

CALIFORNIA DREAM HAS BECOME A REALITY: SACRAMENTO MARKET POSITIVELY AFFECTING THE YUBA/SUTTER MARKETS

The 6-county Sacramento region is one the fastest-growing metropolitan areas in California. Sacramento County's population has now reached almost 1.4 million people, a growth of 11.4% over the last 5 years. By 2020, the 6-county Sacramento region is projected to grow by another million residents.

The Sacramento region offers a welcoming business climate, an abundant and educated workforce, comparatively lower land and housing costs, excellent schools, a vast array of civic and recreational amenities, not to mention proximity to world renowned vacation destinations ranging from the mountains to the coast.

The region's economic base has recently shifted from mainly government employment to private sector employment. This includes growing industries such as high technology, life sciences, and healthcare. Sacramento is home to companies such as Intel, Aerojet/GenCorp, Hewlett Packard, U.S.A.A., Vision Service Plan, Kikkoman Foods, Procter & Gamble, Apple Computer, eBay, and Siemens Transportation.

Sutter and Yuba Counties are recognized as successful northern extensions of Sacramento's rapidly expanding region. Unprecedented residential building is driving the development of new retail and commercial establishments in the south county areas. The Yuba City Metropolitan Statistical Area (MSA), including Yuba & Sutter Counties, was ranked as **one of the best places to do business by Forbes Magazine**. Yuba County's strongest points include available and relatively inexpensive land and a low cost of doing business. Yuba County does not have a business license fee for most businesses, no utility user tax, no Regional Transportation Fee or Tax, no local sales tax on top of the state sales tax of 7.25%, no parking tax, and no Gross Receipts Tax.

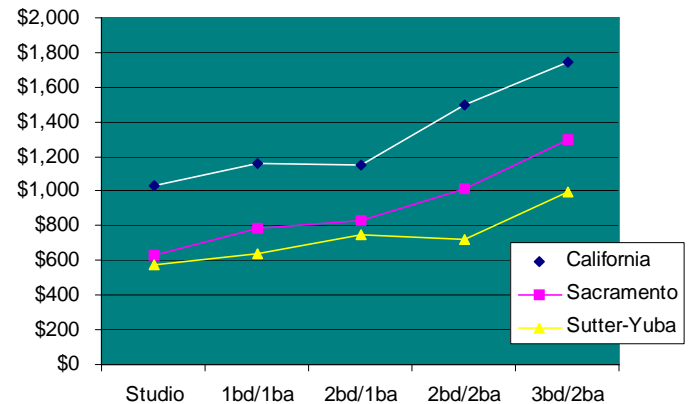


The new Yuba County Government Center in Marysville, CA.
 Photo by Yuba County Airport and Economic Development.

AVERAGE RENTS (CA, SACRAMENTO & SUTTER/YUBA)

| | California | Sacramento | Sutter-Yuba |
|---------|------------|------------|-------------|
| All | \$1,311 | \$896 | \$707 |
| Studio | \$1,036 | \$626 | \$575 |
| 1bd/1ba | \$1,164 | \$788 | \$636 |
| 2bd/1ba | \$1,149 | \$832 | \$746 |
| 2bd/2ba | \$1,495 | \$1,018 | \$717 |
| 3bd/2ba | \$1,748 | \$1,293 | \$995 |

Average Rents Q2-2006 (CA, SAC, Sutter/Yuba)



Yuba County offers a low-cost alternative as compared to other areas in California. Development interest is substantially increasing for Marysville (the county seat). To support future growth, economic development staff has successfully applied for over \$5.5 million in grant funding for the extension of water, sewer, power, and related infrastructure improvements for the development of the Airport Industrial Parks. These improvements have allowed numerous new companies to locate within the parks, adding over 500 new employees. County economic developers also won and managed grants for the construction of a \$2.3 million water treatment plant that serves the Yuba County Airport's eight industrial parks. The project included the extension of new water lines that has opened up the availability of an additional 150 acres zoned for industrial projects adjoining the Airport Industrial Parks.

Another factor contributing to the areas growth and success is Beale Air Force Base. In 2001, the 12th Reconnaissance Squadron activated at Beale to be the parent organization for the GLOBAL HAWK, (the Air Force's newest high-altitude reconnaissance platform). Today, Beale AFB is home to the U-2 reconnaissance aircraft, the T-38 jet trainer, the KC-135 tanker and the first production GLOBAL HAWK. Recently, the Beale Military Liaison Committee donated \$100,000 to construct a new main gate for visitors. The base, covering nearly 23,000 acres, is home for approximately 4,000 military personnel, adding to Sutter/Yuba counties' promising and exciting future.

