

SOLANO COUNTY STATISTICAL PROFILE

The County of Solano is strategically located along Interstate 80 between San Francisco and Sacramento. As one of California's original 27 counties, Solano County is rich in history and offers many resources to the general public and the business community. In addition to the unincorporated area, the County serves seven cities: Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville and Vallejo. Solano County is comprised of 907 total square miles, including 675 square miles of rural and farm lands, 150 square miles of urban land area, including cities and unincorporated areas, and 84 square miles of delta and waterfront.

The County provides the following services:

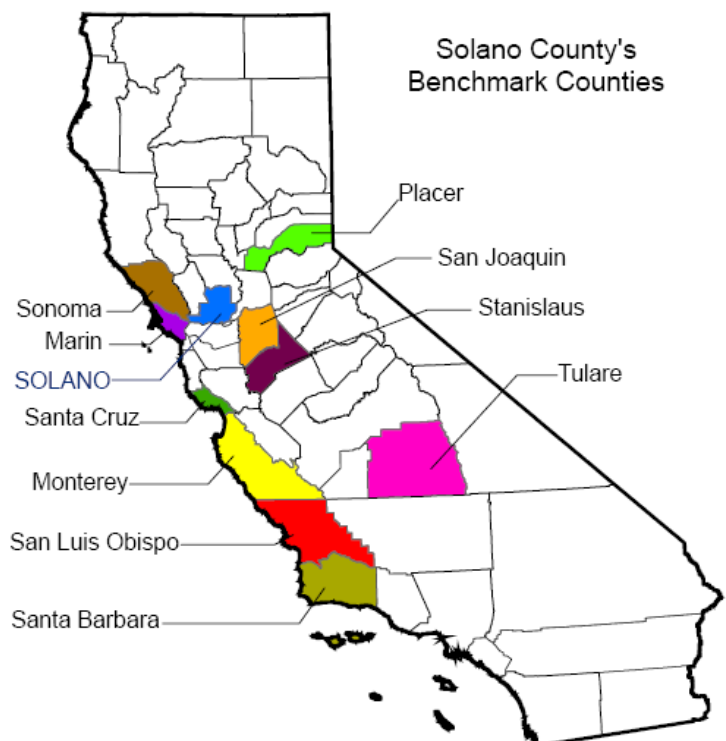
- Libraries (as contract services for cities)
- Jails and Juvenile Facilities
- Probationary Supervision
- District Attorney
- Public Defender and Alternative Defense
- Grand Jury
- Coroner and Forensic Services
- Airport
- Family Support Collection
- Public and Mental Health Services
- Indigent Medical Services
- Child Protection and Social Services
- Public Assistance
- Environmental Health
- Parks
- Veterans Services
- Agricultural Commissioner
- Weights and Measures
- U.C. Cooperative Extension Services
- Oversight and Permitting of Landfills and Solid Waste Disposal and Collection
- Elections and Voter Registration
- Clerk-Recorder
- Tax Assessment and Collection
- Emergency Medical Services
- Animal Care Services
- Building and Safety (unincorporated county only)
- Maintenance of County Roads and Bridges
- Law Enforcement (primarily unincorporated county)
- Land Use Issues (unincorporated county only)

BENCHMARK COUNTIES

The following pages provide a graphical summary of statistical, employment and demographic information about Solano County. When reviewing Solano County's economic health, the County government's financial capacity, and the County's delivery of services to residents in unincorporated areas, the County inevitably compares itself from the current year to past years.

Additionally, the question of how Solano County compares with other counties is often asked. This leads to the question: Which counties should be used for comparison purposes?

A group of ten counties have been selected to be used for comparison in seven of the following charts. Solano County has the following characteristics in common with each of these counties:



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- They are the ten counties closest to Solano in population – six with higher population and four with lower population.
- A total population of more than 250,000 but less than 750,000.
- All include both suburban and rural environments.
- None contain a city with more than 300,000 in population.
- Six are coastal or Bay Area counties
- Most have the same urban growth versus rural preservation challenges facing Solano County.

COUNTY POPULATION OVER TIME

The California Department of Finance's May 2, 2016 estimate of the population of Solano County is 431,498, increasing 4,794 residents or 1.1% over 2015. Of California's 58 counties, Solano County ranks number 20 in terms of population size. All seven cities saw growth between 2015 and 2016, with the highest growth rate in Rio Vista at 4.2%.

California's population estimate was 39.25 million as of May 2, 2016, according to the State Department of Finance. California, the nation's most populous state, represents 12.3% of the nation's population, or one out of every eight persons. Solano County's population represents 1.1% of the state population.

When you look at the County population since 2000, the rate of growth has tapered off to small annual increments. Between 2000 and 2010, the County grew by 18,802, or 4.8%, which is significantly less than the 54,121, or 15.9%, gains of the previous decade. Between 2010 and 2016, the County grew by 18,164 residents, or 4.2%.

Solano County Population Change from 1990 to 2016

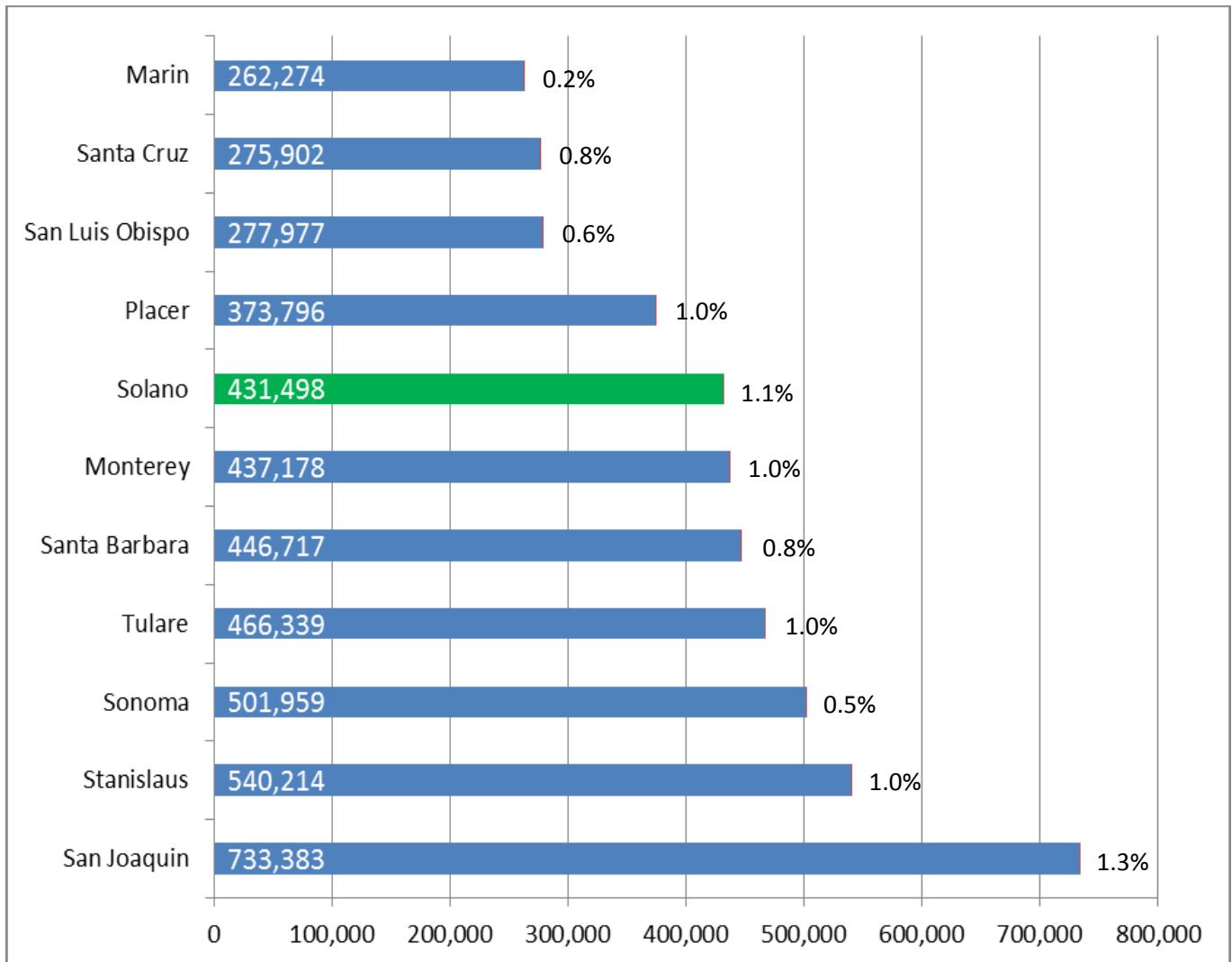
	1990	1990 to 2000		2000	2000 to 2010		2010	2010 to 2016		2016
Benicia	24,437	2,428	9.9%	26,865	132	0.5%	26,997	18,164	1.8%	27,501
Dixon	10,401	5,702	54.8%	16,103	2,248	14.0%	18,351	504	3.5%	19,018
Fairfield	77,211	18,967	24.6%	96,178	9,143	9.5%	105,321	667	6.5%	112,637
Rio Vista	3,316	1,255	37.8%	4,571	2,789	61.0%	7,360	7,316	14.4%	8,601
Suisun City	22,686	3,432	15.1%	26,118	1,993	7.6%	28,111	1,241	3.4%	29,091
Vacaville	71,479	17,146	24.0%	88,625	3,803	4.3%	92,428	980	5.4%	97,667
Vallejo	109,199	7,561	6.9%	116,760	(818)	-0.7%	115,942	5,239	1.2%	117,322
Unincorporated	21,692	(2,370)	-10.9%	19,322	(488)	-2.5%	18,834	1,380	4.2%	19,661
Solano County	340,421	54,121	15.9%	394,542	18,802	4.8%	413,344	18,164	4.2%	431,498

Source: U.S. Census Bureau; California Department of Finance, Demographic Research Unit, May 2016

OUR CHANGING POPULATION – HOW WE COMPARE TO BENCHMARK COUNTIES

California's population grew by 0.9% in 2016, adding 348,241 residents according to the California Department of Finance. Among the comparable counties, San Joaquin County was the fastest growing county in the state, adding 9,622 new residents. Solano County grew at a modest rate, adding 4,794 new residents, or about 1.1% of the County's total population. Marin remained the slowest growing county among the comparable Counties, adding just 476 new residents.

