

Regional Water Authority Target Industry Analysis Executive Summary

December, 2014



APPLIEDMARKETING

identifying and creating opportunities

Executive Summary

Introduction

The purpose of the Target Industry Analysis is to review, identify, and validate potential industry sectors for the Regional Water Authority (RWA). A key objective of this study is to identify water intensive industries to take advantage of the surplus water capacity in the region.

As a starting point, initial studies by Humboldt State University and Sacred Heart identified the following list of water intensive industries:

- ⦿ Apparel
- ⦿ Automotive
- ⦿ Beverage, specifically craft breweries and soft drinks
- ⦿ Biotech/Pharmaceutical
- ⦿ Chemical
- ⦿ Forest Products
- ⦿ Food Manufacturing
- ⦿ High-Technology Electronics, Semiconductors
- ⦿ Medical Devices
- ⦿ Metal Mining
- ⦿ Refining
- ⦿ Utility
- ⦿ Paper Products
- ⦿ Coal Products

This list was narrowed to those industries that would be feasible for the region, eliminating those that would not be attraction targets because the resources or assets are not present in the region, such as coal products and metal mining. Industries were also eliminated if they were in mature, limited growth segments, such as apparel. In-depth industry information was then gathered on the remaining viable targets including the industry revenues, past growth rates, projected growth rates, and average wages. This information was overlaid against data from an existing industry base analysis and RWA input on the best industry matches in the region. With this information, the list was narrowed further to the following most feasible and desirable industries.

The most promising target industry sectors chosen from the analysis include:

🕒 **Food Processing**

- Sub-sectors include Malt Manufacturing, Chocolate/Candy Production, Fruit/Vegetable Products, Frozen Foods, Dairy Products, Seafood, Snacks, Coffee Production, Tea Production, Flavorings, and Seasonings.
- Malt Manufacturing (flour milling), Coffee Production, Tea Production, and Dairy Products have had the highest percentage of annual growth from 2009 to 2014. (8.7%, 7.5%, 6.3%, and 5.8% respectively).
- Malt Manufacturing (flour milling), Candy Production and Tea Production are predicted for the highest percentage of annual growth through 2019 (4.7%, 3.0%, and 3.0% respectively).
- The highest paid sub-sectors include Flavorings, Tea Production, Seasonings, and Dairy Products
- Target company estimates for the sector show 1,282 headquarter companies in the United States and Canada. The top locations for companies in the sector include California, Ontario, New York, and Quebec.
- The top site selection criteria for this sector are:
 - ✓ Proximity to Materials/Customers
 - ✓ Transportation
 - ✓ Infrastructure and Energy
 - ✓ Workforce

🕒 Beverage Manufacturing

- Sub-sectors include soft drinks, bottled water, breweries, and distilleries.
- Breweries and Distilleries had the highest percentage of annual growth from 2009 to 2014. (2.1% and 1.6% respectively).
- Distilleries and Bottled Water are predicted for the highest percentage of annual growth through 2019 (4.6% and 3.1% respectively).
- The highest paid sub-sectors include Distilleries and Breweries
- Target company estimates for the sector show 351 headquarter companies in the United States and Canada. The top locations for companies in the sector include California, Ontario, New York, and Texas.
- The top site selection criteria for this sector are:
 - ✓ Water and Wastewater
 - ✓ Transportation
 - ✓ Workforce
 - ✓ Taxes

🕒 Pharma/Chemical Processing

- Sub-sectors include Inorganic Chemicals, Organic Chemicals, Plastics/Resins, Fertilizer, Pesticides, Brand Name Pharmaceuticals, Generic Pharmaceuticals, Vitamins/Supplements, Paints, Adhesives, Soap/Cleaning Compounds, and Cosmetics/Beauty Products.
- Organic Chemicals, Vitamins/Supplements, Generic Pharmaceuticals and Plastics/Resins had the highest percentage of annual growth from 2009 to 2014. (11.2%, 7.4%, 6.8%, and 5.6% respectively).
- Vitamins/Supplements, Cosmetics/Beauty Products, Generic Pharmaceuticals, and Pesticides are predicted for the highest percentage of annual growth through 2019 (5.5%, 4.9%, 4.8%, and 3.4% respectively).
- The highest paid sub-sectors include Generic Pharmaceuticals, Brand Name Pharmaceuticals, and Vitamins/Supplements.
- Target company estimates for the sector show 1,534 headquarter companies in the United States and Canada. The top locations for companies in the sector include New Jersey, California, Texas, and New York.
- The top site selection criteria for this sector are:
 - ✓ Talent
 - ✓ Transportation
 - ✓ Utilities
 - ✓ Sites and Buildings

⦿ **Transportation Equipment**

- Sub-sectors include Metal Stamping/Forging, Wire/Spring Manufacturing, Ball Bearings, Metalworking Machinery, Engines/Turbines, Batteries, Wires/Cables, Wiring Devices, Power Conversion Equipment, and Automobile Electronics.
- Power Conversion Equipment, Wires/Cables, Engines/Turbines, and Metal Stamping/Forging had the highest percentage of annual growth from 2009 to 2014. (12.8%, 10.5%, 8.3%, and 6.4% respectively).
- Metal Stamping/Forging, Power Conversion Equipment, Wiring Devices, and Wires/Cables are predicted for the highest percentage of annual growth through 2019 (4.4%, 4.2%, 3.7%, and 3.6% respectively).
- The highest paid sub-sectors include Engines/Turbines, Power Conversion Equipment, Metalworking Machinery, and Automobile Electronics.
- Target company estimates for the sector show 1,408 headquarter companies in the United States and Canada. The top locations for companies in the sector include Michigan, Illinois, Ohio, and California.
- The top site selection criteria for this sector are:
 - ✓ Workforce
 - ✓ Transportation
 - ✓ Site and Infrastructure
 - ✓ Buildings

📍 Semiconductors

- Sub-sectors include Communications Equipment, Semiconductors/Circuits, Navigational Instruments, and Medical Devices
- Semiconductors/Circuits and Medical Devices had the highest percentage of annual growth from 2009 to 2014. (4.8% and 3.6% respectively).
- Medical Devices, and Navigational Instruments are predicted for the highest percentage of annual growth through 2019 (7.1% and 3.3% respectively).
- The highest paid sub-sectors include Communication Equipment and Semiconductors/Circuits.
- Target company estimates for the sector show 1,418 headquarter companies in the United States and Canada. The top locations for companies in the sector include California, New York, Texas, and Massachusetts.
- The top site selection criteria for this sector are:
 - ✓ Labor
 - ✓ Transportation
 - ✓ Construction Costs
 - ✓ Telecommunications