

MARIN COUNTY ECONOMIC FORECAST

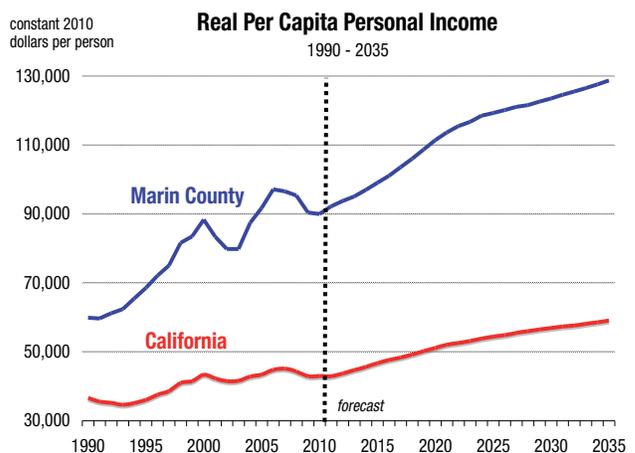
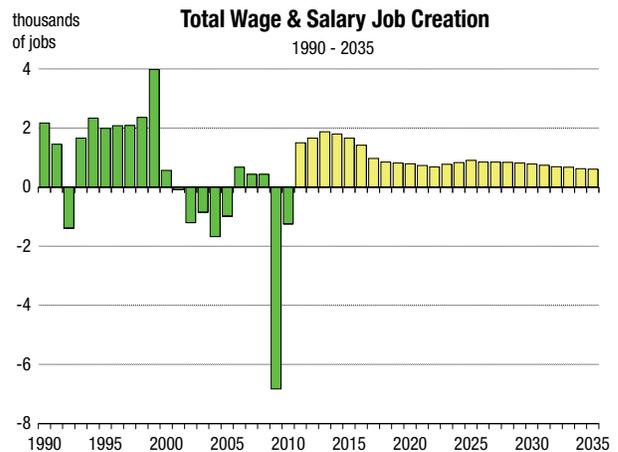
Marin County, located directly across the golden gate bridge north of San Francisco, is one of the most affluent counties in the state. Marin County has a population of 253,000 people and 100,900 wage and salary jobs. The per capita income in Marin County is \$89,981, and the average salary per worker is \$64,210. Together with San Francisco and San Mateo Counties, the median family income for 2010 was \$99,400, second highest in the state behind Santa Clara County.

Employment growth in Northern California was negative in 2010, though job loss was minor relative to 2009. In 2010, 1,200 jobs were lost in Marin County, a decline of 1.2 percent. The unemployment rate increased to 8.3 percent in 2010. Marin County has the lowest unemployment in the state.

Professional services and leisure and hospitality were the only sectors to create jobs during 2010, though in both cases gains were very minor. Declines in construction (-500 jobs), financial activities (-300 jobs) and government (-200 jobs) accounted for nearly all job loss during the year.

Population growth remains positive, but slow in Marin County. Between the 2000 and 2010 census the population increased by just 2.1 percent. The only city to grow significantly was Novato, increasing population by 9 percent, and accounting for 83 percent of county growth. The annual growth rate between 2011 and 2016 is expected to average 0.8 percent.

The forecast calls for employment growth to average 1.6 percent per year in over the next 5 years. Slow job and population growth are due partially to an older resident population and home values that are among the highest in the state. An older resident population includes more retirees, and high home values serve as a deterrent to in-migrating families or the working age population.



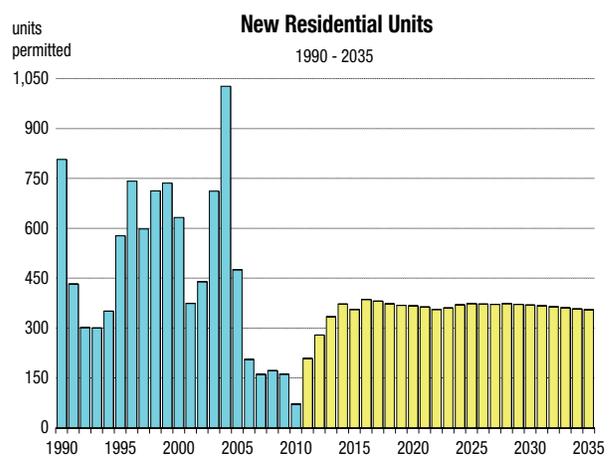
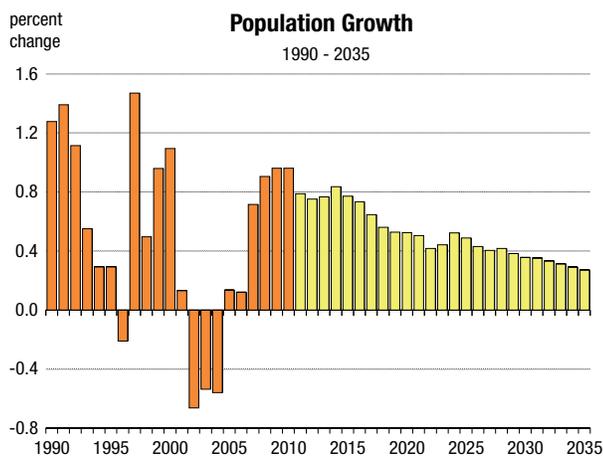
FORECAST HIGHLIGHTS

