

COUNTY STATISTICAL PROFILE

California Counties Ranked by Population including Benchmark Counties

As of January 1, 2007, the estimated population of Santa Barbara County (County) is 424,425, an increase of just over 1% compared to last year's estimated population. When reviewing Santa Barbara County's economic health, financial capacity, or delivery of municipal services to residents of unincorporated areas, the County compares itself with other counties from year to year (Benchmark Counties). The eight benchmark counties are highlighted below and are considered to have common characteristics including, but not limited to, the following: Total population of more than 250,000 but less than 500,000; suburban to rural environments; do not contain a large metropolitan city and are known for their scenic beauty and environmental focus. Seven are coastal or Bay Area counties.

Total Population					Total Population				
Rank	County	1/1/2006	1/1/2007	Change	Rank	County	1/1/2006	1/1/2007	Change
1	LOS ANGELES	10,257,994	10,331,939	0.7	30	EL DORADO	176,637	178,674	1.2
2	SAN DIEGO	3,064,113	3,098,269	1.1	31	IMPERIAL	167,026	172,672	3.4
3	ORANGE	3,071,924	3,098,121	0.9	32	KINGS	148,073	151,381	2.2
4	RIVERSIDE	1,966,607	2,031,625	3.3	33	MADERA	145,198	148,721	2.4
5	SAN BERNARDINO	1,993,983	2,028,013	1.7	34	NAPA	134,326	135,969	1.2
6	SANTA CLARA	1,780,449	1,808,056	1.6	35	HUMBOLDT	131,390	131,959	0.4
7	ALAMEDA	1,509,981	1,526,148	1.1	36	NEVADA	99,392	99,766	0.4
8	SACRAMENTO	1,387,771	1,406,804	1.4	37	SUTTER	91,669	93,919	2.5
9	CONTRA COSTA	1,030,732	1,042,341	1.1	38	MENDOCINO	89,834	90,291	0.5
10	FRESNO	899,872	917,515	2.0	39	YUBA	69,198	70,745	2.2
11	VENTURA	817,315	825,512	1.0	40	LAKE	63,737	64,276	0.8
12	SAN FRANCISCO	800,099	808,844	1.1	41	TEHAMA	60,979	61,774	1.3
13	KERN	779,490	801,648	2.8	42	SAN BENITO	57,513	57,803	0.5
14	SAN MATEO	726,336	733,496	1.0	43	TUOLUMNE	57,039	57,223	0.3
15	SAN JOAQUIN	668,259	679,687	1.7	44	CALAVERAS	45,623	46,028	0.9
16	STANISLAUS	513,441	521,497	1.6	45	SISKIYOU	45,877	45,953	0.2
17	SONOMA	478,222	481,765	0.7	46	AMADOR	38,142	38,435	0.8
18	TULARE	420,131	429,006	2.1	47	LASSEN	35,507	36,375	2.4
19	MONTEREY	423,048	425,960	0.7	48	DEL NORTE	29,025	29,341	1.1
20	SOLANO	421,542	424,823	0.8	49	GLENN	28,475	28,915	1.5
21	SANTA BARBARA	419,989	424,425	1.1	50	COLUSA	21,501	21,951	2.1
22	PLACER	317,498	324,495	2.2	51	PLUMAS	21,142	21,128	-0.1
23	SAN LUIS OBISPO	262,594	264,900	0.9	52	INYO	18,376	18,383	0.0
24	SANTA CRUZ	261,385	264,125	1.0	53	MARIPOSA	18,142	18,254	0.6
25	MARIN	253,818	255,982	0.9	54	TRINITY	14,108	14,171	0.4
26	MERCED	246,114	251,510	2.2	55	MONO	13,842	13,985	1.0
27	BUTTE	215,981	218,069	1.0	56	MODOC	9,715	9,721	0.1
28	YOLO	190,500	193,983	1.8	57	SIERRA	3,493	3,485	-0.2
29	SHASTA	179,835	181,401	0.9	58	ALPINE	1,238	1,261	1.9
CALIFORNIA							37,195,240	37,662,518	1.3

Source: California Department of Finance, Demographic Research Unit, Table E-1

AUTHORITY

Santa Barbara County was established by an act of the State Legislature on February 18, 1850. The County is a general law county and political subdivision of the State of California. The constitution and laws of the State establish the County's rights, powers, privileges, authority, functions, and duties. The powers granted to California counties by State statute include the power to: sue and be sued; purchase, receive by gift or bequest and hold land within its limits, or elsewhere when permitted by law; make contracts and purchase and hold personal property necessary to the exercise of its powers; manage, sell, lease, or otherwise dispose of its property as the interest of its inhabitants require; levy and collect taxes authorized by law; and exercise such other and further powers as may be especially conferred by law, or as may be necessarily implied from those expressed.

GEOGRAPHY

The County is located approximately 100 miles northwest of Los Angeles and 300 miles south of San Francisco. It occupies 2,774 square miles, one-third of which is located in the Los Padres National Forest. Bordered on the West and South by the Pacific Ocean, the County has 110 miles of beaches, a little over half being south facing beaches. The County is well-known for its mild climate, picturesque coastline, scenic mountains, and numerous parks and beaches. It has four distinct areas:

Santa Barbara Coast: Located in the southern portion of the County, this area is bordered on the south by the Pacific Ocean and on the north by the Santa Ynez Mountain range, one of the few mountain systems in North America that run east-west rather than north-south. Because of the unique north and south borders, and its year round mild 'Mediterranean' climate, Santa Barbara has been described by many as the American Riviera.

Santa Ynez Valley: Located in the central portion of the County, nestled between the Santa Ynez and San Rafael mountain ranges, this area includes the communities of Buellton, Solvang, and Santa Ynez, as well as the Chumash Reservation. Lake Cachuma is also nestled between the mountain ranges, offering recreational activities and a water supply to the County. The Valley's climate has recently attracted many winemakers to the area, adding vast vineyards to the rolling hills that lead to the Los Padres National Forest.

Santa Maria Valley: Located in the northern portion of the County, this area is bordered by San Luis Obispo County on the north. Much of the new development within the County has taken place here and, as a result, the area has experienced a lot of change in the past decade.

Lompoc Valley: Located in the western portion of the County, this area includes the US Vandenberg Air Force Base, which is a major contributor to the economy. Lompoc Valley is the least populated area within the County; yet, is attracting many people desiring to relocate to a community that is still in its growth and development stage.

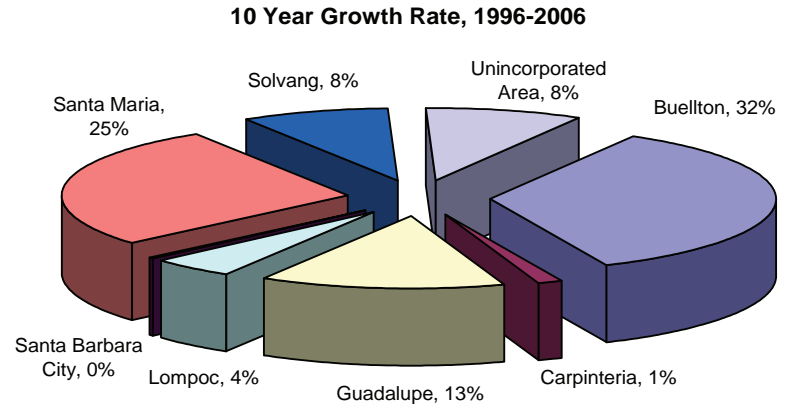
Together these areas contribute to the unique profile of the County, blending the characteristics of each area into one world-class county.

POPULATION

CITIES AND UNINCORPORATED AREA

As of January 1, 2007, the estimated County population was 424,425. This includes an estimated 141,774 within the unincorporated communities of Burton Mesa, Casmalia, Cuyama, Eastern Goleta Valley, Gaviota, Isla Vista, Los Alamos, Los Olivos, Montecito, Orcutt, Santa Ynez, Summerland, and Vandenberg Village.

In addition, there are eight incorporated cities within the County, with estimated populations as of January 1, 2007 as follows: Buellton (4,663), Carpinteria (14,123), Goleta (30,169), Guadalupe (6,397), Lompoc (42,015), Santa Barbara (89,456), Santa Maria (90,333) and Solvang (5,495). While Santa Barbara and Santa Maria have the largest populations, the areas with the highest percentage rate of growth over the past ten years have been Santa Maria and Buellton. Even with 32% growth, the population of Buellton is still under 5,000.

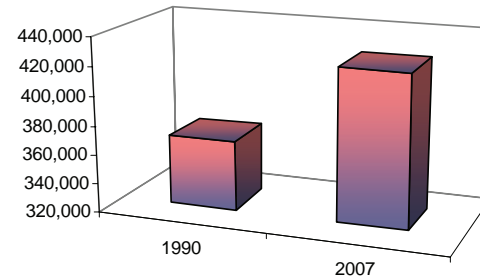


Source: UCSB Economic Forecast

UNINCORPORATED AND INCORPORATED AREA POPULATIONS

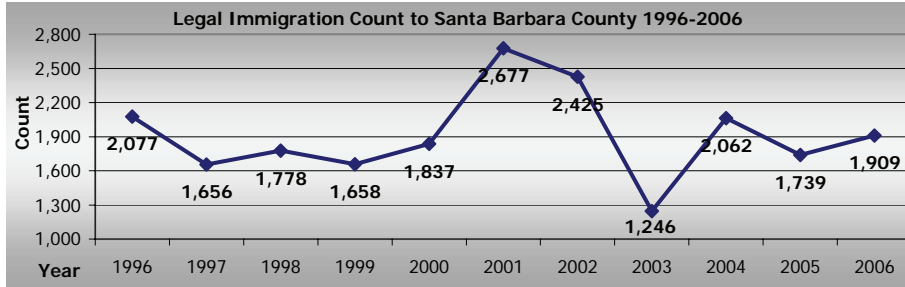
The chart below shows that the overall population of the County of Santa Barbara has grown by 15.3% from the 1990 population level to 2007. The majority of growth within the incorporated areas occurred within the City of Santa Maria making up 52.3% of the overall County growth, while the unincorporated area constitutes 27.7% of the overall growth, which includes the City of Goleta and Buellton the populations of which were within unincorporated area in 1990.

TOTAL POPULATION WITHIN SANTA BARBARA COUNTY



IMMIGRATION

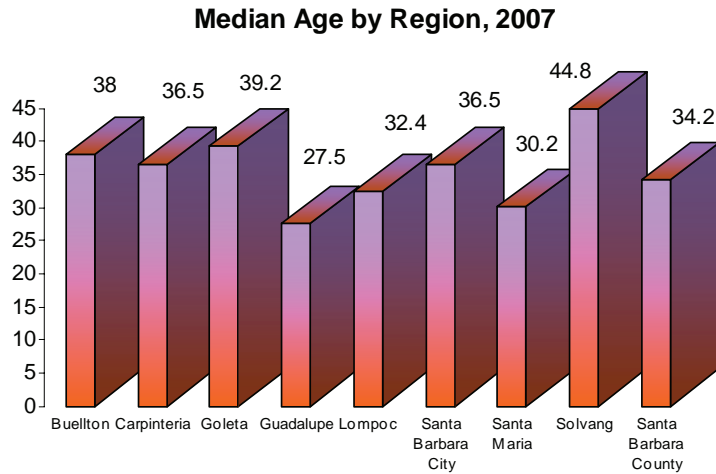
The table below shows the estimated count of immigrants that applied for and were granted legal permanent residence within the County. The 2006 count is slightly higher than 2005 and is comparable to the count in year 2000.



