

2.1

**Officers-Directors**  
**PRESIDENT**  
 James A. Whillock  
 Person Travel/American Express  
**VICE PRESIDENT-ELECT**  
 Higgins  
 Mahony Higgins  
**VICE PRESIDENT and CHIEF FINANCIAL OFFICER**  
 Larry Dicke  
 Blue Diamond Growers  
**VICE PRESIDENT and SECRETARY**  
 Maggie Ferrari  
 Ferrari Color, Inc.  
**VICE PRESIDENT for DEVELOPMENT**  
 Nell J. Doerhoff  
 Raley's and Bel Air  
**CHIEF EXECUTIVE OFFICER**  
 Alan R. Gianini

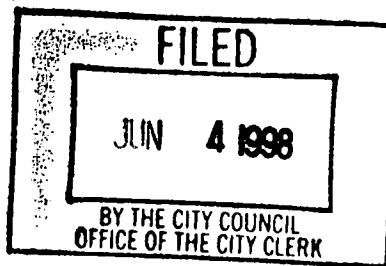
**Directors-at-Large**  
 Larry R. Booth  
 Frank M. Booth, Inc.  
 Randy Gorrell  
 USCS International  
 Ted Grebitus  
 Grebitus & Son, Inc., E.A.  
 Richard Hall  
 Intel Corporation  
 Greg Kelly  
 KCRA TV - Channel 3  
 Sodayuki Kishi  
 NEC Electronics Inc.  
 Timothy P. Madden  
 Fidelity National Title  
 Anthony Mansour  
 The Mansour Company  
 Steve J. Nichols  
 PG&E  
 Kristen E. Pigman  
 The Pigman Companies  
 Kevin M. Ramirez  
 Sierra College  
 Jeanne Reaves  
 River City Bank  
 James Shelby  
 Sacramento Urban League  
 Philip A. Stohr  
 Downey, Brand, Seymour  
 W. Trainor  
 Robertson  
 J. Wirt  
 Placer Title Company  
 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 Sema, 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 Commercial  
 Real Estate  
 Elizabeth McClatchy  
 Safety Center Incorporated  
 Edward J. Quinn, Jr.  
 McDonough, Holland & Allen  
**IMMEDIATE PAST PRESIDENT**  
 Edward J. Hurley, M.D.  
 UCDCM

**SACTO LEGAL COUNSEL**  
 M. Koewler  
 Downey, Brand, Seymour  
 Wier

May 13, 1998



## MEMORANDUM

**TO:** Governmental Organization Members

**FROM:** Alan R. Gianini  
Executive Director

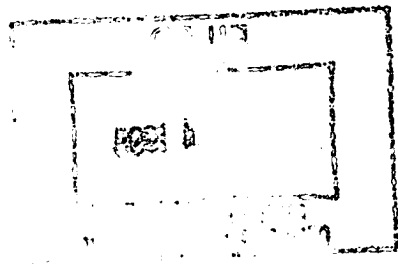
**RE:** SACTO QUARTERLY REPORT  
January, February, March 1998

Enclosed is SACTO's Quarterly Report for January, February, and March 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



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

For the Period Covering  
January, February, March 1998

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**SACTO**  
*Sacramento Area Commerce and Trade Organization*

**EXECUTIVE SUMMARY - QUARTER ENDED MARCH 31, 1998**

**HIGHLIGHTS:** Marketing Trips to Bay Area  
 Membership Celebration, February 12, 1998  
 Brown Bag Lunches held, January - March 1998  
 Marketing Trip to Germany, March 1998

**LOCATIONS/ EXPANSIONS** **AFFYMETRIX** will build a new manufacturing facility in the city of West Sacramento. The company intends to build out 50,000 square feet for manufacturing operations and office space and will employ 200 people.  
**XYRATEX** will lease 15,000 square feet in West Sacramento to repair computers employing 40 people.  
**R. FRAZIER** will lease 21,000 square feet on Northgate to recycle computers employing 40 people.  
**TRAVELERS INDEMNITY COMPANY** will expand their insurance claims and customer service operation to 75,000 square feet in Rancho Cordova and will employ 350 people.  
**MONEY STORE** will expand to Folsom to include a 100,000 square foot financial services operation employing 200 people.

