47,909	49,240	48,149	48,988	51,922	55,224	57,698	63,885	63,721	69,289	71,492	74,816	78,421	82,289	86,181	90,086
percent change	1.0	2.8	-2.2	1.7	6.0	6.4	4.5	10.7	-0.3	8.7	3.2	4.7	4.8	4.9	4.7	4.5
Non-Durables Mfg	30,355	32,845	33,254	34,588	36,102	32,664	34,455	36,706	37,050	37,849	38,319	39,469	40,586	41,999	43,599	45,176
percent change	3.9	8.2	1.2	4.0	4.4	-9.5	5.5	6.5	0.9	2.2	1.2	3.0	2.8	3.5	3.8	3.6
Transp., Comm., & Utilities*	31,605	33,482	36,568	38,001	41,976	50,478	51,639	50,948	55,565	63,302	66,622	69,670	71,897	74,720	78,894	83,348
percent change	1.1	5.9	9.2	3.9	10.5	20.3	2.3	-1.3	9.1	13.9	5.2	4.6	3.2	3.9	5.6	5.6
Retail Trade*	14,885	15,901	17,298	17,835	19,334	23,606	27,740	28,211	28,167	28,724	28,702	29,456	30,083	30,611	31,716	32,867
percent change	5.1	6.8	8.8	3.1	8.4	22.1	17.5	1.7	-0.2	2.0	-0.1	2.6	2.1	1.8	3.6	3.6
Wholesale Trade	44,802	45,464	49,316	53,959	61,456	52,184	50,893	48,078	52,001	50,586	52,259	54,608	56,618	59,121	62,430	65,973
percent change	17.3	1.5	8.5	9.4	13.9	-15.1	-2.5	-5.5	8.2	-2.7	3.3	4.5	3.7	4.4	5.6	5.7
Finance, Ins. & Real Estate*	36,587	40,271	43,493	48,097	50,909	50,918	52,234	58,754	70,561	74,240	78,104	81,254	83,649	86,937	91,714	96,742
percent change	3.2	10.1	8.0	10.6	5.8	0.0	2.6	12.5	20.1	5.2	5.2	4.0	2.9	3.9	5.5	5.5
Services*	27,482	29,473	31,780	31,986	36,158	32,654	31,785	32,979	34,918	36,333	38,415	40,606	42,606	45,210	47,220	49,319
percent change	2.8	7.2	7.8	0.7	13.0	-9.7	-2.7	3.8	5.9	4.1	5.7	5.7	4.9	6.1	4.4	4.4
Public Sector	32,379	32,827	34,726	37,196	38,084	40,978	41,845	44,182	45,205	46,344	48,373	49,950	51,430	53,354	55,373	57,498
percent change	-2.1	1.4	5.8	7.1	2.4	7.6	2.1	5.6	2.3	2.5	4.4	3.3	3.0	3.7	3.8	3.8
Private Sector	28,572	30,365	31,772	32,535	35,744	36,659	37,135	38,612	40,905	43,059	44,923	47,025	48,919	51,275	53,611	56,046
percent change	3.0	6.3	4.6	2.4	9.9	2.6	1.3	4.0	5.9	5.3	4.3	4.7	4.0	4.8	4.6	4.5
Total, All Sectors	29,332	30,857	32,303	33,337	36,132	37,411	38,016	39,631	41,686	43,663	45,554	47,560	49,380	51,657	53,934	56,312
percent change	2.0	5.2	4.7	3.2	8.4	3.5	1.6	4.3	5.2	4.7	4.3	4.4	3.8	4.6	4.4	4.4

Sources: CA Economic Development Department

*These sectors had significant changes in classification in 2001. Please contact us for details.

Table 13: North Santa Barbara County Employment by Sector	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
												<i>estimated</i>	<i>forecast</i>			
<i>Jobs</i>																
Agriculture	11,127	10,255	10,100	11,231	11,507	10,101	10,946	12,925	12,682	12,889	12,242	11,922	12,044	12,298	12,540	12,787
percent change	4.1	-7.8	-1.5	11.2	2.5	-12.2	8.4	18.1	-1.9	1.6	-5.0	-2.6	1.0	2.1	2.0	2.0
Construction	1,432	1,878	1,850	2,073	2,436	2,463	2,277	2,497	3,259	3,542	3,602	3,612	3,692	3,818	3,967	4,121
percent change	8.3	31.1	-1.5	12.1	17.5	1.1	-7.6	9.7	30.5	8.7	1.7	0.3	2.2	3.4	3.9	3.9
Industry (Mining & Mfg)	3,800	3,972	4,682	4,570	5,642	5,709	4,584	4,603	4,592	4,776	4,911	5,064	5,220	5,368	5,511	5,653
percent change	-0.9	4.5	17.9	-2.4	23.5	1.2	-19.7	0.4	-0.2	4.0	2.8	3.1	3.1	2.8	2.7	2.6
Transp., Comm., & Utilities*	1,586	1,634	1,574	1,708	1,699	1,987	1,956	2,041	2,120	2,253	2,349	2,398	2,451	2,510	2,574	2,639
percent change	11.2	3.0	-3.7	8.5	-0.5	17.0	-1.6	4.3	3.9	6.3	4.3	2.1	2.2	2.4	2.6	2.5
Retail Trade*	9,574	9,531	9,548	10,148	10,230	7,883	7,341	7,301	7,590	7,659	7,894	8,138	8,390	8,649	8,917	9,193
percent change	2.1	-0.5	0.2	6.3	0.8	-22.9	-6.9	-0.5	4.0	0.9	3.1	3.1	3.1	3.1	3.1	3.1
Wholesale Trade	1,447	1,474	1,462	1,660	1,662	1,668	1,656	1,206	1,424	1,554	1,629	1,659	1,696	1,745	1,807	1,869
percent change	-3.9	1.9	-0.8	13.5	0.1	0.4	-0.7	-27.2	18.1	9.1	4.8	1.8	2.2	2.9	3.5	3.4
Finance, Ins., & Real Estate*	1,379	1,242	1,203	1,201	1,260	1,897	2,056	2,091	2,348	2,364	2,321	2,272	2,248	2,281	2,332	2,389
percent change	2.1	-9.9	-3.1	-0.2	4.9	50.6	8.4	1.7	12.3	0.7	-1.8	-2.1	-1.1	1.5	2.2	2.4
Services*	10,340	10,575	10,792	10,305	11,035	13,690	15,107	15,704	15,631	16,317	16,634	16,869	17,353	17,990	18,653	19,296
percent change	4.2	2.3	2.1	-4.5	7.1	24.1	10.4	4.0	-0.5	4.4	1.9	1.4	2.9	3.7	3.7	3.4
Public Sector	14,899	13,925	14,239	18,449	19,332	18,007	19,066	19,275	18,062	17,745	17,495	17,113	17,215	17,361	17,543	17,710
percent change	2.7	-6.5	2.3	29.6	4.8	-6.9	5.9	1.1	-6.3	-1.8	-1.4	-2.2	0.6	0.8	1.1	1.0
Private Sector	40,685	40,561	41,211	42,896	45,471	45,398	45,923	48,368	49,646	51,354	51,581	51,935	53,092	54,659	56,300	57,946
percent change	3.2	-0.3	1.6	4.1	6.0	-0.2	1.2	5.3	2.6	3.4	0.4	0.7	2.2	3.0	3.0	2.9
Total, All Sectors	55,584	54,486	55,450	61,345	64,803	63,405	64,989	67,643	67,708	69,099	69,077	69,047	70,308	72,020	73,842	75,656
percent change	3.1	-2.0	1.8	10.6	5.6	-2.2	2.5	4.1	0.1	2.1	-0.0	-0.0	1.8	2.4	2.5	2.5

Sources: CA Economic Development Department

*These sectors had significant changes in classification in 2001. Please contact us for details.

North Santa Barbara County consists of: Guadalupe, Lompoc, Orcutt, Santa Maria, Vandenberg Air Force Base, and nearby unincorporated areas.

Table 14: North Santa Barbara County Average Salary by Sector	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<i>Dollars</i>												<i>estimated</i>	<i>forecast</i>			
Agriculture	14,834	15,734	16,101	16,650	16,708	19,983	20,189	19,236	20,042	19,646	20,118	20,696	21,384	21,856	22,337	22,830
percent change	1.4	6.1	2.3	3.4	0.3	19.6	1.0	-4.7	4.2	-2.0	2.4	2.9	3.3	2.2	2.2	2.2
Construction	26,167	32,124	36,374	36,081	34,477	36,675	39,016	38,884	40,633	40,250	41,921	43,763	45,813	47,539	49,617	51,780
percent change	-3.4	22.8	13.2	-0.8	-4.4	6.4	6.4	-0.3	4.5	-0.9	4.2	4.4	4.7	3.8	4.4	4.4
Industry (Mining & Mfg)	29,646	32,524	32,879	32,730	40,781	42,693	36,622	37,468	37,724	40,048	41,887	43,479	45,138	46,097	46,932	47,826
percent change	-0.9	9.7	1.1	-0.5	24.6	4.7	-14.2	2.3	0.7	6.2	4.6	3.8	3.8	2.1	1.8	1.9
Transp., Comm., & Utilities*	26,275	26,687	29,209	30,336	31,377	30,233	31,996	32,951	34,962	36,866	38,062	39,959	41,241	42,477	44,332	46,295
percent change	-6.2	1.6	9.5	3.9	3.4	-3.6	5.8	3.0	6.1	5.4	3.2	5.0	3.2	3.0	4.4	4.4
Retail Trade*	14,651	15,262	15,963	17,028	17,556	21,424	23,729	24,525	25,364	25,675	26,936	27,858	28,583	29,596	30,528	31,491
percent change	0.5	4.2	4.6	6.7	3.1	22.0	10.8	3.4	3.4	1.2	4.9	3.4	2.6	3.5	3.1	3.2
Wholesale Trade	33,029	34,065	36,521	37,840	38,226	32,679	31,624	38,502	38,536	37,379	38,662	40,222	41,772	43,091	44,396	45,784
percent change	8.6	3.1	7.2	3.6	1.0	-14.5	-3.2	21.7	0.1	-3.0	3.4	4.0	3.9	3.2	3.0	3.1
Finance, Ins., & Real Estate*	27,402	29,922	32,611	32,688	34,301	34,854	38,079	40,757	39,485	46,098	47,915	49,826	51,256	53,928	56,119	58,282
percent change	7.5	9.2	9.0	0.2	4.9	1.6	9.3	7.0	-3.1	16.7	3.9	4.0	2.9	5.2	4.1	3.9
Services*	20,085	19,128	21,000	22,573	23,122	22,201	22,217	22,965	24,808	26,089	27,609	28,723	29,808	30,772	31,698	32,735
percent change	5.0	-4.8	9.8	7.5	2.4	-4.0	0.1	3.4	8.0	5.2	5.8	4.0	3.8	3.2	3.0	3.3
Public Sector	37,360	39,621	43,449	43,182	45,603	47,937	53,523	54,374	56,877	58,727	58,858	59,692	61,295	62,790	63,207	63,697
percent change	8.6	6.1	9.7	-0.6	5.6	5.1	11.7	1.6	4.6	3.3	0.2	1.4	2.7	2.4	0.7	0.8
Private Sector	19,427	20,453	21,875	22,628	24,216	26,200	25,712	25,984	27,430	28,421	29,826	31,039	32,142	33,153	34,178	35,270
percent change	1.6	5.3	7.0	3.4	7.0	8.2	-1.9	1.1	5.6	3.6	4.9	4.1	3.6	3.1	3.1	3.2
Total, All Sectors	24,234	25,352	27,415	28,810	30,596	32,373	33,871	34,074	35,286	36,204	37,179	38,140	39,280	40,297	41,074	41,924
percent change	4.3	4.6	8.1	5.1	6.2	5.8	4.6	0.6	3.6	2.6	2.7	2.6	3.0	2.6	1.9	2.1

Sources: CA Economic Development Department

*These sectors had significant changes in classification in 2001. Please contact us for details.

North Santa Barbara County consists of: Guadalupe, Lompoc, Orcutt, Santa Maria, Vandenberg Air Force Base, and nearby unincorporated areas.

Table 15: Santa Barbara Population, Enrollment & Unemployment	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Population												<i>estimated</i>	<i>forecast</i>			
California (millions of people)	31.8	32.2	32.7	33.1	33.8	34.4	35.1	35.7	36.2	36.7	37.2	37.6	38.1	38.6	39.1	39.6
percent change	0.7	1.2	1.4	1.5	1.9	2.0	1.9	1.7	1.6	1.3	1.2	1.2	1.2	1.3	1.3	1.3
Tri-Counties (thousands of people)	1324.0	1339.5	1355.8	1371.6	1394.5	1419.8	1441.8	1460.9	1477.6	1490.1	1502.2	1514.0	1528.3	1543.3	1558.6	1573.6
percent change	0.7	1.2	1.2	1.2	1.7	1.8	1.5	1.3	1.1	0.8	0.8	0.8	0.9	1.0	1.0	1.0
Santa Barbara County (thousands of people)	384.3	387.7	391.3	393.5	398.2	403.2	407.4	411.5	415.3	418.0	421.6	424.4	427.6	431.0	434.7	438.4
percent change	0.5	0.9	0.9	0.6	1.2	1.3	1.0	1.0	0.9	0.7	0.9	0.7	0.8	0.8	0.9	0.8
Buellton (thousands of people)	3.5	3.5	3.7	3.8	3.8	3.9	4.0	4.2	4.5	4.5	4.5	4.6	4.7	4.8	4.9	5.0
percent change	2.4	2.3	4.0	1.9	1.9	2.5	1.6	6.0	5.9	1.7	0.2	1.8	1.9	2.0	2.1	2.0
Carpinteria (thousands of people)	13.9	14.0	14.0	14.0	14.2	14.4	14.4	14.4	14.4	14.3	14.2	14.1	14.0	13.9	13.8	13.7
percent change	0.0	0.7	0.4	-0.4	1.4	1.5	0.4	-0.1	-0.1	-0.6	-0.9	-0.7	-0.7	-0.7	-0.7	-0.7
Guadalupe (thousands of people)	5.7	5.7	5.7	5.6	5.6	5.9	6.1	6.3	6.3	6.3	6.4	6.6	6.7	6.9	7.0	7.2
percent change	2.3	0.0	-0.4	-0.9	-0.4	5.6	3.3	3.2	0.6	-0.7	2.3	2.0	2.3	2.5	2.5	2.5
Lompoc (thousands of people)	39.7	40.3	40.5	40.7	41.2	41.5	41.6	41.9	42.3	42.2	41.9	42.2	42.5	42.8	43.2	43.6
percent change	0.8	1.5	0.5	0.4	1.2	0.9	0.3	0.6	1.0	-0.3	-0.7	0.6	0.7	0.8	0.9	0.9
Santa Barbara City (thousands of people)	88.8	89.7	90.5	91.0	92.1	90.1	90.6	90.5	90.6	90.2	89.5	89.0	88.4	87.9	87.4	86.8
percent change	0.6	1.0	0.9	0.6	1.2	-2.2	0.5	-0.1	0.1	-0.4	-0.8	-0.6	-0.6	-0.6	-0.6	-0.6
Santa Maria (thousands of people)	71.2	72.4	74.0	75.5	77.1	78.6	80.4	82.2	85.4	88.5	90.2	91.9	93.9	96.2	98.6	101.2
percent change	2.0	1.7	2.2	2.0	2.1	1.9	2.3	2.2	3.9	3.6	1.9	1.9	2.2	2.4	2.5	2.6
Solvang (thousands of people)	5.1	5.1	5.2	5.2	5.3	5.4	5.4	5.4	5.4	5.4	5.4	5.3	5.3	5.3	5.2	5.2
percent change	1.9	0.5	1.5	1.0	1.9	1.2	0.9	0.1	0.0	-0.5	-0.8	-0.7	-0.7	-0.5	-0.4	-0.5
Unincorporated Santa Barbara County (thousands of people)	156.5	157.0	157.8	157.9	159.1	163.5	164.8	135.7	135.5	135.9	139.2	140.7	142.3	143.6	145.1	146.3
percent change	-0.4	0.3	0.5	0.1	0.8	2.7	0.8	-17.7	-0.2	0.3	2.4	1.1	1.1	0.9	1.0	0.9
Santa Barbara County Enrollments																
University of California, Santa Barbara (thousands of students)	18.5	18.9	19.3	20.1	20.0	20.4	19.8	20.8	21.0	21.0	21.1	21.1	21.1	21.1	21.2	21.2
percent change	1.7	2.2	1.8	4.1	-0.5	2.1	-2.8	5.3	0.9	-0.1	0.3	0.1	0.1	0.1	0.1	0.0
Kindergarten through 12th Grade (thousands of students)	62.2	63.3	64.5	65.4	66.0	66.5	67.1	67.5	67.6	67.2	67.1	66.9	66.8	66.6	66.5	66.3
percent change	3.6	1.8	1.9	1.4	0.9	0.7	0.9	0.6	0.1	-0.5	-0.2	-0.3	-0.2	-0.2	-0.2	-0.2
Santa Barbara City College (thousands of students)	11.9	12.3	12.2	13.7	14.2	15.3	15.8	16.6	17.0	17.5	18.2	18.7	19.2	19.8	20.4	21.0
percent change	3.0	3.4	-1.0	11.9	4.1	7.3	3.6	5.0	2.4	3.2	3.8	2.7	2.9	3.1	2.9	3.1
Employment & Unemployment																
Santa Barbara County Unemployment Rate (percent)	5.8	5.1	4.4	3.9	4.4	4.4	5.1	5.0	4.7	4.3	4.1	4.1	4.1	4.1	4.2	4.2
Santa Barbara County Labor Force (thousands of workers)	190.6	194.1	194.8	197.7	203.0	203.1	206.1	209.5	212.7	216.0	214.2	214.6	216.8	219.1	221.8	224.3
percent change	-0.6	1.8	0.4	1.5	2.7	0.1	1.5	1.7	1.5	1.6	-0.8	0.2	1.0	1.1	1.2	1.1
Santa Barbara County Employment (thousands of workers)	179.5	184.2	186.1	190.0	194.2	194.2	195.5	199.0	202.6	206.7	205.4	205.9	208.0	210.3	212.5	214.8
percent change	0.3	2.6	1.0	2.1	2.2	0.0	0.7	1.8	1.8	2.0	-0.6	0.2	1.1	1.1	1.1	1.1

Sources: CA Department of Finance, County of Santa Barbara, UC Santa Barbara, Santa Barbara City College, and CA Employment Development Department

Table 16: Santa Barbara Income	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
California												<i>estimated</i>	<i>forecast</i>			
Personal Income (\$ billions)	812.4	861.6	931.6	995.3	1,100.7	1,135.3	1,147.7	1,187.0	1,268.1	1,335.4	1,420.2	1,496.4	1,577.0	1,666.4	1,755.8	1,851.8
Personal Income (\$ 2000 billions)	897.5	933.0	990.8	1,030.7	1,100.7	1,093.8	1,078.6	1,089.3	1,131.0	1,145.8	1,170.6	1,198.9	1,229.1	1,260.4	1,292.6	1,326.8
percent change	3.4	4.0	6.2	4.0	6.8	-0.6	-1.4	1.0	3.8	1.3	2.2	2.4	2.5	2.6	2.6	2.7
Median Family Income* (\$ thousands)	48.4	50.0	52.6	54.1	55.2	58.4	60.8	60.3	62.5	62.5	64.1	65.0	66.4	68.2	69.9	71.6
Median Family Income (\$ 2000 thousands)	53.5	54.1	55.9	56.0	55.2	56.3	57.1	55.3	55.7	53.6	52.8	52.1	51.7	51.6	51.5	51.3
percent change	2.0	1.3	3.3	0.1	-1.5	1.9	1.6	-3.2	0.7	-3.8	-1.5	-1.4	-0.7	-0.2	-0.3	-0.3
Los Angeles County (\$ billions)																
Wage & Salary	142.0	149.3	160.1	168.2	179.7	185.3	190.1	196.3	207.6	220.4	234.5	248.0	262.7	278.6	294.9	312.1
Non-Wage	72.4	75.0	80.2	80.9	85.6	91.8	93.1	95.0	100.0	103.4	111.3	117.4	123.7	130.2	137.0	144.1
Div. Int. & Rent	40.6	43.3	47.0	45.8	49.1	51.0	49.7	49.1	51.0	50.9	54.5	57.6	60.8	64.2	67.8	71.6
Transfer Payments	31.7	31.6	33.3	35.2	36.4	40.8	43.4	46.0	49.0	52.5	56.8	59.8	62.9	66.0	69.2	72.5
Residential Adjustments	-18.0	-20.0	-19.5	-19.4	-21.0	-20.1	-20.3	-19.8	-20.5	-20.5	-20.7	-21.7	-22.8	-23.8	-25.0	-26.1
Proprietors Income	26.4	28.1	32.6	34.3	34.8	37.5	38.1	38.5	42.0	43.7	47.2	50.2	53.4	56.5	59.9	63.4
Total Personal Income	222.8	232.4	253.5	264.0	279.1	294.5	301.0	310.0	329.1	347.0	372.2	393.9	417.1	441.6	466.8	493.5
Total Personal Income (\$ 2000)	242.9	249.2	268.0	272.7	279.1	284.9	283.4	284.5	292.2	294.9	303.4	312.0	321.5	331.5	341.4	351.8
percent change	2.8	2.6	7.6	1.7	2.3	2.1	-0.6	0.4	2.7	0.9	2.9	2.8	3.1	3.1	3.0	3.1
Tri-Counties (\$ billions)																
Total Personal Income	34.2	36.4	38.7	41.3	45.1	46.3	47.1	49.3	52.7	56.4	60.3	63.6	67.2	71.3	75.6	80.0
Total Personal Income (\$ 2000)	37.3	39.0	40.9	42.6	45.1	44.8	44.4	45.2	46.8	48.0	49.2	50.4	51.8	53.5	55.3	57.0
percent change	2.6	4.6	5.0	4.1	5.8	-0.7	-0.9	2.0	3.5	2.5	2.5	2.5	2.8	3.3	3.4	3.0
Santa Barbara County (\$ billions)																
Wage & Salary	4.9	5.2	5.6	5.9	6.6	6.8	7.1	7.5	8.1	8.7	9.0	9.2	9.6	10.0	10.4	10.9
Non-Wage	4.1	4.2	4.7	4.9	5.2	5.3	4.9	5.0	5.2	5.5	5.9	6.2	6.6	6.9	7.3	7.6
Div. Int. & Rent	3.0	3.0	3.4	3.6	3.9	3.9	3.4	3.4	3.5	3.7	4.0	4.2	4.4	4.7	4.9	5.2
Transfer Payments	1.2	1.2	1.2	1.3	1.3	1.4	1.5	1.6	1.7	1.8	2.0	2.1	2.1	2.2	2.3	2.4
Residential Adjustments	-0.2	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.5	-0.5	-0.5
Proprietors Income	1.1	1.2	1.3	1.3	1.4	1.3	1.4	1.5	1.6	1.7	1.8	2.0	2.1	2.2	2.3	2.5
Total Personal Income	10.0	10.4	11.3	11.9	12.9	13.1	13.1	13.6	14.5	15.5	16.3	17.0	17.8	18.7	19.5	20.5
Total Personal Income (\$ 2000)	10.9	11.1	11.9	12.3	12.9	12.7	12.3	12.5	12.9	13.2	13.3	13.5	13.7	14.0	14.3	14.6
percent change	2.5	2.0	7.4	2.8	5.1	-1.8	-3.1	1.8	2.8	2.4	0.9	1.2	1.9	2.2	2.0	2.2
Median Family Income* (\$ thousands)	48.3	49.3	51.4	52.1	53.5	56.5	56.8	60.6	64.7	64.7	65.8	67.1	69.0	70.9	72.6	74.6
Median Family Income (\$ 2000 thousands)	52.7	52.9	54.3	53.8	53.5	54.7	53.5	55.6	57.5	55.0	53.6	53.1	53.2	53.2	53.1	53.2
percent change	-0.0	0.4	2.8	-1.0	-0.6	2.2	-2.2	4.0	3.3	-4.3	-2.5	-0.9	0.1	0.0	-0.2	0.1

Sources: CA Department of Finance, U.S. Housing and Urban Development
*Fiscal Year Data.

