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Ans'd.....

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COMMENTS:

EDC

San Diego Economic Development Corporation

April 30, 1992

RECEIVED
MAY 07 1992
Ans'd. HS

The Honorable Leon Williams
Supervisor, Fourth District
County of San Diego
County Administration Center
1600 Pacific Highway
San Diego, CA 92101

Dear Leon:

In compliance with EDC's agreement with the County of San Diego, we are enclosing our quarterly report of activities for the third quarter of fiscal year 1991-1992.

Highlighted this quarter is the involvement of EDC with:

-**four firms announcing plans for relocation to or expansion in San Diego**, with anticipated employment totalling over 672. Using the employment generation multiplier, these businesses will create a total of 1613 new jobs for San Diego

-**seventeen new prospects**, covering a variety of product types, with twelve generated from outside the region

-on-going assistance provided to three other local firms with either expansion or retention efforts

-co-sponsoring and participating in the County Hazardous Materials Division's "Environmental Solutions" conference--to discuss key environmental issues that affect business.

-preparing the Biotechnology Directory, which lists more than 100 biotech and biomedical companies in the San Diego area.

I would like to emphasize EDC's appreciation of the County's support of EDC's efforts. We look forward to expanding our service while working together with you in carrying out the County's Economic Development Implementation Plan to help other San Diego companies stay, grow, and prosper in San Diego.

If you have any questions or need additional information regarding our efforts, please contact me.

Sincerely,

Daniel O. Pegg
President

DP/JSC:eb
enclosure

701 B Street, Suite 1850, San Diego, California 92101, (619) 234-8484, Fax (619) 234-1935

partially funded by the City, Port and County of San Diego

SAN DIEGO ECONOMIC DEVELOPMENT CORPORATION

QUARTERLY REPORT
FOR THE PERIOD
JANUARY 1, 1992 THROUGH MARCH 31, 1992

Attraction of New and Expanding Industry	Cumulative % of Annual Goal	Annual Goals
Firms Announcing Relocation/Expansion: 4	110%	10
From outside the region: 3		
From within the region: 1		
Number of direct jobs to be created: 672		
Local Firms Retained: 0	63%	8
New Prospects Contacted: 17	164%	25
From outside the region: 12		
From within the region: 5		
Continuing Prospects Contacted: 48	143%	80
From outside the region: 44		
From within the region: 4		

Number of Firms Which Visited San Diego EDC with an Interest in Relocating or Expanding to the Area: 8

Business Promotion		
Direct Inquiries Answered: 1,571	104%	3,500
Seminars and Workshops Co/Sponsored: 5	210%	10
Presentations Made: 16		
Committee and Task Force Involvement: 32		
Publications and Reports Published: 1	75%	4
Other Related Activities: 42		

Referrals to City Sponsored Programs		
Job Training (PIC/RETC): 55	440%	25
Enterprise Zone: 22		
Foreign Trade Zone: 12	} 512%	50
Industrial Land: 8		
Other Programs: 29		

DEFINITIONS OF TERMS USED IN SAN DIEGO ECONOMIC DEVELOPMENT CORPORATION QUARTERLY REPORTING PROCEDURE

"Firms announcing relocation or expansion to San Diego" pertains to companies that announce their intent to establish new jobs in the region.

"New Prospects" pertains to companies EDC began working with in the designated time period that have relayed an interest in relocating or expanding to the area.

"Prospects Contacted" refers to companies interested in relocating or expanding to the region which EDC has established an on-going relationship with that were contacted in the designated time period.

"Number of firms which visited San Diego EDC with an interest in relocating or expanding to the area" pertains to prospects EDC met at their office or at another location to promote the area as a business location.

"Direct Inquiries Answered" refers to the number of inquiries responded to by EDC with an answer, publication or referral.

"Seminars and Workshops Co/Sponsored" refers to promotions and programs to raise regional visibility including financial, technical, educational, export, research and location assistance programs. Programs may be fully sponsored or partially sponsored by EDC and may or may not be held in the region.

"Presentations made" pertains to the number of public speaking appearances made by EDC staff to companies and organizations in or outside of the region.

"Committee and task force involvement" refers to the number of Boards of Directors, committees, organizations, task forces, etc., which EDC staff is designated as a member which help promote or improve San Diego or help EDC staff members become more knowledgeable about issues germane to their objectives.

