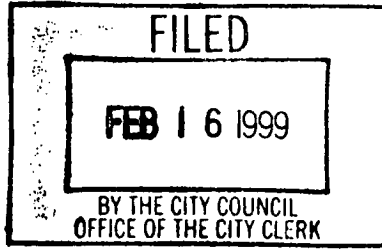


SACTO

Sacramento Area Commerce and Trade Organization



Officers-Directors
PRESIDENT
 David M. Higgins
 Harbison-Mahony-Higgins
PRESIDENT-ELECT
 Larry Dicke
 Blue Diamond Growers
VICE PRESIDENT and CHIEF FINANCIAL OFFICER
 Maggie Ferrari
 Ferrari Color, Inc.
VICE PRESIDENT and SECRETARY
 Randy Gorrell
 USCS International
VICE PRESIDENT for DEVELOPMENT
 Charles W. Trainor
 Trainor Robertson
CHIEF EXECUTIVE OFFICER
 Alan R. Gianini

January 26, 1999

MEMORANDUM

TO: Governmental Organization Members

FROM: Alan R. Gianini
 Executive Director

RE: SACTO QUARTERLY REPORT
 October, November, December 1998

Enclosed is SACTO's Quarterly Report for October, November, and December 1998.

Your thoughts are important to us. Please let us know if SACTO is accomplishing what you expect and if you would like us to include any additional information in this report.

Thank you in advance for your time.

Enclosure

Directors-at-Large
 Larry R. Booth
 Frank M. Booth, Inc.
 Ted Grebitus
 Grebitus & Sons, Inc., E.A.
 Richard Hall
 Intel Corporation
 Greg Kelly
 KCRA TV - Channel 3
 Sadayuki Klahl
 NEC Electronics Inc.
 Timothy P. Madden
 Fidelity National Title
 Anthony Mansour
 The Mansour Company
 Steven J. Nichols
 PG&E
 Kristen E. Pigman
 The Pigman Companies
 Kevin M. Ramirez
 Sierra College
 Jeanne Reaves
 River City Bank
 Ron Robinett
 The Marketing Store
 James Shelby
 Sacramento Urban League
 Phillip A. Stohr
 Downey Brand Seymour
 & Rohwer
 Bob Woods
 AT&T Wireless Services

Appointed Directors
 Hon. Dick Akin
 County of Sutter
 Hon. Wes Beers
 City of West Sacramento
 Bernard Bowler
 IBM
 Dr. Donald R. Gerth
 CSUS
 Hon. Don Nottoli
 County of Sacramento
 Robert Pernell
 SMUD
 Hon. Joe Serna, Jr.
 City of Sacramento
 Hon. Walt Shultz
 County of El Dorado
 Hon. Bill Simmons
 County of Yuba
 Dr. Larry N. Vanderhoef
 UC Davis
 Hon. James T. Williams
 County of Placer

Ex-Officio Directors
 Robert W. Bell
 Hefner, Stark & Marois
 Robert D. Dean
 Grubb & Ellis Company
 Edward J. Hurley, M.D.
 UCDCM
 Edward J. Quinn, Jr.
 McDonough, Holland & Allen
IMMEDIATE PAST PRESIDENT
 James A. Whillock
 Patterson Travel/American Express

SACTO LEGAL COUNSEL
 Jeffrey M. Koewler
 Downey Brand Seymour
 & Rohwer

**REPORT TO THE GOVERNMENTAL ORGANIZATION MEMBERS
by the
SACRAMENTO AREA COMMERCE AND TRADE
ORGANIZATION (SACTO)**

For the Period Covering
October, November, December 1998

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EXECUTIVE SUMMARY

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- A. Purposes of Fund Expenditures
- B. Any Direct Personal Benefits
- C. Number of Performances, Appearances, or Publications
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 - 2. Publicity
 - 3. Publications
- D. Estimated Amount of Funds Expended Upon Services

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- A. General Activities
- B. Prospect Activity

APPENDIX I Financial Statements Quarter Ending December 31, 1998

APPENDIX II Prospect Activity

SACTO
Sacramento Area Commerce and Trade Organization

EXECUTIVE SUMMARY - QUARTER ENDED DECEMBER 31, 1998

HIGHLIGHTS: Marketing Trips to Bay Area
Brown Bag Lunches held, October - December, 1998
Board of Directors Retreat Dinner held October 12, 1998
Marketing Trips to Germany and Japan, October 1998
Attended NACORE Conference in Chicago, October 1998

LOCATIONS **CARDINAL GLASS** has chosen a site in the City of Galt for a new glass coating facility. The company will employ 135 people on a 15 acre site. The capital investment is \$20 million.