Table 17: Agriculture, Petroleum, County Fiscal, Financial	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Agriculture												<i>estimated</i>	<i>forecast</i>			
Total Crop Value (millions)	581.6	626.0	611.9	657.0	735.0	709.1	771.7	858.0	905.4	997.6	1016.7	994.9	1011.6	1060.0	1110.4	1154.7
Total Crop Value (millions of 2000 dollars)	634.1	671.2	646.9	678.6	735.0	686.1	726.4	787.3	803.9	847.9	828.8	788.0	779.9	795.8	812.1	823.1
percent change	6.0	5.9	-3.6	4.9	8.3	-6.7	5.9	8.4	2.1	5.5	-2.3	-4.9	-1.0	2.0	2.1	1.4
Earnings per acre (dollars)	5310.1	5634.9	5498.0	5352.1	6162.5	6143.3	6727.5	7303.5	7756.6	7869.4	7934.9	7713.4	7798.0	8114.7	8458.6	8743.7
Earnings per acre (2000 dollars)	5789.0	6042.3	5812.5	5528.5	6162.5	5943.5	6333.1	6701.6	6887.4	6688.7	6468.5	6109.5	6011.7	6092.1	6186.3	6232.8
percent change	5.1	4.4	-3.8	-4.9	11.5	-3.6	6.6	5.8	2.8	-2.9	-3.3	-5.6	-1.6	1.3	1.5	0.8
Total Acreage Used (thousands of acres)	713.3	714.2	714.4	725.7	714.4	710.6	709.6	712.4	711.7	721.7	723.1	723.3	723.5	723.8	723.8	724.0
Harvested Acreage (thousands of acres)	109.5	111.1	111.3	122.8	119.3	115.4	114.7	117.5	116.7	126.8	128.1	129.0	129.7	130.6	131.3	132.1
Grazing Acreage (thousands of acres)	603.8	603.6	603.1	602.9	595.1	595.1	594.9	594.9	594.9	594.9	594.9	594.3	593.8	593.2	592.6	592.0
Rainfall (inches, ave. of Lake Cachuma, SB city and SM city)	14.9	15.4	44.3	14.4	19.6	25.2	8.6	19.3	10.8	33.9	21.2	21.3	21.7	20.1	20.2	20.2
Oil and Gas Production																
Total Oil Production (millions of barrels)	60.8	52.0	42.9	36.6	34.7	32.3	31.0	28.9	26.9	25.0	26.1	25.9	25.7	25.5	25.3	25.1
Offshore Production (millions of barrels)	57.6	48.6	40.2	34.3	32.2	29.7	28.6	26.7	24.8	23.1	24.0	23.8	23.6	23.3	23.1	22.9
Onshore Production (millions of barrels)	3.1	3.4	2.8	2.3	2.5	2.5	2.3	2.2	2.1	1.9	2.1	2.1	2.1	2.1	2.1	2.1
Total Gas Production (millions of cubic feet)	45.3	44.1	41.4	46.4	45.5	42.2	43.5	40.5	40.2	36.6	35.9	35.2	34.2	32.8	31.0	28.5
Offshore Production (millions of cubic feet)	44.3	41.9	39.1	44.2	43.3	39.7	41.5	38.5	38.2	34.7	34.0	33.3	32.3	30.9	29.1	26.6
Onshore Production (millions of cubic feet)	1.0	2.2	2.3	2.2	2.2	2.5	2.0	2.0	2.0	1.9	1.9	1.9	1.9	1.9	1.9	1.9
County Government (Fiscal Year, millions)																
Total Expenditures (millions of dollars)	365.0	372.0	393.0	422.3	440.6	479.8	527.4	533.4	540.2	573.1	629.4	657.8	694.0	731.7	773.3	820.7
Total Expenditures (2000 dollars)	397.9	398.9	415.5	436.3	440.6	464.1	496.5	489.4	479.7	487.1	513.1	521.0	535.1	549.3	565.6	585.0
percent change	-3.6	0.2	4.1	5.0	1.0	5.4	7.0	-1.4	-2.0	1.6	5.3	1.5	2.7	2.7	3.0	3.4
Total Revenues (millions of dollars)	390.1	392.0	410.1	451.7	489.8	530.5	575.3	553.1	567.5	612.8	651.9	679.5	711.5	747.4	785.1	824.3
Total Revenues (2000 dollars)	425.3	420.3	433.5	466.6	489.8	513.3	541.6	507.5	503.9	520.9	531.4	538.2	548.5	561.1	574.2	587.6
percent change	8.8	-1.2	3.1	7.6	5.0	4.8	5.5	-6.3	-0.7	3.4	2.0	1.3	1.9	2.3	2.3	2.3
Sales Tax Collected (millions of dollars)	7.8	6.9	8.6	8.9	10.8	12.2	11.3	8.9	9.1	7.0	7.8	8.0	8.3	8.8	9.3	9.8
Sales Tax Collected (2000 dollars)	8.5	7.4	9.1	9.2	10.8	11.8	10.7	8.2	8.1	6.0	6.4	6.4	6.4	6.6	6.8	7.0
percent change	12.1	-12.6	23.0	1.0	17.1	9.6	-9.7	-23.4	-1.0	-26.4	6.9	-0.1	1.1	2.6	2.9	3.0
Surplus/Deficit (millions of dollars)	25.1	20.0	17.1	29.3	49.2	50.8	47.9	19.7	27.3	39.7	22.5	21.7	17.4	15.7	11.8	3.6
Financial																
Southern California Consumer Price Index (2000=100)	91.7	93.3	94.6	96.8	100.0	103.4	106.2	109.0	112.6	117.7	122.7	126.3	129.7	133.2	136.7	140.3
percent change	1.7	1.7	1.4	2.3	3.3	3.4	2.8	2.6	3.3	4.5	4.3	2.9	2.7	2.7	2.7	2.6
California Consumer Price Index (2000=100)	90.5	92.3	94.0	96.6	100.0	103.8	106.4	109.0	112.1	116.5	121.3	124.8	128.3	132.2	135.8	139.6
percent change	1.8	2.0	1.8	2.7	3.6	3.8	2.5	2.4	2.9	4.0	4.1	2.9	2.8	3.0	2.7	2.7
United States Consumer Price Index (2000=100)	91.1	93.2	94.7	96.7	100.0	102.8	104.5	106.8	109.7	113.4	117.1	118.7	120.9	123.3	125.5	127.7
percent change	2.9	2.3	1.6	2.2	3.4	2.8	1.6	2.3	2.7	3.4	3.2	1.4	1.8	2.0	1.7	1.7
Federal Funds Rate (percent)	5.30	5.46	5.35	4.97	6.24	3.89	1.67	1.13	1.35	3.21	4.96	5.25	5.25	5.25	5.25	5.25
Conventional 30-yr Mortgage Rate, US (percent)	7.81	7.60	6.94	7.43	8.06	6.97	6.54	5.82	5.84	5.87	6.45	6.69	6.57	6.62	6.52	6.84
United States Consumer Sentiment Index (1966Q1=100)	93.6	103.2	104.6	105.8	107.6	89.2	89.6	87.6	95.2	88.6	86.9	88.7	90.5	92.5	93.1	93.6

Sources: Santa Barbara Agricultural Production Report, County of Santa Barbara, U.S. Bureau of Labor Statistics, Board of Governors of the U.S. Federal Reserve, University of Michigan, Santa Barbara Agricultural Commissioner and CA Department of Conservation: Division of Oil, Gas, & Geothermal Resources, UC Santa Barbara Economic Forecast Project.

Table 18: Santa Barbara County Retail Sales	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
California												<i>estimated</i>	<i>forecast</i>			
Retail Sales (\$ billions)	205.7	217.2	229.4	255.6	287.1	294.0	301.6	320.2	350.2	375.8	394.7	416.1	440.0	466.8	492.0	519.3
Retail Sales (\$ 2000 billions)	227.3	235.3	244.0	264.7	287.1	283.2	283.5	293.9	312.3	322.4	325.3	333.3	342.9	353.1	362.2	372.1
percent change	4.0	3.5	3.7	8.5	8.5	-1.3	0.1	3.7	6.3	3.2	0.9	2.5	2.9	3.0	2.6	2.7
Tri-Counties																
Retail Sales (\$ billions)	8.6	9.1	9.7	10.9	12.0	12.7	13.2	14.2	15.2	16.1	17.0	17.9	18.9	20.0	21.1	22.3
Retail Sales (\$ 2000 billions)	9.4	9.8	10.3	11.2	12.0	12.3	12.5	13.0	13.5	13.7	13.9	14.2	14.6	15.0	15.4	15.9
percent change	3.6	4.3	5.1	9.5	6.8	2.1	1.7	4.3	4.0	1.4	1.2	2.4	2.8	2.8	2.9	2.9
Santa Barbara County																
Retail Sales (\$ billions)	2.5	2.7	2.8	3.2	3.4	3.6	3.7	3.9	4.2	4.3	4.3	4.4	4.6	4.8	5.0	5.2
Retail Sales (\$ 2000 billions)	2.8	2.9	3.0	3.3	3.4	3.5	3.5	3.6	3.7	3.7	3.5	3.5	3.5	3.6	3.6	3.7
percent change	4.2	4.2	4.8	8.3	5.1	1.1	1.4	2.0	2.9	0.2	-4.4	-0.3	0.7	1.1	1.5	1.5
Buellton																
Retail Sales (\$ millions)	71.6	84.0	94.9	101.7	108.1	115.7	117.5	119.3	115.8	119.2	116.2	118.9	123.1	127.9	133.3	138.8
Retail Sales (\$ 2000 millions)	78.1	90.1	100.3	105.1	108.1	111.9	110.6	109.5	102.8	101.4	94.8	94.2	94.9	96.0	97.5	98.9
percent change	4.1	15.3	11.4	4.8	2.9	3.5	-1.2	-1.0	-6.1	-1.4	-6.5	-0.6	0.8	1.1	1.5	1.5
Carpinteria																
Retail Sales (\$ millions)	60.7	62.9	59.3	73.7	72.7	66.6	64.9	67.8	71.6	76.9	77.9	79.9	82.6	85.8	89.0	92.3
Retail Sales (\$ 2000 millions)	66.2	67.5	62.7	76.1	72.7	64.5	61.1	62.2	63.6	65.4	63.5	63.3	63.7	64.4	65.1	65.8
percent change	2.9	1.9	-7.1	21.4	-4.5	-11.3	-5.2	1.7	2.3	2.9	-2.9	-0.4	0.7	1.1	1.1	1.1
Guadalupe																
Retail Sales (\$ millions)	11.8	12.5	12.6	11.5	13.3	13.7	14.7	18.4	22.3	26.0	24.1	25.1	26.1	27.3	28.9	30.6
Retail Sales (\$ 2000 millions)	12.9	13.4	13.3	11.9	13.3	13.2	13.9	16.9	19.8	22.1	19.7	19.9	20.1	20.5	21.1	21.8
percent change	5.2	4.0	-0.8	-10.5	11.6	-0.6	5.0	21.6	17.5	11.6	-11.1	0.9	1.2	2.2	3.0	3.0
Lompoc																
Retail Sales (\$ millions)	184.9	189.6	195.1	214.9	223.9	241.1	250.6	263.0	285.2	315.4	317.3	326.9	338.0	350.6	364.0	378.2
Retail Sales (\$ 2000 millions)	201.6	203.3	206.3	222.0	223.9	233.3	235.9	241.3	253.2	268.1	258.6	258.9	260.6	263.2	266.2	269.6
percent change	-0.9	0.9	1.5	7.6	0.9	4.2	1.1	2.3	4.9	5.9	-3.5	0.1	0.7	1.0	1.1	1.2
Santa Barbara City																
Retail Sales (\$ millions)	964.0	1041.0	1098.7	1169.6	1236.0	1245.3	1270.8	1309.3	1375.2	1428.8	1432.2	1468.1	1507.7	1541.5	1576.1	1609.1
Retail Sales (\$ 2000 millions)	1050.9	1116.2	1161.6	1208.1	1236.0	1204.8	1196.3	1201.4	1221.1	1214.4	1167.5	1162.9	1162.4	1157.2	1152.7	1147.0
percent change	6.3	6.2	4.1	4.0	2.3	-2.5	-0.7	0.4	1.6	-0.5	-3.9	-0.4	-0.0	-0.4	-0.4	-0.5
Santa Maria																
Retail Sales (\$ millions)	689.4	735.0	793.5	865.8	946.0	1041.5	1119.2	1190.9	1274.2	1319.3	1322.8	1354.5	1398.6	1457.8	1540.6	1627.0
Retail Sales (\$ 2000 millions)	751.5	788.2	838.9	894.3	946.0	1007.6	1053.6	1092.8	1131.4	1121.3	1078.4	1072.9	1078.2	1094.4	1126.7	1159.8
percent change	5.4	4.9	6.4	6.6	5.8	6.5	4.6	3.7	3.5	-0.9	-3.8	-0.5	0.5	1.5	3.0	2.9
Solvang																
Retail Sales (\$ millions)	66.4	67.1	67.1	70.7	70.0	70.8	69.7	71.3	75.1	78.7	77.9	79.6	80.9	82.5	84.2	86.0
Retail Sales (\$ 2000 millions)	72.3	72.0	70.9	73.0	70.0	68.5	65.6	65.4	66.7	66.9	63.5	63.0	62.4	62.0	61.6	61.3
percent change	1.2	-0.5	-1.5	2.9	-4.2	-2.0	-4.3	-0.3	2.0	0.3	-5.0	-0.8	-1.0	-0.7	-0.6	-0.5
Unincorporated																
Retail Sales (\$ millions)	477.8	484.2	524.3	645.7	753.1	783.9	820.3	862.6	930.6	978.8	962.4	991.2	1041.4	1098.3	1157.9	1220.1
Retail Sales (\$ 2000 millions)	520.8	519.2	554.3	666.9	753.1	758.4	772.2	791.5	826.3	831.9	784.5	785.1	802.9	824.6	846.8	869.7
percent change	1.0	-0.3	6.8	20.3	12.9	0.7	1.8	2.5	4.4	0.7	-5.7	0.1	2.3	2.7	2.7	2.7

Sources: CA State Board of Equalization

Table 19: Santa Barbara County Retail Sales Detail	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
												estimated	forecast			
Total Taxable Sales (\$ billions)	3.5	3.8	4.0	4.4	4.8	5.0	5.1	5.2	5.5	5.8	5.9	6.0	6.2	6.5	6.7	7.0
Total Taxable Sales (\$ 2000 billions)	3.9	4.1	4.3	4.6	4.8	4.8	4.8	4.8	4.9	4.9	4.8	4.8	4.8	4.9	4.9	5.0
percent change	5.0	5.8	4.1	7.5	5.5	0.5	-1.6	0.8	2.3	0.3	-3.2	-0.1	0.7	1.1	1.5	1.5
Wholesale Taxable Sales (\$ millions)	819.3	908.7	944.5	1026.0	1142.1	1181.7	1096.0	1093.4	1148.4	1217.7	1275.4	1317.5	1364.1	1418.0	1476.5	1537.3
Wholesale Taxable Sales (\$ 2000 millions)	893.2	974.4	998.6	1059.8	1142.1	1143.2	1031.7	1003.3	1019.7	1035.0	1039.7	1043.5	1051.6	1064.5	1079.9	1095.8
percent change	8.3	9.1	2.5	6.1	7.8	0.1	-9.8	-2.8	1.6	1.5	0.5	0.4	0.8	1.2	1.4	1.5
Business Services (\$ millions)	198.5	227.0	234.3	247.1	258.1	249.5	244.8	244.2	243.1	246.1	252.0	260.2	269.2	279.3	290.9	304.0
Business Services (\$ 2000 millions)	216.4	243.4	247.7	255.2	258.1	241.4	230.4	224.1	215.9	209.1	205.4	206.1	207.6	209.7	212.7	216.7
percent change	2.6	12.5	1.8	3.0	1.1	-6.5	-4.6	-2.7	-3.7	-3.1	-1.8	0.3	0.7	1.0	1.4	1.9
Retail Sales (\$ billions)	2.5	2.7	2.8	3.2	3.4	3.6	3.7	3.9	4.2	4.3	4.3	4.4	4.6	4.8	5.0	5.2
Retail Sales (\$ 2000 billions)	2.8	2.9	3.0	3.3	3.4	3.5	3.5	3.6	3.7	3.7	3.5	3.5	3.5	3.6	3.6	3.7
percent change	4.2	4.2	4.8	8.3	5.1	1.1	1.4	2.0	2.9	0.2	-4.4	-0.3	0.7	1.1	1.5	1.5
Apparel Sales (\$ millions)	128.2	126.0	118.5	119.1	120.1	124.6	140.3	150.1	171.0	187.5	189.4	194.5	201.4	209.1	218.1	227.3
Apparel Sales (\$ 2000 millions)	139.8	135.1	125.3	123.0	120.1	120.6	132.1	137.8	151.8	159.4	154.4	154.1	155.2	157.0	159.5	162.0
percent change	-1.1	-3.4	-7.2	-1.8	-2.4	0.4	9.5	4.3	10.2	5.0	-3.1	-0.2	0.8	1.1	1.6	1.6
Bldg Mat'l and Farm (\$ millions)	211.1	234.4	262.1	321.2	349.9	379.4	393.1	427.1	484.3	514.3	519.6	533.8	553.0	574.4	599.4	625.1
Bldg Mat'l and Farm (\$ 2000 millions)	230.1	251.3	277.1	331.7	349.9	367.1	370.1	391.9	430.0	437.1	423.6	422.8	426.3	431.2	438.3	445.6
percent change	3.8	9.2	10.3	19.7	5.5	4.9	0.8	5.9	9.7	1.7	-3.1	-0.2	0.8	1.2	1.6	1.6
Autos/Supplies/Gas (\$ millions)	589.4	609.8	640.3	719.8	809.7	877.8	944.7	1001.3	1055.1	1087.1	1067.3	1098.6	1140.6	1187.8	1242.7	1299.5
Autos/Supplies/Gas (\$ 2000 millions)	642.6	653.9	676.9	743.6	809.7	849.3	889.3	918.8	936.8	924.0	870.0	870.1	879.4	891.7	908.8	926.3
percent change	8.2	1.8	3.5	9.9	8.9	4.9	4.7	3.3	2.0	-1.4	-5.8	0.0	1.1	1.4	1.9	1.9
Eating and Drinking (\$ millions)	370.5	390.6	417.3	445.4	483.8	511.5	533.8	553.9	585.9	624.4	628.7	643.6	664.2	687.3	714.3	742.0
Eating and Drinking (\$ 2000 millions)	403.9	418.8	441.2	460.0	483.8	494.9	502.5	508.3	520.3	530.7	512.5	509.7	512.0	516.0	522.4	528.9
percent change	3.2	3.7	5.3	4.3	5.2	2.3	1.5	1.1	2.4	2.0	-3.4	-0.5	0.4	0.8	1.3	1.2
Food Stores (\$ millions)	228.8	219.4	220.4	225.4	228.8	235.0	242.4	246.9	248.7	271.4	271.2	278.4	288.2	299.2	312.0	325.2
Food Stores (\$ 2000 millions)	249.4	235.2	233.0	232.9	228.8	227.4	228.2	226.6	220.8	230.6	221.1	220.5	222.2	224.6	228.2	231.8
percent change	4.1	-5.7	-0.9	-0.1	-1.8	-0.6	0.4	-0.7	-2.6	4.5	-4.1	-0.3	0.8	1.1	1.6	1.6
General Merchandise (\$ millions)	445.8	472.7	512.5	592.2	625.2	639.2	644.6	662.9	685.7	685.7	686.1	705.1	730.8	759.5	792.9	827.4
General Merchandise (\$ 2000 millions)	486.0	506.8	541.8	611.7	625.2	618.4	606.8	608.3	608.8	582.8	559.3	558.5	563.4	570.2	579.9	589.8
percent change	0.9	4.3	6.9	12.9	2.2	-1.1	-1.9	0.3	0.1	-4.3	-4.0	-0.1	0.9	1.2	1.7	1.7
Home Furnish./Appl. (\$ millions)	121.8	122.0	130.9	139.4	171.8	160.5	174.0	181.4	190.7	196.3	196.7	202.4	210.0	218.6	228.5	238.8
Home Furnish./Appl. (\$ 2000 millions)	132.8	130.9	138.4	144.0	171.8	155.3	163.8	166.4	169.3	166.9	160.3	160.3	161.9	164.1	167.1	170.2
percent change	7.3	-1.4	5.8	4.0	19.3	-9.6	5.5	1.6	1.7	-1.4	-3.9	-0.0	1.0	1.3	1.8	1.8
Other Retail (\$ millions)	91.0	150.7	162.3	169.7	175.2	178.3	179.5	199.6	212.8	239.8	239.2	245.1	253.1	262.1	272.7	283.5
Other Retail (\$ 2000 millions)	99.2	161.6	171.5	175.3	175.2	172.5	169.0	183.1	188.9	203.9	195.0	194.1	195.1	196.8	199.4	202.1
percent change	8.4	62.8	6.2	2.2	-0.1	-1.5	-2.1	8.4	3.2	7.9	-4.3	-0.5	0.5	0.9	1.3	1.3
Specialty Stores (\$ millions)	324.6	350.8	381.2	421.2	458.7	472.8	475.4	479.3	515.9	536.7	532.6	542.6	557.2	573.8	593.4	613.3
Specialty Stores (\$ 2000 millions)	353.8	376.1	403.0	435.1	458.7	457.4	447.5	439.8	458.1	456.2	434.1	429.7	429.6	430.8	434.0	437.2
percent change	4.0	6.3	7.1	8.0	5.4	-0.3	-2.2	-1.7	4.2	-0.4	-4.8	-1.0	-0.0	0.3	0.8	0.7

