

NAPA COUNTY ECONOMIC FORECAST

Napa County is home to the Napa Valley, a popular tourist destination known for wine grapes and premium wine production. Napa County has a population of 140,300 people and a total of 74,200 wage and salary jobs. The per capita income in Napa County is \$60,576, and the average salary per worker is \$58,557.

Wine grapes account for 99 percent of all agricultural output in Napa County. Red grapes are dominant in the region, with a total value that is almost 5 times that of white grapes. The viticulture industry also attracts a large number of tourists to the county each year, generating a substantial amount of economic activity.

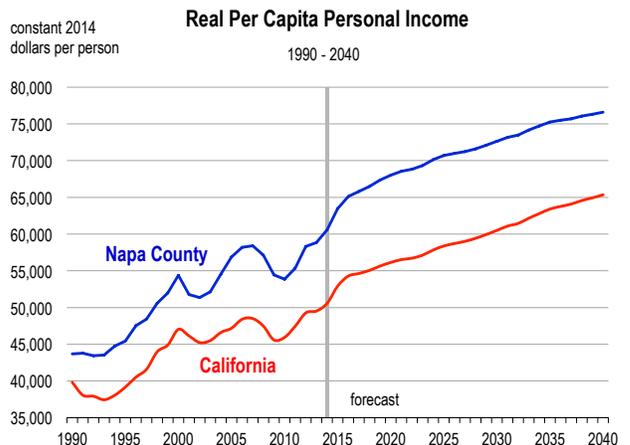
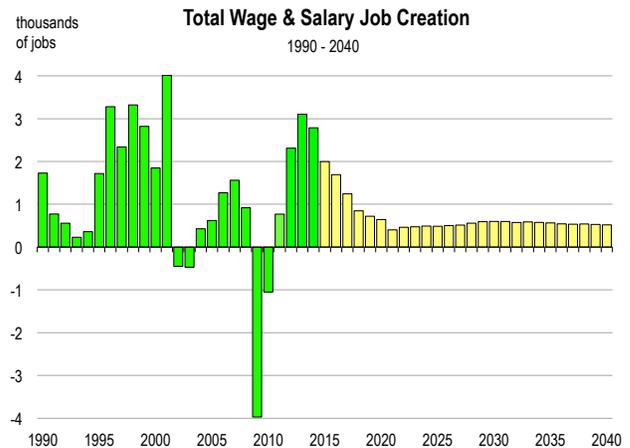
In 2014, employment in Northern California increased by 3.4 percent, whereas employment in the greater Bay Area grew by 4.0 percent. In Napa County, a total of 2,800 jobs were created, representing a growth rate of 3.9 percent. Non-farm employment increased by 4.1 percent, while farm employment increased by 1.8 percent. The unemployment rate improved substantially, falling from 6.8 percent in 2013 to 5.6 percent in 2014.

During 2014, the largest employment increases were observed in leisure and hospitality (+670 jobs), manufacturing (+670 jobs), education and healthcare (+420 jobs), and construction (+410 jobs). No industries were characterized by jobs losses.

Between 2009 and 2014, the population of Napa County grew at an annual average rate of 0.7 percent. Net migration accounted for more than 60 percent of this growth, with an average of 600 net migrants entering the county each year.