Population of Benchmark Counties and Population Growth and Percentage from 2015



Source: California Department of Finance, Demographic Research Unit, January 2016

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SNAPSHOT – SOLANO AT A GLANCE, DEMOGRAPHICS

EDUCATIONAL ATTAINMENT

According to the California Department of Education, Solano County saw its graduation rates rise above the State of California in 2013-14. Solano County had 84% of those eligible to graduate do so, where California was 81%. Along with dropout rates falling below the State average in the 2013-14 academic year, there is continued, good news for Solano County schools and workforce development compared to the State overall and previous academic years.

California's university systems play a vital role in statewide workforce development. Solano County has CSU Maritime, Touro University and Solano Community College for higher learning; UC Davis and UC Berkeley are also close to Solano County, where UC Davis is on Solano County's eastern border.

Solano County has a similar pattern to the State of California overall in the number of college-ready graduates from high school since the 2007-08 academic year. Solano County saw an increase in the number of students eligible in the 2013-14 academic year, an increase of 1.3 percentage points from 35.8% to 37.1%. The data suggest that Solano County's school districts are improving how they prepare students for careers beyond high school and for college education.

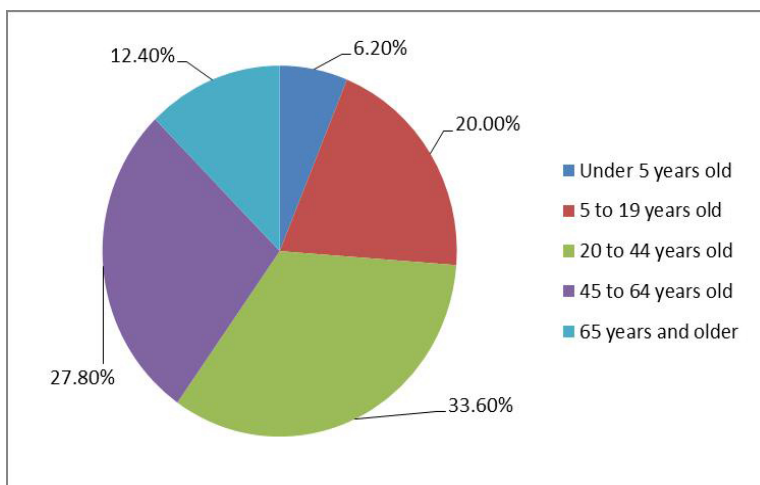
AGE GROUP BY POPULATION

Solano County's population by age mirrors the overall U.S. age population in every age group, including children, young adults, those of working age and senior citizens.

In the age group of children to young adults, Solano County has approximately 26.2% of people 19 years old or younger. The national average for this age range 25.7%.

Approximately 61.4% of all working age adults living in Solano County are between the ages of 20 and 64. Nationally, working age adults in this age range make up 61.8% of the total population.

Solano County's senior population or those over the age of 65 represent approximately 12.4% of the total population. Nationally, this number is closer to 13%.



ETHNIC COMPOSITION

The California Department of Finance generates population projections for all counties in California. Research has shown that over the next 30 years Solano County will become increasingly more ethnically diverse.

Predictions in 2025 include Solano County will be 38.9% White, 26.5% Hispanic, 14.5% Asian, and 12.4% African-American, a slight shift from today's estimates.

In 2045, however, the Hispanic and White population will be closer to each other in proportions (35.4% to 31.6%). The Hispanic population remains a strong reason why Solano County's population through 2045 will become more ethnically diverse.

ETHNIC COMPOSITION OF SOLANO COUNTY RESIDENTS	2016 POPULATION ESTIMATES	2025 POPULATION ESTIMATES	2045 POPULATION ESTIMATES
White, non-Hispanic	40.1%	38.9%	35.4%
Hispanic or Latino	24.9%	26.5%	31.6%
Asian, non-Hispanic	14.6%	14.5%	16.5%
Black, non-Hispanic	13.7%	12.4%	10.3%
Mixed race, non-Hispanic	6.7%	7.7%	6.2%

Source: California Department of Finance

SOLANO COUNTY – SIZE, DISTRIBUTION AND WHERE PEOPLE LIVE

According to the California Department of Finance's "January 2016 City/County Population Estimates," 83% of California residents live in incorporated cities and 17% in unincorporated areas. In contrast, 95.5% of residents in Solano County live within the county's seven cities. This phenomenon is by design. In the early 1980s the residents of the County passed an Orderly Growth Initiative, which was extended in 1994, that focuses most urban growth to the incorporated cities. The voters reaffirmed this measure through the adoption of the 2008 Solano County General Plan, sustaining a commitment to orderly growth through 2028.

In comparison to its benchmark counties, Solano County is one of the smaller counties in terms of square miles of land area. According to the U.S. Census Bureau, Solano County consists of 907 square miles, of which 78 square miles is covered with water. The San Pablo Bay, Suisun Bay, the Carquinez Straits, and the Sacramento River provide the County with natural borders to the south and east. Rich agricultural land lies in the northern area of the County while rolling hills are part of the southern area. Approximately 62% of the county land area is comprised of farmland.

This unique mixture of a sizeable urban population and a large rural/agricultural base creates problems and challenges for County government. These include:

- Challenges in the transition zones between urbanized areas and agricultural areas (i.e., land use, pesticide use, dust, noise, odors and vermin).
- Coordination of infrastructure transitions from the urban areas to the rural areas (i.e., reliever routes, upgraded feeder streets/roads, flood control, limited intercity connectivity and public transportation).
- With limited resources and a reliance on property taxes and State/Federal funding, it is a challenge to provide urban-driven needs (as indicated by the high density per square mile) for health, mental health, public assistance and law and justice services.

COMPARISON OF LAND AREA AND POPULATION DENSITY / DISTRIBUTION IN BENCHMARK COUNTIES

Land & Water Area (Square Miles)			Persons Per Square Mile (Land Area)		% Residing in Unincorporated Areas	
Tulare	4,824	15	Santa Cruz	620	Santa Cruz	49.3%
Monterey	3,322	449	Solano	521	San Luis Obispo	43.0%
San Luis Obispo	3,304	311	San Joaquin	524	Santa Barbara	31.8%
Santa Barbara	2,737	1,052	Marin	504	Tulare	31.1%
Sonoma	1,576	192	Stanislaus	362	Sonoma	30.5%
Stanislaus	1,494	21	Sonoma	319	Placer	29.2%
Placer	1,404	98	Placer	266	Marin	26.1%
San Joaquin	1,399	27	Santa Barbara	163	Monterey	24.1%
Solano	829	78	Monterey	132	Stanislaus	21.0%
Marin	520	308	Tulare	97	San Joaquin	20.0%
Santa Cruz	445	162	San Luis Obispo	84	Solano	4.5%

Source: U.S. Census Bureau, California Department of Finance, Demographic Research Unit, January 2016