Sources: CA State Board of Equalization

Table 20: Santa Barbara County Tourism and Air Travel	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	
												<i>estimated</i>	<i>forecast</i>				
Hotel/Motel Occupancy																	
Santa Barbara/Santa Maria Hotel/Motel Occupancy Rate	74.1	77.2	76.2	77.7	78.9	73.9	72.7	71.2	71.3	72.9	71.6	71.4	71.5	71.5	71.6	71.6	
South Coast Hotel/Motel Occupancy Rate	107.7	110.8	117.8	132.5	153.2	145.8	131.1	127.8	131.5	134.1	140.2	145.2	150.2	155.1	160.1	165.1	
Hotel/Motel Room Sales																	
Santa Barbara County (\$ thousands)	146.1	159.7	167.8	183.5	201.8	220.8	215.2	221.0	249.3	256.7	283.0	297.1	310.9	326.3	343.4	363.6	
Santa Barbara County (\$ 2000 thousands)	159.3	171.2	177.4	189.5	201.8	213.6	202.5	202.8	221.3	218.2	230.7	235.4	239.7	245.0	251.1	259.2	
percent change	8.9	7.5	3.6	6.9	6.5	5.8	-5.2	0.1	9.1	-1.4	5.7	2.0	1.8	2.2	2.5	3.2	
Buellton (\$ thousands)	5.7	6.4	6.8	7.2	7.9	8.5	8.6	8.6	9.5	10.3	11.5	12.2	12.9	13.8	14.7	15.7	
Buellton (\$ 2000 thousands)	6.3	6.8	7.2	7.4	7.9	8.2	8.1	7.9	8.4	8.8	9.3	9.6	10.0	10.3	10.7	11.2	
percent change	5.1	9.4	5.7	3.0	5.7	3.9	-1.2	-2.0	6.5	4.2	6.4	3.1	3.4	3.8	3.9	4.0	
Carpinteria (\$ thousands)	5.9	6.3	7.0	7.3	8.3	10.3	10.1	10.4	10.7	11.8	12.4	13.0	13.4	13.9	14.4	15.1	
Carpinteria (\$ 2000 thousands)	6.4	6.8	7.4	7.6	8.3	10.0	9.5	9.5	9.5	10.0	10.1	10.3	10.3	10.4	10.6	10.8	
percent change	16.9	5.3	9.0	2.4	9.4	20.7	-5.1	0.7	0.0	5.0	1.3	1.3	0.7	0.8	1.1	2.2	
Lompoc (\$ thousands)	6.4	6.7	7.0	7.6	8.5	8.7	9.8	9.7	10.8	12.2	12.3	12.6	12.8	13.2	13.8	14.4	
Lompoc (\$ 2000 thousands)	7.0	7.2	7.4	7.8	8.5	8.4	9.3	8.9	9.6	10.4	10.0	9.9	9.9	9.9	10.1	10.2	
percent change	7.2	3.1	2.5	5.8	7.9	-0.9	10.5	-4.1	7.7	8.8	-3.8	-0.6	-0.7	0.5	1.5	1.6	
Santa Barbara City (\$ thousands)	67.6	74.3	78.5	86.8	93.8	93.9	82.0	89.6	103.9	110.8	120.3	128.6	136.0	144.1	152.8	164.1	
Santa Barbara City (\$ 2000 thousands)	73.7	79.7	83.0	89.7	93.8	90.9	77.2	82.3	92.3	94.2	98.1	101.9	104.8	108.2	111.8	117.0	
percent change	12.5	8.2	4.1	8.1	4.6	-3.1	-15.1	6.6	12.2	2.1	4.1	3.9	2.9	3.2	3.3	4.7	
Santa Maria (\$ thousands)	11.7	11.7	13.4	14.7	15.8	20.0	15.4	16.6	21.5	22.0	22.1	22.3	22.7	23.4	24.3	25.3	
Santa Maria (\$ 2000 thousands)	12.7	12.5	14.1	15.2	15.8	19.4	14.5	15.2	19.1	18.7	18.1	17.7	17.5	17.6	17.8	18.0	
percent change	11.5	-1.5	12.6	7.4	4.4	22.3	-25.4	5.1	25.4	-1.9	-3.4	-2.2	-0.8	0.2	1.3	1.2	
Solvang (\$ thousands)	14.1	14.7	13.5	13.4	16.1	14.4	16.6	16.3	17.4	18.5	22.2	23.2	24.2	25.1	26.0	27.0	
Solvang (\$ 2000 thousands)	15.3	15.8	14.3	13.8	16.1	13.9	15.6	15.0	15.5	15.7	18.1	18.4	18.6	18.8	19.0	19.2	
percent change	13.0	3.0	-9.7	-3.0	16.5	-13.6	12.1	-4.1	3.4	1.4	15.1	1.8	1.2	1.1	0.9	1.2	
Unincorporated Area (\$ thousands)	22.9	26.5	26.9	30.2	33.5	33.2	29.6	29.6	29.6	29.6	29.6	30.2	31.1	32.2	33.5	34.8	
Unincorporated Area (\$ 2000 thousands)	24.9	28.5	28.5	31.2	33.5	32.1	27.9	27.2	26.3	25.2	24.1	23.9	24.0	24.2	24.5	24.8	
percent change	-2.1	14.1	0.0	9.4	7.6	-4.3	-13.2	-2.5	-3.2	-4.3	-4.1	-0.8	0.1	1.0	1.3	1.3	
Goleta* (\$ thousands)	11.8	12.9	14.7	16.3	17.9	31.9	41.1	42.7	43.1	46.5	52.6	55.2	58.1	61.0	64.2	67.6	
Goleta* (\$ 2000 thousands)	12.9	13.9	15.5	16.9	17.9	30.8	38.7	39.2	38.3	39.5	42.9	43.8	44.8	45.8	47.0	48.2	
percent change	5.5	7.5	11.7	8.7	6.3	72.0	25.5	1.2	-2.2	3.2	8.5	2.1	2.3	2.3	2.6	2.6	
Montecito (\$ thousands)	21.5	24.1	25.8	28.0	31.1	26.4	23.0	23.3	22.9	20.2	20.6	20.9	21.5	22.3	23.2	24.1	
Montecito (\$ 2000 thousands)	23.4	25.8	27.3	28.9	31.1	25.6	21.7	21.4	20.3	17.2	16.8	16.6	16.6	16.8	17.0	17.2	
percent change	5.8	10.2	5.8	5.7	7.6	-17.8	-15.2	-1.1	-5.2	-15.5	-2.4	-1.0	0.1	1.0	1.3	1.4	
Other Unincorporated (\$ thousands)	1.4	2.5	1.1	2.2	2.4	6.7	8.6	3.8	9.4	4.4	9.0	9.3	9.6	9.9	10.3	10.7	
Other Unincorporated (\$ 2000 thousands)	1.5	2.6	1.1	2.3	2.4	6.5	8.1	3.5	8.4	3.8	7.3	7.3	7.4	7.4	7.5	7.6	
percent change	-54.9	75.5	-56.8	97.5	7.8	168.1	24.8	-57.0	139.3	-55.2	95.3	0.1	0.3	1.1	1.1	1.2	
Air Travel																	
Santa Barbara Airport Passengers (thousands)	673.8	845.1	823.2	792.5	776.9	725.1	728.3	752.8	823.9	854.5	856.3	863.1	876.8	888.5	899.3	911.1	
percent change	27.0	25.4	-2.6	-3.7	-2.0	-6.7	0.4	3.4	9.5	3.7	0.2	0.8	1.6	1.3	1.2	1.3	
Santa Maria Airport Passengers (thousands)	99.0	99.7	79.9	84.3	84.8	71.9	70.3	75.0	82.6	82.5	103.2	107.6	111.8	115.6	119.0	121.5	
percent change	-15.7	0.7	-19.9	5.5	0.5	-15.2	-2.2	6.7	10.2	-0.1	25.1	4.3	3.8	3.5	2.9	2.1	

Sources: Santa Barbara County and City Governments, Santa Barbara Airport, Santa Maria Airport, California Hotel and Motel Association, Santa Barbara Conference and Visitor's Bureau and Film Commission.

Table 21: Santa Barbara County Real Estate	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
California												<i>estimated</i>	<i>forecast</i>			
Median Home Price (\$ thousands) *	177.3	186.5	200.1	217.5	241.4	262.4	316.1	371.5	450.8	524.0	557.8	567.7	595.3	632.5	675.9	720.4
Median Home Price (\$ 2000 thousands)	195.8	202.0	212.8	225.2	241.4	252.8	297.1	340.9	402.1	449.6	459.7	454.8	464.0	478.4	497.6	516.1
percent change	-2.3	3.1	5.4	5.8	7.2	4.7	17.5	14.8	17.9	11.8	2.3	-1.1	2.0	3.1	4.0	3.7
Santa Barbara County																
Median Home Price (\$ thousands) *	211.9	242.2	243.7	272.7	302.3	335.5	376.4	427.9	551.7	674.4	719.1	713.8	719.0	750.5	794.2	839.7
Median Home Price (\$ 2000 thousands)	231.1	259.7	257.6	281.7	302.3	324.6	354.3	392.6	489.9	573.2	586.2	565.4	554.3	563.4	580.8	598.6
percent change	0.1	12.4	-0.8	9.4	7.3	7.4	9.1	10.8	24.8	17.0	2.3	-3.5	-2.0	1.7	3.1	3.1
Number of Home Sales *	2181	2455	2604	2874	2905	2774	3098	2901	2900	2607	2018	1993	2057	2228	2380	2523
percent change **	8.1	12.6	6.1	10.4	1.1	-4.5	11.7	-6.4	-0.0	-10.1	-22.6	-1.2	3.2	8.3	6.8	6.0
Total Units Permitted	775	903	1026	915	924	1245	1614	1549	1406	980	850	743	991	1102	1124	1170
single family	695	546	798	601	731	858	904	1186	956	711	597	489	619	709	727	769
multiple family	80	357	228	314	193	387	710	363	450	269	253	255	372	394	397	401
Residential Building Value (\$ millions)	162.8	173.4	217.3	225.3	233.8	283.1	356.6	409.7	357.5	340.5	318.1	318.0	375.0	407.7	415.4	494.0
Non-residential Building Value (\$ millions)	73.1	96.6	129.9	142.3	133.2	134.2	142.1	130.1	118.0	162.3	181.3	170.1	173.6	183.7	193.0	203.4
Office segment building value (\$ millions)	3.4	4.3	12.1	14.7	14.8	14.2	12.2	16.9	14.4	30.0	5.6	5.8	5.8	6.1	6.4	6.7
Retail segment building value (\$ millions)	10.4	14.7	17.4	19.1	14.2	30.4	18.7	14.0	11.5	14.3	17.3	13.5	11.2	12.9	14.7	16.5
Industrial segment building value (\$ millions)	4.5	3.1	14.5	18.8	16.5	7.6	4.5	5.4	8.3	10.2	14.7	9.5	10.4	11.7	13.3	14.9
Total Building Value (\$ millions)	235.9	270.0	347.2	367.7	367.0	417.3	498.7	539.8	475.5	502.8	499.5	488.1	548.7	591.4	608.4	697.4
Residential Vacancy Rates (percent)																
Buellton	6.7	6.7	6.7	6.7	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Carpinteria	9.2	9.2	9.2	9.2	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7
Guadalupe	1.9	1.9	1.9	1.9	2.5	2.5	2.5	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Lompoc	5.7	5.0	5.0	5.0	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1
Santa Barbara City	5.2	5.2	5.2	5.2	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Unincorporated SB County	7.1	6.7	6.7	7.1	4.9	4.8	4.7	5.2	5.2	5.4	5.4	5.4	5.4	5.4	5.4	5.4
Santa Maria	5.9	5.9	5.9	5.9	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Solvang	7.8	7.8	7.8	7.8	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
County of Santa Barbara	6.3	6.1	6.1	6.2	4.4	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
Housing Stock (thousands of homes)																
Carpinteria	5.5	5.6	5.6	5.6	5.5	5.5	5.5	5.5	5.5	5.5	5.6	5.6	5.6	5.6	5.6	5.7
Guadalupe	1.5	1.6	1.6	1.6	1.5	1.5	1.5	1.6	1.6	1.6	1.7	1.7	1.7	1.8	1.8	1.9
Lompoc	13.8	13.9	13.9	13.9	13.6	13.8	13.8	13.8	13.9	14.0	14.1	14.1	14.2	14.3	14.4	14.5
Santa Barbara City	36.4	36.7	36.7	36.8	37.1	37.1	37.2	37.2	37.3	37.4	37.5	37.6	37.7	37.9	38.0	38.1
Unincorporated SB County	58.7	59.1	59.3	60.0	58.7	58.9	59.1	48.5	48.6	49.0	49.4	49.7	50.1	50.4	50.8	51.1
Santa Maria	23.0	23.1	23.3	23.5	22.8	23.1	23.6	24.1	25.2	26.3	26.5	26.7	26.9	27.3	27.7	28.2
County of Santa Barbara	142.6	143.6	144.0	145.1	142.9	143.7	144.6	146.2	147.7	149.4	150.3	151.0	152.0	153.1	154.2	155.4

Sources: CA Association of Realtors, Construction Industry Research Board, CA Department of Finance.
 * Existing Single-Family Homes. **Based on a sample. Use the "Percent Change" rather than the Sales value.

Table 22: City Level Home Prices & Sales, South County	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
South Coast												<i>estimated</i>	<i>forecast</i>			
Median Home Price (\$ thousands) *	322.0	369.0	427.0	494.0	585.0	655.0	765.0	859.0	1,020.0	1,198.0	1,262.5	1,292.3	1,355.8	1,413.6	1,491.4	1,563.0
Median Home Price (\$ 2000 thousands)	351.0	395.7	451.4	510.3	585.0	633.7	720.2	788.2	905.7	1,018.3	1,029.2	1,023.6	1,045.3	1,061.3	1,090.8	1,114.1
percent change	1.1	12.7	14.1	13.0	14.6	8.3	13.6	9.5	14.9	12.4	1.1	-0.5	2.1	1.5	2.8	2.1
Number of Home Sales *	1144	1384	1318	1281	1267	1068	1132	1144	1191	1049	889	872	1066	1141	1186	1219
Carpinteria/Summerland																
Median Home Price (\$ thousands) *	280.0	349.0	389.0	417.3	545.0	649.0	749.0	725.0	920.0	1,295.0	1,250.0	1,260.3	1,300.0	1,367.0	1,455.7	1,529.4
Median Home Price (\$ 2000 thousands)	305.3	374.2	411.3	431.0	545.0	627.9	705.1	665.2	816.9	1,100.7	1,019.0	998.2	1,002.2	1,026.2	1,064.6	1,090.2
percent change	3.5	22.6	9.9	4.8	26.4	15.2	12.3	-5.7	22.8	34.7	-7.4	-2.0	0.4	2.4	3.7	2.4
Number of Home Sales *	75	100	82	99	90	76	98	96	85	66	61	58	73	79	84	87
Montecito																
Median Home Price (\$ thousands) *	645.0	760.0	950.0	1,121.8	1,410.0	1,595.0	1,675.0	1,900.0	2,505.0	2,450.0	2,700.0	2,868.5	2,984.2	3,122.7	3,285.3	3,445.6
Median Home Price (\$ 2000 thousands)	703.2	814.9	1,004.4	1,158.8	1,410.0	1,543.1	1,576.8	1,743.4	2,224.3	2,082.4	2,201.0	2,272.0	2,300.7	2,344.4	2,402.8	2,456.1
percent change	1.5	15.9	23.2	15.4	21.7	9.4	2.2	10.6	27.6	-6.4	5.7	3.2	1.3	1.9	2.5	2.2
Number of Home Sales *	181	216	198	204	215	164	205	196	200	200	164	160	228	243	245	247
Santa Barbara East of State St.																
Median Home Price (\$ thousands) *	326.4	410.0	475.0	521.0	625.0	719.0	795.0	950.0	1,115.0	1,310.0	1,255.0	1,261.9	1,297.4	1,346.7	1,424.9	1,492.2
Median Home Price (\$ 2000 thousands)	355.8	439.6	502.2	538.1	625.0	695.6	748.4	871.7	990.1	1,113.4	1,023.1	999.5	1,000.2	1,011.0	1,042.1	1,063.7
percent change	-1.0	23.6	14.2	7.2	16.1	11.3	7.6	16.5	13.6	12.5	-8.1	-2.3	0.1	1.1	3.1	2.1
Number of Home Sales *	318	344	346	316	338	271	279	274	304	273	235	230	274	293	305	317
Santa Barbara West of State St.																
Median Home Price (\$ thousands) *	281.1	327.0	362.0	415.9	500.0	600.0	675.0	766.0	915.0	1,056.0	1,012.5	1,021.1	1,052.2	1,094.6	1,160.7	1,218.2
Median Home Price (\$ 2000 thousands)	306.5	350.6	382.7	429.6	500.0	580.5	635.4	702.9	812.5	897.6	825.4	808.8	811.2	821.8	848.9	868.4
percent change	1.1	14.4	9.1	12.2	16.4	16.1	9.5	10.6	15.6	10.5	-8.0	-2.0	0.3	1.3	3.3	2.3
Number of Home Sales *	220	293	302	283	287	251	253	229	234	213	181	176	210	227	239	243
Hope Ranch																
Median Home Price (\$ thousands) *	807.9	925.0	1,075.0	1,138.0	1,800.0	1,725.0	1,850.0	1,925.0	2,241.0	2,700.0	2,550.0	2,524.1	2,532.5	2,619.2	2,734.7	2,882.0
Median Home Price (\$ 2000 thousands)	880.8	991.9	1,136.5	1,175.5	1,800.0	1,668.9	1,741.5	1,766.4	1,989.9	2,294.9	2,078.7	1,999.2	1,952.4	1,966.4	2,000.1	2,054.4
percent change	7.7	12.6	14.6	3.4	53.1	-7.3	4.4	1.4	12.7	15.3	-9.4	-3.8	-2.3	0.7	1.7	2.7
Number of Home Sales *	34	53	44	41	20	21	24	34	33	27	17	50	91	91	92	92
Goleta North of Hwy 101																
Median Home Price (\$ thousands) *	282.0	334.0	375.0	417.4	483.0	549.0	648.9	739.0	900.0	993.0	940.0	937.2	972.5	1,023.2	1,089.1	1,145.4
Median Home Price (\$ 2000 thousands)	307.4	358.1	396.5	431.2	483.0	531.1	610.9	678.1	799.1	844.0	766.3	742.3	749.7	768.1	796.6	816.5
percent change	0.1	16.5	10.7	8.8	12.0	10.0	15.0	11.0	17.9	5.6	-9.2	-3.1	1.0	2.5	3.7	2.5
Number of Home Sales *	212	264	226	233	211	190	183	193	228	187	145	138	138	147	155	159
Goleta South of Hwy 101																
Median Home Price (\$ thousands) *	253.0	275.0	319.0	359.1	433.0	475.5	599.0	675.0	852.0	925.0	905.0	904.5	935.5	986.6	1,040.1	1,085.3
Median Home Price (\$ 2000 thousands)	275.8	294.9	337.3	370.9	433.0	460.0	563.9	619.4	756.5	786.2	737.7	716.4	721.2	740.7	760.7	773.6
percent change	-1.8	6.9	14.4	10.0	16.7	6.2	22.6	9.8	22.1	3.9	-6.2	-2.9	0.7	2.7	2.7	1.7
Number of Home Sales *	104	114	120	105	106	95	90	122	107	83	86	82	113	121	127	130

Sources: Santa Barbara Multiple Listing Service

*Includes single family units; and includes new as well as existing units.

Table 23: City Level Home Prices & Sales, North County	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
North Santa Barbara County (1)												<i>estimated</i>	<i>forecast</i>			
Median Home Price (\$ thousands) *	123.6	123.6	130.0	136.2	155.8	186.0	239.8	288.7	364.2	433.3	444.4	454.7	482.0	512.3	544.4	575.3
Median Home Price (\$ 2000 thousands)	134.7	132.5	137.4	140.7	155.8	179.9	225.7	264.9	323.4	368.3	362.3	360.1	371.6	384.6	398.1	410.1
percent change	-2.2	-1.6	3.7	2.4	10.7	15.5	25.4	17.4	22.1	13.9	-1.7	-0.6	3.2	3.5	3.5	3.0
Number of Home Sales *	1,833	1,901	2,232	2,346	2,090	2,201	2,119	2,334	2,828	2,857	1,700	1,631	1,701	1,786	1,871	1,946
Buellton																
Median Home Price (\$ thousands) *	170.0	172.4	182.6	230.5	272.2	318.4	371.2	457.6	577.5	672.6	688.4	713.2	747.1	792.2	834.4	878.0
Median Home Price (\$ 2000 thousands)	185.3	184.9	193.1	238.1	272.2	308.0	349.5	419.9	512.8	571.6	561.2	564.9	576.0	594.8	610.2	625.9
percent change	1.5	-0.2	4.4	23.3	14.3	13.2	13.4	20.1	22.1	11.5	-1.8	0.7	2.0	3.3	2.6	2.6
Number of Home Sales *	65	57	78	74	56	61	51	57	95	52	55	54	56	59	60	62
Lompoc																
Median Home Price (\$ thousands) *	124.2	123.7	129.3	133.7	153.1	185.0	235.7	283.8	363.2	417.9	423.9	428.0	450.8	478.1	508.7	537.9
Median Home Price (\$ 2000 thousands)	135.4	132.7	136.7	138.1	153.1	179.0	221.8	260.4	322.5	355.2	345.6	339.0	347.6	358.9	372.0	383.4
percent change	-4.3	-2.0	3.0	1.0	10.9	16.9	24.0	17.4	23.9	10.1	-2.7	-1.9	2.5	3.3	3.7	3.1
Number of Home Sales *	570	566	712	707	642	656	630	654	714	721	457	420	444	460	476	492
Santa Maria																
Median Home Price (\$ thousands) *	123.9	124.0	130.8	138.4	158.2	188.1	243.7	293.3	366.9	440.5	447.0	458.3	487.2	518.1	549.7	580.3
Median Home Price (\$ 2000 thousands)	135.1	133.0	138.3	143.0	158.2	181.9	229.4	269.1	325.8	374.4	364.4	363.0	375.6	388.9	402.1	413.7
percent change	-1.2	-1.5	4.0	3.4	10.7	15.0	26.1	17.3	21.1	14.9	-2.7	-0.4	3.5	3.6	3.4	2.9
Number of Home Sales *	1238	1307	1501	1600	1423	1496	1439	1621	2054	2077	1182	1147	1198	1271	1340	1399
Solvang																
Median Home Price (\$ thousands) *	216.1	228.8	244.7	309.3	327.0	392.5	451.8	575.8	721.6	813.9	812.1	818.4	847.6	903.4	953.3	1,005.5
Median Home Price (\$ 2000 thousands)	235.6	245.4	258.7	319.5	327.0	379.8	425.4	528.3	640.8	691.7	662.0	648.2	653.4	678.2	697.2	716.8
percent change	-12.4	4.2	5.4	23.5	2.4	16.1	12.0	24.2	21.3	8.0	-4.3	-2.1	0.8	3.8	2.8	2.8
Number of Home Sales *	76	142	178	154	133	107	129	131	132	130	80	78	94	109	108	96
Santa Ynez																
Median Home Price (\$ thousands) *	224.9	242.0	279.4	317.1	383.1	469.4	550.6	656.7	771.6	807.2	834.1	836.3	862.6	916.0	962.8	1,011.5
Median Home Price (\$ 2000 thousands)	245.1	259.5	295.4	327.5	383.1	454.1	518.3	602.5	685.1	686.1	679.9	662.4	665.0	687.6	704.1	721.1
percent change	10.3	5.9	13.8	10.9	17.0	18.6	14.1	16.3	13.7	0.1	-0.9	-2.6	0.4	3.4	2.4	2.4
Number of Home Sales *	63	81	94	77	41	29	50	48	48	44	26	23	23	25	27	30

Sources: First American Real Estate Solutions

*Includes single family units; and includes new as well as existing units. (1) Includes: Guadalupe, Lompoc, and Santa Maria.

Table 24: City Level Building Activity - Part 1	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
												<i>estimated</i>	<i>forecast</i>			
<i>Number of Homes Permitted or Millions of Dollars</i>																
Carpinteria																
Total Housing Units Permitted	14	2	20	18	43	8	1	5	4	14	63	8	12	16	18	18
Single Family Units	4	0	14	15	4	8	1	1	1	5	14	2	4	6	6	6
Multiple Family Units	10	2	6	3	39	0	0	4	3	9	49	6	8	10	12	12
Residential Building Value	1.6	0.8	4.5	6.3	5.7	2.7	1.5	1.7	2.5	5.4	11.8	2.7	4.0	4.7	5.0	5.1
Non-Residential Building Value	1.1	2.0	18.5	2.9	0.8	5.8	0.8	1.2	1.4	2.8	2.6	2.9	3.0	3.0	3.1	3.2
Office Bldg Value	0.0	1.5	8.4	0.0	0.0	2.6	0.0	0.0	0.0	0.0	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	0.0	0.5	0.0	1.2	1.1	0.1	0.2	0.2	0.2	0.2
Industrial Bldg Value	0.0	0.0	0.2	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Building Value	2.7	2.8	23.0	9.2	6.6	8.5	2.3	3.0	3.9	8.2	14.4	5.6	6.9	7.7	8.1	8.3
Guadalupe																
Total Housing Units Permitted	4	0	0	29	22	111	130	11	100	31	42	24	45	51	53	57
Single Family Units	4	0	0	29	22	103	50	11	1	14	20	14	22	28	30	34
Multiple Family Units	0	0	0	0	0	8	80	0	99	17	22	10	23	23	23	23
Residential Building Value	0.6	0.1	0.0	4.6	3.5	18.3	22.5	1.9	6.6	2.3	2.8	2.0	3.2	3.8	4.3	4.8
Non-Residential Building Value	0.2	0.0	1.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.2	0.2	0.2	0.2	0.2
Office Bldg Value	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
Retail Bldg Value	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
Industrial Bldg Value	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
Total Building Value	0.7	0.1	1.1	4.6	3.5	18.3	22.5	1.9	6.6	2.3	3.0	2.1	3.4	4.0	4.5	5.1
Lompoc																
Total Housing Units Permitted	31	0	50	93	0	4	21	74	34	25	64	32	62	108	108	93
Single Family Units	31	0	0	1	0	0	21	72	30	25	29	14	32	70	70	55
Multiple Family Units	0	0	50	92	0	4	0	2	4	0	35	18	30	38	38	38
Residential Building Value	6.2	2.0	8.9	10.6	8.2	3.5	9.6	27.6	9.9	9.5	14.7	8.5	12.8	18.5	19.8	19.3
Non-Residential Building Value	2.3	4.9	4.0	7.8	14.5	7.7	8.7	4.1	4.3	3.5	7.0	5.9	5.2	5.7	5.2	4.7
Office Bldg Value	0.0	0.0	0.0	0.0	0.0	0.0	2.9	0.0	0.0	0.0	0.6	0.5	0.4	0.5	0.4	0.4
Retail Bldg Value	1.1	1.3	0.0	0.0	1.6	5.7	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Industrial Bldg Value	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	0.0	0.0
Total Building Value	8.6	6.9	12.9	18.4	22.7	11.2	18.3	31.7	14.2	13.1	21.6	14.4	18.1	24.2	24.9	23.9