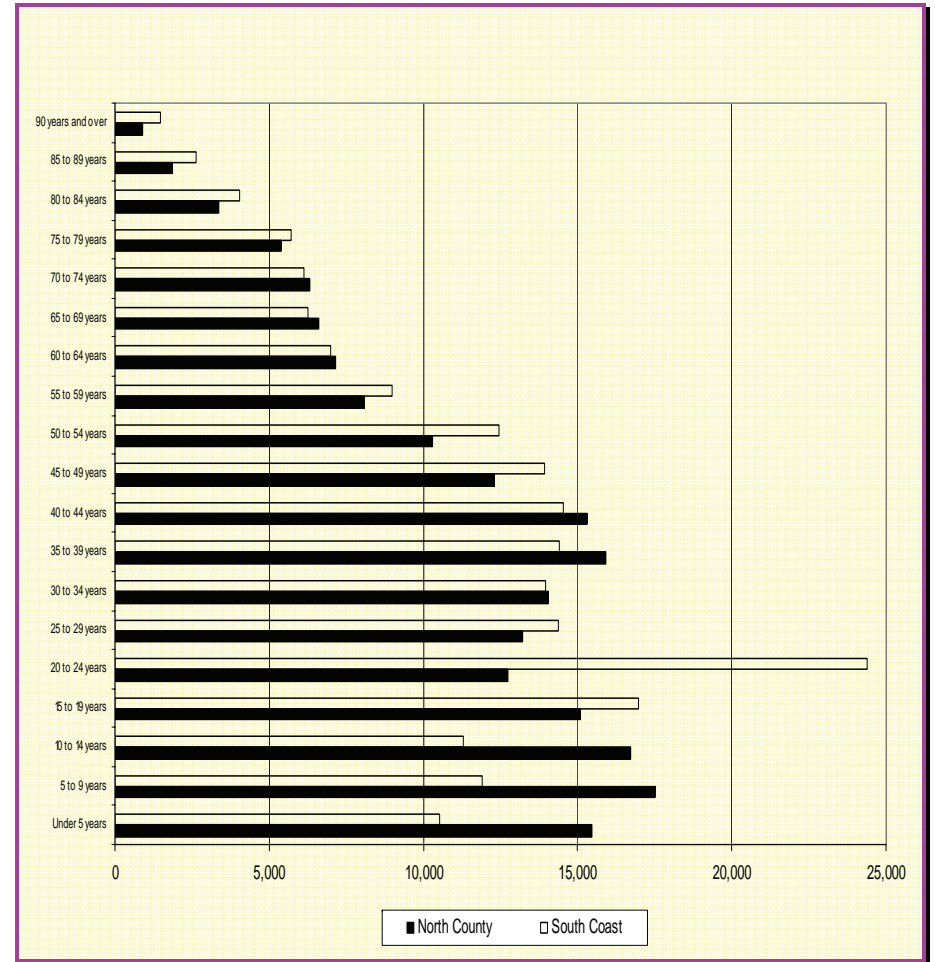
Source:
US Citizenship and Immigration Services, via California
Department of Finance, Demographic Research Unit

DEMOGRAPHICS

The chart below shows the age distribution of the population in the County of Santa Barbara between by region. The median age is lowest in Guadalupe at 27.5 year of age and the highest in the City of Solvang at 44.8 years of age.



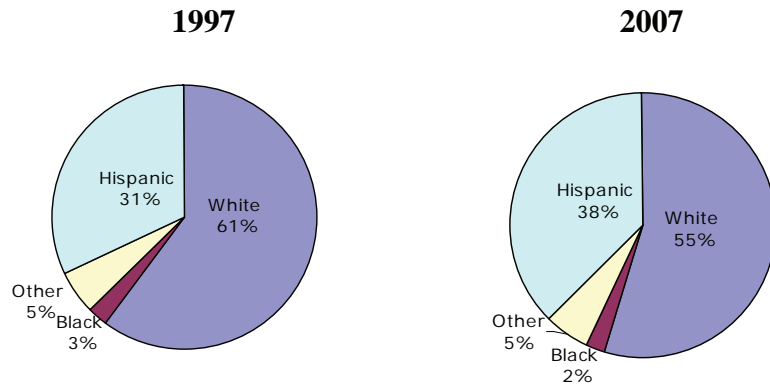
As of 2005, fifty one percent of the population over the age of 60 lived in the South County. The South County also has more college age (20-24 years) residents, due in part to the number of institutions of higher education located there. The North County has the majority of children under the age of 14 due to higher overall birth rates.



Source:
SBCAG – Profile of Older Adults in
Santa Barbara County 2005

Changes in Santa Barbara County's ethnicity are illustrated below. While the changes are relatively gradual from year-to-year, over the ten years ended 2007, the white and black population declined by 6% and 1% relative to the total population. The Hispanic population increased 7% and other ethnic groups remained constant at 5% of the total population. Based on projections by the California Department of Finance, the Hispanic population is expected to continue to increase relative to other ethnicities.

Population Percentages by Ethnicity



Source: UCSB Economic Forecast Project

BOARD OF SUPERVISORS

The County is divided into five Supervisorial Districts based on population as required by State statute. Members of the Board of Supervisors (Board) are elected from each district, by the voters of that district, to serve staggered four-year terms. The Chair of the Board is elected by, and from, the other members of the Board. The Board exercises the powers of the County. Per County Ordinance, the Board is required to hold meetings on the first four Tuesdays of every calendar month and at such other times as, in the opinion of the Board, the public interest may require. Meetings are held on alternating Tuesdays in the Board Hearing Rooms located in the Administration Building in Santa Barbara and the Betteravia Government Center in Santa Maria.

The current County Supervisors and the years in which their respective terms expire are as follows:

District	Supervisor	Term Expires
First	Salud Carbajal	2009
Second	Janet Wolf	2011
Third	Brooks Firestone	2009
Fourth	Joni Gray	2009
Fifth	Joseph Centeno	2011

ADMINISTRATION AND MANAGEMENT

The Board of Supervisors (Board) is vested with legislative authority and the responsibility to set County policy. The Board is responsible for, among other things, passing ordinances, adopting the annual operating and capital budgets, appointing committee members and the County Executive Officer, approving federal and state grants, and various land use matters.

The County has 25 departments responsible for all County services (see Organization chart on page vi). Five departments are headed by elected officials: the Auditor-Controller, Clerk-Recorder-Assessor-Registrar of Voters, District Attorney, Sheriff, and Treasurer-Tax Collector-Public Administrator. The Chief Probation Officer and the Court Executive Officer are appointed by the Judges of the local Superior Courts. The other department heads are by and large appointed by the County Executive Office with a few exceptions by statute.

The County Executive Officer works with departments, constituents, and community entities to analyze particular issues that arise within respective areas of responsibility, and submit recommendations and resolutions to the Board for action. In addition the County Executive Office is responsible for preparing and presenting the operating and capital budgets to the Board and making recommendations for the overall administration of the County. Numerous other boards, commissions, and committees assist and have advisory roles. All department heads, elected or appointed, are ultimately responsible for their respective department's daily operations and are legally responsible for controlling spending.

COUNTY SERVICES

Cities are primarily charged with providing municipal services such as public safety, parks and recreation, planning and public works to their residents. In Santa Barbara County, the County provides these types of services to residents who do not live within cities (the unincorporated areas). The County also contracts with certain cities to provide these services in lieu of the cities producing such services. As the local arm of State government, the County is required by the State to provide health, safety and welfare services to every person in the county, including those living in the cities.

SERVICES COUNTYWIDE

The County provides assessment, collection, and distribution of all property taxes assessable within any area of the County, to all local governments, including cities and schools. The County provides the following services to all residents of the County, whether they live in cities or not (for more information see the departments listed in Section D):

- Agricultural Protection and consumer assurance (Agricultural Commissioner)
- Child support services (Child Support Services)
- Criminal prosecution (District Attorney) and defense of indigents (Public Defender)
- Flood protection and control (Public Works)
- Foster care, "welfare to work," support services (Social Services)
- Health services (Alcohol, Drug and Mental Health; Public Health)
- Juvenile detention/treatment, monitoring offenders (Probation)
- Library services (General County Programs)
- Operating a jail (Sheriff)
- Parks, beaches and open space maintenance (Parks Department)
- Veteran affairs (Treasurer-Tax Collector-Public Administrator)

SERVICES TO UNINCORPORATED AREAS

The County provides the following specific services to only those residents residing in the unincorporated County areas (for more information see the departments listed in Section D):

- Affordable Housing (Housing and Community Development)
- Building Permit Processing (Planning and Development)
- Fire Protection (Fire)
- Planning and Zoning (Planning and Development)
- Roads (Public Works)
- Sheriff Patrol (Sheriff)
- Street Lights (Public Works)
- Trash and Recycling Collection (Public Works)

SERVICES TO INCORPORATED CITIES

The County provides the following services to some residents living within cities via service contracts with cities:

Service	City
Animal Control - Field and Shelter	All Cities (except Santa Barbara, Carpinteria)
Animal Control - Shelter	Santa Barbara, Carpinteria
Building Permit Processing	Buellton, Solvang
Library	Santa Maria, Lompoc, Goleta, Santa Barbara
Sheriff Patrol	Buellton, Solvang, Goleta, Carpinteria

BENCHMARK COUNTIES COMPARISON

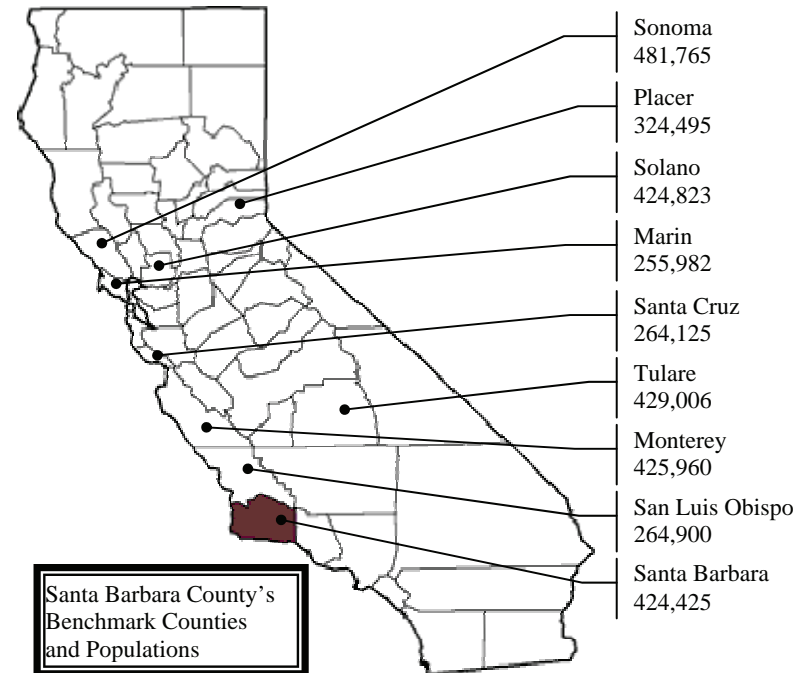
BENCHMARK COUNTIES PROFILE

When reviewing Santa Barbara County’s economic health, financial capacity, or delivery of municipal services to residents of unincorporated areas, the County inevitably compares itself with other counties from year to year. Going further, the question is often asked how comparison with other counties occurs. This leads to the County Benchmark Counties.

