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HOSPITALITY, LEISURE, AND TOURISM:
ECONOMIC AND WORKFORCE PERFORMANCE AND NEEDS ASSESSMENT
GREATER SACRAMENTO REGION

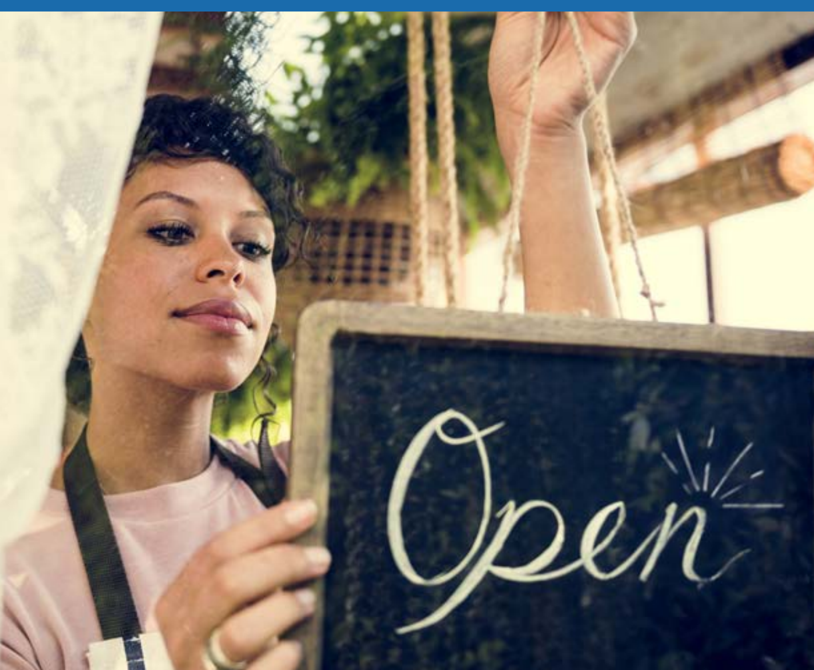

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TABLE OF CONTENTS

EXECUTIVE SUMMARY

The greater Sacramento region is undergoing a massive economic transformation with changes affecting the region's hospitality and tourism businesses, arts and culture, and leisure pursuits. The most visible demonstration of this transformation is the revitalization of downtown Sacramento surrounding the Golden1 Center and the Sacramento Convention Center.

The greater Sacramento region is undergoing a massive economic transformation with changes affecting the region's hospitality and tourism businesses, arts and culture, and leisure pursuits.

To understand the economic impact and workforce needs of the hospitality and tourism industry, the North/Far North Center of Excellence conducted a study of the seven-county greater Sacramento region which examined industry drivers, market indicators (such as visitor travel and visitor activities), the performance of cluster industries, and occupations that have a promising outlook for high-road employment. Additional industry insights were compiled through 17 interviews with hospitality and tourism executives throughout the region. The study also measured the number of awards conferred by postsecondary institutions with programs related to hospitality and tourism in the region. This report is the eighth in a series of cluster studies created in partnership with Valley Vision, a civic leadership organization.

The research resulted in these key findings:

Market drivers

- Several key trends drive business activity for hospitality, leisure, and tourism. Agritourism involves diversifying business operations beyond on-farm activities. Wineries in the Sierra Foothills seek new and scaled visitor traffic. Craft breweries are proliferating in Sacramento and Auburn. The farm-to-fork movement involves local sourcing and seasonal menus offered by restaurants and institutions. Hotel development is booming, especially around the Sacramento Convention Center and among surrounding tribal casinos. The concentration of outdoor recreation activities, amateur sports events, and fitness centers serve as a hub for recreation, sports, and fitness. Art spaces and cultural institutions attract a large share of regional visitors, presenting an opportunity to leverage these activities.

Visitors and hotels

- Annually, 42 million visitors, one in five of California's visitors, travel to one of the three travel regions that overlie the greater Sacramento region, with a preference for arts and culture, and recreation and outdoor activities.
- Within the lodging industry, there are 1,000 properties and 74,000 available rooms in the three travel regions included in the study. Hotel performance metrics are generally lower in the three travel regions than California, as a whole.

Economic impacts

- The clusters generate $17.7 billion in industry output, 182,000 jobs, and $6.8 billion in labor income. For every job in the hospitality industry clusters, another 0.53 jobs are created elsewhere in the economy.
- Overall travel-related spending totals $7 billion in the greater Sacramento region. Travel activity supports over 67,000 jobs in the region, with earnings totaling nearly $2.3 billion. Travel generates $580 million in state and local taxes.

Industry clusters jobs and earnings

- The two clusters comprising the hospitality, leisure, and tourism industry included in the study have more than 118,000 jobs in the seven-county greater Sacramento region, about 10% of the region's total jobs.
- Average earnings in the traded hospitality and tourism cluster are $39,500, nearly double the earnings in the local hospitality establishments cluster $22,500. Both are much lower than the average earnings across all industries in the Sacramento region, $68,670.
- Between 2007 and 2017, combined cluster employment increased by 17%, far more than the combined industries in the region, which grew by 3% during the same period.
- Several cluster areas show remarkable growth and employment concentrations. Just one, tourism services, records significant losses. High-growth subclusters include these significant industries: Restaurants, fast food, bars, food service (particularly fast food and limited service restaurants); tribal gambling facilities; and skiing facilities, fitness and recreational sports centers.

