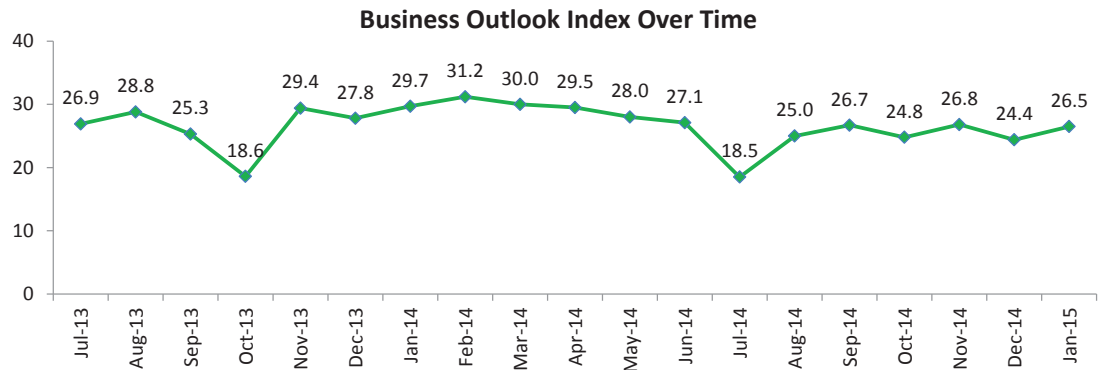


BUSINESS FORECAST

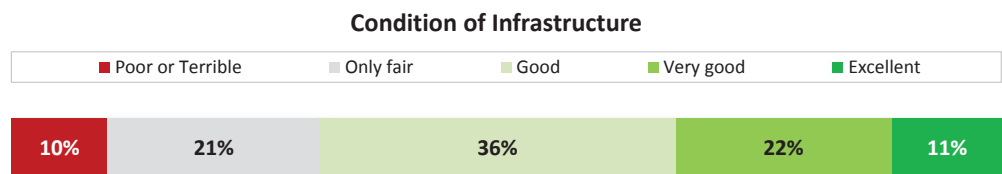
Businesses in City of San Diego Rate Infrastructure Worse than Rest of County

Business Outlook Index sees sixth month of continued stability

SAN DIEGO (February 13, 2015) – This month’s Business Forecast, sponsored by Silvergate Bank, shows that the overall mood in the first quarter of 2015 remains moderately optimistic, with the Business Outlook Index™ (BOI) now at 26.5. This confidence is matched, however, with frustration from businesses located in the city of San Diego regarding the condition of the infrastructure in that area.



This month’s survey asked business people to rate the condition of the infrastructure (streets, sidewalks, sewers, and bridges, etc.) near their place of work. Reviews for infrastructure throughout the county are mixed: one-third say it is very good or excellent, 36 percent rate it as good and 31 percent see it as only fair, poor or terrible.



“Infrastructure is a key priority for the Chamber this year as we know that improving infrastructure improves the efficiency of business,” said Jerry Sanders, President and CEO of the San Diego Regional Chamber of Commerce. “We plan to collaborate with key stakeholders, including labor, environmental and public officials, to help bring forward a solution to our infrastructure needs.”

Business location has a lot to do with just how poorly one rates the infrastructure. Firms located in the city of San Diego are considerably more frustrated with infrastructure than those based elsewhere. One out of every six firms in the city rate infrastructure as poor or terrible and 40 percent believe it is less than good. Outside the city limits, concern about infrastructure is generally mild.

When asked if they would support a 15-year, one cent sales tax increase if the money were devoted to fixing infrastructure, half of the county's business community would stand behind the idea. Support for a sales tax increase to deal with the infrastructure issue is strongest within the city of San Diego. Fifty-seven percent of businesses in the city support such a measure, and 37 percent do so strongly. This support is not shared by businesses outside the city, with 54 percent saying they would oppose such a measure.