- Job growth remains turns positive in 2011, with an expected gain of 1.5 percent. From 2011 to 2016 the annual growth rate is forecast to average 1.6 percent per year.
- Average salaries adjusted for inflation are currently above the California average, and will remain so over the foreseeable future. Real average salaries are forecast to rise an average of 1.0 percent per year over the next 5 years.
- Between 2011 and 2016, the principal engine of employment growth is professional services which accounts for 52 percent of net job creation. Retail trade and healthcare and education are responsible for most of the remaining job growth.
- The population will grow at an average rate of 0.8 percent per year from 2011 to 2016.
- Net migration is expected to remain positive, but declines from the elevated levels of 2009-2010. Between 2011 and 2016 net migration is forecast to average about 1,400 migrants per year.
- Real per capita incomes rise by 2.5 percent in 2011. During the 2011 to 2016 period real per capita incomes are forecast to increase 1.9 percent per year.
- Total taxable sales adjusted for inflation are expected to increase by an average of 3.9 percent per year between 2011 and 2016.
- Industrial production is expected to decline 1.7 percent in 2011, due to declining manufacturing. From 2011 to 2016 industrial production is forecast to decline by an average of 1.3 percent per year.

Marin County Economic Forecast

2006-2010 History, 2011-2040 Forecast

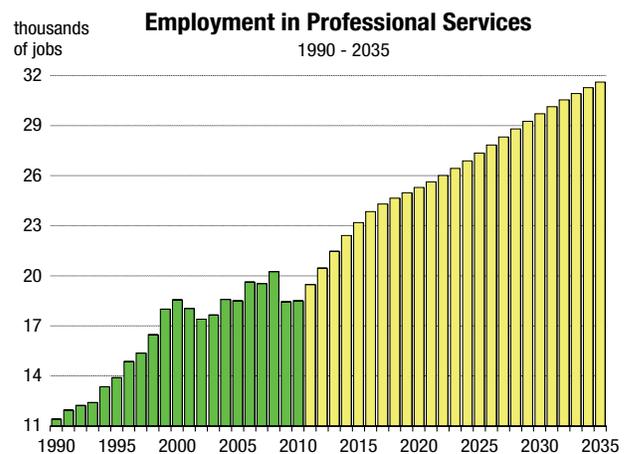
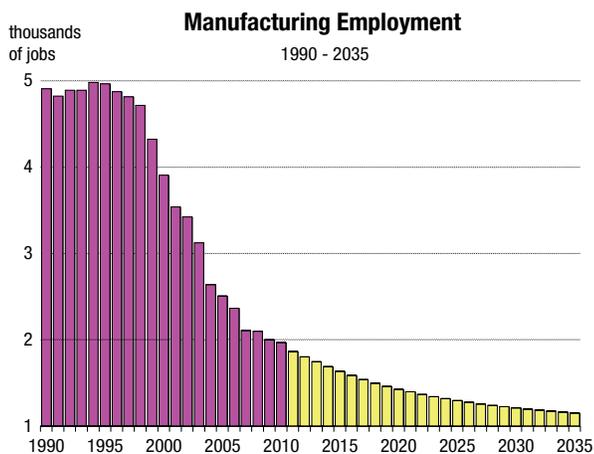
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2006	244,244	-636	242	103.3	206	\$4.29	\$21.8	\$97,084	3.2	53.8	617	3.5
2007	245,992	792	245	104.0	161	\$4.40	\$22.6	\$96,529	3.4	70.6	573	3.7
2008	248,221	1,273	241	104.1	172	\$4.16	\$23.2	\$95,337	3.0	64.7	602	4.6
2009	250,609	1,636	240	104.2	162	\$3.66	\$22.4	\$90,371	0.8	53.4	614	7.8
2010	253,020	1,784	240	104.4	72	\$3.86	\$22.8	\$89,981	1.3	54.7	622	8.3
2011	255,015	1,346	239	104.4	209	\$4.11	\$24.3	\$92,189	3.3	55.0	612	7.5
