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April 2, 1992

DIVISIONS:
ACCOUNTING
BUDGET
REVENUE
RISK MANAGEMENT

Transportation and
Community Development Committee
Sacramento, California

Honorable Members:

SUBJECT: STATUS REPORT ON GRANITE PARK DEVELOPMENT

SUMMARY

At the last Transportation and Community Development Committee meeting, council members expressed interest in pursuing the State as a possible tenant for development on the Granite Park Site. This report is provided as information to the Committee on the status of this project.

The primary objective of any development on the Granite Park site is to provide financing for development and maintenance of the park. A market study is currently underway to determine the level of development necessary to finance the park. Once this study is complete, staff will be in a position to determine if it is feasible to approach the State on a possible joint development.

LOCATION

Council District 6.

RECOMMENDATION

This report is for information only. Staff will provide additional information on this project when a market study is completed in June.

BACKGROUND

The Granite Park Site consists of 215 acres of City-owned property located between Power Inn Road to the west, Florin-Perkins Road to the East, 14th Avenue to the South and the Regional Transit Rail Lines and Jackson Road to the north. The property is represented by two pits created as the result of gravel extraction operations. Not included as part of the site area are two at-grade frontage parcels comprised of 26 acres on Power Inn Road and 16 acres on Florin-Perkins Road.

According to the City's preliminary master plan for the 215-acre Granite Park Site, a minimum of 133.5 acres of land are designated to accommodate the proposed park uses. Of the balance, 44.5 acres represents the land area claimed by steep slopes of the granite pits and 37.0 acres will be available for private developer participation. The 37.0 acres of land from non-park use could be potentially used for commercial, research and development, employee-intensive industrial, or residential development.

The preliminary concept shown in the Granite Park Master Plan envisions a commercial business center containing a maximum of 576,100 square feet of office space and joint-use parking with a minimum of 1821 stalls. Assuming a density factor of 225 square feet per office job, this complex would have the capacity of a total of 2,560 employees.

The City is currently developing a financing plan for consideration by City Council, that uses funds derived from development of non-park land, for development and maintenance of the proposed park uses. One of the first steps in this process is the completion of a market study for the site. The first phase of this market study (Locational and Socioeconomic Analysis) was completed under the work program of the City's asset management consultant (Exhibit A). The final phase of the study is now under way. Once this market study is complete, the City will be able to prepare projections on the value of the non-park land that can be applied to development of the regional park.

Concurrent with City efforts to define a financing plan for the park development, private landowners adjacent to the City property have expressed interest in a joint development with the City. City staff have had discussions with these landowners to provide information on City objectives for the site, and to clarify the proposal submitted by the landowners.

At this time, it appears that the proposal contemplated by the landowners would significantly reduce the size of the regional park currently planned on the site - from 133.5 acres to 90.5. Staff has advised the landowners that this may not be acceptable to the City Council.

Staff will present a preliminary financing plan for Granite Park to City Council in June. This financing plan will include two options:

1. Development of the Granite Park without participation of adjacent landowners, and
2. Development of the Granite Park with participation of adjacent landowners.

POLICY CONSIDERATIONS

This report is for information only. Future reports will define policy options for development of Granite Park.


FINANCIAL DATA

This report is for information.

MBE/WBE

None.

Respectfully Submitted,


Bill Farley
Sr. Management Analyst


Betty Masuoka
Director of Finance

Approved for Committee Information:


Robert P. Thomas
Deputy City Manager

For Committee Meeting of:
April 9, 1992

Contact Person: Bill Farley, 264-7730

SECTION III

LOCATIONAL AND SOCIOECONOMIC ANALYSIS

MARKET ANALYSIS

GRANITE REGIONAL PARK SITE

Prepared for:

City of Sacramento

Prepared by:

Udewitz Associates

SECTION III

LOCATIONAL AND SOCIOECONOMIC ANALYSIS

This section of the report is intended to provide summary locational and socioeconomic background information relevant to the overall analysis of office, industrial and retail market potentials for the Granite Park Site presented in subsequent sections. Principal topics covered herein are a description of the subject site and surrounding land uses, demographic profile data for selected trade area definitions and regional population, employment and construction trends.

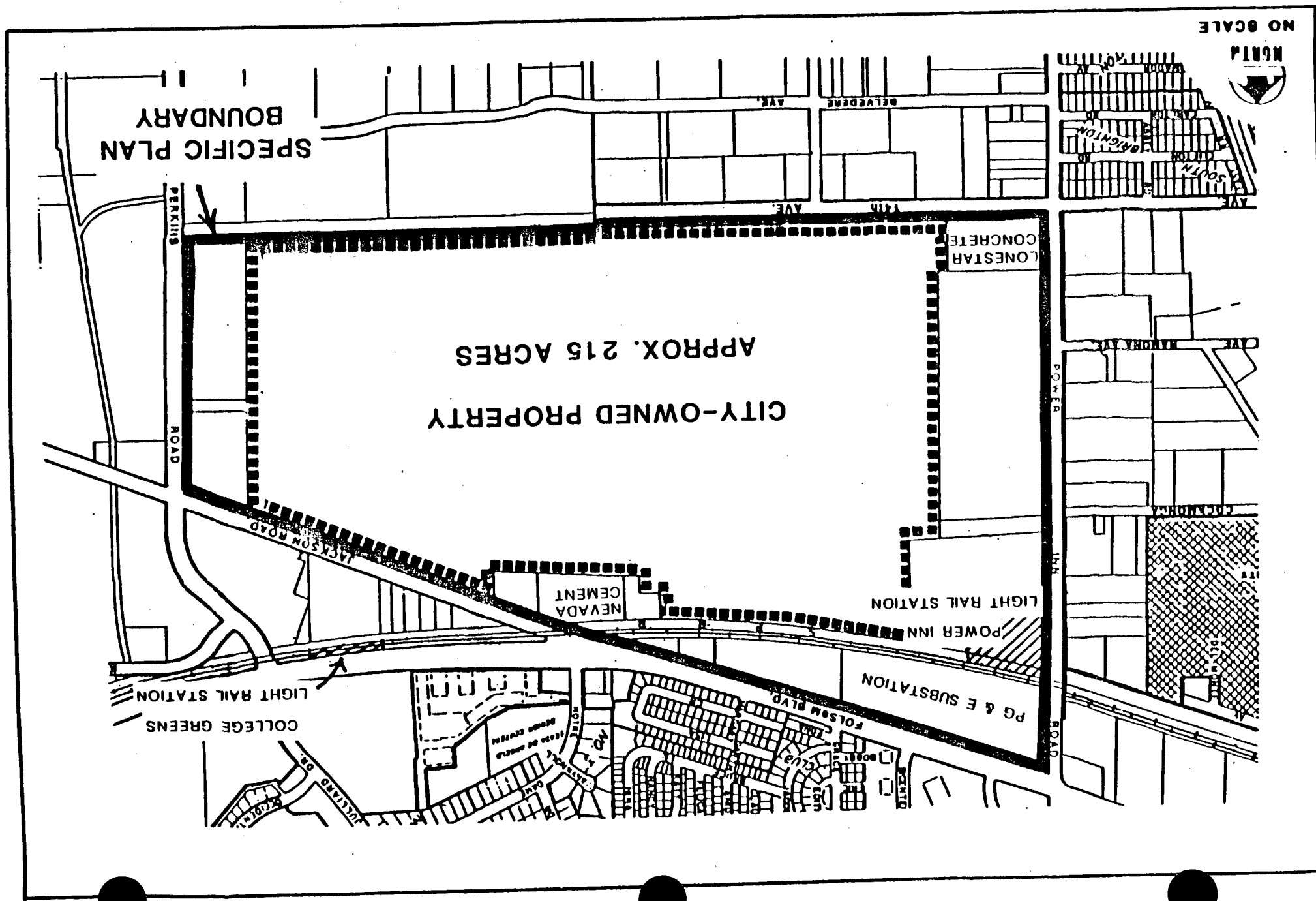
SITE DESCRIPTION

The Granite Park Site consists of 215 acres of City-owned property located between Power Inn Road to the west, Florin Perkins Road to the east, 14th Avenue to the south and the Regional Transit Light Rail lines and Jackson Road to the north. The property is represented by two pits created as the result of gravel extraction operations. Not included as part of the site area are two at-grade frontage parcels comprised of 26 acres on Power Inn Road and 16 acres on Florin Perkins Road. Exhibit III-1 presents a graphical depiction of the Granite Park Site and contiguous properties.

According to the City's preliminary master plan for the 215-acre Granite Park Site, a minimum of 133.5 acres of land are designated to accommodate the proposed park uses. Of the balance, 44.5 acres represent the land area claimed by the steep slopes of the

THE PROPOSED GRANITE PARK SITE AREA

EXHIBIT III-1



granite pits and 37.0 acres will be available for private developer participation. The 37.0 acres of land for non-park use could be potentially utilized for commercial, R&D/industrial (employee-intensive) and/or residential development. The preliminary concept shown in the Granite Park Master Plan envisions a commercial business center containing a maximum of 576,100 square feet of office space and joint-use parking with a minimum of 1,821 stalls. Assuming a density factor of 225 square feet per office job, this complex would have the capacity of a total of 2,560 employees. In exchange for the non-park land, the City expects to receive funds sufficient to support development of the proposed park uses.

