

NAPA COUNTY ECONOMIC FORECAST

Napa County is home to the Napa Valley, which is a popular tourist destination known for wine grape and premium wine production. Napa County has a population of over 135,000 people and 67,000 wage and salary jobs. The per capita income in Napa County is \$44,229, and the average salary per worker is \$47,947. Median family income in the Napa-Solano metro area is estimated at \$75,400 in 2007.

Employment growth in Northern California was strong in 2006, compared to the previous five years. Employment in the greater Bay Area increased by 1.9 percent last year. There were 1,100 total wage and salary jobs created in Napa County in 2006, representing a growth rate of 1.7 percent. Non-farm employment increased by 1.6 percent. The unemployment rate declined to 3.9 percent in 2006.

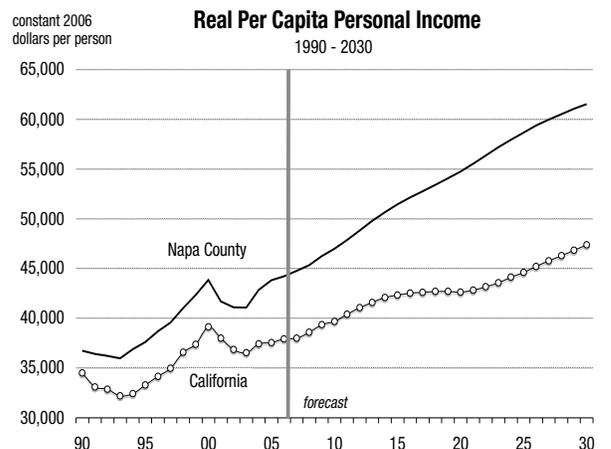
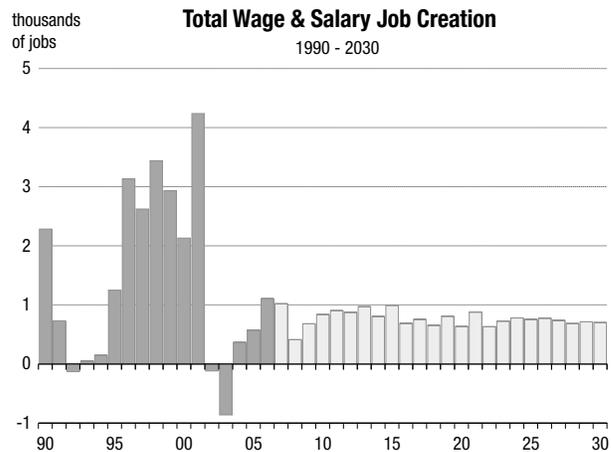
After contracting in 2002 and 2003, the total number of wage and salary jobs in 2006 managed to surpass the 2001 high due to decent job growth rates the past three years. In 2006, the construction sector created nearly 800 jobs, more than twice as many as the next largest growing job sector, professional services. The manufacturing sector, which is largely food manufacturing from the wine industry, did not increase employment in 2006, after adding 900 jobs in the last two years combined.

The population continues to grow in Napa County, but the growth rate is modest at 1.2 percent (from January 2006 to January 2007). The fastest growing city in the county is American Canyon, whose population grew by 7.2 percent last year.

The economy of Napa County continues to show improvement in tandem with the Bay Area economic recovery. Employment growth is forecast to remain positive over the next five years, but will not return to the peak levels recorded in the late 1990s.

FORECAST HIGHLIGHTS

- Job growth averages 1.5 percent in 2007. Over the next five years, the average annual growth rate is forecast to be 1.1 percent per year.
- Average salaries adjusted for inflation are currently below the California average, but over the long-term forecast are expected to surpass the state average. Real average salaries are forecast to rise an average of 1.4 percent per year over the next 5 years.
- Between 2007 and 2011, virtually all net job creation occurs in leisure services, wholesale and retail trade, professional services, government and manufacturing. Along with the Inland Empire and parts of the Sacramento Valley, Napa County is one of the few areas in California where manufacturing employment is forecast to increase.