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SOLANO'S POPULATION LIVING IN POVERTY – HOW WE COMPARE

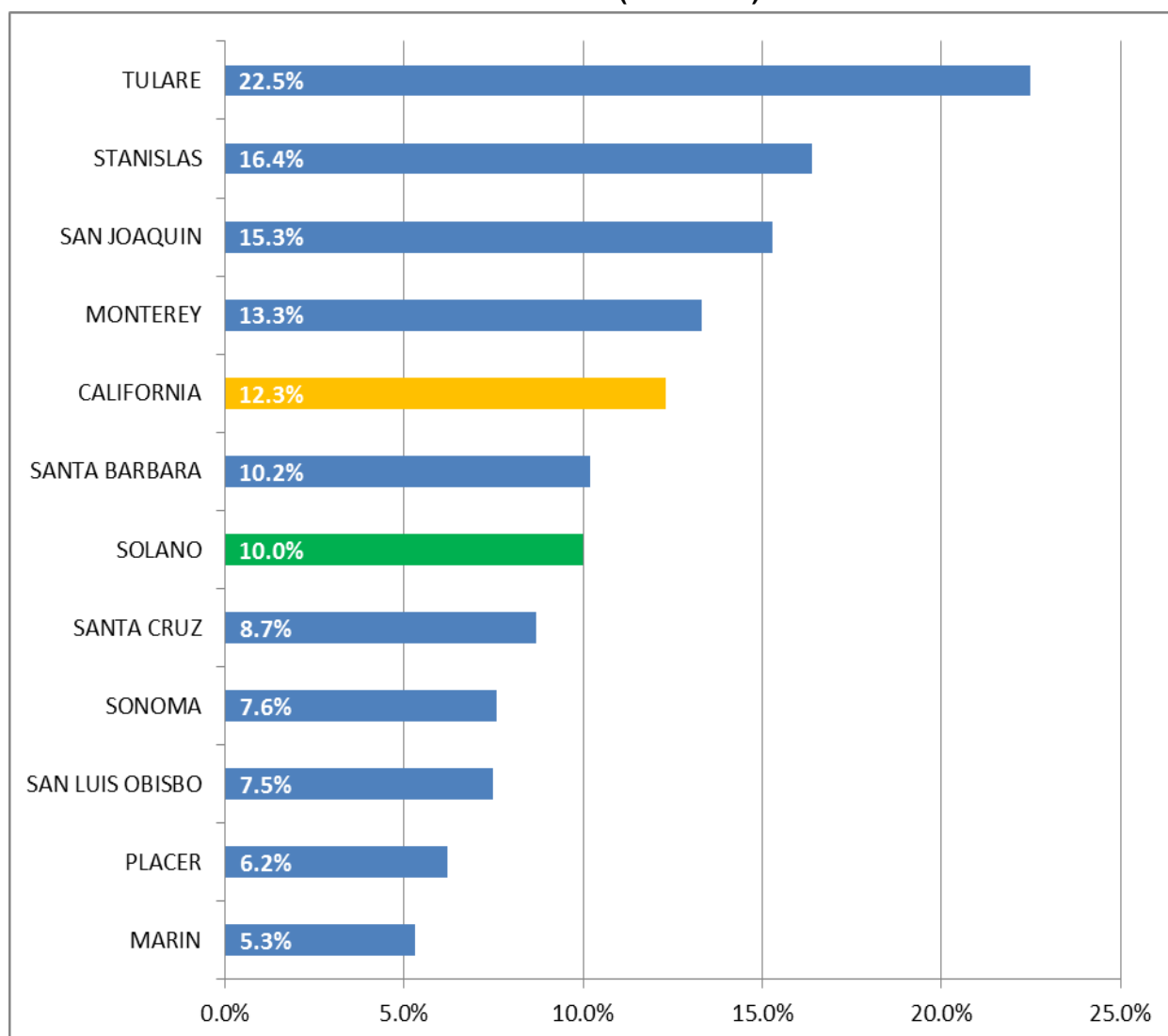
The U.S. Census Bureau defines the poverty threshold for an average family of four living in the United States as having a median annual family income of \$24,447 or less. The average median annual family income for families of four living in Solano County is \$68,409, or almost two and a half times the national average.

According to the 2010-2014 American Community Survey by the U.S. Census Bureau, 10.0% of the Solano County population is living at or below the poverty level. The poverty rate in Solano County was 18.6% among residents under age 18 and 25.8% among families with female head of household and no husband present.

The number of residents living at or below the poverty level varies among Solano County's seven cities: Benicia, 3.7%; Dixon, 11.6%; Fairfield, 9.8%; Rio Vista, 7.4%; Suisun City, 9.4%; Vacaville, 7.8%, and Vallejo, 14.4%.

Poverty statistics presented use thresholds prescribed for Federal agencies by the Office of Management and Budget and are estimates. It should be noted that five of the comparison counties have a lower rate. While the County's level is not considered desirable, the County's rate is less than the 12.3% statewide average rate for population living at or below the poverty level.

PERCENTAGE OF POPULATION IN POVERTY (ALL AGES) IN BENCHMARK COUNTIES



Source: U.S. Census Bureau, 2010-2014 American Community Survey

HEALTH INSURANCE COVERAGE, HOW WE COMPARE

HEALTH COVERAGE IN BENCHMARK COUNTIES

Source: 2010-2014 American Community Survey (5-year estimates)

Health insurance is a means for financing a person's health care expenses. While the majority of people in the United States have private health insurance, primarily through an employer, many others obtain coverage through programs offered by the government. Other individuals do not have health care at all, which can greatly impact the services they receive, the escalating costs associated with health care and the poor, long-term outcomes of those without coverage.

Nationally, the percentage of people without health insurance coverage decreased sharply between 2013 and 2014, by approximately 3 percentage points, from 13.3% uninsured in 2013 to 10.4% (or 33 million people) in 2014. After several years of a relatively stable uninsured rate between 2008 and 2013, as measured by the American Community Survey (ACS), the percentage of the population who were uninsured dropped between 2013 and 2014, marking the largest percentage-point decline in the uninsured rate during this period.

According to survey data, the increase in the percentage of the population covered by health insurance was due to an increase in both private and government coverage. The rate of private coverage increased by 1.8 percentage points to 66.0% in 2014 (up from 64.1% in 2013), and the government coverage rate increased by 2.0 percentage points to 36.5% (up from 34.6% in 2013).

In California, the percentage of people with health insurance coverage (either private or public) increased from 82.2% in 2013 to 83.3% in 2014, or 1.1%. That translates to more than 31,000 Californians gaining access to private health care coverage in the course of a year, mainly due to an improving economy. The percentage of Californians with private health insurance coverage, either from an employer or private payer, dropped 1.1% from 61.9% in 2013 to 60.8% in 2014. Consequently, the percentage of Californians with public health insurance increased 2.1% to 30.8% in 2014, up from 28.7% in 2013. Finally, with the continuing expansion of Affordable Care Act (ACA) and Covered California, the total number of Californians with no health coverage (private or public), dropped from 17.8% in 2013 to 16.7% in 2014, marking a 0.9% decrease over the course of a year.

In Solano County, in December 2006, a total of 14.7% of the county's population was receiving public assistance in the form of CalFresh (Food Stamps), CalWORKs, General Assistance or Medi-Cal (healthcare coverage). Four years later, at the bottom of the recession, the percentage of the population receiving public assistance climbed to 18.7%. Today, 29.5% of the county's population is receiving some type of public assistance. While the numbers of low income residents needing public assistance in the form of cash aid have returned to pre-recession numbers, access to healthcare coverage greatly expanded by the 2014 ACA with California's expansion of Medi-Cal covering greater numbers of the working poor, many of whom previously lacked healthcare coverage. Today 28.6% of the County's population accesses healthcare coverage through Medi-Cal, as compared to 17.5% in December 2010.

	Health Insurance Coverage	Private Health Insurance	Public Health Insurance	No Health Insurance Coverage
MARIN	91.7	78.4	27.6	8.3
PLACER	90.3	78.5	26.3	9.7
SOLANO	87.9	69.4	30.2	12.1
SONOMA	86.7	68.8	30.4	13.3
SAN LUIS OBISPO	86.3	71.2	29.1	13.7
SANTA CRUZ	86.1	67.6	28	13.9
SAN JOAQUIN	83.9	57.1	35.8	16.1
STANISLAUS	83.5	55	37.3	16.5
CALIFORNIA	83.3	60.8	30.8	16.7
SANTA BARBARA	82.6	63	30.5	17.4
TULARE	80	43.6	43.6	20
MONTEREY	79.1	55.7	32.8	20.9

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PUBLIC SAFETY – ASSEMBLY BILL 109 REALIGNMENT AND PROPOSITION 47

ASSEMBLY BILL 109 – 2011 PUBLIC SAFETY REALIGNMENT

Since the implementation of Assembly Bill (AB 109) in October 2011, the Solano County jail population has changed. As of March, 2016, the County jail was housing 47 parole violators (known as 3056 PC), 48 Post Release Community Supervision (PRCS) violators and 88 locally sentenced offenders (known as 1170 offenders), contributing to more than 20% of the 908 average daily population. Prior to Public Safety Realignment, the county jail population consisted of individuals awaiting trial and inmates serving sentences of less than one year.

After realignment, convicted individuals are now serving sentences up to 10 years in local county jails rather than State prison. To address the evolving inmate population as a result of realignment, the County is pursuing a two-prong approach – increasing capacity within the jail system and incorporating training programs into the jails to provide offenders with skills to enhance their ability to successfully re-enter the community. Non-serious, non-violent, non-sex offenders have transitioned from supervision by State parole officers to County probation officers. While this shift did not increase the population of supervised offenders in Solano County, it shifted the supervising agency, and it did shift responsibility to address recidivism to counties as well as supervision.

SNAPSHOT – CHANGES IN POPULATION UNDER SUPERVISION IN SOLANO COUNTY JAILS (3-YEARS)

	State Parole	County Probation			Sheriff - Custody				Total
	Adults	PRCS	1170h PC	Adults	3056 PC	1170h PC	PRCS	Other	
Mar-14	541	267	77	2,970	71	168	38	690	4,822
Mar-15	449	288	100	2,684	62	94	32	708	4,417
Mar-16	444	308	112	2,531	47	88	48	787	4,365
Change from 2015	-5	20	12	-153	-15	-6	16	79	-52
% Change	-0.80%	6.50%	10.70%	-12.40%	-24.10%	-6.30%	33.30%	10.00%	-0.01%
Change from 2014	-97	41	35	-439	-24	-80	10	97	-457
% Change	-17.90%	13.30%	31.20%	15.00%	-33.80%	-47.61%	20.83%	12.32%	-0.09%

Source: Solano County Community Corrections Partnership and California Department of Corrections and Rehabilitation

PROPOSITION 47

The passage of Proposition 47 (Prop 47) on November 4, 2014 redefined the penalty for most nonviolent “wobblers” and felonies to misdemeanors, unless the defendant has prior convictions for violent and serious crimes. In California law, a ‘wobbler’ is a crime that can be charged as either a felony or a misdemeanor.

Prop 47 also permits resentencing for anyone currently serving a prison sentence for any of the offenses now reclassified as misdemeanors. Additionally, certain offenders who have already completed a sentence for one of those felonies may apply to the court to have their convictions changed to misdemeanors retroactively within three years of the law being passed. The Public Defender, District Attorney and the Courts estimated several thousand prior conviction cases need to be reviewed within the 3-year window under Prop 47 adding workload in all three organizations.