**STATISTICAL:**

	Quarter Ending <u>March 31</u>	YTD <u>Actual</u>	Previous <u>Year - YTD</u>
Members	419	419	388
Member Support (cash basis)			
- private	\$141,074	\$403,696	\$272,129
- public	\$88,097	\$120,266	\$108,888
- other	\$61,850	\$196,293	\$182,338
Total Receipts (cash)	\$291,021	\$720,255	\$563,355
Expenses			
- administration*	\$77,283	\$234,487	\$196,034
- marketing*	\$119,794	\$317,133	\$270,424
- membership & misc.	\$46,435	\$137,706	\$92,009
SACTO Assisted Companies Announced	5	8	7
Direct Jobs Expected	830	1,240	1,409
Active Prospects	149	149	112
* Includes personnel costs.			

**NOTES**

**AND DATES:** CALED Conference, San Diego, April 1998  
 Marketing Trip planned to Japan, April - May 1998  
 New York Marketing Mission planned, April 1998  
 IDRC World Congress Baltimore, May 1998  
 Inside Business '98 to be held May 19, 1998

SACTO  
 980 - 9th Street, Suite 1730  
 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  
January, February, March 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 of Sacramento.
- Attended IDRC Bay Area Chapter Meeting.
- Held Four Brown Bag Lunch Sessions.
- Made marketing trip to Germany.

2. Publicity

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

- The Business Journal, "Foundation, Ex-Boss Crowley Plan Their Next Moves," January 2, 1998.
- The Business Journal, "Supporters See Teamwork as Key to Pitching Downtown Ballpark," January 2, 1998.
- The Business Journal, "Davis is our Ace in One of the State's Hotter Hands," January 2, 1998.
- The Business Journal, "Jobs Galore, But Not Enough Techies to Fill Them," January 2, 1998.
- Comstock's, "Telling the Economic Future," January 1998.
- The Business Journal, "Economic Incentives: A Necessary Evil to Lure Firm," January 23, 1998.

- The Business Journal, "Sutter Targeted by Labor, Consumers in San Rafael," January 23, 1998.
- The Sacramento Bee, "Locally Grown: A Burgeoning Biotechnology Culture Could Boost the Area's Continuing Recovery From the Mid-90's Recession," February 9, 1998.
- The Business Journal, "AirTouch to Build Center Here," February 6, 1998.
- The Sacramento Bee, "Bridging the Cultural Gap," February 20, 1998.
- The Sacramento Bee, "Possible Money Store Sale a Looming Setback," February 18, 1998.
- The Galt Herald, "Luring Business to Galt," February 25, 1998.
- The Sacramento Bee, "It's Official: Affymetrix to Build in West Sac," February 27, 1998.
- The Sacramento Bee, "Money Store is Sold to Big Bank," March 5, 1998.
- The Sacramento Bee, "Sacramento: Ever the Branch-Office Town?," March 8, 1998.
- The Sacramento Bee, "Diversity Drives Region's New Economy," March 15, 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*, *Sacramento Los Angeles Statistical Comparison*, *Sacramento Bay Area Statistical Comparison*, *Greater Sacramento Area Economic Development Databook*, 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 three companies located bringing 280 jobs to the region and two companies expanded bringing an additional 550 jobs to the region.

#### Locations

**Affymetrix** will build a new manufacturing facility in the city of West Sacramento. The company intends to build out 50,000 square feet for manufacturing operations and office space and will employ 200 people.

Contact: Anne Bowdidge  
Phone: (408) 731-5925

**Xyratex** will lease 15,000 square feet in West Sacramento to repair computers employing 40 people.

Contact: Doug Morran  
+44(0)1705 486363

**R. Frazier** will lease 21,000 square feet on Northgate to recycle computers employing 40 people.

Contact: Jeff Zeigler  
(512) 491-6451

#### Expansions

**The Travelers Indemnity Company** will expand their insurance claims and customer service operation to 75,000 square feet in Rancho Cordova and will employ 350 people.

Contact: Brad S. Seaton  
(423) 595-2450

REPORT TO THE GOVERNMENTAL ORGANIZATION MEMBERS  
January, February, March 1998  
Page 4

**The Money Store** will expand to Folsom to include a 100,000 square foot financial services operation employing 200 people.