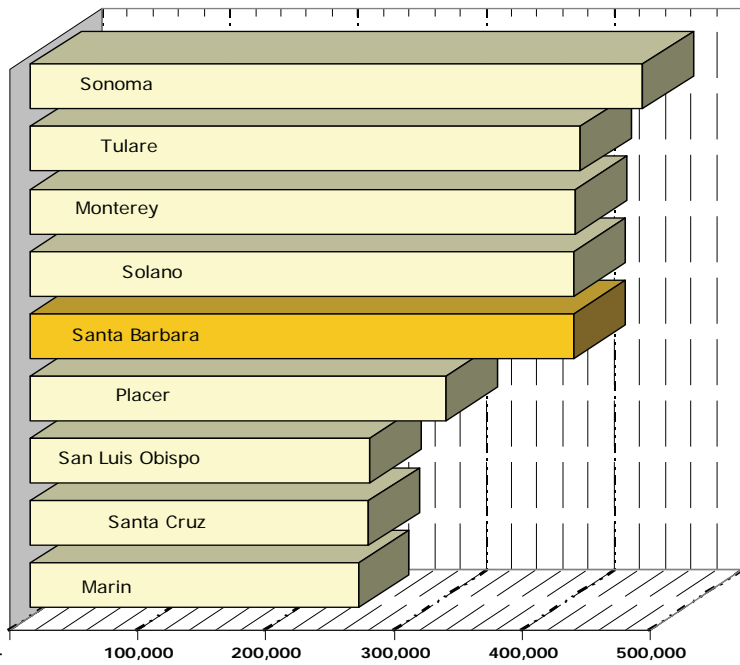
A group of eight other counties is displayed in many of the following tables. These eight counties are considered the County’s Benchmark Counties. The Benchmark Counties are considered to have common characteristics with the County including, but not limited to or held to the following:

- Total population of more than 250,000 but less than 500,000
- Suburban to rural environments
- Do not contain a large metropolitan city
- Seven are coastal or Bay Area counties

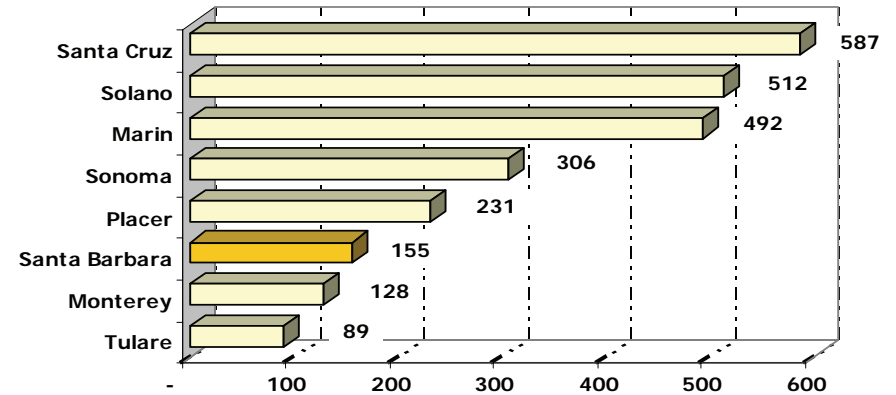
Known for their scenic beauty and environmental focus. The following charts present total population and total land area of each Benchmark County, as well as the population density per capita.



County Population at January 1, 2007
Benchmark Counties



County Population Density per Square Mile, at January 1, 2007
Benchmark Counties



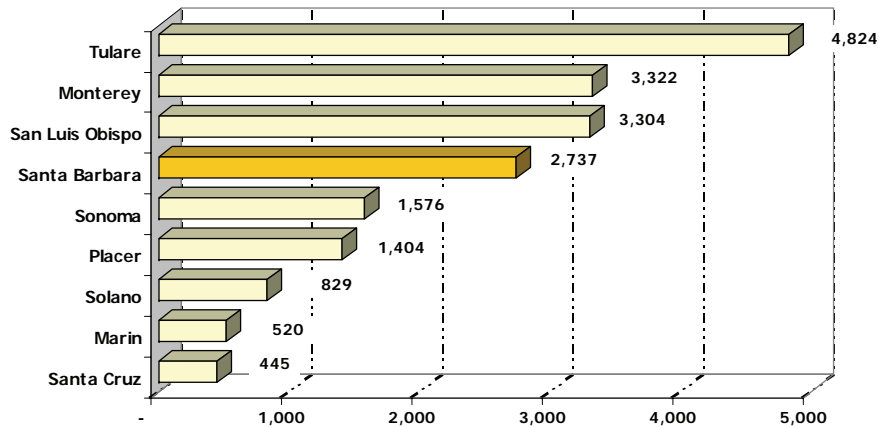
PROPERTY TAXES

Santa Barbara County's greatest inflow of expendable revenue (for all jurisdictions) comes from collections of property taxes including secured, unsecured, state assessed property, and supplemental taxes. The 1% property tax is allocated to the local governments as follows:

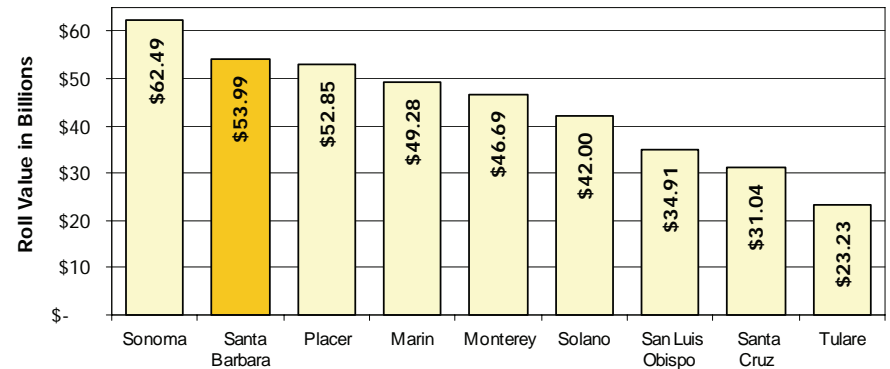
Cities	County	Schools	Other	Total
11.62%	33.34%	42.21%	12.83%	100%

The total value of the County's property tax roll (including Home Owner's Exemption) in 2006-07 was \$53.9 billion, the second highest value after Sonoma.

County Land Area in Square Miles
Benchmark Counties

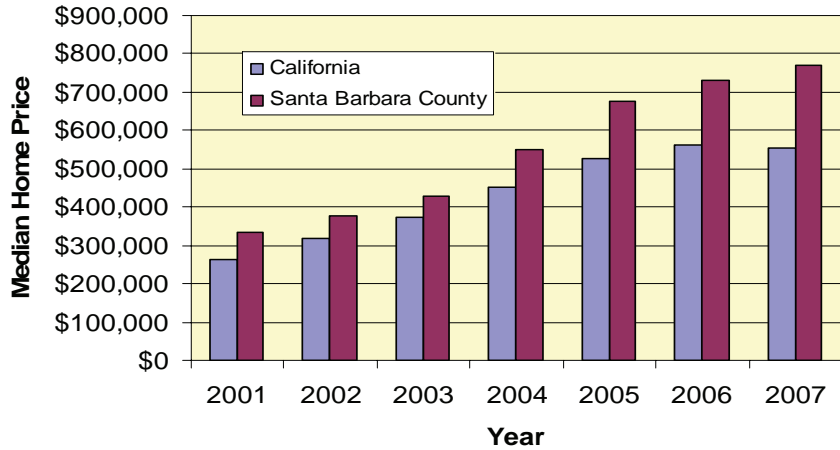


Total Property Tax Roll Value
Benchmark Counties, In Billions



The median home price in Santa Barbara County has steadily increased over the years including 2007 despite the weak real estate market nationwide; whereas, the average median home price in California has declined in 2007.

Median Home Price Santa Barbara County and California Comparison



Source: UCSB Economic Forecast 2008

SAFETY

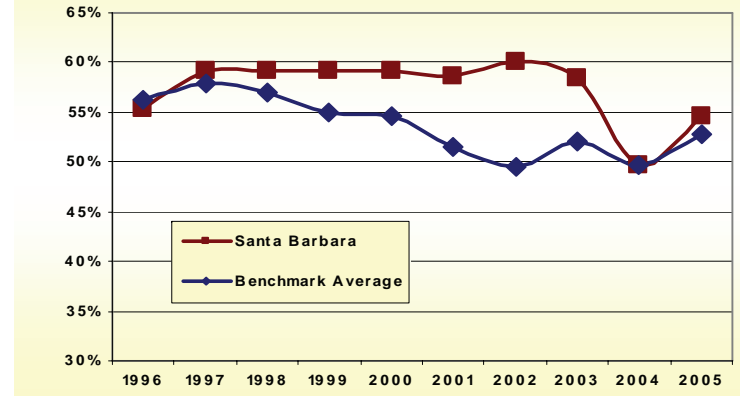
The California Crime Index (CCI) is the sum of all homicides, forcible rapes, robberies, aggravated assaults, burglaries, and motor vehicle thefts. The following chart shows the CCI for the incorporated cities in Santa Barbara County as of 2006, the latest data available.



Source: UCSB Economic Forecast 2008

Santa Barbara's crime rate may be linked to the overall quality of life and economic strength of the County, but in addition, crime rates tend to be inversely related to age (i.e. the older the population the lower the crime rate). Between 1997 and 2007, the median age in Santa Barbara County rose to 33.2 from 34.2.

Violent Crime Clearance Rate 1996-2005



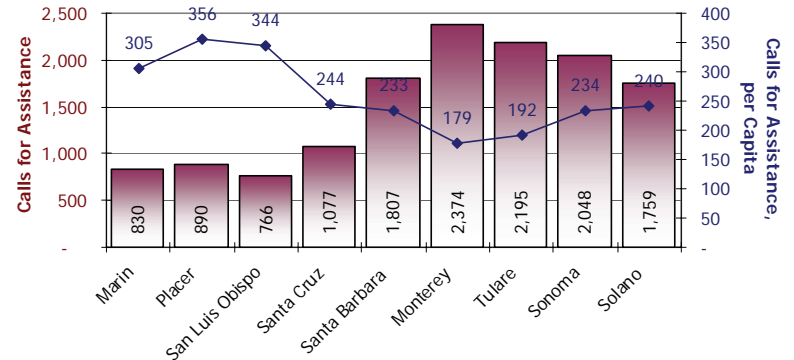
Source: California Attorney General 2005

DOMESTIC VIOLENCE

Domestic violence is a major concern in California and in the United States. Domestic violence is the single major cause of injury to women, causing injury more frequently than auto accidents, rapes and muggings combined. Domestic violence is recognized by state law to be criminal conduct. It is the intentional or reckless cause or attempt to cause bodily injury to a family or household member or date or placing a family or household member or date in reasonable apprehension of imminent serious bodily injury to himself or herself or another. Based on the most recent data (2005), Santa Barbara County had 1,807 domestic violence related calls for assistance, placing it among the five counties with the lowest number of calls.

Domestic Violence Related Calls for Assistance

Benchmark Counties, 2005



Source: California Office of the Attorney General 2006

ELDER ABUSE

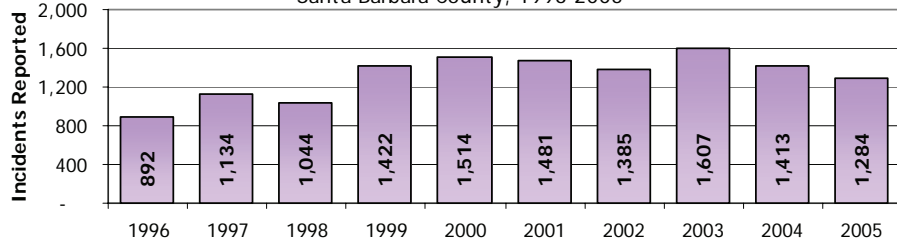
Currently, California has the largest older adult population in the Country. According to the 2000 US Census, there are 64,922 adults over the age of 60 living in Santa Barbara County. The average life expectancy of County residents is 78.3 years of age, 2.9% higher than the median life expectancy for all United States counties.

Adults older than the age of 65 make up an estimated 13% of County residents, 57% being women and 43% being men. Since 1980, the total number of adults over the age of 75 living in poverty has increased 17.4%, and 6.2% of adults over 65 are currently living at the 125% poverty level.