FORECAST HIGHLIGHTS

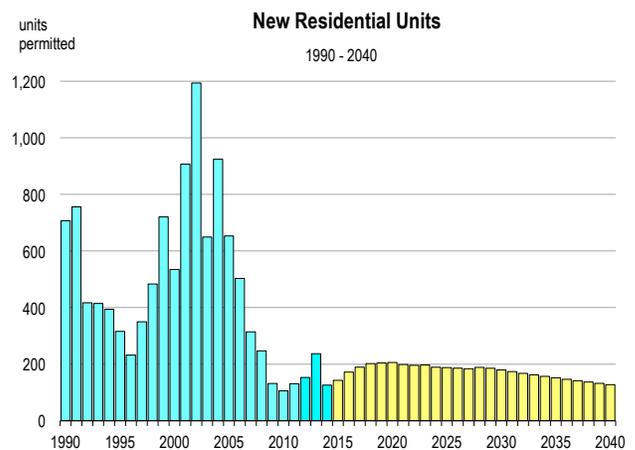
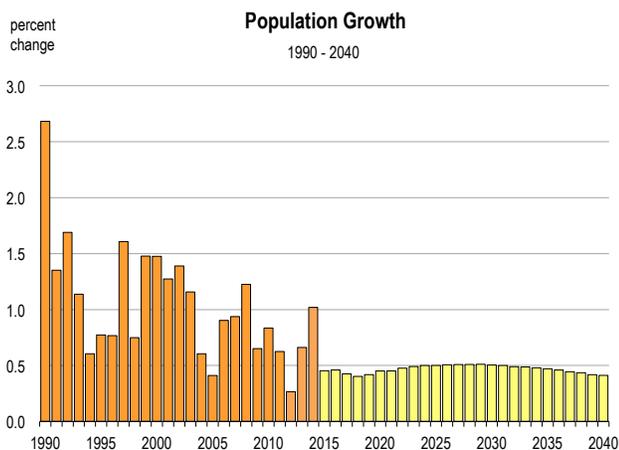
- Job growth of 2.7 percent is forecasted for 2015. Between 2015 and 2020, the annual growth rate for total wage and salary jobs will average 1.3 percent.
- Average salaries are below the California average, and will remain so over the foreseeable future. In Napa County, inflation-adjusted salaries are forecasted to rise by 0.6 percent per year from 2015 to 2020.
- Between 2015 and 2020, job creation will be concentrated in leisure services (+1,700 jobs), professional and business services (+1,000 jobs), education and healthcare (+530 jobs), and wholesale and retail trade (+500 jobs). Together, these industries will account for 71 percent of net job creation in the county.
- Population growth is expected to average 0.4 percent per year from 2015 to 2020.
- During the 2015-2020 period, an average of 470 net migrants will enter the county each year, accounting for 77 percent of total population growth.
- Real per capita income will rise by 4.8 percent in 2015. From 2015 to 2020, real per capita income is forecasted to increase by 1.4 percent per year.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 2.7 percent per year between 2015 and 2020.
- Industrial production is expected to rise by 4.1 percent in 2015. From 2015 to 2020, industrial production will grow at an average rate of 2.6 percent per year.
- Farm production is forecasted to increase by 1.2 percent per year between 2015 and 2020. Wine grapes will continue to account for the vast majority of all output.