The generalized plan for development of the 133.5-acre park element includes a botanical garden complex (57.5 acres), softball field (22.0 acres), public fair/farmer's-market area (18.5 acres), golf driving range (13.5 acres), group picnic area (11.5 acres), multi-use sports field (8.0 acres) and other (2.5 acres). Entries are planned at Power Inn Road and Florin Perkins Road with a connecting four-lane traffic arterial through the center of the park. As shown on the preliminary master plan, the commercial business center would be situated in the southeast section of the overall site area. The location of the subject property within the City of Sacramento is shown in Exhibit III-2 while Exhibit III-3 depicts its regional setting.

The site of the proposed Granite Park is located 5.5 miles southeast of downtown Sacramento and 14 miles southeast of the Sacramento Metropolitan Airport. Especially important, the site was found to enjoy an excellent location in terms of accessibility. It has

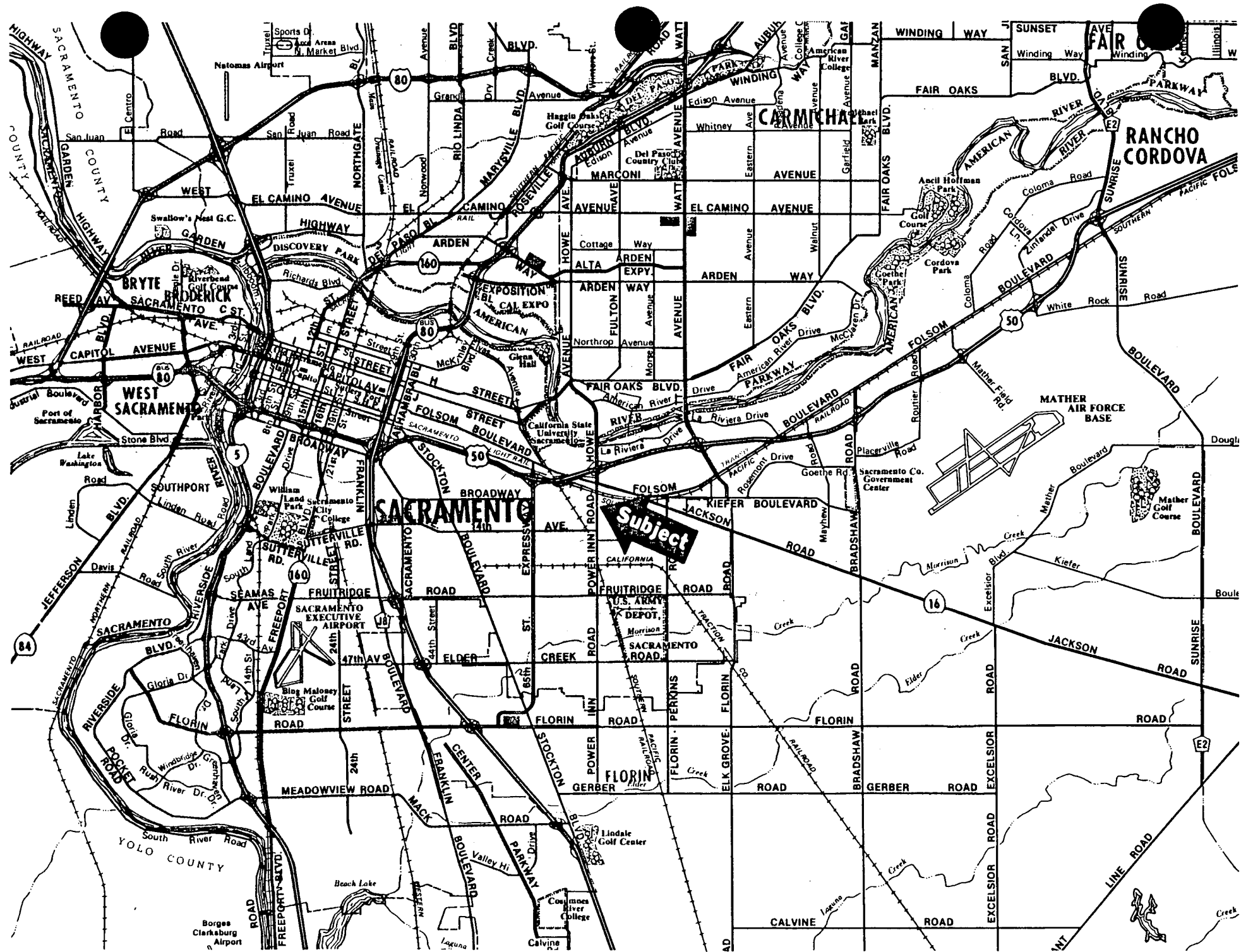


EXHIBIT III-2

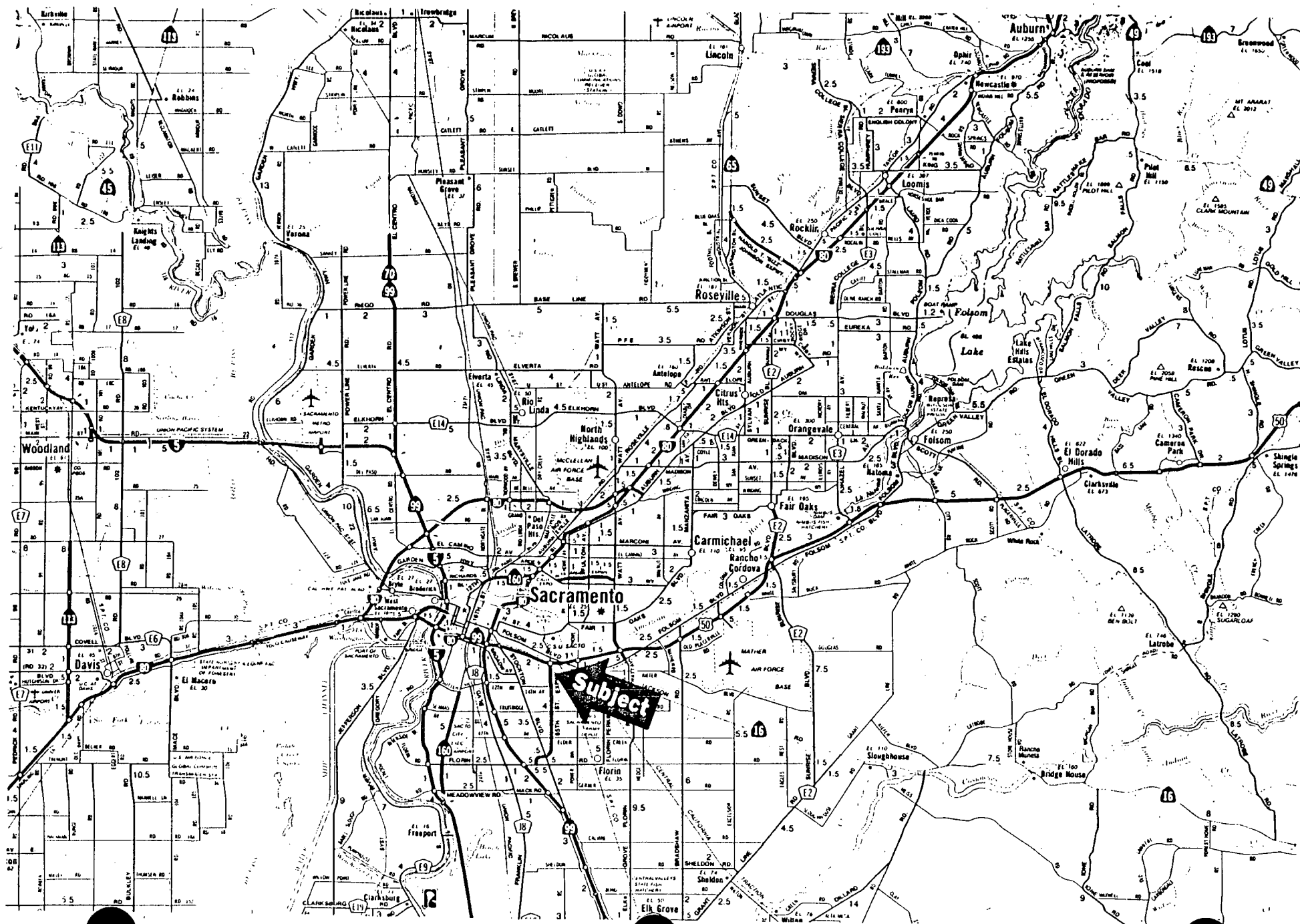


EXHIBIT III-3

immediate access to the east-west Highway 50, the Light Rail Stations (Power Inn and College Greens) and major surface arterials represented by Folsom Boulevard, Jackson Road, Power Inn Road/Howe Avenue and Florin Perkins Road. Highway 50 interconnects with Business Route 80/State Highway 99 and Interstate 5 to the west. Traffic volumes in both directions along Highway 50 between Power Inn Road/Howe Avenue and Watt Avenue average 134,000 vehicles per day. Among the surface streets, the heaviest traffic was reported in the vicinity of Power Inn Road and Folsom Boulevard. Daily traffic counts average 34,100 on Power Inn Road to the south of Folsom Boulevard and 35,000 on Folsom Boulevard east of Power Inn Road. Comparatively, travel on Florin Perkins Road averages 17,300 vehicles daily. Concerning the Power Inn Road/Folsom Boulevard intersection, it should be noted that the proposed grade separation at this location is expected to alleviate potential traffic congestion problems in the future.