Contact: Jerome J. Beauchamp  
Phone: (916) 617-2299



SACRAMENTO AREA COMMERCE  
AND TRADE ORGANIZATION

MARCH 31, 1998

SACRAMENTO AREA COMMERCE AND TRADE ORGANIZATION  
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE  
MARCH 31, 1998

ASSETS

CURRENT ASSETS:

CASH - UNRESTRICTED	210,614
RESTRICTED RESERVES (SEE NOTE 1)	100,000
CAPITAL RESERVE	25,554
PLEDGE RECEIVABLE	13,700
PREPAID EXPENSES	6,504

TOTAL CURRENT ASSETS	356,372
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PROPERTY AND EQUIPMENT

OFFICE FURNITURE AND EQUIPMENT	124,403
--------------------------------	---------

124,403

LESS ACCUMULATED DEPRECIATION	73,807
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TOTAL PROPERTY AND EQUIPMENT	50,596
------------------------------	--------

406,968

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES:

ACCOUNTS PAYABLE-RENT	9,925
ACCRUED EMPLOYEE VACATION LIABILITY	22,730

TOTAL CURRENT LIABILITIES	32,655
---------------------------	--------

DEFERRED EARNINGS	5,000
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TOTAL LIABILITIES	37,655
-------------------	--------

FUND BALANCE

UNRESTRICTED	351,853
YEAR TO DATE EXCESS REVENUE OVER (EXPENDITURES)	17,462

ENDING FUND BALANCE	369,315
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DIFFERENCE ON ROUNDING	(2)
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406,968

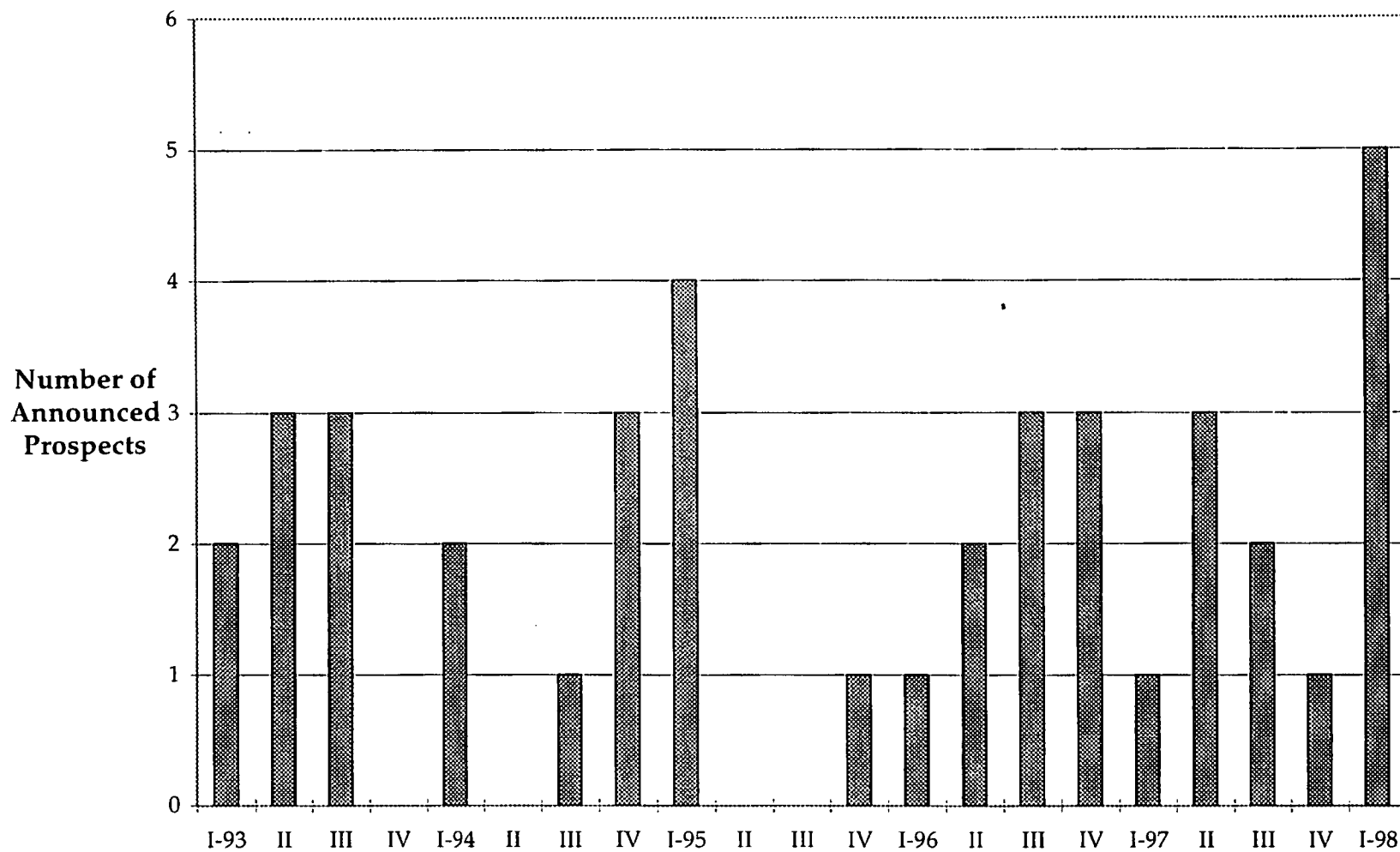
NOTE 1: AVAILABLE IN THE EVENT OF A REVENUE-SHORT FISCAL YEAR, SPECIAL OPPORTUNITIES OR SPECIAL PROJECTS WITH A MAJORITY VOTE OF THE BOARD OF DIRECTORS OR EXECUTIVE COMMITTEE

