



Working Papers

Moving Solano Forward—Phase II

Task 3: Identified Cluster Analysis

Task 3.1 Business Lists

July 2016

This study was prepared under contract with Solano County, California, with financial support from the Office of Economic Adjustment, Department of Defense. The content reflects the view of the County of Solano and its participating Partners and does not necessarily reflect the views of the Office of Economic Adjustment. January 2017

Moving Solano Forward - Phase II

Task 3: Identified Cluster Analysis

Task 3.1: Business List

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Task 3: Identified Cluster Analysis

Task 3.1 Business Lists

INTRODUCTION

As part of Task 3, Identified Cluster Analysis, Solano County business lists have been generated to help identify and segment clusters, industries and targets for business retention and expansion efforts and creating industry groups to address the needs and challenges of specific industries in Solano County.

The clusters and industries identified as primary targets for economic development services are in “**traded sectors**”. Traded sectors and businesses are those that are primarily focused on markets outside Solano County for their revenues.

In addition to Solano County industry lists, lists have also been generated for surrounding counties to assist in tracking industry trends regionally.

- All lists have been delivered to the Solano Economic Development Corporation separately. Local Solano County lists will be uploaded to the new Solano First! Business Retention & Expansion tracking system.

BUSINESS LISTS

The Employment Development Department of California (EDD) publishes employer lists by many characteristics as noted in Chart 1. This becomes the base list for employer tracking.

CHART 1 - EDD BASE LIST

- **Company Name;**
- **Primary Company Address, including City, State, Zip;**
- **Geo address (latitude and longitude) for mapping purposes;**
- **Contact info:**
 - Phone;
 - In some cases, e-mail;
 - In some cases, website;
- **NAICS Code (the normal six digits are indices of a stated 8-digit number where the first six digits are the normal NAICS code);**
- **Employment size range;**
- **Sales volume estimate range; and**
- **Whether a branch or single location.**

This data comes directly from the EDD payroll tax listings; the time lag of up to 18 months suggests there will be errors in terms of timely data. The error rate is unknown until verified and cross-checked with other list by EDC staff. While these lists from InfoUSA (purchased by EDD for public use) have a time lag, they are meant to be comprehensive. For this reason, the data can be used as the data foundation and uploaded into the customer-relation management (CRM) software, Solano First! However, different from the business license data, EDD and InfoUSA data can be separated into businesses that represent traded and non-traded (locally-serving) sectors based on NAICS code. Having the NAICS codes available and linked to the ES 202 reporting is key. ES 202 data is also known as the Quarterly Census of Employment and Wages (QCEW) and links NAICS-based data to employment counts, monthly wage levels and corroboration of the number of businesses, as well as governmental agencies and what is being paid there.

Data from InfoUSA and EDD may suffer from having redacted data due to confidentiality. Data is also coded or categorized in ways that do not match across cities or counties and their business lists. Local business license data maybe more timely and updated, however, what gains may be available with the precision and timeliness of the business

license data may be lost with a lack of contact info or other characteristics that is available with the EDD data. Most likely neither list will be complete (based on scofflaws and businesses that do not file payroll).

As time permits for Solano’s cities or the EDC, the lists could be merged to identify duplicates and/or missing business to update a master list.

It is likely that the businesses to be retained, identified and potentially attracted, would all be on the EDD lists.

NAICS Code Sorting

The initial base list(s) contain a large amount of businesses for just Solano County. An even larger list, if regional business were included, matches Solano County’s commuting laborshed.

The Solano County clusters and targets are Manufacturing, Food & Beverage, Life Sciences and Logistics. Food & Beverage and Life Sciences, such as, pharmaceutical are sub-sets of manufacturing in the NAICS codes.