Occupations: skills and wages

- The vast majority of the jobs in the two clusters studied are low skill. In the local hospitality establishments cluster, almost nine out of 10 jobs require just a high school diploma or less and little or no experience. In the traded hospitality and tourism cluster, three out of four jobs require little or no education and training. There are few middle-skill jobs, those that require some postsecondary education and training, but less than a bachelor's degree.
- The vast majority of jobs in the clusters are low wage. Less than half of the below-middle-skill jobs pay more than the regional living wage of $12.32/hour for one adult in the region. A tiny minority of jobs pay more than $26.48/hour, the living wage for a two-person household in the region.
- The interviews indicate there are worker shortages and challenges for recruiting workers for many categories, and at all levels, from entry-level to management positions. Some occupations that present opportunities for middle-skill employment are: maintenance and repair; chefs and head cooks; fitness trainers; and back office and administrative occupations, like bookkeeping and accounting. Some management occupations also present opportunities.

Educational and training programs and awards

- Two private colleges with culinary and chef programs closed in recent years, presenting a leadership opportunity to the community colleges. Programs in dietetics, restaurant management, and culinary arts offered by six community colleges confer about 140 awards annually in the region.
- Fitness and kinesiology programs offered by community colleges, private colleges, and California State University, Sacramento (Sac State) confer about 300 awards annually.
- Sac State is the major provider of parks and recreation management program graduates in the region (more than 300 awards annually). Those who participated in executive interviews said they are looking forward to the launch of the department's hospitality management program which will provide a higher level of preparation for workers entering the hospitality and tourism industry.

INTRODUCTION

The greater Sacramento region's leisure and hospitality industries draw on traditional staple activities, the region's agricultural land, and surrounding scenic outdoor topography. As California's capital, the legislature and statewide industry associations based in Sacramento attract convention visitors and other business travelers. Wine regions and other agritourism destinations in the Sierra Foothills and Clarksburg offer weekend getaways for tourists. Lake Tahoe is both a local and international destination for recreation and adventure sports. The Gold Country draws visitors to historic sites and local arts offerings.

But the region is undergoing a massive economic transformation with changes affecting the region's hospitality and tourism businesses, arts and culture, and leisure pursuits. The most visible demonstration of this transformation is downtown Sacramento's redevelopment efforts. New hotels and restaurants surround the Golden1 Center and the expanding Sacramento Convention Center, while a planned soccer stadium awaits approval just a short walk away. To underscore the Sacramento urban core's revitalization, civic boosters have a new slogan to go with a regional initiative: "America's Farm-to-Fork Capital."

The suburbs and rural parts of the region are booming, too. Tribal casinos and hotels have created hundreds of jobs in recent years, with more facilities in development. Lake Tahoe's economy has shifted to recreation and entertainment, while gaming continues on a steady downward trend in the lake basin. Family-owned farms and wineries in the Sierra Foothills are expanding operations to include customer-facing retail, entertainment, and food service. Craft breweries have multiplied in Sacramento and Auburn, with dozens of new tap rooms.

Amid these new developments, job quality and weak regional workforce and economic development planning systems pose challenges to the growth of these industries. Community partnerships and workforce initiatives can ensure long-term economic sustainability for a larger segment of the workforce, but industry and community leaders have work to do.

This report offers insights to guide regional strategic planning and stakeholder engagement to support a thriving economy and workforce for these vital industries.

About this report

In response to the global recession that began in the mid-2000s, regional leaders initiated Next Economy, research and planning to accelerate job creation and new investments in industry-advantaged clusters and priority clusters. Valley Vision, a regional civic leadership organization, facilitated the Next Economy design, research and implementation process on behalf of a wide range of private- and public-sector partners. Valley Vision has received additional funding from JPMorgan Chase & Co. and partnered with the Centers of Excellence (COE), an initiative of the California Community Colleges Chancellor's Office Economic and Workforce Development Program, to conduct subsequent research on each of the six priority clusters identified in the original research.

The research partnership completed six reports in 2015 and 2016 focused on advanced manufacturing, clean economy, education and knowledge creation, food and agriculture, life sciences and health services, and information and communication technology (ICT). In 2018, the partners completed a seventh study on the construction cluster, which was not identified as a priority sector in the original research. This hospitality, leisure, and tourism report is the eighth study in the series.

Valley Vision leverages the Next Economy research to support regional stakeholder strategy, planning, and implementation efforts among education and training institutions, workforce intermediaries, economic development organizations, local government, and private industry. The partnership between Valley Vision and the Centers of Excellence prioritizes a thriving regional business climate with ample resources to foster business attraction, innovation, growth and retention. The partners seek education and training offerings that guide workers and students to long-term, high-road jobs in the region—careers with wages capable of supporting families and thriving communities.

OVERVIEW AND METHODOLOGY

The report's methodology focused on two main areas: 1) industry and market activities, impacts, and trends; and 2) occupational and workforce job quality, assets, and trends. The research process employed labor market and economic analysis, executive interviews, and a qualitative literature review to provide a full picture of cluster industries and workforce activities and trends.

