

SACTO

9.3

Sacramento Area Commerce and Trade Organization



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CHIEF EXECUTIVE OFFICER
Alan R. Gianini

April 25, 1997

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Intel Corporation
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Kris Ramirez
Shelby College
Frank C. Ramos
Ramco Enterprises
James Shelby
Sacramento Urban League
William J. Wirt
Placer Title Company
Bob Woods
AT&T Wireless Services

MEMORANDUM

TO: Governmental Organization Members
FROM: Alan R. Gianini *AR*
Executive Director
RE: SACTO QUARTERLY REPORT
January, February, March 1997

Enclosed is SACTO's Quarterly Report for January, February, and March 1997.

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

Appointed Directors

Hon. Dick Akin
County of Sutter
Hon. Wes Beers
City of West Sacramento
Karal Cottrell
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CSUS
Hon. Don Nottoli
County of Sacramento
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City of Sacramento
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County of El Dorado
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Hon. James T. Williams
County of Placer

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McDonough, Holland & Allen
Ralph E. Vitiello
Vitiello Associates, Inc.
IM... PAST PRESIDENT
R...
G... Commercial
Real Estate

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

For the Period Covering
January, February, March 1997

CONTENTS

EXECUTIVE SUMMARY

I. STATEMENT OF SERVICES

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

II. ADDITIONAL INFORMATION COVERING PREVIOUS THREE MONTHS

- A. General Activities
- B. Prospect Activity

APPENDIX I Financial Statements Quarter Ending March 31, 1997

APPENDIX II Prospect Activity

SACTO
Sacramento Area Commerce and Trade Organization

EXECUTIVE SUMMARY - QUARTER ENDED MARCH 31, 1997

HIGHLIGHTS: Marketing Trips were made to the Bay Area
 Membership Celebration held February 11, 1997
 Marketing Trip to Japan and Taiwan, February 15 - 27, 1997
 Marketing Trip to Germany, March 17 - 25, 1997
 Held Brown Bag Lunches, January - March, 1997
 Held Brown Bag Lunch/Placer County, March 31, 1997

LOCATIONS: **KIK CORPORATION** has established their newest division for the production and bottling of private label bleach and household cleaning products in the city of Sacramento. The Company will occupy 50,000 of 77,300 square feet at 8600 - 23rd Avenue and employ 50 people.

STATISTICAL:	Quarter Ending <u>March 31</u>	Current <u>Year - YTD</u>	Previous <u>Year - YTD</u>
Members	388	388	374
Member Support (cash basis)			
- private	\$89,404	\$272,129	\$285,685
- public	\$31,138	\$108,888	\$91,917
- other	\$44,719	\$182,338	\$188,231
Total Receipts (cash)			\$565,833
Expenses			
- administration*	\$67,993	\$196,034	\$183,555
- marketing*	\$106,682	\$270,424	\$222,852
- membership & misc.	\$16,164	\$92,009	\$92,559
SACTO Assisted Companies Announced	1	7	2
Direct Jobs Expected	50	1,409	200
Active Prospects	112	112	89
* Includes personnel costs.			

NOTES

AND DATES: Marketing Trips planned to Bay Area
 Sponsors sought for July 1997 Economic Profile
 Shriners Hospital Tour Scheduled for May 1, 1997
 Inside Business '97 Scheduled for May 28, 1997
 Meeting of Members/Salute to New Industry Scheduled for September 4, 1997
 Trainor Robertson/SACTO Golf Tournament Scheduled for September 29, 1997
 Brown Bag Lunches Scheduled, April - May, 1997

SACTO
 980 - 9th Street, Suite 1730
 Sacramento, CA 95814
 (916) 441-2144 • (916) 441-2312 FAX

REPORT TO GOVERNMENTAL ORGANIZATION MEMBERS
SACRAMENTO AREA COMMERCE AND TRADE ORGANIZATION
January, February, March 1997

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 five-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.
- Held Brown Bag Lunch in Placer County.
- Mission to Japan and Taiwan Held February 15 - 27, 1997.
- Mission to German Held March 17 - 25, 1997.