Manufacturing incorporates all industries starting with two-digit NAICS Code 31 with the following segments within manufacturing at the three-digit NAICS:

CHART 2 - NAICS 3-DIGIT MANUFACTURING CODES

311-312 Food & kindred Products
 313-314 Textiles
 315 Apparel and Related Products
 316 Leather and Allied Product
 Manufacturing
 321 Wood Product Manufacturing
 322 Paper and Allied Products
 323 Printing and Related Support Activities
 324-325 Petroleum and Products
 Manufacturing
 326 Plastics and Rubber Products
 Manufacturing
 327 Nonmetallic Mineral Product
 Manufacturing
 331 Primary Metals
 332 Fabricated Metal Products
 333 Machinery Manufacturing
 334 Computer and Electronic Product
 Manufacturing
 335 Electrical Equipment and Application
 336 Transportation Equipment
 337 Furniture & Fixtures
 339 Miscellaneous Manufacturing Industries

Logistics are included in the two-digit NAICS Codes for Transportation, 48.

Industries within these two and three-digit NAICS Codes are further segmented to six-digit codes which provide opportunity to further track and analysis industry activity in Solano and surroundings county.

The power of this data can be shown in Chart 2, High Growth and Declining Industries in Solano County, 2009-14.

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HIGH GROWTH AND DECLINING INDUSTRIES IN SOLANO COUNTY 2009 TO 2014

High growth includes non-retail industries that have added 100 or more jobs in the past five years from 2009 to 2014 and are growing faster than the U.S. average for that industry. Declining includes industries that have lost 100 or more jobs in the past five years.

NAICS	Description	Solano County				Solano County -2014			Projected Annual	
		Employment		Growth 2009-14		Firms	Avg Wage	Location Quotient*	U.S. Growth	2014-2024
		2009	2014	Absolute	Percent					
HIGH GROWTH										
Bio-Medical										
325412	Pharmaceutical preparation manufacturing	1,593	2,966	1,373	86%	5	\$213,797	15.96	-0.1%	1.2%
541380	Testing laboratories	375	755	379	101%	12	\$66,966	4.99	0.8%	2.6%
541711	Biotechnology research and development	12	114	102	814%	7	\$101,546	0.87	0.6%	1.8%
Agriculture and Food Processing										
311423	Dried and dehydrated food manufacturing	335	566	230	69%	2	\$51,141	58.26	-0.4%	1.3%
311920	Coffee and tea manufacturing	31	192	161	525%	2	\$78,231	11.20	0.5%	1.7%
111419	Other food crops grown under cover	80	217	137	171%	4	\$32,728	28.24	-0.7%	1.9%
311919	Other snack food manufacturing	0	128	128	12800%	3	\$38,026	3.75	0.5%	1.7%
111421	Nursery and tree production	173	281	103	58%	5	\$28,927	4.02	-0.7%	1.9%
311999	All other miscellaneous food manufacturing	0	119	119	11903%	1	\$85,645	4.48	0.5%	1.7%
Aerospace										
336413	Other aircraft parts and equipment	16	179	163	1017%	2	\$56,035	1.87	-0.5%	2.0%
332710	Machine shops	82	205	123	150%	10	\$88,745	0.78	0.3%	1.6%
Logistics										
493110	General warehousing and storage	439	612	173	39%	14	\$48,793	1.07	0.4%	2.6%
488510	Freight transportation arrangement	87	207	120	137%	5	\$33,044	1.18	0.7%	2.4%
454113	Mail-order houses	109	222	113	104%	3	\$23,110	1.76	0.3%	2.9%
484220	Other specialized trucking, local	550	656	106	19%	28	\$48,238	3.28	0.4%	2.1%
Hospitality										
721110	Hotels and motels, except casino hotels	655	795	140	21%	50	\$18,446	0.58	0.7%	2.3%
Professional Services										
541850	Other services related to advertising	149	362	213	143%	8	\$10,708	4.26	0.2%	2.6%
Green Industries										
423930	Recyclable Material Merchant Wholesalers	10	132	122	1220%	7	\$42,798	1.28	0.5%	2.6%
562910	Remediation services	119	262	143	120%	3	\$63,564	3.76	0.5%	2.1%