With the increase in the elder population comes the possible increase in elder abuse related incidences, as elders have special circumstances, such as dependency, functional disability, minority status, age and poor social networks that make them vulnerable to violence. Though the State now mandates certain entities to report elder abuse (custodians, licensed care facility staff, law enforcement, etc) the number of incidences in the County is still believed to be under reported.

Reported Elder and Dependent Adult Abuse Incidents

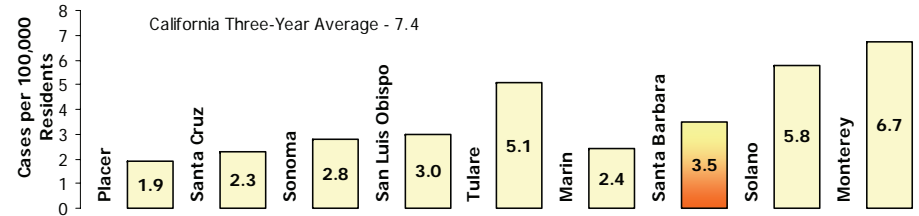
Received by Adult Protective Services
Santa Barbara County, 1996-2005



HEALTHCARE

Controlling communicable disease is a core function of the Public Health Department. One indicator of a healthy community is the incidence of tuberculosis, an infectious disease caused by germs that spread from person to person through the air. The County experienced 14 tuberculosis (TB) cases in 2007, down from 15 in 2006, and down from an unusually high number of 37 TB cases in 2003 (a single TB case in the Santa Maria area spread to 9 individuals). This underscores the need for ongoing vigilance, case investigation, and contact tracing for communicable diseases to limit impacts of communicable disease in our communities.

**Incidence of Tuberculosis
Benchmark Counties
Three-Year Average Crude Case Rates: 2003-06**

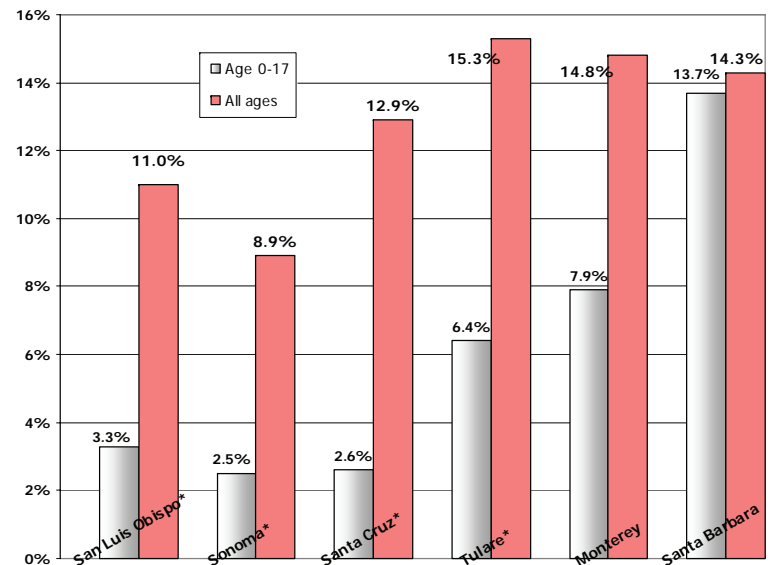


Source: California Department of Health Services 2008

Santa Barbara County has numerous high quality health and medical care providers in the private and public sector, yet not all residents have access to needed health services. Lack of medical insurance coverage continues to be a major detriment to access to needed health services. According to the bi-annual California Health Interview Survey conducted by UCLA Center for Health Policy Research over 40% of those surveyed cited the cost of health insurance as the reason for the lack of coverage.

About 1 in every 8 County residents, or 14.3% of all residents, does not have health insurance as compared to the State average of 13.5%. About 13.17 of all County children ages 0-17 have no health insurance. As the following chart shows, Santa Barbara County has a higher percentage of children without health insurance coverage compared to selected benchmark Counties.

**Percent of Uninsured Residents during 2005
Santa Barbara and Selected Benchmark Counties**



*Statistically unstable data for ages 0-17 data.

Source: California Health Interview Survey, UCLA, 2005

LOCAL ECONOMY AND REAL ESTATE

In spite of the economic downturns experienced by the United State and California, Santa Barbara County's economy is expected to have slight growth (1%) in 2008, continuing the pace of 2007. Data provided by the UCSB Economic Forecast Project shows that Real Gross County Product is expected to increase approximately 1.6% - 1.9% through 2010. Per capita Gross County Product for Santa Barbara County in 2007 was \$53,100. Real Gross County Product is the total value of the goods and services produced in the county. Countywide, a total of 1,600 new jobs were created in 2007 compared to 2006, an increase of 0.9%. Construction lost a surprisingly low number of 8 jobs while Other Services added 1,442 due in part to the strong tourism sector of the County's economy. Agriculture gained 442 jobs and the Public Sector 942. Trade, Transportation and utilities continue to remain one of the top private employment sectors in 2007, with over 28,316 jobs in the County (see B-10 for the Top Employers in the County). In 2008-09, overall job growth is projected to remain low.

Retail Trade employed 20,275 people in 2007, a decline of 0.1% from 2006. Countywide calendar year retail sales increased by 1.3% compared to 2006, but when factored for inflation it was a decline of 2.2%. Overall, total taxable sales (which includes food and beverage taxable sales, home furnishings and appliances, auto supply and fuel, wholesale, and retail sales) increased 1.6% over 2006. Although overall retail sales increased slightly countywide, County of Santa Barbara unincorporated area retail sales tax revenue decreased by 5.0% compared to 2006. Total County per capita retail sales for 2007 were \$10,500 compared to 2006's \$10,600 and 2005's \$10,400. Distribution of taxable sales shows that Santa Barbara City accounted for 29.2% of the County's overall taxable sales. The City of Santa Maria followed closely behind with 25.5% while the unincorporated areas of the county accounted for 20.4% and the City of Goleta with 12.4%.

Tourism is an important aspect of the local economy. Employment in Leisure and Hospitality services, including hotel/motel operations and food service, accounts for approximately 22,683 jobs countywide. Santa Barbara County's overall tourism industry continues to grow, helped in part by the attraction of the County's wine region as a destination, exemplified in films such as *Sideways*, and its location near larger population centers of Southern California. On the South Coast hotel/motel occupancy rates increased to 73% in 2007—up from 72% in 2006. Overall Santa Barbara County hotel/motel sales increased 8.6% in FY 2006-07. While occupancy is on the increase, the price of a room in South County increased from \$140 per night in 2006 to \$155 per night in 2007, a 10.7% increase. In addition, the approximately 11 million tourists who visited Santa Barbara County in FY 2006-07 spent an estimated \$1.44 billion.

Agriculture is the County's major producing industry with a gross production value in 2007 of just over \$1 billion, an 8.6% increase over 2006. This is the second consecutive year that the overall production has broken the \$1 billion mark. Agriculture is also one of the top employment sectors with 12,300 workers employed in 2007. However, Agricultural workers' average salaries (\$22,015) are the lowest of all the County's employment sectors falling just below workers in the retail trade sector (\$22,756).

The top three commodities were strawberries \$313.5 million, Broccoli \$131.1 million and wine grapes \$99.9 million. The recognition of Santa Barbara County's wine production has also influenced the tourism sector of the County's economy through the increasing number of visitors to the County attracted by this part of the agricultural industry.

Construction is also an important part of the County's employment sectors, employing 10,467 workers with an estimated average salary of \$44,944. This sector lost only 8 jobs in 2007 even though new housing construction permits continued a ten year decline with 850 permits issued in 2006. The small reduction in jobs can be attributed to a number of factors, existing home remodeling and renovation by current owners and new buyers, and commercial/industrial construction in the County. One of the results of this activity has been the ongoing increase in the inventory of unsold homes.

It is estimated that the decline in sales volume and home prices will continue through 2008 before starting to pick up in 2009. Building activity continues to be in the incorporated areas of the North County, where a total of 404 residential building permits were issued in 2007 compared to 60 permits on the South Coast. The construction sector will also be impacted by the decline in the sales volume of existing homes as the inventory of unsold homes continues to grow. Sales volume in the incorporated areas of the County declined by 83 units in 2007 a 3.5% decline according to the UCSB Economic Forecast Project. The number of foreclosures continues to impact the real estate industry in the County.

Public Sector: Employment in the government sector was 37,033 people in 2007, an increase of 2.6% over 2006. This sector includes persons employed in local, state and federal agencies, the military, education and special districts such as water and sanitation. The average salary for the government sector increased by 2.19% in 2007 to \$46,831. A number of Santa Barbara County's largest employers are in this sector, including the University of California at Santa Barbara (9,723 employees), Vandenberg Air Force Base (4,374), the County of Santa Barbara (4,269), the Santa Barbara School District (1,618), Santa Barbara City College (2,157), Raytheon Electronic Systems (1,613) and the Santa Maria Bonita School District (1,600).

The real estate sector of the County's economy continues to feel the impact of the drop in housing and housing related economic activities. Residential sales volume declined by 12.5% in 2007 compared to 2006. In contrast, the median home price in the County was \$771,463, an increase of 5.3% from 2006. The median home price in the City of Santa Barbara was \$1,086,250 a 13.3% increase over 2006, while the median home price in the City of Santa Maria was \$384,813, a decrease of 13.9% from 2006. In comparison, the median home price in California was \$554,623 in 2007 a 1.0% decrease from 2006.

While the median home prices show a disparity in the prices between North County and the South Coast, one of the more important measures is the home affordability index, the measurement of what percentage of the population in the County can afford the median priced home. In 2006, less than 10% of the population could afford to purchase a median priced home in the County.

The outlook for Santa Barbara's economy is stable with slight growth in most areas. As indicated by the UCSB Economic Forecast Project's Business Sentiment Survey for the 1st Quarter of 2008, 21.2% of Santa Barbara County businesses surveyed anticipate that they will continue to create new jobs over the next twelve months. Unemployment rates are anticipated to remain below 5% in 2008. Two areas continue to be of concern, the high cost of housing—particularly on the South Coast, which drives up wages and hinders employee recruitment and retention. Second, the rising cost of fuel and traffic congestion, which impacts businesses, employees and consumers in terms of increased costs and quality of life issues.