In earlier studies, the research focused on a six-county region designated by the Sacramento Area Council of Governments (SACOG), the Sacramento regional transportation and housing planning group. The COE and other organizations often add Nevada County as the seventh county for regional analysis. The hospitality cluster research employed in this report uses the seven-county region for analysis: Sacramento, El Dorado, Placer, Yolo, Yuba, Sutter, and Nevada.

The first section of the report summarizes executive interviews conducted for the study. The research team interviewed 17 leaders from major civic leadership organizations, industry associations, destination marketing organizations (DMOs), hotels, and restaurants to learn about the key trends driving the hospitality, leisure, and tourism markets in the greater Sacramento region. The section outlines several key "market drivers" that emerged from the research. These drivers represent key near-term market trends affecting the economy and workforce in the greater Sacramento region.

The research team worked with Dean Runyan Associates, Visit California, and Visit Sacramento for the second section of the report, a visitor profile and analysis of the hotel and travel market. The visitor profile compares three travel regions designated by Visit California that overlap the seven-county study region. The visitor profile provides a full demographic and spending profile for visitors to the region, including the purpose of their trip and their primary trip activities. The section includes a market analysis of key performance indicators of hotels and accommodations in the three regions compared to the state, as a whole.

The third section of the report includes two types of economic impact analysis. The first method uses IMPLAN to quantify direct and multiplier impacts for economic output, jobs, and labor income for the cluster industries included in the study. The second method uses the economic impact analysis of traveler spending conducted by Dean Runyan Associates. The economic models allow analysis of traveler impacts throughout the economy.

The next section of the report uses industry definitions from the U.S. Cluster Mapping Project (CMP) to analyze industry employment according to four basic performance metrics: employment totals, occupational projections, employment concentration (location quotients), and average annual earnings. The analysis provides a standard way for research groups across regions to benchmark and compare indicators for export-oriented industries (traded, basic), and locally serving industries (non-traded, non-basic).

The occupational analysis in the fifth section of the report and uses staffing patterns analysis on the clusters to evaluate job quality, and training and education opportunities. The section performs two main analyses for the clusters: skill-level employment share analysis and wage-level share analysis. The analysis carves up industry employment according to the share of employment that corresponds to skill levels. The method provides a guidepost for evaluating potential training and educational opportunities for the industries included in each subcluster; by extension, the analysis is also a partial proxy for job quality.

Similarly, wage share analysis evaluates the clusters for the share of occupational employment that meets a living-wage threshold. The wage level analysis provides another indication of job quality in the clusters.

The executive interviews provided further evidence supporting the data-analysis findings on job quality and training opportunities. The fifth section of the report, which follows the occupational analysis, summarizes the workforce and education aspects of the interviews. The sixth section measures postsecondary supply in the region and describes educational programs in the region that are producing the greatest number of students to enter jobs in the hospitality and tourism industries.

As with all research, certain elements have been prioritized and others have been left for further investigation. The analysis did not provide specific data analysis for the following topics:

- Demographics of occupations and industries
- Turnover rates (via Quarterly Workforce Indicators [QWI])
- Historical performance for hotels (occupancy, ADR, RevPAR)
- Regional or statewide comparison for industries or occupations
- Workforce pathways for key occupations identified in the research
- Real-time labor market analysis for job postings
- Incumbent management or other industry provided training
- High school and community-based organization training programs

INDUSTRY DRIVERS AND TRENDS

> **"Long-tenured families that have been farming in [our local region] are taking farming to another level with wine tasting rooms, craft beer making, farm-to-table experiences and ranch tours, bringing 21st century technology and marketing into the business to help it grow and continue to be successful."**
>
> —Executive director of a destination marketing organization

The industry and occupational analysis sections of this report describe activities closely related to hospitality, leisure, and tourism, but other activities also drive consumer visits and spending, which impacts job growth. Some of the trends described below are captured in the data (such as accommodations and restaurants), but other activities (such as wineries and agriculture) are not. The selection and evidence for the major categories of drivers and trends comes primarily from the 17 executive interviews that were conducted in late 2018. Additional review of news articles and industry reports verified interview findings and added context. The following sections discuss industry categories impacting hospitality, leisure, and tourism in the Sacramento region.

Agritourism

Within the Sacramento region, farmers, ranchers, restaurateurs, beverage manufacturers, small businesses, and large corporations are regional stakeholders undergoing a national trend: Agritourism income has been increasing in recent years and doubled between 2007 and 2012, according to a 2016 U.S. Department of Agriculture report.[1] The Sacramento region benefits from a geography in which urban and suburban cores are situated next to areas of major agricultural production, bordering scenic foothills and mountains.