NAICS	Description	Solano County				Solano County -2014			Projected Annual	
		Employment 2009	2014	Growth 2009-14 Absolute	Percent	Firms	Avg Wage	Location Quotient*	U.S. Growth 2014-2024 Employment	Output
DECLINING										
Energy										
213112	Support activities for oil and gas operations	124	6	-118	-95%	4	\$60,325	0.02	1.4%	2.9%
Food Processing										
311911	Roasted nuts and peanut butter manufacturing	112	0	-112	-100%	0	\$0	0.00	0.5%	1.7%
Bio-Medical										
325414	Other biological product manufacturing	168	8	-159	-95%	1	\$38,066	0.33	-0.1%	1.2%
339112	Surgical and medical instrument manufacturing	171	56	-105	-62%	1	\$83,672	0.61	0.1%	3.3%
Plastics Manufacturing										
326160	Plastics bottle manufacturing	213	104	-109	-51%	1	\$56,139	3.80	-1.2%	2.0%
Logistics										
488210	Support activities for rail transportation	161	32	-130	-80%	1	\$41,933	1.12	0.7%	2.4%
488310	Port and harbor operations	261	59	-191	-73%	3	\$58,074	3.89	0.7%	2.4%
488320	Marine cargo handling	113	7	-107	-94%	1	\$67,143	0.15	0.7%	2.4%
493190	Other warehousing and storage	521	31	-490	-94%	3	\$71,891	0.78	0.4%	2.6%
Information Technology										
518210	Data processing and related services	326	126	-200	-61%	2	\$76,221	0.51	0.7%	2.5%
541511	Custom computer programming services	373	143	-230	-62%	35	\$71,219	0.21	2.1%	3.0%
Finance and Insurance										
522292	Real estate credit	304	149	-155	-51%	23	\$107,846	0.82	0.2%	3.2%
524126	Direct property and casualty insurers	570	472	-98	-17%	21	\$93,079	1.13	0.4%	1.8%
Professional Services										
541620	Environmental consulting services	191	56	-125	-65%	10	\$96,161	0.88	2.4%	2.4%
551114	Managing offices	1,300	795	-505	-39%	35	\$80,851	0.43	0.4%	2.2%
561311	Employment placement agencies	479	180	-299	-62%	10	\$66,503	0.78	1.2%	2.6%
561330	Professional employer organizations	195	33	-162	-83%	3	\$32,711	0.10	1.2%	2.6%
Waste Management										
562211	Hazardous waste treatment and disposal	143	16	-128	-89%	2	\$62,892	0.52	0.5%	2.1%

DATA

The business lists provide a lot of data that is not combined readily in other governmental databases. The NAICS code data and having the structure of these databases available for all 58 counties in California can make for a strong check against other, local databases that may not be as comprehensive (business license lists, as an example).

The following summarizes the make-up of the businesses in Solano County:

- ❖ As of the end of 2014 (the lists from InfoUSA are dated 2015 and provide year-end 2014 data), there were 11,772 NAICS identified businesses in Solano County
 - Professional Services businesses;
 - Construction and contractors;
 - Health Services;
 - Real Estate; and
 - Restaurants and Bars.
- ❖ As a summary statement, the following business counts existed in surrounding counties and within the laborshed of Solano County as of the end of 2014:
 - Alameda: 70,305;
 - Contra Costa: 44,425;

- Sonoma: 22,028;
- Marin: 15,253; and
- Napa: 6,877.

The consideration here is that there are a large number of businesses in the other regional counties and a large number of both targets for attraction (and also competition) for Solano County residents as potential workers. The linkages among the databases gives value to these business lists:

1. The QCEW (ES 202) reports tell a quarterly story, albeit with a 9-month lag, about employment, wages and number of payroll businesses in traded sectors across all counties;
2. The commute data adds to the data concerning laborshed, and defines/monitors where the most competition lies for Solano County residents and imported labor;
3. The business lists define the types of employers, firms and potential competition by name, location and contact information.