"Publications and reports published" refers to the directories, promotional pieces, surveys, reports and similar materials released during the designated period.

"Other related activities" refers to any other activities that EDC participates in, hosts or organizes to promote and foster the San Diego business community.

QUARTERLY REPORT OF EDC ACTIVITIES
FOR THE PERIOD
JANUARY 1, 1992 THROUGH MARCH 31, 1992

MISSION: To foster San Diego's regional economic vitality by assisting in the creation of employment opportunities for San Diego County residents; supporting economic growth, diversification, and capital investment.

ATTRACTION OF NEW AND EXPANDING INDUSTRY

For the 1991-1992 fiscal year to date, EDC worked with 114 companies on an on-going basis, of which 48 were assisted this quarter. EDC answered inquiries from 126 potential prospects, of which 42 were answered this quarter. **Eleven** companies have announced relocation or expansion to the area during the fiscal year, creating a total of **1,312 new jobs** directly, and using the employment multiplier of 2.4, a total of 3,149 jobs.

During the past quarter, 4 companies, who will create **672 new jobs** directly, announced their intentions to expand, they were:

Southwest Recycling Corporation, an automobile battery recycling company based in Tennessee, has notified EDC of its intention to establish a recycling facility in the Vista area. The company will create **100 new jobs** immediately, and an additional **50 new jobs** when fully staffed. EDC was successful in assisting the company in its search for a site and facilitating meetings between the company and the proper permitting agencies. Working with the city of Vista, APCD, and the County Hazardous Materials Division, EDC will continue to assist the company in acquiring the permits necessary to begin operations. In addition, EDC in cooperation with the Private Industry Council will facilitate in the creation of an applicable employee training program.

MIDCO a minority-owned medical imaging company, based in Albuquerque, has announced its decision to relocate to the San Diego region. The company will create **12 new jobs** initially, and require approximately 3,000 square feet of R&D/manufacturing space. EDC provided the company with an introduction to the San Diego region including information on financial programs, incentives, and a site tour of the region. MIDCO develops and manufactures software and hardware used in neuro-laser surgery.

GSH MARITIME a local minority-owned Navy sub-contractor has relocated its facilities to National City. By relocating closer to the major Navy contractors, the company has been able to secure larger contracts, and increase its employment size from 15 to 25 employees, a 60% increase. EDC assisted the company by providing a site survey and tour of all available sites.

Vans, Inc., an Orange County based shoe manufacturing company, has selected Vista as the site for its new manufacturing facility. The company will create approximately 600 new jobs, occupying 90,000 square feet. The facility is scheduled for start-up in September of this year. EDC assisted Vans with detailed site and demographic data. In addition, EDC also provided information on training, air quality permits, and Enterprise Zone benefits, and coordinated meeting with the APCD, PIC, and Enterprise Zone administrators.

NEW PROSPECTS

Working with the following new prospects this quarter is part of EDC's targeted industrial attraction efforts aimed at specific sectors compatible with San Diego's employment and economic needs. An emphasis is placed on personal contacts, one-on-one prospecting, as well as promotion of the City's economic development programs like the Enterprise and Foreign Trade Zones.

Outside Relocation/Expansion Prospects:

EDC's efforts to pursue and attract companies in targeted industries from **outside the region** has resulted in **12 companies** considering San Diego as an expansion site during the past quarter -- creating the potential for over **1,515 direct new jobs** for San Diegans.

1. A New York based manufacturer of lighting equipment is considering expansion to San Diego. The facility would design and manufacture ornamental and down lighting fixtures. The facility will create over 100 new jobs within a five year period, with 30 jobs being created immediately.

2. A clothing manufacturer, based in San Francisco, is considering relocation of its facilities to the San Diego region. The company would create approximately 150 new jobs in the first year of operation, requiring approximately 30,000 square feet of industrial space.

3. A basic manufacturer currently located in the east is considering expansion to the San Diego region. The company would create 10 new jobs. At this time, EDC is working through the company's site consultant and specific information is limited.