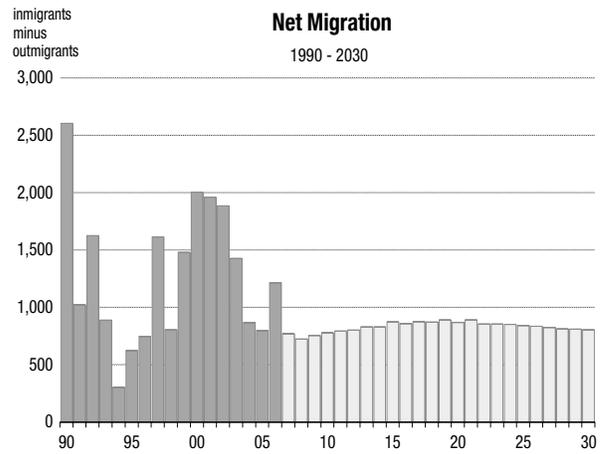
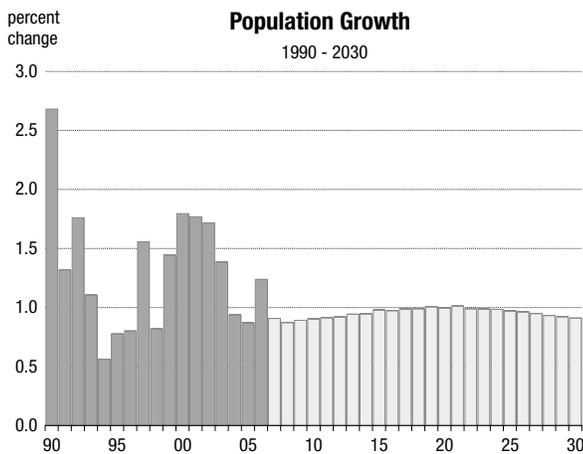


- Population growth is expected to be 0.9 percent each year from 2007 to 2011.
- Net migration is forecast to decline slightly in 2007, to approximately 750 people. Net migration will stabilize over the next five years, averaging 750 people entering the county per year.
- Real per capita incomes increase at a rate of 1.2 percent in 2007. Over the next five years real per capita incomes are forecast to increase approximately 1.6 percent per year.
- Total taxable sales are expected to increase by an average of 6.1 percent over the next five years.
- Industrial production is expected to increase 5.8 percent in 2007. Over the next five years industrial production is forecast to rise an average of 5.2 percent per year.