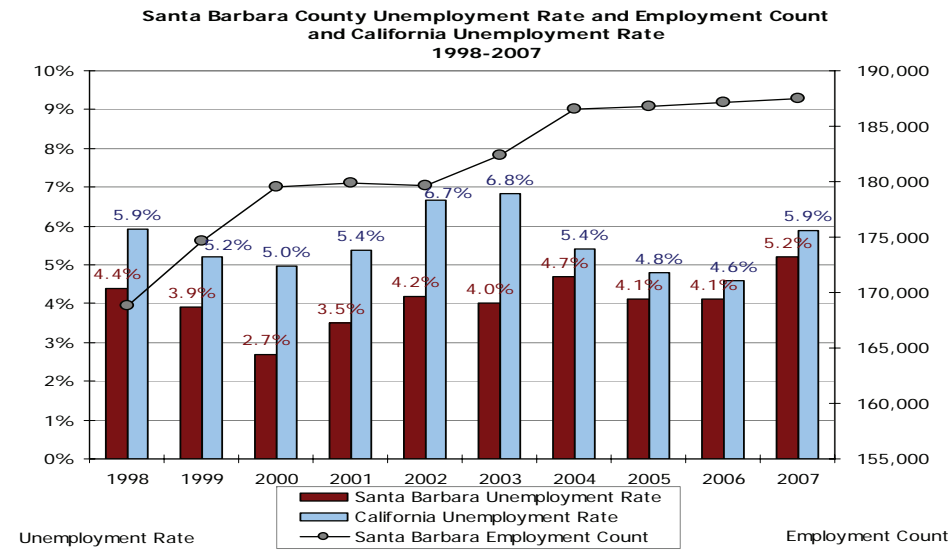
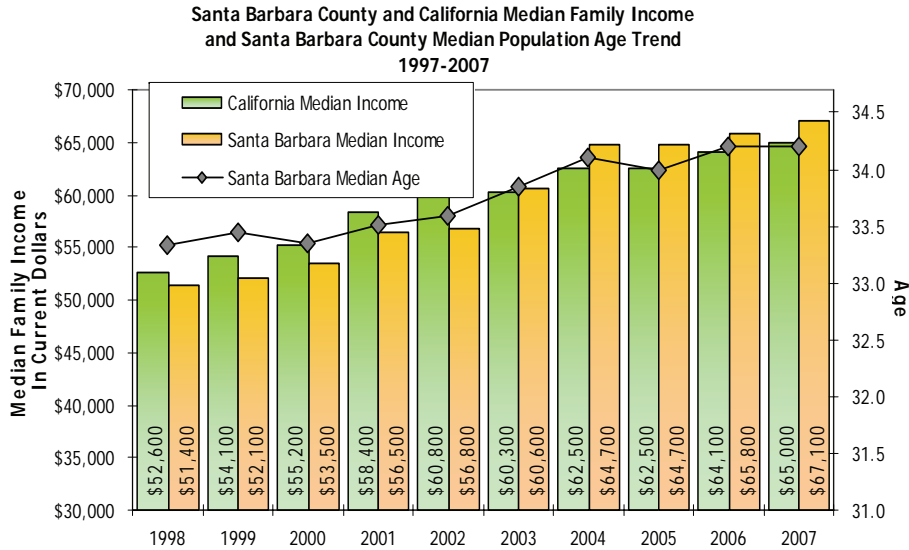
AVERAGE SALARY AND EMPLOYMENT GROWTH BY JOB SECTOR

Job Sector	Average Salary 2007	Change from 2006	Average Employment 2007	Change from 2006
Agriculture	22,015	+1.5%	15,883	+2.9%
Construction	44,944	+1.7%	10,467	-0.1%
Durable Manufacturing	71,069	+4.9%	9,958	-2.4%
Finance, Insurance & Real Estate	66,170	+1.2%	8,217	-5.6%
Information	56,835	+4.6%	3,883	-2.3%
Mining	65,537	+2.0%	1,200	+6.7%
Non-Durable Manufacturing	47,459	+3.9%	3,258	-2.5%
Retail Trade	22,756	+1.4%	20,275	-0.1%
Transportation, Warehousing, & Utilities	45,0475	+4.3%	3,108	+1.9%
Wholesale Trade	49,505	+2.8%	4,833	-1.0%
All Other Service Sectors	41,913	+2.0%	72,363	+2.0%
Public Sector	46,831	+2.1%	37,033	+2.6%
All Industries	40,350	+2.2%	189,492	+0.9%

Source: UCSB Economic Forecast Project 2008

TOP EMPLOYERS IN SANTA BARBARA COUNTY

Rank	Company Name	Location	Industry	Jobs
1	UCSB	Goleta	Public Education	9,723
2	Vandenberg Air Force Base	Lompoc	National Security	4,374
3	County of Santa Barbara	Santa Barbara	Public Administration	4,269
4	Santa Barbara Cottage Hospital	Santa Barbara	Health Care and Social Assistance	2,762
5	Santa Barbara City College	Santa Barbara	Public Education	2,157
6	Santa Barbara School District Administration	Santa Barbara	Public Education	1,618
7	Raytheon Electronic Systems	Santa Barbara County	Durables Manufacturing	1,613
8	Santa Maria Bonita School District	Santa Maria	Public Education	1,600
9	Chumash Casino	Santa Ynez	Arts, Entertainment, and Recreation	1,597
10	City of Santa Barbara	Santa Barbara	Public Administration	1,539
11	Lompoc Unified School District	Lompoc	Public Education	1,452
12	Marian Medical Center	Santa Maria	Health Care and Social Assistance	1,440
13	Allan Hancock College	Santa Maria	Public Education	1,355
14	Sansum Santa Barbara Medical Foundation Clinic	Santa Barbara	Health Care and Social Assistance	1,100
15	Santa Barbara County Education Office	Santa Barbara	Public Education	1,048
16	Bacara Resort and Spa	Goleta	Accommodation and Food Services	830
17	Albertsons Stores	Santa Barbara County	Retail Trade	804
18	Pacific Capital Bancorp	Santa Barbara	Finance/Insurance	775
19	Den-Mat Corporation	Santa Maria	Durables Manufacturing	755
20	Goleta Union School District	Goleta	Public Education	750
21	Santa Maria Joint Union School District	Santa Maria	Public Education	728
22	Orcutt Union School District	Santa Maria	Public Education	707
23	Federal Correction Institution	Lompoc	Public Administration	530
24	C & D Zodiac	Santa Maria	Durables Manufacturing	525
25	City of Lompoc	Lompoc	Public Administration	507



Source: California Employment Development Department January 2008

EMPLOYMENT VERSUS UNEMPLOYMENT

Santa Barbara County’s unemployment rate has historically been less than California’s overall State rate. From 1998 to 2000 the State and the County unemployment rates both decreased, increasing in 2001 to 2002. The County’s unemployment rate dipped in 2003 but increased slightly in 2004 before dropping to 4.1% in 2005 and 2006. The current rate has increased to 4.4%. The unemployment rate is important, but it is not a complete picture. The unemployment rate focuses on changes in the labor force and changes in the number jobs. The average salary and job growth data highlighted in the chart on page B-10 can be used as another indicator of the vigor of the local economy.

TOURISM

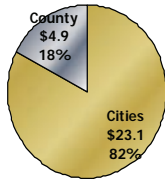
Santa Barbara County is known as a popular tourist destination, thus tourism is an important part of the County’s economy, affecting the lodging industry, eating and drinking establishments, recreation revenue, and retail sales. Employment in accommodation services which includes hotel/motel operations and food/beverage services, accounts for approximately 19,900 jobs countywide.

The estimated 11 million tourists who visited the County in 2006-07 spent an estimated \$1.4 billion - a 4.5% increase over the prior year. The best tool for estimating tourism activity in the County is to analyze changes in revenue generated by the Transient Occupancy Tax (TOT) levied by local governments and charged to guests by lodging establishments. Overall TOT Revenue increased by 8.8% in FY 2006-07 to a countywide total of \$33.3 million due in part to continued awareness of the County’s wine region and other tourist related attractions. Cities have continued to see an increase in TOT revenue, 6.3% over the 2005-06 fiscal year. Last year the unincorporated area of the County saw a 20.2% increase in the TOT over the previous year, continuing a trend of double digit growth in TOT revenues.

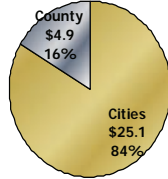
TRANSIENT OCCUPANCY TAX REVENUE

FOR UNINCORPORATED COUNTY AREA* AND ALL CITIES IN MILLIONS**

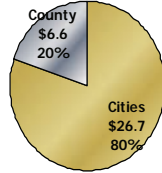
Fiscal Year 2004-05
Total \$28.0



Fiscal Year 2005-06
Total \$30.0



Fiscal Year 2006-07
Total \$33.3

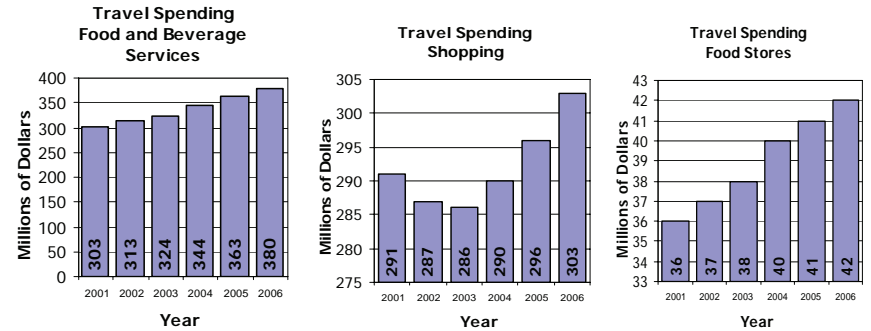
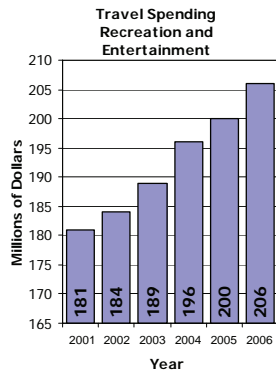
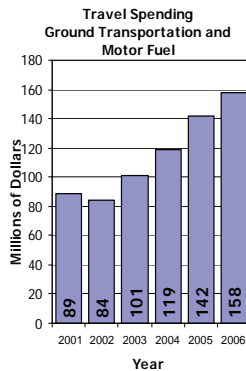
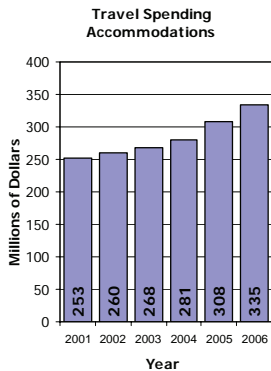


Source:

Santa Barbara County Auditor-Controller Department

* The County and City of Goleta have a revenue sharing agreement as a result of the incorporation of the City of Goleta, stipulating that that County receive 40% of the total TOT revenue generated in the City of Goleta. The revenue sharing agreement expires at the end of Fiscal Year 2011-12, and thus the County will see a decrease in TOT revenue beginning Fiscal Year 2012-13.

** City of Santa Barbara includes 2% Measure B2000 tax, effective January 2001.



Source: California Travel and Tourism Commission 2006, And UCSB Economic Forecast Project 2008

RESIDENTIAL AND COMMERCIAL REAL ESTATE

Overall Santa Barbara County existing home sales volume in 2007 continued to decline as 1,776 single family homes were sold compared to 2,019 in 2006, a drop of 12.5%. However, median home prices continued to rise in the County during 2007 by 5.3% despite the decline in sales volume. This is due to the increase in South Coast home prices offset in the decline in North County home prices. By comparison, California median home prices fell by 1.0%. Predictions for 2008 are for a continuation of the decline in sales and a decline in the median home price according to the UCSB Economic Forecast Project. Their prediction is for a 9.1% decline in sales and a 6.5% decline in home prices. The forecast has real estate sales and prices starting to increase in 2009.