2. Publicity

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

- The Sacramento Bee, "Fighting and Image of Disasters," January 4, 1997.
- The Sacramento Bee, "Publicity Like This SACTO Needs Not," January 12, 1997.
- The Sacramento Bee, "Growth: Recovery Seen in Residential Housing Market/Study Sees Boom Times Coming to Sacramento," January 28, 1997.
- The Sacramento Bee, "Bleach Company Sets Up Manufacturing Locally," February 7, 1997.

- The Sacramento Bee, "USCS Honored," February 12, 1997.
- Comstock's, "Capital Region Gains Respect in the International Marketplace," February 1997.

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, Major Employers List, Located Companies List, and 1997 Membership Directory.*

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 50 jobs to the region.

KIK CORPORATION has established their newest division for the production and bottling of private label bleach and household cleaning products in the city of Sacramento. The Company will occupy 50,000 of 77,300 square feet at 8600 - 23rd Avenue and employ 50 people.

Contact: Howard D. Brodie
(416) 798-7239

SACRAMENTO AREA COMMERCE
AND TRADE ORGANIZATION

MARCH 31, 1997

SACRAMENTO AREA COMMERCE AND TRADE ORGANIZATION
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
MARCH 31, 1997

ASSETS

CURRENT ASSETS:	
CASH - UNRESTRICTED	209,576
RESTRICTED RESERVES (SEE NOTE 1)	50,000
CAPITAL RESERVE	25,554
PLEDGE RECEIVABLE	16,800
PREPAID EXPENSES	5,167

TOTAL CURRENT ASSETS	307,097

PROPERTY AND EQUIPMENT	
OFFICE FURNITURE AND EQUIPMENT	119,346

	119,346
LESS ACCUMULATED DEPRECIATION	56,089

TOTAL PROPERTY AND EQUIPMENT	63,257

	370,354
	=====

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES:	
ACCOUNTS PAYABLE	916
ACCOUNTS PAYABLE-RENT	21,844
ACCRUED EMPLOYEE VACATION LIABILITY	23,211

TOTAL CURRENT LIABILITIES	45,971
DEFERRED EARNINGS	10,000

TOTAL LIABILITIES	55,971
	=====
FUND BALANCE	
UNRESTRICTED	318,426
YEAR TO DATE EXCESS REVENUE OVER (EXPENDITURES)	(4,042)

ENDING FUND BALANCE	314,384

DIFFERENCE ON ROUNDING	(1)
	=====
	370,354
	=====

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, 1997

	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	OVER (UNDER) BUDGET	PRIOR YEAR TO DATE
REVENUE						
PRIVATE SECTOR	27,350	24,209	253,529	257,360	(3,831)	240,010
PROJECT SACTO**	5,500	0	5,500	0	5,500	0
TARGET 10,000*	2,500	0	13,100	65,475	(52,375)	45,675
PUBLIC SECTOR	1,250	17,690	108,888	132,710	(23,822)	91,917
MEETING REVENUE	7,542	2,500	127,738	100,000	27,738	116,285
PUBLICATIONS SALES	3,141	850	12,705	7,650	5,055	8,518
INTEREST INCOME	651	1,250	11,716	11,250	466	12,723
OTHER INCOME	11,980	10,100	30,179	20,900	9,279	50,705
TOTAL REVENUE	59,914	56,599	563,355	595,345	(31,990)	565,833
EXPENDITURES						
SALARIES	21,937	22,100	198,905	199,900	5	184,324
EMPLOYEE BENEFITS	3,487	3,530	25,611	30,198	(4,587)	23,192
PAYROLL TAXES	1,724	1,800	13,312	13,400	(88)	13,050
TOTAL STAFF MAINTENANCE EXPENDITURES	27,148	27,430	237,828	242,498	(4,670)	220,566
OFFICE EXPENSE	514	2,650	5,089	8,650	(3,561)	4,528
OFFICE EXPENSE	5,144	1,800	21,479	16,200	5,279	15,818
TRANSPORTATION-AUTO	897	650	3,028	4,350	(1,322)	3,788
EXECUTIVE COMMITTEE AND BOARD MEETINGS	131	150	4,655	3,900	755	6,635
RENT	3,806	3,736	33,739	33,624	115	33,709
PARKING	575	550	4,953	4,950	3	4,570
PROFESSIONAL SERVICES	0	0	3,787	3,000	787	3,792
PERSONAL PROPERTY TAXES	0	0	390	500	(110)	432
TOTAL ADMINISTRATIVE EXPENDITURES	11,067	9,536	77,120	75,174	1,946	73,272
POSTAGE	1,422	1,200	10,932	10,800	132	11,039
TELEPHONE	2,385	900	11,811	8,100	3,711	8,017
DUES AND SUBSCRIPTIONS	251	123	5,640	3,306	2,334	2,871
PRINTING	465	300	6,555	2,700	3,855	1,495
RESEARCH	13,125	0	27,729	25,449	2,280	17,145
PROMOTIONAL MATERIALS	7,457	9,500	33,409	22,500	10,909	27,028
SPECIAL PROJECTS-MKTG.	10,906	0	17,663	0	17,663	0
SPECIAL MEETINGS-PROSPECTS	2,959	5,700	30,730	31,300	(570)	28,603
TRAVEL	0	200	648	1,800	(1,152)	0
ADVERTISING	0	0	2,933	0	2,933	16,371
TARGET 10,000	3,460	0	3,460	3,000	460	0
TOTAL MARKETING EXPENDITURES	42,430	17,923	151,510	108,955	42,555	112,569