Sources: Construction Industry Research Board, City of Guadalupe

Table 25: City Level Building Activity - Part 2

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
												<i>estimated</i>	<i>forecast</i>			
<i>Number of Homes Permitted or Millions of Dollars</i>																
Santa Barbara City																
Total Housing Units Permitted	140	193	57	59	55	106	138	115	120	256	108	72	104	131	135	132
Single Family Units	94	32	51	41	33	44	39	61	56	46	27	22	40	46	47	48
Multiple Family Units	46	161	6	18	22	62	99	54	64	210	81	50	64	85	88	84
Residential Building Value	27.0	31.9	24.7	27.9	17.4	28.7	52.8	59.4	46.6	82.1	69.2	52.0	70.1	90.2	97.2	103.4
Non-Residential Building Value	20.9	37.9	30.8	25.4	38.3	29.7	43.0	40.0	21.3	71.7	65.1	50.9	54.4	58.1	62.0	66.1
Office Bldg Value	0.0	2.1	0.8	5.4	3.2	0.0	0.4	0.0	1.3	22.6	0.0	0.0	0.0	0.0	0.0	0.0
Retail Bldg Value	1.9	7.3	1.1	4.9	6.1	2.7	5.3	4.2	3.3	7.2	4.5	3.0	3.2	3.5	3.8	4.2
Industrial Bldg Value	0.0	0.0	0.0	0.0	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Building Value	48.0	69.7	55.5	53.4	55.7	58.4	95.8	99.3	67.9	153.8	134.2	102.9	124.5	148.3	159.2	169.6
Santa Maria																
Total Housing Units Permitted	209	258	229	246	333	762	984	976	765	317	223	180	274	375	410	425
Single Family Units	209	214	229	205	333	556	630	704	643	294	193	150	226	283	292	300
Multiple Family Units	0	44	0	41	0	206	354	272	122	23	30	30	48	92	118	125
Residential Building Value	29.7	32.5	34.5	40.8	54.5	109.2	142.9	159.6	133.6	65.1	51.3	48.5	60.9	74.0	81.3	87.5
Non-Residential Building Value	18.5	7.8	24.0	31.0	21.7	48.3	35.8	36.2	31.6	33.0	52.2	44.1	43.1	46.3	50.3	54.6
Office Bldg Value	2.9	0.3	1.7	0.8	3.0	11.2	4.8	7.2	7.9	6.4	3.2	2.7	2.7	2.9	3.1	3.4
Retail Bldg Value	6.7	1.8	12.6	5.1	4.9	21.5	11.8	8.1	4.1	2.9	11.1	4.8	6.0	7.5	8.9	10.5
Industrial Bldg Value	0.0	0.4	1.1	11.0	5.6	4.4	0.9	2.3	4.3	5.1	12.3	6.2	7.3	8.4	9.7	11.0
Total Building Value	48.2	40.3	58.5	71.8	76.2	157.5	178.6	195.7	165.1	98.2	103.5	92.6	104.0	120.2	131.6	142.0
Unincorporated Area																
Total Housing Units Permitted	377	450	670	499	493	365	222	357	377	335	338	312	374	354	339	373
Single Family Units	353	300	504	339	361	250	200	326	219	325	307	280	286	264	269	302
Multiple Family Units	24	150	166	160	132	115	22	31	158	10	31	32	88	90	70	71
Residential Building Value	97.7	106.0	144.7	139.7	148.0	139.0	121.5	154.2	153.5	171.1	151.0	136.1	146.2	153.3	161.6	181.6
Non-Residential Building Value	30.0	44.1	51.5	75.1	57.9	42.8	46.3	45.5	47.4	40.8	37.6	55.1	56.4	58.3	59.5	61.2
Office Bldg Value	0.5	0.4	1.2	8.5	8.7	0.4	4.1	9.7	2.9	1.0	1.8	2.6	2.7	2.8	2.9	2.9
Retail Bldg Value	0.7	4.3	3.7	9.1	1.7	0.5	0.0	0.5	4.0	1.3	0.6	0.9	1.2	1.2	1.2	1.3
Industrial Bldg Value	4.5	2.8	13.2	6.1	3.6	3.2	3.6	3.1	3.9	5.2	2.4	3.2	3.0	3.2	3.5	3.8
Total Building Value	127.7	150.1	196.3	214.8	205.9	181.8	167.8	199.7	200.9	211.8	188.6	182.7	194.5	203.5	213.4	236.4

Sources: Construction Industry Research Board

Table 26: South Coast Commercial Real Estate	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Non-Residential Space Available (thousands of square feet)											<i>estimated</i>	<i>forecast</i>				
Goleta																
Office Space	182.3	204.8	216.6	284.2	143.1	162.6	310.1	285.1	277.4	308.6	223.8	221.3	211.3	203.9	198.8	197.7
Industrial Space	109.0	116.1	64.2	256.8	75.6	251.5	196.0	401.9	410.3	403.9	343.8	236.0	228.4	220.7	226.5	233.3
Retail Space	44.5	44.4	31.4	38.9	33.8	28.3	11.2	9.4	8.6	8.6	18.5	7.8	8.3	8.6	9.1	9.3
Santa Barbara City																
Office Space	320.9	204.5	161.0	200.9	84.3	182.3	266.6	350.6	239.5	238.8	135.1	140.5	137.0	133.6	130.2	130.2
Industrial Space	157.2	102.0	109.5	132.6	36.1	69.7	113.3	81.6	40.7	54.4	90.5	56.2	55.5	54.8	54.1	54.7
Retail Space	177.9	185.2	108.2	85.4	84.4	58.9	66.2	100.0	46.1	56.6	68.3	125.0	128.8	132.6	136.6	140.7
Carpinteria																
Office Space	33.5	26.3	19.5	31.8	54.6	71.9	153.2	143.7	129.1	86.9	64.8	79.5	75.5	73.3	72.5	71.8
Industrial Space	143.9	43.9	39.5	31.8	18.4	74.1	136.5	78.7	64.0	62.2	48.4	55.3	58.1	54.6	56.8	57.9
Retail Space	9.0	23.0	29.1	37.9	20.3	21.8	2.3	2.3	2.3	2.3	2.3	2.4	2.5	2.6	2.7	2.8
Non-Residential Lease Rates (dollars per square feet)																
Goleta																
Office Rates	1.22	1.39	1.36	1.61	1.67	1.81	1.77	1.70	1.55	1.63	1.68	1.59	1.62	1.65	1.67	1.69
percent change	11.1	14.1	-2.2	18.4	3.9	8.2	-2.2	-4.2	-8.9	5.5	2.8	-5.1	1.8	2.1	1.1	1.2
Industrial Rates	0.83	0.90	0.93	1.28	1.04	1.32	1.35	1.33	1.25	1.24	1.28	1.20	1.27	1.32	1.37	1.41
percent change	17.0	7.9	3.6	36.8	-18.4	26.7	2.3	-1.5	-6.0	-0.8	2.8	-5.9	5.4	4.2	4.2	2.6
Retail Rates	1.23	1.57	1.44	1.89	1.97	2.12	2.42	2.71	2.63	2.63	2.96	3.52	3.52	3.52	3.46	3.43
percent change	-0.1	27.5	-8.6	31.4	4.4	7.7	14.2	11.8	-2.8	0.0	12.5	19.0	0.1	-0.2	-1.5	-1.0
Santa Barbara City																
Office Rates	1.53	1.70	1.85	2.02	2.13	2.59	2.31	2.20	2.06	2.28	2.41	2.52	2.59	2.63	2.65	2.67
percent change	6.0	11.1	8.7	9.5	5.5	21.3	-10.8	-4.6	-6.6	10.7	5.7	4.8	2.6	1.7	0.7	0.8
Industrial Rates	0.65	0.94	1.01	1.15	1.23	1.40	1.05	1.05	1.12	1.30	1.34	1.09	1.12	1.15	1.18	1.21
percent change	3.8	44.0	7.3	14.0	6.8	13.9	-25.0	0.0	6.2	16.1	3.5	-18.7	2.7	2.7	2.7	2.5
Retail Rates	1.78	2.06	2.43	2.40	3.36	2.68	2.77	2.65	2.31	2.81	3.05	3.55	3.72	3.85	3.95	4.10
percent change	4.4	15.6	17.8	-1.0	39.8	-20.3	3.6	-4.3	-12.8	21.4	8.6	16.6	4.7	3.7	2.7	3.7
Carpinteria																
Office Rates	1.44	1.51	1.80	1.44	1.76	1.98	1.72	1.59	1.58	1.56	1.55	1.57	1.64	1.69	1.75	1.75
percent change	12.8	4.7	19.2	-19.9	22.1	12.5	-13.1	-7.6	-0.6	-1.6	-0.6	1.6	4.2	3.4	3.3	0.2
Industrial Rates	0.73	0.81	0.86	0.86	0.98	1.12	0.92	0.93	0.82	0.96	1.16	1.05	1.01	1.14	1.17	1.21
percent change	0.4	10.0	5.9	0.3	14.0	14.1	-17.9	1.6	-11.8	17.1	20.8	-9.5	4.3	3.9	3.2	3.0
Retail Rates	1.15	1.18	1.21	1.32	1.06	1.08	1.66	1.66	1.66	1.66	1.60	1.60	1.58	1.55	1.52	1.49
percent change	-5.9	2.6	1.8	9.3	-19.6	2.0	53.7	0.0	0.0	0.0	-3.5	-0.2	-1.4	-1.7	-1.9	-2.0
Absorption of R&D/Industrial Space (thousands of square feet)																
Goleta	331.0	452.9	475.6	582.6	407.7	175.1	559.0	313.7	415.0	442.0	433.0	441.7	450.5	459.5	458.6	459.5

Sources: Radius Group Commercial Real Estate & Leider-Hayes Commercial Real Estate.

Table 27: Per Capita Quantities	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	
San Luis Obispo County												<i>estimated</i>	<i>forecast</i>				
Per Capita Gross County Product (\$ thousands)	24.1	26.2	28.3	30.0	32.3	35.2	36.9	38.0	40.1	42.3	44.7	47.2	49.7	52.5	55.4	58.5	
Per Capita Gross County Product (\$ 2000 thousands)	26.2	27.9	29.7	31.2	32.3	34.0	34.4	34.2	34.7	35.5	36.2	37.0	37.7	38.5	39.3	40.1	
percent change	4.6	6.5	6.5	5.1	3.5	5.1	1.2	-0.5	1.7	2.0	2.2	2.1	2.0	2.0	2.0	2.1	
Per Capita Personal Income (\$ thousands)	21.7	23.2	24.8	25.8	27.7	28.8	29.3	30.1	31.7	32.8	34.6	36.0	37.7	39.4	41.2	43.0	
Per Capita Personal Income (\$ 2000 thousands)	23.7	24.9	26.2	26.7	27.7	27.9	27.6	27.6	28.1	27.9	28.2	28.5	29.0	29.6	30.1	30.7	
percent change	4.4	5.2	5.2	1.7	3.7	0.8	-1.0	-0.0	2.0	-1.0	1.2	1.2	1.8	1.9	1.8	1.8	
Per Capita Retail Sales (\$ thousands)	6.2	6.5	6.9	7.6	8.5	9.0	9.3	10.0	10.7	11.5	12.4	13.1	13.8	14.5	15.3	16.0	
Per Capita Retail Sales (\$ 2000 thousands)	6.7	7.0	7.3	7.9	8.5	8.7	8.8	9.2	9.5	9.8	10.1	10.4	10.7	10.9	11.2	11.4	
percent change	5.4	4.2	3.5	8.7	7.2	2.4	1.2	4.3	3.6	3.0	3.4	2.7	2.6	2.4	2.3	2.3	
New Housing Permits per Thousand People	5.1	5.6	7.2	6.9	6.7	8.1	7.6	8.8	8.2	7.4	6.1	5.9	5.9	6.4	6.5	6.4	
Per Capita Non-Resi Bldg Permit Value (\$)	172.7	248.6	312.4	384.3	474.2	335.2	482.0	448.0	450.7	475.5	517.3	571.0	562.6	581.1	601.7	622.9	
Per Capita Non-Resi Bldg Permit Value (\$ 2000)	188.3	266.6	330.3	397.0	474.2	324.3	453.8	411.1	400.2	404.2	421.7	452.3	433.8	436.2	440.1	444.0	
percent change	18.3	41.6	23.9	20.2	19.4	-31.6	39.9	-9.4	-2.7	1.0	4.3	7.2	-4.1	0.6	0.9	0.9	
Santa Barbara County																	
Per Capita Gross County Product (\$ thousands)	27.8	30.4	33.4	36.5	40.0	42.1	43.1	44.9	47.1	49.7	51.3	53.0	55.2	57.7	60.4	63.2	
Per Capita Gross County Product (\$ 2000 thousands)	29.8	32.2	35.1	37.9	40.0	40.6	40.3	40.7	41.4	42.2	42.3	42.5	43.0	43.6	44.3	45.1	
percent change	1.9	8.1	9.1	8.0	5.5	1.6	-0.7	1.0	1.7	2.0	0.2	0.4	1.2	1.5	1.6	1.7	
Per Capita Personal Income (\$ thousands)	26.0	26.8	28.9	30.2	32.4	32.5	32.1	33.1	34.9	37.1	38.7	40.0	41.6	43.3	44.9	46.7	
Per Capita Personal Income (\$ 2000 thousands)	28.4	28.7	30.5	31.2	32.4	31.4	30.2	30.4	31.0	31.5	31.5	31.7	32.1	32.5	32.9	33.3	
percent change	2.0	1.1	6.4	2.2	3.9	-3.0	-4.1	0.8	1.9	1.8	0.0	0.5	1.1	1.4	1.1	1.3	
Per Capita Retail Sales (\$ thousands)	6.6	6.9	7.3	8.0	8.6	8.9	9.2	9.5	10.0	10.4	10.3	10.5	10.8	11.1	11.4	11.8	
Per Capita Retail Sales (\$ 2000 thousands)	7.2	7.4	7.7	8.3	8.6	8.6	8.6	8.7	8.9	8.8	8.4	8.3	8.3	8.3	8.4	8.4	
percent change	3.7	3.3	3.9	7.7	3.8	-0.1	0.3	1.0	2.0	-0.5	-5.2	-0.9	-0.1	0.3	0.7	0.7	
New Housing Permits per Thousand People	2.0	2.3	2.6	2.3	2.3	3.1	4.0	3.8	3.4	2.3	2.0	1.8	2.3	2.6	2.6	2.7	
Per Capita Non-Resi Bldg Permit Value (\$)	190.2	249.3	332.0	361.7	334.6	332.8	348.8	316.1	284.1	388.4	430.1	400.8	406.1	426.1	444.1	463.9	
Per Capita Non-Resi Bldg Permit Value (\$ 2000)	207.4	267.3	351.0	373.6	334.6	322.0	328.4	290.0	252.3	330.1	350.6	305.9	301.5	308.1	312.7	318.4	
percent change	37.5	28.9	31.3	6.5	-10.4	-3.8	2.0	-11.7	-13.0	30.9	6.2	-12.7	-1.5	2.2	1.5	1.8	
Ventura County																	
Per Capita Gross County Product (\$ thousands)	31.3	33.9	36.9	43.3	47.3	50.3	52.6	55.5	58.4	62.3	66.0	69.6	73.3	77.4	81.5	86.0	
Per Capita Gross County Product (\$ 2000 thousands)	33.6	35.8	38.6	44.8	47.3	48.7	49.5	50.8	52.1	54.0	55.8	57.5	59.1	60.8	62.5	64.3	
percent change	1.6	6.5	7.9	16.1	5.6	2.9	1.7	2.7	2.5	3.6	3.5	2.9	2.9	2.8	2.8	2.9	
Per Capita Personal Income (\$ thousands)	27.1	28.7	29.6	31.4	33.8	33.9	34.1	35.3	37.4	39.9	42.7	45.0	47.2	49.8	52.7	55.4	
Per Capita Personal Income (\$ 2000 thousands)	29.5	30.7	31.3	32.4	33.8	32.8	32.1	32.3	33.2	33.9	34.8	35.6	36.4	37.4	38.6	39.5	
percent change	1.2	4.2	1.9	3.6	4.2	-3.0	-2.0	0.7	2.6	2.3	2.5	2.4	2.2	2.7	3.1	2.4	
Per Capita Retail Sales (\$ thousands)	6.5	6.8	7.2	8.0	8.7	8.9	9.2	9.7	10.3	10.8	11.5	12.2	12.8	13.4	14.1	14.8	
Per Capita Retail Sales (\$ 2000 thousands)	7.1	7.3	7.6	8.3	8.7	8.6	8.6	8.9	9.2	9.2	9.4	9.6	9.9	10.1	10.3	10.5	
percent change	1.6	2.7	4.0	8.3	5.0	-0.3	-0.3	3.5	3.0	0.2	2.2	2.3	2.4	2.2	2.3	2.3	
New Housing Permits per Thousand People	3.3	3.2	4.4	6.0	5.3	4.2	3.2	4.6	3.2	5.0	2.2	2.2	2.5	3.0	3.4	3.3	
Per Capita Non-Resi Bldg Permit Value (\$)	263.3	280.0	401.8	498.2	375.9	408.7	368.0	476.6	427.2	442.8	366.7	361.9	407.3	410.1	410.6	409.7	
Per Capita Non-Resi Bldg Permit Value (\$ 2000)	287.0	300.2	424.7	514.6	375.9	395.4	346.4	437.3	379.3	376.4	298.9	286.6	314.0	307.9	300.3	292.1	
percent change	-2.7	4.6	41.5	21.2	-27.0	5.2	-12.4	26.2	-13.3	-0.8	-20.6	-4.1	9.6	-2.0	-2.5	-2.8	

Sources: CA Employment Development Department, CA Board of Equalization, Construction Industry Research Board, CA Department of Finance, UC Santa Barbara Economic Forecast Project

Table 28: United States Annual Data - Part 1	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
												<i>estimated</i>	<i>forecast</i>			
National Income Accounts																
Gross Domestic Product (\$ trillions)	7.82	8.30	8.75	9.27	9.82	10.13	10.47	10.96	11.71	12.46	13.25	13.90	14.56	15.26	16.04	16.82
Gross Domestic Product (\$ 2000 trillions)	8.33	8.70	9.07	9.47	9.82	9.89	10.05	10.30	10.70	11.05	11.42	11.72	12.04	12.39	12.77	13.13
percent change	3.70	4.50	4.18	4.45	3.66	0.75	1.60	2.51	3.91	3.22	3.38	2.58	2.75	2.88	3.05	2.85
Personal Consumption Expend. (\$ trillions)	5.26	5.55	5.88	6.28	6.74	7.06	7.35	7.70	8.21	8.74	9.27	9.70	10.13	10.62	11.16	11.72
Personal Consumption Expend. (\$ 2000 trillions)	5.62	5.83	6.13	6.44	6.74	6.91	7.01	7.30	7.58	7.84	8.09	8.33	8.55	8.77	9.04	9.33
percent change	3.42	3.78	5.04	5.11	4.67	2.54	2.73	2.76	3.86	3.49	3.20	2.91	2.66	2.64	3.07	3.14
Gross Private Investment (\$ trillions)	1.24	1.39	1.51	1.63	1.74	1.61	1.58	1.66	1.89	2.06	2.22	2.21	2.26	2.39	2.51	2.63
Gross Private Investment (\$ 2000 trillions)	1.23	1.39	1.52	1.64	1.74	1.60	1.56	1.61	1.77	1.87	1.95	1.91	1.95	2.05	2.13	2.22
percent change	8.85	12.43	9.83	7.77	5.66	-7.90	-2.58	3.59	9.77	5.40	4.55	-1.90	2.07	4.74	4.28	3.83
Net Exports (\$ billions)	-96.25	-101.55	-159.93	-260.50	-379.45	-367.08	-424.43	-499.38	-613.23	-716.70	-761.80	-660.97	-595.56	-595.98	-577.94	-570.30
Net Exports (\$ 2000 billions)	-79.65	-104.63	-203.75	-296.23	-379.48	-399.08	-471.35	-518.93	-590.93	-619.18	-617.75	-562.13	-531.91	-516.54	-510.89	-524.29
percent change	12.22	31.36	94.74	45.39	28.10	5.17	18.11	10.09	13.87	4.78	-0.23	-9.01	-5.38	-2.89	-1.01	2.62
Exports (\$ trillions)	0.87	0.96	0.96	0.99	1.01	1.03	1.01	1.04	1.18	1.30	1.47	1.63	1.78	1.94	2.09	2.24
Exports (\$ 2000 trillions)	0.84	0.94	0.97	1.01	1.01	1.04	1.01	1.03	1.12	1.20	1.30	1.42	1.54	1.66	1.79	1.91
percent change	8.38	11.90	2.41	4.31	8.74	-5.44	-2.26	1.26	9.19	6.75	8.88	9.05	8.66	7.81	7.38	6.84
Imports (\$ trillions)	0.96	1.06	1.12	1.25	1.48	1.40	1.43	1.54	1.79	2.02	2.23	2.29	2.38	2.53	2.67	2.81
Imports (\$ 2000 trillions)	0.92	1.05	1.17	1.30	1.48	1.44	1.48	1.55	1.71	1.82	1.92	1.98	2.08	2.18	2.30	2.43
percent change	8.70	13.58	11.63	11.47	13.13	-2.71	3.40	4.07	10.76	6.08	5.77	3.24	4.68	5.06	5.37	5.90
Government Purchases (\$ trillions)	1.42	1.47	1.52	1.62	1.72	1.83	1.96	2.09	2.23	2.37	2.53	2.65	2.76	2.85	2.95	3.04
Government Purchases (\$ 2000 trillions)	1.56	1.59	1.62	1.69	1.72	1.78	1.86	1.90	1.94	1.96	2.00	2.04	2.08	2.01	2.12	2.14
percent change	0.98	1.86	1.91	3.85	2.05	3.41	4.41	2.48	1.88	0.90	2.09	2.12	1.72	1.01	1.10	0.86
Employment, Demographics & Income																
Total Employment (millions of people)	127.64	129.57	131.48	133.50	136.90	136.94	136.48	137.73	139.24	141.72	144.42	146.03	147.24	148.68	150.17	151.50
percent change	1.57	1.52	1.47	1.54	2.55	0.03	-0.33	0.91	1.01	1.78	1.91	1.11	0.83	0.98	1.00	0.89
Population (millions of people)	207.50	210.25	213.03	215.77	218.44	221.18	223.89	226.57	229.25	231.89	234.57	237.17	239.65	242.04	244.32	246.53
percent change	1.32	1.33	1.32	1.29	1.24	1.26	1.23	1.20	1.18	1.15	1.16	1.11	1.04	1.00	0.94	0.90
Unemployment Rate (percent)	5.41	4.94	4.50	4.22	3.97	4.74	5.78	5.99	5.53	5.08	4.63	4.75	4.84	4.79	4.74	4.75
Personal Income (\$ trillions)	6.52	6.92	7.42	7.80	8.43	8.72	8.88	9.16	9.73	10.24	10.90	11.49	12.12	12.81	13.54	14.27
percent change	5.99	6.05	7.34	5.11	8.04	3.49	1.81	3.17	6.19	5.22	6.43	5.45	5.46	5.68	5.74	5.41

Sources: Economic Forecasting Center, Georgia State University

Table 29: United States Annual Data - Part 2

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
												<i>estimated</i>	<i>forecast</i>			
Business & Financial Indicators																
Money Supply (M2) (trillions)	3.74	3.92	4.21	4.52	4.79	5.21	5.59	5.98	6.26	6.53	6.84	7.13	7.38	7.67	8.02	8.38
percent change	4.85	4.91	7.24	7.45	6.00	8.70	7.38	6.99	4.68	4.35	4.71	4.21	3.51	3.97	4.52	4.50
Consumer Price Index	156.86	160.53	163.01	166.58	172.19	177.04	179.86	183.97	188.88	195.27	201.58	204.43	208.10	212.35	216.05	219.83
percent change	2.94	2.34	1.55	2.19	3.37	2.82	1.59	2.28	2.67	3.38	3.23	1.41	1.80	2.04	1.74	1.75
Producer Price Index	127.67	127.59	124.44	125.49	132.78	134.22	131.14	138.14	146.69	157.41	164.81	167.61	168.57	170.41	170.79	171.12
percent change	2.33	-0.06	-2.47	0.85	5.80	1.09	-2.30	5.34	6.19	7.31	4.70	1.70	0.57	1.09	0.22	0.19
Crude Oil Price (\$/bbl)	22.14	20.63	14.39	19.27	30.35	25.97	26.11	31.12	41.47	56.56	66.12	57.73	53.35	58.26	57.73	56.08
percent change	20.18	-6.79	-30.24	33.85	57.54	-14.45	0.57	19.19	33.25	36.38	16.91	-12.70	-7.58	9.21	-0.92	-2.86
 																
New Home Price (\$ thousands)	139.76	145.05	151.98	159.84	166.54	172.61	185.02	191.39	217.82	234.21	241.12	232.41	234.72	240.63	250.19	260.67
percent change	4.74	3.78	4.78	5.18	4.19	3.64	7.19	3.44	13.81	7.52	2.95	-3.61	1.00	2.51	3.97	4.19
New Housing Starts (millions of units)	1.47	1.47	1.62	1.65	1.57	1.60	1.71	1.85	1.95	2.07	1.82	1.48	1.54	1.64	1.68	1.68
percent change	7.94	0.41	9.92	1.62	-4.48	1.76	6.81	8.41	5.14	6.37	-12.30	-18.49	4.01	6.58	2.31	-0.12
 																