The Regional Transit Light Rail System, which started operation in 1988, includes 18 miles of track traversing the Sacramento area in a V-shaped route from downtown Sacramento. One extension follows Interstate 80 through North Sacramento and the other extends along Highway 50 towards Rancho Cordova. Average daily ridership in terms of boardings for the entire system amounts to 23,730 passengers. The number of boardings at the Power Inn and College Greens Stations averages 438 and 555 per day, respectively. The most significant near-term improvement program is for the completion of double-track construction along both routes within the next two to three years. Longer range plans (1996 and beyond) call for extending the northern line to Antelope Road and

expansion of the southern line paralleling Highway 50 an additional nine miles to Hazel Avenue. Also of importance with respect to the subject site, Regional Transit plans to have an hourly bus service in operation along Power Inn Road within one year.

SURROUNDING LAND USES

Contiguous uses in addition to the Power Inn Light Rail Station and the two frontage parcels include the PG&E Substation to the northwest, Nevada Cement Company to the north and Lonestar Ready Mix Concrete Company to the southwest. Existing development patterns in the immediate area along Power Inn Road and directly south of the Granite Park Site consist of a mixture of heavy industrial, light industrial, warehousing/distribution, yard-intensive and commercial office uses. Land usage along Florin Perkins Road to the south of Jackson Road is characterized by free-standing and multitenant industrial buildings as well as a substantial amount of open acreage.

Development activity in the vicinity of the Highway 50/Howe Avenue interchange and Folsom Boulevard is comprised mostly of newer office buildings and transient lodging facilities. The only nearby retail center is represented by a neighborhood shopping complex anchored by Raley's supermarket located on Folsom Boulevard just east of Jackson Road. Additional scattered retail uses including restaurants/fast-food outlets and mini-markets were identified along Fruitridge Road between Power Inn Road and 65th Street. The largest concentration of community retail center space is at a distance of more than two miles to the north on Fair Oaks Boulevard. The closest regional shopping

complexes are Florin Mall located 3.5 miles to the southwest at Florin Road/65th Street and Arden Fair Mall at Business Route 80/Arden Way.

The two most important nearby public institutional uses are California State University - Sacramento and the U.S. Sacramento Army Depot. The California State University - Sacramento campus is situated about one mile to the west of the Granite Park Site and immediately north of Highway 50. It is one of the 20 campuses in the California State University system. Current enrollment is reported to total more than 26,000 students. Sacramento Army Depot, which is scheduled for closure, will be discussed in more detail subsequently in this section of the report. The Army Depot site is located directly south of the subject property on Fruitridge Road.

For the purpose of analyzing land use statistics, the primary influence area of the Granite Park Site is defined to encompass the area bounded by Fair Oaks/H Street on the north, Elder Creek Road on the south, 65th Street on the west and Watt Avenue/Manlove Road on the east. The overall boundaries on the primary influence area and the four delineated subareas are outlined on the map presented as Exhibit III-4. The Granite Park Site is within Subarea A which comprises the area formed by Highway 50 on the north, Elder Creek Road on the south, Southern Pacific Railroad/Power Inn Road on the west and Florin Perkins Road on the east.

Table III-1 provides a summary of 1990 population and housing statistics for the primary influence area. As of 1990, the primary influence area was estimated to have a total population of 34,833 persons. The area's housing stock consists of 8,287 single-family

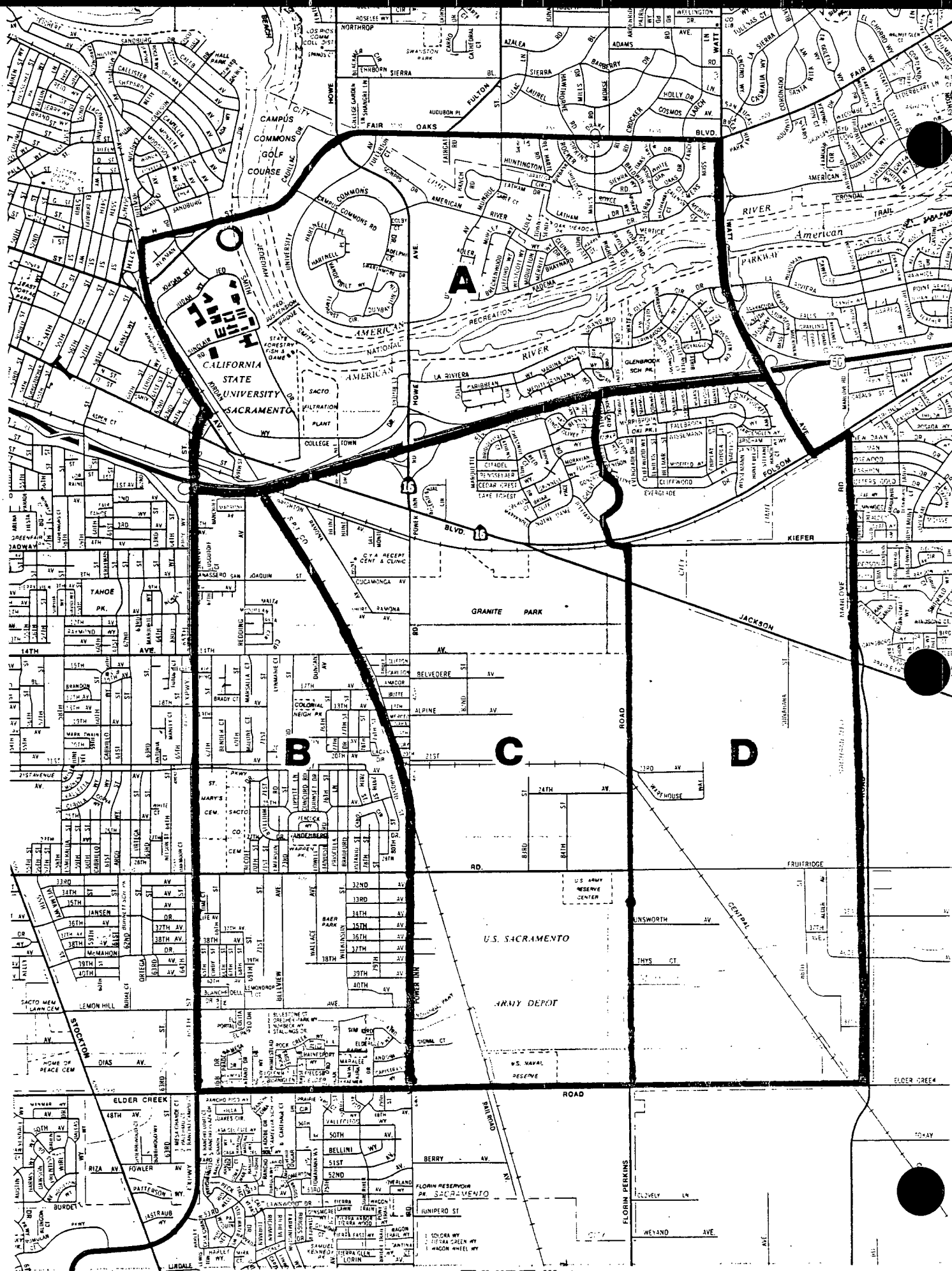


EXHIBIT III-4

DELINEATION OF THE PRIMARY INFLUENCE AREA

TABLE III-1
 POPULATION AND HOUSING ESTIMATES
 PRIMARY INFLUENCE AREA
 1990

<u>Primary Influence Area</u>	<u>Population</u>	<u>Housing Units</u>			
		<u>Total</u>	<u>Single-Family</u>	<u>Multifamily</u>	<u>Mobile Home</u>
Subarea A	14,570	5,878	2,856	3,022	0
Subarea B	12,156	4,283	3,690	593	0
Subarea C	4,410	2,000	687	1,050	263
Subarea D	<u>3,697</u>	<u>1,192</u>	<u>1,054</u>	<u>84</u>	<u>54</u>
Total	34,833	13,353	8,287	4,749	317

Source: SACOG 1990 Population and Housing Module and Udewitz Associates.

units, 4,749 multifamily units and 317 mobile homes. Among the subareas, the largest population base is in Subarea A with 14,570 residents. However, portions of the population base in this area are somewhat isolated due to trade barriers created by the American River and Highway 50. The next largest population center is represented by the 12,156 residents of Subarea B located to the west of the Southern Pacific Railroad tracks. The populations of Subarea C and Subarea D are 4,410 and 3,607, respectively. The bulk of the residential housing in these subareas is confined to the neighborhood between Highway 50 and Folsom Boulevard.

Of particular interest for the subject analysis is the distribution of non-residential land uses in the primary influence area. The database utilized for the acreage and square footage calculations is from the County Assessor's file as compiled by the Sacramento Area Council of Governments (SACOG) for Minor Zone definitions within Sacramento County. Table III-2 shows the existing mix of non-residential acreage by land use type in the primary influence area. Estimates of existing retail, office and industrial building space inventories are presented in Table III-3.