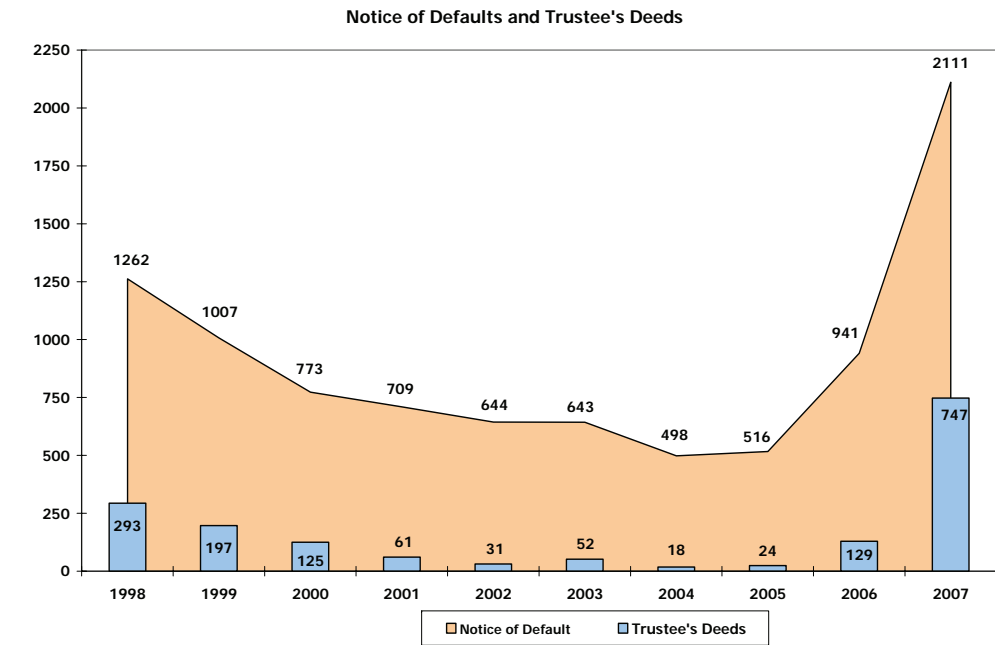
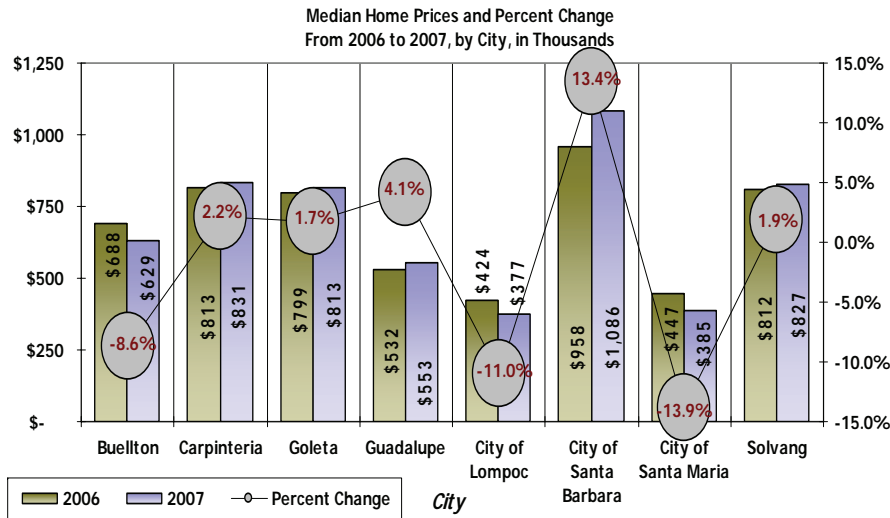
Northern Santa Barbara County has been particularly hard hit by declining sales volume and prices, down 31.8% and 13.1% respectively. Combined with changes in lending practices and mortgages rates, the North County has seen an increase in foreclosures accounting for 64.6% of all foreclosures in the County.

Commercial real estate continued to be strong in 2007 particularly on the County's South Coast, where overall commercial vacancies increased from their 2006 near historic lows with Retail vacancy at 6.0%, Office vacancy at 3.0% and Industrial at 1.0%. In comparison, Santa Maria vacancy rates were 2.7% for Retail, 6.2% for Office and 5.7% for Industrial.

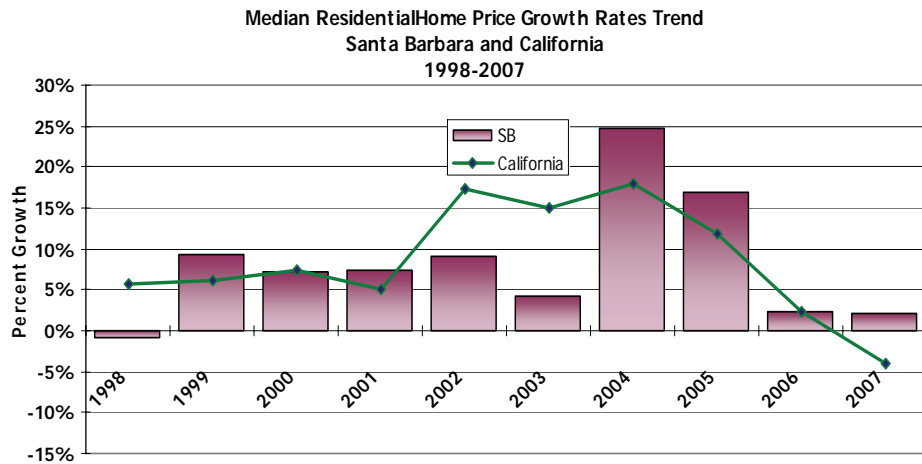
Santa Barbara County's median home price averaged \$771,463 in 2007, higher than the median home price for California and the United States, averaging \$554,623 and \$247,200, respectively.

The high cost of housing continues to impact employers' ability to attract and retain qualified personnel and has outpaced local wages, pricing out some renters from the local market. As resident workers move to other communities particularly those in North County and Ventura County, South County can expect to experience increased traffic, leading to longer commute times and degraded air quality. Numerous governmental and community groups are working to help find solutions to the Jobs/Housing Balance issue, yet because of the continuing budget crisis in California, there is less public money available to subsidize the production and retention of

affordable housing. Affordable housing is a key factor to the County's future economic expansion.



Source: Santa Barbara County Clerk-Recorder Assessor – 2008

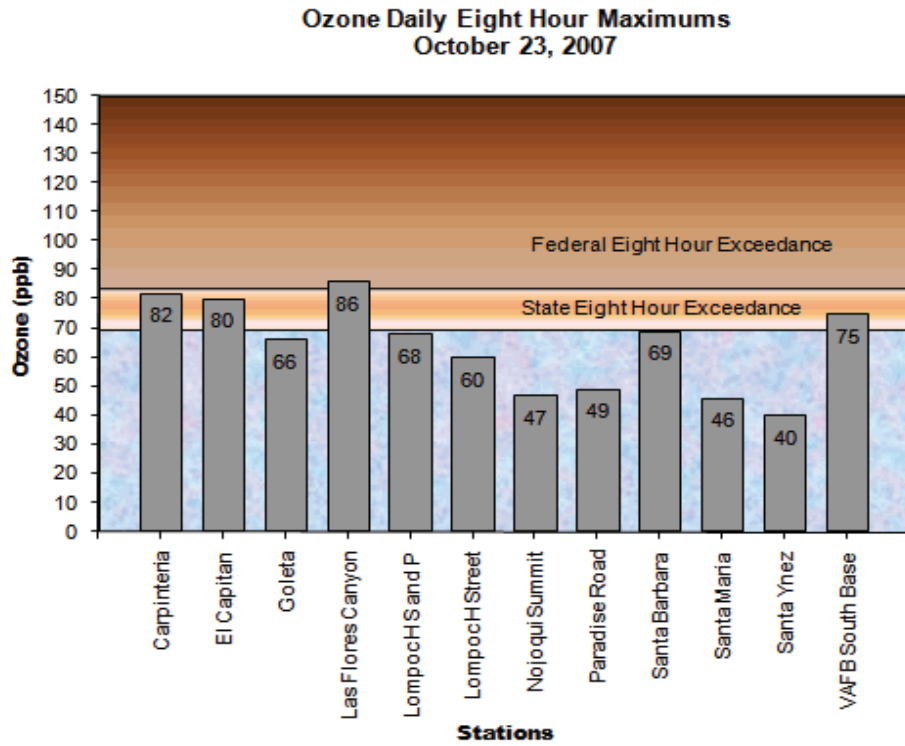


QUALITY OF LIFE

AIR QUALITY

The Air Pollution Control District (APCD) is a local government agency that works to protect people and the environment against harmful effects of air pollution. APCD covers the entire County including the incorporated cities of Buellton, Carpinteria, Goleta, Guadalupe, Lompoc, Santa Barbara, Santa Maria, and Solvang. APCD collects ambient air quality data to monitor progress of federal, state and local strategies designed to maintain both National and California Ambient Air Quality Standards (CAAQS). One measure of air quality is the amount of ozone in the atmosphere - one of the major components of smog produced by, among other things, the hydrocarbons in automobile exhaust or in vapors from cleaning solvents, in the presence of sunlight. Ozone is associated with negative health effects on humans, principally on the respiratory system, causing impairment of normal lung function and reduction of the ability to perform physical exercise. Children and the elderly are the most susceptible to the problems caused by high levels of ozone.

The following chart shows the ozone levels by monitoring station in the County on October 23, 2007.



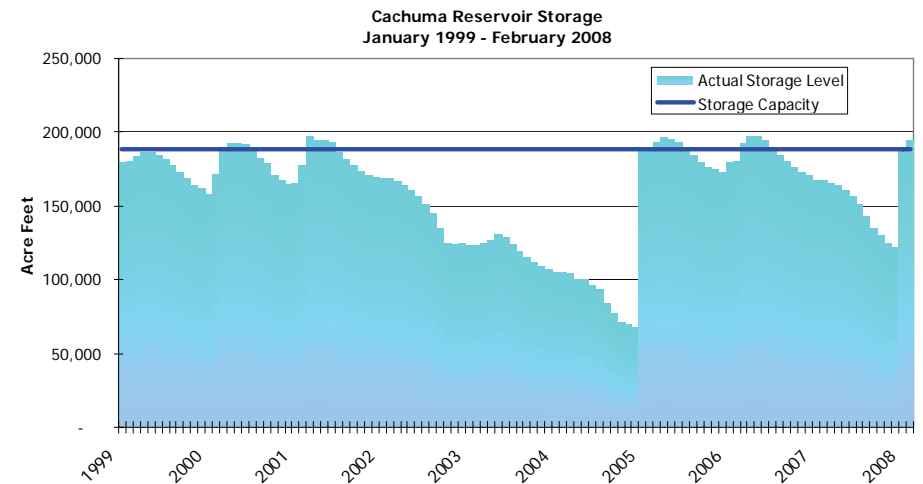
Source: Santa Barbara County Air Pollution Control District 2008

WATER SUPPLY

Cachuma Lake provides recreational opportunities as well as water supply to many County residents. The graph on the adjacent page shows the varying water storage levels at Cachuma. In January 2004, the water level was at 104.9 thousand-acre feet, the lowest water storage level since September 1992. The Lake continued to lower during 2004 due to the lack of rainfall but in late 2004 and early 2005 it quickly filled and spilled and it continued to spill until May 2005. The Lake spilled again in April 2006 due to an unusually wet Winter/Spring season. The Lake continued to spill through the spring and into the summer. As of February 2008, the Lake had 194,461 acre feet of water in storage, about 103% of the lake's capacity. The extra capacity or "surcharge" is due to changes to raise the lake's operational level that were completed in 2005 by the US Bureau of Reclamation (owner and operator of the Bradbury Dam). The extra volume of water increases storage that is dedicated to fish and habitat enhancement.

A higher lake level of operation, or surcharge, will be accomplished in two increments, 2.47 feet and 3.0 feet, increasing the storage capacity of Cachuma by 7,700 and 9,200, respectively. Until certain Cachuma Park facilities are modified, only a surcharge of 2.47 feet will be possible. Upon completion of facility modifications, expected by February 2009, surcharges of 3 feet could occur each spring when the reservoir spills.

During 1997, State water began to flow into Cachuma via a 143-mile pipeline, water treatment plant, and pumping station, constructed over four years, costing \$642 million dollars. The total County entitlement of State water is 45,486 acre feet per year; Santa Maria with 16,200 acre-feet; Goleta was allocated 7,000 acre feet and Santa Barbara was allocated 3,000 acre feet per year.



Source: Santa Barbara County Public Works Department. Note: Storage capacity can be "surcharged" to 195,700 acre feet.