SACRAMENTO AREA COMMERCE AND TRADE ORGANIZATION  
 STATEMENT OF REVENUE COLLECTED, EXPENDITURES AND FUND BALANCE-CASH BASIS  
 9 MONTHS ENDED MARCH 31, 1998

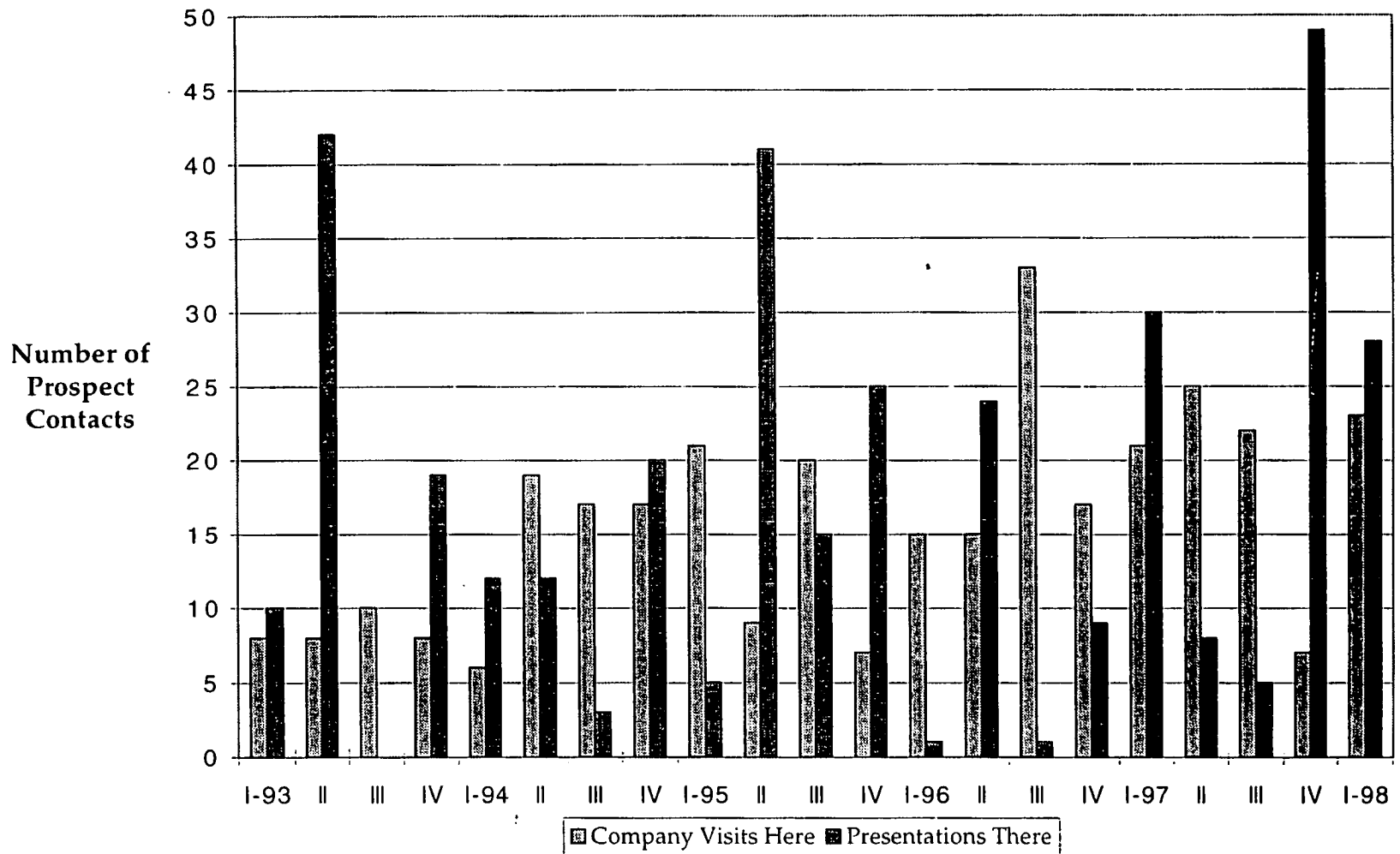
	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	OVER (UNDER) BUDGET	PRIOR YEAR TO DATE
<b>REVENUE</b>						
PRIVATE SECTOR	57,616	28,850	403,696	406,679	(2,983)	272,129
PUBLIC SECTOR	14,250	15,250	120,266	133,388	(13,122)	108,888
MEETING REVENUE	8,056	2,000	150,013	117,000	33,013	127,738
PUBLICATIONS SALES	1,597	1,250	13,874	11,250	2,624	12,705
INTEREST INCOME	691	1,200	14,341	10,800	3,541	11,716
OTHER INCOME	14,289	100	18,065	12,900	5,165	30,179
<b>TOTAL REVENUE</b>	<b>96,499</b>	<b>48,650</b>	<b>720,255</b>	<b>692,017</b>	<b>28,238</b>	<b>563,355</b>
<b>EXPENDITURES</b>						
SALARIES	30,417	26,500	235,078	225,900	9,178	199,905
EMPLOYEE BENEFITS	3,822	3,815	30,129	31,345	(1,416)	25,611
PAYROLL TAXES	2,198	2,300	16,334	16,600	(266)	13,312
<b>TOTAL STAFF MAINTENANCE EXPENDITURES</b>	<b>36,437</b>	<b>32,615</b>	<b>281,541</b>	<b>274,045</b>	<b>7,496</b>	<b>237,928</b>
INSURANCE	523	515	5,523	5,195	328	5,089
OFFICE EXPENSE	2,440	1,800	23,426	16,200	7,226	21,479
TRANSPORTATION-AUTO	506	875	3,862	5,373	(1,511)	3,029
EXECUTIVE COMMITTEE AND BOARD MEETINGS	54	150	2,471	3,900	(1,429)	4,655
RENT	4,099	3,800	33,657	34,200	(543)	33,739
PARKING	973	820	7,281	6,840	441	4,953
PROFESSIONAL SERVICES	205	0	17,117	14,000	3,117	3,787