The overall mix of land uses includes 146 acres in retail, 234 acres in office, 1,709 acres in industrial, 861 acres in public/utilities and 189 acres in other uses (personal care/health, church/welfare, recreation, agriculture and miscellaneous). More than 90 percent of the acreage in industrial use is concentrated in Subareas C and D. Within Subarea C alone, there are 823 acres in use for industrial purposes. The most noteworthy individual industrial use in Subarea C is the Procter & Gamble Manufacturing Company

TABLE III-2

EXISTING NON-RESIDENTIAL LAND USES BY TYPE
PRIMARY INFLUENCE AREA
1991

Primary Influence Area	Retail		Office		Industrial		Public/Utilities		Other ¹	
	Gross Acres	Percent of Total	Gross Acres	Percent of Total	Gross Acres	Percent of Total	Gross Acres	Percent of Total	Gross Acres	Percent of Total
Subarea A	28.83	19.8%	139.68	59.7%	0	0.0%	494.40	57.4%	33.95	18.0%
Subarea B	19.09	13.1	19.83	8.5	92.15	5.4	131.02	15.2	106.16	56.3
Subarea C	26.20	18.0	49.43	21.1	823.11	48.2	133.97	15.6	18.71	9.9
Subarea D	<u>71.52</u>	<u>49.1</u>	<u>24.98</u>	<u>10.7</u>	<u>793.86</u>	<u>46.4</u>	<u>101.86</u>	<u>11.8</u>	<u>29.75</u>	<u>15.8</u>
Total	145.64	100.0%	233.92	100.0%	1,709.12	100.0%	861.25	100.0%	188.57	100.0%

¹Includes personal care/health, church/welfare, recreation, agriculture and miscellaneous uses.

Source: SACOG Land Use Module and Udewitz Associates.

TABLE III-3

RETAIL, OFFICE AND INDUSTRIAL BUILDING SPACE INVENTORIES
 PRIMARY INFLUENCE AREA
 1991

Primary Influence Area	Retail Space		Office Space		Industrial Space	
	Square Feet	Percent of Total	Square Feet	Percent of Total	Square Feet	Percent of Total
Subarea A	91,226	21.4%	385,402	41.3%	0	0.0%
Subarea B	98,211	23.0	189,962	20.3	491,322	4.8
Subarea C	142,859	33.5	209,456	22.4	5,281,266	51.7
Subarea D	<u>94,486</u>	<u>22.1</u>	<u>149,177</u>	<u>16.0</u>	<u>4,445,856</u>	<u>43.5</u>
Total	426,782	100.0%	933,997	100.0%	10,218,444	100.0%

Source: SACOG Land Use Module and Udewitz Associates.

at 8201 Fruitridge Road. This concern currently employs approximately 400 workers. The balance of non-residential land use in Subarea C is comprised of 26 acres in retail, 49 acres in office, 134 acres in public/utilities and 19 acres in other uses.

The current inventory of building space in the three major non-residential land use categories consists of 426,782 square feet of retail space, 933,997 square feet of office space and 10,218,444 square feet of industrial space. In relation to the acreage figures, the square footages of building space convert into floor area ratios of 0.07 for retail, 0.09 for office and 0.14 for industrial. These development density ratios suggest significant incidences of underutilization. Subarea C contains 5.3 million square feet of industrial building space, accounting for slightly more than 50 percent of the primary influence area total. The existing inventories of retail and office space in Subarea C amount to 142,859 and 209,456 square feet, respectively.

Data were also available for tabulating the extent of vacant non-residential acreage by land use type in the primary influence area. As might be expected, the largest reserve of vacant land is comprised of industrial zones property. Overall, the area was indicated to have 938 acres of land remaining for future industrial development. The amount of vacant land with commercial (retail and office) zoning designations totals only 16.83 acres. The distribution of undeveloped land within Subarea C includes 189 acres in industrial zones and 5.83 acres in commercial zones.

REGIONAL POPULATION GROWTH TRENDS

For statistical reporting purposes, the Sacramento Metropolitan Area is considered to be composed of the counties of Sacramento, El Dorado, Placer and Yolo. Since 1970, the Sacramento Metropolitan Area has witnessed rapid population growth, increasing from 847,443 to 1,481,102 persons as of the 1990 U.S. Census date. According to estimates by the California Department of Finance, the total population of Metro Sacramento reached 1,555,300 in July, 1991. Between the 1980 and 1990 Censuses, population gains amounted to an average of 38,130 persons annually. During the second half of the decade, the area experienced an accelerated rate of growth, averaging 45,260 new residents per year. Projections by the California Department of Finance foresee the population of Metro Sacramento reaching 1,969,600 in the year 2000, which translates into an average increase of about 47,500 persons annually over the 10-year period. While Sacramento is expected to remain one of the leading growth areas of the State during the 1990's, this forecast would appear to be somewhat optimistic in light of the recent economic downturn. A more realistic forecast is considered to be for a population base of approximately 1,850,000 persons by the year 2000.

It is especially noteworthy that historical population expansion in the Sacramento area can be attributed mostly to in-migration rather than natural increase. Overall, it is estimated that net migration accounted for 75 percent of the area's population growth in the past several years. Much of this in-migration resulted from increasing job opportunities and the fact that Sacramento's housing continued to be more affordable than that of other

major population centers in California. Statistics on home sales compiled by the Sacramento Association of Realtors showed a median home price of \$137,000 as of mid-1991. Comparatively, the median selling prices of homes in the State of California and the San Francisco Bay Area are \$205,700 and \$265,220, respectively.

One of the best indicators of in-migration patterns is provided by driver's license address changes. Based on license change statistics for the 12-month period ending June 30, 1991, net migration growth in the Metro Sacramento area consisted of an estimated 5,100 new residents from outside of California and 13,500 new residents moving from other California locations, principally the Bay Area and Los Angeles County. However, as a reflection of recessionary trends, this total gain is only 48.5 percent of the number reported for the 1988-1989 period. On the positive side, the net gain posted by Sacramento was equivalent to more than 50 percent of the Statewide total.

Growth in Sacramento County was responsible for nearly 70 percent of the four-county Metro area's population increase over the past decade. The final count from the 1990 Census indicated a total population of 1,041,219 for Sacramento County. The population of the City of Sacramento in 1990 was shown to be 369,365, or 35.5 percent of Sacramento County's total population. The City of Sacramento is divided into 11 Community Plan Areas, as shown in Exhibit III-5. The Granite Park Site is situated within the East Broadway Community Plan Area and adjacent to the southern boundary of the East Sacramento Community Plan Area.

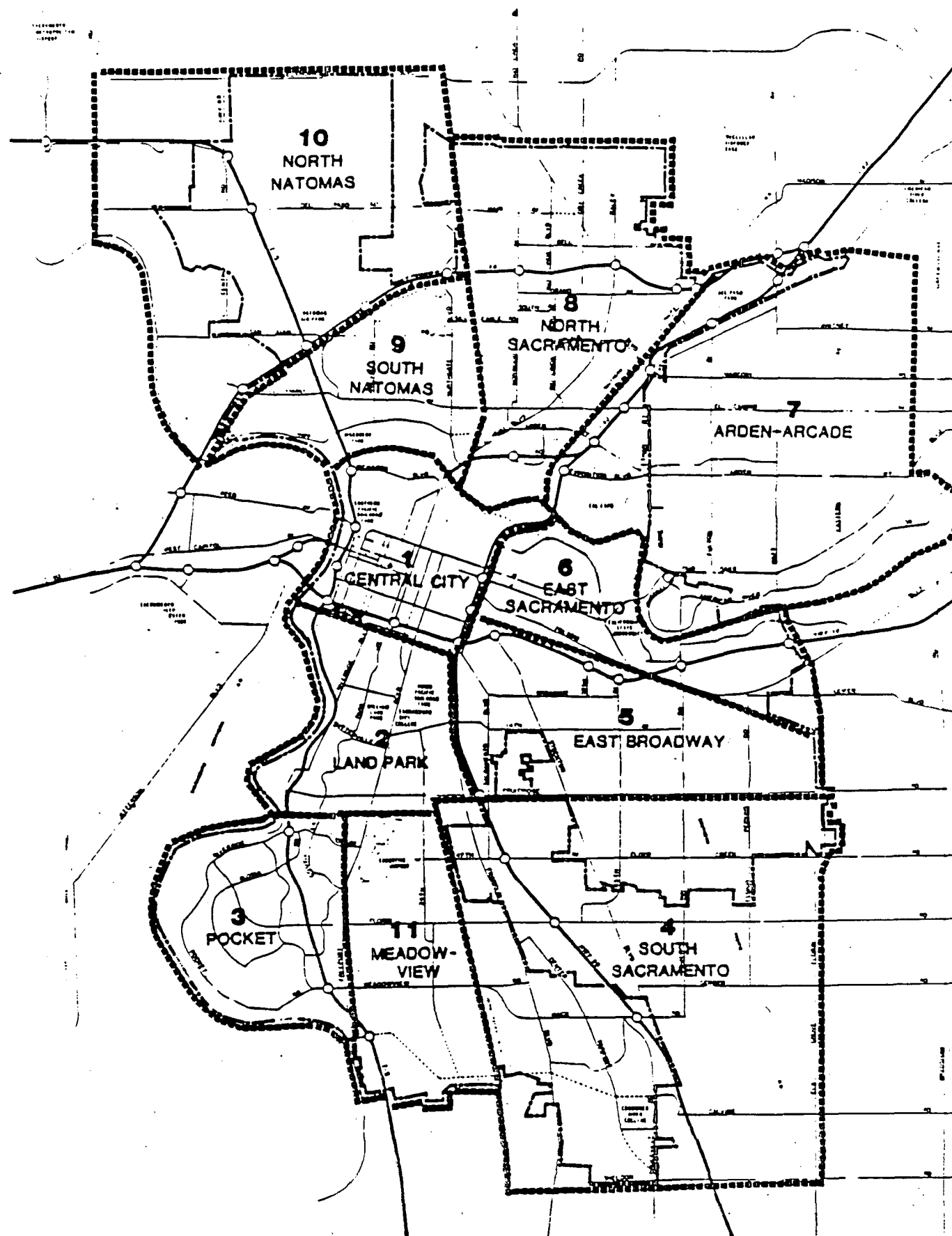


EXHIBIT III-5

CITY OF SACRAMENTO COMMUNITY PLAN AREAS

Population and housing estimates for the various Community Plan Areas have been prepared by the City of Sacramento Department of Planning and Development from SACOG Module Data. The total populations of East Broadway and East Sacramento as of January, 1990 were estimated to be 39,867 and 35,411, respectively. Due to the scarcity of residential land available for development, these two areas experienced very modest population gains during the 1980's and are projected to have limited population growth potential in the future. Based upon statistics concerning the current housing stock, the extent of vacant land and allowable densities, residential holding capacities are indicated to be 18,144 units for East Broadway and 15,716 units for East Sacramento. Compared to existing housing inventories, these buildout estimates suggest ultimate potentials for the development of 1,104 new units in East Broadway and 243 units in East Sacramento.