4. A Detroit based manufacturer of synthetic organic polymers is considering the establishment of a plant in San Diego. The company would create 100 new jobs in the first year of production, of which 20 new jobs would be created immediately. Approximately 10,000 square feet of industrial space would be required for the first phase of manufacturing. EDC is currently assisting the company with the identification of applicable site alternatives, and should they choose San Diego, EDC will assist them in securing the necessary permits.

5. A manufacturer of printed circuit boards, currently located in Tucson, is considering a relocation to the San Diego region. The company would create 70 new jobs and lease approximately 15,000 square feet of light industrial space. The company anticipates the relocation, should it occur, would take place sometime in late 1992.

6. A light manufacturing company, based in Los Angeles, is studying the possibility of a relocation to the San Diego region. The company would create between 125-250 new jobs, requiring 100,000 square feet of industrial space.

7. A California manufacturer of aircraft parts used in commercial and Government aircraft is seeking a new location within California. The company would create 250 new jobs.

8. The U.S. division of a Japanese electronic equipment manufacturer, based in the San Francisco bay area, is considering the establishment of a manufacturing facility in the San Diego region. The company would create 120 new jobs in the first year, and require approximately 60,000 square feet of industrial space. EDC is providing the company with information necessary for the completion of their feasibility study. The expansion is scheduled for late 1993.

9. The Florida based construction division of a health services corporation, is considering the establishment of a manufacturing plant in San Diego. The plant would create approximately 200 new jobs, requiring 25,000 square feet of industrial space.

10. A Japanese semiconductor manufacturer is studying the possibility of placing a manufacturing facility in the San Diego region. The facility would create approximately 50 new jobs immediately, expanding to 130 within the first three years. The company would occupy 25,000 square feet initially, growing to 100,000 square feet by the third year. EDC has coordinated meetings with the Water District, HAZMAT, and APCD. Other sites being considered are Phoenix, San Jose, Austin, and Dallas. A site decision is expected to be made sometime in the third quarter of this year.

11. A furniture manufacturer based in Florida is considering expansion to the San Diego region. The company would create 50-100 new jobs in the first year, requiring 60-100,000 square feet of manufacturing and warehouse space. In addition to providing information on training and incentives, EDC will be conducting a site survey and tour for the company.

12. A steel pipe hanger manufacturer based in Ohio is contemplating expansion to the San Diego region. The company would create 25-35 new jobs, occupying 25-40,000 square feet. The target date for start-up is the Fall of 1992. A site and demographic survey has already been completed for the company by EDC.

Local Retention and Expansion:

Responding to the needs of local companies is part of EDC's efforts to focus resources on retention efforts in an attempt to keep San Diego firms from relocating and taking jobs elsewhere.

Ongoing efforts continue with the following firms:

* EDC is continuing to work with a local biotechnology company and the City of San Diego in an effort to help retain this company. As of this quarter the company has announced that any plans to relocate or expand have been put on hold for approximately 10 months.

* EDC's efforts are ongoing with a large San Diego based biotechnology company with its expansion plans after helping retain them. Most recently, EDC assisted the company in acquiring permits necessary to meet their current needs. EDC continues to furnish applicable data to assist them in their expansion plans.

* EDC is assisting Solar Turbines as it weighs the options of remaining in San Diego or relocating outside of California, at the expiration if its current lease. EDC brought Solar together with appropriate City and State officials to address specific concerns. Solar directly employs over 2,900 in San Diego for the production of gas turbines.

In pursuing **local retention and expansion efforts**, EDC has identified and begun to assist **5 San Diego companies:**

1. The plant sciences program of a local institute is examining the possibility of a leveraged buyout and the creation of a new biotechnology company in San Diego. The company would be dedicated to the development of transgenic plant technology. The technology and products will reach markets in agriculture, forestry, horticulture, and floriculture. The company would immediately create 7 new jobs. EDC is currently assisting the company in obtaining "bridge" financing. Upon the successful creation of the company, EDC will also assist in the selection and securing of a site and introductions to the proper permitting agencies.

2. EDC is assisting a locally based biotechnology firm in identifying sites for its planned expansion. The company is actively pursing site alternatives also outside of California, which would result in shut down of its existing facility in San Diego. The expansion will create 40 new jobs, doubling its current employment, requiring approximately 20,000 square feet of office and wet labs space. Timing for the expansion is scheduled for the third quarter of 1992.

