

Our place in the economic Mega-Region

By TOM POGUE

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The Northern California Mega-Region is an increasingly important feature influencing economic development pathways of communities across the Central Valley, Northern California, and the rest of the world.

The NCMR can be defined in a variety of ways, but it consists of at least four major sub-regions: 1) The Monterey Bay Area, 2) The North San Joaquin Valley, including San Joaquin and Stanislaus counties, 3) The Sacramento Area, and 4) The San Francisco Bay Area.

As such it had a population of over 12.5 million and a gross domestic product of \$932.5 billion in 2015.

Increasingly, integration within major metropolitan hubs and surrounding urban areas are forming these interconnected urban regions, or mega-regions, that are a foundation for national and international competitiveness. In fact, in an increasingly integrated world economy, the more globally focused mega-regions can challenge the economic power and influence of many nations.

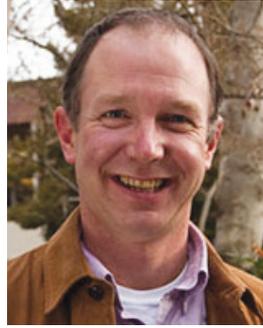
The NCMR is a top-tier global city, among the most influential mega-regions in the world. It is a global technology center account-

ing for nearly 20 percent of America's domestic patents, despite composing less than 4 percent of the population. It is also a significant international economy, which would be the world's 16th largest based on its GDP.

All the NCMR's sub-regions have considerable interconnections encompassing population migration, commuting, infrastructure, and goods movement as well as social and recreational amenities. However, there are significant structural differences between many of the areas' economies.

While the San Francisco Bay Area hosts the largest concentration of leading technology firms in the world, and through its innovations influences the global economy from manufacturing and media to retail and real estate, surrounding sub-region like the North San Joaquin Valley have limited direct integration with its highly-envied innovation ecosystem. Nonetheless, there is a robust overall economic vitality in the NCMR and in each of its sub-regions.

The interconnections within



Tom Pogue

the NCMR span these distinct economic systems and unite each of its sub-regions. This integration is most notably seen in labor markets where employee commuting is increasing among all areas of the NCMR. But it also includes growing linkages in areas such as goods movement and housing markets.

As a result, planning for and building interconnections across the NCMR is increasingly important in defining the opportunities and challenges for future economic development in the NCMR.

A 2016 study by the Bay Area Council Economic Institute entitled "The Northern California Megaregion: Innovative, Connected, and Growing," examines many of these opportunities and challenges in greater detail than is possible here, but key issues include:

- Education levels: There is a considerable range in educational attainment across the NCMR. Investing in human capital development and facilitating the in-migration of more skilled residents to areas with lower education will create opportunities to integrate and diversify the NCMR economy.
- Costs of living: Rising living costs create a range of impacts across the NCMR, which include increasing interdependencies on the NCMR's economic core as

well as enhancing commuting and pressure for rural development.

Increasing the distribution of employment across the NCMR is a potentially important policy to address this challenge.

- Physical capacity constraints: The space for development in the San Francisco Bay Area is severely constrained compared to the other sub-regions. If the sectors in the Bay Area with international competitive advantage could successfully move into the surrounding sub-regions there would be efficiency gains for the whole NCMR.

- Integrating infrastructure investments: A more effective and efficient transportation system within the NCMR would be incredibly beneficial in terms of commuting, goods movement and integrating amenities. Other infrastructure investments, such as those in water and power system, could create significant efficiencies if undertaken at the mega-regional level.

The NCMR is driven by a range of dynamics that continue to evolve in an increasingly technology intensive and integrated global economy. Understanding and planning for the associated opportunities and challenges with the NCMR is therefore increasingly important for its residents, businesses and governments.

Stockton's airport set for growth

By HARRY MAVROGENES

*Stockton Metropolitan Airport
Director*

Stockton Metropolitan Airport had a banner year in 2016. There is much to look forward to in 2017, but we would like to share some of the highlights from 2016.

Flights

The year got off to a strong start when Allegiant announced new, nonstop flights to San Diego.

Those flights began in April and by June, demand led Allegiant to expand flights to three days a week — Tuesdays, Sundays and Thursdays.

The new service has been a welcome addition to the other flights provided by Allegiant to Las Vegas and Phoenix/Mesa.

The airport was awarded a Small Community Air Service Develop-

ment Program grant from the U.S. Department of Transportation for \$650,000 to provide daily air passenger service to Los Angeles.

The grant requires a \$365,000 local match. We want to reserve it for larger passenger jet service from a regional carrier.



Harry Mavrogenes

Air cargo

The airport is also in an exciting period of growth for air cargo service. Full-time air cargo service began in February 2016. The airport has two air cargo service



keep you informed!

A big thank you to our dynamic editor, Elizabeth Stevens. She never ceases to amaze me. The quality of our editorial content rests squarely on her shoulders. It's not an easy task to juggle reporters, photographers, graphics and hundreds of story ideas. She brings it all together and delivers it to you superbly each month.

Our research manager, Dani Conley, spends hundreds of hours compiling the valuable information in this book. It's time consuming and, at times, frustrating, but she manages to pull it all together to produce the Central Valley's No.1 resource guide, connecting businesses with opportunity. Thank you, Dani.

This year we welcomed Desiree Arias as creative director. What a fantastic job she's done, combining art, logos and copy for ads, creating graphs, and of course, laying out the monthly newspaper. It's not an easy task, but Desiree powers through seamlessly. She is

a welcome addition to our team.

Ana Castillo has kept us moving on this annual project. Thank you for being so diligent. You're a fantastic bookkeeper, and your management skills kept us on track.

A special thanks to our sales staff, Ron, Peter and Tom. You never give up! Our clients are our friends. We work hard to earn their business, and it shows. You guys rock!

Of course, none of this would be possible without our advertisers and readers. We appreciate your loyalty and continued support.

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God bless America!
Sharon Alley-Calone