TRADE AREA POPULATION/HOUSEHOLD CHARACTERISTICS

For the analysis of commercial market potentials, demographic statistics are most meaningful when expressed in terms of concentric circles extending out from a specific site location. Accordingly, data concerning population and household characteristics were obtained for distances of one, two, three and five miles of the Granite Park Site. The center point utilized for the trade area analysis is at 14th Avenue midway between Power Inn Road and Florin Perkins Road. Demographic data within the small radius definitions are particularly relevant for assessing local-serving commercial potentials whereas the five-mile radius provides a characterization of the site's regional-serving population base.

As of the 1990 Census date, total population counts for the one-mile, two-mile, three-mile and five-mile rings of the Granite Park Site were 5,593, 38,274, 107,526 and 310,119, respectively. The corresponding figures in terms of households are 2,256, 14,954, 42,297 and 123,277. The relatively small population bases of the one- and two-mile radii stem from the lack of residential development within the Granite Park Site area itself as well as the area to the south. With the exception of the one-mile ring, population growth rates in the subject trade areas were found to be more moderate than for Sacramento County as a whole. Population increases during the 1980-1990 period ranged from a low of 4.3 percent for the three-mile trade area up to 19.7 percent for the five-mile trade area and 21.1 percent for the two-mile trade area. Over this 10-year period, the population of the one-mile trade area grew by 2,991 persons, representing an increase of 115 percent. This growth was accommodated primarily by large-scale apartment development activity occurring in the area to the north of the Granite Park Site.

Population age and racial/ethnic characteristics of the trade areas are summarized in Table III-4. The same statistics are shown on a percentage basis in Table III-5. For comparative analysis, these tables include 1980 and 1990 data for each trade area definition and the overall Sacramento County area. Paralleling Countywide trends, all of the trade areas witnessed rising percentages in their Black and Asian populations while the relative mix of Whites declined since 1980. Within the two-mile radius, the current racial composition consists of 74.7 percent White, 7.0 percent Black, 9.8 percent Asian, 1.1 percent American Indian and 7.3 percent Other. Comparatively, the overall Sacramento

TABLE III-4

**NUMERICAL DISTRIBUTION OF POPULATION BY AGE AND RACE
GRANITE PARK SITE TRADE AREAS AND SACRAMENTO COUNTY
1980 AND 1990**

	<u>1.0-Mile Radius</u>		<u>2.0-Mile Radius</u>		<u>3.0-Mile Radius</u>		<u>5.0-Mile Radius</u>		<u>Sacramento County</u>	
	<u>1980</u>	<u>1990</u>	<u>1980</u>	<u>1990</u>	<u>1980</u>	<u>1990</u>	<u>1980</u>	<u>1990</u>	<u>1980</u>	<u>1990</u>
Total Population	2,602	5,593	31,601	38,274	103,127	107,526	258,973	310,119	783,381	1,041,219
<u>Numerical Population by Race</u>										
White	2,343	4,337	27,347	28,589	87,998	76,909	217,758	213,172	632,777	782,326
Black	93	514	1,956	2,681	7,018	9,248	22,563	34,095	58,951	97,129
Asian	107	382	1,524	3,757	5,885	12,885	13,109	35,507	39,156	96,344
American Indian	30	44	302	438	1,056	1,307	2,805	3,870	8,827	12,068
Other	29	317	472	2,808	1,170	7,178	2,738	23,475	43,670	53,352
Hispanic	413	785	4,141	5,542	10,836	14,325	29,435	45,492	74,141	121,544
<u>Numerical Population by Age</u>										
0-4	184	279	1,953	2,484	7,040	7,468	17,317	24,233	56,710	83,917
5-13	332	478	3,673	4,078	12,313	13,235	29,183	39,449	99,827	139,298
14-17	175	416	2,005	1,793	6,148	5,204	15,462	15,039	53,683	51,764
18-20	143	640	2,363	3,100	6,197	5,782	15,025	13,914	44,875	42,458
21-24	215	741	3,398	3,697	9,456	8,379	23,478	22,227	63,787	64,462
25-34	452	918	5,546	6,472	20,514	18,853	49,451	58,162	142,441	201,529
35-44	264	573	3,381	4,944	11,208	15,883	27,084	46,506	90,135	165,869
45-54	271	391	3,051	3,722	9,863	10,103	25,200	27,956	81,951	100,478
55-64	284	363	3,128	3,248	10,193	8,537	26,965	23,754	75,483	81,186
65+	280	794	3,092	4,735	10,184	14,081	29,791	38,881	74,489	110,258
Median Age	30.6	27.7	29.3	31.2	30.1	32.3	30.9	31.9	29.8	31.9

Source: U.S. Bureau of the Census, Urban Decision Systems and Udewitz Associates.

TABLE III-5

PERCENT DISTRIBUTION OF POPULATION BY AGE AND RACE
 GRANITE PARK SITE TRADE AREAS AND SACRAMENTO COUNTY
 1980 AND 1990

	1.0-Mile Radius		2.0-Mile Radius		3.0-Mile Radius		5.0-Mile Radius		Sacramento County	
	1980	1990	1980	1990	1980	1990	1980	1990	1980	1990
Total Population	2,602	5,593	31,601	38,274	103,127	107,526	258,973	310,119	783,381	1,041,219
<u>Percent Population by Race</u>										
White	90.0%	77.5%	86.5%	74.7%	85.3%	71.5%	84.1%	68.7%	80.8%	75.1%
Black	3.6	9.2	6.2	7.0	6.8	8.6	8.7	11.0	7.5	9.3
Asian	4.2	6.8	4.9	9.8	5.8	12.0	5.1	11.4	5.0	9.3
American Indian	1.2	0.8	1.0	1.1	1.0	1.2	1.1	1.2	1.1	1.2
Other	1.1	5.7	1.4	7.3	1.1	6.7	1.1	7.6	5.6	5.1
Hispanic	15.9	14.0	13.1	14.5	10.5	13.3	11.4	14.7	9.5	11.7
<u>Percent Population by Age</u>										
0-4	7.1%	5.0%	6.2%	6.5%	6.9%	7.0%	6.6%	7.8%	7.2%	8.1%
5-13	12.8	8.5	11.6	10.7	11.9	12.3	11.2	12.8	12.7	13.4
14-17	6.7	7.5	6.4	4.6	6.0	4.8	6.0	4.8	6.9	5.0
18-20	5.6	11.5	7.5	8.1	6.0	5.4	5.8	4.4	5.7	4.1
21-24	8.3	13.3	10.8	9.7	9.1	7.8	9.1	7.1	8.1	6.2
25-34	17.4	16.4	17.5	16.9	19.9	17.5	19.1	18.8	18.2	19.4
35-44	10.1	10.2	10.7	12.9	10.9	14.8	10.5	15.0	11.5	15.9
45-54	10.4	7.0	9.7	9.7	9.6	9.4	9.7	9.0	10.5	9.7
55-64	10.9	6.5	9.9	8.5	9.9	7.9	10.4	7.8	9.6	7.8
65+	10.8	14.2	9.8	12.4	9.9	13.1	11.5	12.6	9.5	10.6
Median Age	30.6	27.7	29.3	31.2	30.1	32.3	30.9	31.9	29.8	31.9

Source: U.S. Bureau of the Census, Urban Decision Systems and Udewitz Associates.

County population is represented by 75.1 percent White, 9.3 percent Black, 9.3 percent Asian, 1.2 percent American Indian and 5.1 percent Other. The distribution of Hispanics, which is an ethnic designation, accounts for about 13.5 to 15.0 percent of the populations in the four trade area delineations and is mostly included as part of the White and Other categories. Within Sacramento County, Hispanics comprise 11.7 percent of the total population.

The median ages of the population in the trade areas range from 27.7 years in the one-mile radius to 32.3 years in the three-mile radius. By way of comparison, the current median age of the County's population is 31.9 years. The ratios of seniors (persons 65 years of age and older) in the trade areas vary between 12.4 and 14.2 percent. These representations of seniors are above the Countywide ratio of 10.6 percent. The distributions of residents in the youngest age groups of under 14 years of age are 13.5 to 20.6 percent within the trade areas versus 21.5 percent for the overall County area.

