



2.3

COMMUNITY/CONVENTION CENTER

City of Sacramento
ADMINISTRATION OFFICES

September 17, 1991

City Council
Sacramento, California

APPROVED
BY THE CITY COUNCIL

AG (91-166) (SACTO)

AG 91-167 (Visitors Bureau)

AG 91-168 (Mgmt. Bd.)

SEP 24 1991

OFFICE OF THE
CITY CLERK

Honorable Members in Session:

SUBJECT: Sacramento Sports Commission, Old Sacramento Management Board, and SACTO Agreements

SUMMARY

This report provides information related to the funding requests for the Sacramento Sports Commission, Old Sacramento Management Board and SACTO. Further, it is recommended that the City Council authorize the City Manager to execute three agreements related to the subject activities.

STAFF RECOMMENDATION

It is recommended that the City Council authorize by resolution, the City Manager to execute three separate agreements on behalf of the City of Sacramento with the Sacramento Area Commerce and Trade Organization, Sacramento Convention and Visitors Bureau, and the Old Sacramento Management Board.

BACKGROUND INFORMATION

The City Council, during the fiscal year 1991-92 budget process authorized funding for the Sacramento Sports Commission, Old Sacramento Management Board, and SACTO organizations from the Community Center Fund.

SACTO provides services in the area of influencing the location of new payrolls in the City which offer increased job opportunities for the local labor force and diminish the property tax burden on residents. The budgeted funding level from the City of Sacramento is \$100,000.

1

City Council

SUBJECT: Sacramento Sports Commission, Old Sacramento Management Board, and SACTO Agreements

September 17, 1991

Page 2

The Sacramento Sports Commission, formed by the City Council in June 1988, promotes sporting events in Sacramento. The Parks and Community Services Department and the Sacramento Convention and Visitors Bureau will jointly assist the Commission in promotions and logistics of sporting events in Sacramento. The budgeted funding level from the City of Sacramento is \$56,000.

A motivating force in forming the Old Sacramento Management Board in 1986, was the recognition of the special role that the historic district played in the region and the unique needs caused by the district's unique location, historic preservation requirements, special access problems and the impact it has on the community's image. A survey conducted by the Sacramento Convention and Visitors Bureau showed that 80% of all visitors to Sacramento will visit Old Sacramento. It is Sacramento's number one visitor attraction and a valuable marketing tool when promoting Sacramento as a destination. The budgeted funding level from the City of Sacramento is \$117,000.

Agreements have been prepared for each organization and are on file in the City Clerk's Office.

FINANCIAL CONSIDERATION

The City Council at its meeting of June 25, 1991 authorized \$273,000 from the Community Center Fund fund balance for the purpose of funding the subject activities.

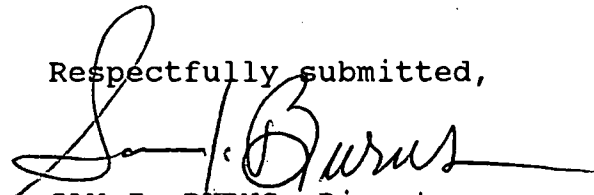
POLICY MATTERS

These agreements are consistent with the City Council adopted budget for fiscal year 1991-92.

MBE/WBE

None.

Respectfully submitted,



SAM J. BURNS, Director
Community Convention Center

City Council
Sacramento Sports Commission, Old Sacramento Management Board, and
SACTO Agreements
September 17, 1991
Page 3

RECOMMENDATION APPROVED:

A handwritten signature in black ink, reading "Walter J. Slupe". The signature is fluid and cursive, with the first name "Walter" and last name "Slupe" clearly legible.

WALTER J. SLUPE
City Manager

Contact Person to answer questions:
Barbara E. Bonebrake 449-5291

RESOLUTION NO. 91-736

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

APPROVED
BY THE CITY COUNCIL

SEP 24 1991

OFFICE OF THE
CITY CLERK

**RESOLUTION AUTHORIZING EXECUTION OF THREE AGREEMENTS
BETWEEN THE CITY OF SACRAMENTO AND
SACRAMENTO AREA COMMERCE AND TRADE ORGANIZATION
SACRAMENTO CONVENTION AND VISITORS BUREAU,
OLD SACRAMENTO MANAGEMENT BOARD**

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

That the City Manager is hereby authorized to execute on behalf of the City of Sacramento, three agreements as follows:

- a. Sacramento Area Commerce and Trade Organization providing payment of \$100,000 during the 1991-92 fiscal year;
- b. Sacramento Convention and Visitors Bureau providing payment of \$56,000 during the 1991-92 fiscal year for the Sacramento Sports Commission's promotion and logistics of sporting events in Sacramento; and
- c. Old Sacramento Management Board providing payment of \$117,000 during the 1991-92 fiscal year.

Mayor

ATTEST:

City Clerk

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

SACTO

Sacramento Area Commerce and Trade Organization

9-24-91

2.03

Target Industry Study

May 1991

No. R-17

Member Price: \$25

Nonmember Price: \$100

A Publication of the Sacramento Area Commerce and Trade Organization

SACTO strives for accuracy in all publications. However, errors and omissions, typographical, clerical and otherwise, sometimes occur. SACTO publications are not completely definitive. Users are urged to report any omissions or errors to SACTO.

Target Industry Study

GREATER SACRAMENTO AREA

El Dorado, Placer, Sacramento, and Yolo Counties

Published and Prepared by:

SACRAMENTO AREA COMMERCE AND TRADE ORGANIZATION
300 Capitol Mall, Suite 1210
Sacramento, CA 95814
(916) 441-2144

	<i>Page</i>
Foreward	<i>iii</i>
Executive Summary	<i>v</i>
Regional Trends	1
Area Locational Quotients	7
Selection Criteria	19
Growth Industries	21
Location Requirements	23
Target Industry Analysis	25
Strengths of the Greater Sacramento Area	49
Appendix	A-1
Existing Studies	

The Sacramento Area Commerce and Trade Organization (SACTO) formed the Target Industry Committee in 1990 to conduct a study to determine the best industries to bring into the Greater Sacramento Area. The results of the Committee's study are included in this report.

SACTO gratefully acknowledges the work of the Target Industry Committee and the California State University – Real Estate and Land Use Institute (CSU – RELUI).

TARGET INDUSTRY COMMITTEE

Doug Dourgarian, Chair
General Manager
Manpower Temporary Services

Nelson Caldwell
Senior Associate
Coopers & Lybrand

Dennis Ceklovsky
Vice President of Loans
River City Bank

Bob Earl
President
Earl Construction Company

Silvio Ferrari
c/o Buzz Oates Real Estate

Jim Hall
Regional Vice President
Union Bank

Steve Krohn
Research Analyst
CSU-Real Estate & Land Use Institute

John Lemmon
Partner
Greve, Clifford, Diepenbrock & Paras

Craig Prouty
President
Granite/Power Development, Inc.

Cindi Rich
Director of Development
Graduate School of Management

Stacy Ryan
Sales Representative
Miles Treaster & Associates

Roben Sellers
Executive Director
El Dorado County Economic
Development Corporation

David Spaur
Economic Development Director
County of Placer

Gunter Stannius
General Manager
Hyatt Regency Sacramento

Eric Stauss
Resident Manager
CB Commercial Real Estate

Mike Tidwell
Senior Manager
Ernst & Young

Dan Vistica
C.F.O./V.P. of Finance
McLaren/Hart

Gaylord Walker
Owner
GAYLORD, Incorporated

SACTO strives for accuracy in all publications. However, errors - typographical, clerical, and otherwise - sometimes occur. Users of this publication should not rely on its contents as being completely definitive. Users are urged to report any errors to SACTO.

SACTO and its Target Industry Committee are pleased to provide you with this study identifying key industries to target for our region. This study will be used to help focus SACTO's recruitment efforts. We hope it will prove useful in your economic development efforts.

A target strategy is only valuable when coupled with an action-oriented implementation plan. Moreover, a community must be prepared to sustain a program for a minimum of three to five years before they can expect results.

This target study is not intended to be comprehensive nor is it intended to define the only industries we should welcome into our region. Rather, the study will provide a foundation for a business recruitment plan which will be continually refined and modified.

Many communities around the United States have defined their targeting objectives by attempting to recruit "high-tech" companies or "clean industry." However, such objectives demonstrate a lack of understanding about industrial targeting.

The primary purpose of a target industry study is to help identify desirable industries for our region for which we have a comparative advantage in attracting. A thorough target industry study includes a detailed understanding of various industrial sectors and their key site location requirements.

SACTO'S Target Industry Committee undertook several steps to identify key industrial sectors.

Survey of Existing Studies — The Committee first reviewed target studies that have been completed in recent years including SACTO's past studies, the city of Sacramento target study prepared by Fantus in 1987, and the Placer County study prepared by SRI in 1988.

Locational Quotients — Locational quotients measure the economic output of industries relative to population. A locational quotient greater than one demonstrates a higher concentration of an industry than is supported by the local population. These industries are known as base industries

INTRODUCTION

WHY TARGET

UNDERSTANDING INDUSTRIAL SECTORS

DETERMINING DESIRABLE INDUSTRY QUALITIES FOR THE REGION

since they are exporting products or services outside the region. Conversely industries with a locational quotient under one demonstrates that the area is importing additional goods and services from outside the region.

SACTO's Target Industry Committee was polled to determine the criteria desirable for selecting target industries. Implicit in these criteria are three fundamental concepts:

Growth Industry — The industry should be identified by national indicators as a growth industry.

Base Industry — SACTO's recruitment efforts are targeted towards companies which export products from our region. For example, Herman Miller in Placer County exports 90 percent of its product outside this region. This type of activity helps to bring income to our region. A local restaurant, on the other hand, is typically generating most of its income from within a community.

Quality Companies — SACTO prides itself on recruiting quality companies to the Greater Sacramento Area.

FINDINGS

Industries selected show positive growth trends and a strong California presence. Our proximity to major manufacturing centers in Southern California and the Bay Area create opportunities for SACTO to attract these companies to our region. We offer these companies excellent opportunities to be near markets and suppliers while affording them lower operating costs. Moreover, our strong higher education base provides an additional locational advantage.

The Greater Sacramento Area's strong university system and health care industry could be strong attractions for the medical equipment industry and related fields. Baxter Microscan is an excellent example of the type of firm which provides high quality jobs and may find this area attractive.

In addition, information services should continue to be a growth industry for the region. The State of California maintains numerous large scale centers in the region which help to attract many private sector operations to the region.

Lastly, industries that are already concentrated in our coastal urban areas such as printing, publishing, and electronic components will continue to seek locations like the Greater Sacramento Area for competitive manufacturing sites.

SUMMARY**U.S. Standard Industrial
Classification Code****Manufacturing Group**

3821	Laboratory Instruments
3822	Measuring & Controlling Devices
3825	Instruments to Measure Electricity
3841	Surgical & Medical Instruments
3842	Surgical Appliances & Supplies
3843	Dental Equipment & Supplies
3844	X-Ray Apparatus & Tubes
7374	Information Services
3670	Electronic Components
2700	Printing and Publishing

**SACTO'S TARGET
INDUSTRIES**

Data reporting population forecasts for the Sacramento Metropolitan Statistical Area (MSA) 1980 - 2020 shows that the region is expected to include close to two million people in the year 2000. In the next ten years, approximately 290,000 additional people are expected to live in the area. This could represent some 115,000 households and an increase of 29,000 persons per year. Our growth rate is expected to surpass both the United States and the state of California during this decade. Most of the expected increase in population is forecast to occur in El Dorado and Placer Counties with a lesser amount occurring in Sacramento County. The biggest reason for the additional increase in population is the 219,000 people expected to migrate into the area, most likely from coastal regions in California.

The biggest reason for Sacramento's attractiveness is the existence of employment opportunities in the area. An expansionary period occurred in the late 1970s and a great boost of employment occurred during 1984-1985. During the recessionary years of 1981-1983, the Sacramento regional economy maintained positive figures for the rate of change in employment. In recent times, our growth rate in total employment has remained positive at around four percent.

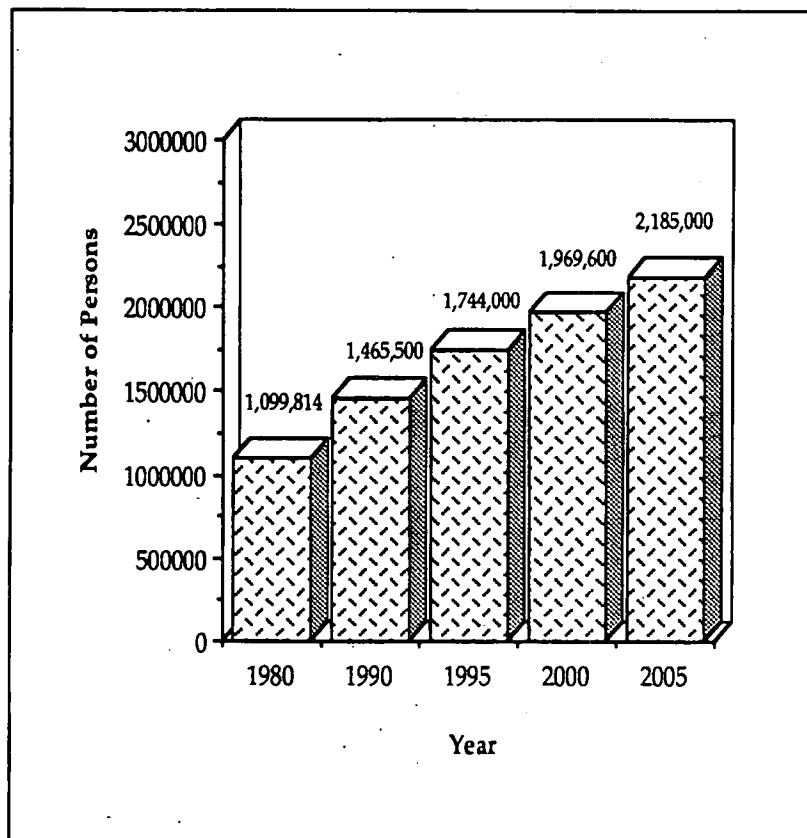
A very seasonal increase in employment occurred from 1972-1978, through two recessions and a relative "flatness" occurred during 1981-1983. While other regional economies were declining, the Sacramento region only paused, and the most recent increase in employment growth has been stimulated by the expansion in 1983. Two observations are that the rate of growth is steeper and the amplitude of the seasonal oscillations has been reduced.