SACRAMENTO AREA COMMERCE AND TRADE ORGANIZATION

STATEMENT OF REVENUE COLLECTED, EXPENDITURES AND FUND BALANCE-CASH BASIS

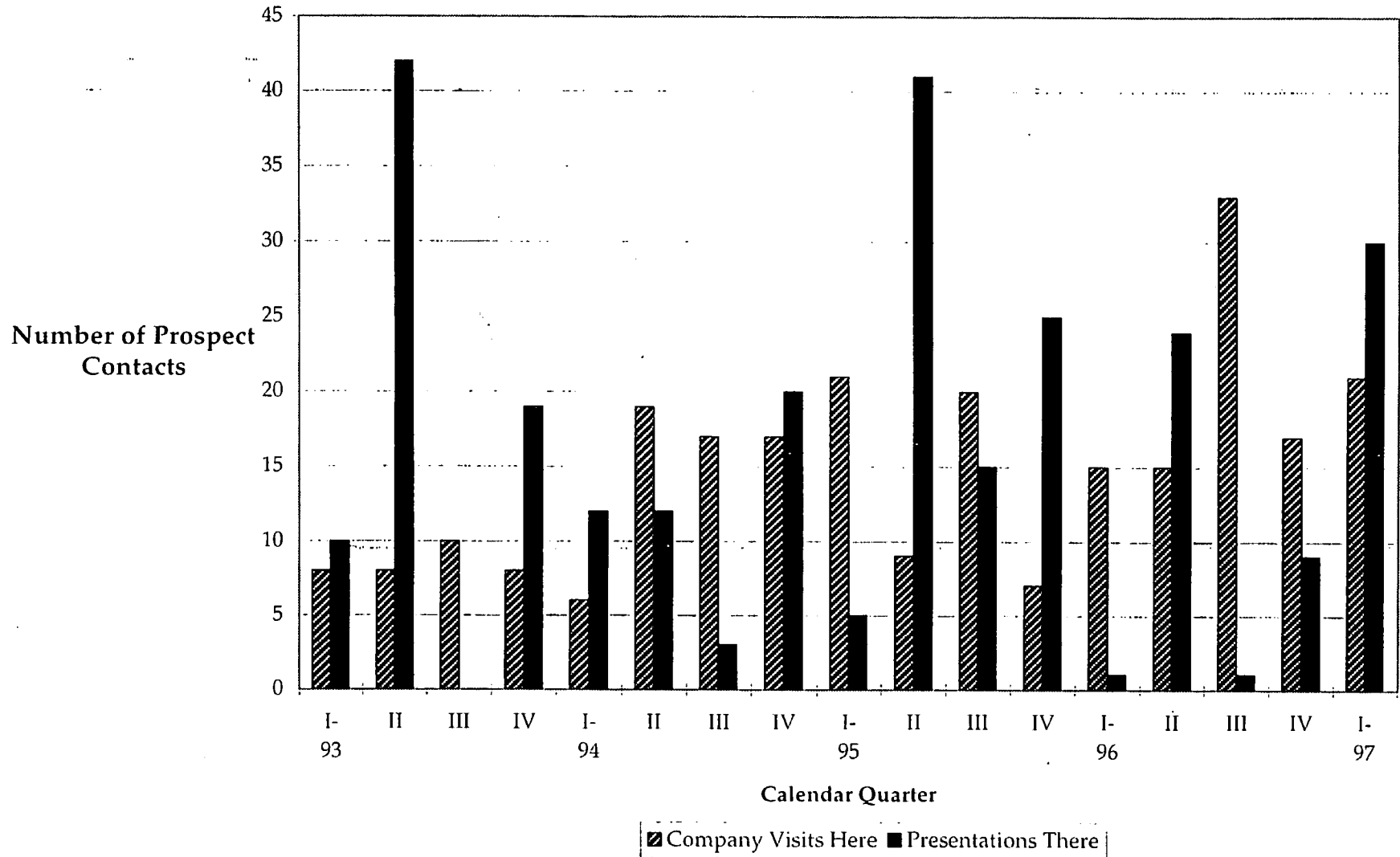
9 MONTHS ENDED MARCH 31, 1997

	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	OVER (UNDER) BUDGET	PRIOR YEAR TO DATE
LOCAL MEETINGS/PUBLIC RELATIONS	4,423	350	7,001	3,150	3,851	3,951
MEMBERSHIP PROMOTION	0	250	6,649	12,250	(5,601)	12,804
MEMBERSHIP MEETINGS	4,862	0	69,683	60,000	9,683	47,396
ANNUAL EVENT	0	0	550	0	550	15,891
OTHER MEETINGS	245	300	3,228	2,700	528	3,503
NEWSLETTER	0	0	3,630	6,800	(3,170)	6,833
PUBLICATIONS EXPENSE	382	300	1,268	2,700	(1,432)	2,281
MISCELLANEOUS	0	325	0	2,925	(2,925)	0
TOTAL MEMBERSHIP & MISC EXPENDITURES	9,912	1,525	92,009	90,525	1,484	92,559
TOTAL EXPENDITURES BEFORE DEPRECIATION	90,557	56,414	558,467	517,152	41,315	498,966
DEPRECIATION	1,387	900	9,927	8,100	837	5,095
TOTAL EXPENDITURES AFTER DEPRECIATION	91,944	57,314	567,404	525,252	42,152	504,061
EXCESS OF REVENUE OVER (EXPENDITURES)	(32,030)	(715)	(4,049)	70,093	(74,142)	61,772

*NOTE: THIS REVENUE IS A FIVE-YEAR COMMITMENT OF MEMBERSHIP TOWARD THE SMUD CHALLENGE TO MATCH SMUD'S DONATION OF \$37,500. YEAR TO DATE EXCESS REV/EXP MUST BE EQUAL TO OR GREATER THAN THIS AMOUNT.