Napa County Economic Forecast

2006-2014 History, 2015-2040 Forecast

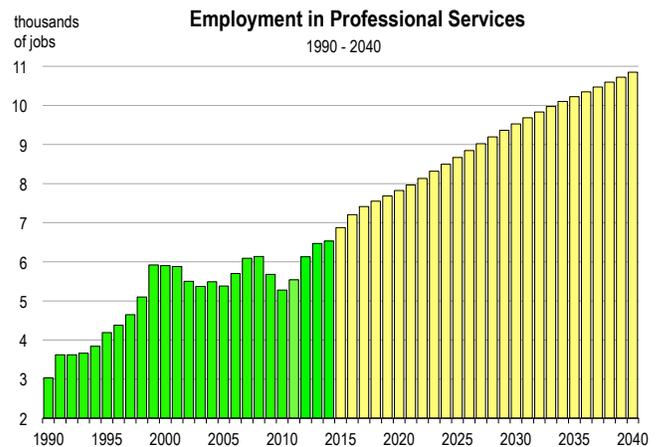
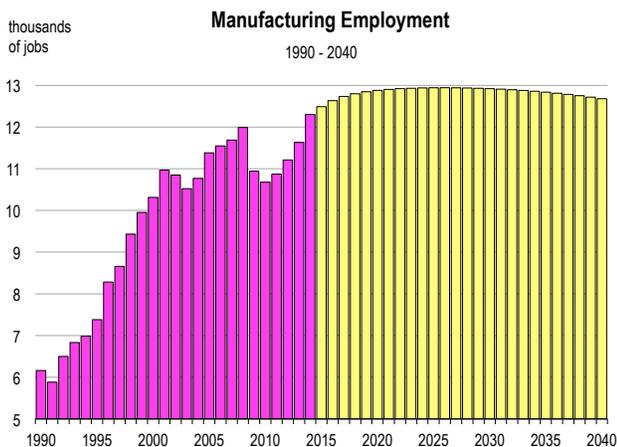
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	131,920	630	138	48.4	503	\$2.4	\$6.4	\$58,181	3.2	576.3	2.4	3.9
2007	133,155	701	138	48.8	314	\$2.6	\$6.7	\$58,407	3.4	562.1	2.6	4.0
2008	134,786	1,170	139	48.9	247	\$2.5	\$6.8	\$57,124	2.9	463.4	3.0	5.1
2009	135,664	321	138	48.9	132	\$2.2	\$6.6	\$54,441	0.8	564.0	2.7	8.6
2010	136,798	648	138	48.9	106	\$2.3	\$6.6	\$53,865	1.3	511.5	2.6	10.3
2011	137,653	496	137	49.0	131	\$2.5	\$7.1	\$55,359	2.7	464.8	2.5	9.8
2012	138,019	-43	137	49.1	153	\$2.7	\$7.7	\$58,326	2.7	699.7	2.8	8.4
2013	138,932	742	141	49.2	237	\$2.9	\$7.9	\$58,830	2.3	681.0	2.9	6.8
2014	140,348	1,149	143	49.2	126	\$3.1	\$8.5	\$60,576	2.8	682.0	3.1	5.6
2015	140,984	537	144	49.4	143	\$3.3	\$9.1	\$63,464	1.2	696.6	3.2	5.1
2016	141,633	542	146	49.5	172	\$3.6	\$9.6	\$65,126	3.2	700.0	3.3	4.3
2017	142,235	477	147	49.7	189	\$3.8	\$10.1	\$65,791	3.2	708.1	3.4	4.1
2018	142,808	434	147	49.9	202	\$4.0	\$10.5	\$66,499	3.0	711.2	3.5	4.0
2019	143,405	438	148	50.1	204	\$4.2	\$11.0	\$67,355	2.8	720.5	3.6	3.9
2020	144,053	468	148	50.3	206	\$4.4	\$11.5	\$68,033	2.9	739.1	3.7	3.9
2021	144,704	455	149	50.5	199	\$4.6	\$12.0	\$68,562	3.0	737.9	3.8	3.9
2022	145,393	473	149	50.7	196	\$4.8	\$12.5	\$68,824	3.1	750.1	3.9	3.9
2023	146,107	477	149	50.9	197	\$5.0	\$13.0	\$69,327	2.7	754.3	4.0	3.8
2024	146,837	479	150	51.1	189	\$5.2	\$13.5	\$70,149	2.6	762.4	4.1	3.8
2025	147,572	474	150	51.3	188	\$5.4	\$14.1	\$70,699	2.8	768.9	4.2	3.8
2026	148,320	475	150	51.5	186	\$5.6	\$14.6	\$70,990	2.8	776.2	4.4	3.8
2027	149,074	472	151	51.6	184	\$5.8	\$15.2	\$71,230	2.8	783.3	4.5	3.8
2028	149,833	470	151	51.8	189	\$6.0	\$15.7	\$71,598	2.7	790.6	4.6	3.8
2029	150,599	465	152	52.0	186	\$6.2	\$16.3	\$72,096	2.5	797.9	4.8	3.8
2030	151,359	454	152	52.2	180	\$6.4	\$16.9	\$72,628	2.4	805.5	4.9	3.8
2031	152,116	442	152	52.4	174	\$6.6	\$17.5	\$73,177	2.3	813.1	5.1	3.8
2032	152,860	426	153	52.6	167	\$6.8	\$18.1	\$73,480	2.5	820.7	5.3	3.8
2033	153,604	420	153	52.7	162	\$7.1	\$18.8	\$74,152	2.1	828.3	5.4	3.8
2034	154,341	411	154	52.9	157	\$7.3	\$19.4	\$74,725	2.3	836.2	5.6	3.8
2035	155,068	404	154	53.0	152	\$7.6	\$20.1	\$75,264	2.4	844.0	5.8	3.8
2036	155,781	395	154	53.2	147	\$7.8	\$20.8	\$75,501	2.8	851.9	5.9	3.8
2037	156,473	387	155	53.3	142	\$8.1	\$21.6	\$75,702	2.8	860.1	6.1	3.8
2038	157,154	382	155	53.5	137	\$8.4	\$22.4	\$76,071	2.7	868.0	6.3	3.8
2039	157,811	375	155	53.6	132	\$8.6	\$23.2	\$76,311	2.8	876.4	6.4	3.8
2040	158,460	368	156	53.8	128	\$8.9	\$24.0	\$76,587	2.8	884.6	6.6	3.8