2012	256,935	1,311	241	104.6	279	\$4.39	\$25.5	\$93,791	2.3	55.2	599	6.9
2013	258,908	1,388	243	104.8	334	\$4.67	\$26.6	\$95,063	2.3	55.4	590	6.2
2014	261,075	1,598	244	105.1	372	\$4.96	\$28.0	\$96,968	2.4	55.5	581	5.5
2015	263,091	1,462	246	105.4	356	\$5.26	\$29.5	\$99,053	2.1	55.6	575	4.8
2016	265,021	1,393	247	105.7	386	\$5.55	\$30.9	\$101,083	2.1	55.7	574	4.4
2017	266,735	1,191	248	106.0	382	\$5.81	\$32.5	\$103,554	2.1	55.7	579	4.2
2018	268,231	987	249	106.3	373	\$6.08	\$34.1	\$105,993	2.0	55.7	585	4.0
2019	269,648	922	250	106.6	369	\$6.35	\$35.9	\$108,695	1.9	55.6	592	3.8
2020	271,065	938	251	106.9	368	\$6.62	\$37.6	\$111,401	1.7	55.6	602	3.6
2021	272,436	912	252	107.1	364	\$6.87	\$39.2	\$113,603	1.7	55.6	613	3.6
2022	273,575	700	253	107.4	356	\$7.15	\$40.9	\$115,465	2.2	55.5	625	3.6
2023	274,787	796	254	107.7	361	\$7.44	\$42.4	\$116,732	2.2	55.4	636	3.6
2024	276,227	1,049	255	108.0	370	\$7.75	\$44.1	\$118,457	2.1	55.2	648	3.6
2025	277,576	982	256	108.3	374	\$8.09	\$45.6	\$119,243	2.1	55.0	659	3.6
2026	278,772	842	258	108.6	372	\$8.42	\$47.1	\$120,147	2.1	54.8	670	3.6
2027	279,900	787	259	108.9	372	\$8.77	\$48.6	\$121,035	2.1	54.7	682	3.6
2028	281,069	842	260	109.2	374	\$9.13	\$50.1	\$121,591	2.1	54.4	692	3.6
2029	282,149	762	261	109.5	372	\$9.51	\$51.8	\$122,543	2.1	54.2	705	3.6
2030	283,157	699	262	109.8	369	\$9.90	\$53.5	\$123,485	2.1	54.1	718	3.6
2031	284,158	696	263	110.1	368	\$10.30	\$55.3	\$124,600	2.2	53.9	735	3.6
2032	285,108	653	264	110.4	364	\$10.72	\$57.1	\$125,499	2.2	53.8	752	3.6
2033	286,003	609	265	110.6	361	\$11.16	\$59.0	\$126,473	2.1	53.5	771	3.6
2034	286,839	563	266	110.9	358	\$11.62	\$61.0	\$127,552	2.2	53.2	792	3.6
2035	287,620	525	267	111.2	355	\$12.10	\$63.0	\$128,717	2.2	52.9	813	3.6
2036	288,337	491	267	111.5	353	\$12.60	\$65.1	\$129,940	2.1	52.6	835	3.6
2037	288,982	454	268	111.8	351	\$13.12	\$67.3	\$131,140	2.2	52.2	858	3.6
2038	289,553	419	269	112.1	349	\$13.66	\$69.5	\$132,402	2.1	52.0	882	3.6
2039	290,047	386	270	112.3	348	\$14.22	\$71.9	\$133,774	2.1	51.7	906	3.6
2040	290,469	360	270	112.6	347	\$14.81	\$74.2	\$135,214	2.1	51.3	932	3.6