Agritourism in the Sacramento region leverages on-farm activities for additional revenue with direct-to-consumer activities and experiences (farm stands, self-harvest, dairy, wine, beer); accommodations and lodging (farm stays, B&Bs, camping); restaurants and dining; special events, especially weddings; outdoor recreation (picnics, fishing, biking), and educational activities (ranch work experience, tours, tastings, demonstrations).[2]

Consortia of farmers, winemakers, and other rural businesses create micro-regional experiences for visitors to shop, dine, and have on-farm experiences. The region has witnessed the rising popularity of farm trails, wine and craft beer trails, and other driving tours with maps that guide visitors to agricultural destinations. Family-run operations combine direct-to-consumer operations with commercial production, leveraging shared marketing from the regional agritourism consortia. The University of California, Davis' Small Farm Program through Cooperative Extension, and state and federal agricultural agencies have taken notice, conducting research into business practices and economic impacts, and supporting agritourism with technical assistance grant funding.[3]

In Western Yolo County, Capay Valley farmers and ranchers, and Cache Creek Casino Resort co-market and offer on-farm tours, dining, and shopping that attract visitors.[4] Agritourism is a major feature of Cache Creek Casino Resort's hotel expansion, set to open in 2019. The more than $200 million expansion adds over 400 rooms to the hotel.[5] The Yoche Dehe Wintun tribe that owns and operates the Cache Creek Casino Resort has invested in agricultural land and tourism experiences to attract visitors, including an olive oil tasting room.[6] North Yuba Grown in Yuba County provides another

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[1] Mark Anderson, "Appetite for agritourism is growing," The Sacramento Business Journal, June 10, 2016, https://www.bizjournals.com/sacramento/print-edition/2016/06/10/appetite-for-agritourism-is-growing.html.

[2] Penny Leff, "California Agritourism Snapshot 2017," UC Small Farm Program, Yolo/Solano/Sacramento Agritourism Summit, PowerPoint presentation, February 13, 2017, http://sfp.ucdavis.edu/files/256861.pdf.

[3] Ellen Rilla, Shermain D. Hardesty, Christy Getz and Holly George, "California agritourism operations and their economic potential are growing," California Agriculture, vol. 65, no. 2 (2011), https://escholarship.org/content/qt4sk770zs/qt4sk770zs.pdf.

[4] "Capay Valley Grown," updated 2019, accessed April 29, 2019, https://capayvalleygrown.net/.

[5] Sarah Dowling, "Cache Creek Casino expansion underway," Daily Democrat, August 30, 2018, https://www.dailydemocrat.com/2018/07/10/cache-creek-casino-expansion-underway/.

[6] Mark Anderson, "Wintun Nation expands its ag holdings in Yolo County's Capay Valley," The Sacramento Business Journal, February 1, 2018, https://www.bizjournals.com/sacramento/news/2018/02/01/wintun-nation-expands-its-ag-holdings-in-yolo.html.

example, featuring a driving tour between wineries and farm stands, and hosting special monthly public events.[7] In El Dorado County, fall tourism drives lodging demand as visitors flock to Apple Hill and the El Dorado County Farm Trails.[8]

Some permitting and other challenges affecting agritourism operations were mentioned in executive interviews and news articles. Challenges often cited include city/county permitting and zoning, and management time and expertise.[9] There is some evidence from the executive interviews that destination marketing organizations, cities, and counties have worked on ordinances for permitting that promote agriculture tourism activities.

Wine and Beer

Young wine microregions in Sacramento and the Sierra Foothills, and emerging craft brewery destinations in Nevada County and the urban core of Sacramento draw visitors and create out-of-region export opportunities for small businesses.

Dozens of wineries are scattered throughout Yuba County, Nevada County, El Dorado County, Amador County, and Placer County, with a concentration in El Dorado County and Amador County.[10] The region is characterized by family-owned wineries and small vineyards. El Dorado County and Placer County wineries have received attention from national competitions and praise from wine aficionados. El Dorado County is home to dozens of varietals. The Sierra Foothills is regarded as an area that is perfect for visitors interested in high-quality wines who want to explore off-the-beaten path.

> **"People who are in the know about the wine industry are paying attention to [the Sierra Foothills region]. Nowhere else are you going to get a sip of the variety of wines combined with the adventure, the beauty, the scenery. It's quite a unique and amazing experience."**
>
> —Wine industry expert

The Clarksburg Appellation Wine Trail covers Yolo County and the Clarksburg zone, south of Sacramento.[11] The Old Sugar Mill houses more than a dozen Clarksburg winery vendors, including Bogle Vineyards and Heringer Estates.[12]

Several interviewees noted that consumer-demand trends for locally-sourced, sustainable food are in line with agritourism and farm-to-fork (farm-to-cork) tastes. They remarked on the trend in diversifying operations, to attract broader customer groups and to develop a millennial customer base. Diversification for many wineries has involved hosting weddings, concerts, and other events. With an overall increase in visitors, some wineries have expanded tasting rooms and staff.[13]

For small wineries, interviewees and observers noted the lack of technical support for marketing and social media, as well as a lack of infrastructure, inhibiting growth, especially in the Sierra Foothills. One interviewee remarked on the lack of nearby hotels, signage, and marketing support, leaving promotion and other aspects of the customer experience largely to the small business owners.[14] Other challenges include a lack of connection to restaurants and supplier networks. Some interviewees cited changing tastes among younger consumers who prefer cocktails and craft beer, over wine.

7 "North Yuba Grown," updated 2016, accessed April 29, 2019, http://www.northyubagrown.org/.