- ✓ Construction employment did feel the recession in the early 1980s, yet since 1984, construction employment has continued to expand, almost doubling in the number of persons employed.
- ✓ Total manufacturing employment has also increased and become much less seasonal.

DEMOGRAPHIC CHANGES AND FORECASTS

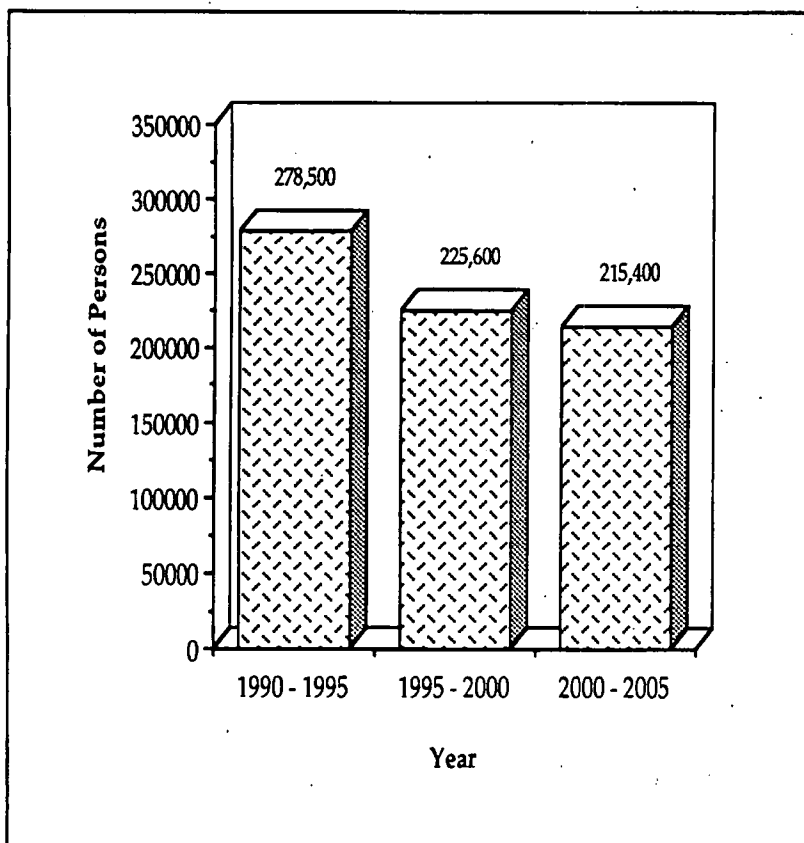
CURRENT EMPLOYMENT TRENDS

- ✓ Finance, insurance, and real estate have been undaunted, growing at approximately the same rate over the period.
- ✓ Transportation and public utilities show sensitivity to recession and the impact of labor unrest.
- ✓ Wholesale trade has been a growth sector in Sacramento and has increased until only recently.
- ✓ Services employment has increased from 40,000 persons in 1972 to 140,000 in 1990 and its growth rate has been constant. This reflects the maturation of the Sacramento regional economy.
- ✓ Federal government employment has also increased in the region since 1978.
- ✓ State and local government in Sacramento also show three distinct growth curves that were seen in total employment. In this case, government employment increased from 1972 until 1978. From 1979 through 1984, employment in this sector leveled off. The seasonal dips on the graph correspond to the summer "layoff" of educational workers. Since 1984 the overall growth rate in this sector has been strong.



**POPULATION IN THE
SACRAMENTO MSA**
1980 - 2005

Source: California Department of
Finance, April 1991



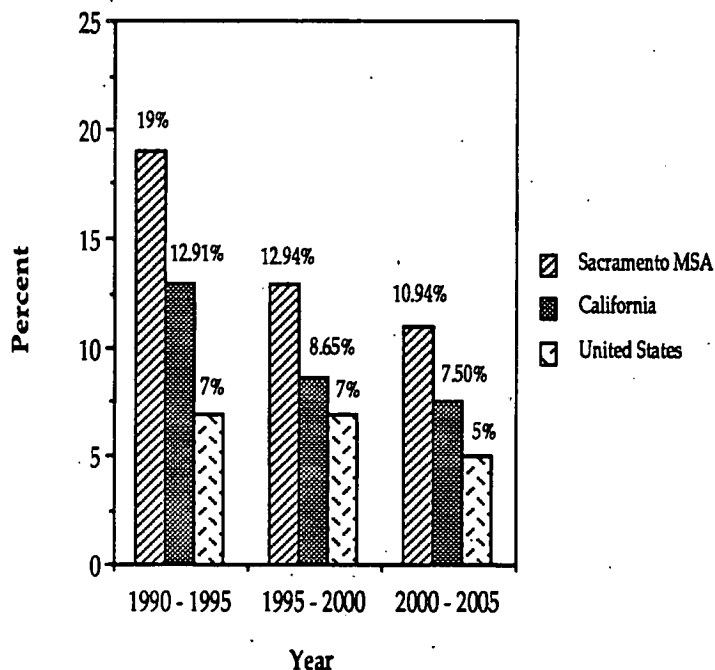
**PROJECTED POPULATION
INCREASES IN THE
SACRAMENTO MSA**
1990 - 2020

Source: California Department of
Finance, April 1991

POPULATION GROWTH RATE

1990 - 2005

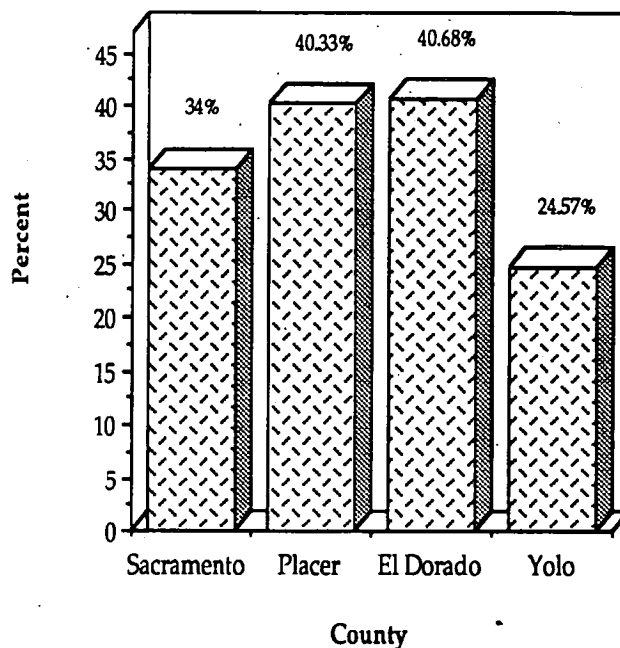
Source: California Department of
Finance, April 1991

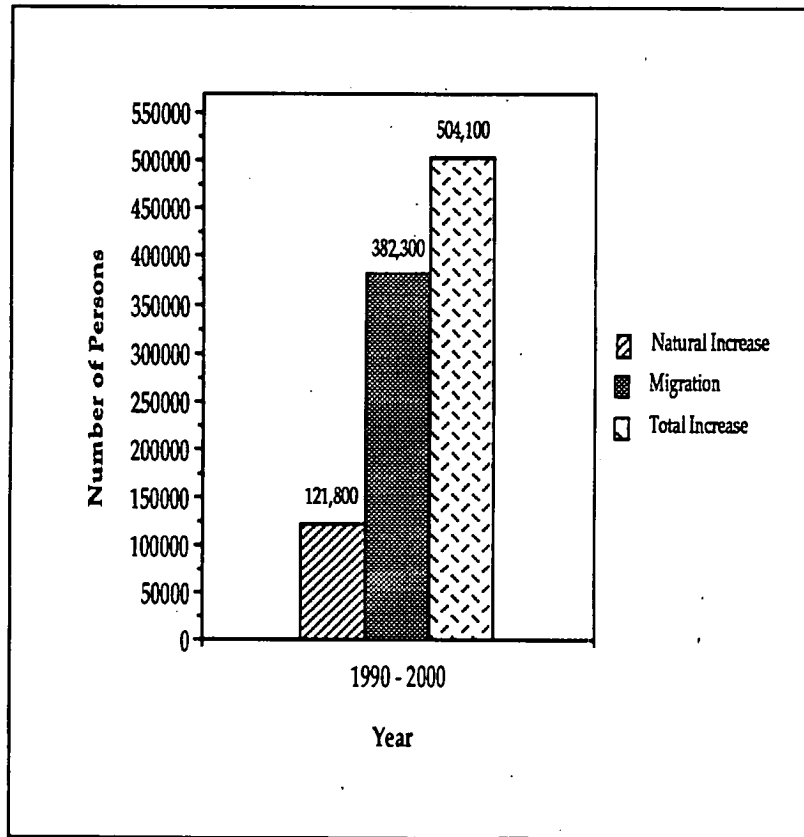


PERCENTAGE OF POPULATION INCREASE IN THE SACRAMENTO MSA

By County
1990 - 2000

Source: California Department of
Finance, April 1991





MIGRATION IN THE SACRAMENTO MSA 1990 - 2000

Source: California Department of
Finance, April 1991

Locational quotients over time are presented for selected industries. These locational quotients compare the percentage share of jobs in the Sacramento market with the corresponding sectorial percentage at the state level. These show how Sacramento's mix of employment has changed over twenty years.

As the locational quotients increase, the analysis suggests that the Sacramento region is gaining additional employment shares, in effect, getting relatively more than its "share" of new jobs created. If they decrease, it suggests that the region is losing its share of that particular industry. In other words, even though employment may be growing in the Sacramento area, that rate of growth may not be as fast as the reference area, e.g. the state of California. Consequently, one can argue that the region should attempt to increase or maintain its share of statewide growth.

If the locational quotients are greater than one, this means that the Sacramento area is "exporting" that activity to the rest of the country. Locational quotients less than one indicate that the region is "importing" trade from the sector. For example, notice that the locational quotient for manufacturing has been increasing since 1984. However, that quotient is less than one which suggests that the region overall imports manufacturing goods and services.

Another example, the locational quotients for services employment in the region show that we are gaining share, yet recently that gain has not been as great. Remember that in absolute terms, service sector employment is growing rapidly in the region, however, not as fast, on a relative share basis, as in the rest of the state.

- ✓ Since 1984 the region has made significant strides in increasing its employment base in manufacturing. This is especially true of durable goods manufacturing, and the finance insurance and real estate sectors.
- ✓ Transportation and public utilities have lost some share, as has wholesale trade in recent years.
- ✓ Business services employment has increased in terms of percentage of total employment and its locational quotient.

LOCATIONAL QUOTIENTS OVER TIME

LOCATIONAL QUOTIENTS FOR THE SACRAMENTO AREA

- ✓ This analysis shows that for health services the Sacramento region is increasing its share and can be considered a net exporter of medical services.
- ✓ As expected government employment is a net exporter and yet has been losing its share. Part of this trend is the result of California's buoyant and diversified economy. When the economy slows down government employment does not and locational quotients increase.

These locational quotients are different than those considered above in that they are cross-sectional, one point-in-time as opposed to many months. The analysis was done for one specific quarter, third quarter 1988. (This report is always two years late when they publish it.) Mid-summer was chosen to minimize the effects of government employment on the analysis.

The data is sorted in three ways: 1.) a listing by SIC of the sectors, 2.) a listing of locational quotients ranked by relative wages, and 3.) the quotients are ranked by relative employment.

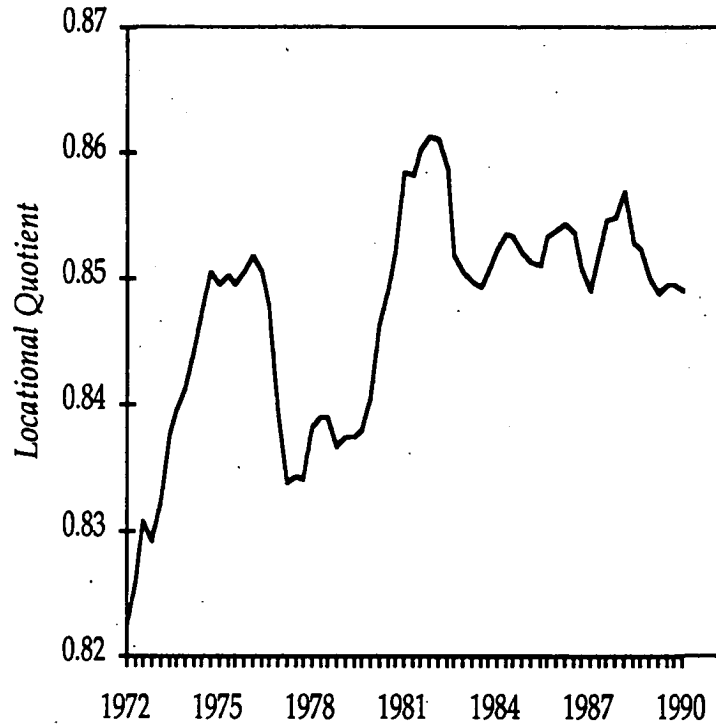
There are two alternative economic development concepts, and therefore, targeting strategies implicit in these long lists of numbers.