Auto & Light Truck Sales (millions of units)	15.01	15.13	15.51	16.89	17.34	17.12	16.82	16.65	16.87	16.95	16.50	15.82	16.10	16.35	16.81	17.36
percent change	1.86	0.18	2.53	8.92	2.68	-1.31	-1.75	-1.01	1.32	0.47	-2.61	-4.17	1.82	1.54	2.80	3.26
Corporate Profits Before Taxes (\$ billions)	733.03	798.15	718.25	775.88	773.40	707.90	768.45	908.08	1,144.28	1,518.68	1,813.47	1,840.46	1,880.19	1,872.31	1,878.85	1,906.75
percent change	8.71	8.88	-10.01	8.02	-0.32	-8.47	8.55	18.17	26.01	32.72	19.41	1.49	2.16	-0.42	0.35	1.49
 																
Nominal Exchange Rate	85.90	92.47	96.89	95.34	100.00	105.99	104.37	91.57	84.04	82.48	81.32	77.08	74.39	72.92	74.07	75.27
percent change	4.52	7.65	4.78	-1.60	4.89	5.99	-1.53	-12.26	-8.22	-1.86	-1.40	-5.22	-3.49	-1.97	1.57	1.63
Real Exchange Rate	84.77	91.14	95.77	96.42	100.00	105.37	104.98	91.98	84.53	82.41	80.15	75.10	73.30	72.21	73.36	74.39
percent change	5.32	7.51	5.09	0.68	3.71	5.37	-0.37	-12.38	-8.11	-2.50	-2.74	-6.30	-2.39	-1.49	1.59	1.41
 																
Interest Rates																
90-Day Treasury Bills	5.00	5.06	4.79	4.63	5.81	3.43	1.61	1.01	1.37	3.14	4.72	4.70	4.39	4.37	4.46	4.42
10-Year Treasury Bonds	6.44	6.35	5.27	5.64	6.03	5.02	4.61	4.02	4.27	4.29	4.79	4.99	5.26	5.48	5.47	5.42
30-Year Treasury Bonds	6.70	6.61	5.59	5.86	5.95	5.50	5.42	5.05	5.12	4.56	4.87	5.02	5.34	5.73	5.75	5.72
Prime Bank Loans	8.27	8.44	8.36	7.99	9.24	6.92	4.68	4.12	4.34	6.19	7.96	7.94	7.50	7.50	7.63	7.57

Sources: Economic Forecasting Center, Georgia State University

Table 30: United States Quarterly Data - Part 1	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4
										<i>estimated</i>	<i>forecast</i>					
National Income Accounts																
Gross Domestic Product (\$ trillions)	12.17	12.35	12.57	12.73	13.01	13.20	13.32	13.49	13.67	13.81	13.97	14.13	14.30	14.47	14.64	14.81
Gross Domestic Product (\$ 2000 trillions)	10.91	11.00	11.12	11.16	11.32	11.39	11.44	11.54	11.62	11.68	11.75	11.83	11.91	11.99	12.08	12.17
percent change (4 quarters ago)	3.40	3.26	4.18	1.76	5.58	2.56	1.96	3.47	2.57	2.24	2.41	2.66	3.02	2.71	3.04	2.74
Personal Consumption Expend. (\$ trillions)	8.52	8.67	8.85	8.93	9.08	9.23	9.35	9.43	9.55	9.65	9.75	9.86	9.97	10.08	10.18	10.31
Personal Consumption Expend. (\$ 2000 trillions)	7.74	7.82	7.90	7.91	8.00	8.06	8.11	8.20	8.25	8.30	8.35	8.41	8.47	8.52	8.58	8.63
percent change (4 quarters ago)	2.75	4.22	3.92	0.76	4.81	2.58	2.82	4.41	2.69	2.23	2.46	2.77	2.79	2.67	2.66	2.55
Gross Private Investment (\$ trillions)	2.01	2.01	2.05	2.15	2.21	2.24	2.24	2.19	2.20	2.21	2.21	2.21	2.22	2.24	2.28	2.31
Gross Private Investment (\$ 2000 trillions)	1.85	1.83	1.86	1.93	1.96	1.97	1.96	1.91	1.91	1.92	1.91	1.91	1.92	1.94	1.97	1.99
percent change (4 quarters ago)	8.23	-3.63	5.18	16.23	7.82	1.00	-0.75	-11.03	0.83	1.74	-1.52	-0.35	1.86	3.76	6.08	4.87
Net Exports (\$ billions)	-676.20	-686.40	-728.80	-775.40	-765.40	-781.70	-801.80	-698.30	-687.12	-674.89	-652.60	-629.28	-614.62	-595.27	-580.62	-591.73
Net Exports (\$ 2000 billions)	-626.40	-606.10	-607.60	-636.60	-636.60	-624.20	-628.80	-581.40	-581.74	-571.48	-553.24	-542.04	-535.49	-532.32	-530.25	-529.57
percent change (4 quarters ago)	2.93	-12.35	0.99	20.50	0.00	-7.57	2.98	-26.91	0.23	-6.87	-12.17	-7.86	-4.75	-2.35	-1.55	-0.51
Exports (\$ trillions)	1.25	1.29	1.31	1.35	1.41	1.45	1.49	1.52	1.57	1.60	1.65	1.69	1.73	1.76	1.80	1.84
Exports (\$ 2000 trillions)	1.16	1.19	1.20	1.23	1.27	1.29	1.31	1.34	1.37	1.40	1.44	1.47	1.50	1.53	1.56	1.59
percent change (4 quarters ago)	4.67	9.42	3.23	9.63	14.00	6.19	6.84	9.97	9.71	9.21	9.57	9.32	8.47	8.05	8.10	8.22
Imports (\$ trillions)	1.93	1.98	2.04	2.13	2.17	2.23	2.29	2.22	2.25	2.28	2.30	2.32	2.34	2.36	2.38	2.43
Imports (\$ 2000 trillions)	1.79	1.80	1.81	1.87	1.91	1.91	1.94	1.92	1.95	1.98	1.99	2.01	2.03	2.06	2.09	2.12
percent change (4 quarters ago)	4.08	1.39	2.47	13.19	9.07	1.43	5.57	-3.24	6.78	4.22	2.91	4.32	4.78	5.24	5.54	5.95
Government Purchases (\$ trillions)	2.32	2.35	2.40	2.42	2.48	2.51	2.54	2.57	2.61	2.63	2.66	2.69	2.73	2.75	2.76	2.79
Government Purchases (\$ 2000 trillions)	1.95	1.95	1.97	1.96	1.99	1.99	2.00	2.02	2.03	2.03	2.04	2.05	2.07	2.07	2.08	2.08
percent change (4 quarters ago)	1.64	1.11	3.36	-1.07	4.90	0.83	1.66	3.71	3.04	0.34	1.74	2.17	2.97	0.83	0.92	0.96
Employment, Demographics & Income																
Total Employment (millions of people)	140.39	141.50	142.32	142.66	143.37	144.06	144.62	145.63	145.73	145.89	146.11	146.39	146.73	147.06	147.41	147.76
percent change (4 quarters ago)	0.95	3.20	2.34	0.96	2.01	1.94	1.56	2.82	0.28	0.44	0.60	0.77	0.93	0.90	0.96	0.95
Population aged 16+ (millions of people)	230.87	231.55	232.23	232.90	233.57	234.24	234.90	235.56	236.21	236.87	237.49	238.11	238.73	239.35	239.95	240.55
percent change (4 quarters ago)	1.08	1.18	1.18	1.16	1.16	1.15	1.13	1.13	1.11	1.12	1.05	1.05	1.05	1.04	1.01	1.00
Unemployment Rate (percent)	5.27	5.07	5.00	4.97	4.73	4.63	4.70	4.47	4.58	4.75	4.82	4.85	4.85	4.85	4.84	4.83
Personal Income (\$ trillions)	10.05	10.16	10.26	10.48	10.72	10.81	10.96	11.01	11.28	11.42	11.56	11.71	11.87	12.04	12.20	12.37
percent change (4 quarters ago)	1.18	4.56	4.04	8.90	9.38	3.24	5.95	4.90	6.61	5.17	5.19	5.10	5.63	5.69	5.60	5.62

Sources: Economic Forecasting Center, Georgia State University

Table 31: United States Quarterly Data - Part 2	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4
										<i>estimated</i>	<i>forecast</i>					
Business & Financial Indicators																
Money Supply (M2) (trillions)	6.44	6.49	6.57	6.65	6.74	6.79	6.86	6.98	7.05	7.01	7.15	7.22	7.28	7.34	7.41	7.48
percent change (4 quarters ago)	3.12	3.08	5.08	4.97	5.47	3.31	4.27	6.95	4.17	2.71	3.28	3.52	3.74	3.35	3.88	3.53
Consumer Price Index	192.23	194.00	196.63	198.20	199.30	201.73	203.20	202.07	203.10	204.00	204.90	205.70	206.50	207.50	208.60	209.80
percent change (4 quarters ago)	2.45	3.73	5.53	3.23	2.24	4.97	2.95	-2.21	2.05	1.78	1.78	1.57	1.56	1.95	2.14	2.32
Producer Price Index	151.91	154.04	158.76	164.92	162.59	164.88	166.78	164.98	167.02	166.83	168.25	168.32	168.69	168.37	168.04	169.17
percent change (4 quarters ago)	2.05	5.73	12.83	16.45	-5.53	5.75	4.69	-4.25	5.04	-0.45	3.45	0.17	0.88	-0.76	-0.78	2.72
Crude Oil Price (\$/bbl)	49.85	53.11	63.21	60.06	63.35	70.57	70.50	60.06	59.25	58.00	58.25	55.40	55.33	51.82	50.80	55.45
percent change (4 quarters ago)	13.37	28.84	100.65	-18.49	23.78	53.99	-0.40	-47.33	-5.29	-8.18	1.74	-18.18	-0.50	-23.06	-7.64	41.96
New Home Price (\$ thousands)	229.90	230.23	236.57	240.13	244.83	246.13	236.23	237.30	237.78	230.19	232.25	229.41	235.83	231.68	233.48	237.90
percent change (4 quarters ago)	3.79	0.58	11.48	6.16	8.06	2.14	-15.14	1.82	0.81	-12.17	3.63	-4.80	11.67	-6.86	3.14	7.79
New Housing Starts (millions of units)	2.07	2.06	2.10	2.06	2.12	1.87	1.71	1.56	1.54	1.51	1.45	1.44	1.47	1.53	1.57	1.60
percent change (4 quarters ago)	22.91	-0.96	7.37	-7.58	12.81	-39.42	-29.87	-30.67	-7.21	-5.61	-16.57	-3.01	10.72	17.64	8.61	8.43
Auto & Light Truck Sales (millions of units)	16.57	17.26	17.99	15.96	16.87	16.29	16.58	16.27	16.08	15.58	15.68	15.92	16.17	16.09	16.07	16.08
percent change (4 quarters ago)	-13.46	17.73	18.02	-38.06	24.83	-13.06	7.31	-7.27	-4.59	-11.87	2.59	6.26	6.43	-1.96	-0.50	0.25
Corporate Profits Before Taxes (\$ billions)	1,492.30	1,508.30	1,475.80	1,598.30	1,740.60	1,811.50	1,854.00	1,847.76	1,830.28	1,827.26	1,853.82	1,850.47	1,864.76	1,871.59	1,888.82	1,895.59
percent change (4 quarters ago)	127.42	4.36	-8.34	37.57	40.66	17.32	9.72	-1.34	-3.73	-0.66	5.94	-0.72	3.13	1.47	3.73	1.44
Nominal Exchange Rate	79.99	82.20	83.27	84.45	83.63	80.89	80.46	80.31	78.97	77.16	76.48	75.71	75.10	74.55	74.15	73.76
percent change (4 quarters ago)	-2.56	11.52	5.31	5.79	-3.83	-12.48	-2.11	-0.74	-6.51	-8.86	-3.48	-3.97	-3.18	-2.90	-2.13	-2.09
Real Exchange Rate	79.87	82.17	83.34	84.26	83.11	79.97	79.01	78.51	76.82	74.99	74.54	74.05	73.71	73.41	73.18	72.91
percent change (4 quarters ago)	-2.90	12.03	5.82	4.49	-5.35	-14.28	-4.72	-2.51	-8.34	-9.19	-2.38	-2.60	-1.82	-1.62	-1.25	-1.47
Interest Rates																
90-Day Treasury Bills	2.52	2.86	3.35	3.81	4.38	4.68	4.91	4.91	4.89	4.90	4.65	4.37	4.37	4.39	4.40	4.40
10-Year Treasury Bonds	4.30	4.16	4.21	4.49	4.57	5.07	4.90	4.63	4.76	5.00	5.04	5.14	5.19	5.25	5.30	5.30
30-Year Treasury Bonds	4.70	4.47	4.42	4.66	4.62	5.14	4.99	4.74	4.85	5.04	5.06	5.13	5.19	5.29	5.39	5.47
Prime Bank Loans	5.44	5.91	6.43	6.97	7.43	7.90	8.25	8.25	8.25	8.25	7.75	7.50	7.50	7.50	7.50	7.50

Sources: Economic Forecasting Center, Georgia State University

Table 32: California Gross State Product By Sector - Part 1	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
								<i>estimated</i>	<i>forecast</i>			
Total, All Sectors												
(\$ billions)	1,291.1	1,301.1	1,340.4	1,410.5	1,519.2	1,622.1	1,737.3	1,826.3	1,920.5	2,032.1	2,147.9	2,267.2
(\$ 2000 billions)	1,291.1	1,281.7	1,298.8	1,340.2	1,409.2	1,469.5	1,530.1	1,574.8	1,626.9	1,686.4	1,749.9	1,814.9
percent change	7.5	-0.7	1.3	3.2	5.2	4.3	4.1	2.9	3.3	3.7	3.8	3.7
Sub-total, All Non-Farm Sectors												
(\$ billions)	1,272.1	1,283.5	1,321.6	1,388.5	1,493.3	1,599.0	1,714.1	1,802.3	1,896.2	2,007.3	2,122.5	2,241.3
(\$ 2000 billions)	1,272.1	1,265.1	1,279.6	1,319.8	1,389.3	1,449.5	1,510.2	1,554.6	1,606.7	1,666.0	1,729.2	1,794.0
percent change	7.5	-0.5	1.1	3.1	5.3	4.3	4.2	2.9	3.4	3.7	3.8	3.7
Sub-total, All Private Sectors												
(\$ billions)	1,154.9	1,155.2	1,184.6	1,246.6	1,348.1	1,443.7	1,550.5	1,635.2	1,724.7	1,831.1	1,941.8	2,056.2
(\$ 2000 billions)	1,154.9	1,141.2	1,155.2	1,195.6	1,264.2	1,323.8	1,382.2	1,425.8	1,476.9	1,535.4	1,597.6	1,661.5
percent change	7.9	-1.2	1.2	3.5	5.7	4.7	4.4	3.2	3.6	4.0	4.1	4.0
Public Sector												
(\$ billions)	136.2	145.8	155.9	164.0	171.1	178.4	186.8	191.1	195.8	200.9	206.0	211.0
(\$ 2000 billions)	136.2	140.6	143.6	144.6	145.0	145.7	147.9	149.0	150.0	151.1	152.3	153.3
percent change	4.9	3.2	2.1	0.7	0.3	0.5	1.5	0.7	0.7	0.7	0.8	0.7
Agricultural Production												
(\$ billions)	19.0	17.5	18.8	22.0	25.9	23.1	23.2	24.0	24.3	24.8	25.3	25.9
(\$ 2000 billions)	19.0	16.6	19.2	20.3	19.9	20.0	19.9	20.1	20.2	20.4	20.6	20.9
percent change	11.1	-12.7	15.6	5.9	-2.0	0.4	-0.3	1.1	0.5	1.0	1.1	1.3
Mining & Quarrying												
(\$ billions)	10.1	6.5	5.9	7.0	8.3	9.7	10.6	10.3	10.1	10.2	10.0	9.9
(\$ 2000 billions)	10.1	6.3	5.9	5.1	5.2	4.8	4.9	4.8	4.8	4.7	4.7	4.6
percent change	-2.5	-37.7	-6.8	-12.4	1.5	-8.8	2.6	-0.8	-1.4	-1.2	-1.1	-1.2
Construction												
(\$ billions)	52.7	57.2	58.6	61.4	69.8	76.5	79.3	80.2	82.8	86.8	90.8	94.7
(\$ 2000 billions)	52.7	53.2	52.0	51.8	55.0	57.3	58.7	58.0	58.0	58.1	58.2	58.2
percent change	4.8	1.0	-2.2	-0.5	6.2	4.2	2.5	-1.2	-0.1	0.1	0.2	0.0
Durables Manufacturing												
(\$ billions)	129.0	100.6	90.2	88.4	89.5	95.6	107.3	115.1	122.4	131.0	139.3	148.2
(\$ 2000 billions)	129.0	113.6	106.4	109.8	116.0	127.2	135.1	142.8	151.9	161.6	171.9	183.1
percent change	32.2	-11.9	-6.3	3.2	5.7	9.6	6.3	5.7	6.3	6.4	6.4	6.5
Non-Durables Manufacturing												
(\$ billions)	54.2	54.1	49.6	53.4	55.7	61.6	67.5	71.9	76.1	80.5	85.2	90.2
(\$ 2000 billions)	54.2	50.1	48.3	49.5	51.8	54.9	58.2	60.8	63.5	66.3	69.3	72.4
percent change	4.6	-7.5	-3.7	2.6	4.6	6.0	6.0	4.5	4.5	4.5	4.4	4.6

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

Table 33: California Gross State Product By Sector - Part 2	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
								<i>estimated</i>	<i>forecast</i>			
Information Services												
(\$ billions)	81.5	82.1	82.8	86.1	99.3	107.1	116.2	125.6	135.8	147.3	159.2	171.8
(\$ 2000 billions)	81.5	81.1	81.7	84.3	98.8	106.0	112.9	121.3	130.3	139.8	150.0	160.7
percent change	7.1	-0.4	0.7	3.1	17.2	7.3	6.6	7.4	7.4	7.4	7.3	7.2
Transportation, Warehousing, and Utilities												
(\$ billions)	51.3	47.0	54.3	57.2	59.4	62.5	66.2	69.5	73.2	76.9	80.1	83.3
(\$ 2000 billions)	51.3	45.0	51.9	54.2	55.4	56.5	58.2	59.3	61.2	63.3	65.4	67.7
percent change	4.3	-12.2	15.4	4.3	2.3	1.9	3.0	1.9	3.2	3.3	3.4	3.5
Wholesale Trade												
(\$ billions)	74.5	76.8	77.9	80.3	86.2	92.5	99.4	101.1	104.0	108.5	112.8	117.0
(\$ 2000 billions)	74.5	80.1	81.0	82.9	84.8	87.4	91.3	92.3	94.5	97.2	100.3	103.6
percent change	0.8	7.5	1.1	2.4	2.3	3.0	4.6	1.0	2.5	2.8	3.2	3.2
Retail Trade												
(\$ billions)	89.2	92.8	97.6	101.6	108.3	113.9	120.0	123.3	128.8	135.3	141.3	147.1
(\$ 2000 billions)	89.2	95.1	98.2	101.4	109.3	112.9	115.4	116.7	120.3	123.9	127.5	130.8
percent change	7.6	6.7	3.3	3.2	7.7	3.3	2.2	1.2	3.1	3.0	2.8	2.6
Finance, Insurance, & Real Estate												
(\$ billions)	263.7	283.5	300.4	324.6	354.5	380.4	406.2	429.0	450.4	478.1	508.9	541.0
(\$ 2000 billions)	263.7	275.5	283.2	300.2	319.2	334.5	346.3	354.4	362.9	375.7	389.7	403.9
percent change	4.3	4.5	2.8	6.0	6.3	4.8	3.5	2.4	2.4	3.5	3.7	3.6
Professional & Business Services												
(\$ billions)	181.0	175.6	173.4	179.4	193.2	208.2	227.6	245.1	262.9	282.5	303.8	326.0
(\$ 2000 billions)	181.0	170.8	165.0	169.5	178.2	187.3	198.1	206.1	214.4	223.2	232.6	241.8
percent change	8.1	-5.7	-3.4	2.7	5.1	5.1	5.8	4.1	4.0	4.1	4.2	4.0
Educational & Health Services												
(\$ billions)	72.4	80.0	88.5	94.4	101.1	109.4	117.7	124.9	132.7	141.5	150.3	159.5
(\$ 2000 billions)	72.4	75.8	81.1	83.6	86.5	90.8	94.6	98.2	101.7	105.4	109.2	113.0
percent change	2.8	4.7	6.9	3.2	3.5	5.0	4.2	3.8	3.6	3.6	3.6	3.5
Leisure & Hospitality Services												
(\$ billions)	46.6	49.2	52.7	55.8	60.0	64.1	68.9	72.7	76.7	81.2	85.8	90.6
(\$ 2000 billions)	46.6	47.2	48.8	50.7	52.8	54.6	56.9	58.6	60.3	62.1	63.9	65.8
percent change	5.0	1.3	3.2	4.0	4.2	3.4	4.2	3.0	2.9	2.9	3.0	3.0
Other Services *												
(\$ billions)	29.9	32.3	33.7	35.1	36.9	39.2	40.5	42.4	44.4	46.6	48.9	51.1
(\$ 2000 billions)	29.9	30.2	30.2	30.3	30.8	31.5	31.5	32.2	32.9	33.6	34.3	35.0
percent change	2.5	0.9	0.1	0.5	1.4	2.4	0.1	2.2	2.2	2.1	2.1	1.9

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

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

Table 34: California Implicit Price Deflator By Sector	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
								<i>estimated</i>	<i>forecast</i>			
<i>Index: 2000 = 100</i>												
Total, All Sectors	100.0	101.5	103.2	105.3	107.8	110.4	113.5	116.0	118.1	120.5	122.7	124.9
percent change	1.4	1.5	1.7	2.0	2.4	2.4	2.9	2.1	1.8	2.1	1.9	1.8
Sub-total, All Non-farm Sectors	100.0	101.5	103.3	105.2	107.5	110.3	113.5	115.9	118.0	120.5	122.7	124.9
percent change	1.6	1.5	1.8	1.9	2.2	2.6	2.9	2.1	1.8	2.1	1.9	1.8
Sub-total, All Private Sectors	100.0	101.2	102.5	104.3	106.6	109.1	112.2	114.7	116.8	119.3	121.5	123.8
percent change	1.2	1.2	1.3	1.7	2.3	2.3	2.9	2.2	1.8	2.1	1.9	1.8
Public Sector	100.0	103.7	108.6	113.4	118.0	122.5	126.3	128.3	130.5	133.0	135.3	137.6
percent change	3.6	3.7	4.7	4.5	4.0	3.8	3.2	1.5	1.7	1.9	1.7	1.7
Agricultural Production	100.0	105.5	98.1	108.2	130.0	115.7	116.6	119.1	120.3	121.3	122.8	123.9
percent change	-6.5	5.5	-7.0	10.4	20.1	-11.0	0.7	2.2	1.0	0.9	1.2	0.9
Mining & Quarrying	100.0	103.6	100.1	135.4	159.6	203.5	217.6	213.5	210.9	215.2	215.2	214.5
percent change	65.2	3.6	-3.4	35.3	17.9	27.5	6.9	-1.9	-1.2	2.0	-0.0	-0.3
Construction	100.0	107.5	112.7	118.6	126.9	133.5	135.0	138.3	142.8	149.5	156.1	162.7
percent change	6.6	7.5	4.8	5.3	7.0	5.2	1.1	2.4	3.3	4.7	4.5	4.2
Manufacturing	100.0	94.5	90.4	89.0	86.5	86.3	90.4	91.9	92.2	92.8	93.1	93.3
percent change	-6.8	-5.5	-4.4	-1.5	-2.7	-0.3	4.7	1.6	0.3	0.6	0.3	0.2
Durables Manufacturing	100.0	88.5	84.8	80.5	77.2	75.2	79.4	80.6	80.6	81.1	81.0	80.9
percent change	-12.1	-11.5	-4.3	-5.0	-4.2	-2.6	5.6	1.5	0.0	0.6	-0.1	-0.1
Non-durables Manufacturing	100.0	108.0	102.7	107.8	107.5	112.1	116.0	118.4	119.9	121.3	123.0	124.5
percent change	5.2	8.0	-4.9	4.9	-0.2	4.3	3.4	2.1	1.3	1.2	1.3	1.2
Information Services	100.0	101.2	101.3	102.2	100.5	101.1	102.9	103.6	104.3	105.3	106.1	106.9
percent change	1.0	1.2	0.1	0.8	-1.6	0.6	1.8	0.7	0.6	1.0	0.8	0.7
Transportation, Warehousing, & Utilities	100.0	104.5	104.5	105.7	107.3	110.6	113.7	117.1	119.6	121.6	122.5	123.1
percent change	-0.9	4.5	0.1	1.1	1.5	3.1	2.8	3.0	2.1	1.6	0.7	0.5
Wholesale Trade	100.0	95.9	96.2	96.8	101.6	105.9	108.8	109.5	110.0	111.6	112.5	113.0
percent change	2.8	-4.1	0.4	0.6	4.9	4.3	2.7	0.6	0.4	1.5	0.8	0.5
Retail Trade	100.0	97.6	99.4	100.1	99.1	100.9	104.0	105.7	107.1	109.2	110.9	112.4
percent change	-0.3	-2.4	1.8	0.8	-1.1	1.8	3.1	1.6	1.4	1.9	1.6	1.4
Finance, Insurance, & Real Estate	100.0	102.9	106.1	108.1	111.1	113.7	117.3	121.0	124.1	127.2	130.6	134.0
percent change	2.3	2.9	3.1	2.0	2.7	2.4	3.1	3.2	2.5	2.5	2.6	2.6
Professional & Business Services	100.0	102.8	105.1	105.8	108.4	111.1	114.9	118.9	122.6	126.6	130.6	134.8
percent change	4.0	2.8	2.2	0.7	2.5	2.5	3.4	3.5	3.1	3.3	3.2	3.2
Education & Health Services	100.0	105.5	109.2	112.9	116.9	120.4	124.3	127.2	130.5	134.2	137.7	141.2
percent change	3.9	5.5	3.6	3.4	3.5	3.0	3.3	2.3	2.5	2.9	2.6	2.5
Leisure & Hospitality Services	100.0	104.1	108.2	110.0	113.6	117.3	121.1	124.0	127.2	130.8	134.2	137.7
percent change	3.7	4.1	3.9	1.7	3.2	3.3	3.3	2.4	2.5	2.9	2.6	2.6
Other Services *	100.0	107.2	111.7	115.6	120.0	124.3	128.3	131.5	134.9	138.7	142.4	146.1
percent change	5.4	7.2	4.2	3.5	3.8	3.6	3.2	2.5	2.6	2.8	2.6	2.6