Napa County Economic Forecast

1997-2006 History, 2007-2030 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 (billions)	Unemploy- ment Rate (percent)
1997	120,051	1,614	108.1	44.6	350	\$1.3	\$3.6	\$39,556	3.4	333.5	0.84	5.2
1998	121,037	803	115.0	44.9	483	\$1.5	\$3.9	\$41,033	3.2	255.9	0.95	4.0
1999	122,788	1,478	118.1	45.2	720	\$1.7	\$4.3	\$42,327	4.2	277.1	1.04	3.3
2000	124,993	2,004	122.4	45.4	535	\$1.9	\$4.7	\$43,849	4.5	399.9	1.16	3.5
2001	127,206	1,961	126.8	45.8	907	\$1.9	\$4.8	\$41,685	5.4	400.2	1.18	3.5
2002	129,393	1,886	130.7	46.5	1,194	\$2.1	\$4.9	\$41,101	1.6	421.1	1.21	4.4
2003	131,187	1,427	129.8	47.2	649	\$2.0	\$5.1	\$41,080	1.8	418.9	1.25	4.8
2004	132,420	868	136.8	48.3	924	\$2.1	\$5.4	\$42,853	1.2	376.5	1.32	4.6
2005	133,574	797	135.7	48.9	653	\$2.3	\$5.7	\$43,818	2.0	566.6	1.41	4.2
2006	135,228	1,215	137.4	49.6	491	\$2.4	\$6.0	\$44,229	3.3	450.0	1.47	3.9
2007	136,458	769	138.7	50.3	394	\$2.7	\$6.3	\$44,764	2.9	420.3	1.55	3.8
2008	137,650	724	140.0	50.7	393	\$2.8	\$6.5	\$45,323	2.0	398.5	1.64	4.0
2009	138,879	755	141.5	51.1	405	\$3.0	\$6.9	\$46,258	2.0	394.3	1.72	3.9
2010	140,136	778	143.0	51.5	419	\$3.1	\$7.2	\$46,990	2.5	397.2	1.81	3.8
2011	141,418	794	144.7	51.9	393	\$3.3	\$7.6	\$47,866	2.4	397.2	1.89	3.8
2012	142,722	801	146.4	52.3	397	\$3.5	\$8.0	\$48,837	2.2	400.8	1.98	3.9
2013	144,070	830	148.1	52.7	406	\$3.6	\$8.4	\$49,780	2.3	408.4	2.09	4.0
2014	145,435	830	149.8	53.2	418	\$3.8	\$8.9	\$50,655	2.3	414.9	2.19	4.1
2015	146,863	874	151.4	53.6	434	\$4.0	\$9.3	\$51,453	2.6	422.5	2.31	4.1
2016	148,294	859	153.1	54.0	443	\$4.2	\$9.8	\$52,148	2.7	430.7	2.39	4.2
2017	149,762	875	154.7	54.5	450	\$4.4	\$10.3	\$52,765	2.7	432.1	2.50	4.2
2018	151,246	871	156.2	54.9	454	\$4.6	\$10.8	\$53,404	2.5	437.2	2.60	4.3
2019	152,770	890	157.9	55.4	457	\$4.8	\$11.3	\$54,087	2.5	443.3	2.72	4.3
2020	154,294	869	159.5	55.9	453	\$5.0	\$11.8	\$54,738	2.5	448.9	2.83	4.3
2021	155,859	891	161.2	56.3	451	\$5.2	\$12.4	\$55,547	2.4	448.7	2.96	4.3
2022	157,404	854	162.8	56.8	450	\$5.5	\$13.1	\$56,356	2.5	454.0	3.01	4.3
2023	158,961	855	164.3	57.3	453	\$5.7	\$13.7	\$57,198	2.5	453.6	3.10	4.4
2024	160,526	852	165.9	57.7	449	\$6.0	\$14.4	\$57,944	2.3	460.6	3.19	4.4
2025	162,088	841	167.5	58.2	449	\$6.2	\$15.0	\$58,647	2.4	466.7	3.27	4.4
2026	163,650	836	169.1	58.7	446	\$6.5	\$15.7	\$59,385	2.4	472.2	3.34	4.3
2027	165,205	825	170.6	59.1	448	\$6.7	\$16.4	\$59,966	2.5	477.4	3.40	4.3
2028	166,748	813	172.1	59.6	445	\$7.0	\$17.2	\$60,513	2.7	478.3	3.48	4.3
2029	168,288	811	173.6	60.0	440	\$7.3	\$17.9	\$61,067	2.7	484.8	3.57	4.3
2030	169,820	805	175.0	60.5	440	\$7.6	\$18.7	\$61,531	2.6	490.5	3.65	4.3