- ✓ The first alternative is the choice between wage/income growth or employment growth. Depending upon the collective choice, industries can be targeted according to their job creation or income creation possibilities.
- ✓ The second choice is that of strategy. One economic development strategy is based upon emphasizing either the region's strengths as defined by their locational quotients. The obvious strengths in the system are those sectors that show high locational quotients. Candidate industries related to high impact local sectors in which comparative regional advantages exists will be attracted to labor forces and other locational advantages that are offered by the area.

The alternative is to solicit those industries that do not have a presence in the area. This strategy enhances those sectors that have not "built out" for whatever reason. An overall strategy is to locate firms that will, in effect, plug interindustry leakages. These sectors will have locational quotients less than one.

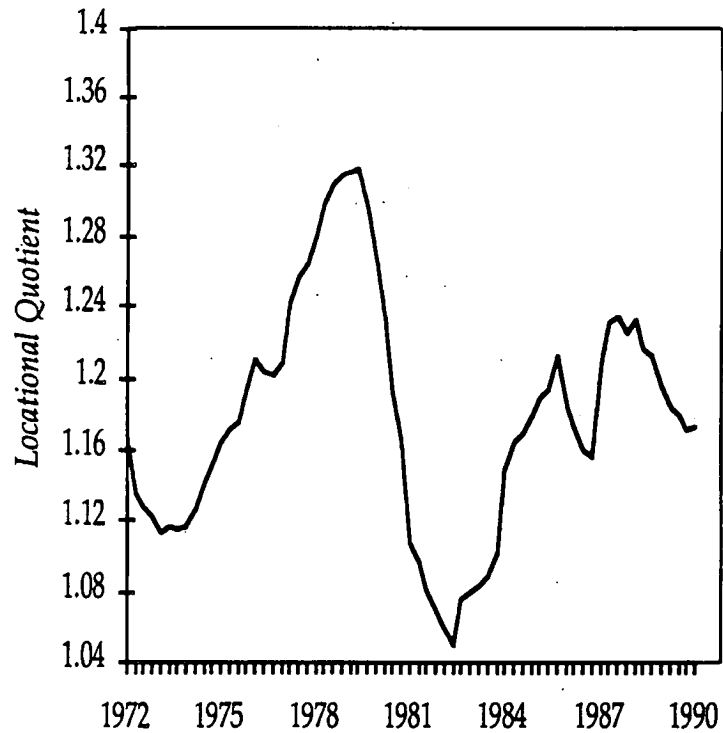
SERVICES LOCATIONAL QUOTIENT

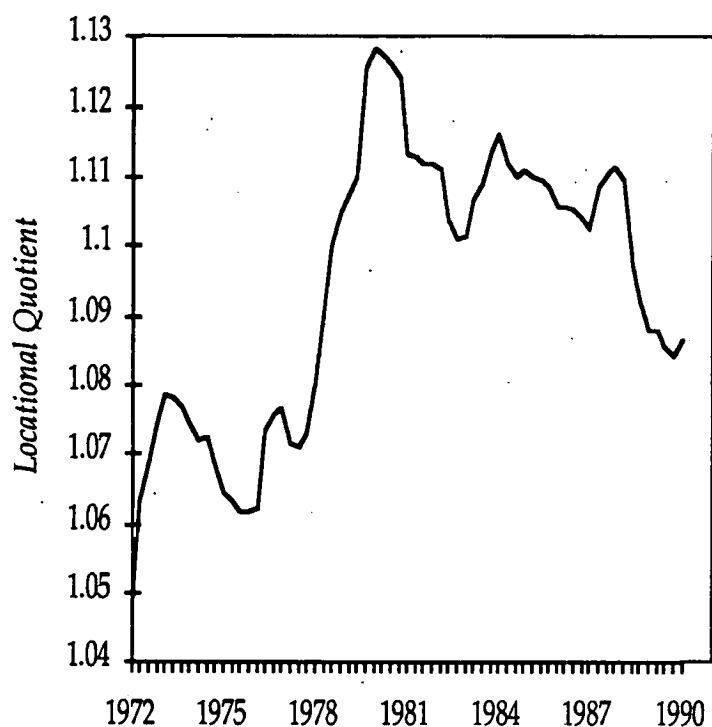
Share Sacramento, California
1972 - 1990



CONSTRUCTION LOCATIONAL QUOTIENT

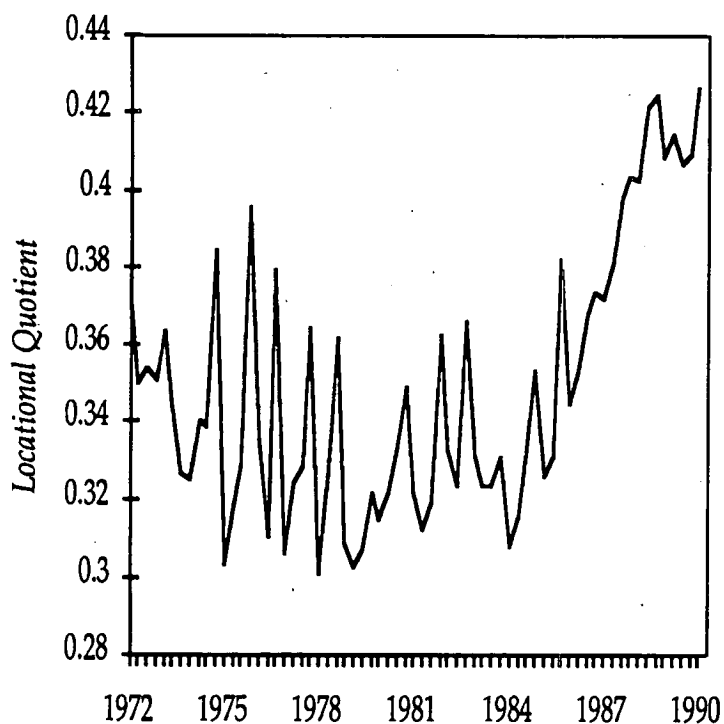
Share Sacramento, California
1972 - 1990





RETAIL TRADE LOCATIONAL QUOTIENT

*Share Sacramento, California
1972 - 1990*

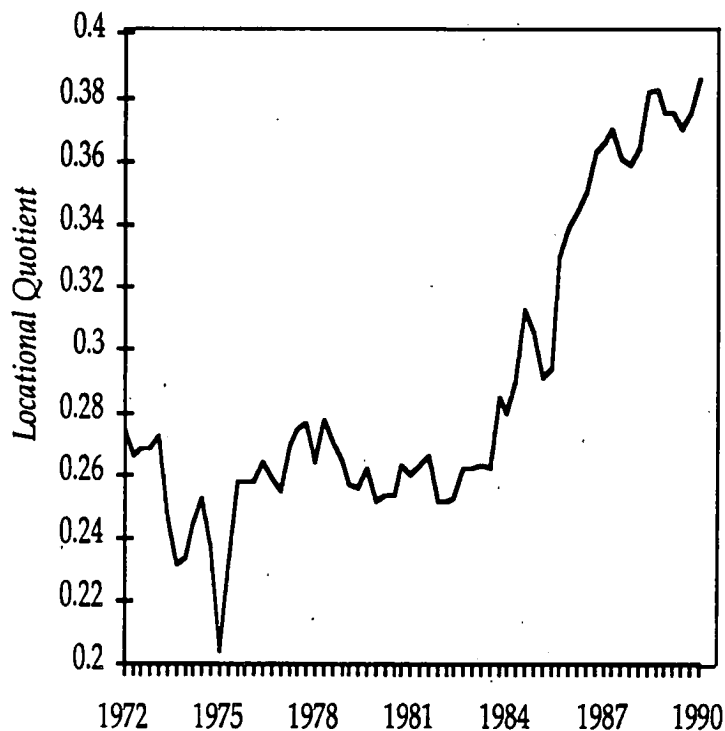


MANUFACTURING LOCATIONAL QUOTIENT

*Share Sacramento, California
1972 - 1990*

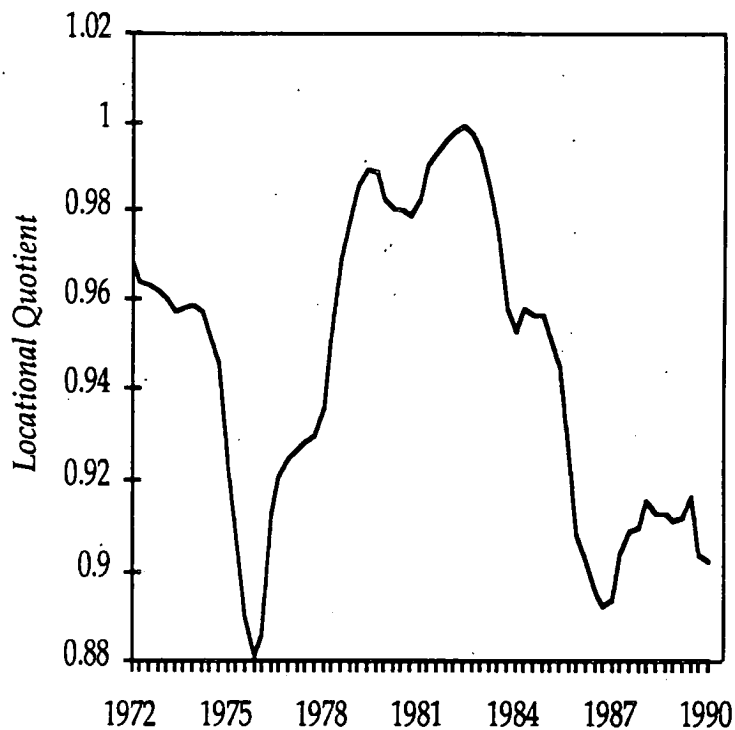
DURABLE MANUFACTURING LOCATIONAL QUOTIENT

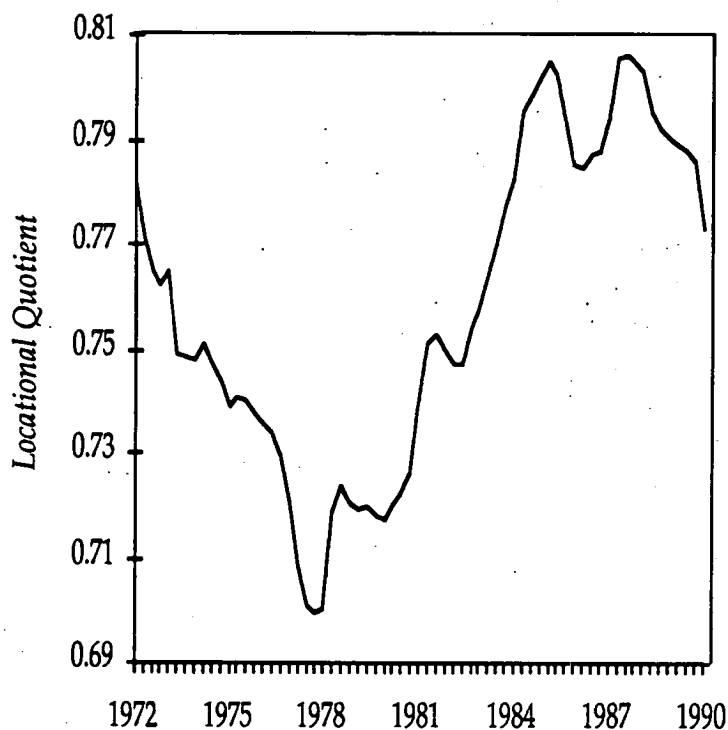
Share Sacramento, California
1972 - 1990



TRANSPORTATION & PUBLIC UTILITIES LOCATIONAL QUOTIENT

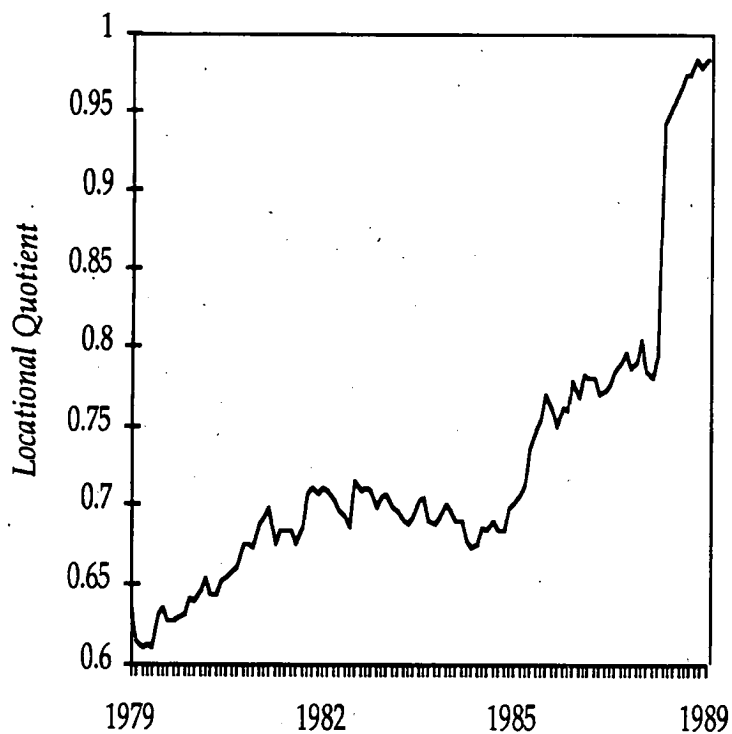
Share Sacramento, California
1972 - 1990