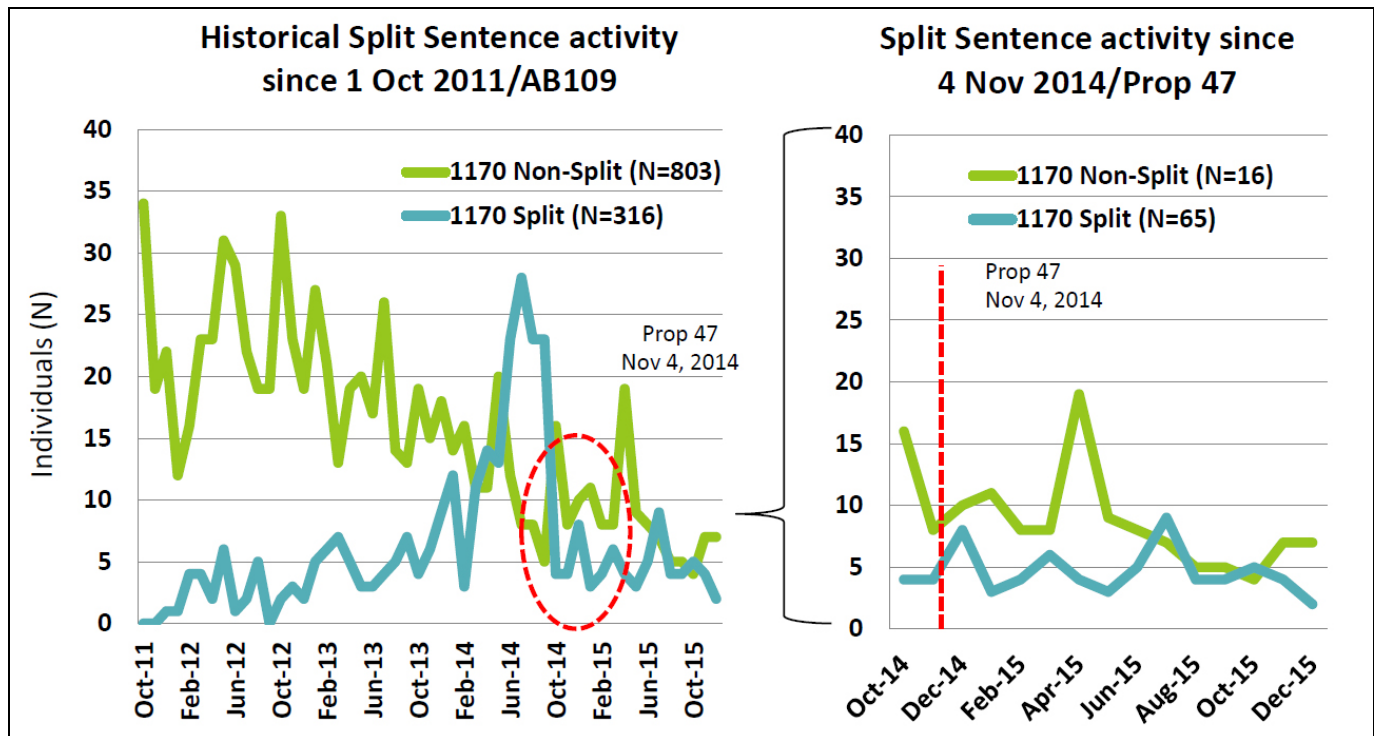
Criminal offences that are now considered misdemeanors under Prop 47 including shoplifting, i.e. commercial burglary of \$950 or less of a Store during Business Hours (PC §459); Forgery of \$950 or less (PC §470-476); fraud / bad checks of \$950 or less (PC §476a); grand theft of \$950 or less (PC §487); petty theft / shoplifting of \$950 or less (PC §§484, 484/666); receiving stolen property of \$950 or less (PC §496); possession of methamphetamine (HS §11377); possession of a controlled substance (HS §11350) and possession of concentrated cannabis (HS §11357(a)).

Within Solano County, under Prop 47, the 1170(h) population has dropped dramatically beyond seasonal adjustment, as many crimes, including theft, writing bad checks, and drug possession, have been downgraded to misdemeanors. As depicted on the following jail population graph prior to Prop 47, the number of individuals sentenced under 1170(h) averaged 26 a month, (19 to jail only, and 7 to jail plus mandatory supervision).

SPLIT SENTENCING

Under California's AB 109 Public Safety Realignment, low-level felons serve their sentences in county jail instead of state prison, and courts have the option to split their sentences between time in custody and time under supervised release from custody. Split sentencing is an arrangement where a defendant is ordered to a specified county jail term and then a period of post-release community supervision by the County's Probation Department. In Solano County, the inmate population under split sentencing has decreased since November 2014 due to the implementation of Prop 47 changing classifications of crimes (felony versus misdemeanor) and a change in associated sentencing.

JAIL POPULATIONS – BEFORE AND AFTER PROP 47



Under Prop 47, there has been a nearly 50% decrease in 1170(h) sentences, averaging 14 a month (9 to jail only, and 5 to jail plus mandatory supervision). Given fewer felonies due to Proposition 47, the County has shifted the emphasis from supervision based on felony convictions to supervision based on assessment of risk of recidivism and needs assessments for successful re-entry. Additionally, services provided through two Centers for Positive Change which offer “a-la-cart” programs and services to all adults under the jurisdiction of probation in the effort to maximize the reduction of recidivism through positive behavior change.

THE STANTON CORRECTIONAL FACILITY AND FUTURE TRAINING FACILITY

In 2015 the new Stanton Correctional Facility began housing inmates. The 365-bed adult detention facility is adjacent to the Clay Bank Road facility in Fairfield. The facility is funded by \$61.5 million in State AB 900 local jail construction financing and local public facilities fee proceeds, and uses electronic security systems to optimize security. The facility enables the County to provide education, and services to those incarcerated, targeted at reducing recidivism.

The California Board of State and Community Corrections (BSCC) in January 2014 awarded Solano County \$23 million to construct vocational/classroom training and rehabilitative services space (including mental health) to expand services for adult offenders in the custody of the Solano County Sheriff's Office.

The project includes a 10,000 square foot pre-engineered classroom training center, a 30,000 square foot pre-engineered vocational training center and a paved asphalt area used for driver training of buses and commercial vehicles slated for completion in November 2018.

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OUR CHANGING POPULATION – THE NEXT SEVERAL DECADES

The population of Solano County is projected to grow to 620,659 or 49.8% by 2060, according to projections by the California Department of Finance. The age composition of that population is expected to shift significantly over the decades, with the median age increasing from 37.2 in 2010 to 43.1 in 2060. The aging of the population will affect the types of service demands placed on the County as well as impact statewide and regional planning efforts.

One way to evaluate this population change is to analyze the dependency ratio, which examines the population changes in relationship to the traditional working age population of 18 to 64. In 2010, for every 6.2 people in the Solano County workforce there were 2.6 children and 1.2 retirees. By 2060, the young population (age 17 and younger) is expected to increase 28,135 or 26%; the working age population by 83,869 or 33%; and retiree population (65 and older) by 94,934 or 218%.

SOLANO SHARE OF POPULATION BY AGE AS PERCENTAGE OF TOTAL POPULATION, 2010 TO 2060



Source: California Department of Finance

Over the next two decades, the Department of Finance projects more people will be entering the retiree population age than those entering the working age population and declines in school-age children are projected to continue through 2020 before starting to recover. By 2030, that trend shifts to the working age population becoming the largest population growth segment.

ESTIMATED POPULATION CHANGE BY DECADE, 2010 TO 2060

AGE DEMOGRAPHIC	2010	2020	2030	2040	2050	2060
Young (17 and younger)	101,055	99,270	105,524	114,602	121,834	129,190
Working Age (18 to 64)	265,334	279,218	289,549	314,093	336,210	349,213
Retiree (65 and older)	47,324	76,312	106,383	119,351	128,887	142,256
TOTAL POPULATION	413,713	454,800	501,456	548,046	586,931	620,659

UNEMPLOYMENT AND THE ECONOMY

According to the California Employment Development Department's (EDD) March 2016 estimates, overall employment in California continues to improve, and has done so for a number of years. The Solano County unemployment rate was 5.7% in March 2016, down from 6.8% in 2015. The March 2016 unemployment rate for the State declined to 5.6%, down from 6.2% a year ago.

Between March 2015 and March 2016, overall employment in Solano County increased by 5,000 jobs while the size of the workforce grew by 369 people actively seeking employment. This resulted in a net reduction of 4,631 unemployed residents.

As a comparison between March 2014 and 2015, Solano County's jobs grew in both total jobs and percentage growth at 3.3%, specifically in non-agricultural employment. Emerging from the Great Recession, Solano County has generated over 13,100 jobs since this low point. As a reference, the unemployment rate in February 2010 was 12.5%.