8 Mark Anderson, "PHOTOS: More than 50 years on, Apple Hill still attracts visitors for apples and pies," The Sacramento Business Journal, November 3, 2017, https://www.bizjournals.com/sacramento/news/2017/11/03/photos-more-than-50-years-on-apple-hill-still.html. [9]

9 Ellen Rilla, Shermain D. Hardesty, Christy Getz and Holly George, "California agritourism operations and their economic potential are growing," California Agriculture, vol. 65, no. 2 (2011), https://escholarship.org/content/qt4sk770zs/qt4sk770zs.pdf.

10 "Discover California, Sierra Foothills," California Wine Institute, updated 2019, accessed April 29, 2019, https://discovercaliforniawines.com/discover-california/sierra-foothills/.

11 "Clarksburg Appellation," Clarksburg Wine Growers and Vintners, updated 2018, accessed April 29, 2019, http://www.clarksburgwinecountry.com/wp-content/uploads/2019/01/CWGVAmapcopyWEB1.jpg.

12 Daniel Barnes, "The Wine Country Next Door: Clarksburg," Sacramento Magazine, September 25, 2018, https://www.sacmag.com/2018/09/25/the-wine-country-next-door-clarksburg/.

13 Rob McMillan, "State of the Wine Industry Report 2019," Silicon Valley Bank Wine Division, 2019, https://www.svb.com/globalassets/library/images/content/trends_and_insights/reports/wine_report/svb-2019-wine-report.

14 Jim Gordon, "The New & Improved Sierra Foothills," Wine Enthusiast, February 23, 2016, https://www.winemag.com/listicle/discover-the-sierra-foothills/.

Craft beer brewery operations have proliferated in Sacramento, West Sacramento, and Nevada County, particularly in Auburn, Truckee, and Nevada City. A report by the California Craft Brewers Association noted more than a dozen new breweries in the Sacramento region in 2018, which was second only to the Los Angeles area in California.[15] Analysis by the Centers of Excellence shows that brewery employment in the Sacramento region nearly doubled between 2006 and 2016 (increasing from 750 employees to nearly 1,400). The number of breweries with 10 to 49 employees tripled between 2013 and 2016, from 11 to 33. Bike Dog Brewery in West Sacramento and Crooked Lane in Auburn were among the largest employers.[16]

"Now there are farmers markets in Sacramento seven days a week from May to November and three days a week [the rest of the year]. Everybody is talking about us as the Farm-to-Fork capital of America, because we branded ourselves as such 12 years ago. So now we say yes, it's marketed, and it's brilliant."

—Owner of a Sacramento restaurant

Farm-to-Fork

The Sacramento region's farm-to-fork movement was adopted by Visit Sacramento and other civic boosters as a primary place-based marketing and branding strategy. In 2017, the city's previous slogan, "City of Trees," was replaced with "America's Farm-to-Fork Capital" and was painted on the side of a water tower south of town.[17] This regional driver owes partly to national consumer trends like the locavore movement and farm-to-table efforts that support local sourcing and farmers markets.[18] Similar to agritourism, the trend connects evolving urban-suburban tastes to surrounding agricultural breadbaskets.

The farm-to-fork movement has resulted in commercial transactions and business development, affecting job creation and workforce development.

With the rise of the farm-to-fork movement, the restaurant scene in Sacramento's urban core is defined by locally-sourced menu options as high-end restaurants proliferate. Ella Dining Room, Grange, Mulvaney's Building and Loan, Canon, and Localis are frequently referenced in news reports as leaders in the area's form-to-fork restaurant scene. The Farm-to-Fork Festival, organized by Visit Sacramento and other partners, and the annual Tower Bridge Dinner showcase restaurants and local food vendors and producers. Hotels also have incorporated local sourcing into their menu choices.

Many of the interviewees remarked on the benefit of local public-private partnerships in branding and marketing to capitalize on national consumer trends for higher quality foods and locally-sourced ingredients. They commented on emerging and adjusted roles in the workforce with new market demand for local products. In some cases, suppliers have taken up menu suggestions based on available offerings; similarly, many vendors and suppliers are also building capacity to market sustainable farming and shipment methods. On the restaurant side, purchasing has taken on a new dimension with a shift in sourcing. For small farms, there is an expanding market for specialty crops from downtown restaurants. There also are business startup opportunities, similar to agritourism: Local sourcing expertise has expanded to include culinary expertise for some small owner-operator chefs, according to our interviewees.

Institutional settings, like U.C. Davis Medical Center (Chef Santana Diaz) and Sacramento City Unified School District, and large-scale commercial operations, like the Golden 1 Center (Chef Michael Tuohy), have adopted local-buying policies for food service, creating local sourcing at scale in major food service operations.[19] These measures reverberate to create business opportunities for suppliers that specialize in locally sourced food like Produce Express.

[15] Randol White, "Sacramento's craft beer scene grew at the second-highest rate in California last year," Capital Public Radio, April 3, 2019, http://www.capradio.org/articles/2019/04/03/sacramento-craft-beer-scene-grows-at-second-highest-rate-in-california-with-24-new-breweries-in-2018/

[16] "Beverage Manufacturing for Sacramento City College," North/Far North Center of Excellence, January 2018, http://coeccc.net.