Sources: U.S. Bureau of Economic Analysis, UC Santa Barbara Economic Forecast Project

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

Table 35: California Gross Labor Productivity By Sector - Part 1	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
								<i>estimated</i>	<i>forecast</i>			
Total, All Sectors												
(\$ thousands)	86.7	86.8	90.4	95.5	102.0	106.9	112.4	117.0	121.6	126.9	132.3	137.9
(\$ 2000 thousands)	86.7	85.6	87.6	90.7	94.6	96.8	99.0	100.9	103.0	105.3	107.8	110.4
percent change	3.9	-1.3	2.4	3.6	4.2	2.4	2.3	1.9	2.1	2.3	2.3	2.4
Sub-total, All Non-Farm Sectors												
(\$ thousands)	87.8	87.9	91.4	96.5	102.8	108.1	113.7	118.4	123.0	128.5	133.9	139.6
(\$ 2000 thousands)	87.8	86.6	88.5	91.7	95.6	98.0	100.2	102.1	104.2	106.6	109.1	111.7
percent change	3.8	-1.3	2.1	3.6	4.3	2.4	2.3	1.9	2.1	2.3	2.3	2.4
Sub-total, All Private Sectors												
(\$ thousands)	91.8	91.7	95.7	101.0	107.8	113.1	119.2	124.4	129.5	135.5	141.5	147.7
(\$ 2000 thousands)	91.8	90.6	93.3	96.9	101.1	103.7	106.3	108.5	110.9	113.6	116.4	119.3
percent change	4.2	-1.4	3.0	3.8	4.4	2.6	2.5	2.0	2.2	2.4	2.5	2.5
Public Sector												
(\$ thousands)	58.8	61.2	63.7	67.6	71.4	73.9	76.3	77.6	79.1	80.7	82.2	83.7
(\$ 2000 thousands)	58.8	59.0	58.7	59.6	60.5	60.4	60.4	60.5	60.6	60.6	60.7	60.8
percent change	1.4	0.4	-0.6	1.6	1.6	-0.3	0.1	0.1	0.1	0.1	0.1	0.2
Agricultural Production												
(\$ thousands)	46.5	46.1	50.5	58.3	70.1	61.6	61.6	62.6	63.5	64.6	65.8	67.0
(\$ 2000 thousands)	46.5	43.7	51.5	53.8	53.9	53.2	52.8	52.6	52.8	53.2	53.6	54.1
percent change	9.9	-6.0	17.7	4.6	0.1	-1.3	-0.7	-0.5	0.5	0.8	0.7	0.8
Mining & Quarrying												
(\$ thousands)	381.9	255.0	254.2	313.1	365.2	415.2	423.0	408.4	397.5	400.0	394.7	388.6
(\$ 2000 thousands)	381.9	246.2	254.0	231.2	228.8	204.0	194.4	191.3	188.5	185.8	183.4	181.2
percent change	-3.1	-35.5	3.2	-9.0	-1.1	-10.8	-4.7	-1.6	-1.5	-1.4	-1.3	-1.2
Construction												
(\$ thousands)	72.1	73.3	75.7	77.1	82.1	84.8	84.4	85.1	87.5	91.1	94.6	97.9
(\$ 2000 thousands)	72.1	68.2	67.2	65.0	64.6	63.5	62.5	61.6	61.3	61.0	60.6	60.2
percent change	-2.1	-5.3	-1.5	-3.3	-0.5	-1.7	-1.6	-1.5	-0.5	-0.5	-0.6	-0.7
Durables Manufacturing												
(\$ thousands)	106.4	85.7	85.2	89.6	91.7	98.8	111.7	119.5	126.6	135.0	143.0	151.4
(\$ 2000 thousands)	106.4	96.8	100.6	111.2	118.9	131.4	140.7	148.3	157.1	166.5	176.5	187.1
percent change	29.1	-9.0	3.9	10.6	6.9	10.5	7.1	5.4	5.9	6.0	6.0	6.0
Non-Durables Manufacturing												
(\$ thousands)	83.9	87.8	84.8	94.3	99.9	113.0	124.0	131.7	139.0	146.5	154.4	162.7
(\$ 2000 thousands)	83.9	81.3	82.5	87.5	92.9	100.8	106.9	111.3	116.0	120.7	125.5	130.7
percent change	4.7	-3.2	1.6	6.1	6.2	8.4	6.1	4.1	4.2	4.1	4.0	4.1

Sources: U.S. Bureau of Economic Analysis, CA Employment Development Department, UC Santa Barbara Economic Forecast Project

Table 36: California Gross Labor Productivity By Sector - Part 2	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
								<i>estimated</i>	<i>forecast</i>			
Information Services												
(\$ thousands)	141.5	148.9	166.5	180.8	205.9	225.5	245.8	264.9	284.9	307.1	329.9	353.8
(\$ 2000 thousands)	141.5	147.1	164.4	177.0	204.8	223.0	238.9	255.6	273.2	291.5	310.8	331.0
percent change	-3.7	3.9	11.7	7.7	15.7	8.9	7.1	7.0	6.9	6.7	6.6	6.5
Transportation, Warehousing, and Utilities												
(\$ thousands)	99.1	91.6	110.6	119.1	123.1	128.3	133.6	139.1	145.5	151.6	156.7	161.7
(\$ 2000 thousands)	99.1	87.7	105.8	112.7	114.8	116.0	117.5	118.8	121.6	124.7	127.9	131.4
percent change	2.4	-11.6	20.7	6.5	1.9	1.0	1.3	1.1	2.4	2.5	2.6	2.7
Wholesale Trade												
(\$ thousands)	115.4	116.6	119.5	123.6	131.6	137.5	141.9	143.2	144.4	147.3	149.4	151.2
(\$ 2000 thousands)	115.4	121.6	124.2	127.6	129.5	129.8	130.3	130.7	131.3	132.0	132.8	133.8
percent change	-1.8	5.3	2.1	2.8	1.4	0.2	0.4	0.3	0.4	0.5	0.6	0.7
Retail Trade												
(\$ thousands)	57.2	58.9	61.7	63.9	66.9	68.9	71.5	73.2	74.7	76.6	78.2	79.7
(\$ 2000 thousands)	57.2	60.4	62.1	63.8	67.5	68.2	68.8	69.3	69.7	70.1	70.5	70.9
percent change	4.2	5.6	2.8	2.8	5.8	1.0	0.8	0.7	0.7	0.6	0.6	0.5
Finance, Insurance, & Real Estate												
(\$ thousands)	331.6	339.3	352.2	366.4	392.9	410.4	431.8	453.3	473.4	495.6	519.6	544.8
(\$ 2000 thousands)	331.6	329.8	332.1	338.8	353.8	360.9	368.1	374.6	381.5	389.5	397.9	406.6
percent change	4.0	-0.6	0.7	2.0	4.4	2.0	2.0	1.8	1.9	2.1	2.2	2.2
Professional & Business Services												
(\$ thousands)	80.6	80.5	82.3	86.5	92.7	96.9	102.3	108.1	113.8	120.0	126.4	133.1
(\$ 2000 thousands)	80.6	78.3	78.3	81.8	85.5	87.2	89.0	90.9	92.8	94.8	96.8	98.8
percent change	2.0	-2.8	-0.0	4.4	4.5	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Educational & Health Services												
(\$ thousands)	51.8	55.3	59.1	61.5	64.8	69.0	72.7	75.9	79.4	83.2	87.0	90.9
(\$ 2000 thousands)	51.8	52.4	54.1	54.4	55.4	57.3	58.5	59.7	60.9	62.0	63.2	64.4
percent change	0.6	1.2	3.2	0.6	1.9	3.4	2.0	2.1	2.0	1.9	1.9	1.9
Leisure & Hospitality Services												
(\$ thousands)	35.0	36.1	38.2	39.8	41.7	43.5	45.4	47.0	48.8	50.8	52.8	54.9
(\$ 2000 thousands)	35.0	34.6	35.3	36.2	36.7	37.1	37.5	37.9	38.3	38.8	39.3	39.9
percent change	2.2	-1.0	1.9	2.7	1.3	1.0	1.1	1.2	1.2	1.3	1.3	1.4
Other Services *												
(\$ thousands)	61.5	64.8	66.7	69.6	73.3	76.7	79.9	82.5	85.2	88.2	91.0	93.7
(\$ 2000 thousands)	61.5	60.5	59.7	60.2	61.1	61.7	62.3	62.8	63.2	63.6	63.9	64.1
percent change	-0.4	-1.6	-1.3	0.8	1.5	1.0	0.9	0.8	0.7	0.6	0.5	0.4

Sources: U.S. Bureau of Economic Analysis, CA Employment Development Department, UC Santa Barbara Economic Forecast Project

Table 37: California Employment By Sector	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<i>thousands of jobs</i>								<i>estimated</i>	<i>forecast</i>			
Total, All Sectors	14,896.7	14,981.5	14,830.5	14,769.7	14,899.8	15,175.9	15,450.0	15,606.7	15,797.2	16,009.8	16,234.0	16,446.4
percent change	3.5	0.6	-1.0	-0.4	0.9	1.9	1.8	1.0	1.2	1.3	1.4	1.3
Sub-total, All Non-Farm Sectors	14,488.2	14,602.0	14,457.8	14,392.3	14,530.4	14,797.7	15,072.8	15,223.6	15,414.2	15,626.1	15,849.0	16,059.5
percent change	3.5	0.8	-1.0	-0.5	1.0	1.8	1.9	1.0	1.3	1.4	1.4	1.3
Sub-total, All Private Sectors	12,578.6	12,599.4	12,383.4	12,344.1	12,504.3	12,759.4	13,002.7	13,144.0	13,320.8	13,518.5	13,726.2	13,925.2
percent change	3.5	0.2	-1.7	-0.3	1.3	2.0	1.9	1.1	1.3	1.5	1.5	1.5
Public Sector	2,318.1	2,382.1	2,447.1	2,425.5	2,395.5	2,416.5	2,447.3	2,462.7	2,476.4	2,491.2	2,507.8	2,521.2
percent change	3.5	2.8	2.7	-0.9	-1.2	0.9	1.3	0.6	0.6	0.6	0.7	0.5
Agricultural Production	408.5	379.5	372.7	377.4	369.4	378.2	377.2	383.2	383.0	383.6	384.9	386.9
percent change	1.1	-7.1	-1.8	1.3	-2.1	2.4	-0.3	1.6	-0.1	0.2	0.3	0.5
Mining & Quarrying	26.5	25.6	23.1	22.2	22.8	23.6	25.1	25.3	25.4	25.4	25.4	25.4
percent change	0.7	-3.3	-9.7	-3.8	2.6	3.2	6.7	0.8	0.1	0.2	0.2	-0.0
Construction	733.4	780.4	774.4	796.8	850.4	905.3	939.4	942.1	946.4	952.2	959.6	966.6
percent change	7.4	6.4	-0.8	2.9	6.7	6.5	3.8	0.3	0.5	0.6	0.8	0.7
Manufacturing	1,864.0	1,791.1	1,644.5	1,554.5	1,533.1	1,514.4	1,504.5	1,508.9	1,514.2	1,519.9	1,525.9	1,533.0
percent change	1.9	-3.9	-8.2	-5.5	-1.4	-1.2	-0.7	0.3	0.4	0.4	0.4	0.5
Durables Manufacturing	1,217.2	1,173.9	1,059.6	988.5	975.6	968.7	960.3	962.9	966.8	970.3	974.1	978.8
percent change	2.8	-3.6	-9.7	-6.7	-1.3	-0.7	-0.9	0.3	0.4	0.4	0.4	0.5
Non-durables Manufacturing	646.8	617.2	584.9	566.0	557.4	545.7	544.2	546.0	547.5	549.6	551.8	554.2
percent change	0.1	-4.6	-5.2	-3.2	-1.5	-2.1	-0.3	0.3	0.3	0.4	0.4	0.5
Information Services	576.7	551.9	497.3	476.1	482.4	473.6	472.8	474.4	476.7	479.7	482.7	485.6
percent change	11.5	-4.3	-9.9	-4.3	1.3	-1.8	-0.2	0.3	0.5	0.6	0.6	0.6
Transportation, Warehousing, & Utilities	518.3	514.1	491.0	480.6	482.8	487.1	495.5	499.6	503.4	507.3	511.5	515.5
percent change	2.0	-0.8	-4.5	-2.1	0.5	0.9	1.7	0.8	0.8	0.8	0.8	0.8
Wholesale Trade	646.2	658.9	652.1	649.5	655.1	675.8	700.8	705.7	720.0	736.6	755.4	774.1
percent change	2.9	2.0	-1.0	-0.4	0.9	3.2	3.7	0.7	2.0	2.3	2.6	2.5
Retail Trade	1,563.4	1,575.9	1,582.2	1,588.4	1,617.8	1,659.3	1,677.5	1,685.2	1,725.4	1,767.0	1,807.3	1,845.4
percent change	3.6	0.8	0.4	0.4	1.9	2.6	1.1	0.5	2.4	2.4	2.3	2.1
Finance, Insurance, & Real Estate	806.9	836.0	853.0	885.7	902.2	927.2	940.7	946.2	951.3	964.6	979.5	993.1
percent change	1.7	3.6	2.0	3.8	1.9	2.8	1.5	0.6	0.5	1.4	1.5	1.4
Professional & Business Services	2,210.5	2,173.8	2,106.3	2,072.4	2,085.1	2,148.0	2,225.1	2,267.6	2,310.1	2,355.2	2,403.6	2,448.2
percent change	4.3	-1.7	-3.1	-1.6	0.6	3.0	3.6	1.9	1.9	2.0	2.1	1.9
Education & Health Services	1,401.0	1,447.9	1,498.9	1,536.3	1,560.0	1,586.5	1,618.3	1,645.4	1,671.3	1,699.3	1,727.5	1,754.3
percent change	2.4	3.4	3.5	2.5	1.5	1.7	2.0	1.7	1.6	1.7	1.7	1.5
Leisure & Hospitality Services	1,335.6	1,365.1	1,382.4	1,400.1	1,439.4	1,475.2	1,519.4	1,547.1	1,572.8	1,599.1	1,625.8	1,651.8
percent change	3.0	2.2	1.3	1.3	2.8	2.5	3.0	1.8	1.7	1.7	1.7	1.6
Other Services *	487.7	499.2	505.7	504.3	503.9	505.5	506.5	513.4	520.8	528.7	537.1	545.3
percent change	3.1	2.4	1.3	-0.3	-0.1	0.3	0.2	1.4	1.5	1.5	1.6	1.5

Sources: CA Employment Development Department, UC Santa Barbara Economic Forecast Project

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

SANTA BARBARA BANK & TRUST

S I N C E 1 9 6 0

Santa Barbara Bank & Trust is the largest independent bank, serving customers on California's Central Coast with 33 branches in Santa Barbara, Ventura and Los Angeles.

Recognized as a longtime leader, Santa Barbara Bank & Trust is staffed by experienced employees whose market knowledge, customer familiarity and local accountability and authority have defined quality banking on the Central Coast since 1960. In addition to a broad selection of traditional consumer banking products and services, we provide the financial strength and product diversity available, including an extensive and competitive selection of Commercial Banking and Wealth Management Services.

Most important, our depth of capabilities is delivered with exceptional levels of personalized customer service that come from doing business with a community bank. Our local employee teams have long been recognized for their close ties to the communities in which they live and work, both on and off the job. We remain deeply committed to providing significant financial support and volunteer resources to the many partnerships and programs that ensure the ongoing prosperity of the people and markets we serve.

Santa Barbara Bank & Trust is honored to partner with the UCSB Economic Forecast Project to deliver this important local economic analysis to our community.



County of Santa Barbara Auditor-Controller

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.

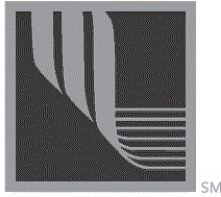
Information provided by the UCSB Economic Forecast Project concerning current and projected economic conditions has proven extremely valuable to the County for strategic planning, and in preparing revenue forecasts and the annual budget. The County believes that participation in the Economic Forecast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



**GOLETA VALLEY
CHAMBER OF COMMERCE**
A Head for Business, A Heart for the Community

The Goleta Valley Chamber of Commerce is a membership organization of 500 members, representing more the 25,000 employees in the Goleta Valley. The Chamber was established in 1947 to advance the interests of the Goleta Valley, its people and its commerce through a program of membership, service to business, and public leadership. Its mission is to foster the economic vitality and quality of life within the Goleta Valley.

Lead Sponsors



LIMOTTA
INTERNET TECHNOLOGIES

IT'S NOT JUST INTERNET.
IT'S BUSINESS.

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 four in Santa Barbara and one 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 more than \$1 billion in loans per year to local individuals and businesses. Our lending decisions are made locally and the money you deposit in Mid-State Bank & Trust is invested back into the community through loans to local businesses like yours.

With \$2.4 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.midstate-bank.com or stop by or call any of our local offices:

- 33 E. Carrillo Street, Santa Barbara, 963-5871
- 914 Carpinteria Street, Santa Barbara, 963-8928
- 2222 Bath Street, Santa Barbara, 682-3999
- 5340 Hollister Avenue, Santa Barbara, 683-3000
- 5956 Calle Real, Goleta, 967-0451

Rincon Broadcasting

KTMS AM 990 features top national personalities (Don Imus, Rush Limbaugh, Sean Hannity & Dr. Laura) plus the best locally-based talk show hosts in Santa Barbara (Russell Palmer and Paul Berenson). KTMS provides news and traffic around the clock. KTMS is there.

99.9 KTYD-FM is Santa Barbara's Heritage Rock radio station. KTYD reaches Santa Barbara's largest adult listening audience. No other radio station in Santa Barbara touches so wide an age group. KTYD continues to proudly serve the Santa Barbara community since 1973.

K-LITE 101.7(KSBL-FM) is Santa Barbara's soft Rock station, delivering a larger female listening audience than any other Santa Barbara radio station. K-LITE is proudly committed to superior community service, involving countless Santa Barbara charities and local non-profit efforts.

KIST-AM 1340 is Santa Barbara's Progressive Talk radio station, featuring nationally syndicated personalities from the Air America network. AM 1340 serves Santa Barbara's liberally-minded constituents with progressive talk radio.

KSPE-FM 94.5, "La Preciosa," is Santa Barbara's radio station for Latino families looking for Mexican hit songs from the 70's, 80's and 90's. KSPE-FM 94.5 is the part of the growing La Preciosa network, which is now sixteen stations strong.

KIST-FM 107.7FM, "Radio Bronco," is Santa Barbara's original home to Regional Mexican music. Radio Bronco, Con Sabor A Mexico, is locally-based for over 15 years now. Radio Bronco touches all Latino cultures in Santa Barbara.

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 143,000 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 recent years, the News-Press has moved aggressively to serve the changing needs and desires of our audience, and become a multi-media communications company. Broadening our reach beyond the daily paper in providing comprehensive community news and information, we also offer news on the radio, through our partnership with KZSB-AM 1290, and on the web, with live, breaking news and updates throughout the day on newspress.com. We also publish several specialty publications, including the weekly Santa Ynez Valley Living, the weekly Goleta Valley Voice, the monthly Blue Edge magazine and the biweekly Spanish-language El Mexicano de Santa Barbara. And NP Commercial Printing offers pre-press 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.

Santa Barbara Roundtable

A California Non-Profit Benefit Corporation

Santa Barbara Roundtable is a California Non-Profit Benefit Corporation of community leaders, dedicated to producing and disseminating ideas so that its individual and corporate members, as well as policymakers, journalists, and interested citizens of the Santa Barbara County can better understand and address the public policy and quality of life issues and choices facing Santa Barbara County and its citizens by:

- Developing Vision Statements for Santa Barbara County and Action Plans including the roles and responsibilities of local governments, interest groups, corporations and individuals; and
- Sponsoring Task Forces of its members to help set the public policy and quality of life agenda of Santa Barbara County; and
- Conducting studies where its members produce, or contract for, Position Papers, which analyze local public policy and quality of life issues and make concrete policy recommendations.

Santa Barbara Roundtable
A California Non-Profit Benefit Corporation
Post Office Box 547
Los Olivos, CA 93441



BARTLETT, PRINGLE
& WOLF, LLP



MISSION WEALTH
MANAGEMENT, LLC

Bartlett, Pringle & Wolf, LLP (BPW) is a leading Certified Public Accounting and Consulting firm on the Central Coast and has played a key role in the community since 1948. BPW provides a full range of financial services focused on helping clients achieve their financial goals, strategically plan for the future, meet compliance requirements and be proactive in their quest for opportunity.

BPW is affiliated with Mission Wealth Management, LLC (MWM), a nationally recognized and independent wealth management firm. This winning partnership allows clients to evaluate many aspects of their financial landscape in concert. The integrated team offers solutions for individuals, non-profit organizations and businesses both large and small.

The firm's commitment to providing a comprehensive, integrated range of services means that if you need tax or investment services today, a cost segregation study on a building purchased tomorrow, and estate planning in the future, our full suite of services can be structured to anticipate and keep pace with your ever-changing financial needs.

Bartlett, Pringle and Wolf, in conjunction with Mission Wealth Management, offers a complete menu of financial services including:

- Tax Planning and Preparation
- Estate Planning
- Financial Planning
- Integrated Wealth Management
- The area's largest Audit and Accounting Department
- Implementation and support of Microsoft Dynamics business solutions.
- Business Consulting
- Bookkeeping Services
- Cost Segregation Studies
- Insurance Services
- Forensic Accounting
- Investments
- Risk Management

BPW and MWM have over 60 professionals and over 25 CPAs. The depth of the team enables clients to benefit from a breadth of developed financial areas of expertise. This extensive network of highly trained individuals can navigate the complex financial issues clients face to ensure they are receiving customized solutions.

MWM is an independent, registered investment advisory

firm serving clients throughout Southern California. Nationally ranked by multiple publications*, MWM's comprehensive approach is driven by a dedication to the financial planning process and is delivered through their Integrated Wealth Solution® proactive service model.

To learn more about how Bartlett, Pringle & Wolf and Mission Wealth Management can help you optimize your financial success, please call BPW at 805-963-7811 or MWM at 805-882-2360.

*Rankings based on average client size by Wealth Manager and Bloomberg Wealth Manager in 2005 and 2004 respectively.

Securities offered through NATIONAL PLANNING CORPORATION (NPC), Member NASD, SIPC Advisory services offered through MISSION WEALTH MANAGEMENT, LLC (MWM). California Ins. License #0D35068. BPW, MWM and NPC are separate & unrelated companies.



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.

Advisory Sponsors



RESIDENTIAL BROKERAGE



County of Santa Barbara Department of Housing and Community Development

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 our 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 and locally is the leading Real Estate Brokerage.

Established in 1906 Coldwell Banker has more than 4,000 residential and commercial offices and 126,400 sales associates in over 30 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 Coldwell Banker management team consists of Robert P. Ruccione (Santa Barbara) Charles Farish (Montecito) & Ron Podell (Santa Ynez Valley). Please, visit our websites at www.California Moves.com or www.ColdwellBanker.com

“A Century of Distinction.”

The Housing and Community Development Department (HCD) was formed by the County Board of Supervisors with the mission to coordinate the development and implementation of the County’s affordable housing and community development needs within the context of respecting local needs, priorities, and our natural environment.