3. A local division of a major aerospace company is being sold, and upon the completion of the sale may be moved out of San Diego. EDC is assisting the company in an effort to retain them in San Diego. The company currently employs 170 people. EDC will be involved in meetings with potential buyers and will focus on selling the benefits of continuing operations in San Diego. Meeting are scheduled to take place in May, with a final decision to be made in June.

4. A marine sub-contractor employing approximately 53 people is considering relocation into the Barrio Logan Enterprise Zone. With the tax benefits from relocating to this zone, the company would create an additional 20 new jobs and occupying approximately 5,000 square feet. EDC has completed a site survey for the company and will be meeting with the company to review the survey.

5. EDC is assisting a North County based plastic recycling company in its search for new facilities. The company currently has two facilities and would like to consolidate them into one large facility, approximately 15,000 square feet, including an acre of land for outside storage. The company currently employs 12 people with plans to add 15 new jobs. EDC recently completed a site survey for this company. Consolidation is expected to take place within the next three months.

Other Prospect Activity:
During this quarter, 8 firms visited EDC with possible interest in relocating or expanding to this area. These prospects were provided with site tours and presentations on the benefits of doing business in San Diego. This brings the fiscal year total to 30.

As a community service, EDC answered and referred to the appropriate agencies over 3,570 inquiries during this fiscal year, of which 1,571 occurred during the past quarter.

In addition, EDC staff members traveled to: Mexico to attend the Governor's Delegation to meet Mexico's President Salinas; Pasadena and Sacramento for the Governor's Council on California Competitiveness; University of Southern California in Los Angeles for a presentation to USC Business School on the North American Free Trade Agreement; Atlanta to bid for the Fall 1997 conference of the Industrial Development Research Council, association of corporate real estate planners of major U.S. corporations; and Mexico City for Border Trade Alliance meeting.

EMPLOYMENT TRAINING FOR THE DISADVANTAGED

EDC continued its leadership role in employment training by maintaining its position as a board member of the San Diego Consortium & Private Industry Council (Consortium) and by promoting employment training programs to businesses considering San Diego as a site location.

During this quarter, EDC provided input and participation in the following Consortium committees and programs:

* The public hearing of the Consortium's Two-Year Job Training Grant Plan for Job Training Partnership Act (JTPA) services between July 1, 1992 and June 30, 1994. The plan describes JTPA employment and training activities to be provided.

* Participated in the San Diego Consortium and Private Industry Council's (PIC) panel discussion on the San Diego economy. The purpose of the meeting was to present information necessary for PIC to update their Five Year Strategic Plan.

EDC continues to actively promote the City's job training services to businesses. All firms that contacted EDC with an interest in relocating or expanding received information on the Consortium's programs. In addition, all firms that announced plans to establish a business in San Diego received a letter detailing the Consortium's services. In this quarter, the EDC referred the Consortium's services to 55 companies.

PRESENTATIONS

EDC made presentations to various groups during the past quarter to discuss economic and planning issues as well as increased communication and coordination between the public and private sectors.

Groups addressed included:

* The "Computer & Electronics Marketing Association" regarding the economic outlook for San Diego's high tech industry, and ways for the industry to support the local economy.

* The University of San Diego's MBA alumni faculty regarding the Economic Development Task Force report and the economic forecast for San Diego.

* The University of Southern California Business School regarding the North American Free Trade Agreement.

* The Sunstrand Corporation's executive staff and employees regarding San Diego's economy and Sunstrand's future in San Diego.

* National Association of Women Business Owners regarding the current business climate in San Diego and the future outlook.

* Point Loma/Ocean Beach Republican Women's Club on the state of the San Diego economy.

* Land Use Planning group to discuss the recently approved action plans of the Economic Development Task Force and what role EDC would play in achieving results.

* Grubb & Ellis company's top 75 brokers regarding the North American Free Trade Agreement and the Maquiladora industry.

* International Visitors Council to discuss with the Latin visitors how San Diego has been able to use the maquiladora's for economic development and create jobs.

* International Visitors Council (journalists from ten Latin American countries) regarding the North American Free Trade Agreement and its effects on the maquiladora industry.