UNEMPLOYMENT RATES FROM MARCH 2007 TO MARCH 2016 IN BENCHMARK COUNTIES

	2007	2010	2013	2015	2016
MARIN	3.50%	8.40%	5.20%	3.20%	3.20%
SONOMA	4.20%	11.20%	7.30%	4.50%	4.10%
PLACER	4.70%	11.80%	7.90%	5.50%	4.60%
SANTA BARBARA	4.50%	10.30%	7.40%	5.60%	5.30%
CALIFORNIA	5.20%	12.80%	9.40%	6.20%	5.60%
SOLANO	5.00%	12.50%	8.90%	6.80%	5.70%
SANTA CRUZ	7.10%	15.20%	11.50%	10.20%	8.80%
SAN JOAQUIN	8.20%	18.10%	13.90%	10.50%	8.80%
STANISLAUS	9.00%	18.60%	14.30%	11.00%	9.60%
MONTEREY	9.30%	16.60%	13.20%	12.50%	10.50%
TULARE	10.40%	19.30%	15.70%	13.70%	12.40%

Source: California Employment Development Department, March 2007 to March 2016

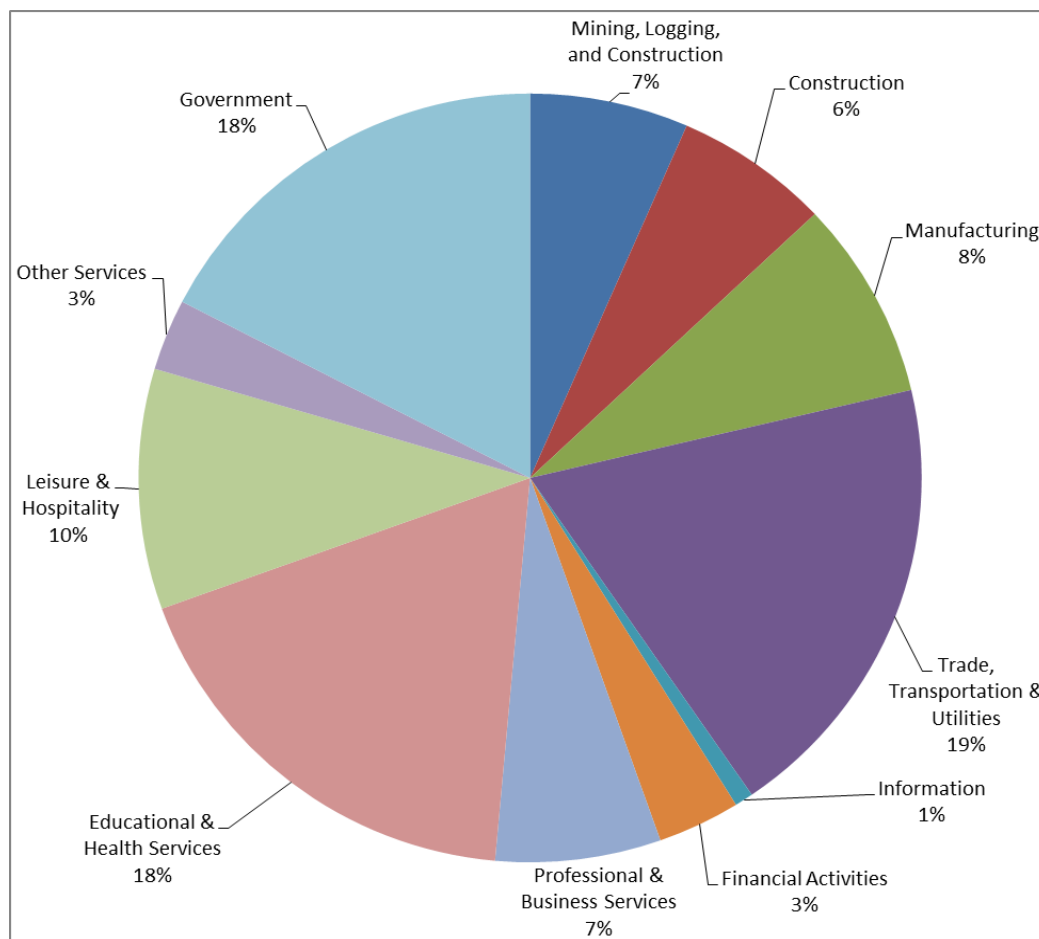
UNEMPLOYMENT RATES FROM MARCH 2007 TO MARCH 2016 IN SOLANO COUNTY CITIES

	2007	2010	2013	2015	2016
BENICIA	3.1%	7.9%	5.5%	3.9%	3.5%
RIO VISTA	3.9%	9.0%	6.2%	11.2%	11.2%
VACAVILLE	3.7%	9.4%	6.6%	5.0%	4.5%
DIXON	4.0%	10.1%	7.1%	6.3%	4.8%
SUISUN CITY	5.2%	12.9%	9.1%	5.5%	4.9%
FAIRFIELD	5.6%	13.7%	9.7%	5.6%	5.1%
VALLEJO	6.3%	15.3%	10.9%	8.5%	7.7%

Source: California Employment Development Department, March 2007 to March 2016

- The traditional unemployment rate calculated by EDD is not a complete picture of the number of residents who are not employed, as it only represents the people who are actively seeking employment. Individuals discouraged by employment prospects and were not actively seeking employment are excluded.

THE SOLANO COUNTY WORKFORCE – WHERE PEOPLE GO TO WORK, MARCH 2016



Source: California Employment Development Division for Solano County, March 2016

The unemployment rate in Solano County was 5.7% in March 2016, which is almost a full percentage point below the estimate of 6.6% a year ago. This compares with an unadjusted unemployment rate of 5.6% for California and 5.1% for the nation during the same period.

Projections from the Business Forecast Center at the University of Pacific in January 2016 indicate Solano County will continue to see modest gains in employment without “commute to work” being a contributor to overall employment, and local job growth being modest. In California, Education and Health Services has become the largest employment sector in the State and is expected to add an additional 60,000 jobs statewide in 2016.

In Solano County, Trade, Transportation and Utilities is the largest employer followed closely behind by Educational and Health Services and Government Service. Growing tourism and a gradual shift in consumer spending from retail to restaurants has led the Leisure and Hospitality sector to exceed the 4% job growth expectation for the past four years, and is projected to add an additional 20,000 jobs statewide. Leisure and Hospitality is a significant part of the Solano County economy with a growing wine, restaurant and tourism industry.

Between February 2015 and February 2016, four of 14 industry sectors in Solano County tracked by the California Employment Development Division showed overall employment growth, while ten sectors retracted slightly, showing a shift in overall employment toward Health and Social Services, Government and the Leisure and Hospitality industry.

Additionally, as more people enter the workforce in Solano County, either for the first time, or, from a former layoff or career shift, more people are entering Trade, Transportation and Utilities (19%), Public Service (18%) and the Leisure and Hospitality industry (10%), which now makes up approximately 47% (or nearly one half) of all employed Solano County residents.

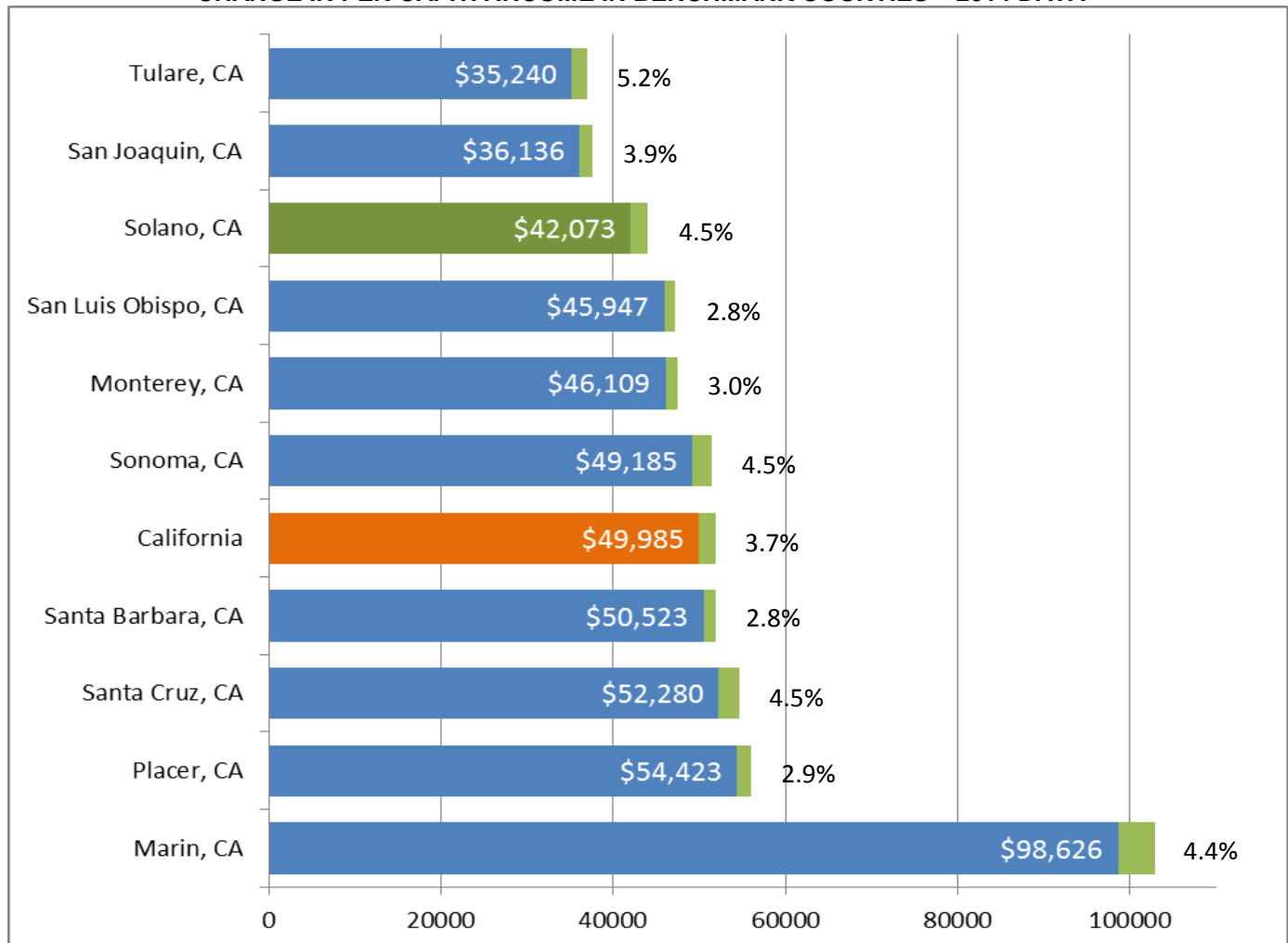
CHANGE IN PERSONAL INCOME – HOW IT AFFECTS PURCHASING POWER

Personal income is made up of wages and salaries, transfer payments from all levels of government, investment income (dividends, interest, and rents), business income from owning a business (proprietor's income) and other income sources. The *2015 Index of Economic and Community Progress* reported that since 2009, Solano County has seen a growth in personal income, initially from stock market gains and investment income, and accelerated by wage and salary growth in 2012.