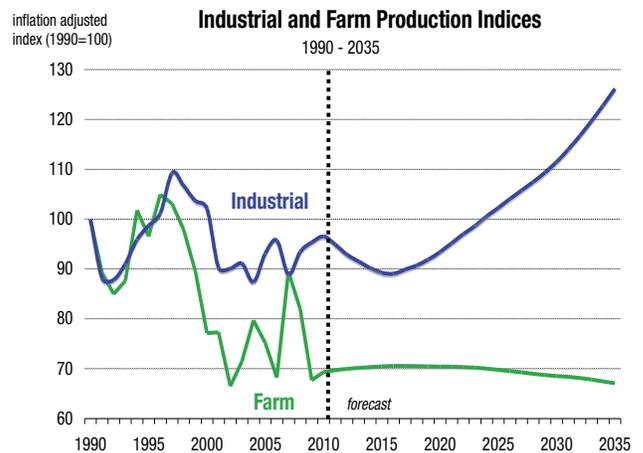
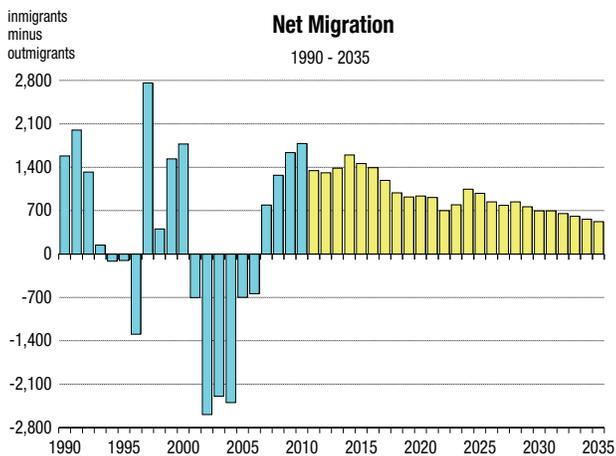
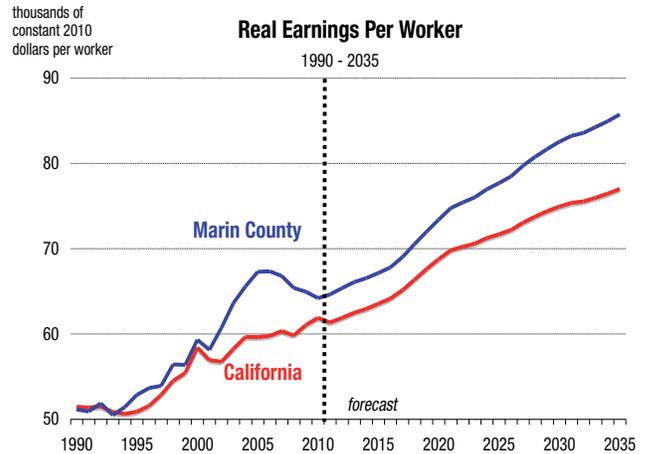
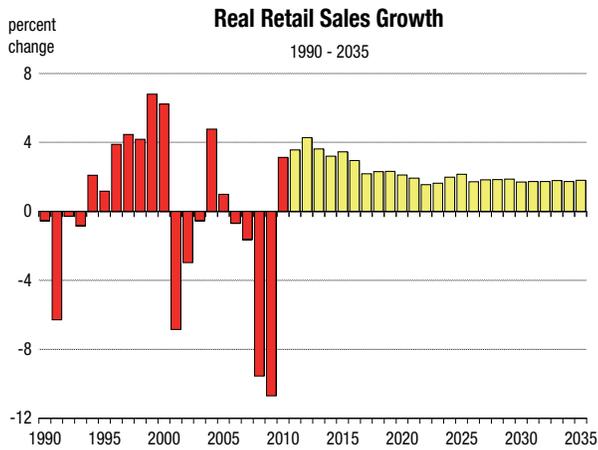