WHOLESALE TRADE LOCATIONAL QUOTIENT

*Share Sacramento, California
1972 - 1990*

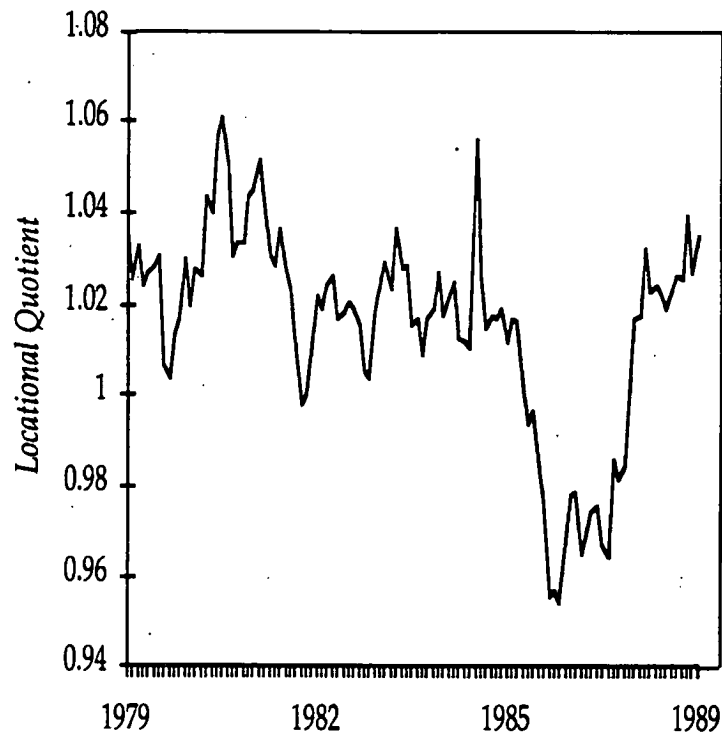


BUSINESS SERVICES LOCATIONAL QUOTIENT

*Share Sacramento County, California
1979 - 1989*

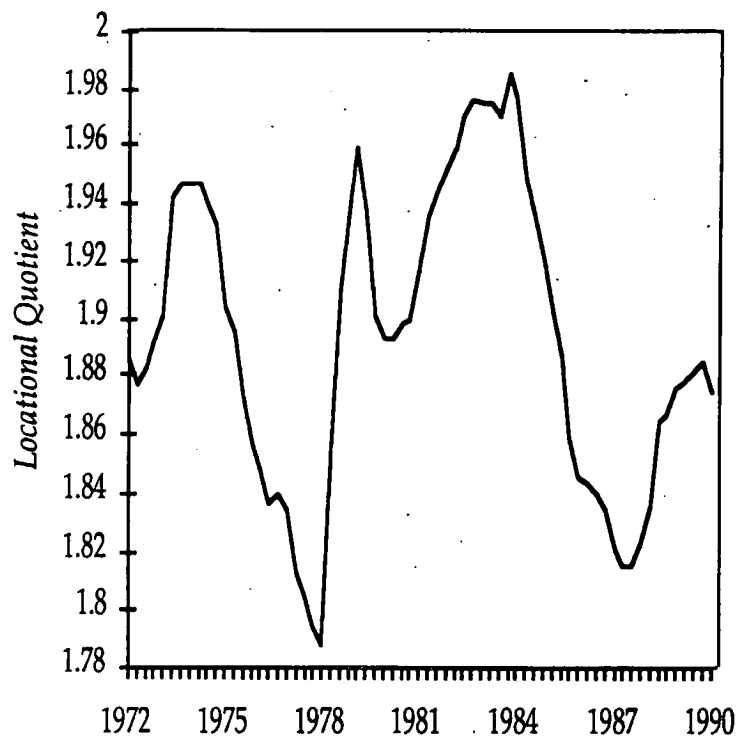
HEALTH SERVICES LOCATIONAL QUOTIENT

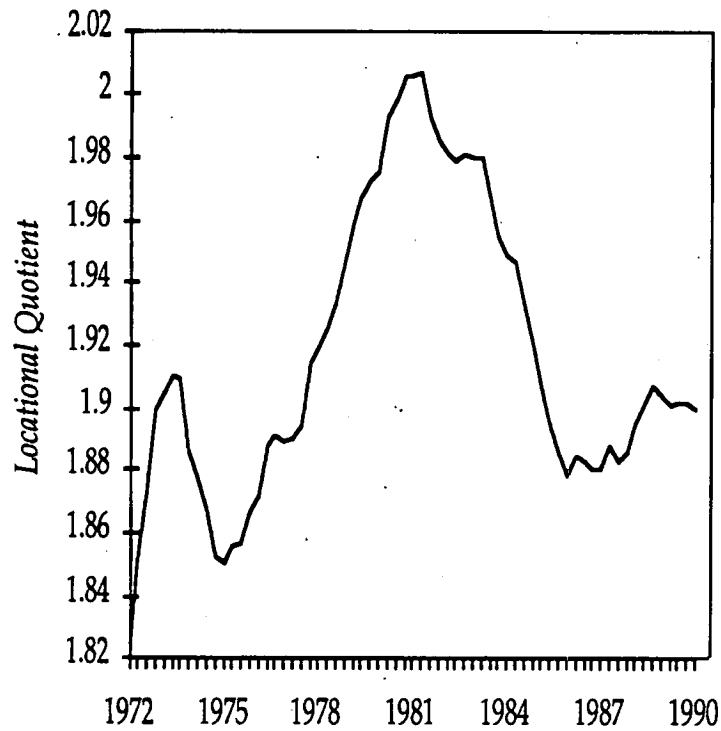
*Share Sacramento County, California
1979 - 1989*



GOVERNMENT EMPLOYMENT LOCATIONAL QUOTIENT

*Sacramento, MSA
1972 - 1990*





STATE AND LOCAL GOVERNMENT LOCATIONAL QUOTIENT

*Share Sacramento, California
1972 - 1990*

LOCATIONAL QUOTIENTS FOR SACRAMENTO MSA

	Quotient Wages	Quotient Employment
AGRICULTURAL, FORESTRY & FISHING	0.66	0.64
MINING	0.32	0.00
CONSTRUCTION	1.27	1.26
MANUFACTURING	0.43	0.41
Food and Kindred	1.00	0.77
Textile	0.04	0.07
Apparel	0.10	0.13
Paper	3.70	0.41
Printing	0.74	0.78
Chemicals	0.42	0.36
Petroleum	0.05	0.05
Rubber	0.28	0.24
Lumber	1.59	1.50
Furniture	0.43	0.38
Primary Metal	0.10	0.11
Fabricated Metal	0.36	0.33
Machinery	0.42	0.41
Stone Clay	0.77	0.76
Instruments	0.08	0.09
Electrical Goods	0.36	0.39
Transportation by Air	0.35	0.38
Chemicals and Allied Products	0.23	0.37
TRANSPORTATION & PUBLIC UTILITIES	0.96	0.93
WHOLESALE TRADE	0.72	0.79
RETAIL TRADE	1.05	1.08
FINANCE, INSURANCE, AND REAL ESTATE	0.82	0.94
SERVICES	0.77	0.83
Legal Services	0.76	0.91
FEDERAL GOVERNMENT	1.94	1.77
STATE GOVERNMENT	5.49	0.77

SACTO's Target Industry Committee developed a list of desirable qualities for selecting target industries. These criteria were used in determining which growth industries SACTO should focus their recruitment efforts.

Growth company/industry
Interindustry multiplier (attracts other companies)
Substantial local job opportunities
Corporate headquarters
Minimal impact on local environment
Substantial purchases from local suppliers
Diversification of local industrial mix
Significant capital investment
Generates significant property and sales tax
Minimal impact on local infrastructure
Industries associated with low crime rates
Significant R&D operations which collaborate with local universities
Diversity of skill levels offered
A diversity of education levels of staff
Quality wages and benefits

SCREENING CRITERIA

Rank	Industry	Compound Annual Rate of Shipments for 1990
1	Machine tools, metal cutting types	11.71
2	Semiconductors and related devices	10.88
3	Footwear, except rubber, nec	9.97
4	Oil and gas field machinery	9.96
5	Surgical appliances and supplies	9.40
6	Surgical and medical instruments	9.07
7	Structural wood members, nec	8.35
8	Computers and Peripherals	8.09
9	Electromedical equipment	7.70
10	Instruments to measure electricity	7.41
11	Screw machine products	7.39
12	House slippers	7.30
13	Machine tools, metal forming types	7.16
14	Printed Circuit Boards	6.98
15	Welding apparatus	6.93
16	Aircraft engines and engine parts	6.17
17	Diagnostic substances	5.99
18	Poultry slaughtering and processing	5.79
19	Dental equipment and supplies	5.76
20	Laboratory Instruments	5.70

Source: U.S. Industrial Outlook

FORECAST GROWTH INDUSTRIES AND RATES

Much has been written on factors which influence the corporate site location process. Site location factors change over time and can vary between industries and even vary among companies within the same industry.

The attached list is not intended to be comprehensive. Rather these are the key site location factors most often cited by corporate site locators.

Proximity to Markets
Cost of Doing Business
Labor Availability
Higher Education Availability
Housing Affordability
Public Infrastructure
Environmental Regulations
Proximity to Suppliers
Other

KEY LOCATION REQUIREMENTS

The Greater Sacramento Area has several locational advantages for corporations.

- Strong Higher Education
- Excellent Transportation Network
- Proximity to Large Markets
- Growing Population Base
- Water and Wastewater Capacity

STRENGTHS OF THE GSA

Industry: Red Meat
SIC: 2011
Description: Consumption patterns for meat have been moving away from red meat, down 6.5 percent to fish & poultry which was up eight percent. Activity flat, despite ads.

	1988	1989	1990	<u>Rates of Change</u>	
				88 - 89	89 - 90
Shipments	\$65,214	\$67,020	\$68,237	2.8%	1.8%
Employees	198	204	204	3.0%	0.0%
Production Workers	158	163	162	3.2%	-0.6%
Imports	\$2,946	\$2,475	\$2,450	-16.0%	-1.0%
Exports	\$3,626	\$4,350	\$4,780	20.0%	9.9%

Note: Dollar amounts in millions, employees in thousands.

Outlook: Constant value of shipments is expected to remain flat, depending on the dollar's value in international markets. Red meat imports are expected to be down in 1990. Japan is expected to increase imports, especially from Australia, and has changed its import quotas to favor U.S. beef.

Long Term Potential: For 1990-94, value of shipments is expected to grow two percent, real terms. Inefficient plants are closing which will reduce costs in the industry as will product innovations in the packaging and marketing of foods. Industry needs to increase innovation in new products, microwave cooking, and convenience.

Key Location Requirements: (1 = less important 10 = more important)

Proximity to Markets	5	Public Infrastructure	7
Cost of Doing Business	7	Environmental Regulation	8
Labor Availability	5	Proximity to Suppliers	5
Higher Education Availability	1		
Housing Affordability	1		

Greater Sacramento Locational Advantages:

- Public Infrastructure
- Proximity to Markets
- Labor Availability

Industry: Poultry Slaughtering & Processing
SIC: 2015
Description: Tastes are shifting toward poultry, shipments were up 5.7 percent. Fryer industry good, turkeys bad, then better. Industry is more concentrated.

	1988	1989	1990	<u>Rates of Change</u> 88 - 89 89 - 90	
Shipments	\$16,920	\$19,582	\$20,265	15.7%	3.5%
Employees	155	161	162	3.9%	0.6%
Production Workers	139	144	145	3.6%	0.7%
Imports	\$32.50	\$43	\$40	32.3%	-7.0%
Exports	\$496	\$615	\$660	24.0%	7.3%

Note: Dollar amounts in millions, employees in thousands.

Outlook: Poultry industry is expected to experience a 6.7 percent growth which will moderate increases in feed costs. Per capita poultry consumption will increase to 90 lbs., 40 percent of all meat. High value-added products are expected in the industry and will account for 26 percent of poultry consumed.

Long Term Potential: Dietary shifts toward poultry will increase share to 44 percent by 1994, up from 38 percent. Distinctions between meat packers and poultry processors will blur in coming years. Both groups are actively marketing seafood products. By 1994 there will be 25 percent more meat/poultry plants than meat only. Poultry only down.

Key Location Requirements: (1 = less important 10 = more important)

Proximity to Markets	4	Public Infrastructure	8
Cost of Doing Business	6	Environmental Regulation	8
Labor Availability	7	Proximity to Suppliers	4
Higher Education Availability	3		
Housing Affordability	2		

Greater Sacramento Locational Advantages:

- Public Infrastructure
- Proximity to Markets
- Labor Availability
- Public Infrastructure

Industry: Apparel & Other Finished Textiles
SIC: 2300
Description: Strong consumer spending fostered by real income changes has increased demand for trendy products.

	1988	1989	1990	<u>Rates of Change</u>	
				88 - 89	89 - 90
Shipments	\$67,655	\$72,192	NA	6.7%	NA
Employees	1069	090	NA	2.0%	NA
Production Workers	901.6	919.6	NA	2.0%	NA
Imports	\$65,263	\$69,505	NA	6.5%	NA
Exports	\$63,497	\$65,402	NA	3.0%	NA

Note: Dollar amounts in millions, employees in thousands.

Outlook: Labor is the most important cost component despite research into automation. Sensitive to minimum wage laws, immigration, and unionism. Developing countries have labor cost advantage creating intense competition and downward pressure on profits and wages. Small to medium range firms.

Long Term Potential: Fewer workers entering labor force due to demographics and tighter immigration policies. Wage earnings expected to remain low. Industry has restructured, increasing capital spending to achieve Quick Response (QR). Technological transfer may impact US plants in competition with foreigners.