Napa County Employment Forecast

1997-2006 History, 2007-2030 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)-----												
1997	53.5	4.17	2.5	8.6	0.9	6.2	2.3	4.7	0.7	6.7	7.0	8.5
1998	56.9	4.36	2.9	9.4	1.0	6.5	2.5	5.0	0.7	7.2	7.2	8.6
1999	59.9	4.41	3.1	10.0	1.0	6.7	2.6	5.9	0.8	7.3	7.6	9.0
2000	62.0	4.92	3.5	10.3	1.1	7.0	2.6	5.9	0.8	7.3	7.7	9.5
2001	66.3	5.28	4.0	11.0	1.3	7.6	2.8	5.9	0.9	7.9	8.3	9.7
2002	66.1	5.27	4.2	10.9	1.3	7.4	3.0	5.5	0.8	8.1	8.0	9.9
2003	65.3	4.86	4.3	10.5	1.5	7.6	2.7	5.4	0.8	7.8	8.4	9.7
2004	65.6	4.71	4.6	10.8	1.4	7.6	2.5	5.5	0.7	7.9	8.5	9.7
2005	66.2	4.59	4.5	11.4	1.3	7.6	2.7	5.4	0.7	7.8	8.5	10.0
2006	67.3	4.72	5.2	11.4	1.4	7.5	2.8	5.7	0.7	7.8	8.4	10.0
2007	68.3	4.73	5.2	11.5	1.4	7.7	2.8	5.8	0.7	7.8	8.8	10.1
2008	68.8	4.57	5.2	11.6	1.4	7.7	2.8	5.9	0.7	7.8	9.0	10.2
2009	69.4	4.56	5.2	11.7	1.4	7.9	2.7	6.1	0.7	7.8	9.3	10.2
2010	70.3	4.58	5.2	11.8	1.5	8.0	2.7	6.3	0.7	7.8	9.5	10.3
2011	71.2	4.58	5.1	11.9	1.5	8.1	2.7	6.6	0.7	7.8	9.7	10.5
2012	72.1	4.61	5.1	11.9	1.6	8.3	2.7	6.8	0.8	7.8	9.8	10.6
2013	73.0	4.67	5.1	12.1	1.6	8.4	2.7	7.0	0.8	7.9	9.9	10.7
2014	73.8	4.72	5.1	12.2	1.7	8.5	2.7	7.2	0.8	7.9	10.1	10.8
2015	74.8	4.77	5.1	12.4	1.7	8.6	2.7	7.3	0.8	8.0	10.2	10.9
2016	75.5	4.82	5.2	12.4	1.8	8.7	2.7	7.4	0.8	8.1	10.3	11.0
2017	76.3	4.82	5.2	12.5	1.8	8.8	2.7	7.5	0.8	8.3	10.4	11.1
2018	76.9	4.84	5.2	12.6	1.9	8.9	2.8	7.6	0.8	8.4	10.5	11.3
2019	77.7	4.87	5.3	12.7	1.9	9.0	2.8	7.7	0.8	8.5	10.5	11.4
2020	78.4	4.91	5.3	12.7	2.0	9.1	2.8	7.8	0.8	8.7	10.6	11.5
2021	79.3	4.91	5.3	12.9	2.1	9.2	2.8	7.9	0.9	8.9	10.6	11.7
2022	79.9	4.95	5.3	12.9	2.1	9.3	2.8	7.9	0.9	9.0	10.7	11.8
2023	80.6	4.95	5.3	13.0	2.2	9.4	2.8	8.0	0.9	9.2	10.7	11.9
2024	81.4	5.00	5.4	13.1	2.2	9.4	2.8	8.1	0.9	9.4	10.7	12.0
2025	82.2	5.04	5.4	13.2	2.3	9.5	2.8	8.2	0.9	9.6	10.7	12.1
2026	82.9	5.08	5.4	13.2	2.3	9.6	2.9	8.2	0.9	9.8	10.8	12.2
2027	83.7	5.12	5.4	13.3	2.4	9.7	2.9	8.3	0.9	10.1	10.9	12.3
2028	84.4	5.13	5.4	13.4	2.4	9.7	2.9	8.4	0.9	10.3	10.9	12.4
2029	85.1	5.18	5.4	13.4	2.5	9.8	2.9	8.5	0.9	10.5	11.0	12.5
2030	85.8	5.22	5.5	13.5	2.5	9.9	2.9	8.5	0.9	10.7	11.0	12.6