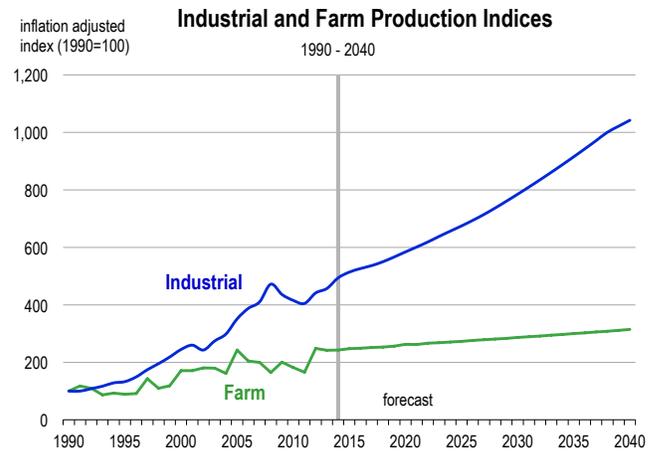
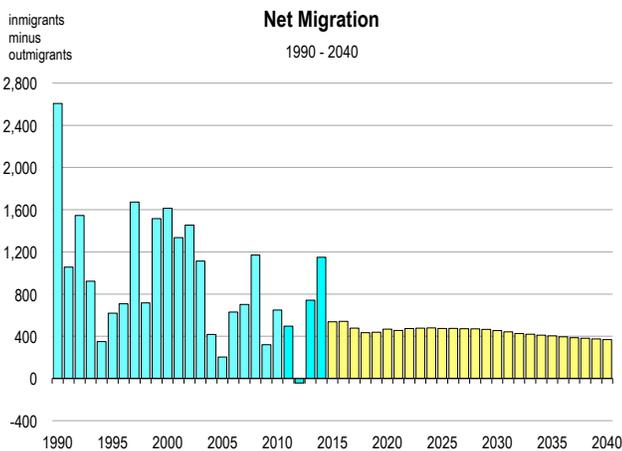
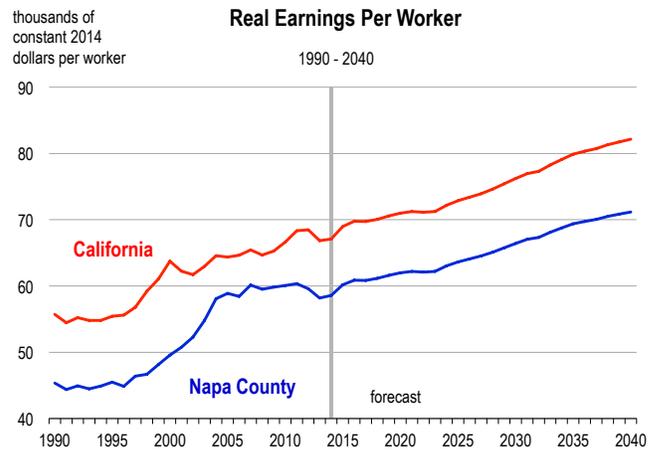
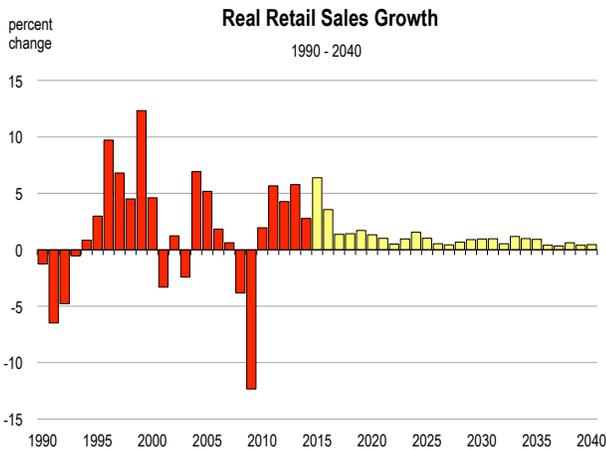