Key Location Requirements: (1 = less important 10 = more important)

Proximity to Markets	6	Public Infrastructure	4
Cost of Doing Business	7	Environmental Regulation	3
Labor Availability	9	Proximity to Suppliers	4
Higher Education Availability	3		
Housing Affordability	3		

Greater Sacramento Locational Advantages:

- Labor Availability
- Proximity to Markets

Source: U.S. Industrial Outlook

Industry: Selected Men's & Boys
SIC: 2310
Description: NA

	1988	1989	1990	<u>Rates of Change</u> 88 - 89 89 - 90	
Shipments	\$15,925	\$16,852	NA	5.8%	NA
Employees	266	266	NA	0.0%	NA
Production Workers	230	226	NA	-1.7%	NA
Imports	\$8,633	\$9,263	NA	7.3%	NA
Exports	\$481	\$619	NA	28.7%	NA

Note: Dollar amounts in millions, employees in thousands.

Outlook: Similar to overall industry report. Trend toward shirts, designer labels and trousers. Much of the shirt product is imported. Suits and shirts not great export market during recent years.

Long Term Potential: Industry is searching for ways to increase its technological advantage to be cost competitive. Electronic linkage between manufacturer, supplier, and retailer. QR will keep inventories down, shorten reorder cycle, reduce stock-outs and paperwork. More US cutting of apparel parts for foreign assembly.

Key Location Requirements: (1 = less important 10 = more important)

Proximity to Markets	6	Public Infrastructure	4
Cost of Doing Business	7	Environmental Regulation	3
Labor Availability	9	Proximity to Suppliers	5
Higher Education Availability	3		
Housing Affordability	3		

Greater Sacramento Locational Advantages:

- Labor Availability
- Proximity to Markets

Industry: Selected Women's Outerwear
SIC: 2331
Description: NA

	1988	1989	1990	<u>Rates of Change</u> 88 - 89 89 - 90	
Shipments	\$14,921	\$16,173	NA	8.4%	NA
Employees	229	229	NA	0.0%	NA
Production Workers	87	188	NA	0.5%	NA
Imports	\$2,169	\$2,130	NA	-1.8%	NA
Exports	\$169	\$202	NA	19.5%	NA

Note: Dollar amounts in millions, employees in thousands.

Outlook: Similar to overall industry.

Long Term Potential: The most critical variable to industry will be its willingness to accept and profit from quick changes in demand from the market. The industry will have to increase reliance on capital-intensive and robotic methods of production.

Key Location Requirements: (1 = less important 10 = more important)

Proximity to Markets	6	Public Infrastructure	4
Cost of Doing Business	7	Environmental Regulation	3
Labor Availability	9	Proximity to Suppliers	5
Higher Education Availability	3		
Housing Affordability	3		

Greater Sacramento Locational Advantages:

- Labor Availability
- Proximity to Markets

Industry: Miscellaneous Textile Products
SIC: 2390
Description: Home furnishings and other textile products were important aspects of textiles. Changes in demand and demographic trends impact future.

	1988	1989	1990	<u>Rates of Change</u> 88 - 89 89 - 90	
Shipments	\$16,393	17,508	NA	6.8%	NA
Employees	200	209	NA	4.5%	NA
Production Workers	63	70	NA	4.3%	NA
Imports	\$1,582	\$1,774	NA	12.1%	NA
Exports	\$612	\$789	NA	8.9%	NA

Note: Dollar amounts in millions, employees in thousands.

Outlook: Similar to apparel industry.

Long Term Potential: Mandatory shorter lead times and rising quality standards will make the QR approach mandatory for survivors. Must integrate marketing strategies and advanced technologies with understanding of the current global environment to maintain market.

Key Location Requirements: (1 = less important 10 = more important)

Proximity to Markets	6	Public Infrastructure	4
Cost of Doing Business	7	Environmental Regulation	3
Labor Availability	9	Proximity to Suppliers	5
Higher Education Availability	3		
Housing Affordability	3		

Greater Sacramento Locational Advantages:

- Labor Availability
- Proximity to Markets

Industry: Household Furniture
SIC: 2510
Description: Producers of residential wood, upholstered and metal furniture, bedding and convertible beds. Industry made from small producers with local markets.

	1988	1989	1990	<u>Rates of Change</u> 88 - 89 89 - 90	
Shipments	\$19,411	\$19,883	NA	2.4%	NA
Employees	289	289	NA	0.0%	NA
Production Workers	245	245	NA	0.0%	NA
Imports	\$2,910	\$2,765	NA	-5.0%	NA
Exports	\$313	\$414	NA	32.3%	NA

Note: Dollar amounts in millions, employees in thousands.

Outlook: Current outlook is limited by recessionary factors and demand for housing. Orders are down about two percent. The U.S.-Canada FTA called for five year staging of tariffs (1990) which will increase exports. Changes in value of dollar will impact trade.

Long Term Potential: Prospects are more positive given maturing baby boomers and greater access to foreign markets. Down side is decline in furniture relative to other durables and increased costs of environmental and workplace safety regulations. Aging of baby boomers will increase demand for quality furniture.

Key Location Requirements: (1 = less important 10 = more important)

Proximity to Markets	7	Public Infrastructure	5
Cost of Doing Business	6	Environmental Regulation	8
Labor Availability	7	Proximity to Suppliers	6
Higher Education Availability	4		
Housing Affordability	5		

Greater Sacramento Locational Advantages:

- Labor Availability
- Proximity to Markets

Source: U.S. Industrial Outlook

Industry: Periodicals
SIC: 2721
Description: Economic uncertainty and tightening advertising budgets reduced growth in revenue. Consumer magazines face increased postage and many start-ups

	1988	1989	1990	<u>Rates of Change</u> 88 - 89 89 - 90	
Shipments	\$19,149	\$20,726	\$22,168	8.2%	7.0%
Employees	116	122	127	5.2%	4.1%
Production Workers	19.1	19.3	19.6	1.0%	1.6%
Imports	\$108	\$123	\$142	13.9%	15.4%
Exports	\$496	\$431	\$483	-13.1%	12.1%

Note: Dollar amounts in millions, employees in thousands.

Outlook: Slower economic times mean less advertising revenues which may mean price pressure on subscriptions. Increased postal rates will impact costs. Imports of foreign magazines have precipitated changes in trading agreements and relocation of the production process.

Long Term Potential: Longer term growth rate is 1.5-2.5 percent below rest of industry and GNP. Changes in demographics will dictate content. More educated readers will make additional demands on content which will impact targeting by advertisers. More copies will be sold by subscription and selective binding technology.

Key Location Requirements: (1 = less important 10 = more important)

Proximity to Markets	8	Public Infrastructure	5
Cost of Doing Business	7	Environmental Regulation	8
Labor Availability	7	Proximity to Suppliers	7
Higher Education Availability	4		
Housing Affordability	5		

Greater Sacramento Locational Advantages:

- Proximity to Markets
- Labor Availability
- Proximity to Suppliers

Industry: Book Publishing
SIC: 2731
Description: Increased sales due to demographic trends, larger institutional budgets, and strong international demand. Concentrated industry 2,200 firms do 90 percent of business.

	1988	1989	1990	<u>Rates of Change</u>	
				88 - 89	89 - 90
Shipments	\$12,680	\$14,000	\$15,300	10.4%	9.3%
Employees	71.5	74	75.5	3.5%	2.0%
Production Workers	16	16.5	16.5	3.1%	0.0%
Imports	\$801	\$760	\$795	-5.1%	4.6%
Exports	\$925	\$1,090	\$1,250	17.8%	14.7%

Note: Dollar amounts in millions, employees in thousands.

Outlook: Rising sales in textbook and tradebook markets. Export sales are expected to advance. New students will increase demands and boomers will expand markets. Service industry expansion is good for publishers of technical, scientific, and professional books.

Long Term Potential: Four percent growth is expected through 1994. Funding for schools and libraries will increase demand, more schools, increased enrollments and improved opportunities in foreign markets should sustain a high level of industry growth. Foreign competition, yet paper suppliers are increasing capacity.

Key Location Requirements: (1 = less important 10 = more important)

Proximity to Markets	8	Public Infrastructure	5
Cost of Doing Business	7	Environmental Regulation	
Labor Availability	7	Proximity to Suppliers	7
Higher Education Availability	4		
Housing Affordability	5		

Greater Sacramento Locational Advantages:

- Proximity to Markets
- Labor Availability
- Proximity to Suppliers

Source: U.S. Industrial Outlook

Industry: Machine Tools
SIC: 3541
Description: Activity increased 30 percent in 1989. Structural changes in end-users ensures rate of five percent. Cyclical, seven capital intensive in firms of 150 employees.

	1988	1989	1990	<u>Rates of Change</u> 88 - 89 89 - 90	
Shipments	\$4,993	\$6,691	\$7,026	4.0%	5.0%
Employees	48	49	49	2.1%	0.0%
Production Workers	28.5	29.2	29.2	2.5%	0.0%
Imports	\$2,476	\$2,915	NA	17.7%	NA
Exports	\$1,226	\$1,513	NA	3.4%	NA

Note: Dollar amounts in millions, employees in thousands.

Outlook: Cutting tool orders declined as economic conditions degraded. Current backlogs exist despite inventory controls. Japanese transplants will be producing more product in 1991. One percent growth is expected, assuming recession is not too severe.

Long Term Potential: Potential yet several issues are present, e.g. product liability reform, and production standards in the COCOM. Industry is seeking to reduce labor costs by capitalizing production. Required skilled labor will be in short supply by 1995. Automate or vacate the industry, which happened in Europe.

Key Location Requirements: (1 = less important 10 = more important)

Proximity to Markets	6	Public Infrastructure	4
Cost of Doing Business	7	Environmental Regulation	5
Labor Availability	7	Proximity to Suppliers	7
Higher Education Availability	4		
Housing Affordability	5		

Greater Sacramento Locational Advantages:

— Labor Availability

Industry: Computers & Peripherals
SIC: 3571
Description: Sluggish business & defense demand as markets shift to new products. Big ticket items slower as smaller machines gained market share.

	1988	1989	1990	<u>Rates of Change</u>	
				88 - 89	89 - 90
Shipments	\$65,450	\$69,500	\$72,500	6.2%	3%
Employees	290	281	276	-3.1%	-1.8%
Production Workers	101	96	93	-5.0%	-3.1%
Imports	\$18,631	\$20,500	\$21,400	10.0%	4.4%
Exports	\$22,561	\$22,600	\$21,500	0.2%	-4.9%

Note: Dollar amounts in millions, employees in thousands.

Outlook: Moderate demand will be a function of recessionary forces. Purchasers are down sizing their needs for mainframes and intermediate platforms should do well. Workstations improving MIPS and market share may be limited by memory availability. PC's in 32bit mode, doing well with LAN's.

Long Term Potential: Workstations strong especially in CAD/CAM. Midrange machines that enhance compatibility face strong opportunities. PC's will grow 8-12 percent as more applications are ported to more powerful micro environments that are graphically based multitaskers. Protocol standards will impact LAN installations.

Key Location Requirements: (1 = less important 10 = more important)

Proximity to Markets	5	Public Infrastructure	4
Cost of Doing Business	6	Environmental Regulation	5
Labor Availability	7	Proximity to Suppliers	7
Higher Education Availability	8		
Housing Affordability	7		

Greater Sacramento Locational Advantages:

- Higher Education
- Proximity to Supplier
- Housing Affordability
- Labor Availability

Source: U.S. Industrial Outlook

Industry: Electronic Components & Accessories
SIC: 3670
Description: Components have applications in industrial, consumer, military, and information products. Growth slowed in 1989 due to softness in computer and telecommunications.

	1988	1989	1990	<u>Rates of Change</u>	
				88 - 89	89 - 90
Shipments	\$59,582	\$63,347	\$63,354	6.3%	2.0%
Employees	581	577	565	-0.7%	-2.1%
Production Workers	52	49	45	-0.9%	-1.1%
Imports	\$16,842	\$17,744	\$17,273	5.4%	-2.7%
Exports	\$11,576	\$12,208	\$11,285	5.5%	-7.6%

Note: Dollar amounts in millions, employees in thousands.

Outlook: Nominal shipments will decrease due to slower growth in the computer and telecommunications industries. Prices for memory in the form of 1 meg & 4 meg chips will fluctuate, trending downward. Integrated production is developing in East Asia rather than production outposts for US and Japan.

Long Term Potential: Output is expected to grow 11 percent until 1993. Efforts to strengthen U.S. competitiveness are in place. European and Asian markets are becoming unified markets and will require investments in fabrication plants. Companies expected to "think globally and act locally." Some consortiums from R&D.

Key Location Requirements: (1 = less important 10 = more important)

Proximity to Markets	5	Public Infrastructure	4
Cost of Doing Business	6	Environmental Regulation	5
Labor Availability	7	Proximity to Suppliers	7
Higher Education Availability	8		
Housing Affordability	7		

Greater Sacramento Locational Advantages:

- Higher Education
- Proximity to Supplier
- Housing Affordability
- Labor Availability

Industry: Discrete Electronic Parts
SIC: 3671
Description: Remainder of electronic components where miniaturization has become the trend. Switches, electric crystals, and recording equipment.

	1988	1989	1990	<u>Rates of Change</u>	
				88 - 89	89 - 90
Shipments	\$39,097	\$30,222	\$31,156	-22.7%	3.1%
Employees	320	312	16	-2.5%	1.3%
Production Workers	212	206	209	-2.8%	1.5%
Imports	\$5,209	\$4,892	\$4,939	-6.1%	0.0%
Exports	\$2,816	\$2,574	\$2,528	-8.6%	-1.8%

Note: Dollar amounts in millions, employees in thousands.