According to the 2014 statistics from the U.S. Bureau of Economic Analysis, Solano County ranks as the third lowest in per capita income as compared to benchmark counties. However, Solano County's growth rate in per capita income in 2014 outpaced the State and benchmark counties, increasing 4.5% between 2013 and 2014. Solano County's per capita income of \$42,073 in 2014 reflects a \$436 decrease over 2013.

Although personal income in Solano County is third lowest among the benchmark counties, as the growth in personal income continues to rise, individual purchasing power becomes more robust. When purchasing power grows, so does the number of goods and services that can be purchased by Solano County residents, having a positive net effect on the local economy.

CHANGE IN PER CAPITA INCOME IN BENCHMARK COUNTIES – 2014 DATA



Source: Bureau of Economic Analysis, U.S. Department of Commerce, 2016

Solano County Statistical Profile

Birgitta E. Corsello, County Administrator

HOUSING AFFORDABILITY – RISING HOME PRICES

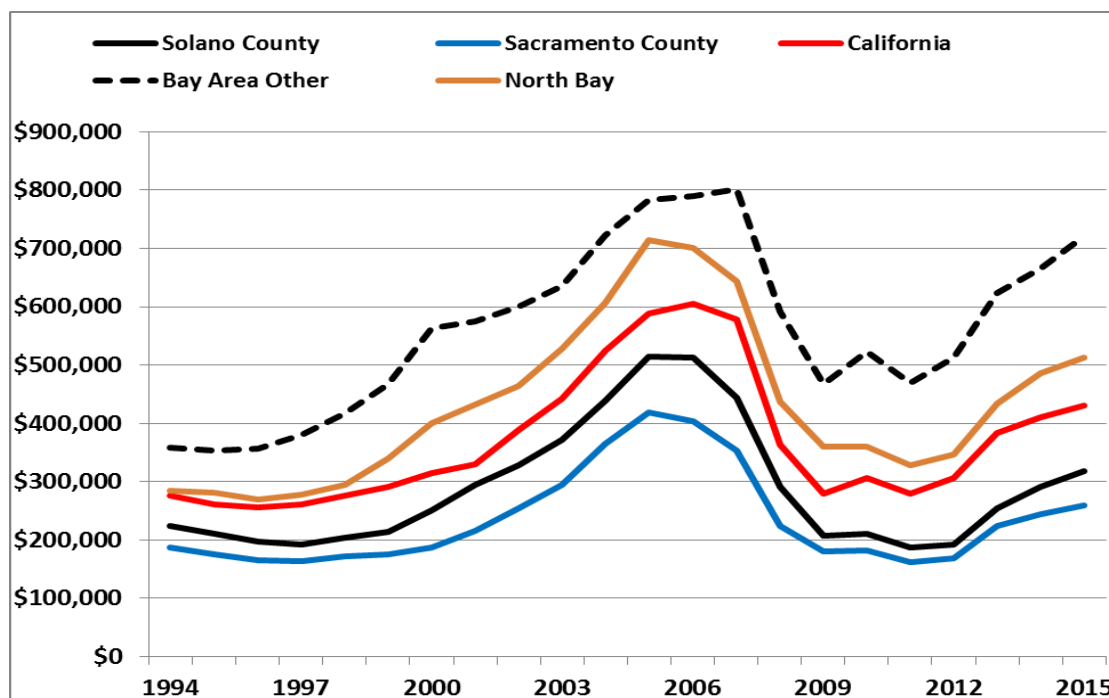
The median home price in California and Solano County continues to rise. Median home price growth data continue to reflect relatively low inventory levels. The supply side of the market grew in 2015 and the volume of sales increased. The California Association of Realtors is predicting 3.2% increase in the median price of homes in California in 2016. In 2015, California experienced approximately 8% growth in median home price. Sales volume in Solano County increased by 19.3% in 2015, the strongest year for sales volume growth since the Great Recession.

Solano County's median home prices are recovering from a low in December 2010 with high foreclosures and short sales in the Great Recession to December 2015 according to the California Association of Realtors; the lowest, monthly price over time in Solano County – according to the California Association of Realtors – was in February 2012 at \$179,020. Solano County's median home price for single-family, detached houses is \$356,640 as of December 2015 or a 58.6% median house price increase. For the State of California, the bottom was hit in February 2009, and state-level, median prices have grown 56.2% since December 2010.

2015 was a year of continued median home growth for Solano County, and sales volume increased. Population and employment growth in the greater bay area and locally has provided a growing demand for homes for sale in Solano County, especially as rental prices continue to rise. Rising home prices adversely impact housing affordability, but provide more wealth for owners and permanence for labor markets when compared to rental housing. Rising home prices have helped support Solano County through its emergence from the Great Recession. Home affordability has slowly fallen due to these rising home prices, however, Solano County remains relatively affordable versus its regional counterparts.

The California Association of Realtors provides a way to look at housing affordability through a "Housing Affordability Index" or HAI. The HAI takes household income levels and an estimate of the cost of owning a home (mortgage, average cost of utilities and maintenance, etc.), and compares them to determine what percentage of the population can afford to buy a home at the current median home price. If household income does not keep pace with local housing prices, affordability falls. Solano County is at 46% on this index, which means at current median household income levels and median home prices, 46% of the households in Solano County can afford to purchase a home.

MEDIAN HOME PRICES COMPARISON, SELECTED AREAS, 1994 – 2015 IN CURRENT DOLLARS



Source: California Association of Realtors

COMMUTING PATTERNS IN SOLANO COUNTY

According to the 2015 Index of Economic and Community Progress, Solano County has experienced a net outflow of workers since 2002. Data from the Longitudinal Employment and Housing Dynamics (LEHD) data provides commute flows for all census blocks in the United States. The data illustrates the net outflow from Solano County to other areas. According to data from the 2013 Longitudinal Employment and Housing Dynamics (LEHD) study, 60,915 (or 65.1%) of Solano County's working residents leave the County to work, suggesting Solano County is a place where people live and access regional labor markets due to relatively affordable housing. Additionally, commuting is a way for Solano County working residents to live in Solano County, work in higher-wage environments, and bring those incomes back into Solano to spend and support the local economy.

WHERE SOLANO COUNTY RESIDENTS GO TO WORK

	2013	2013	2010	2010	2007	2007
County	Count	Share	Count	Share	Count	Share
Solano	60,915	34.90%	59,782	35.90%	63,531	35.90%
Contra Costa	22,397	12.80%	21,165	12.70%	25,064	14.20%
Alameda	14,932	8.50%	14,110	8.50%	16,268	9.20%
Sacramento	11,824	6.80%	11,318	6.80%	9,570	5.40%
San Francisco	11,076	6.30%	10,506	6.30%	11,084	6.30%
Napa	10,877	6.20%	9,613	5.80%	9,824	5.50%
Santa Clara	5,800	3.30%	5,364	3.20%	6,387	3.60%
San Mateo	5,007	2.90%	4,844	2.90%	5,635	3.20%
Marin	4,772	2.70%	4,327	2.60%	4,403	2.50%
Yolo	4,668	2.70%	4,598	2.80%	5,042	2.80%
All Other Locations	22,399	12.80%	20,703	12.40%	20,267	11.40%

(Source Longitudinal Employment and Housing Dynamics, <http://onthejob.ces.census.gov>)

When it comes to commute patterns, according to the U.S. Census Bureau's 2011 American Community Survey, approximately 77.9% of employed county residents drive alone to work, 13% carpool and 2.1% use public transportation and 7% either work from home or use other modes of transportation.