Data can be tracked by city or zip code across all counties, which then can be matched up to commuting data for workforce. This provides city-level and unincorporated county business locations and counts to compare against business license data or other data. These data do not show the commuting workers, but can be set up.

Key Takeaways:

1. Solano EDC needs to track regional businesses as part of any business retention, expansion and attraction (BREA) strategy;
 - a. The annual publishing of the new list will trigger a need to update the master list in the CRM tool and then ask the cities and the county for any additional information to verify and to complete the update;
2. These lists allow Solano County to monitor economic diversity in terms of NAICS codes of individual businesses more completely (though there is a time lag generally of 18 months) versus the quarterly census of employment and wages (QCEW) or ES 202 reports from the Bureau of Labor Statistics/EDD;
3. The lag time is something that Solano EDC can bridge by quarterly updates to the data and to its monitoring of regional developments;
 - a. One method would be to ask the cities and the county for their license data quarterly and also use any updates to the ES 202 files as a second way to monitor change by NAICS code.

While there are local business lists available (business licenses are the main way that Solano EDC can track local businesses), even those lists have their flaws in lack of comprehensiveness, coding, and being more local than regional.

These EDD lists have the strong characteristic of being generated from the same place every year and for the same purpose: to identify payroll businesses and those that pay some payroll tax as a way of tracking business counts.

Using Business Lists

The main use of business lists is to communicate with existing traded sector businesses and for business retention/expansion calls. Knowing the businesses that are in Solano County is a key data point if those businesses are to be retained. Further, it also provides a way to see the breadth and depth of businesses that are in Solano County now and describe multiple supply chains.

Identifying and monitoring the supply chains of each “traded sector” should be incorporated into planning for economic development and growth. The supply chains can be defined for each traded sector by NAICS code. The cluster analysis parallels to these lists define the supply chains and the lists monitor names and locations and contact info as part of the BREA activities of the Solano ED Task Force.

The combination of business lists and economic data about specific industries helps Solano EDC plan for change and build a strategy to identify and assist businesses that are facing concerns of growth or space.

RECOMMENDATIONS: USING THESE LISTS AS A BREA TOOL

The Solano County business list delivered should be used as base for uploading and populating the BREA software. The Cities may also upload their lists that can be cross-checked.

The regional lists (other counties) should be maintained to annually track regional shifts in traded sectors, indicators of growth in those sectors and may also be competing for Solano County labor.

Lists provide a base for identifying specific businesses, rather than simply using the ES 202 (QCEW) reports and business counts, and maintaining contact information for these businesses.

Lists provide a way to populate mapping software as to the location of Solano County businesses throughout the county, separated into traded and locally-serving sectors, as well as supply chain links for traded sectors and businesses.