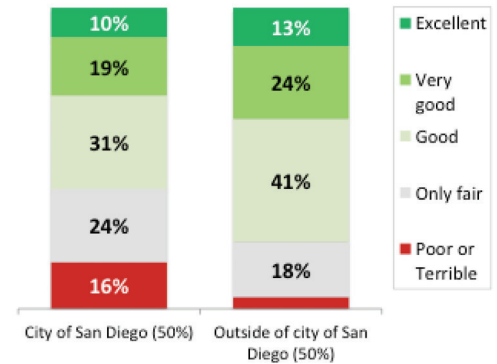
Regardless of feelings on the condition infrastructure and a tax increase, the county's business outlook is enjoying its sixth month of stability. The current BOI compared to the 12-month average of 27.1 is right in line with the norm. What this overall number doesn't tell us is that there was a significant uptick enjoyed by the transportation/automotive segment, as well as a drop back down to reality for health, beauty and fitness companies. That sector rode high for a month, but has a current BOI of 13.

"It's promising for the year ahead to see businesses settle into 2015 with a continued and steady, positive outlook," said Dino D'Auria, Executive Vice President and Chief Banking Officer at Silvergate Bank. "The variances that occur in each industry are also helpful in letting us know which sectors to keep an eye on in the coming months so that we can manage investments for future success."

Also down this month is the BOI for healthcare firms which is at 9.4, as those in the healthcare sector are less optimistic than the rest of the business community when it comes to revenue. The Affordable Care Act is one of the main issues for this sector with 19 percent citing it as a new challenging issue and another 25 percent saying government regulations in general are a new challenge. Overall, 55 percent of San Diego County businesses cite a new challenging issue that they must contend with, and 23 percent say it is an issue related to government.

Silvergate Bank's San Diego County Business Forecast is a scientific look at where our region's economy is headed. The February 2015 survey was fielded January 11-28, 2015 by Competitive Edge Research using responses from 208 randomly-selected members of the San Diego, East County, Alpine, Escondido, Lakeside, Vista, and Santee Chambers of Commerce. Click here to see the full February summary report or previous San Diego County Business Forecasts.

Condition of Infrastructure Near Place of Business by Location



About The San Diego County Business Forecast

The San Diego County Business Forecast is a monthly report that compiles insights and analysis on survey responses from local business executives from the San Diego Regional, East County, Alpine, Escondido, Lakeside, Vista, and Santee Chambers of Commerce. It is sponsored by Silvergate Bank and conducted by Competitive Edge Research. Non-profit organizations are excluded from the results and all members are invited to complete the survey either online or over the phone. The Business Outlook Index™ (BOI) is comprised of four self-reported assessments regarding the next three months: Will a respondent's business increase or decrease its number of employees, experience an increase or a decrease in revenue, increase or decrease the number of hours its employees work, and experience an improvement or a worsening of business conditions. For each assessment, definite and positive responses are scored 100, probable and positive responses are scored 50, neutral responses are scored 0, probable and negative responses are scored -50 and definite and negative responses are scored -100. The scores are summed and divided by 4 to get a range for the BOI of -100 to +100, with zero being a neutral outlook. [Click here](#) to see past Business Forecasts.

About Silvergate Bank, Business Banking Redefined

For over 25 years, as a San Diego based community bank, Silvergate provides a rewarding banking experience where the client's needs always come first. Our business banking experts listen to needs and work to provide customized solutions to support your company's growth and profit objectives. Our bankers are committed to superior responsiveness, local decision making, and the agility that allows our clients to choose the way they want to bank with us. To learn more, visit www.silvergatebank.com or contact Dino D'Auria at ddauria@silvergatebank.com.

About The San Diego Regional Chamber

The San Diego Regional Chamber is the hub for connections and collaboration among the regional business community, and uses that clout to advocate for public policies and candidates that support economic growth and the creation of jobs for all businesses. As the largest Chamber on the West Coast, representing more than 3,000 businesses and 400,000 employees, the San Diego Regional Chamber is fighting to make San Diego the most business-friendly region in California. For more information, please visit SDChamber.org or call 619-544-1300.