[17] Walter Ko, "'City of Trees' or 'America's Farm-to-Fork Capital'? Water tower uproar reflects Sacramento's changing identity," The Sacramento Bee, April 23, 2017, https://www.sacbee.com/news/local/article146038264.html.

[18] "Hyper-local" sourcing is one of the top 10 trends identified in the "What's Hot 2019 Culinary Forecast" issued by the National Restaurant Association, https://www.restaurant.org/Downloads/PDFs/Research/WhatsHot/WhatsHotFinal2019.pdf.

[19] Cathie Anderson, "Hospital food gets a farm-to-fork makeover from UC Davis Medical Center's new chef," The Sacramento Bee, June 18, 2018, https://www.sacbee.com/food-drink/article213297774.html.

Other aspects of the farm-to-fork movement present challenges. In restaurants, local sourcing creates cost and efficiency constraints, according to several interviewees. Creating menus at scale, with variable sourcing and small-batch orders using specialty crops, poses challenges. Price pressures for menus pose similar concerns. For example, seasonal produce creates labor impacts on the kitchen, and higher prices for menu items were cited in the interviews. For local farmers, price pressures and the structural realities of farming pose difficulties for production for comparably small-scale local consumption. Some farmers have transitioned their land to commodity crops.[20]

Hotels and Accommodations

This report's analysis of the hotel market suggests the region has strong performance metrics, compared to other travel regions and California.[21]

The transformation of Sacramento's urban core, notably with the opening of the Golden 1 Center and plans for the renovation and expansion of the convention center, have spurred hotel development. The 250-room Kimpton-Sawyer Hotel, 170-room Hyatt Centric Hotel,[22] 102-room California Fruit Building, and the 190-room Metropolitan characterize a flurry of projects that underscore a growing hotel market in the city center. As the state capital, Sacramento's legislative season and broad range of industry associations have anchored hotel business in the city. Events like the Wine and Grape Symposium, comic-cons, religious events, and the Amgen Tour of California help drive visitation. While the city attracts business travel, interviewees noted that leisure travel is driving hotel occupancy.

Hotel-stays and visitor travel brings tax revenue to the region. Transient occupancy tax and tourism marketing districts are two mechanisms for generating revenue for destination marketing organizations (DMOs). Dean Runyan Associates found travel generates $230 million in local taxes and $353 million in state taxes for the greater Sacramento region.

Eyeing the potential to increase visitation, the city of Sacramento and hotel operators have raised over $300 million in bonds and fees toward the expansion and renovation of the Sacramento Convention Center Complex. Construction began on the convention center's Memorial Auditorium in the summer of 2018, and the convention center's Community Center is scheduled to begin in 2019. The convention center's construction schedule remains tentative.

Even though the development of high-rise luxury hotels is centered around the convention center in downtown Sacramento, the city of Davis, the community of Natomas (airport accommodations), California State University-Sacramento, and other surrounding nodes have seen increased interest from developers. University conferences, events, and business encourage hotel stays. A handful of surrounding rural projects and continued hotel-casino development, notably the 400-plus-room hotel at Cache Creek Casino Resort in western Yolo County, indicate market growth in the outer rings.[23] (See the casino section that follows.) Several of the region's largest hotels are located in the suburbs: Rancho Cordova, Roseville, and Folsom.[24]

Industry employment data underscores the growth of skiing and other recreational activities and entertainment at Lake Tahoe. Hotel investment in the lake basin has increased. Proposed projects include Larry Ellison's expansion and renovation of the CalNeva, Tahoe City Lodge, and Boulder Bay luxury resort.[25]

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[20] Benjy Egel, "Farm to forklift: As Sacramento hungers for local food, growers are looking elsewhere," The Sacramento Bee, August 23, 2018, https://www.sacbee.com/food-drink/article216194270.html.

[21] Ben van der Meer, "New report suggests strong 2019 for local hotels, despite challenges," The Sacramento Business Journal, January 11, 2019, https://www.bizjournals.com/sacramento/news/2019/01/11/new-report-suggests-strong-2019-for-localhotels.html.

[22] Ed Goldman, "Best Real Estate Projects: Here's Our Project of the Year," The Sacramento Business Journal, September 28, 2018, https://www.bizjournals.com/sacramento/news/2018/09/28/best-real-estate-projects-heres-our-project-of-the.html.

[23] Mark Anderson, "Hotel developers show new interest in Sacramento," The Sacramento Business Journal, January 4, 2018, https://www.bizjournals.com/sacramento/news/2018/01/04/hotel-developers-show-new-interest-in-sacramento.html.l

[24] "Largest Sacramento Area Hotels," The Sacramento Business Journal, January 4, 2019, https://www.bizjournals.com/sacramento/subscriber-only/2019/01/04/hotels.html.

[25] Alex Barreira, "Flurry of Lake Tahoe projects spurs hope of development 'renaissance,'" The Sacramento Business Journal, March 29, 2019, https://www.bizjournals.com/sacramento/news/2019/03/29/flurry-of-lake-tahoe-projects-spurs-hope-of.html.