As stated in the County’s Strategic Plan document, the rising cost of housing in the County is making home ownership increasingly less attainable for a growing percentage of the population. As a result, middle class families (families with incomes from 80% to 120% of a region’s median income) are leaving the County, which is problematic because experts generally agree that a thriving middle class is a key component to a vibrant regional economy and a civically involved public. Additionally, high home prices and rents are forcing businesses to relocate and low income families to live in extremely crowded and potentially unhealthy conditions.

Operating as an entrepreneurial department, HCD seeks to achieve the County’s housing goals by financing and supporting projects that will produce as many “attainable” housing units and economic enhancement services as possible while simultaneously leveraging the maximum amount of other fund sources per General Fund dollar feasible.

DAVIES

DAVIES is a strategic communications firm offering public affairs, public relations, and marketing services to clients across industries, with an emphasis on your four specialty practice areas- Real Estate, Healthcare, Energy & Natural Resources, and Nonprofit. With 39 professionals working out of offices within Santa Barbara, Sacramento and Los Angeles, DAVIES is ranked the second 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, HCA, 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, Cottage Health System, the County of Santa Barbara, Santa Barbara City College, Santa Barbara MTD, Westmont College, Sansum-Santa Barbara 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 UCB Economic Forecast Seminar is but on way the firm expresses its pride in being part of the Tri-County business community.



Epstein & 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 Epstein & 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 Epstein & Associates is that link.



Evolving from a one-county abstract company in 1889, The First American Corporation is now a diversified, international business information products and services provider and a recognized FORTUNE 500® company. First American brings the strength and expertise of more than 35,000 employees and 2,100 offices and an extensive network of agents throughout the United States and abroad to the nation's businesses and consumers. Using proprietary or public records, First American gathers data and forms it into useful, decision-ready information products and services. By truly focusing on the needs of the consumer, First American has developed services and technology that are increasingly flexible, efficient and cost effective.

With headquarters in Santa Ana, California, First American's role in buying a home includes providing all 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.

On a local level, First American Title continues to be #1 in overall market share in the resale, refinance and new home markets. Karen Chackel, County Manager, directs five offices in the county—Santa Barbara, Montecito, Santa Maria, Lompoc and Solvang—and is dedicated to providing excellent service with integrity and professionalism.

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

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.

The Pacific Coast Business Times is delivered primarily through subscription at a special introductory price of \$48.99 for 52 issues. A full-time staff in editorial, advertising sales and circulation is eager to help and serve you. For news, subscription or advertising information, please contact us at 805-560-6950 or go on-line at www.pacbiztimes.com.

PASEO NUEVO

FASHION · FILM · ART · CUISINE

Paseo Nuevo Shopping Center, located in the commercial and retail heart of downtown Santa Barbara is the premier shopping destination for locals and tourists. Visitors can stroll the sun-drenched promenade and the winding paseos surrounded by over 60 exclusive local and national shops and restaurants. A unique feature of this outdoor center is the attached Arts Complex which includes the Contemporary Arts Forum and Center Stage Theater.

Anchored by Nordstrom and Macy's, Paseo Nuevo includes such premier destinations as Sephora, bebe, California Pizza Kitchen, lululemon athletica, This Little Piggy Wears Cotton, Pascucci, Aveda, Discovery Channel Store, Caché and Abercrombie & Fitch.

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.

Santa Barbara DAILY SOUND

The Santa Barbara Daily Sound, a free daily publication serving southern Santa Barbara County from Carpinteria to Goleta, focuses on local community news with an unbiased outlook. The Daily Sound is published Monday through Friday and is distributed to over 250 single copy locations throughout the south coast.

In 2006, Editor and Publisher Jeramy Gordon founded the paper as an alternative source for daily news. Since its first publication in March, the paper has quickly grown into a mainstream news source for local information.

As a free circulation newspaper, the Daily Sound relies on advertising to survive. With competitive rates, businesses of all sizes are able to advertise effectively and affordably. The Daily Sound prides itself on community involvement and sponsors many local events at all levels.



S&S Seeds inc is a primary wholesale supplier of drought tolerant and native plant seed. We feel our chief distinction is service and fine quality seeds. We have research and development trial fields for evaluation of new and old species. Our production fields and extensive collections of native plant seed allows us to offer more than 900 plant species, including wildflowers, native and reclamation grasses, trees, shrubs and native plants.

We utilize state of the art seed cleaning equipment to process seed and by continually testing for purity, germination and pure live seed counts at certified laboratories, top quality seeds are assured.

Our professional staff works with customers to design seed mixes for each particular project site. Careful consideration is given to site conditions, soil type, climate, available moisture and the desired visual effect. Germination, purity and seed count are also considered when recommending planting rates to guarantee a properly balanced seed mix.

We also specialize in custom seed collections for projects which require site specific species. We have production facilities available if increases of seeds are necessary to complete projects.

S&S Seeds inc is dedicated to providing the very best service and top quality seed to landscape contractors, government agencies and seed distributors throughout the United States and abroad.

Business Associate Sponsors



Bank of Santa Barbara is located in the heart of Santa Barbara, quietly nestled between the ocean & the mountains, the hub of the coastal California county. The Bank of Santa Barbara represents the heart & hospitality of our small, coastal town. Managed and staffed by a team of local, experienced bankers, we offer a full array of banking products and solutions backed by a commitment to quality, personalized service. Our business decisions are made here and we're committed to supporting the people and organizations which makes Santa Barbara a special place to live and work.

Bank of Santa Barbara
Andy Clark, President
12 East Figueroa Street
Santa Barbara, CA 93101
Phone: 805.730.7860
Fax: 805.730.7899
www.bankofsantabarbara.com



The first independent bank to emerge in Santa Barbara in over a decade, Business First National Bank is the only local bank whose entire focus is helping you and your business succeed. Since our launch in January 2001, Business First has grown to over \$125 million in asset size and has established a true community bank with a keen understanding of local conditions.

Business First National Bank provides sophisticated financial products, high-tech banking technology, and fast, local decision-making. Traditional banking procedures can limit your company's growth. By acting quickly, creatively, and locally, we are able to provide customized financial solutions, as well as innovative products and services to simplify your business banking needs. We believe it's not enough for us to occasionally provide extraordinary customer service—we go the extra mile to exceed the expectations of our clients every day.

Our unique partnerships with Partnervest Financial Group and Brown & Brown Insurance enable us to provide the ultimate in banking convenience: every financial service you need under one roof. And with our complimentary courier service, it's like having a branch right in your office.

Business First has two locations in Santa Barbara: 1035 State Street and 800 North Milpas Street. For more information, please contact Joanne Funari at 805-899-4300, or access the bank online at www.BusinessFirst.com.



SARES•REGIS Group is nationally recognized for development, acquisition and management of office and industrial parks, apartments, condominiums, and mixed-use communities.

SRG has maintained a regional office in the tri-counties for twenty years, developing master planned business parks including McInnes Ranch, Sares Business Center and Conejo Corporate Center. Current local business park projects include Cabrillo Business Park and Hollister Center in Goleta, and the Arbors in Thousand Oaks.

SARES•REGIS Group manages approximately \$2.5 billion in assets on behalf of its institutional partners and clients. These assets include 15 million square feet of commercial property and more than 18,000 homes and apartments. Currently, the company has more than 6.5 million square feet of commercial properties valued at \$500 million and more than 2,000 residential units under development.

Headquartered in Irvine, CA, SRG employs approximately 600 people on the west coast with other regional offices located in San Mateo, Sacramento, Phoenix and Denver.



The CALIFORNIA ASSOCIATION OF REALTORS® is a trade association representing more than 185,000 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.

COASTAL VIEW NEWS

Carpinteria Valley's LOCAL Newspaper

Coastal View News is the only media fully dedicated to covering the news and events of Carpinteria Valley residents. Since 1994, CVN readers have relied on the weekly newspaper as their only source for vital, in-depth information directly affecting the life and growth of their community.

Recognized for its leading edge approach to business, for raising the standards of business practices, and for its numerous contributions to the community, CVN was hailed as 1995's "Small Business of the Year" and 2000's "Volunteer of the Year" by the Carpinteria Valley Chamber of Commerce. In 2004, the publication won numerous awards from the National Association of Free Community Papers, including First Place, Most Outstanding Publication in a field of 3,000 free-circulation community papers.

This spring, CVN will launch Carpinteria Magazine, a comprehensive community and visitors guide featuring the Valleys' greatest resources... entertaining, informative and beautifully presented in the true welcoming spirit of Carpinteria. 15,000 issues will be on the streets in early May.

Coastal View News is distributed to over 6,500 homes and businesses in Carpinteria, Summerland, Montecito and Santa Barbara. Its estimated readership is 15,000.

CVN is a steadfast supporter of Carpinteria Valley businesses and actively participates in all community promotions and fundraising activities. The paper is printed and published in the County of Santa Barbara, and has been adjudged a newspaper of general circulation by the Superior Court of the County of Santa Barbara (Case Number 21046). It is published each Thursday by RMG Ventures, LLC.

To learn more, visit coastalview.com or call (805) 684-4428.



Community West Bank focuses on three core competencies: Relationship Banking, Mortgage Lending and SBA Lending. Keeping credit and other banking decisions local is the key to Community West Bank's success.

With offices in Santa Maria, Goleta, Santa Barbara, Ventura and Westlake Village, the **Relationship Banking** division offers a full range of business and consumer loan and deposit products. Clients can bank at any branch office, through on-line banking, or by use of convenient courier services.

The **Mortgage Lending** division has been originating residential real estate loans throughout the tri-counties since 1995 and expanded to Sacramento and Lake Tahoe in 2004. Its manufactured housing financing program, now in its tenth year, was established to address the growing needs of affordable housing in the tri-counties and recently expanded into Los Angeles, Orange, San Diego and Sacramento counties.

Community West Bank is one of the nation's premier **Small Business Administration (SBA)** lenders offering government guaranteed loans in ten states. As a Preferred Nationwide Lender 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 and the employees are experienced and committed to serving the community. It is through their efforts that the Bank's mission of "enhancing shareholder value by serving a diverse customer base with extraordinary customer service and competitive banking products," is carried out.



SANTA BARBARA 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™



Cox Communications, 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.

Cox Business Services offers local businesses access to innovative communication products over an advanced state of the art fiber-based network. Cox Business Services provides for the high bandwidth telecommunications needs of large, medium and small companies in our community.

Cox recently received the highest score of any provider in the small/midsize segment in the inaugural year of the J.D. Power and Associates Business Telecommunications Services Study and ranks highest in six factors that measure overall satisfaction: performance and reliability; sales representatives and account executives; customer service; billing; cost of service; and company image – scoring 43 index points higher than the industry average for the segment.

Cox Media, the cable network advertising unit, is the most direct method reaching directly into the homes with business messaging over more than 40 cable networks designed for specific product target audiences.

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 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. Cox has recently received the Hispanic Chamber of Commerce 2006 Business of the Year Award.

Business Associate Sponsors



Dyer Sheehan Group, Inc. ("DSG") provides a broad range of professional services to the real estate investment and development communities, as well as to governmental agencies and financial institutions. In addition to offering expert brokerage services involving apartment or NNN leased investments, and land for development; DSG conducts detailed market research, feasibility, and other specialized studies, to address specific real estate issues. Dyer Sheehan Group studies over 19,000 Ventura County apartment units, and 5,000 Santa Barbara County apartments on a semi-annual basis. The resulting survey summary data, along with a professional market perspective, is published annually by the UCSB Economic Forecast Project. DSG President, Dawn Dyer, is proud to be a member of the Ventura County Board of Directors of the UCSB-EFP.

Dyer Sheehan Group also specializes in analyzing residential development projects, negotiating complex land use and entitlement permit issues, and building political consensus for the approval of: General Plan Amendments, Zone Changes, Planned Development Permits, Tract Maps, Annexations, and Local Coastal Plan Amendments. DSG Principals have demonstrated a strong ability to facilitate open and productive dialog, enabling decision makers, community groups, and developers to work together to create development projects which are consistent with the vision and priorities of the specific locale.



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.

Three convenient locations to serve your Title and Escrow needs:

Downtown:
902 Chapala Street, Suite B
Santa Barbara, CA 93101
phone: 805.564.8366
fax: 805.564.8373

Montecito:
1290 Coast Village Road
Montecito, CA 93108
phone: 805.969.2892
fax: 805.969.2532

State Street:
3902 State Street
Santa Barbara, CA 93105
phone: 805.682.5439
fax: 805.682.8516

website: www.equitytitle.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. For the past six years the Association has returned cash patronage refunds to its borrowers; in each of 2005 and 2006 those refunds averaged 0.50% of the customer's average borrowings.

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!



FLIR Systems is a world leader in the design, manufacturing, and marketing of thermal imaging and stabilized camera systems for a wide variety of thermography and imaging applications including condition monitoring, research and development, manufacturing process control, airborne observation and broadcast, search and rescue, drug interdiction, surveillance and reconnaissance, navigation safety, border and maritime patrol, environmental monitoring and land-based security.

FLIR Systems is a world leader in the design, manufacturing, and marketing of thermal imaging and stabilized camera systems for a wide variety of thermography and imaging applications including condition monitoring, research and development, manufacturing process control, airborne observation and broadcast, search and rescue, drug interdiction, surveillance and reconnaissance, navigation safety, border and maritime patrol, environmental monitoring and land-based security.



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 DeJohn, 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.



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, leadership, conflict management, mediation, business therapy, technical implementation and most importantly, communication. We understand how solving problems may be difficult in certain business environments. Consequently, we are not hesitant to recommend a policy or procedural modification; or possibly an elimination of that process if it is not productive.

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 who 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 concerns the decision maker. To often they fear "biting the hand that feeds them" and losing their business. We are in the business of helping people solve their existing problems, not perpetuating them. We also give them the tools they need to resolve future concerns.

We have been retained for assignments such as executive level leadership development, mergers and acquisition transitions, expansion and strategic planning, management development, conflict intervention in partnership and shareholder disputes and communication seminars. We are 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 is an excellent communicator and innovative organizational problem solver. Mr. Maloney's pragmatic business approach is balanced by his insight and sensitivity to people.

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



Montecito Bank & Trust

Montecito Bank & Trust has over 30 years of experience in providing community banking services. Much has changed over the years, but here's what has not - our commitment to support the communities we serve grow and prosper and our belief in the value of truly responsive and flexible banking delivered through individual relationships with our customers.

No one knows the value of community relationship banking better than our business, trust and individual banking customers. When you ask any one of them what makes Montecito Bank & Trust so different from other banks, the answers may vary, but the essence of responsiveness shines through.

Much more than a lender, Montecito Bank & Trust provides on-line cash management services, payroll, lockbox, merchant services, and through our Trust and Investment Division, we offer investment management services for individuals, businesses and a variety of nonprofit organizations.

If you are interested in establishing and developing a financial relationship with bankers who will treat your business with the attention and respect it deserves, please contact any one of our Relationship Bankers at 805-963-7511 or visit our website at www.montecito.com.

With over \$700 million in assets and offices in Carpinteria, Goleta, Montecito, Santa Barbara, Westlake Village and Valley Oaks Bank in Solvang, Montecito Bank & Trust is proud to sponsor the UCSB Economic Forecast Project again this year. We believe that economic vitality benefits everyone in the communities we serve.

Business Associate Sponsors



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 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, Inc. was founded in Santa Barbara, California, in May 2002 by four principals—Steve Brown, Scott Glenn, Steve Golis and Bob Tuler—whose exemplary careers encompass more than 100 years of industry experience and dedication to client service. The firm has rapidly become one of the largest and highest producing commercial real estate firms on California's Central Coast.

Buying, selling or leasing . . . Radius Group Commercial Real Estate provides the most current and prior market data, prices, demographics, comparative taxes, labor costs, competitive analysis, vacancy absorption rates and information needed to make profitable real estate decisions.

The entire Radius Group team has extensive knowledge of area markets powerfully combined with the ability to identify economic trends. Radius Group agents are empowered to anticipate opportunities, seize competitive advantage and execute optimum deals—consistently and professionally. Radius Group provides innovative real estate solutions to client requirements through unrivaled market knowledge and experience.

With a unique team philosophy as its backbone, Radius Group maintains the distinct ability not only to meet client needs, but also to produce desired results with an exceptionally high degree of flexibility, diligence, and integrity.



Sansum Clinic, with a history of more than 85 years in Santa Barbara County, is the area's largest health care organization providing the full spectrum of quality healthcare throughout our community. We provide Primary Care and more than 30 specialties and surgery through our 18 convenient patient care locations.

The mission of Sansum Clinic is to provide excellence in comprehensive health care through teamwork, community collaboration, research and education. We care for more than 150,000 people in addition to providing free or highly subsidized service and care to more than 22,000 people annually.

Sansum Clinic is a 501(c) (3) California Nonprofit Public Benefit Corporation with over 150 affiliated physicians, and is accredited by the Joint Commission on Accreditation of Healthcare Organizations.



The Santa Barbara Airport (SBA) has served the region with commercial air service for 66 years. It has more than a half-billion dollar annual impact on Santa Barbara County alone. There are 120 aviation and commercial/industrial Airport tenants that spend over \$4 million in rent annually. Total payroll at the Airport exceeds \$50 million per year with approximately 1,500 employees. There are 180 private aircraft based at SBA valued at more than \$117 million.

The Airport contributes to the economic vitality of the south and central coasts by fostering business, tourism and trade. It is the global gateway for the region with 86 commercial flights each day. As the county's primary transportation hub, 856,000 passengers arrived and departed at the Airport in 2006—a record high.

There is non-stop service to ten major international airports offering connecting possibilities to anywhere in the world. United Express flies to San Francisco,

Denver, San Jose & Los Angeles. USAirways provides service to Phoenix and Las Vegas; American Eagle flies into Los Angeles and Dallas/Ft. Worth; Delta Connection serves Salt Lake City; and Horizon Air provides service to Seattle and Portland.

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. Approximately \$2.8 million is obtained annually in Federal grants to fund capital improvements. Another \$1.5 million is generated each year by Passenger Facility Charges to fund Airport improvements.

SBA has embarked on a \$97 million capital program to make needed safety and facility improvements. Construction of Federal Aviation Administration standard safety areas for the main runway will take place this year. Design is underway for a new Airline Terminal with construction scheduled to begin next year.



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.



Since 1986, the Santa Barbara Independent has been required reading for the South Coast's active and sophisticated population. Market surveys have shown that the Independent reaches more than 120,000 readers in Santa Barbara County each Thursday with in-depth news reporting, the most extensive calendar of local events, and the best arts and entertainment coverage in the region. The Independent has evolved to be a unique voice for independent writers, critics, and involved citizens.

The Santa Barbara Independent is a true community newspaper with a market penetration higher than almost every other "alternative" weekly in the country. It can be picked up at more than 500 locations stretching from surf points at Rincon to the flower fields of Lompoc.

What truly sets the Santa Barbara Independent apart from other community or alternative newspapers is its commitment to underwriting community events, nonprofit charities, and public service advertiser. The Independent's sponsorships and underwriting covers the entire gamut of activities in Santa Barbara, from support to the UCSB Economic Forecast Project to the Santa Barbara International Film Festival, Old Spanish Days, Summer Solstice, the Downtown Holiday Parade to outreach in the public school system. The paper is also a major sponsor of UCSB intercollegiate sports, and the major theater companies in the region.

From its world-class art museum to Santa Barbara's highly acclaimed and renowned UCSB, Santa Barbara is a community committed to a rich and culturally diverse quality of life. Since its inception, The Santa Barbara Independent has been here to celebrate and support that commitment.



Things change in the banking world all the time. But at Santa Lucia Bank, one thing remains the same: "**CUSTOMER SERVICE.**"

Santa Lucia Bank has a reputation of providing "Good Old-Fashioned Customer Service" complimented with the latest technology in banking. The Bank was founded on the principle of providing friendly and efficient personalized customer service, whether it relates to financing your business or doing your everyday banking. The Bank has offices in Atascadero, Paso Robles, Arroyo Grande and Santa Maria. Santa Lucia Bank was established over two decades ago and has helped hundreds of neighboring businesses achieve their potential.

The success of Santa Lucia Bank is attributed in a large part to its customers. "Our business is successful because of our customers. Our staff provides a level of service that makes our customers feel special," stated Larry H. Putnam, President/CEO. "In turn, they become our best sales people and refer friends, neighbors and business associates to the Bank."

Every business has phases where loans help their business grow. Obtaining a loan is a comfortable experience at Santa Lucia Bank. Customers can get their business loan, construction financing, mortgage loan, equipment financing, and almost any other credit need from their loan officer. There is no need to see a different department for each type of loan, your loan officer can handle all of your borrowing needs.

Santa Lucia Bank remains dedicated to the basic principles of providing its customers quality personalized customer service complimented by technological advancements well into the future.



Sotheby's International Realty is a premiere real estate company with strong local ties. A supportive member of the community for many years, our market area ranges from Carpinteria, through Summerland, Montecito, Santa Barbara, Hope Ranch, and Goleta, on over into the Santa Ynez Valley and Los Olivos. We market properties ranging from distinguished estates to more modest entry-level homes. With its unparalleled world wide connections and opportunities for international marketing, as well as marketing on the state and local levels, Sotheby's offers exposure that provides each seller with the opportunity to realize the optimum benefits of a truly unique marketing plan. For those looking for a home in this area, Sotheby's experienced agents will help introduce you to our individual markets and local neighborhoods. We can also assist you with information on other areas of the country, or help with relocation abroad. Our regional offices are located in Montecito, Santa Barbara, Santa Ynez and Los Olivos.

Please call us for any of your real estate related questions or needs. Our local management team will be pleased to assist you. Contact Patty Tunnicliffe at 805-963-1391, or Greg Tice at 805-969-9993.

Local experts, world-wide connections.



Stewart Information Services Corp. (NYSE-STC) is a technology-driven, strategically competitive, real estate information and transaction management company. Stewart provides title insurance and related information services required for settlement by the real estate and mortgage industries through more than 9,000 policy-issuing offices and agencies in the United States and international markets. Stewart also provides post-closing lender services, mortgage default management solutions, automated county clerk land records, property ownership mapping, geographic information systems, property information reports, flood certificates, document preparation, background checks and expertise in tax-deferred exchanges. More information can be found at www.stewart.com.

Business Associate Sponsors



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.



Towbes Capital Partners

Towbes Capital Partners, LLC (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. Towbes Capital Partners' principals are Michael Towbes, Robert Skinner, and Craig Zimmerman. Since its inception, Towbes Capital Partners has acquired over 500,000 sq. ft. of real estate valued at over \$91 million. For more information on Towbes Capital Partners, visit www.towbes.com



The Towbes Group

The Towbes Group, Inc. is a Santa Barbara based development, construction and asset management company dedicated to providing customer satisfaction. Our company has a history of over fifty years of professional experience in all aspects of residential and commercial real estate development, including construction, development, and property management. We have developed over 5,000 residential units and over 1.4 million square feet of commercial properties. We currently manage 1.7 million square feet of commercial space and 1,800 residential units. Almost all of this development has been in the tri-county area, and a majority has been in Santa Barbara County.

We are pleased to be a sponsor and to support the UCSB Economic Forecast Project.



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.



ARCHBALD & SPRAY LLP
ATTORNEYS AT LAW

Archbald & Spray LLP has had a statewide reputation for exceptional legal service since 1960. Our attorneys provide Central Coast businesses with preventative law counseling on labor and employment matters, handle contract and commercial transactions, provide mediation services, and defend litigation. We represent clients in varied industries, including those within the energy, manufacturing, hospitality and insurance sectors, as well as governmental entities, non-profit organizations and a wide range of professionals.

We deliver value by working closely with our clients to achieve effective and efficient solutions to legal problems. By emphasizing four core principles—*integrity, industry, intelligence and innovation*—the firm has earned professional respect from colleagues and the judiciary, enabling our attorneys to obtain favorable results for our clients through negotiation, mediation and/or litigation. We have successfully defended clients at trial and on appeal in both state and federal courts, concerning contract and commercial matters, labor and employment disputes, environmental, land use, product and professional liability, and insurance coverage disputes.

Archbald & Spray applauds the significant contributions made by the UCSB Economic Forecast Project and is proud to be a continuing sponsor of its activities.



Bank of America is one of the world's largest financial institutions, serving individual consumers, small and middle market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk-management products and services. Bank of America is the No. 1 overall Small Business Administration (SBA) lender in the United States and the No. 1 SBA lender to minority-owned small businesses. Our consumer and commercial banking operations serve more than

one in four households in the United States, transacting with more than 150 customers per second.

Bank of America provides an unmatched convenience in the Santa Barbara and Ventura Counties, serving consumer and small business relationships with more than 30 retail banking offices, more than 120 ATMs and an award-winning online banking system.