Marin County Employment Forecast

2006-2010 History, 2011-2040 Forecast

	Total Wage & Salary	Farm	Construction	Manufacturing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
2006	108.0	0.67	7.3	2.4	1.3	17.0	9.2	19.6	2.2	15.8	12.7	15.0
2007	108.5	0.64	7.7	2.1	1.2	17.3	8.8	19.5	2.4	15.7	13.0	15.1
2008	108.9	0.53	7.5	2.1	1.2	17.0	8.2	20.3	2.2	16.1	13.4	15.5
2009	102.1	0.50	6.0	2.0	1.1	15.4	7.7	18.4	2.2	16.6	12.7	14.8
2010	100.9	0.49	5.4	2.0	1.1	15.2	7.4	18.5	2.1	16.5	12.7	14.6
2011	102.4	0.49	5.6	1.9	1.1	15.5	7.3	19.5	2.1	16.7	12.8	14.5
2012	104.0	0.49	5.7	1.8	1.1	15.8	7.3	20.5	2.1	17.0	13.0	14.5
2013	105.9	0.49	5.9	1.7	1.0	16.1	7.3	21.5	2.1	17.2	13.1	14.5
2014	107.7	0.50	5.9	1.7	1.0	16.4	7.3	22.4	2.1	17.5	13.2	14.6
2015	109.4	0.50	6.0	1.6	1.0	16.6	7.2	23.2	2.1	17.8	13.4	14.7
2016	110.8	0.49	6.1	1.6	1.0	16.8	7.2	23.9	2.1	18.0	13.6	14.8
2017	111.8	0.49	6.2	1.5	1.0	17.0	7.1	24.3	2.0	18.2	13.7	14.8
2018	112.6	0.49	6.3	1.5	1.0	17.2	7.0	24.7	2.0	18.4	13.8	14.9
2019	113.4	0.49	6.4	1.5	1.0	17.3	7.0	25.0	1.9	18.5	13.9	14.9
2020	114.2	0.49	6.6	1.4	1.0	17.5	6.9	25.3	1.9	18.7	14.0	14.9
2021	115.0	0.49	6.7	1.4	1.0	17.6	6.8	25.6	1.8	18.8	14.1	14.9
2022	115.6	0.49	6.8	1.4	1.1	17.7	6.7	26.0	1.8	19.0	14.1	15.0
2023	116.4	0.49	6.9	1.3	1.1	17.9	6.6	26.4	1.7	19.1	14.2	15.0
2024	117.3	0.49	7.0	1.3	1.1	18.0	6.6	26.9	1.7	19.3	14.3	15.0
2025	118.2	0.49	7.1	1.3	1.1	18.2	6.5	27.4	1.6	19.4	14.3	15.0
2026	119.0	0.49	7.2	1.3	1.1	18.3	6.4	27.8	1.6	19.6	14.4	15.1
2027	119.9	0.49	7.3	1.3	1.1	18.4	6.4	28.3	1.5	19.8	14.4	15.1
2028	120.7	0.49	7.4	1.2	1.1	18.5	6.3	28.8	1.5	19.9	14.5	15.1
2029	121.5	0.49	7.5	1.2	1.0	18.7	6.2	29.3	1.4	20.1	14.6	15.2
2030	122.3	0.49	7.5	1.2	1.0	18.8	6.1	29.7	1.4	20.3	14.6	15.2
2031	123.1	0.49	7.6	1.2	1.0	18.9	6.1	30.1	1.3	20.4	14.7	15.2
2032	123.8	0.49	7.7	1.2	1.0	19.0	6.0	30.5	1.3	20.5	14.8	15.2
2033	124.4	0.49	7.7	1.2	1.1	19.1	5.9	30.9	1.2	20.6	14.8	15.3
2034	125.1	0.49	7.8	1.2	1.1	19.3	5.9	31.3	1.2	20.7	14.9	15.3
2035	125.7	0.49	7.8	1.2	1.1	19.4	5.8	31.6	1.1	20.7	15.0	15.3
2036	126.3	0.49	7.9	1.1	1.1	19.5	5.7	32.0	1.1	20.8	15.0	15.4
2037	126.9	0.49	8.0	1.1	1.1	19.6	5.7	32.3	1.0	20.8	15.1	15.4
2038	127.4	0.49	8.0	1.1	1.1	19.8	5.6	32.6	1.0	20.7	15.2	15.4
2039	128.0	0.49	8.1	1.1	1.1	19.9	5.5	33.0	0.9	20.7	15.2	15.5
2040	128.5	0.49	8.2	1.1	1.2	20.1	5.4	33.3	0.9	20.6	15.3	15.5





County Economic and Demographic Indicators

Projected Economic Growth (2011-2016)

Expected retail sales growth:	18.8 %
Expected job growth:	8.2 %
Fastest growing jobs sector:	Professional Business Services
Expected personal income growth:	13.9 %

Expected population growth:	3.9 %
Net migration to account for:	71.5 %
Expected growth in number of vehicles:	3.4 %

Demographics (2011)

Unemployment rate (June 2011):	8.0 %
County Rank* in California (58 counties):	1st
Working age (16-64) population:	64.9 %

Population with B.A. Degree or higher:	54.0 %
Median Home Selling Price:	\$659,000
Median Household Income:	\$86,900

Quality of Life

Violent Crime rate (2009):	203 per 100,000 persons
County Rank* in California (58 counties):	5th
Average Commute Time to work (2011):	28.8 minutes

High School drop out rate (2009):	7.7 %
Households at/below poverty line:	3.0 %

* The county ranked 1st corresponds to the lowest rate in California