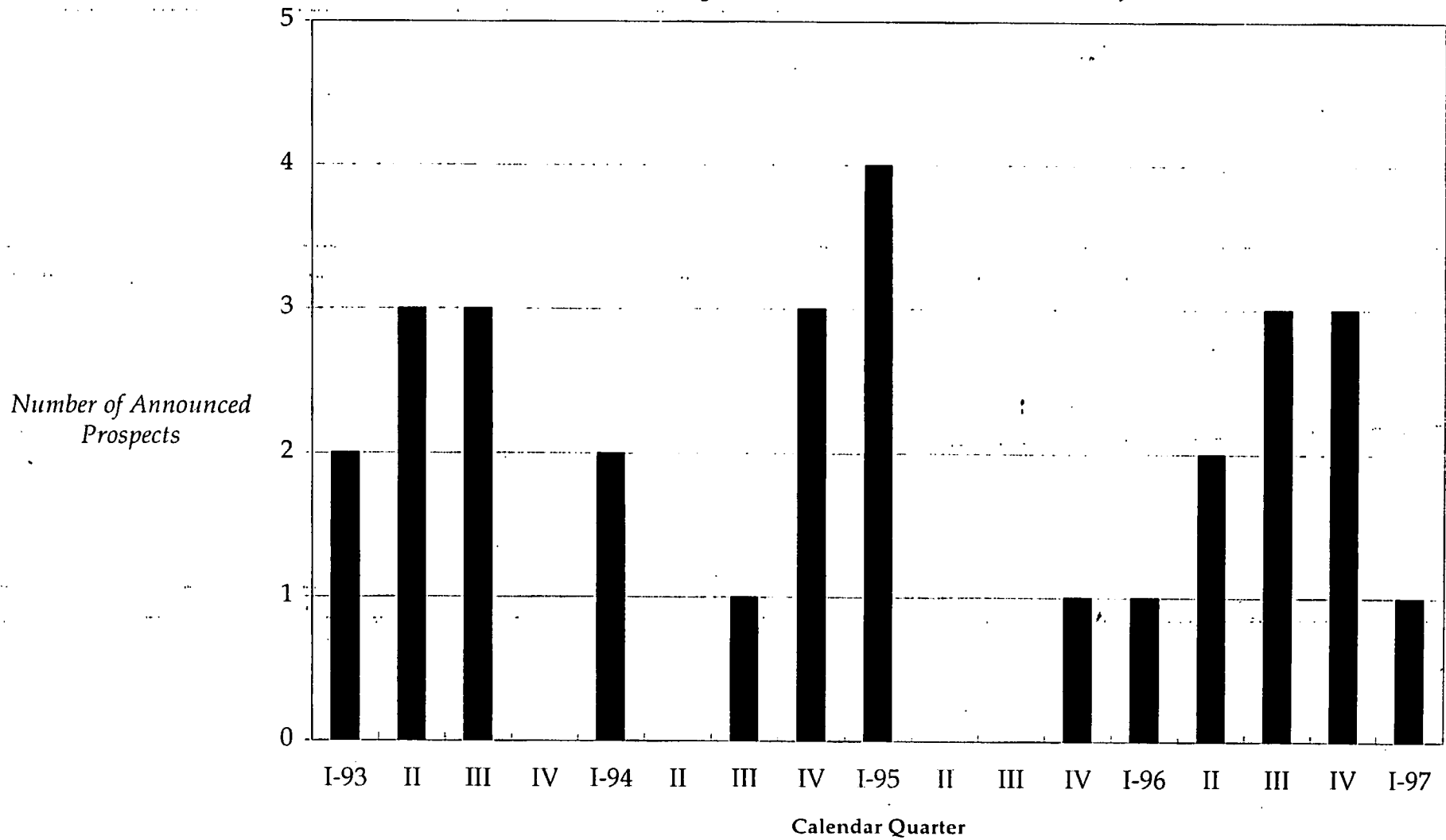
**NOTE: SOME REVENUE IS BEING RECEIVED IN THIS FISCAL YEAR, HOWEVER, NO EXPENSES ARE BUDGETED FOR OR WILL BE SPENT IN THIS FISCAL YEAR RELATED TO THIS REVENUE.

Prospect Visits and Presentations January 1, 1993 - March 31, 1997



SACTO Assisted Companies

January 1, 1992 - March 31, 1997



PROJECT SACTO

1997-2002

"Adding Value to Our Region"

The challenge for our region as we approach the 21st century is to provide not just more jobs but better jobs, jobs for all economic groups and jobs for all parts of the region. Moreover, we must attract companies that will buy from the local economy, participate in the community, and add value to our region. Our five year program to add value to the region will transition our community and economy into the 21st century.

PROJECT SACTO will enable SACTO to:

- Stimulate the Development of a Vibrant Economy;
- Create Job Opportunities for Persons Transitioning From Public Assistance;
- Insure the Availability of a High Quality Workforce; and
- Coordinate Local Leadership on Regional Economic Development.

Stimulate the Development of a Vibrant Economy

Over the last 20 years, our region has taken the first positive step toward building a vibrant economy by reducing our dependence on government employment to the point where government is no longer our largest employer. Challenges still remain to further reduce our government base (currently double comparable cities), increase our manufacturing base from nine percent (compared to Phoenix at 18 percent), and diversify our manufacturing base (food processing and electronics comprise two thirds of our manufacturing base.) We need more local suppliers, and local headquarters.