Interviewees suggested from one quarter to one half of the workforce at major hotels in Sacramento's urban core are unionized under Unite Here, Local 49. The union presence in the city is significantly lower than other major U.S. cities like Los Angeles, Chicago, and New York. Some reports show that Local 49 has about 3,200 members in the region including in the Golden 1 Center, Cache Creek Casino Resort, and Thunder Valley Casino Resort.[26] The Kimpton Sawyer and the Hyatt Regency Sacramento, two downtown flagship hotels, do not have union contracts, according to one report.[27]

Airbnb and other short-term rental marketplaces have caused consternation in rural leisure accommodation markets. Interviewees for the study noted challenges in Nevada County and Lake Tahoe, where the city of South Lake Tahoe recently passed an ordinance to curtail rentals amid a severe housing shortage.[28]

"The casinos are still an important part of the economy in Lake Tahoe. However, the heyday of the 1970s and 80s, when people came up here for gaming and everything else was a side thing to do while they were here, has completely transitioned."

—An executive from a civic leadership organization

Casinos

The impact of American Indian gaming in California and the gaming industries in Reno and the Nevada side of Lake Tahoe were discussed in executive interviews and have been reported on by news outlets. Once thriving gaming markets in northern Nevada must now transform and diversify. Still, hotel-casinos are important employers in the region, despite market challenges.

By contrast, on the lower slopes of the Sierra and in the rural flatland, the Sacramento region's major gaming facilities are booming. They are among the region's largest businesses and comprise the region's largest hotels. Thunder Valley Casino Resort in Lincoln has the fourth largest hotel in the region and is one of the largest employers in the region. Cache Creek Casino Resort in western Yolo County has one of the region's largest hotels and is a top regional employer. These hotel-casinos each employ more than 2,000 workers. Red Hawk Casino in Placerville doesn't have a hotel, but employs more than 1,000 workers.

Casino and hotel-casino development in the suburbs and rural areas surrounding Sacramento is staggering. The construction of the Hard Rock Hotel & Casino Sacramento at Fire Mountain in Yuba County includes a 200-room hotel. The casino is expected to create 1,500 to 2,000 jobs and is slated to open in 2019.[29] The controversial Wilton Rancheria in Elk Grove, just south of Sacramento, is moving forward with plans for a 2,000 slot machine casino, 300-room hotel, and a massive convention center.[30]

Interviewees remarked on the changing business model of casinos and casino-hotels in the Lake Tahoe basin. Interviewees commented on how the industry has declined from its heyday in the 1950s through the 1980s. To maintain profitability, the industry has implemented diversification strategies to attract visitors by offering many different experiences, including entertainment, restaurants, shopping, and recreation opportunities.

[26] Mark Anderson, "City trying to retain hundreds of jobs during temporary closure of convention center," The Sacramento Business Journal, June 25 2018, https://www.bizjournals.com/sacramento/news/2018/06/25/city-trying-to-retain-hundreds-of-jobs-during.html.

[27] Mark Anderson, "Kimpton Sawyer Hotel likely to open without union contract," The Sacramento Business Journal, October 6, 2017, https://www.bizjournals.com/sacramento/news/2017/10/06/kimpton-sawyer-hotel-likely-to-open-without-union.html.

[28] Jason Hidalgo, "Most Airbnb, vacation home rentals to be banned in South Lake Tahoe," Reno Gazette Journal, December 6, 2018, https://www.rgj.com/story/money/business/2018/12/06/most-airbnb-vacation-home-rentals-banned-south-lake-tahoe/2233124002/.

[29] Ben van der Meer, "PHOTOS: Yuba County tribal casino resort project hits milestone," The Sacramento Business Journal, February 15, 2019, https://www.bizjournals.com/sacramento/news/2019/02/14/yuba-county-tribal-casino-resort-project-hits.html.

[30] Mark Anderson, "Indian Gaming Commission approves agreement for $500 million Elk Grove casino," The Sacramento Business Journal, November 2, 2018, https://www.bizjournals.com/sacramento/news/2018/11/02/indian-gaming-commission-approves-agreement-for.html.

Outdoor Recreation

The Sacramento region has a greater concentration of outdoor activities for visitors compared to the rest of the state, due to the region's proximity to breathtaking mountains, forests, lakes and rivers. Visitor data, especially for the Eastern Sierra travel region that includes Lake Tahoe, shows a high share of visitor travel for outdoor recreation and adventure sports, such as rafting, hiking, skiing, fishing, golfing, and kayaking.

Boating, and lake and river recreation exists in all corners of the region. Fishing, whitewater rafting, kayaking, and stand-up-paddle boarding (SUP) are popular activities. Thousands of visitors head to the Yuba River each year for swimming and picnics. The Sacramento River, American River, and other smaller rivers flowing from the Sierra offer fishing, kayaking, and watersport opportunities. Wetlands all over the Sacramento region provide hunting, fishing, and bird watching opportunities. In Yolo County, the Yolo Bypass has become an attraction for birdwatchers having received an official wildlife area designation.