Numeric statistics concerning the distribution of households by size and tenure are provided in Table III-6 while Table III-7 presents percentage distributions of the same statistics. The average household sizes for the trade areas within two to five miles of the subject site are indicated to be 2.44 to 2.48 persons per dwelling unit, or slightly smaller than the County's average of 2.58 persons per household. Households residing within one mile of the Granite Park Site are much smaller, averaging 2.23 persons per dwelling unit. This is directly correlated with the higher proportions of apartment rental units and mobile homes which are typically occupied by smaller households. With regard to tenure, the one-

TABLE III-6
 NUMERICAL DISTRIBUTION OF HOUSEHOLDS BY SIZE AND TENURE
 GRANITE PARK SITE TRADE AREAS AND SACRAMENTO COUNTY
 1980 AND 1990

	<u>1.0-Mile Radius</u>		<u>2.0-Mile Radius</u>		<u>3.0-Mile Radius</u>		<u>5.0-Mile Radius</u>		<u>Sacramento County</u>	
	<u>1980</u>	<u>1990</u>	<u>1980</u>	<u>1990</u>	<u>1980</u>	<u>1990</u>	<u>1980</u>	<u>1990</u>	<u>1980</u>	<u>1990</u>
Total Households	987	2,256	12,291	14,954	40,983	42,297	107,218	123,277	299,805	394,530
<u>Numerical Household Composition</u>										
1 Person	215	794	3,131	4,098	10,631	12,128	31,832	36,878	74,789	99,940
2 Persons	349	801	4,511	5,471	14,661	14,563	37,659	40,910	100,481	131,440
3-4 Persons	328	493	3,631	4,081	12,233	11,395	29,326	33,062	95,172	122,561
5+ Persons	96	168	1,018	1,303	3,457	4,211	8,399	12,428	29,363	40,589
Average Size	2.62	2.23	2.47	2.44	2.47	2.48	2.38	2.48	2.56	2.58
<u>Numerical Household Tenure</u>										
Owner-Occupied	694	986	7,467	8,715	25,826	24,260	61,079	64,617	181,011	223,360
Renter-Occupied	293	1,271	4,823	6,239	15,157	18,037	46,139	58,660	118,794	171,170

Source: U.S. Bureau of the Census, Urban Decision Systems and Udewitz Associates.

TABLE III-7

PERCENT DISTRIBUTION OF HOUSEHOLDS BY SIZE AND TENURE
 GRANITE PARK SITE TRADE AREAS AND SACRAMENTO COUNTY
 1980 AND 1990

	1.0-Mile Radius		2.0-Mile Radius		3.0-Mile Radius		5.0-Mile Radius		Sacramento County	
	1980	1990	1980	1990	1980	1990	1980	1990	1980	1990
Total Households	987	2,256	12,291	14,954	40,983	42,297	107,218	123,277	299,805	394,530
<u>Percent Household Composition</u>										
1 Person	21.6%	35.2%	25.5%	27.4%	25.9%	28.7%	29.7%	29.9%	24.9%	25.3%
2 Persons	35.3	35.5	36.7	36.6	35.8	34.4	35.1	33.2	33.5	33.3
3-4 Persons	33.2	21.8	29.5	27.3	29.8	26.9	27.4	26.8	31.7	31.1
5+ Persons	9.7	7.5	8.3	8.7	8.5	10.0	7.8	10.1	9.9	10.3
Average Size	2.62	2.23	2.47	2.44	2.47	2.48	2.38	2.48	2.56	2.58
<u>Percent Household Tenure</u>										
Owner-Occupied	70.3%	43.7%	60.8%	58.3%	63.0%	57.4%	57.0%	52.4%	60.4%	56.6%
Renter-Occupied	29.7	56.3	39.2	41.7	37.0	42.6	43.0	47.6	39.6	43.4

Source: U.S. Bureau of the Census, Urban Decision Systems and Udewitz Associates.

mile trade area is comprised of 43.7 percent owner-occupied households and 56.3 percent renter-occupied households. The three larger trade areas have owner-occupancy ratios of from 52.4 percent to 58.3 percent. These approximate the Countywide figure of 56.6 percent in owner-occupied housing.

Household income data are not yet available from the 1990 U.S. Census. Table III-8 shows estimates of household income distributions for the trade areas and Sacramento County supplied by Urban Decision Systems. Median household income estimates for the one-mile, two-mile, three-mile and five-mile trade areas in 1990 are \$27,402, \$26,869, \$29,376 and 26,329, respectively. Trade area incomes on a per capita basis are \$12,719 (one-mile radius), \$13,663 (two-mile radius), \$14,743 (three-mile radius) and \$13,749 (five-mile radius). Comparative statistics for Sacramento County show a median household income of \$29,359 and a per capita income of \$13,939. The analysis of retail market potential presented subsequently in Section IV of this report focuses primarily on the two- and five-mile trade areas of the site. The distribution of households by income range for the two-mile trade area includes 38.1 percent under \$20,000, 23.8 percent \$20,000-\$35,000, 17.9 percent \$35,000-\$50,000 and 20.1 percent \$50,000 or more. The corresponding percentage distributions for the five-mile trade area are virtually identical. The aggregate or gross incomes of residents are \$523.0 million within the two-mile radius and \$4.26 billion within the five-mile radius.

TABLE III-8

ESTIMATED DISTRIBUTION OF HOUSEHOLDS BY INCOME RANGES
 GRANITE PARK SITE TRADE AREAS AND SACRAMENTO COUNTY
 1990

	<u>1.0-Mile Radius</u>		<u>2.0-Mile Radius</u>		<u>3.0-Mile Radius</u>		<u>5.0-Mile Radius</u>		<u>Sacramento County</u>	
	<u>Number of Households</u>	<u>Percent Distribution</u>	<u>Number of Households</u>	<u>Percent Distribution</u>	<u>Number of Households</u>	<u>Percent Distribution</u>	<u>Number of Households</u>	<u>Percent Distribution</u>	<u>Number of Households</u>	<u>Percent Distribution</u>
Total Households	2,256	100.0%	14,954	100.0%	42,297	100.0%	123,277	100.0%	394,530	100.0%
<u>Household Income Ranges</u>										
Under \$5,000	106	4.7%	897	6.0%	2,115	5.0%	7,150	5.8%	20,516	5.2%
\$5,000-\$9,999	228	10.1	1,630	10.9	4,103	9.7	14,054	11.4	37,875	9.6
\$10,000-\$14,999	232	10.3	1,600	10.7	4,018	9.5	13,807	11.2	39,848	10.1
\$15,000-\$19,999	237	10.5	1,570	10.5	4,145	9.8	13,067	10.6	38,664	9.8
\$20,000-\$24,999	219	9.7	1,331	8.9	3,807	9.0	10,972	8.9	34,324	8.7
\$25,000-\$29,999	226	10.0	1,166	7.8	3,384	8.0	9,492	7.7	29,984	7.6
\$30,000-\$34,999	165	7.3	1,062	7.1	3,215	7.6	8,753	7.1	27,617	7.0
\$35,000-\$39,999	147	6.5	1,032	6.9	3,003	7.1	7,890	6.4	26,039	6.6
\$40,000-\$49,999	309	13.7	1,645	11.0	4,949	11.7	12,944	10.5	43,793	11.1
\$50,000-\$59,999	171	7.6	1,032	6.9	3,426	8.1	8,999	7.3	33,141	8.4
\$60,000-\$74,999	106	4.7	912	6.1	2,792	6.6	7,520	6.1	29,984	7.6
\$75,000-\$99,999	83	3.7	598	4.0	1,861	4.4	5,054	4.1	19,332	4.9
\$100,000+	27	1.2	464	3.1	1,480	3.5	3,698	3.0	13,019	3.3
Median Income	\$27,402		\$26,869		\$29,376		\$26,329		\$29,359	
Average Income	\$31,532		\$34,971		\$37,478		\$34,589		\$36,787	

Source: U.S. Bureau of the Census, Urban Decision Systems and Udewitz Associates.

OVERALL EMPLOYMENT GROWTH TRENDS

Employment expansion patterns are especially important with respect to assessing the market potentials for commercial and industrial space. Table III-9 shows wage and salary employment trends by major categories for the Sacramento Metropolitan Area from 1980 through 1990. Monthly employment trends during 1991 are presented in Table III-10. Over the past decade, Metro Sacramento's employment base recorded impressive growth, climbing from 427,000 in 1980 to 638,300 in 1990. This reflects an increase of 49.5 percent, or a numerical gain of 211,300 new jobs. Between 1985 and 1990, total employment grew by an average of 27,120 jobs annually compared to 15,140 jobs annually in the preceding five-year period. The much lower growth in the first half of the decade resulted from the impact of the recession in the early 1980's. From 1981 to 1982, total employment actually declined by approximately 2,000 jobs.