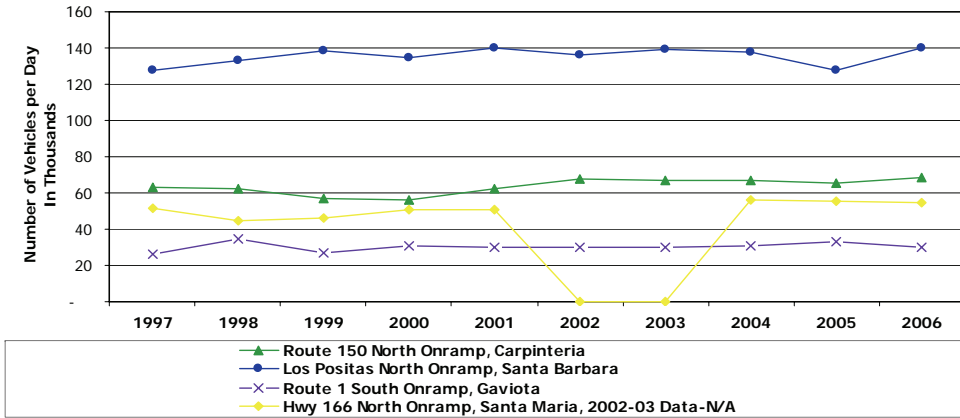
COMMUTING AND TRAFFIC

Over 71% of all Santa Barbara County commuters drive alone, 14% carpool and the remaining 15% use an alternative method of commuting such as walking, bicycling, vanpooling or telecommuting.

There continues to be an increase in traffic congestion along the 101 Freeway, especially in southern Santa Barbara County. Planned construction activities along the 101 Freeway between the Cities of Santa Barbara and Ventura over the next decade will cause even greater congestion and travel delays during peak commute hours. Employers, including the County of Santa Barbara, are exploring methods to reduce travel by employees during these peak commute times.

The congestions on the 101 Freeway is largely a result of the number of workers who commute from North Santa Barbara County or Western Ventura County, where home prices are more affordable compared to home prices in South Santa Barbara County.

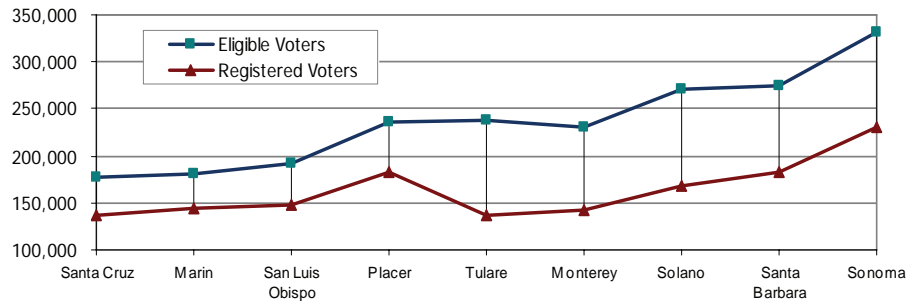
Vehicle Count on Highway 101
Through Santa Barbara County 1997-2006



Source: SBCAG 2007

ELECTORATE

Number of Eligible and Registered Voters
Benchmark Counties, as of January 28, 2008



Source: California Secretary of STATE 2008

PARTICIPATION THROUGH ELECTRONIC GOVERNMENT

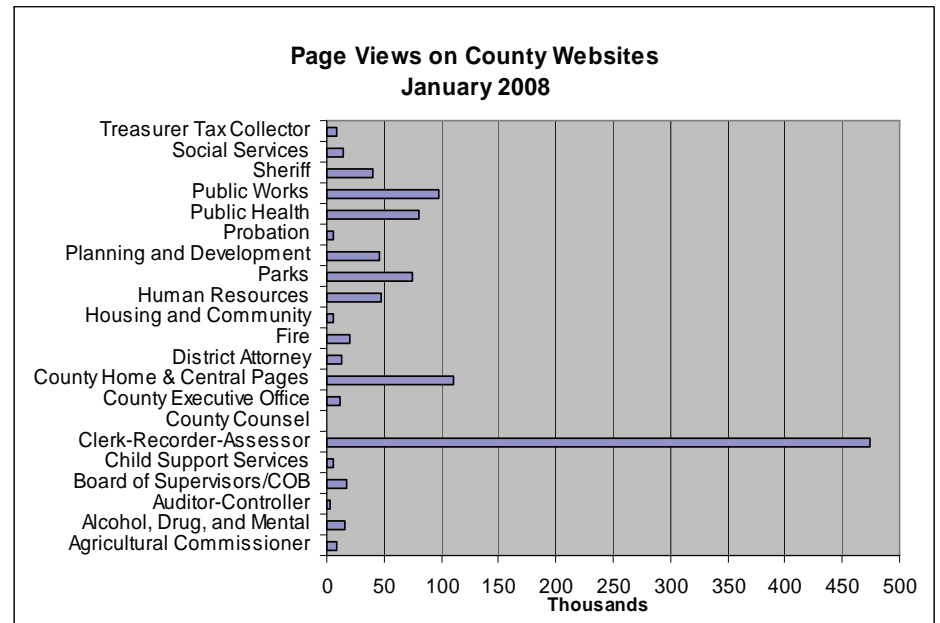
Electronic government allows citizens' the opportunity to access County departments, obtain agendas and related documents, and conduct other county related business via the internet. In FY 2004-2005, the County introduced online payment processing applications. The Treasurer-Tax Collector's Department has online property tax payments via credit card or E-Check. For Fiscal year 2005-6 the Department processed 7,472 on line payments totaling \$16.6 million. The totals for 2006-07 are 9,954 online payments totaling \$24 million, an increase of 33% in the number of payments and a 44.6% increase in dollars collected online over the previous fiscal year. The Department's website has other benefits too. Over 20,000 reminders of the April 10, 2008, tax payment deadline were emailed to everyone who is a registered user. Taxpayers can

also research the current amount due, print machine readable payment stubs online, and then mail in payment.

Another example of the usefulness of the County's website where the number of visits to the Public Works Department. Over 30% of the visits in January 2008 were for storm, rainfall and road closure information.

A number of additional departments continue to provide web based applications that allow authenticated users to update data via a browser, examples include: Business Property Statement E-Filing, Agricultural Pesticide Usage, Facilities Maintenance Work Orders, IT Help Desk, Employee Self-Service and Online Job Applications. Many departments provide Internet based reporting tools that allow customized queries, examples include: Land Use Permit Status Lookup, Construction related "eBidboard" and the Board of Supervisor's Agenda/Minutes reports. Additionally, a new proactive email reminder system was added to the Planning & Development website. This system allows the public to register for monthly reminder emails that list new land use permits in specified zip code areas.

The County website, www.countyofsb.org is now eight years old. The main portal pages comply with the American Disability Act and department sites are working toward compliance. The search engine currently indexes over 30,000 pages across all County department websites. On average over 21,000 searches are conducted per week. The average number of user visits to the County website has grown steadily from an average of 48,000 per month in September 2001, to 138,000 per month in February 2008. A visit represents one or more page requests from a website user.



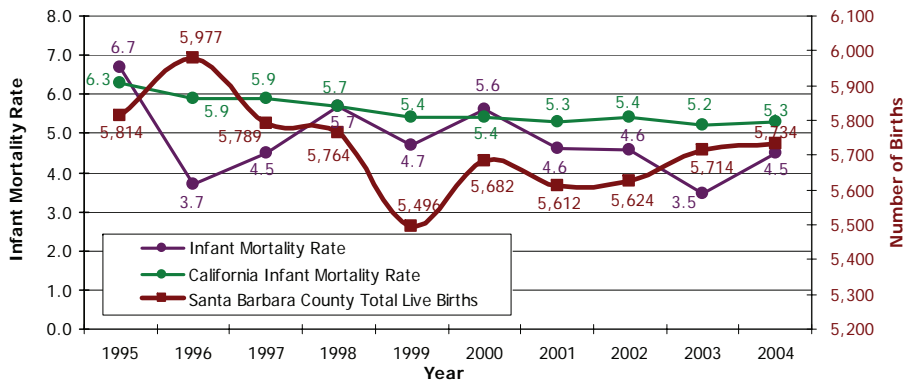
Source: Santa Barbara County General Services Department, March 2008

HEALTH AND EDUCATION

The Children's Scorecard compiles information about the status of Santa Barbara County's children and youth, in terms of their physical, emotional, educational and social well-being. The production of the Scorecard is a collaborative venture of the KIDS Network of Santa Barbara County, First 5 of Santa Barbara County and the University of California, Santa Barbara School Psychology Program. Data, collected over time, helps guide public policy that supports the community's children, youth, and families.

The County's infant mortality rate, though experiencing several increases and decreases, has been declining overall since 1995.

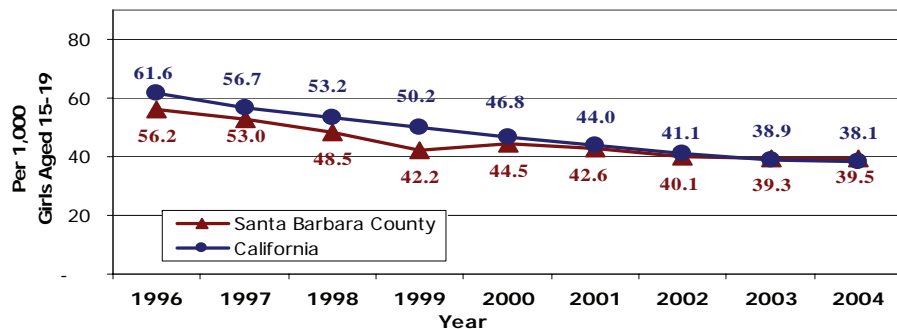
Santa Barbara County and California Infant Mortality Rate and Santa Barbara County Total Birth Count 1995-2004



Source: California Health Interview Survey 2006.

The County has experienced a relatively steady decline in the number and rate of births to teen mothers since 1996 in the number of births to mothers age 15-17 within the County.

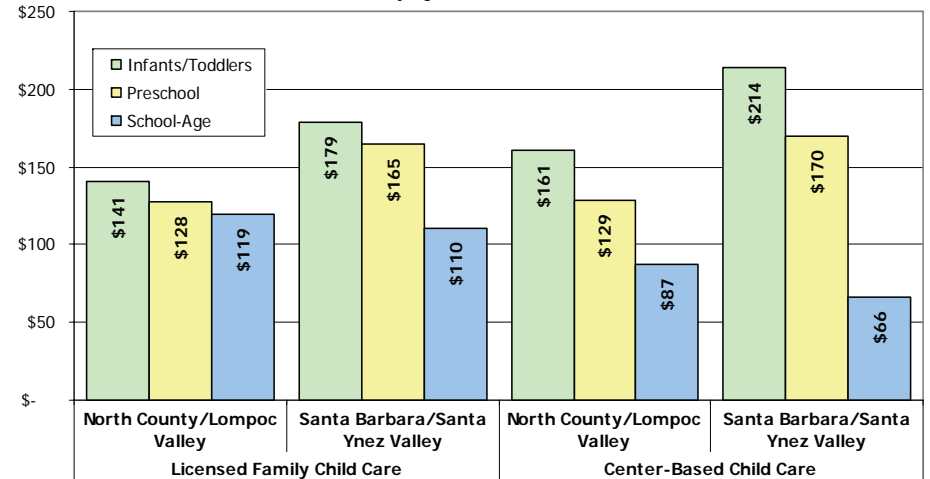
Santa Barbara County and California Teenage Birth Rate 1996-2004



Source: UCSB Economic Forecast Project 2007

Requests for quality, affordable, and accessible childcare continued to outgrow the actual capacity of available childcare, nearly doubling. As childcare is a relatively low-wage career field, providers continue to struggle to find and keep highly qualified staff.