Example of Business List for Solano County

TRADED	NAICS	NAME	ADDRESS	TELEPHONE	CONTACT NAME	EMAIL	EMP. RANGE
Food and Beverages	311920	Bay Area Coffee	4201 Industrial Way, Benicia 94510	7077451320	Joe Lin		50 to 99
Food and Beverages	311941	Automatic Bar Controls Inc	1051 Aldridge Rd # C, Vacaville 95688	7074542733	Rick Martindale		100 to 249
Food and Beverages	311991	Salad Cosmo	5944 Dixon Ave W, Dixon 95620	7076786633	Mafa Nakada		1 to 4
Food and Beverages	311999	Abco Laboratories	2445 S Watney Way, Fairfield 94533	7073999775			5 to 9
Food and Beverages	311999	Abco Laboratories Inc	2450 S Watney Way, Fairfield 94533	7074322200	Jessica Chua		100 to 249
Food and Beverages	311999	Dixon Canning Corp	8380 Pedrick Rd, Dixon 95620	7076784406	Pete I mhoff		250 to 499
Food and Beverages	311999	Papalote Salsa Trading Co	4713 Mangels Blvd, Fairfield 94534	7078637444			5 to 9
Food and Beverages	311999	Schwarz Fine Sausage	2475 Courage Dr, Fairfield 94533	7074226300	John Engelhart		50 to 99
Logistics	423210	Apter & Assoc Inc	484 Mills Dr, Benicia 94510	7077475811	Barry Apter		1 to 4
Logistics	423210	Vacaville Document Disposal	Vacaville 95687	7074749355			5 to 9
Logistics	423220	CCR	Vallejo 94591	7073333777			1 to 4
Logistics	423220	Etna Picture Frames Inc	1064 Horizon Dr # 4, Fairfield 94533	7074210170			1 to 4
Logistics	423220	In Style Window Coverings	Vallejo 94590	7075560505			1 to 4
Logistics	423220	Larson-Juhl Inc	5365 Industrial Way, Benicia 94510	7077470555	Jeff Utley		20 to 49
Logistics	423220	SDH Enterprises Inc	495 Edison CT # C, Fairfield 94534	7078648075	Sigrid Wagner		10 to 19
Logistics	423220	Transpac Imports Inc	1050 Piper Dr, Vacaville 95688	7074520600	Shannon Chandler	Schandler@Shop tii.com	10 to 19
Logistics	423310	BMC West Building Materials	1855 N 1st St # C, Dixon 95620	7076788600			50 to 99
Manufacturing	339999	D C W	555 W Chestnut St, Dixon 95620	7076782712	Robert Hill		1 to 4
Manufacturing	339999	Dunlop Manufacturing	3919 Oregon St, Benicia 94510	7072974830			1 to 4
Manufacturing	339999	F & M Fabricators	671 Waterfront Ave, Vallejo 94592	7075521393	Delfino Bustamante		1 to 4
Manufacturing	339999	Hallmark Marketing Corp	142 Salinas Dr, Vacaville 95688	7074697562			10 to 19
Manufacturing	339999	Hammerhead Golf	1037 Copper CT, Vacaville 95687	7074514432	Skip Starr	Hammerheadgol f@Pacbell.net	1 to 4
Manufacturing	339999	Heartland Industries	340 Industrial Way, Dixon 95620	7076782477			5 to 9
Manufacturing	339999	Inx Digital Intl Co	405 Industrial Way, Dixon 95620	7076932990	Ken Kisner		1 to 4
Manufacturing	339999	Page Industries	2050 Cessna Dr, Vacaville 95688	7074697243	Brian Piety		1 to 4
Manufacturing	339999	Y L A Inc	2450 Cordelia Rd, Fairfield 94534	7077512908			50 to 99
Non-Traded	112111	Innisfail Milking Shorthorns	7075 Tremont Rd, Dixon 95620	7076784715	Stuart Rowe	Rowecows@Gma il.com	1 to 4
Non-Traded	112111	Schene Enterprises Inc	5725 Liberty Island Rd, Dixon 95620	7076783419	Tom Schene		10 to 19
Non-Traded	112519	Your Fish Breeder	2362 Mountain View Ct, Fairfield 94534	4156030470	Evgeniya Denisenko		1 to 4
Non-Traded	112910	Honey Bee Genetics	7074 Twin Fawn Trail, Vacaville 95688	7074490440	Thomas Parisian		5 to 9
Non-Traded	112910	Honey Bees Genetics	6718 Byrnes Rd. Vacaville 95687	7074498127			1 to 4
Non-Traded	112920	Arabian Star Equestrian Ctr	7756 Acacia Ln, Vacaville 95688	7074485138	Glenna Craig	Glenna@Arabian star.com	1 to 4
Non-Traded	112920	Avonlea Arabians	5939 Pleasants Valley Rd, Vacaville 95688	7074698249	Gail Whitaker		1 to 4
Non-Traded	112920	Olde Wagon Station	7967 N Meridian Rd Dixon 95620	7076783110			1 to 4