* International Visitors Council (group of twenty foreign visitors from third world countries) regarding the importance of maquiladoras and how it could create jobs and increase their quality of life in their respective countries.

Presentations given as part of a seminar or symposium included:

* Biotech Summit Workshop, specifically prepared for the San Diego City Council in order to familiarize them with the accomplishments and importance of the biotech industry and what are some specific concerns and requirements of the industry in order to retain them and help them expand in San Diego.

* Mission Valley Business Association, covering the current status of the North American Free Trade Agreement and an overview of EDC's business retention efforts.

* Two presentations for the "Environmental Solutions" conference focusing on EDC's business retention efforts and how it relates to the regulatory process.

* The "California School of Professional Psychology" to discuss the economic outlook for San Diego, and the impact on human resource requirements.

* Panel member for the University of San Diego addressing the "Young Presidents Organization", addressing San Diego's economic condition and its future.

SEMINARS AND WORKSHOPS SPONSORED AND CO-SPONSORED

EDC played a major role in coordinating and/or co-sponsoring the following activities:

* A membership luncheon featuring Julie Wright, Director of the California Department of Commerce. Ms. Wright addressed California's competitiveness in today's economy and what the California Department of Commerce is proposing to regain a competitive edge.

* A membership luncheon featuring Gene McNary, Commissioner of the U.S. Immigration and Naturalization Service. Mr. McNary addressed Immigration reform and how those changes will affect Southern California.

* Co-sponsored the third Annual CERMA Recycled Paper conference. The conference offered an excellent opportunity to display new technology in recycling and to educate the business community as to the importance of recycling.

* Co-sponsored and participated in the County Hazardous Materials Division's "Environmental Solutions" conference. Representatives from government and industry addressed key environmental issues that affect business.

* Co-sponsored of San Diego's first Japan Festival, focusing on the culture of Japan and how it relates to doing business with the Japanese.

OTHER ACTIVITIES RELATED TO INDUSTRIAL DEVELOPMENT

In an effort to be more involved with key community issues that affect the local economy, EDC assisted in organizing the following activities and/or reports:

* Meetings for newly elected Councilwoman Stallings to meet various representatives of the business community.

* Meetings with the Air Pollution Control District regarding how to work better with potential industrial users.

* Preparation for March 19th Biotech Summit - workshop for San Diego City Council.

* Meetings with Southeast San Diego representatives to discuss attraction of potential users to Enterprise Zone/Market Street industrial area.

* Follow up meeting with Duncan Hunter relative to his recent conference in an effort to assist in retaining firms.

* Provided background information on three of EDC's relocation/expansion success stories for the spring issue of the California Department of commerce newsletter "BearTracks".

* Provided a phone interview and background information on three of EDC's relocation/expansion stories for the site relocation trade magazine Plant Sites and Parks. The information was part of a special supplement focusing on California.

* Provided an overview of EDC's services for publication in the International Advisory Guide published by the U.S Department of Commerce. This publication is used by companies who are considering relocation and/or expansions and is distributed to governments and companies around the world.

* Organized and Chaired meetings with the Russian company ACFES, and San Diego business executives.

* Received the San Diego Press Club's "Headliner of the Year Award" for economic development.

EDC staff participated in the following activities, also related to industrial development:

* Met with the environmental leaders from both the U.S. and Mexico to discuss impacts of the North American Free Trade Agreement on the border environment.

* Met with Senator of Baja California to discuss the North American Free Trade Agreement and San Diego/Baja economic interdependency.

* Economic Development Task Force workshop with City Council as well as follow up meeting with city manager's office regarding roles and responsibilities of EDC relative to these approved action plans.
* Assisted in the planning and organization of World Trade Week programs and events. To be held the week of May 18, 1992.

* Held new member reception for last quarter's new members of the EDC.

* Participated in the San Diego Consortium and Private Industry Council's (PIC) panel discussion on the San Diego economy. The purpose of the meeting was to present information necessary for PIC to update their Five Year Strategic Plan.

* Participated as a panel member of San Diego City College's Environmentally Conscious Manufacturing presentation. The panel discussed the benefits of modernizing new manufacturing.

* Participated in the video "Space Bridge" linking San Diego with its newest sister city, Vladivostok.

* Participated in KNSD's Third Thursday program discussing the Economic Development Task Force report.