Of particular interest, despite weakness in the Statewide and national economies, employment growth in Metro Sacramento continued at a relatively strong pace from 1989 to 1990. Overall employment was shown to have increased by 27,600 during 1990 versus 29,000 in 1989. But, it should be recognized that these annual figures are calculated by means of averaging the monthly statistics for the entire year. Using year-end (December) statistics would indicate a more moderate increase in total employment amounting to 12,100 jobs for the 12-month period. More importantly, the effect of the economic downturn on employment levels in Sacramento became clearly evident from the trend data for 1991. From 1990 to 1991, average annual employment was estimated to have increased

TABLE III-9

WAGE AND SALARY EMPLOYMENT TRENDS BY MAJOR CATEGORIES
 SACRAMENTO METROPOLITAN AREA
 1980 - 1990

Industry	Average Annual Employment (thousands)			Percent of Total 1990	Numerical Change (thousands)		
	1980	1985	1990		1980-1990	1980-1985	1985-1990
Agriculture & Mining	9.7	9.0	9.5	1.5%	- 0.2	- 0.7	- 0.5
Construction	20.9	27.3	40.7	6.4	+19.8	+ 6.4	+13.4
Manufacturing	28.5	35.1	45.6	7.1	+17.1	+ 6.6	+10.5
Transportation, Communication & Utilities	22.7	23.8	28.5	4.5	+ 5.8	+ 1.1	+ 4.7
Wholesale Trade	18.0	24.2	29.0	4.6	+11.0	+ 6.2	+ 4.8
Retail Trade	80.3	97.6	116.7	18.3	+36.4	+17.3	+19.1
Finance, Insurance & Real Estate	23.2	28.6	41.1	6.4	+17.9	+ 5.4	+12.5
Services	77.9	101.5	142.3	22.3	+64.4	+23.6	+40.8
Government	<u>145.8</u>	<u>155.7</u>	<u>185.0</u>	<u>29.0</u>	<u>+39.2</u>	<u>+ 9.9</u>	<u>+29.3</u>
Total	427.0	502.7	638.3	100.0%	+211.3	+75.7	+135.6

Source: State of California Employment Development Department and Udewitz Associates.

TABLE III-10
MONTHLY TRENDS IN WAGE AND SALARY EMPLOYMENT BY MAJOR CATEGORIES
SACRAMENTO METROPOLITAN AREA
1991

<u>Industry</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Average</u>
Agriculture & Mining	5,600	5,500	5,300	7,300	9,100	10,300	11,000	11,600	11,700	10,500	9,000	7,500	8,700
Construction	35,300	33,900	33,200	35,000	36,400	37,800	38,600	39,400	39,600	39,300	37,200	35,400	36,800
Manufacturing	44,500	44,000	44,400	44,600	45,100	45,800	46,900	48,300	48,300	45,400	44,400	44,200	45,500
Transportation, Communication & Utilities	28,300	28,300	28,400	28,600	28,600	29,100	29,300	29,400	29,300	29,700	29,800	30,400	29,100
Wholesale Trade	29,300	29,000	29,000	28,500	28,800	28,800	29,500	28,900	28,900	28,900	29,000	28,800	29,000
Retail Trade	118,000	116,300	116,500	114,900	115,800	116,400	116,800	116,700	117,000	117,000	119,100	120,100	117,100
Finance, Insurance & Real Estate	41,700	41,900	41,700	42,300	43,000	43,000	43,400	43,700	43,600	43,200	43,200	43,400	42,800
Services	144,300	144,300	146,000	144,100	143,600	144,500	145,100	145,700	145,100	144,300	144,500	144,800	144,700
Government	<u>184,800</u>	<u>187,300</u>	<u>188,400</u>	<u>188,900</u>	<u>188,700</u>	<u>190,200</u>	<u>183,600</u>	<u>180,700</u>	<u>184,300</u>	<u>184,900</u>	<u>188,000</u>	<u>185,300</u>	<u>186,300</u>
Total	631,800	630,500	632,900	634,200	639,100	645,900	644,200	644,400	647,800	643,200	644,200	639,900	640,000

Source: State of California Employment Development Department and Udewitz Associates.

by only 1,700 jobs. Between December, 1990 and December, 1991, the number of jobs in Metro Sacramento declined by 5,700. Over this time, the area's unemployment rate rose from 6.1 percent to 6.4 percent.

Support for commercial office space is generated by job growth traceable principally to expansion in the two major categories of finance, insurance and real estate and services employment. Within the Sacramento Metropolitan Area, the number of jobs in these categories as of 1990 totaled 183,400, or 28.7 percent of the area's employment base. This equates to a ratio of 123.8 office-related jobs per 1,000 population. Comparatively, the Statewide ratio is 145.1 office-related jobs per 1,000 population. By type, the Sacramento area has 41,100 jobs in the finance, insurance and real estate sector and 142,300 jobs in the services sector. Between 1980 and 1990, employment in these groups increased by 82,300 jobs. As was the case for overall employment, the largest gains in office-related employment occurred during the second half of the decade. In the 1985-1990 period, finance, insurance and real estate and services employment witnessed a gain of 53,300 jobs, reflecting an average increase of 10,660 jobs annually. From 1990 to 1991, the two office-related components experienced a slower rate of growth as evidenced by an increase of 4,100 jobs.

Support for industrial development is mostly associated with firms engaged in manufacturing and warehousing/distribution activities. The manufacturing sector of Sacramento's employment base includes 45,600 workers, representing only 7.1 percent of all jobs in contrast to 16.0 percent for the State of California. An encouraging sign,

however, is that manufacturing employment in Metro Sacramento has been growing more rapidly than total employment since 1980. During the 1980-1990 period, the area's base of manufacturing jobs rose by 60 percent. Manufacturing employment in the Sacramento area was also found to be comparatively well diversified. The overall mix of manufacturing jobs consists of 59.2 percent in the durable goods classification and 40.8 percent in the nondurable goods classification. The leading subsectors in durable goods manufacturing area lumber and wood products, industrial machinery, electronic equipment and transportation equipment, each with about 4,500 to 6,000 jobs. The two most important subsectors of nondurable good manufacturing are paper, printing and publishing and food and kindred products, which have an identical employment level of 7,600 workers.

Warehousing/distribution jobs are included within the wholesale trade employment category and the trucking and warehousing subsector of the transportation employment category. In 1990, the Sacramento Metropolitan Area had 29,000 wholesale trade jobs and 9,800 trucking and warehousing jobs. Like manufacturing, growth in jobs related to warehousing/distribution was shown to be more impressive than the rate indicated for the overall employment base. The attraction of Sacramento for this type of usage stems from its central location within the State, linkage to other regions through north-south and east-west freeway systems, an expanding metropolitan airport, the Port of Sacramento and two railroads (Western Pacific and Southern Pacific). Another major reason contributing to the appeal of Sacramento to warehousing/distribution uses as well as manufacturing firms is the availability of relatively inexpensive labor, housing, land and office/industrial space.

Next to the services industry, retail trade is the second largest private sector employment category in the Sacramento Metropolitan Area. Retail trade currently accounts for 18.3 percent of the area's overall employment mix. In absolute terms, the number of retail trade jobs rose from 80,300 in 1980 to 116,700 in 1990. The three leading subgroups of retail trade employment are food stores with 17,200 workers, general merchandise stores with 15,400 workers and automotive dealers with 13,100 workers. As related to population growth, retail trade is expected to remain an important source of jobs in the future.

Table III-11 presents a listing of the 28 largest private sector employers in the Sacramento Metropolitan Area. These companies have a combined total of 58,041 employees. The top private employer is Pacific Bell, providing a total of 4,596 jobs. The three next largest employers, each with more than 3,600 workers, are Sutter Health, Kaiser Permanente and Mercy Healthcare Sacramento. Other major employers in the medial services field include Foundation Health Corporation and Roseville Community Hospital. The leading manufacturing firm in the Sacramento area is Aerojet General, which currently employs 3,300 workers at its huge complex situated on 13,300 acres south of Highway 50 and east of Sunrise. Four additional important high technology companies located in Metro Sacramento are represented by Hewlett Packard, Intel Corporation, U.S. Computer Services and Electronic Data Systems Corporation. The balance of the area's major employers is comprised mostly of retail chains, food processing plants and utility companies.

TABLE III-11

MAJOR PRIVATE SECTOR EMPLOYERS
SACRAMENTO METROPOLITAN AREA
1991

<u>Name of Employer</u>	<u>Type of Business</u>	<u>Employment Level</u>
Pacific Bell	Telephone Services	4,596
Sutter Health	Medical Services	4,466
Kaiser Permanente	Medical Services	4,280
Mercy Healthcare Sacramento	Medical Services	3,690
Aerojet General Corp.	Solid and Liquid Rocket Engines	3,300
Hewlett Packard Co.	Electronic Instruments	2,583
J.C. Penney	Department Stores	2,537
Blue Diamond Growers	Almonds-Marketing/Processing	2,500 ^{1/}
Sierra Fruit Co.	Fruit Processing	2,500 ^{1/}
Raley's, Inc.	Supermarkets and Drug Stores	2,420
Bel Air Markets	Retail Grocery Chain	2,000
Bank of America	Financial Services	1,973
Campbell Soup Co.	Food Processing	1,910
Southern Pacific Transportation Co.	Rail Transportation	1,750
The Sacramento Bee	Daily Newspaper	1,643
Intel Corp.	Semiconductor Components	1,620
U.S. Computer Services	Data Processing/Software	1,538
A. Teichert & Son, Inc.	Construction and Concrete	1,500
K-Mart Corp.	Discount Store Chain	1,344
Lucky Stores, Inc.	Retail Grocery Chain	1,258
Economic Data Systems Corp.	Computer and Communications Services	1,200
Eskaton	Retirement Communities/Health Care	1,170
Foundation Health Corp.	Medical Services	1,100
Beatrice-Hunt Wesson	Tomato Products	1,100 ^{1/}
USAA	Personal Insurance	1,064
MTS, Inc.	Retail Records/Video Stores	1,050
Pacific Gas and Electric Co.	Utility Services	1,021
Roseville Community Hospital	Medical Services	928

^{1/}Reflects peak employment levels.

Source: The Sacramento Business Journal and Udewitz Associates.