The objectives of this component of PROJECT SACTO will be to:

- Market the region to targeted industries;
- Attract headquarters;
- Attract suppliers; and
- Encourage local procurement programs.

The goals to be achieved are:

- the creation of 12,000 jobs;
- the location of 10 information services, 10 high-tech, 5 medical device, 5 food processors, 5 headquarters, 5 software firms within the region; and
- the additional procurement of \$10 million per year locally.

Create Job Opportunities for Persons Transitioning From Public Assistance

Over the next three to five years, in excess of 50,000 people in our region will be transitioning off of public assistance and into the area workforce. Systems and jobs need to be created to assist this social and economic shift.

The objective of this component of PROJECT SACTO will be to:

- Establish a job referral network with training providers, social services, and job placement agencies that will enable those transitioning off public assistance to be successful in the workforce; and
- Provide assurance to employers that they are receiving candidates whom are ready to work.

The goal to be achieved is to:

- Find employment for 4,000 welfare recipients.

Ensure the Availability of a High Quality Workforce

The ability of local firms to find key personnel in information processing, engineering, white collar positions, and skilled technical positions is vital to their success within the region. National shortages

of labor exist in many key areas. The Sacramento region must work to overcome this national trend to insure the continued success of our local businesses and to successfully attract new industry.

The objectives of this component of PROJECT SACTO will be to:

- Establish a program to recruit employees; and
- Link higher education with industry to train technicians, increase graduates in key areas, provide continuing education/postgraduate studies.

The goal to be achieved is to:

- Assist in the recruiting of 500 key personnel annually.

Coordinate Local Leadership on Regional Economic Development

There are a variety of local government economic development efforts in our region attempting to attract industry, market their community, and in general stimulate their economy. SACTO needs to take the lead in coordinating regional cooperation among these groups to leverage our resources and provide a consistent marketing approach.

This region will continue to grow, but will this growth improve our economic well-being and add to our quality of life? Many of the challenges facing the region will require regional solutions. For example, transportation, air quality, and flood control. If we are to be successful as we market this region, we must ensure that the region remains attractive.

The objective of this component of PROJECT SACTO will be to:

- Provide a quarterly forum for local communities to discuss economic development;
- Provide opportunities for regional collaboration on missions, marketing, trade shows, seminars, etc.; and
- Establish a benchmark program to visit our competition.

The goal to be achieved is to:

- Create an environment and forum for regional solutions.

FUNDING

We Need Your Support!

To date we've raised \$100,000 from key corporate citizens to support PROJECT SACTO.

We need to raise an additional \$100,000 by September 4, 1997, our target date for initiating PROJECT SACTO.

OVERALL 5-YEAR GOALS FOR PROJECT SACTO

Creating Job Opportunities

- Create 12,000 jobs

Diversifying the Economy

Bring to the region:

- 10 information service companies
- 10 high-tech companies
- 5 medical device companies
- 5 food processing companies
- 5 company headquarters
- 5 software firms

Helping Local Government

- Find employment for 4,000 welfare recipients
- Create forum for regional economic development cooperation

Helping Existing Firms

- Procure \$10 million per year locally
- Find 2,500 key personnel

Join the List of Prestigious Companies
Who Have Already Committed to Support
PROJECT SACTO

AirTouch Cellular
American River Bank
Blue Diamond Growers
The Business Journal
Evergreen/Bradville
Franklin Resources, Inc.
Harbison Mahony Higgins
Hefner Stark & Marois
Intel Corporation
KCRA TV Channel 3
Lyon & Associates Realtors
Mark III Engineering Contractors
McDonough Holland & Allen
Money Store Investment Corp.
Patterson Travel/American Express
Pacific Coast Building Products, Inc.
PG&E
Raley's and Bel Air
S.D. Deacon Corporation
Sierra Health Foundation
Sylva-Kirk and Company
UCDMC
Union Bank of California
Voit Development Company



**PROJECT
SACTO**

Adding Value to Our Region

Prospectus

May 28, 1997

*Representing El Dorado, Placer, Sacramento,
Sutter, Yolo & Yuba Counties*