PERSONAL PROPERTY TAXES	0	0	390	500	(120)	390
<b>TOTAL ADMINISTRATIVE EXPENDITURES</b>	<b>8,800</b>	<b>7,960</b>	<b>93,717</b>	<b>86,208</b>	<b>7,509</b>	<b>77,120</b>
POSTAGE	1,592	1,200	12,695	13,300	(605)	10,932
TELEPHONE	1,086	1,200	7,749	10,800	(3,051)	11,811
DUES AND SUBSCRIPTIONS	171	251	4,938	7,904	(2,966)	5,640
PRINTING	2,967	600	14,809	8,600	6,209	6,555
RESEARCH	26,507	0	41,213	33,756	7,457	27,729
PROMOTIONAL MATERIALS	1,691	9,250	34,861	33,750	1,111	33,409
SPECIAL PROJECTS-MKTG.	0	0	0	0	0	17,663
SPECIAL MEETINGS-PROSPECTS	1,747	11,000	55,527	43,500	12,027	30,730
TRAVEL	0	100	1,426	900	526	648
ADVERTISING	0	0	3,144	0	3,144	2,933
TARGET 10,000	0	0	0	0	0	3,460
<b>TOTAL MARKETING EXPENDITURES</b>	<b>35,761</b>	<b>23,601</b>	<b>176,362</b>	<b>152,510</b>	<b>23,852</b>	<b>151,510</b>



*SACTO Assisted Companies*  
*January 1, 1993 - March 31, 1998*



*Prospect Visits and Presentations  
January 1, 1993 - March 31, 1998*



## SACTO Active Prospects

January 1, 1998

Type of Company	Number of Prospects August 1997	Number of Prospects January 1998	Square Feet August 1997	Square Feet January 1998	Jobs August 1997	Jobs January 1998
Call Center - Information Technology	38	36	2,685,000	2,165,000	12,300	8,200
Electronics	22	27	1,955,000	3,640,000	3,100	4,550
Distribution	11	13	3,200,000	2,750,000	850	1,020
Software	11	9	495,000	425,000	1,800	1,450
Bio-Science Medical Device	7	9	150,000	575,000	650	1,850
Plastics		5		460,000		335