COMMUTE PATTERNS OF SOLANO COUNTY RESIDENTS

COMMUTE LOCATIONS BY SOLANO COUNTY RESIDENTS		PERCENTAGE OF SOLANO RESIDENTS BY COMMUTE TIME		COMMUTE MODE OF SOLANO COUNTY	
Solano	35.5%	Less than 10 minutes	12.8%	Drive Alone	77.9%
Contra Costa	13.2%	10 to 14 minutes	16.0%	Carpool	13.0%
Alameda	8.3%	15 to 19 minutes	14.6%	Public Transportation	2.1%
Sacramento	6.9%	20 to 24 minutes	12.0%	Walk	2.1%
San Francisco	6.4%	25 to 29 minutes	5.1%	Taxi, Motorcycle, Bike	1.1%
Napa	5.8%	30 to 34 minutes	11.5%	Work at Home	3.8%
Santa Clara	3.3%	35 to 44 minutes	6.3%		
San Mateo	2.8%	45 to 59 minutes	8.1%		
Yolo	2.7%	60 or more minutes	13.7%		
Marin	2.6%	Mean Travel Time to Work	28.2 min.		
All other Locations	12.4%				

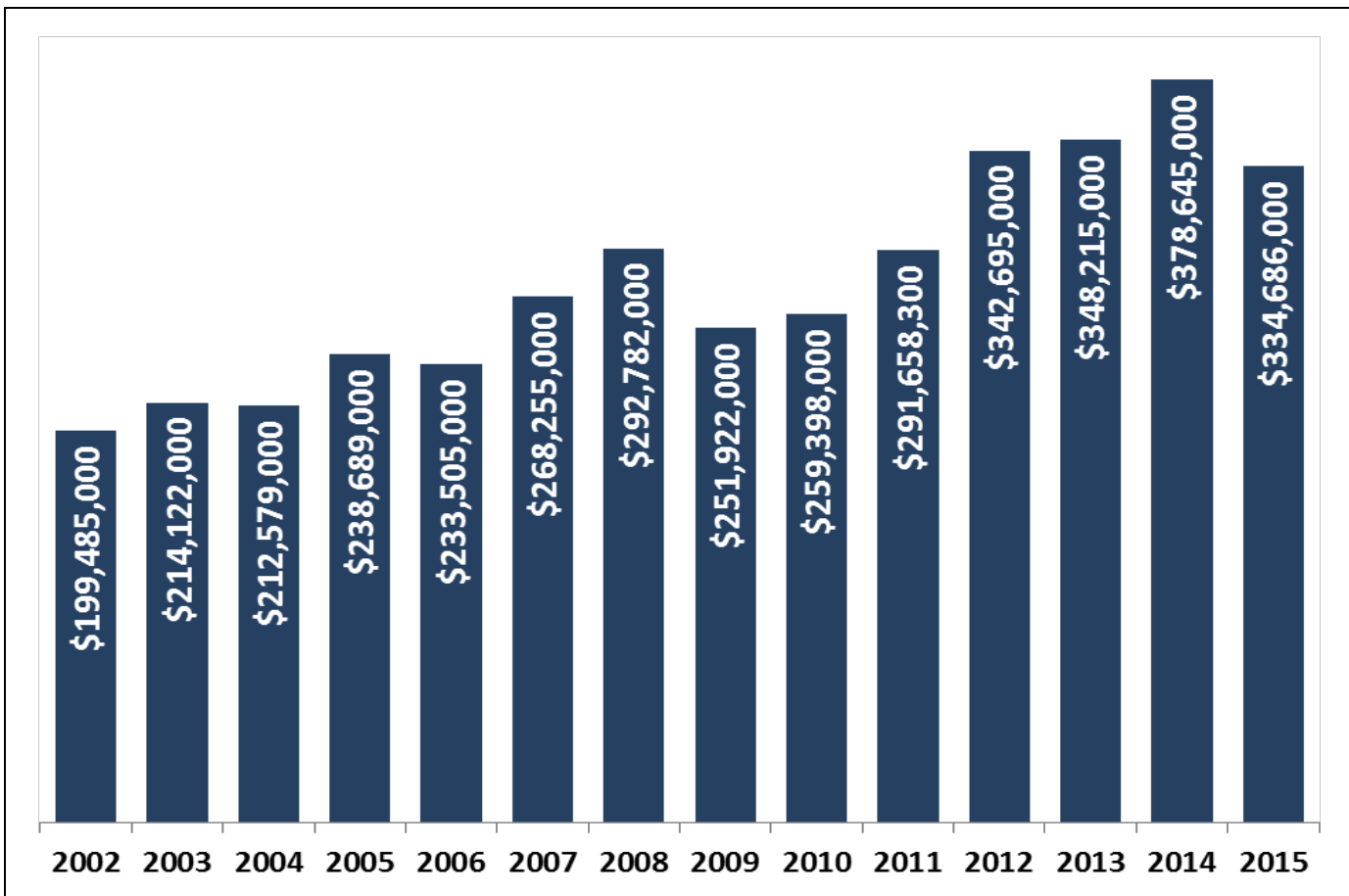
SOLANO COUNTY AGRICULTURAL CROP AND LIVESTOCK VALUE

The preliminary gross value of Solano County's agricultural production for 2015 was \$ \$334,686,000 – representing a decrease of \$43,959,000, down 11.6% from the 2014 values. Tomatoes remain the top crop in Solano County valued at \$42,156,000. Walnuts also retained their position, coming in second at \$37,912,000. The next two commodities were also in the same order as last year; Alfalfa at \$34,821,000 and Nursery products were fourth at \$33,455,000. Nearly every crop category showed a reduction stemming from a fifth year of drought, reduced market values related to port labor issues slowing exports and acreage conversion to young, not yet producing, permanent crops.

Agriculture production is part of a larger industry cluster that spans the full spectrum of economic activity from before the crops get into the field to the value-added processing in consumer products. In an analysis of industry clusters in Solano County, the Moving Solano Forward project identified the food chain cluster as supporting nearly 8,940 jobs and \$1.546 billion in economic output in 2015. This cluster represents approximately 8.4% of the county's total economic output.

The flexibility given to Solano County growers through open space land preservation, availability of water and the variety of soils and micro-climates is what enables farmers to achieve such high yields, despite several years of historic drought. As the potential for drought persists, even after a decent snowpack in 2016, the availability of water will remain a top concern in 2017 for the growers and communities.

2015 ESTIMATED GROSS AGRICULTURE CROP VALUES FOR SOLANO COUNTY



Source: County of Solano Agricultural Commissioner (*early estimates for the May 2015 Crop Report)

THE LOCAL ECONOMY - IMPACTS OF THE LINGERING DROUGHT

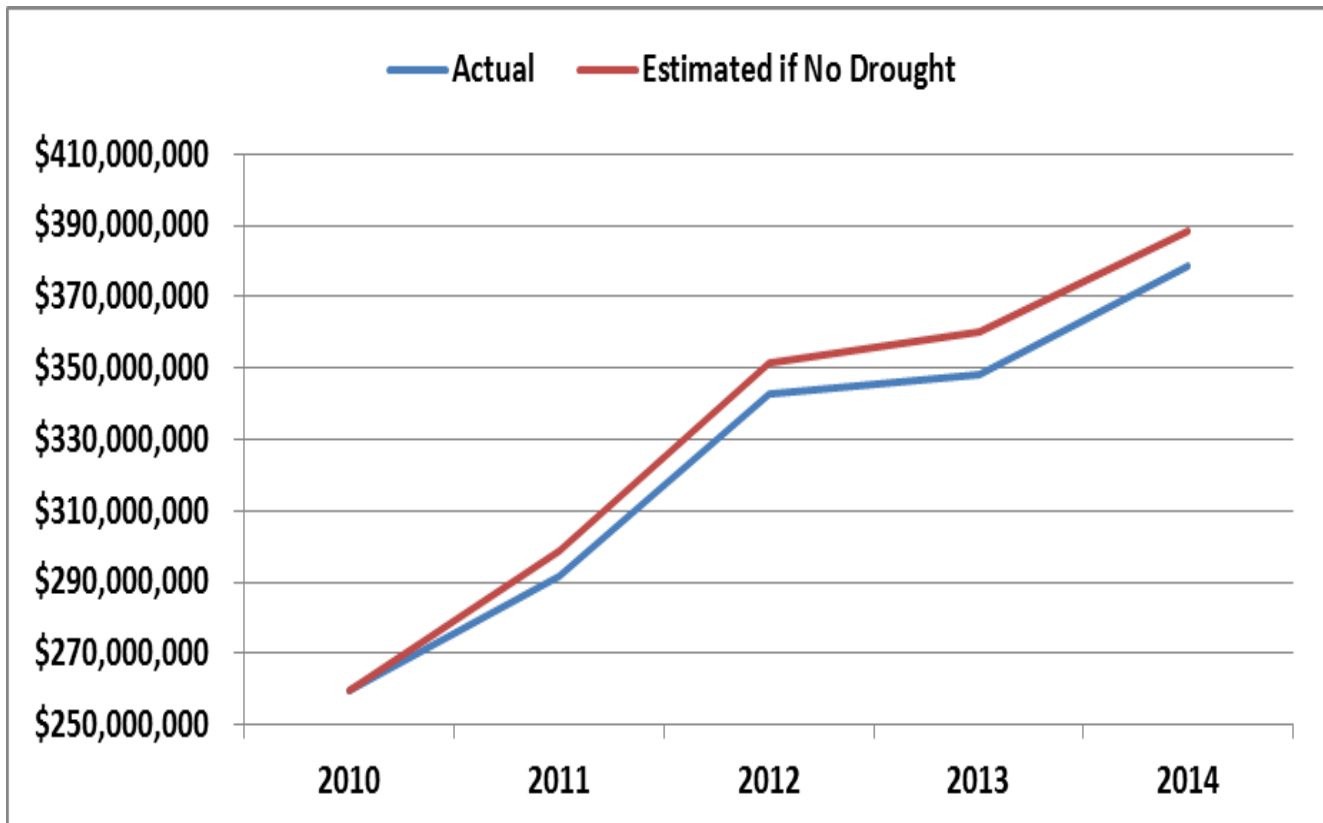
Water is part of a local area's infrastructure; a lack of water can push businesses that are water-intensive away and having water can attract such businesses. Food and beverage manufacturing can be water-intensive businesses and for farmers, water is part of the inputs also and may affect crop and livestock choice, yield and capacity to produce.

A recent study by UC Davis suggested that the economic impact of the California drought in 2015 may have been as much as \$2.7 billion of lost revenues and additional costs to farmers, and perhaps as many as 21,000 jobs, starting with agriculture. Crop losses were estimated at 2.6% and livestock losses were 2.8%. These changes were related to yield and remaining stock, which suggests the potential yields and revenues fell by those percentages.