Napa County Employment Forecast

2006-2014 History, 2015-2040 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	67.8	4.74	5.1	11.6	1.4	7.6	2.8	5.7	0.7	8.0	8.5	10.0
2007	69.4	4.91	4.6	11.7	1.6	7.8	2.6	6.1	0.7	8.4	9.1	10.2
2008	70.3	4.87	4.0	12.0	1.7	7.7	2.6	6.1	0.7	8.6	9.3	10.6
2009	66.3	4.93	3.0	10.9	1.6	7.3	2.4	5.7	0.6	8.5	8.8	10.7
2010	65.3	4.67	2.6	10.7	1.5	7.3	2.3	5.3	0.6	8.7	9.3	10.4
2011	66.0	4.80	2.5	10.9	1.6	7.1	2.3	5.5	0.6	8.8	10.0	10.1
2012	68.3	4.81	2.7	11.2	1.8	7.3	2.3	6.1	0.6	9.1	10.7	9.9
2013	71.4	4.95	3.2	11.6	1.9	7.7	2.2	6.5	0.6	9.6	11.3	10.0
2014	74.2	5.04	3.6	12.3	2.0	7.9	2.2	6.5	0.6	10.0	12.0	10.1
2015	76.2	5.09	3.6	12.5	1.9	8.1	2.3	6.9	0.6	10.2	12.8	10.2
2016	77.9	5.12	3.7	12.6	2.0	8.2	2.2	7.2	0.6	10.4	13.4	10.3
2017	79.2	5.17	3.7	12.7	2.0	8.3	2.2	7.4	0.6	10.5	13.9	10.4
2018	80.0	5.19	3.7	12.8	2.0	8.4	2.2	7.6	0.6	10.6	14.2	10.4
2019	80.7	5.25	3.7	12.8	2.0	8.5	2.3	7.7	0.6	10.7	14.4	10.5
2020	81.4	5.38	3.7	12.9	2.0	8.6	2.3	7.8	0.7	10.7	14.4	10.5
2021	81.8	5.37	3.7	12.9	2.1	8.7	2.3	8.0	0.7	10.8	14.5	10.5
2022	82.2	5.45	3.7	12.9	2.1	8.7	2.3	8.1	0.7	10.9	14.5	10.5
2023	82.7	5.48	3.7	12.9	2.1	8.8	2.3	8.3	0.7	11.0	14.5	10.6
2024	83.2	5.53	3.7	12.9	2.1	8.8	2.3	8.5	0.7	11.1	14.5	10.6
2025	83.7	5.57	3.7	12.9	2.1	8.9	2.3	8.7	0.7	11.1	14.6	10.6
2026	84.2	5.62	3.6	12.9	2.2	8.9	2.4	8.8	0.7	11.2	14.6	10.7
2027	84.7	5.67	3.6	12.9	2.2	9.0	2.4	9.0	0.7	11.3	14.7	10.7
2028	85.3	5.72	3.6	12.9	2.2	9.0	2.4	9.2	0.7	11.4	14.8	10.7
2029	85.9	5.77	3.6	12.9	2.2	9.1	2.4	9.4	0.7	11.5	14.9	10.8
2030	86.5	5.82	3.6	12.9	2.3	9.1	2.4	9.5	0.7	11.7	15.0	10.8
2031	87.1	5.87	3.6	12.9	2.3	9.2	2.5	9.7	0.7	11.8	15.2	10.8
2032	87.6	5.92	3.6	12.9	2.3	9.2	2.5	9.8	0.7	11.9	15.3	10.8
2033	88.2	5.97	3.6	12.9	2.3	9.3	2.5	10.0	0.7	12.0	15.5	10.9
2034	88.8	6.02	3.6	12.9	2.4	9.4	2.5	10.1	0.7	12.1	15.6	10.9
2035	89.4	6.07	3.6	12.8	2.4	9.4	2.5	10.2	0.7	12.3	15.7	10.9
2036	89.9	6.12	3.6	12.8	2.4	9.5	2.5	10.3	0.7	12.4	15.9	11.0
2037	90.4	6.18	3.6	12.8	2.4	9.5	2.5	10.5	0.7	12.5	16.0	11.0
2038	91.0	6.23	3.6	12.8	2.4	9.5	2.6	10.6	0.7	12.6	16.2	11.0
2039	91.5	6.29	3.6	12.7	2.5	9.6	2.6	10.7	0.7	12.7	16.3	11.0
2040	92.0	6.34	3.6	12.7	2.5	9.6	2.6	10.9	0.7	12.8	16.5	11.1





County Economic and Demographic Indicators

Projected Economic Growth (2015-2020)

Expected retail sales growth:	16.8%
Expected job growth:	9.6%
Fastest growing jobs sector:	Leisure Services
Expected personal income growth:	15.3%

Expected population growth:	2.6%
Net migration to account for:	76.8%
Expected growth in number of vehicles:	3.8%

Demographics (2015)

Unemployment rate (March 2015):	4.6%
County rank* in California (58 counties):	6th
Percent of population working age:(16-64)	63.6%

Population with B.A. or higher:	30.8%
Median home selling price (2014):	\$485,000
Median household income:	\$69,717

Quality of Life

Violent crime rate (2013):	262 per 100,000 persons
County rank* in California (58 counties):	15th
Average commute time to work (2015):	26.1 minutes

High School drop out rate (2014):	9.3%
Households at/below poverty line (2015):	7.3%

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