GOVERNMENT EMPLOYMENT

Government employment, comprising almost 30 percent of all jobs in the Sacramento area, is still the leading source of work. Historically, it has provided a stabilizing influence to the region's economy. However, while this component recorded significant absolute employment gains in the past decade, its proportion of total employment gradually has been declining, and this trend is likely to continue over the long-term. Numerically, public sector employment represented a total of 185,000 jobs in 1990. By jurisdiction, this total consists of 30,000 Federal jobs, 85,100 State jobs and 69,900 local (County and City) jobs. Regarding Federal employment, it is important to recognize that the figure as shown is exclusive of military personnel at the area's three major defense installations -- McClellan Air Force Base, Mather Air Force Base and the Sacramento Army Depot. Together, these facilities employ a total of 23,254 workers including 17,596 civilians and 5,658 military personnel. Their overall economic impact is estimated at approximately \$2.1 billion annually. McClellan, which operates as a military aircraft maintenance facility, is the largest installation with a work force of 14,275 persons.

Both Mather Air Force Base and Sacramento Army Depot are slated to be closed in the future as part of the Federal government's overall program for reducing defense spending. Mather Air Force Base is located on 5,847 acres of government property to the south of the Highway 50 corridor, approximately 4.5 miles east of the Granite Park Site. It is scheduled for closure by September 30, 1993. Currently, Mather is still essentially in full operation, with a work force of 2,104 civilian employees and 3,308 military personnel.

The primary function of Mather has been the training of Air Force navigators and specialists. Major military divisions at Mather are the 323rd Flying Training Wing, 320th Bombardment Wing, 940th Air Refueling Group and 2034th Communications Squadron. Important non-production facilities include the 65-bed USAF Hospital Mather and 1,179 residential dormitory units.

Local groups are in the process of devising alternative plans for submittal to the Air Force in order to determine a viable reuse program for Mather's land and buildings. The general consensus is that, over the long run, the potential economic benefits from reuse of the property will more than offset the effects resulting from Mather's closure. Because of the excellent aviation facilities at Mather, one of the most logical considerations is the retention of the site as an airport/aerospace complex which could be utilized by both public and private interests for air cargo, tie-down facilities, manufacturing, aviation refabrication, training and research and development. Further, due to its prime location along the Highway 50 corridor, the Mather land would also be ideal for reuse in housing, commercial and light industrial activities. The existing hospital is expected to remain open to provide medical treatment for military retirees and dependents in the Sacramento area.

To date, no plans have been formalized for reuse of the Sacramento Depot property. The existing buildings would appear to have potential for renovation and reuse as warehousing or light manufacturing facilities. Based upon locational characteristics, the excess land also would seem to be readily marketable for industrial park development. Additionally, with regard to economic impact, it should be noted that upon closure of the

Army Depot the possibility exists for shifting the work load to McClellan Air Force Base as opposed to losing jobs to other military installations located elsewhere in the country.

The Sacramento Army Depot is situated just one mile south of the subject property. The site encompasses 485 acres including the entire area bounded by Fruitridge Road on the north, Florin Perkins Road on the east, Elder Creek Road on the south and the Southern Pacific Railroad tracks on the west. The Sacramento Army Depot has been targeted for closure by September 30, 1996 and, as such, will continue in operation for several more years. The current work force at the Army Depot is reported to total 3,567 persons, of which about 90 percent are civilian employees. The main responsibilities of the Army Depot are to repair, store and distribute electronic and communication equipment.

CONSTRUCTION TRENDS

Table III-12 illustrates annual changes in residential housing starts during the 1980-1991 period for the Sacramento Metropolitan Area, Sacramento County and the City of Sacramento. Over the 12-year period since 1980, new residential construction in the Metro Sacramento region totaled 164,411 units, indicating an average building rate of 13,700 units annually. The overall construction mix was composed of 33.3 percent multifamily units (apartments and condominiums) and 66.7 percent single-family homes. Residential construction activity in the 1980-1984 period averaged 10,365 units per year compared to 17,487 units per year in the 1985-1991 period. The peak construction year was 1985 when

TABLE III-12
RESIDENTIAL CONSTRUCTION TRENDS BY UNIT TYPE
CITY OF SACRAMENTO, SACRAMENTO COUNTY AND SACRAMENTO METROPOLITAN AREA
1980 - 1990

Year	City of Sacramento			Sacramento County			Metro Sacramento		
	Single-Family Units Permitted	Multifamily Units Permitted	Total Units Permitted	Single-Family Units Permitted	Multifamily Units Permitted	Total Units Permitted	Single-Family Units Permitted	Multifamily Units Permitted	Total Units Permitted
1980	1,908	669	2,577	4,883	1,817	6,700	8,237	2,543	10,780
1981	934	584	1,518	2,856	905	3,761	5,628	1,626	7,254
1982	1,158	547	1,705	3,044	938	3,982	5,080	1,233	6,313
1983	2,463	1,317	3,780	6,082	2,312	8,394	8,845	3,008	11,853
1984	2,074	2,356	4,430	5,673	5,836	11,509	8,738	6,888	15,626
1985	2,159	4,021	6,180	6,185	12,133	18,318	9,109	14,317	23,426
1986	2,820	640	3,460	7,697	3,555	11,252	11,051	5,323	16,376
1987	1,820	1,495	3,315	6,167	4,024	10,191	10,995	5,746	16,741
1988	1,330	807	2,137	8,289	3,424	11,713	14,166	4,835	19,001
1989	1,591	706	2,297	10,614	2,507	13,121	16,528	4,168	20,696
1990	1,885	296	2,181	8,442	1,953	10,395	13,456	2,889	16,345
1991	888	161	1,049	4,265	615	4,880	7,642	2,179	9,821

Source: Security Pacific National Bank, Economic Sciences Corporation and Udewitz Associates.

permits were issued for 23,426 units. As an indication of the recent downturn in residential market conditions, the number of new housing starts declined from 20,696 units in 1989 to 16,345 units in 1990 and 9,821 units in 1991.

New housing development in Sacramento County from 1980 through 1991 amounted to 114,216 units, or an average construction rate of 9,518 units annually. This volume represented 69.5 percent of Metro Sacramento's residential construction total. Within the City of Sacramento, new housing construction activity totaled 34,629 units over the past 12 years. Average annual construction rates by unit type were 1,133 units for the multifamily sector and 1,752 units for the single-family sector. After reaching an all-time high of 4,021 units in 1985, multifamily construction in the City declined to relatively low levels, averaging only 684 units per year during the 1986-1991 period. Over this time, single-family construction averaged 1,722 units annually; or approximately the same as the rate for the entire 12-year period. During 1991, the residential construction volume in the City of Sacramento dropped to 1,049 units, consisting of 888 single-family units and 161 multifamily units.

Annual trends in industrial and commercial construction on the basis of dollar valuations for the Sacramento Metropolitan Area, Sacramento County and the City of Sacramento since 1980 are shown in Table III-13. For interpreting these non-residential valuation figures, it is important to emphasize that they are unadjusted for inflation over time. Additionally, it should be noted that the commercial category encompasses all types of retail, office, hotel/motel and amusement/recreational buildings.

TABLE III-13

**NEW COMMERCIAL AND INDUSTRIAL BUILDING PERMIT VALUATION TRENDS
CITY OF SACRAMENTO, SACRAMENTO COUNTY AND SACRAMENTO METROPOLITAN AREA
1980 - 1991
(Thousands of Dollars)**

Year	City of Sacramento		Sacramento County		Metro Sacramento	
	Commercial	Industrial	Commercial	Industrial	Commercial	Industrial
1980	\$ 50,986	\$ 8,652	\$ 94,891	\$ 52,201	\$123,244	\$ 77,405
1981	37,528	17,733	86,146	66,389	113,901	94,348
1982	60,823	4,343	127,753	30,056	154,531	51,663
1983	87,884	6,513	168,214	47,607	194,712	63,962
1984	57,749	15,382	210,488	69,191	246,163	83,601
1985	75,438	11,484	169,899	67,839	205,088	104,675
1986	131,150	25,912	208,195	103,150	256,954	111,382
1987	64,079	7,827	203,566	28,230	274,310	35,761
1988	163,090	5,105	305,455	32,983	377,542	63,584
1989	131,090	7,548	240,822	36,180	348,719	48,531
1990	159,509	2,229	248,616	33,168	365,457	51,407
1991	72,829	3,791	159,650	29,347	210,799	37,700

Source: Security Pacific National Bank, Economic Sciences Corporation and Udewitz Associates.

Between 1980 and 1991, new industrial development valuations in the Metro Sacramento area amounted to \$824.0 million. On a year-to-year basis, the highest volumes were recorded in 1985 and 1986 when industrial permit values totaled \$104.7 and \$111.4 million, respectively. Industrial construction valuations for the two most recent years were \$51.4 million in 1990 and \$37.7 million in 1991. Permits issued for new industrial buildings in Sacramento County over the 12-year period had a total value of \$596.3 million. The City of Sacramento accounted for about 20 percent of the Countywide industrial construction volume.

Permit valuations for new commercial development in the Sacramento area far exceeded those for industrial construction. In the 1980-1991 period, the overall value of commercial building permits for the Metro Sacramento area was found to be \$2.87 billion. The highest levels of commercial building activity occurred between 1988 and 1990. During this three-year period, permit valuations averaged \$363.9 million annually. Due to weaker demand and restrictive policies of lenders with respect to financing new projects, the volume of commercial construction fell to \$210.8 million in 1991. Within Sacramento County, new commercial construction activity amounted to \$2.22 billion over the past 12 years. New buildings in the City of Sacramento represented approximately 50 percent of the Countywide total.