* Participation in the Global Village TV Program discussing the Economic Development Task Force Report and its effects on the direction of San Diego's economy.

* Participated in meetings regarding the Pacific Rim Forum and the organizing of maquiladora tours.

* Participated in meetings of the "Sister City Association".

* Participated in meetings with the City of San Diego Economic Development Division, regarding identifying/validating targeted industries for the Sand Diego region.

* Participated in Citizens Advisory committee on water and sewer rates.

* Participated in meeting of the Business opportunities committee.

* Follow up meetings for economic development sector of City's Urban Forum Workshop.

* Attended the Japan America Society featuring Mr. Taizo Watanabe, Director General, Public Information and Cultural Affairs for Japans Ministry of Foreign Affairs. Mr. Watanabe addressed U.S -Japan relations in a redefined world.

* Attended the 1992 San Diego Economic Roundtable. The six panelist discussed the economic issues important to the San Diego region, and assessed the economic outlook for San Diego County in 1992.

* Attended the Foundation for International Scientific Advancement breakfast presentation of "Women Doing Business with the Japanese"

* Attended the Department of Commerce luncheon presentation "Don't Leave Angry...Just Get Mad", featuring Julie Wright, Director of California's Department of Commerce.

* Attended the John Burnham ninth annual Burnham Forecast, with featured speaker Tom Page, Chairman and CEO of San Diego Gas & Electric.

* Attended the San Diego Venture Group luncheon presentation, with featured speaker Peter Preuss, founder, Chairman and President of Integrated Software Systems Corporation.

* Attended a meeting of the International Affairs Council.

* Attended the World Trade Association breakfast presentation "Doing Business with the New Russia".

* Attended the CONNECT high tech lecture series, featuring various speakers discussing San Diego's high tech industry and the latest developments.

* Attended the CDC Small Business Finance Corporation annual luncheon, with featured speaker Michel Anderson discussing the Economic Development Task Force report.

* Attended committee meeting relative to the inclusion of economic development factor in SANDAG's regional growth management strategy.

* Attended Economic Conversion Council planning meetings.

* Attended meetings regarding the proposed twinports, through SANDAG, City of San Diego and Chamber of Commerce.

* Attended a workshop on Transportation Demand Measures, relevant to proposed air pollution control mandates.

* Attended the Citizens Advisory Committee meetings on waste management.

* Attended meetings regarding the toxic free neighborhood ordinance.

BOARD, COMMITTEE, AND TASK FORCE INVOLVEMENT:

The San Diego Consortium & Private Industry Council
Economic Conversion Council
UCSD CONNECT
Coalition of San Diego
Mayor's Airport Committee
SANDAG Airport Committee
San Diego Chamber of Commerce Twinports Coalition
Otay Mesa Chamber of Commerce
Otay Mesa Chamber of Commerce Economic Development Council
South County Economic Development Council
Border Trade Alliance
Border Trade Alliance Coordinating Council
San Diego County Hispanic Chamber of Commerce
Western Maquiladora Trade Association
Tijuana Industrial Development Corporation
Binational Committee
International Trade Commission
World Affairs Council
Pac-Rim '92 Committee
Japan American Society
SDSU Japan Studies Institute
Greater San Diego Chamber of Commerce
Editorial Advisory Board of San Diego Executive Magazine
UCSD San Diego Dialogue
Women in Commercial Real Estate
San Diego/Vladivostok Sister City Association
Biomedical Industry Council
San Diego Dialogue
San Diego Chamber of Commerce Educational Advisory Committee
Integrated Waste Management Association Advisory Committee
Toxic Free Neighborhood Coalition
BIOCOM

Issue-related task force involvement by EDC staff includes:

Air Pollution	Transportation	Free Trade Agreement
Airport	Waste Management	Growth Management
Education	Water	Hazardous Waste
		Economic Development Task Force Report

NEW PUBLICATIONS

* **1992 BIOTECH DIRECTORY** - More than 100 biotech and biomedical companies are featured in this directory. The directory list a company description, contact person, address, phone, and fax numbers, type of ownership, number of employees and 1991 estimated revenues. An overview of the biotech industry and potential for future investment is also featured.

sw:steve/qtr3-92