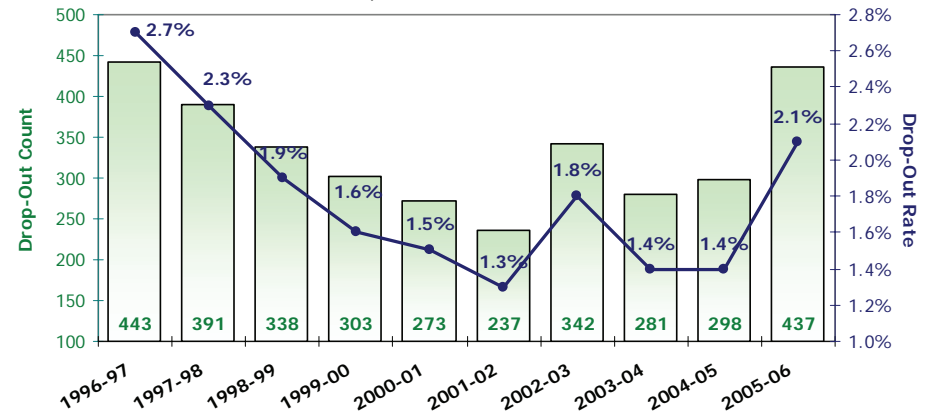
Average Weekly Cost of Child Care
By Age Bracket, 2007



Source: Santa Barbara County Office of Early Care and Education 2008

The County has 23 K-12 School Districts and two Community College Districts. There were 4,815 high school senior enrolled in FY 2005-06 with a graduations rate of 80.9% according to the California Department of Education. The County's high school drop-out rate jumped in FY 2005-06 to 2.1% after two years of 1.4% dropout rates.

Drop-Outs Count and Rate for Santa Barbara County
Grades 9-12, Fiscal Years 1996-97 to 2006-06



Source: California Department of Education

PUBLIC ASSISTANCE

The County administers local, state, and federal programs to assist eligible needy families and individuals in our community through the Department of Social Services. These programs provide financial and supportive services that strengthen the family unit and promote self-sufficiency.

CalWORKs is California’s version of the federal Temporary Assistance to Needy Families (TANF) program, which was brought about by welfare reform in 1996. Welfare reform ended cash assistance as an entitlement to low-income families, requires work as a condition of welfare payments for most families, and imposes a five-year lifetime limit on welfare benefits for adults. Santa Barbara County delivers inter-agency services through our Workforce Resource Centers to help clients work toward self-sufficiency. In fiscal year 2007-08, the County’s Department of Social Services will help an estimated 4,014 Santa Barbara County families make ends meet each month with CalWORKs, and will place over 1,400 individuals in jobs by fiscal year end. Of the cases, 60% are in North County, 20% in Mid County, and 20% in South County.

Food Stamps is jointly administered by the US Department of Health and Human Services and the US Department of Agriculture, and is the only nationwide program available to all who need it, if eligible, regardless of age or family composition. The program safeguards the health and well-being of recipients by raising the levels of nutrition among low income households. In FY 2007-08, the County will help an estimated 7,750 families with nutrition assistance each month. Of these, 26% are in South County, 19% in Mid County, and 55% in North County.

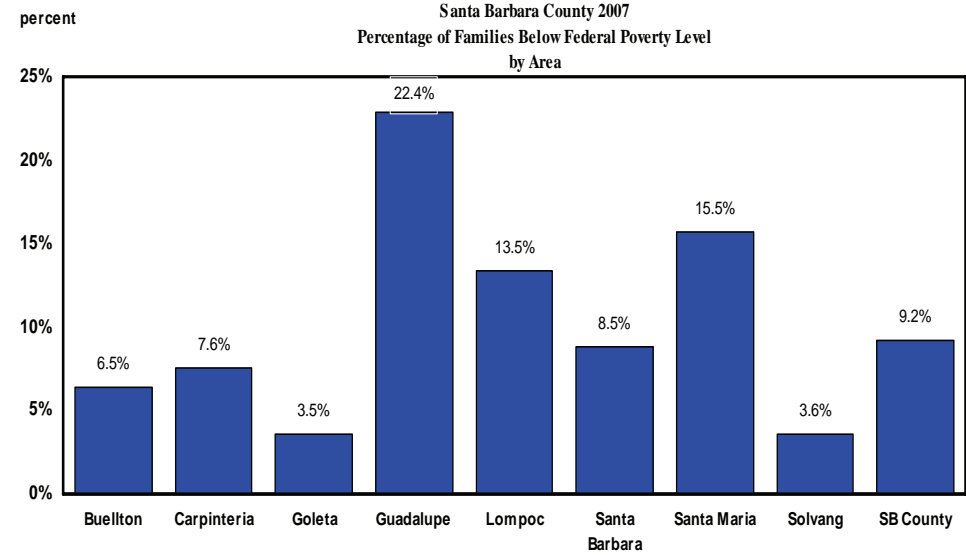
General Relief is state-mandated, county-funded and county-administered program that provides financial relief to the unemployed and incapacitated who are not eligible to assistance from any other source. The program provides short-term assistance while the recipient seeks other means of support; it is a safety net for the poorest of the poor, an assistance of last resort. In FY 2007-08, General Relief assisted an average of 328 families each month countywide. Of these, 37% are in South County, 22% in Mid County, and 41% in North County.

Medi-Cal is California’s version of the federal Medicaid program. Medi-Cal helps the uninsured in the community receive the medical services they need. Special programs are available to help pregnant women, the terminally ill, those needing long-term care, and the aged, blind, and disabled. On average in FY 2007-08, the County will help an estimated 25,838 families with Medi-Cal coverage per month. Of these 32% are in South County, 17% in Mid County, and 51% in North County.

Monthly Estimated Distribution of Santa Barbara County Families Receiving Public Assistance Count and Percent of Total by Region, in FY 2007-08

Region	CalWORKs		General Relief		Food Stamps		Medi-Cal	
North County	2,394	60%	135	41%	4,239	55%	13,308	51%
Mid-County	792	20%	73	22%	1,499	19%	4,285	17%
South County	822	20%	120	37%	2,014	26%	8,245	32%
Totals	4,014	100%	328	100%	7,750	100%	25,838	100%

Source: Santa Barbara County Department of Social Services 2008

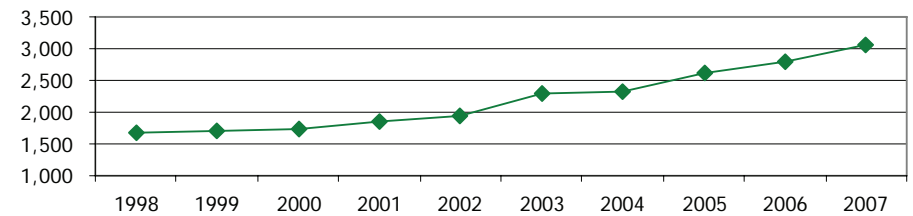


Source: UCSB Economic Forecast Project 2008

IN HOME SUPPORTIVE SERVICES

The In-Home Supportive Services Program (IHSS) allows qualified low-income aged, blind, and disabled persons to live in their home and avoid institutionalization. IHSS provides domestic and non-medical related services. In order to qualify, a person must receive Social Security Insurance (SSI) or meet SSI qualifications. The number of people in need of the services offered by IHSS increased – from 1998 to 2007 from 1,670 to 3,073 persons per month.

Average Number of People Served by County In-Home Supportive Services Per Month , 1998-2007



Source: Santa Barbara County Department of Social Services 2008

Countywide Performance Measures:

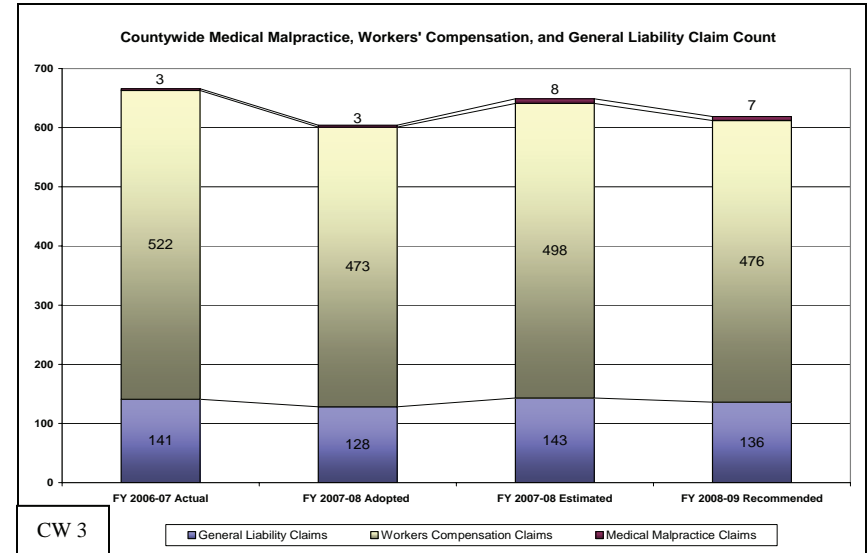
Workers' Compensation Claim Cost per \$100 Payroll: The table below (CW1) compares worker compensation claim costs against payroll (salaries including overtime) per \$100 by functional area. The FY 2006-07 costs of workers compensation claims per \$100 payroll is \$3.07, down \$0.42 from FY 2005-06. Among 25 ICMA CPM jurisdictions the County ranks 6th highest in cost. Proactive management can reduce workers' compensation costs which divert resources from productive uses.

CW 1 Functional Area	Worker Compensation Claim Cost Per \$100 Payroll		
	FY 06-07 Actual	FY 07-08 Estimated	FY 08-09 Rec.
Policy and Executive	\$1.84	\$1.76	\$1.09
Law & Justice	\$1.05	\$0.99	\$1.03
Public Safety	\$4.61	\$4.56	\$2.47
Health & Public Assistance	\$2.49	\$2.19	\$1.18
Community Resources	\$2.37	\$2.41	\$0.56
Support Services	\$2.15	\$2.64	\$0.96
General County Programs	\$0.02	\$0.00	\$0.00
WC Cost Countywide Payroll Ratio	\$3.07	\$3.01	\$1.52
Total Worker Compensation Claim Cost	\$8,710,937	\$9,216,354	\$4,661,098
Salaries including Overtime per \$100	\$2,840,175	\$3,063,012	\$3,068,924

Workers' Compensation Claims per 100 FTE: The table below (CW2) rates worker compensation claims against Full Time Equivalent positions (FTE) per 100 by functional area. The average rate of workers compensation claims to 100 FTE is 11.97 up 1.53 from FY 2005-06. Among 70 ICMA CPM jurisdictions, the County ranks 37th highest in rates.

CW 2 Functional Area	Worker Compensation Claims Per 100 FTE		
	FY 06-07 Actual	FY 07-08 Estimated	FY 08-09 Rec.
Policy and Executive	1.11	0.00	0.00
Law & Justice	2.35	1.39	1.54
Public Safety	19.99	20.77	20.97
Health & Public Assistance	10.41	10.01	9.94
Community Resources	9.63	7.57	7.13
Support Services	6.42	1.96	0.49
General County Programs	2.70	0.00	0.00
WC Claims Countywide Workforce Ratio	12.30	11.63	11.51
Total # of Workers Compensation Claims	522	498	476
FTE divided by 100	42.43	42.82	41.34

Countywide Claim Counts: The chart below (CW 3) trends three performance measures used by all departments: 1) number of medical malpractice claims; 2) number of workers' compensation claims; and 3) number of general liability claims. In FY 2007-08, workers' compensation claims are 498 and comprise 77% of total claims, general liability are 143 or 22% of total claims, and medical malpractice are 8, 1% of total claims.



Countywide Lost Time Rate: The chart below (CW 4) outlines the County organization-wide lost time rate. This rate measures the percent of total employee hours spent on sick leave, workers' compensation, or unauthorized leave without pay as a percent of total available hours. Countywide, lost time rates declined 0.2% from the FY 2006-07 actual of 5.8% to an FY 2007-08 estimated of 5.6%. The lost time rate has maintained an average of 5.9% over the last six years.