Outlook: Shipments slightly increase in 1990 due to economy and foreign markets. Weak demand in automobile, telecommunications, and computer industries. Stronger demand is expected in avionics. Continued direct investment in US by Asian & European companies who are facing rising labor costs. ECM a factor.

Long Term Potential: Manufacturers looking for ways to stretch R&D money to decrease time from research to markets. Expanded research in materials and processing technology is needed to insure leadership. Joint ventures, cross-licensing, and flexibility required to fuel innovation in HDTV, LCD's, and miniaturization.

Key Location Requirements: (1 = less important 10 = more important)

Proximity to Markets	5	Public Infrastructure	4
Cost of Doing Business	6	Environmental Regulation	5
Labor Availability	7	Proximity to Suppliers	7
Higher Education Availability	8		
Housing Affordability	7		

Greater Sacramento Locational Advantages:

- Higher Education
- Proximity to Supplier
- Housing Affordability
- Labor Availability

Source: U.S. Industrial Outlook

Industry: Electronic Components Other Than Semi-conductors

SIC: 3672

Description: Products other than semiconductors include printed circuit boards, tubes, relays, recording tape, capacitors, resistors, and transformers.

	1988	1989	1990	<u>Rates of Change</u> 88 - 89 89 - 90	
Shipments	\$4,838	\$5,104	\$5,512	5.5%	8.0%
Employees	61.2	62	64.1	1.3%	3.4%
Production Workers	5.5	45.8	47.2	0.7%	3.1%
Imports	\$678	\$967	\$1,161	42.6%	20.1%
Exports	\$745	\$793	\$872	6.4%	10.0%

Note: Dollar amounts in millions, employees in thousands.

Outlook: Trade balance will continue to deteriorate in components. Investment into ECM will continue as firms position for 1992.

Long Term Potential: Growth potential tied to innovation and demand in the electronics industry. Some increases are expected as the result of Persian Gulf activity. The ECM presents additional opportunity.

Key Location Requirements: (1 = less important 10 = more important)

Proximity to Markets	5	Public Infrastructure	4
Cost of Doing Business	6	Environmental Regulation	5
Labor Availability	7	Proximity to Suppliers	7
Higher Education Availability	8		
Housing Affordability	7		

Greater Sacramento Locational Advantages:

- Higher Education
- Proximity to Supplier
- Housing Affordability
- Labor Availability

Industry: Semi Conductors & Related Devices
SIC: 3674
Description: Changes in technology and the re-emergence of world markets has increased the pressure on production. Prices have been falling.

	1988	1989	1990	<u>Rates of Change</u>	
				88 - 89	89 - 90
Shipments	\$25,647	\$28,021	\$26,686	9.3%	-4.8%
Employees	199	203	185	2.0%	-8.9%
Production Workers	94.9	96.8	88.2	2.0%	-8.9%
Imports	\$10,955	\$11,885	\$11,173	8.5%	-6.0%
Exports	\$8,015	\$8,841	\$7,885	10.3%	-10.8%

Note: Dollar amounts in millions, employees in thousands.

Outlook: Sluggish growth characterized industry in 1990. Expectations are for slower growth in telecommunications and computer sectors which consume 60 percent of sector output. New 4 meg DRAMS and 1 meg SRAMS will be the market. Employment levels decrease and capital investment expected to be modest.

Long Term Potential: Expected to grow at 11 percent annually through 1993. Cooperative efforts in the fabrication of IC's will be attractive. Geopolitical and economic factors are creating a unified market in Europe while Asia studies the opportunity closely. JESSI in Europe & Sematech in U.S. are co-op R&D efforts.

Key Location Requirements: (1 = less important 10 = more important)

Proximity to Markets	4	Public Infrastructure	8
Cost of Doing Business	6	Environmental Regulation	7
Labor Availability	7	Proximity to Suppliers	7
Higher Education Availability	8		
Housing Affordability	7		

Greater Sacramento Locational Advantages:

- Higher Education
- Proximity to Supplier
- Housing Affordability
- Labor Availability
- Public Infrastructure

Source: U.S. Industrial Outlook

Industry: Laboratory Instruments
SIC: 3821
Description: When companies expand, increased demand for instruments occurs. Demand is associated with expansion of plant and equipment. R&D dependent.

	1988	1989	1990	<u>Rates of Change</u> 88 - 89 89 - 90	
Shipments	\$11,921	\$12,611	\$13,587	5.8%	7.7%
Employees	119	122	NA	2.5%	NA
Production Workers	59.7	63.2	NA	5.9%	NA
Imports	\$2,187	\$1,915	NA	-12.4%	NA
Exports	\$2,909	\$3,528	NA	1.3%	NA

Note: Dollar amounts in millions, employees in thousands.

Outlook: Growth of 4.6 percent expected despite strong foreign competition. New manufacturing technologies required or domestic market will erode. New spectrometers for biotechnical/biochemical research. U.S. firms have scaled down R&D efforts. Need in industry to create instruments that talk to each other.

Long Term Potential: Prospects are good depending upon monies spent on research and development. Shipments will increase five percent through 1994. Environmental concerns and drug testing will support product demand for accurate convenient instruments that are small. Demand is strong for biosensors for fermentation in bioreactors.

Key Location Requirements: (1 = less important 10 = more important)

Proximity to Markets	6	Public Infrastructure	5
Cost of Doing Business	5	Environmental Regulation	5
Labor Availability	7	Proximity to Suppliers	7
Higher Education Availability	8		
Housing Affordability	7		

Greater Sacramento Locational Advantages:

- Higher Education
- Proximity to Supplier
- Housing Affordability
- Labor Availability
- Public Infrastructure

Industry: Measuring & Controlling Devices
SIC: 3822
Description: Produces industrial, commercial and residential measuring and controlling devices.

	1988	1989	1990	<u>Rates of Change</u>	
				88 - 89	89 - 90
Shipments	\$8,544	\$9,054	\$9,495	6.0%	4.9%
Employees	98.1	102	NA	4.0%	NA
Production Workers	58.3	61.2	NA	5.0%	NA
Imports	\$1,028	\$1,229	NA	19.6%	NA
Exports	\$1,531	\$1,377	NA	-10.1%	NA

Note: Dollar amounts in millions, employees in thousands.

Outlook: Expected to increase two percent. Low occupancy rates and less favorable tax treatment will limit demand for office space controllers. If US producers can develop new markets, there are international opportunities.

Long Term Potential: Growth rate of two percent expected until 1994. Sales of building control systems will be slow. A real threat of foreign competition exists in this sector. There may be a market in boomers houses that require process control devices and systems in their larger trade-up houses.

Key Location Requirements: (1 = less important 10 = more important)

Proximity to Markets	6	Public Infrastructure	5
Cost of Doing Business	5	Environmental Regulation	5
Labor Availability	7	Proximity to Suppliers	7
Higher Education Availability	8		
Housing Affordability	7		

Greater Sacramento Locational Advantages:

- Higher Education
- Proximity to Supplier
- Housing Affordability
- Labor Availability
- Public Infrastructure

Source: U.S. Industrial Outlook

Industry: Instruments to Measure Electricity
SIC: 3825
Description: Sluggish growth in components impacted sales in this sector. Rates of change have slowed. ATE sales were slowed by recessionary fears.

	1988	1989	1990	<u>Rates of Change</u> 88 - 89 89 - 90	
Shipments	\$8,671	\$9,365	\$9,927	8.0%	6.0%
Employees	87.5	88.8	NA	1.5%	NA
Production Workers	46.1	46.9	NA	1.7%	NA
Imports	\$1,026	\$1,141	NA	11.2%	NA
Exports	\$2,336	\$2,628	NA	12.5%	NA

Note: Dollar amounts in millions, employees in thousands.

Outlook: Electronics industry sluggishness will impact sales of measurement devices. Automatic measuring devices will be especially impacted. Sales in computers and telecommunications have direct effects upon activity in this market. Diagnostic systems using electron beams to probe IC's are in demand.

Long Term Potential: Expected to expand at five percent per year till 1994. Sales will parallel developments in the electronics industry. Long term growth in electronics will guarantee sales of test equipment. If U.S. produces DRAMS, demand for test equipment will grow. Opportunities in the ECM assuming overlap and regulation change.

Key Location Requirements: (1 = less important 10 = more important)

Proximity to Markets	6	Public Infrastructure	5
Cost of Doing Business	5	Environmental Regulation	5
Labor Availability	7	Proximity to Suppliers	7
Higher Education Availability	8		
Housing Affordability	7		

Greater Sacramento Locational Advantages:

- Higher Education
- Proximity to Supplier
- Housing Affordability
- Labor Availability
- Public Infrastructure

Industry: X-ray Apparatus & Tubes
SIC: 3844
Description: Industry manufactures radiographic, fluoroscopic, and therapeutic x-ray devices. Price pressures, weak demand, and foreign competition reduced innovation.

	1988	1989	1990	<u>Rates of Change</u>	
				88 - 89	89 - 90
Shipments	\$1,747	\$1,817	\$1,829	4.0%	0.7%
Employees	9.9	10.1	10	2.0%	-0.0%
Production Workers	7.1	7.4	7.5	4.2%	.4%
Imports	\$860	\$795	\$866	-7.6%	8.9%
Exports	\$410	\$466	\$508	13.7%	9.0%

Note: Dollar amounts in millions, employees in thousands.

Outlook: X-ray shipments had moderate increases in demand. Industry consolidation is expected as domestic market shows slow growth and hospitals purchase x-ray machines for replacement purposes. There is an export market for U.S. x-ray technology. May be market in USSR.

Long Term Potential: Growth is expected at 1.5 percent. Demand from hospitals is expected to be stagnant. Imaging contrast agents may increase demand for x-ray & CT scanners. Positron emission tomography (PET) offers 3D metabolic and functional views of organs and is important advancement. Sellers looking for new markets.

Key Location Requirements: (1 = less important 10 = more important)

Proximity to Markets	6	Public Infrastructure	
Cost of Doing Business	5	Environmental Regulation	5
Labor Availability	7	Proximity to Suppliers	7
Higher Education Availability	8		
Housing Affordability	7		

Greater Sacramento Locational Advantages:

- Higher Education
- Proximity to Supplier
- Housing Affordability
- Labor Availability
- Public Infrastructure

Industry: Surgical Appliances & Supplies
SIC: 3842
Description: Industry manufacturers a range of products including walkers, wheelchairs, orthopedic supplies, bandages, hearing aids, and protective clothing.

	1988	1989	1990	<u>Rates of Change</u>	
Shipments	\$9,619	\$10,485	\$11,593	.0%	10.6%
Employees	84.8	89.7	NA	5.8%	NA
Production Workers	55.3	56.9	NA	2.9%	NA
Imports	\$373	\$400	\$420	7.2%	5.0%
Exports	\$668	\$3,062	\$1,042	58.4%	-66.0%

Note: Dollar amounts in millions, employees in thousands.

Outlook: Surgical supplies increased nine percent in 1990. Demographic trends will continue to support sales, however, efforts toward cost-containment will lead to industry consolidation. Manufacturers of wheelchairs and home health products have relocated over seas. Imports will rise.

Long Term Potential: Expectations for growth rate of 8-10 percent exist for sector. Alternate care, immediate care, and ambulatory care facilities will increase demand. Orthopedic supplies and basic care items will benefit most from the change in the location of demand. Demographic changes in Europe and Far East will up sales.

Key Location Requirements: (1 = less important 10 = more important)

Proximity to Markets	6	Public Infrastructure	5
Cost of Doing Business	5	Environmental Regulation	5
Labor Availability	7	Proximity to Suppliers	7
Higher Education Availability	8		
Housing Affordability	7		

Greater Sacramento Locational Advantages:

- Higher Education
- Proximity to Supplier
- Housing Affordability
- Labor Availability
- Public Infrastructure

Industry: Surgical & Medical Instruments
SIC: 3841
Description: This sector is the largest in the medical supplies group and accounts for 38 percent of production. Volume discounts protecting against foreign competition.

	1988	1989	1990	<u>Rates of Change</u>	
				88 - 89	89 - 90
Shipments	\$8,468	\$9,315	\$10,154	10.0%	9.0%
Employees	82.6	88.3	NA	6.9%	NA
Production Workers	51.8	55.7	NA	7.5%	NA
Imports	\$792	\$626	\$670	-21.0%	7.0%
Exports	\$963	\$1,455	\$1,601	51.1%	10.0%

Note: Dollar amounts in millions, employees in thousands.

Outlook: Increases of 10 percent expected in disposable devices and diagnostic kits. Aging of the population, AIDS crisis and trend toward self-diagnosis are factors promoting demand. There is presence of foreign competition in these markets. Prices of inputs have plateaued and are expected to be stable.

Long Term Potential: Growth rates of eight percent are expected till 1994. Sales to alternate care centers will increase as boomers need additional in and out patient care. There will be a shift toward disposable devices, away from reusable apparatus.

Key Location Requirements: (1 = less important 10 = more important)

Proximity to Markets	6	Public Infrastructure	5
Cost of Doing Business	5	Environmental Regulation	5
Labor Availability	7	Proximity to Suppliers	7
Higher Education Availability	8		
Housing Affordability	7		

Greater Sacramento Locational Advantages:

- Higher Education
- Proximity to Supplier
- Housing Affordability
- Labor Availability
- Public Infrastructure

Source: U.S. Industrial Outlook

Industry: Dental Equipment & Supplies
SIC: 3843
Description: Small sector in medical group. Declines in dental decay and little innovation in traditional dental tools have reduced outlook in the sector.