For Solano County, drought can lead to larger costs of water for local businesses and non-farm businesses will face similar tradeoffs to local farmers the longer drought conditions linger. The following chart shows the loss to agriculture from drought, assuming 2.5% of farm revenue is lost each year from 2010 forward. Drought also affects other businesses, and there is a strong connection between water utility rates, water systems, rainfall, and water-intensive businesses hiring workers.

Solano County, like other parts of California, has faced drought conditions that have likely affected agricultural production and revenues. All of California has faced drought conditions, and businesses that are water-intensive, including food and beverage manufacturing can be significantly affected. According to the Solano County 2015 Index of Economic and Community Progress report, farmers and farming is a primary industry affected by drought conditions in Solano County.

**COMPARISON OF AGRICULTURAL REVENUE IN SOLANO COUNTY
ACTUAL AND POTENTIAL (IF NO DROUGHT), 2.5% LOST TO DROUGHT, 2010-14**



Sources: UC Davis and Solano County Agricultural Commissioner and the 2015 Solano County Index of Economic and Community Progress

Solano County Statistical Profile

Birgitta E. Corsello, County Administrator

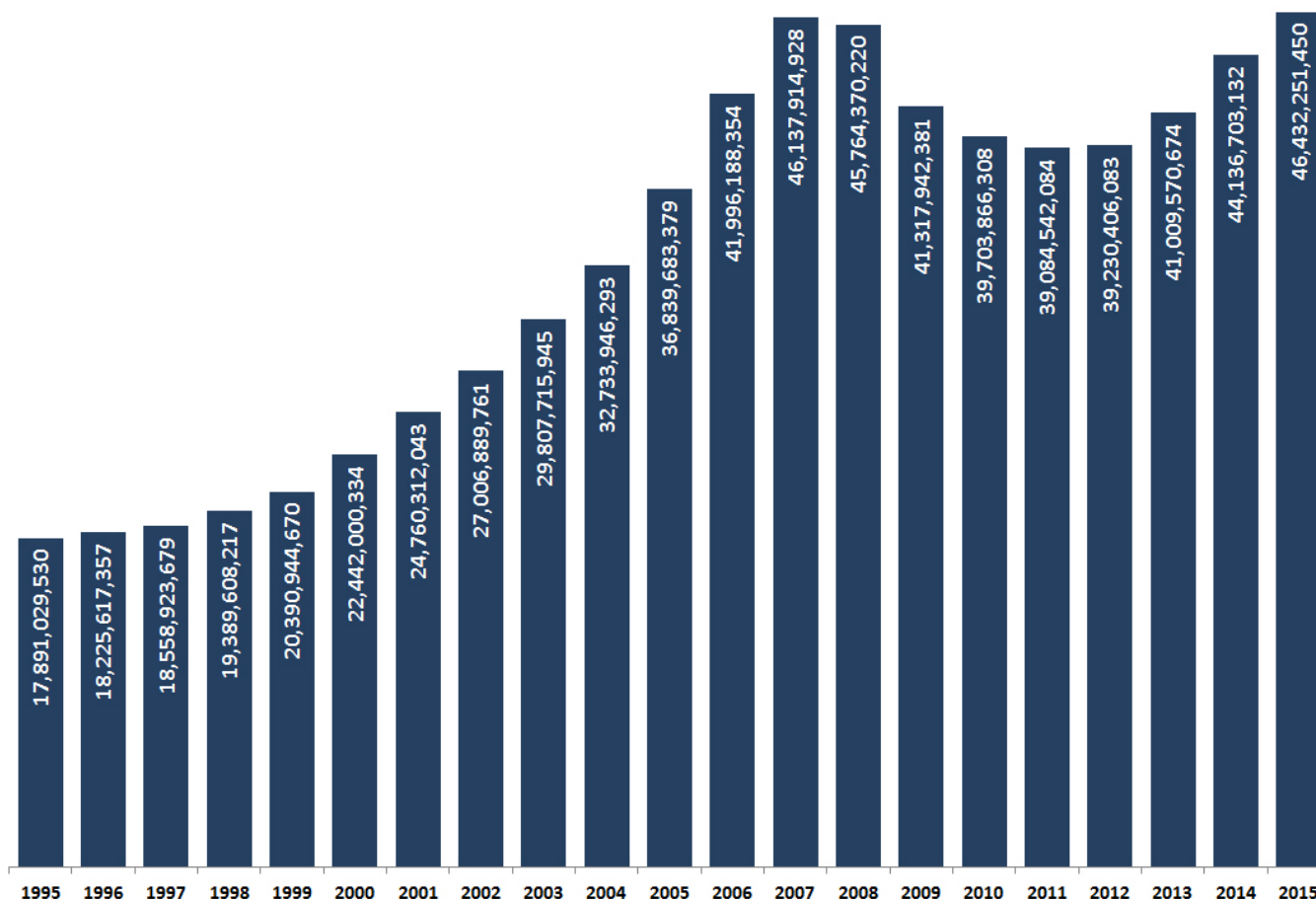
COUNTY ASSESSED VALUES AND GROWTH

Property taxes are a major source of local governmental revenues and are determined by assessed values. The property tax rate throughout the State of California is 1% of assessed values. The 2015 Property Assessment Roll of \$46.432 billion increased 5.2% from the prior year's roll value and represents property ownership in Solano County as of January 1, 2015. This is the fourth year of increasing assessed values since the bottom of the market in 2011.

The lingering effect of the Great Recession can still be felt on the assessed values of properties in Solano County, which experienced dramatic drops in median home prices and high numbers of foreclosures. According to the California Association of Realtors, the median home price fell from a high of \$475,755 in 2006 to a low of \$191,453 in 2011. As of May 2016, the median home price in Solano County is \$376,420, an increase of approximately 9.1% from the previous year. Home prices are expected to climb an additional 4.8% within the next year. The recovering real estate market has infused value back into homes that were initially lost in the recession, and as a result, the overall assessed value of county real estate continues to increase.

Since the market peak a significant number of properties in Solano County had their property values temporarily reduced in accordance with Proposition 8. Proposition 8 requires the Assessor to value property at the lesser of the market value or the factored base year value, also known as the Proposition 13 value. The 2015 property assessment roll reflects 23,075 properties with reduced property value assessments and represents 25% of the residential and non-residential parcels in the County.

LOCAL ASSESSED VALUES FOR SOLANO COUNTY



Source: County of Solano, Assessor's Office, August 2015

PRINCIPAL PROPERTY TAX PAYERS

COUNTY OF SOLANO			
Principal Taxpayers with over \$50,000,000 in Assessed Value for FY2015/16			
Principal Property Tax Payers	Business Type	Assessed Value	Tax Obligation
Valero Refining Company California	Energy	\$964,850,981	\$11,603,489
Genentech Inc.	Manufacturing	\$961,395,370	\$11,635,759
Pacific Gas and Electric Company	Utility	\$636,056,531	\$9,358,485
Anheuser Busch Inc.	Manufacturing	\$263,688,726	\$2,989,708
Shiloh Wind Project II LLC	Energy	\$243,172,182	\$2,580,786
Solano 3 Wind LLC	Energy	\$231,511,097	\$2,457,027
Shiloh III Wind Project	Energy	\$190,900,074	\$2,026,022
Star-West Solano LLC	REITS & Finance	\$177,391,956	\$1,984,889
Shiloh IV Wind Project LLC	Energy	\$140,873,326	\$1,495,088
California Northern Railroad	Transportation	\$134,851,382	\$1,726,072
Shiloh I Wind Project LLC	Energy	\$128,095,056	\$1,359,472
Icon Owner Pool 1 SF N-B P LLC	Manufacturing	\$120,698,955	\$1,395,700
Alza Corporation	Manufacturing	\$113,302,666	-\$72,577
Pacific Bell Telephone Company	Utility	\$111,323,597	\$1,543,516
High Winds LLC	Energy	\$102,868,777	\$1,091,746
CPG Finance II LLC	Commercial Sales and Service	\$102,357,036	\$1,274,875
Netxera Energy	Energy	\$100,883,735	\$1,070,679
NT Dunhill I LLC	Real Estate	\$92,106,549	\$1,307,421
Meyer Cookware Industries Inc.	Distribution / Manufacturing	\$90,475,938	\$1,056,184
Park Management Corp.	Theme Park	\$78,105,557	\$993,397
Centro Watt Property Owner II	Commercial Sales and Service	\$77,691,420	\$958,644
SFPP, LP	Energy	\$74,340,332	\$954,560
Kaiser Foundation Hospital	Health Care	\$72,459,527	\$915,470
Ball Metal Beverage Cont. Corp.	Distribution / Manufacturing	\$60,386,782	\$645,532
Prime Ascot LP	Real Estate	\$58,473,115	\$736,598
Eli Lilly and Company	Manufacturing	\$57,773,576	\$727,653
Wal-Mart Real Estate Business Trust	Real Estate	\$57,683,569	\$658,392
Sequoia Equities-River Oaks	Real Estate	\$54,789,146	\$666,994
6801 Leisure Town Road, Apt. Inv.	Real Estate	\$54,534,010	\$654,794
N/A Rolling Oaks - 88 LP	Real Estate	\$54,431,476	\$622,681
State Compensation Insurance Fund	Insurance	\$51,349,391	\$668,700
*NOTE: The tax obligation is calculated at 1% + voter approved bonds and any special assessments. Rates vary by Tax Area Code LLC - Limited Liability Company LP - Limited Partnership		\$5,658,821,835	\$67,087,756

Source: County of Solano, Tax Collector/County Clerk, March 2015

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