STATISTICAL:	Quarter Ending <u>Dec. 31</u>	Current <u>YTD</u>	Previous <u>Year - YTD</u>
Members	432	432	409
Member Support (cash basis)			
- private	\$28,400	\$218,698	\$262,622
- public	\$74,169	\$100,869	\$32,169
- other	\$5,820	\$173,644	\$134,443
Total Receipts (cash)	\$108,389	\$493,211	\$429,234
Expenses			
- administration*	\$22,880	\$158,280	\$157,205
- marketing*	\$23,071	\$166,633	\$197,339
- membership & misc.	\$904	\$95,349	\$91,271
SACTO Assisted Companies Announced	1	1	3
Direct Jobs Expected	135	135	410
Active Prospects	154	153	149

* Includes personnel costs.

NOTES

AND DATES: Marketing Trips planned to Bay Area
Membership Celebration, Hard Rock Cafe, February 25, 1999
Brown Bag Lunches Scheduled, January - March, 1999
Marketing Trip planned to Japan, March 1999
IDRC World Congress, New England, April 1999
Inside Business '99, Convention Center, May 26, 1999

SACTO
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Sacramento, CA 95814
(916) 441-2144 • (916) 441-2312 FAX • email: sacto@ns.net • www.sactoedc.org

REPORT TO GOVERNMENTAL ORGANIZATION MEMBERS
SACRAMENTO AREA COMMERCE AND TRADE ORGANIZATION
October, November, December 1998

I. STATEMENT OF SERVICES

A. Purpose of Fund Expenditure

The overall purpose of the Sacramento Area Commerce and Trade Organization (SACTO) is to encourage the economic growth of the six-county Greater Sacramento Area.

B. Any Direct Personal Benefits

SACTO bylaws prohibit any direct personal gain from any of its activities or funds. Consistent with its bylaws, no direct personal gain accrued to any individual during the reporting period, and none will accrue in future reporting periods.

C. The Number of Performances, Appearances, or Publications

1. Performances and Appearances

- Made quarterly presentation to City & County of Sacramento.
- Attended IDRC Bay Area Chapter Meeting.
- Held Four Brown Bag Lunch Sessions.

2. Publicity

SACTO's efforts were publicized in the following media articles:

- The Business Journal, "Roseville Gets \$145 Million Modernization of Rail Yard, Exalted Status, in Union Pacific Reorganization," October 5, 1998.
- The Sacramento Bee, "Capital's Now Hot in High Tech," October 6, 1998.
- The Business Journal, "Yolo Says No to 550 Military Supply Jobs," October 1998.
- The Airport Beacon, "SACTO Event Give Local Business People First Look at New Terminal," October 1998.
- The Sacramento Bee, "Trading Places," October 19, 1998.
- The Sacramento Bee, "Capital Might Land 2 Japanese Expansions," November 6, 1998.

- The Sacramento Bee. "NEC Lays Off Locally and Nationally," December 3, 1998.

3. Publications

SACTO has developed and made available a full-spectrum of publications. A description of publications and their contents and costs is available upon request.

This quarter the following publications were updated: *Political Contacts List*, and *Located Companies List*.

D. The Estimated Amount of Funds Expended Upon Services

Appendix I will reveal the breakdown of expenditures on services.

II. ADDITIONAL INFORMATION COVERING PREVIOUS THREE MONTHS

A. General Activities

There were numerous SACTO activities during the past reporting period of interest to public sector members. SACTO met with and made presentations to elected bodies of local governments in region. Activities related to organizational management, including committee meetings, membership meetings and planning sessions were also conducted. Much time and effort is spent on research, which represents a significant portion of SACTO's activities.

B. Prospect Activity

This quarter one company located bringing 135 jobs to the region.

Locations

Cardinal Glass has chosen a site in the City of Galt for a new glass coating facility. The company will employ 135 people on a 15 acre site at Pringle and Industrial Boulevards. The capital investment is \$20 million.

Contact: Steve Nelson
Phone: 360/956-9002

SACRAMENTO AREA COMMERCE
AND TRADE ORGANIZATION

Dec 31 98

SACRAMENTO AREA COMMERCE AND TRADE ORGANIZATION
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
Dec 31 98

ASSETS

CURRENT ASSETS:	
CASH - UNRESTRICTED	318,733
RESTRICTED RESERVES (SEE NOTE 1)	100,000
CAPITAL RESERVE	25,554
PREPAID EXPENSES	3,124

TOTAL CURRENT ASSETS	447,411

PROPERTY AND EQUIPMENT	
OFFICE FURNITURE AND EQUIPMENT	107,061

	107,061
LESS ACCUMULATED DEPRECIATION	64,323

TOTAL PROPERTY AND EQUIPMENT	42,738

	490,149
	=====

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES:	
ACCOUNTS PAYABLE - RENT	6,845
ACCRUED EMPLOYEE VACATION LIABILITY	20,490