	1988	1989	1990	<u>Rates of Change</u>	
Shipments	\$1,460	\$1,549	\$1,662	6.1%	.3%
Employees	14.4	15.1	NA	4.9%	NA
Production Workers	8.9	9	NA	1.1%	NA
Imports	\$112	\$131	\$143	17.0%	9.2%
Exports	\$322	\$277	307	-14.0%	0.8%

Note: Dollar amounts in millions, employees in thousands.

Outlook: Values are expected to increase six percent short term. Due to emphasis on prevention, growth will be primarily in dental supplies. Growth in professional dental products such as composite implants and ceramic applications for orthodontia. Restructuring occurring with little technological development.

Long Term Potential: Growth rate expected to be five percent till 1994. There is sharp decline in amount of tooth decay and increasing demand for preventative care. Cosmetic dentistry is also increasing in popularity and an aging population will need restorative procedures. Consolidation will protect against foreign competitors.

Key Location Requirements: (1 = less important 10 = more important)

Proximity to Markets	6	Public Infrastructure	5
Cost of Doing Business	5	Environmental Regulation	5
Labor Availability	7	Proximity to Suppliers	7
Higher Education Availability	8		
Housing Affordability	7		

Greater Sacramento Locational Advantages:

- Higher Education
- Proximity to Supplier
- Housing Affordability
- Labor Availability
- Public Infrastructure

Source: U.S. Industrial Outlook

Industry: Information Services
SIC: 7374
Description: All sectors expected to show increase in 1991 which will exceed GNP growth. Revenues are expected to increase 15-20 percent.

	1988	1989	1990	<u>Rates of Change</u> 88 - 89 89 - 90	
Shipments	NA	NA	NA	NA	NA
Employees	NA	NA	NA	NA	NA
Production Workers	NA	NA	NA	NA	NA
Imports	NA	NA	NA	NA	NA
Exports	NA	NA	NA	NA	NA

Note: Dollar amounts in millions, employees in thousands.

Outlook: Industry expects rapid growth. Growth for those firms that provide electronic data interchange (EDI) and disaster recovery will be robust. Revenues are expected to grow 16 percent. Foreign markets are important because US firms operate internationally. Europe and Pacific Rim are opportunities.

Long Term Potential: Growth rate expected to be 15 percent till 1994. Most active will be EDI segment. Interface with Integrated Services Digital Networks will be exciting field. Open network architecture will be focus of regulatory concerns as more companies consider consolidation activities. Foreign markets will be good.

Key Location Requirements: (1 = less important 10 = more important)

Proximity to Markets	6	Public Infrastructure	5
Cost of Doing Business	5	Environmental Regulation	5
Labor Availability	7	Proximity to Suppliers	7
Higher Education Availability	8		
Housing Affordability	7		

Greater Sacramento Locational Advantages:

- Cost of Doing Business
- Labor Availability

Source: U.S. Industrial Outlook

PROXIMITY TO MARKETS

SIC	Industry	Market
2721	Periodicals	8.
2731	Book Publishing	8.
2510	Household Furniture	7.
3822	Measuring & Controlling Devices	6.
3825	Instruments to Measure Electricity	6.
3842	Surgical Appliances & Supplies	6.
2300	Apparel & Other Finished Textiles	6.
2331	Selected Women's Outerwear	6.
2310	Selected Men's & Boys	6.
7374	Information Services	6.
3841	Surgical & Medical Instruments	6.
2390	Miscellaneous Textile Products	6.
3843	Dental Equipment & Supplies	6.
3844	X-ray Apparatus & Tubes	6.
3821	Laboratory Instruments	6.
3541	Machine Tools	6.
2011	Red Meat	5.
3670	Electronic Components & Accessories	5.
3671	Discrete Electronic Parts	5.
3571	Computers & Peripherals	5.
3672	Electronic Components Other Than Semiconductors	5.
3674	Semiconductors & Related Devices	4.
2015	Poultry Slaughtering & Processing	4.

COST OF DOING BUSINESS

SIC	Industry	Cost
2331	Selected Women's Outerwear	7.
2310	Selected Men's & Boys	7.
2390	Miscellaneous Textile Products	7.
2300	Apparel & Other Finished Textiles	7.
2011	Red Meat	7.
2721	Periodicals	7.
2731	Book Publishing	7.
3541	Machine Tools	7.
3670	Electronic Components & Accessories	6.
3674	Semiconductors & Related Devices	6.
3672	Electronic Components Other Than Semiconductors	6.
3671	Discrete Electronic Parts	6.
3571	Computers & Peripherals	6.
2015	Poultry Slaughtering & Processing	6.
2510	Household Furniture	6.
3822	Measuring & Controlling Devices	5.
3825	Instruments to Measure Electricity	5.
7374	Information Services	5.
3841	Surgical & Medical Instruments	5.
3842	Surgical Appliances & Supplies	5.
3843	Dental Equipment & Supplies	5.
3844	X-ray Apparatus & Tubes	5.
3821	Laboratory Instruments	5.

<i>SIC</i>	<i>Industry</i>	<i>Labor</i>
2331	Selected Women's Outerwear	9.
2310	Selected Men's & Boys	9.
2390	Miscellaneous Textile Products	9.
2300	Apparel & Other Finished Textiles	9.
2015	Poultry Slaughtering & Processing	7.
3571	Computers & Peripherals	7.
3671	Discrete Electronic Parts	7.
3670	Electronic Components & Accessories	7.
3674	Semiconductors & Related Devices	7.
3672	Electronic Components Other Than Semiconductors	7.
3841	Surgical & Medical Instruments	7.
3842	Surgical Appliances & Supplies	7.
3843	Dental Equipment & Supplies	7.
3844	X-ray Apparatus & Tubes	7.
3821	Laboratory Instruments	7.
3822	Measuring & Controlling Devices	7.
3825	Instruments to Measure Electricity	7.
7374	Information Services	7.
2510	Household Furniture	7.
2731	Book Publishing	7.
2721	Periodicals	7.
3541	Machine Tools	7.
2011	Red Meat	5.

LABOR AVAILABILITY

<i>SIC</i>	<i>Industry</i>	<i>Education</i>
3670	Electronic Components & Accessories	8.
3674	Semiconductors & Related Devices	8.
3672	Electronic Components Other Than Semiconductors	8.
3671	Discrete Electronic Parts	8.
3571	Computers & Peripherals	8.
3843	Dental Equipment & Supplies	8.
3844	X-ray Apparatus & Tubes	8.
3821	Laboratory Instruments	8.
3822	Measuring & Controlling Devices	8.
3825	Instruments to Measure Electricity	8.
7374	Information Services	8.
3841	Surgical & Medical Instruments	8.
3842	Surgical Appliances & Supplies	8.
2721	Periodicals	4.
2731	Book Publishing	4.
3541	Machine Tools	4.
2510	Household Furniture	4.
2331	Selected Women's Outerwear	3.
2390	Miscellaneous Textile Products	3.
2310	Selected Men's & Boys	3.
2015	Poultry Slaughtering & Processing	3.
2300	Apparel & Other Finished Textiles	3.
2011	Red Meat	1.

HIGHER EDUCATION AVAILABILITY

HOUSING AFFORDABILITY

SIC	Industry	Housing
3670	Electronic Components & Accessories	7.
3674	Semiconductors & Related Devices	7.
3672	Electronic Components Other Than Semiconductors	7.
3671	Discrete Electronic Parts	7.
3571	Computers & Peripherals	7.
3843	Dental Equipment & Supplies	7.
3844	X-ray Apparatus & Tubes	7.
3821	Laboratory Instruments	7.
3822	Measuring & Controlling Devices	7.
3825	Instruments to Measure Electricity	7.
7374	Information Services	7.
3841	Surgical & Medical Instruments	7.
3842	Surgical Appliances & Supplies	7.
2721	Periodicals	5.
3541	Machine Tools	5.
2731	Book Publishing	5.
2510	Household Furniture	5.
2331	Selected Women's Outerwear	3.
2310	Selected Men's & Boys	3.
2390	Miscellaneous Textile Products	3.
2300	Apparel & Other Finished Textiles	3.
2015	Poultry Slaughtering & Processing	2.
2011	Red Meat	1.

AVAILABILITY OF PUBLIC INFRASTRUCTURE

SIC	Industry	Public Infrastructure
3674	Semiconductors & Related Devices	8.
2015	Poultry Slaughtering & Processing	8.
2011	Red Meat	7.
7374	Information Services	5.
3822	Measuring & Controlling Devices	5.
2510	Household Furniture	5.
3821	Laboratory Instruments	5.
3842	Surgical Appliances & Supplies	5.
3825	Instruments to Measure Electricity	5.
3844	X-ray Apparatus & Tubes	5.
3841	Surgical & Medical Instruments	5.
2731	Book Publishing	5.
3843	Dental Equipment & Supplies	5.
2721	Periodicals	5.
2331	Selected Women's Outerwear	4.
3670	Electronic Components & Accessories	4.
2300	Apparel & Other Finished Textiles	4.
2390	Miscellaneous Textile Products	4.
3671	Discrete Electronic Parts	4.
3571	Computers & Peripherals	4.
2310	Selected Men's & Boys	4.
3672	Electronic Components Other Than Semiconductors	4.
3541	Machine Tools	4.

<i>SIC</i>	<i>Industry</i>	<i>Environment</i>
2011	Red Meat	8.
2015	Poultry Slaughtering & Processing	8.
2731	Book Publishing	8.
2510	Household Furniture	8.
2721	Periodicals	8.
3674	Semiconductors & Related Devices	5.
3822	Measuring & Controlling Devices	5.
3541	Machine Tools	5.
3672	Electronic Components Other Than Semiconductors	5.
3841	Surgical & Medical Instruments	5.
3842	Surgical Appliances & Supplies	5.
3825	Instruments to Measure Electricity	5.
7374	Information Services	5.
3821	Laboratory Instruments	5.
3571	Computers & Peripherals	5.
3843	Dental Equipment & Supplies	5.
3844	X-ray Apparatus & Tubes	5.
3671	Discrete Electronic Parts	5.
2331	Selected Women's Outerwear	3.
2310	Selected Men's & Boys	3.
2390	Miscellaneous Textile Products	3.
2300	Apparel & Other Finished Textiles	3.

ENVIRONMENTAL REGULATION & CONSTRAINTS

<i>SIC</i>	<i>Industry</i>	<i>Supplies</i>
3670	Electronic Components & Accessories	7.
3674	Semiconductors & Related Devices	7.
3672	Electronic Components Other Than Semiconductors	7.
3671	Discrete Electronic Parts	7.
3571	Computers & Peripherals	7.
2721	Periodicals	7.
2731	Book Publishing	7.
3541	Machine Tools	7.
3822	Measuring & Controlling Devices	7.
3825	Instruments to Measure Electricity	7.
7374	Information Services	7.
3841	Surgical & Medical Instruments	7.
3842	Surgical Appliances & Supplies	7.
3843	Dental Equipment & Supplies	7.
3844	X-ray Apparatus & Tubes	7.
3821	Laboratory Instruments	7.
2510	Household Furniture	6.
2331	Selected Women's Outerwear	5.
2390	Miscellaneous Textile Products	5.
2310	Selected Men's & Boys	5.
2011	Red Meat	5.
2015	Poultry Slaughtering & Processing	4.
2300	Apparel & Other Finished Textiles	4.

PROXIMITY TO SUPPLIERS

REGIONAL OR SUPER REGIONAL INDUSTRY

<i>SIC</i>	<i>Industry</i>	<i>Regional</i>
2011	Red Meat	9.
2015	Poultry Slaughtering & Processing	9.
3671	Discrete Electronic Parts	7.
3670	Electronic Components & Accessories	7.
3825	Instruments to Measure Electricity	7.
3672	Electronic Components Other Than Semiconductors	7.
3821	Laboratory Instruments	7.
3822	Measuring & Controlling Devices	7.
3843	Dental Equipment & Supplies	7.
7374	Information Services	7.
3841	Surgical & Medical Instruments	7.
3842	Surgical Appliances & Supplies	7.
3844	X-ray Apparatus & Tubes	7.
3571	Computers & Peripherals	7.
2310	Selected Men's & Boys	6.
2300	Apparel & Other Finished Textiles	6.
2721	Periodicals	6.
2390	Miscellaneous Textile Products	6.
2331	Selected Women's Outerwear	6.
2731	Book Publishing	6.
2510	Household Furniture	5.
3674	Semiconductors & Related Devices	5.

Appendix

Sacramento Target Study
1988

PRIMARY INDUSTRY TARGETS
OF THE
SACRAMENTO AREA COMMERCE AND TRADE ORGANIZATION
SELECTED FROM THE
SPECIFIC INDUSTRY TARGET LIST

Primary Targets

SACTO is primarily interested in talking with companies needing clean water, lower electricity costs and convenient access to the large and growing markets of the West Coast of the U.S. Due to the area's highly educated workforce, and its being the capital of California, numerous service industry and scientific support providers have become well established in the area. This suggests the Greater Sacramento Area would be very suitable for establishing headquarters, administration and research and development functions along with production functions.

Although SACTO would be happy to explore opportunities with companies having a wide range of needs and interests, the following are of most interest:

U.S. Standard

Industrial

Classification

Manufacturing Groups

28	Chemical and Allied Products
	2831 Biological Products
	2833 Medicinal and botanical products
	2834 Pharmaceutical preparations (includes biotechnology interests, fermentation, brewing, etc.)
36	Electrical and Electronic Machinery, Equipment and Supplies
38	Measuring, Analyzing, Controlling Instruments; Photographic, Medical and Optical Goods

SPECIAL NOTE: In addition to manufacturers, along with their administration and research and development operations, the Greater Sacramento Area also serves as an excellent transportation center. Cargo can be distributed to the western U.S. and the nation at large, using the railroads, interstate highways, airport and inland Port of Sacramento.