Bank of America has \$1.2 trillion in assets and over 175,000 team members. Bank of America was recently named one of the nation's Top 10 companies for corporate diversity and opportunity by *Minority MBA* magazine for the second straight year and *Forbes* named Bank of America among the "Best of the Web."

Our Private Bank division is one of the world's largest corporate fiduciaries for individuals, with \$104.5 billion in assets under management and 50,000 trust relationships.

The Bank of America Foundation contributed more than \$72 million to help children and families succeed in life by supporting programs in early childhood development, economic and financial education and teacher development. Communities are strengthened through additional grants to nonprofits that help people obtain affordable housing and develop job skills.

To learn how Bank of America can help you reach your financial goals, visit our website at www.bankofamerica.com or call us at 805-564-2064.



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.



At C&D we understand the importance of a dialogue between business and the community. Once again we are proud sponsors of the UCSB Economic Forecast Project.

Our entire staff along with partners, Kathleen Campbell, Deborah Gioia, Verva Enoch, Tammy Vogsland, and Janet Olivera, strive to provide sound solutions and advice to our clients that enhance their financial situations. Our expertise in taxation, accounting and auditing, and business and estate planning allow us to serve the diverse interests of our clients ranging from agriculture and ranching, to vineyards and wineries, real estate professionals, manufacturing, and retail businesses.

C&D has been a part of the Central Coast business community for over two decades and we continue to be committed to building lasting relationships with our clients and our community. We understand that the financial future of our community begins with the strength of each individual, each business. We can help you develop a financially stable business with our exceptional customer service and wide range of financial expertise.



The Cancer Center of Santa Barbara is an independent, non-profit cancer treatment center founded in 1949 by Elisha Converse. Today, the Center is comprised of three medical departments—radiation oncology, hematology/medical oncology and nuclear medicine. Serving more than 7,000 patients annually, the wellness program offers art, yoga, poetry and nutrition classes. Sun safety and colon cancer education are key components of the community outreach activities offered. In addition, a cancer resource library is available to patients and the community at large. Individual and group counseling as well as assistance with practical and financial matters are provided at no charge by the patient care department. The Center also has an active clinical research department which makes the latest cancer treatments available, while participating in the progress that is being made nationwide to achieve more effective cancer treatments. Additionally the Center funds basic science research, the mentor program and the *Frontiers in Cancer Research* lecture series at UCSB.

The mission of the Cancer Center serves as a guiding force and allows the Center to maintain the quality and compassionate care that has been its hallmark for more than half a century.

Corporate Sponsors



Capital Pacific Homes is among the nation's largest regional homebuilders with operations in Arizona, California, Colorado and Texas.

We are rated among the top 10 for customer satisfaction in Southern California and locally, we are one of Santa Barbara County's largest builders with 7 actively selling communities. Our Central California Division territory spans from Ventura to Monterey. Communities include 327 homes at Providence Landing in Lompoc, 372 homes at Harvest Glen in Santa Maria, 44 homes at The Enclave at Harp Springs in Orcutt and 54 homes at Old Mill Run, also in Orcutt.

Outreach between CPH and community organizations play a critical role and is based on more than just philanthropy. Our community involvement, always geared to local issues, has taken many different forms for many different organizations including Muscular Dystrophy Association, HomeAid America, American Cancer Society, Boys & Girls Club, Habitat for Humanity, Boy Scouts of America, Ocean Institute and the Community Action Commission.



Since our inception in 1983, Cearnal Andrulaitis, LLP, 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). We have designed some of Santa Barbara's most prominent buildings, including the headquarters of Santa Barbara Bank & Trust, the Hotel Andalucia, the Santa Barbara County District Attorney Building and Braille Institute.

CALLP's current projects include the Cottage Hospital Workforce Housing project at the old St. Francis Hospital site, UCSB's new faculty housing project and the proposed Whole Foods Market on upper State Street. We are the local design architects for the rebuild of Cottage Hospital and are responsible for their new childcare facility, which is designed to achieve a LEEDS Silver rating. Projects under construction include a downtown Santa Barbara Housing Authority project and Santa Barbara County's Children's Services building. We are working on a number of downtown infill mixed-use projects in Santa Barbara and Ventura, including the adaptive reuse of Ventura's Historic Elk's Lodge.

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.



Located in the heart of Santa Barbara County's wine country, the Chumash Casino Resort offers a wide array of activities. From an exciting casino experience to luxurious hotel accommodations to top-notch entertainment, it has become the entertainment hub in the region.

Chumash Casino Resort guests experience the excitement of dazzling gaming activities 24/7 with 2,000 of the latest and greatest slots and video machines, Blackjack, poker and bingo.

The upscale hotel features 106 spacious rooms, including 17 luxury suites and a 5,000 sq. ft. luxury spa. The hotel has received the coveted Four Diamond Award from AAA of Southern California each year since it opened in 2004.

The Chumash Casino Resort has a variety of culinary pleasures: The Creekside Buffet, Chumash Café, and The Willows. Offering steaks and fine entrées, The Willows received a Four Diamond Award from AAA of Southern California – one of only three restaurants in Santa Barbara County to receive the award, and the only restaurant on a Native American gaming property to receive such a rating.

The resort's Samala Showroom offers a variety of concerts and events, featuring top performers such as Fleetwood Mac, Brooks & Dunn, Tony Bennett and Latin pop sensation Juanes.

With Four Diamond dining and accommodations, a luxury spa, high profile entertainers, luxury car giveaways and exciting gaming, it's no wonder that visitors find plenty of ways to live it up at the Chumash Casino Resort.



We are a family-owned business which has grown steadily over the years to become one of the top real estate firms in Santa Barbara and the surrounding areas. We enjoy powerful community recognition built upon our trademark and guarantee of personalized service to our clients.

Our real estate professionals, who live right in the communities we serve, have intimate knowledge of each community's character, mood and growth potential. Drawing on their extensive knowledge of schools, recreation facilities, shopping opportunities and transportation, our real estate associates are able to better respond to and satisfy the special housing needs of their clients, and they can readily meet the unique challenges and issues families may encounter in selecting their new homes.

It is because of our dedicated real estate professionals that you can feel confident that all of your real estate needs will be handled in the most trustworthy, professional, confidential and efficient manner.

For the investor, our commercial department is able to provide our valued clients with income and commercial property opportunities.

One indication of our professionalism is a computer generated CMA (Competitive Market analysis), which compiles complete and accurate information to assist you in the decision-making process regarding the pricing and marketing of your most valuable asset - your home.



"Where you Bank Among Friends."

Now with 13 branches to serve you from Lompoc to Paso Robles and most everywhere in between, CoastHills is a truly regional credit union. Plus, we are now the largest not-for-profit financial co-op on the Central Coast.

Are you tired of having your growing small business get downsized service? Wouldn't it be nice to get the

service from your financial institution that you give to your customers every day? CoastHills now offers **business owners** the outstanding products and services you deserve, including:

- Free Business Checking
- Interest bearing Business Checking
- Lines of Credit
- Commercial Vehicle Loans
- Small Business Loans
- And Much More!

Experience the credit union difference at **CoastHills**, where we post our service promise in every branch, and strive to live up to it every time we assist our 62,000 members.

CoastHills is your employer of choice on the Central Coast, providing **100% medical, dental, and vision insurance premiums for all eligible employees**. Additionally, this year CoastHills employees dedicated over 3,000 hours assisting the communities we serve, aligning with countless volunteer projects and organizations. This commitment from our 170 employees and our volunteers speaks directly to our vision of “making a difference in our neighbors’ lives.”

Contact Info:

Scott Coe
VP Marketing
CoastHills Federal Credit Union
(805)733-7600
scottc@coasthills.coop



The Community Environmental Council (CEC) is a regional 501 (c)(3) non-profit environmental organization with headquarters in Santa Barbara. CEC was founded in 1970 following a swell of outrage and concern over a devastating oil spill in the Santa Barbara Channel, and has been working on local environmental issues every since.

Since its inception, CEC has pioneered scores of real-life solutions- for the community: offering alternatives to pesticides, giving support to the organic foods movement, showcasing and promoting the use of green building techniques, and taking hazardous wastes out of homes and businesses.

Perhaps CEC’s best-known success has been with recycling — a bold but experimental idea that led to the establishment of the first recycling center in Santa Barbara more than three decades ago. CEC recently divested themselves of their recycling business and refocused their organizational mission to more heavily emphasize energy and water issues.

Today, CEC is working toward an ambitious goal of energy independence for Santa Barbara County under their Fossil Free by 2033 campaign. CEC is working on projects that will assess regional potential for renewable energy technologies; decrease our demand for electricity through energy efficiency and conservation measures; get more solar power installed on businesses and homes; and demonstrate that liquefied natural gas terminals are unnecessary in California.

CEC also recognizes the importance of restoring and maintaining healthy watersheds with programs that remove barriers to fish migration; clean local beaches; prevent pollution; and educate the public about local watershed issues.



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 geo-thermal 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.

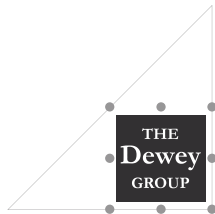
CSA’s reputation for top performance is matched by its commitment in every transaction, and to a positive outcome for each client. CSA is based in Santa Barbara, California, with clients throughout the Western United States. Awards range from a Pacific Coast Builders Conference “Award of Merit” in the 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.



DesignARC is one of Santa Barbara’s leading architecture and Interior design firms. Based in the community for over 30 years, the firm has one of the largest architectural and interior design staffs in the Tri-County areas. DesignARC’s award winning work includes a variety of commercial, institutional, manufacturing, and residential projects. The firm has consistently been recognized over the years as an award winning design focused organization with a specific emphasis on producing inspired architectural solutions that work. The firm maintains a fully staffed office in Los Angeles and is involved in the design of projects throughout California. Recent significant projects include the \$65 million UCSB Manzanita Village Housing project, the \$20 million Santa Barbara Bowl renovation, the \$6.5 million Roosevelt School, Superconductor Technologies Corporate Offices, and many prominent commercial and residential projects. Contact Michael Holliday AIA at 687-1525 for more information or visit www.designarc.net.

Corporate Sponsors



The Dewey Group, founded by John Dewey in 1986, acquires, entitles, renovates, and/or develops residential, commercial and self-storage properties and portfolios, often with challenging environmental or entitlement issues.

Since 1995 as a co-general partner, Mr. Dewey arranged financing for the acquisition and renovation of nearly 5,000 multi-family units in the Western US. His financing helped fuel the growth of one of Southern California's most respected real estate companies. Many of these properties were purchased and renovated with private equity, conventional financing, and often through tax-exempt municipal-bond financing and the sale of tax credits.

Mr. Dewey spent the early years of his career working in real estate capital markets for Lehman Brothers, placing debt and equity in commercial and residential units. These financings covered thousands of units and hundreds of millions of dollars in transaction volume. A member of NAIOP, CORENET, the Mortgage Bankers Association of America and a licensed California real estate broker, Mr. Dewey graduated with a BA in Business-Economics from UCLA. Mr. Dewey currently serves as Vice-Chairman of the board of The Spina Bifida Foundation, based in Washington D.C., responsible for the prevention, awareness and research of Spina Bifida, the most frequently occurring and most permanently disabling birth defect. Mr. Dewey is an active volunteer with the March of Dimes and currently serves on the board of directors of Lighthouse Ministries, a community outreach program of Mariners Church located in Irvine, CA.

Additionally, The Dewey Group currently employs 4 full time project feasibility analysts to support acquisition and market feasibility analysis activities.



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.



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.

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 high-

est 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.



Hatch & Parent represents public and private entities on land use, water resources and strategic planning throughout the state. The other core practice areas of the firm include corporate and tax, complex litigation, public agency, environmental quality and compliance, trusts and estates, appellate law and legislative advocacy. The firm has offices in Los Angeles, Sacramento, San Diego, Santa Barbara and South Lake Tahoe.



Investec was founded in 1983 by Kenneth P. Slaughter, with the goal of offering consolidated services, sharing risk and establishing a reputation for trust and long-term reliability with real estate investors and owners. Today, Investec is a leader in its field and its strategy of diversification has proven to be successful. Now with properties in California, Colorado, Nevada and Arizona, the company's holdings include a \$500 million portfolio of shopping centers in addition to office, industrial, self-storage, apartments and the numerous residential projects the company has entitled and built over the years.

Investec is proud of its extensive record as environmentally conscious developer. Investec is honored to be the only development company ever to receive the Santa Barbara County Green Award (1998). Investec also received the WRAP Award for recycling in 1999, and is a Corporate Partner with the Bren School of Environmental Studies at UCSB.



KEYT-TV has been the Tri-County's ABC affiliate for more than 50 years, broadcasting some of TV's most watched entertainment and news programming, while placing significant emphasis on local news and community involvement.

KEYT has won numerous awards, including two Emmys, one for best newscast, another for Friday Football Focus, the hugely popular and long-running high school football highlights show.

KEYT has been named "Station of the Year" by the Associated Press and has received the "Mark Twain" award for best newscast in the region.

KEYT airs five daily live newscasts from early morning until late at night, simulcasting the 6 p.m. news in Spanish. In addition to its four evening newscasts on the weekends, Channel 3 also airs In Focus, a live, topical interview program on Sunday evenings, and the weekly Coastal Business Report seen Sunday mornings.

KEYT's local emphasis also includes a deep commitment to community service. The station devotes a tremendous amount of airtime and resources to support a broad range of community outreach programs, including four local telethons each year. The Unity Telethon raises money to provide food and clothing for underprivileged families in our area. The Mission for Mentors Telethon raises mentor hours for at-risk children who need an adult role model and friend. The Children's Miracle Network Telethon supports the area's only neo-natal care facility at Cottage Hospital.

KEYT's coverage area extends from Simi Valley in Ventura County to the northern reaches of San Luis Obispo County, and is seen in more than 500,000 households.



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.



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.



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.

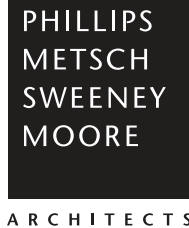
Pacific Riviera Mortgage acknowledges that our valued clients demand excellence in service. At Pacific Riviera Mortgage we value our clients and know that they have special and specific financial needs. The clients we seek are those who demand, deserve and appreciate the highest level of service and performance in all of their real estate financing activities.



Penfield & Smith has been providing complete surveying, mapping, planning, engineering, and construction administration services to the Central and South Coast areas of California since 1946. With a staff of over 150 and branch offices in Santa Barbara, Lancaster, Santa Maria and Camarillo, they are one of the largest engineering companies based in the Tri-Counties and serve both private and public sectors.

As a local employee-owned company most of Penfield & Smith's employees are long-term area residents who have strong roots in their communities. With a varied mix of employee backgrounds, we have the diversity needed to be fully aware of issues facing public and private projects.

Penfield & Smith, quality and service for over 60 years.



Celebrating 101 Years in Business

Phillips Metsch Sweeney Moore Architects is a full-service architectural planning and design firm dedicated to projects that enrich the community. With a focus on public education, healthcare, municipal and performing arts clients, PMSM Architects provides in-house planning, programming, architectural design, interiors and space planning, project management and construction administration services. We supplement these core services with additional specialized expertise including sustainable design, LEED certification, local/state government approval processing, historic preservation, restoration, and renovation.

Distributed among 4 offices-Santa Barbara, Santa Maria, Paso Robles and Visalia-our staff of 50 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.

This year we celebrate 100 years in business in Santa Barbara County. We attribute our enduring success to dedicating ourselves, as people and professionals, 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.

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.

Corporate Sponsors



Suzanne Elledge Planning & Permitting Services, Inc. has provided professional planning, land use consultation, permit processing, and project management services to a wide variety of public and private sector clientele throughout Santa Barbara County since 1994.

Our firm is widely recognized for taking a creative and respectful approach to guiding projects through the public review and entitlement process. We have extensive experience representing a diverse range of residential, institutional, and commercial projects and we have earned a reputation for successfully integrating the objectives of our clients with the community's planning policies.

Our professional staff provides unsurpassed quality of service at competitive rates. Our enthusiasm for facilitating successful permit acquisition and our reputation for providing superior, personalized service have been leading factors in our steady growth over the past twelve years. The focus of our work has been primarily on the South Coast, but as the need for planning services expands in the North County, we look forward to the increased opportunity to provide planning and entitlement services to clients with projects in our North County communities.

In addition to the expertise provided by our own staff, we have an excellent working relationship with an extensive network of professionals in the fields of engineering, surveying, architecture, landscape architecture, and environmental consultation.

Raytheon

After 50 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 perform 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 approximately 1,800.

REICKER, PFAU, PYLE & McROY LLP

ATTORNEYS AT LAW

Santa Barbara's Business Law Firm

Reicker, Pfau, Pyle & McRoy 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. We strive to provide our clients with the finest legal representation available with 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, Fernando Velez, Jr. and Ricardo D. Bordallo** represent businesses and individuals in general business, corporate, securities, tax, real estate, intellectual property, franchise and other legal matters.

Our litigation attorneys, **Alan A. Blakeboro, Diana Jessup Lee, Kurt H. Pyle and Jana M. Beck** concentrate on complex business disputes and commercial litigation in the areas of corporate and partnership disputes, real estate disputes and leasing, contracts, debtor/creditor relations, civil writs and appeals, employment and retirement law and intellectual property litigation.



SANTA BARBARA ASSET MANAGEMENT

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 Chrysler Jeep is proud to announce that they are under New Ownership. Jim Crook with over 30 year's experience in the Automotive Industry, a Local Santa Barbara Resident wants to change all your perceptions of the Vehicle Industry.

Santa Barbara Chrysler Jeep has a Certified Sales Team ready to assist you with all your Daimler Chrysler Buying Needs. All Makes and Models of Brand New vehicles are available through their Broker Program with allows Santa Barbara Chrysler Jeep to act as your personal buying service and deliver your newly purchased or leased vehicle right to your door.

Santa Barbara Chrysler Jeep is committed to focusing on their Client Relationships and is always striving to improve all aspects of their Sales & Service. They aspire to be considered the Friendliest Dealership in Santa Barbara County.

Santa Barbara Chrysler Jeep is a proud Sponsor of the United Boys and Girls Club and actively supports dozens of Academic, Sporting and other Community Projects.

Recently remodeled Client reception area is comfortably appointed and a great relaxing getaway for you while your vehicle is being serviced.

Service Hours were recently extended for the convenience of their Clients. Professional Service Consultants can take care of your service needs Monday through Saturday and the Courteous Sales Staff are available 7 Days a week.

Santa Barbara Chrysler Jeep is a proud sponsor of the UC Santa Barbara Economic Forecast Project.



Santa Barbara City College (SBCC) is a comprehensive community college serving the south coast of Santa Barbara County. The Santa Barbara High School District established SBCC in 1909, making it the second oldest community colleges in California. SBCC is renowned as one of the leading two-year public colleges in the nation and as a premier college in the California system of 109 Community Colleges. The college moved to its present and permanent location in the summer of 1959. 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.

The institution's growth has been rapid, in both enrollments and program offerings. Over 17,500 students currently attend City College's day and evening credit classes. The college offers an extensive program of postsecondary education, which is especially responsive to the needs of those in the local community. SBCC's over 100 credit programs serve anyone who is over 18 years of age or anyone who has earned a high school diploma or the equivalent. Each year, more than 41,000 individuals enroll in the non-credit Continuing Education Division located at various sites throughout the Santa Barbara area in addition to the Wake and Schott Centers. SBCC is a local college with an international reputation. The College enrolls students from outside the Santa Barbara district, including students from virtually every state and from over 70 countries worldwide. At SBCC, faculty and staff focus on the students' success and on providing them with a comprehensive academic experience.

Web site: www.sbccc.edu



United Way of Santa Barbara County (UWSBC) has the unique and positive vision that "in our community, everyone has a hopeful future." UWSBC has served the local community since 1923 and through our Power of Partnership, we improve lives of children, families and seniors through connecting and empowering resources. UWSBC is not merely a fundraising agent, but rather acts as a unifying force, working to support non-profits and include workplaces as they seek to effectively help the community. Through funding over 80 local non-profits and enacting our own unique initiatives such as Fun in the Sun (a summer enrichment program for poverty-level and homeless children) UWSBC seeks to find lasting, meaningful solutions rather than cosmetic solutions to community problems.

Through strategic planning and community involvement, UWSBC's core values have been specifically articulated over the past year. These core values are the center of our organization as we seek to serve this community to the best of our ability. We are caring – we are committed to people helping people every day...one generation voluntarily and compassionately paving the way for future generations. We are innovative – using the Power of Partnership, we connect strengths, multiply resources, and create the best ways to make measurable improvements in local lives. We are trustworthy – we are the finest stewards of your donated time, ideas, and money. We value leadership – we initiate, influence, and support desired positive changes in our neighborhoods and communities.

UWSBC is focused on developing four key areas: successful children and teens, strong families, vital and independent seniors, and a better community. United with community leaders, volunteers, non-profits and businesses, we can provide a hopeful future for everyone in Santa Barbara County.



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.

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 worlds 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!

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.



URS Corporation is a global firm offering a comprehensive range of professional planning and design, systems engineering and technical assistance, program and construction management, and operations and maintenance services for environmental, transportation, facilities, water/wastewater, industrial infrastructure and process, homeland security, installations and logistics, and defense systems. Headquartered in San Francisco, URS operates in more than 20 countries with approximately 29,300 employees providing environmental, engineering, and technical services to federal, state and local governmental agencies as well as private clients in the oil and gas, power, chemical, pharmaceutical, manufacturing, mining and forest products industries.

URS is proud to be a corporate citizen in Santa Barbara and the Tri-Counties region. Our local operations include 130 employees serving government and private industry clients through our local offices in Goleta and Santa Maria, as well as project field offices. In addition to providing the resources of a global firm, we provide local services to our valued clients in the areas of environmental planning and permitting, biological restoration, large-scale environmental compliance activities, water resources planning, geotechnical engineering, hazardous waste assessment and remediation, renewable energy planning and engineering, Geographic Information Systems (GIS) services, and site operations and maintenance activities, to name a few.

Our valued clients include local counties and municipalities, Vandenberg Air Force Base, special services districts, airports, electric utilities, renewable energy companies, manufacturing companies, and oil & gas companies. In addition, URS is proud to be a member of the Corporate Partners Program at UCSB's Donald Bren School of Environmental Science & Management.

UCSB Administrative & Auxiliary Services



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.



The largest credit union headquartered in Ventura County, VCCU is a financially strong and growing source of personal financial solutions. In fact, this community has considered Ventura County Credit Union a key provider of financial services for more than 50 years. Credit unions are not-for-profit cooperative financial institutions where customers are owners, providing themselves with lower loan rates and higher returns on their insured investments. The credit union philosophy has always been People Helping People.

More than 45,000 VCCU member-owners enjoy individual attention and high-tech financial services. VCCU's full-spectrum of 24-hour financial products includes free checking, free online banking, bill payment service and telephone banking. The Credit Union has everything a bank offers and more including high-yield investments, savings and a nation-wide network of no-fee ATMs. Home mortgages, new and used vehicle loans and personal loans have extremely competitive rates and in many cases instant approval is available 24-hours a day.

For the REAL thing—great financial and personal service, visit Ventura County Credit Union. VCCU offices are located in Ventura, Oxnard, Camarillo, Thousand Oaks and Simi Valley. For more information about VCCU, or to become a member of a great low-cost banking alternative, call 805/ 477-4000 or log on to www.vccuonline.net.



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.

Vulcan's 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 2007. I alone take responsibility for the errors that surely remain.

Bill Watkins, Executive Director

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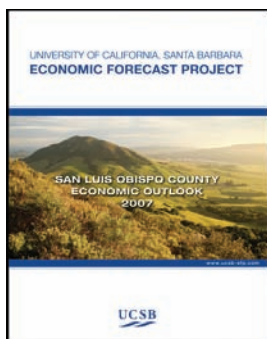
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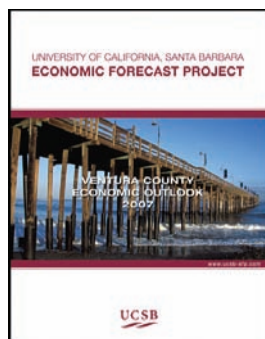
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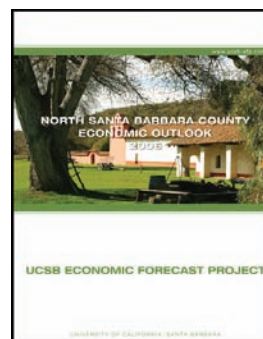
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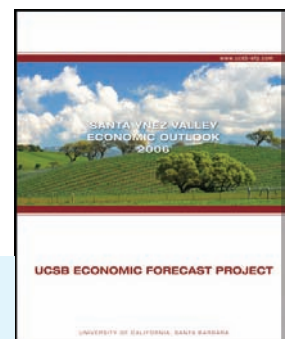
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