TOTAL CURRENT LIABILITIES	27,335

TOTAL LIABILITIES	27,335

FUND BALANCE	
UNRESTRICTED	398,742
YEAR TO DATE EXCESS REVENUE OVER (EXPENDITURES)	64,072

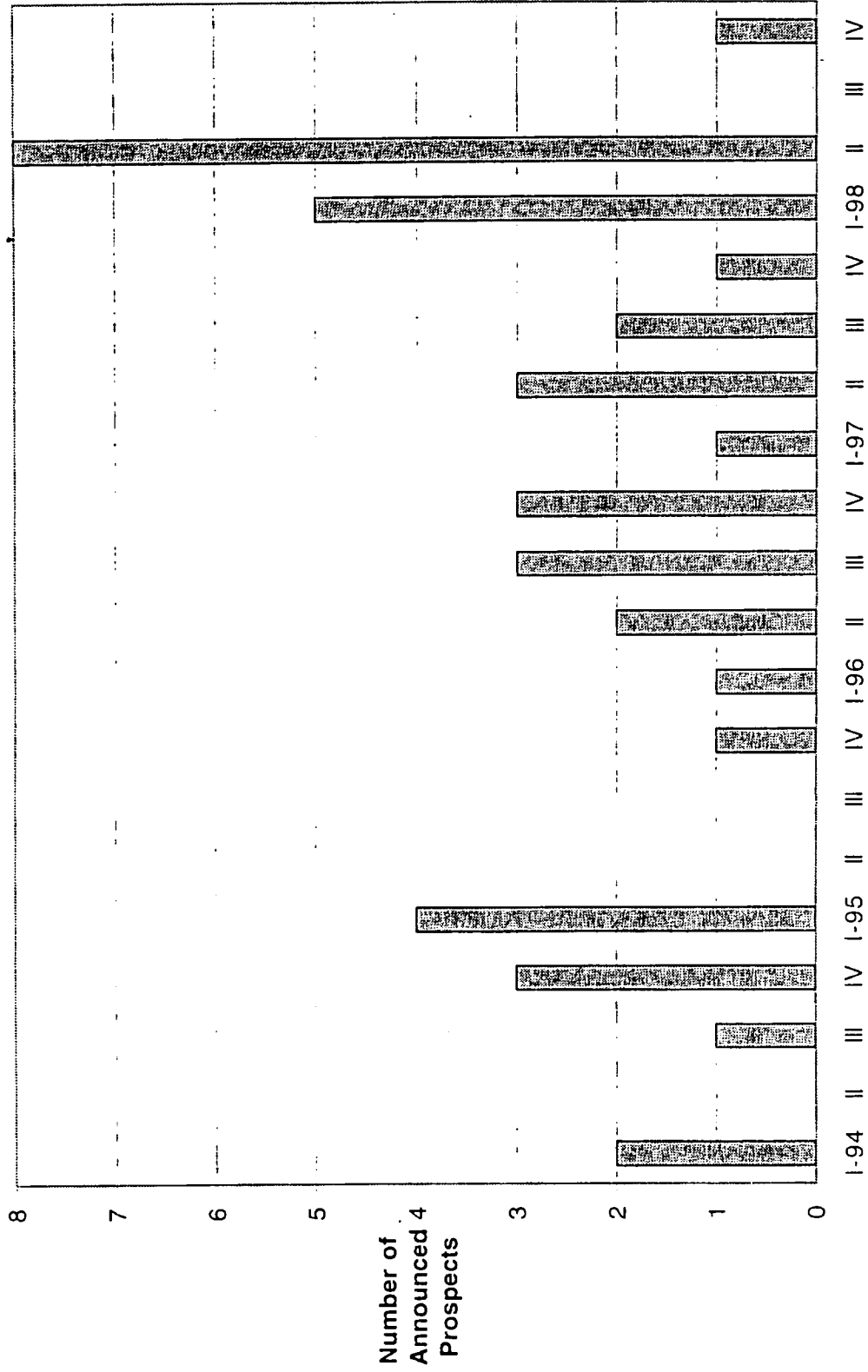
ENDING FUND BALANCE	462,814

DIFFERENCE ON ROUNDING	0

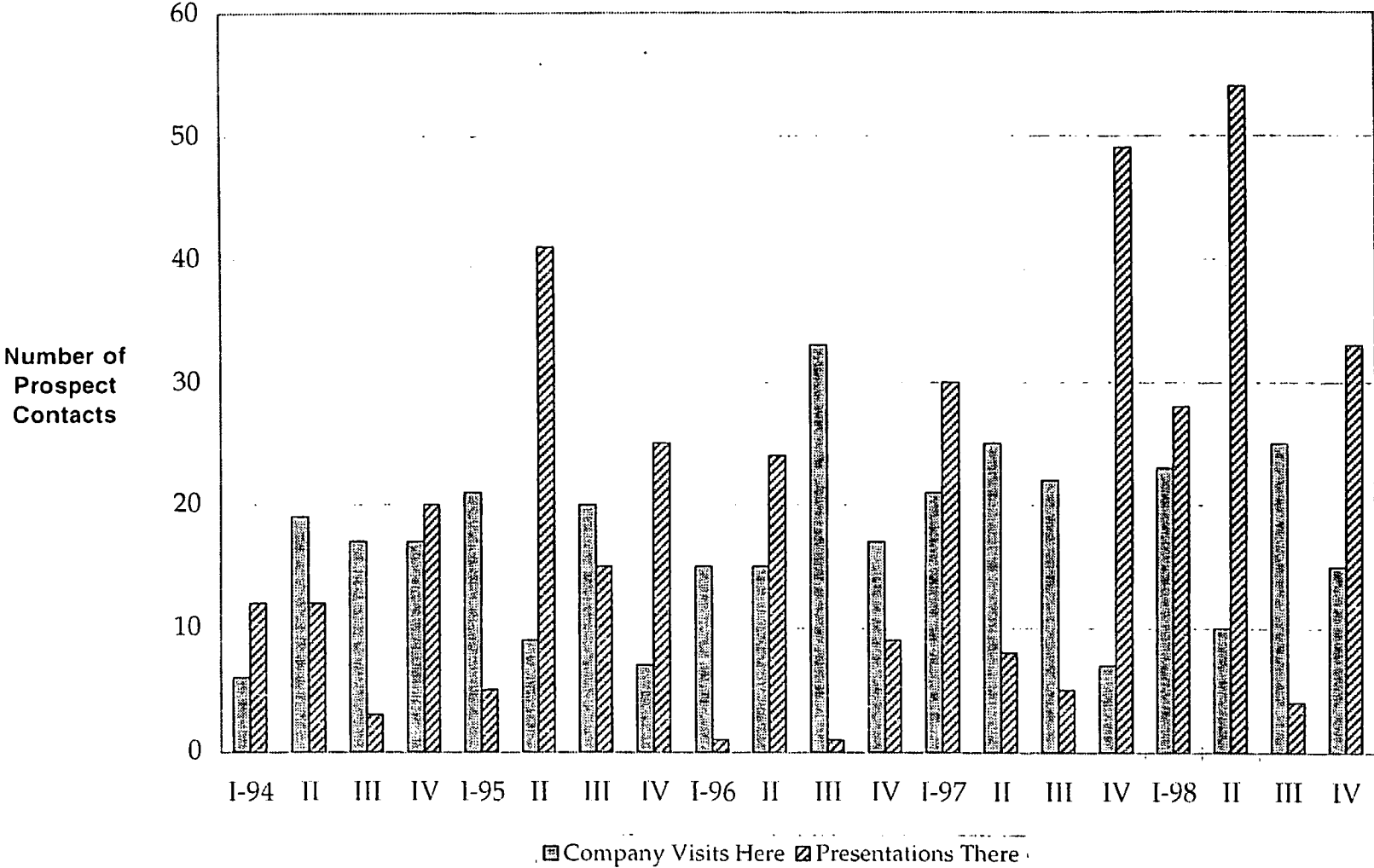
	490,149
	=====

NOTE 1: AVAILABLE IN THE EVENT OF A REVENUE-SHORT FISCAL YEAR,
SPECIAL OPPORTUNITIES OR SPECIAL PROJECTS WITH A MAJORITY
VOTE OF THE BOARD OF DIRECTORS OR EXECUTIVE COMMITTEE.

*SACTO Assisted Companies
January 1, 1994 - December 31, 1998*



*Prospect Visits and Presentations
January 1, 1994 - December 31, 1998*



SACTO Active Prospects January 1998 & 1999

<i>Type of Company</i>	<i>Number of Prospects Jobs Square Feet January 1998</i>			<i>Number of Prospects Jobs Square Feet January 1999</i>		
Call Center - Information Technology	36	8,200	2,165,000	42	8,750	1,450,000
Electronics	27	4,550	3,640,000	18	2,100	1,580,000
Distribution	13	1,020	2,750,000	13	1,650	3,280,000
Software	9	1,450	425,000	9	1,100	320,000
Bio-Science Medical Device	9	1,850	575,000	6	1,200	600,000
General Manufacturing	5	335	460,000	24	4,055	1,620,000
Food Processing				4	800	370,000
Other				2	215	110,000