SUMMARY
OF STANDARD INDUSTRIAL CLASSIFICATION CATEGORIES
AND
SACRAMENTO AREA COMMERCE AND TRADE ORGANIZATION
AREAS OF GENERAL INTEREST*

*(Italicized Classifications Represent Areas of General Interest)

AGRICULTURE, FISHERIES AND FORESTRY

- 01 Agricultural production--crops
- 02 Agricultural production--livestock
- 07 Agricultural services
- 08 Forestry
- 09 Fishing, hunting and trapping

MINING

- 10 Metal mining
- 11 Anthracite mining
- 12 Bituminous coal and lignite mining
- 13 Oil and gas extraction
- 14 Nonmetallic minerals, except fuels

CONSTRUCTION

- 15 General building contractors
- 16 Heavy construction contractors
- 17 Special trade contractors

MANUFACTURING

- 20 Food and kindred products**
- 21 Tobacco manufacture
- 22 Textile mill products
- 23 Apparel and other textile products
- 24 Lumber and wood products
- 25 Furniture and fixtures**
- 26 Paper and allied products
- 27 Printing and publishing
- 28 Chemicals and allied products**
- 29 Petroleum and coal products
- 30 Rubber and miscellaneous plastic products**
- 31 Leather and leather products
- 32 Stone, clay, and glass products**
- 33 Primary metal industries
- 34 Fabricated metal products
- 35 Machinery, except electrical
- 36 Electric and electronic equipment**
- 37 Transportation equipment**
- 38 Instruments and related products**
- 39 Miscellaneous manufacturing industries

TRANSPORTATION AND PUBLIC UTILITIES

- 40 Railroad transportation
- 41 Local and interurban passenger transit
- 42 Trucking and warehousing
- 43 U. S. Postal Service
- 44 Water transportation
- 45 Transportation by air
- 46 Pipelines, except natural gas
- 47 Transportation services**
- 48 Communications**
- 49 Electric, gas, and sanitary services

WHOLESALE AND RETAIL TRADE

- 50 Wholesale trade--durable goods
- 51 Wholesale trade-nondurable goods
- 52 Building materials and garden supplies
- 53 General merchandise stores
- 54 Food stores
- 55 Automotive dealers and service stations
- 56 Apparel and accessory stores
- 57 Furniture and home furnishings stores
- 58 Eating and drinking places
- 59 Miscellaneous retail

FINANCE, INSURANCE, AND REAL ESTATE

- 60 Banking
- 61 Credit agencies other than banks**
- 62 Security, commodity brokers and services
- 63 Insurance carriers
- 64 Insurance agents, brokers, and services
- 65 Real estate
- 66 Combined real estate, insurance, etc.
- 67 Holding land other investment offices

SERVICES

- 70 Hotels and other lodging places
- 72 Personal services
- 73 Business services**
- 75 Auto repair
- 76 Miscellaneous repair services
- 78 Motion pictures
- 79 Amusement and recreation services
- 80 Health services
- 81 Legal services
- 82 Educational services
- 83 Social services
- 84 Museums, botanical, zoological gardens
- 86 Membership organizations
- 88 Private households
- 89 Miscellaneous services

* listings underlined and in italics represent SACTO interest area

** represents interest in only a small number of classifications within SIC code
(See "Specific Industry Targets" list)

**SPECIFIC INDUSTRY TARGETS
OF THE
SACRAMENTO AREA COMMERCE AND TRADE ORGANIZATION
SELECTED FROM THE
SUMMARY OF STANDARD INDUSTRIAL CLASSIFICATION**

<u>SIC CODE</u>	<u>CLASSIFICATION</u>
20	Food and Kindred Products
2043	Cereal foods
2047	Pet foods
2048	Prepared animal feeds
	Plus additional general interest
25	Furniture and Fixtures
252x	Metal office furniture
253x	Public building furniture
254x	Partitions, shelving, lockers, etc.
27	Printing, Publishing, and Allied Industries
2721	Periodical publishing and printing
2731	Book publishing and printing
2741	Miscellaneous publishing
2761	Manifold business forms
2771	Greeting card publishing
28	Chemicals and Allied Products
2831	Biological products
2833	Medicinal chemicals and botanical products
2834	Pharmaceutical preparations
30	Rubber and Miscellaneous Plastics Producers
3079	Miscellaneous plastic products (certain primary plastic molding)
32	Stone, Clay, Glass, and Concrete Products
3264	Porcelain electrical supplies
3291	Abrasive products
3293	Gaskets, packing, and sealing devices
3297	Nonclay refractories
35	Machinery, Except Electrical
3511	Turbines and turbine generators
3534	Elevators and moving stairways
3535	Conveyors
3541	Machine tools
3555	Printing trades machinery and equipment
356x	General industrial machinery and equipment
3573	Electronic and computing equipment
3581	Automatic merchandising machines
3585	Air conditioning and air heating equipment
	Plus additional general interest

- 36 **Electrical and Electronic Machinery**
3612 Specialty transformers
3613 Switch gears
3622 Industrial controls
364x Electric lighting and wiring equipment
367x Electric components and accessories
 Plus additional general interest
- 37 **Transportation Equipment**
372x Aircraft and parts
376x Guided missiles and space vehicles
 Plus additional general interest
- 38 **Measuring, Analyzing and Controlling Instruments**
381x Engineering, laboratory, scientific and research instruments
383x Optical instruments and lenses
384x Surgical, medical and dental instruments
- 39 **Miscellaneous Manufacturing**
 General interest
- 44 **Water Transportation**
 General interest
- 47 **Transportation Services**
474x Rental of rail cars
4783 Packing and crating
 Plus additional areas of general interest
- 48 **Communications**
4899 Communications services
- 50 **Wholesale Trade-Durable**
 General interest
- 51 **Wholesale Trade-Non-Durable**
 General interest
- 61 **Credit Agencies Other than Banks**
616x Mortgage bankers and brokers
- 63 **Insurance**
 General interest in all
- 73 **Business Services**
7372 Computer programming and other software services
7374 Data processing services
7379 Computer related services
7391 Research and development laboratories
7392 Management and consulting services
7397 Commercial testing laboratories
- 86 **Membership Organizations**
 General interest

Placer County Target Study
January 1986

8

TABLE 1
PRIORITY INDUSTRY TARGETS FOR EXPANSION IN PLACER COUNTY
(19 Industries)

Industry	Industry Group	Capital Region Undersupplied Gap	Surveyed Firms Expressing Desire To Expand
Measuring and Controlling Instruments	Manufacturing	6	5
Orthopedic, Prosthetic, and Surgical Appliances	Manufacturing	3	1
Commercial Machines and Equipment	Wholesale	41	9
Warehousing and Storage	Business Service	23	2
Advertising Agencies	Business Service	36	1
Air Conditioning and Warm Air Heating Equipment	Manufacturing	2	2
Carpet and Floor Coverings	Wholesale	12	1
Electrical and Electronics Engineers	Business Service	18	1
Electronic Parts and Equipment	Wholesale	60	7
Plastics Products	Manufacturing	13	5
Veterinary Services	Consumer Service	35	8
Printing	Manufacturing	109	19
Groceries	Wholesale	45	1
Kennels	Consumer Service	6	2
Lawn and Garden Sprinkler Installation Services	Consumer Service	14	7
Wood Pallets and Skids	Manufacturing	1	1
Jewelry Stores	Retail	24	6
Luggage and Leather Goods	Retail	4	1
Sightseeing Tours	Business Service	6	3

Attraction of Firms to Placer County from Other Regions, Especially the San Francisco/Oakland Metropolitan Area.

There are currently 18 industries which appear particularly suited to an industry attraction program since only 30 of the 616 established firms have indicated a desire to expand. Fifteen of these industries are in the manufacturing and wholesale sectors. The Council estimates that the region can support up to 414 additional firms. (For a detailed list of these industries, see Table 2 on the following page).

This suggests a marketing outreach program outside of the Capital Region to attract new facility/production operations. Inasmuch as significant industrial spillover from the San Francisco/Oakland metropolitan area into the Central Valley and Foothills is already occurring, the dynamic momentum of this process should be exploited. Council estimates indicate that there are 174 large firms in these 18 industries currently operating in the San Francisco/Oakland metropolitan area.

Action Steps for the Business and Industrial Development Commission of Placer County

- o Design a Placer County calling effort to outreach to the 174 firms in the San Francisco/Oakland metropolitan market.
- o Launch a direct mail and professional staff contact campaign to encourage site visitations to Placer County.

TABLE 2
PRIORITY INDUSTRY TARGETS FOR ATTRACTION TO PLACER COUNTY
(18 Industries)

Industry	Industry Group	Capital Region Undersupplied Gap	Surveyed Firms Expressing Desire to Expand	Large Firms Operating in SF/O Urban Area
<u>ATTRACTION FROM OTHER REGIONS</u> (18 Industries)				
Research and Development Laboratories	Business Service	31	5	34
Surgical and Medical Instruments and Apparatus	Manufacturing	8	1	8
Engineering and Scientific Instruments	Manufacturing	6	--	15
Fabricated Structural Metal	Manufacturing	5	--	9
Welding Equipment and Supplies	Wholesale	14	2	2
Machine Tools	Wholesale	13	2	4
Sporting and Recreational Goods	Wholesale	24	4	8
Electricity Measuring Instruments	Manufacturing	11	--	11
Sheet Metal Work	Manufacturing	16	1	9
Dental Equipment and Supplies	Manufacturing	4	1	3
Paving Mixtures and Blocks	Manufacturing	3	--	6
Building Materials	Wholesale	21	1	18
Furniture	Wholesale	48	3	13
Industrial Controls	Manufacturing	5	--	9
Special Die and Tool	Manufacturing	12	1	4
Architectural Services	Business Service	158	8	11
Plastics Materials and Resins	Wholesale	3	--	5
Book Stores	Retail	32	1	5

APPENDIX A
UNDERSUPPLIED INDUSTRIES
IN THE CAPITAL REGION
(37 Industries)

<u>Industry</u>	<u>Degree of Undersupply</u>		<u>Field Assessment</u>	<u>Average Annual Growth (1977-82)</u>
	<u>Number of Firms</u>	<u>Percent</u>		
Research & Development Laboratories	31	45	Excellent	17.5%*
Commercial Machines & Equipment (Wholesale)	41	13	Good	20.1
Surgical & Medical Instruments & Apparatus Manufacturers	8	80	Excellent	-8.8*
Engineering & Scientific Instrument Manufacturers	6	60	---	4.5
Fabricated Structural Metal (Manufacturers)	5	55	Good	11.7
Measuring & Controlling Instruments Manufacturers	6	46	Excellent	---*
Orthopedic, Prosthetic, & Surgical Appliances Manufacturers	3	38	Good	13.1*
Sporting & Recreational Goods (Wholesale)	24	43	Good	12.1
Warehousing and Storage	23	27	Good	58.3*
Welding Equipment & Supplies (Wholesale)	14	47	Good	16.7
Machine Tool Distributors	13	62	Good	9.8
Advertising Agencies	36	19	Excellent	2.3

Industry growth rates generally refer to the Capital Region (Placer, Sacramento, and Yolo Counties). However, where indicated by an asterisk (), data were available only for the state of California.

APPENDIX A (Cont'd)
UNDERSUPPLIED INDUSTRIES
IN THE CAPITAL REGION
 (37 Industries)

<u>Industry</u>	<u>Degree of Undersupply</u>		<u>Field Assessment</u>	<u>Average Annual Growth (1977-82)</u>
	<u>Number of Firms</u>	<u>Percent</u>		
Special Die & Tool Die Sets, Jig & Fixtures Manufacturers	12	75	Average	53.9
Architectural Services	158	44	Good	4.5
Groceries-General Line (Wholesale)	45	41	Good	0.4
Kennels	6	15	Good	10.2
Lawn & Garden Sprinkler Installation Services	14	21	Good	8.2
Wood Pallets & Skids Manufacturers	2	60	Average	8.4*
Jewelry Stores	24	11	Excellent	4.5*
Plastics Materials & Resins Manufacturers	3	43	---	-3.1
Book Stores	32	23	Good	8.7
Luggage & Leather Goods Stores	4	13	Excellent	7.7*

APPENDIX A (Cont'd)
UNDERSUPPLIED INDUSTRIES
IN THE CAPITAL REGION
 (37 Industries)

<u>Industry</u>	<u>Degree of Undersupply</u>		<u>Field Assessment</u>	<u>Average Annual Growth (1977-82)</u>
	<u>Number of Firms</u>	<u>Percent</u>		
Air Conditioning & Warm Air Heating Equipment Manufacturers	2	40	Excellent	-7.3*
Carpet & Floor Coverings	12	46	Good	15.2
Electricity Measuring Instruments Manufacturers	11	100	---	0.0*
Electrical & Electronics Engineers	18	41	Good	4.5
Electronic Parts & Equipment (Wholesale)	60	24	Good	26.4
Paving Mixtures & Block Manufacturers	3	100	---	6.3*
Plastics Products Manufacturers	13	15	Good	3.1
Sheet Metal Manufacturers	16	64	Good	20.9
Sightseeing Tours	6	50	Good	19.1
Dental Equipment & Supplies Manufacturers	4	80	Excellent	-3.0
Veterinary Services	35	13	Good	29.9
Building Materials (Wholesale)	21	62	Excellent	-2.0%
Furniture (Wholesale)	48	34	Good	13.9
Industrial Controls Manufacturers	5	80	Good	8.2*
Printing (Commercial, Letterpress and Screen)	109	23	Good	22.8