> **"Historically we have focused [tourism promotion on] winter sports such as skiing, snowboarding, sledding, but now [we have] evolved to a year-round approach [with] other sports [like] mountain biking, trails, various different kinds of competitive sports."**
>
> —A destination marketing organization representative

The Sacramento region has an abundance of road cycling and mountain biking routes. The city of Davis is a cycling-friendly town and is home to the U.S. Bicycling Hall of Fame. The Amgen Tour of California crisscrosses the region every May. Stages have included a circuit stage in downtown Sacramento, a mountain stage that finishes in Lake Tahoe, and stages that started in Elk Grove and Folsom.[31] The American River Bike Trail connects Sacramento and its suburbs to Folsom over 30 miles of paved trail. The Northstar California Resort has a mountain bike park, extending lift operations through the summer and fall. Nevada City, Auburn, and South Lake Tahoe all have popular trails for mountain biking.

The industry employment data on skiing illustrates the growth of the activity in the Lake Tahoe basin. Squaw Valley/Alpine Meadows is one of the region's largest employers. El Dorado County has Heavenly Mountain Resort, Sierra-at-Tahoe, and Kirkwood Mountain Resort. The Tahoe area's ski industry depends on the amount of snow that falls over the course of the winter, and the economy of the basin was significantly impacted during the recent multi-year drought. Along with wildfire impacts, there is a growing consensus, according to our executive interviews, that climate change is impacting outdoor recreation opportunities, and that this could be detrimental to tourism. Many resorts that historically served winter clients have invested in summer facilities like mountain bike parks, festivals, and other sports events to diversify revenue sources.[32]

Amateur sporting events, like youth sports and soccer, track and field, and golf, attract visitor traffic throughout the region.

[31] Mark Anderson, "Regional cycling fans show up in numbers for Amgen Tour," The Sacramento Business Journal, May 21, 2018, https://www.bizjournals.com/sacramento/news/2018/05/21/regional-cycling-fans-show-up-in-numbers-for-amgen.html.

[32] Christopher Arns, "In the face of climate change, Sierra ski resorts make adjustments," The Sacramento Business Journal, April 5, 2013, https://www.bizjournals.com/sacramento/print-edition/2013/04/05/climate-change-sierra-ski-resorts-adjust.html.

> “If you are talking about cultural tourism, you need to remember that cultural tourists spend more than any other tourists. They spend considerably more than business travelers or people coming for sports, for instance, as a primary motivator. So, the more Sacramento can do to promote its cultural tourism status, the greater the number of dollars that will come to this economy.”
>
> —Regional arts and culture representative

Arts and Culture

Visitor profile data suggests that all three travel regions have a higher share of visitors coming into the region seeking arts and culture, than other activities. Between a fifth and a quarter of visitors’ primary activities includes visiting museums, galleries, historic sites, or attending music performances and theater productions. Industry employment data shows that museums have increased employment, but gallery employment has declined. Nonetheless, the Sacramento region remains home to numerous arts and cultural opportunities.

Notable entities in the region supporting the arts are the Fausel House Gallery in Placerville, Bank of America Gallery at the Harris Center for the Arts in Folsom, and Tahoe Arts Alliance, a resource group for the South Lake Tahoe arts community.[33] South Lake Tahoe nonprofit and community college partners have taken steps to support and expand the arts.[34]

El Dorado County, Nevada County, and Placer County are part of Gold Country, and have numerous museums and heritage sites for tourists to visit.

In Yolo County, the city of Winters is home to a burgeoning art community, with galleries like The Clayground, a pottery studio. The city also hosts events like the annual Wine & Art in the Park Festival.

In Sacramento, the Crocker Art Museum’s California art collection (as well as special collections of ceramics and drawings) mostly attracts visitors from California, but the museum draws a national audience to its featured exhibitions. The museum is slated to develop a $40 million event center and parking structure.[35]

Art-and-culture mainstays in Sacramento and the surrounding region include B Street Theatre, Cap Stage, Sacramento Theatre Company, California Musical Theatre, Sacramento Ballet, the Phil & Opera, and the Verge. A creative economy plan, Creative Edge, was adopted by local civic leaders to overcome challenges to nonprofit investment in arts and cultural activities.[36]

Arts organizations in Sacramento’s suburbs also contribute to the region’s arts and culture vibrancy. These include the Mondavi Center for the Arts in Davis, the Harris Center in Folsom, and Blue Line Arts in Roseville.

Nevada County is home to two of the 14 Cultural Districts in the state, designations awarded by the California Arts Council. The two districts in Nevada County are Grass Valley and Truckee.

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[33] “A New Take on Culture: A Cultural Master Plan for El Dorado County,” Joan Madison Collaborative, April 2017, https://artsandcultureeldorado.org/wp-content/uploads/2017/08/Cultural-Master-Plan.pdf.

[34] Autumn Whitney, “Tahoe South Shore arts scene looks into creative collaborations in 2018,” Tahoe Daily Tribune, January 8, 2018, https://www.tahoedailytribune.com/news/local/south-shore-arts-scene-looks-into-creative-collaborations-in-2018/.

[35] Mark Anderson, “Crocker Art Museum picks designers for $40 million event center, parking structure project,” The Sacramento Business Journal, July 12, 2018, https://www.bizjournals.com/sacramento/news/2018/07/12/crocker-art-museum-picks-designers-for-40-million.html.

[36] Olivia Rockeman, “Recreating Sacramento’s arts economy,” The Sacramento Business Journal, July 19, 2018, https://www.bizjournals.com/sacramento/news/2018/07/19/recreating-sacramentos-arts-economy.html.

MARKET INDICATORS

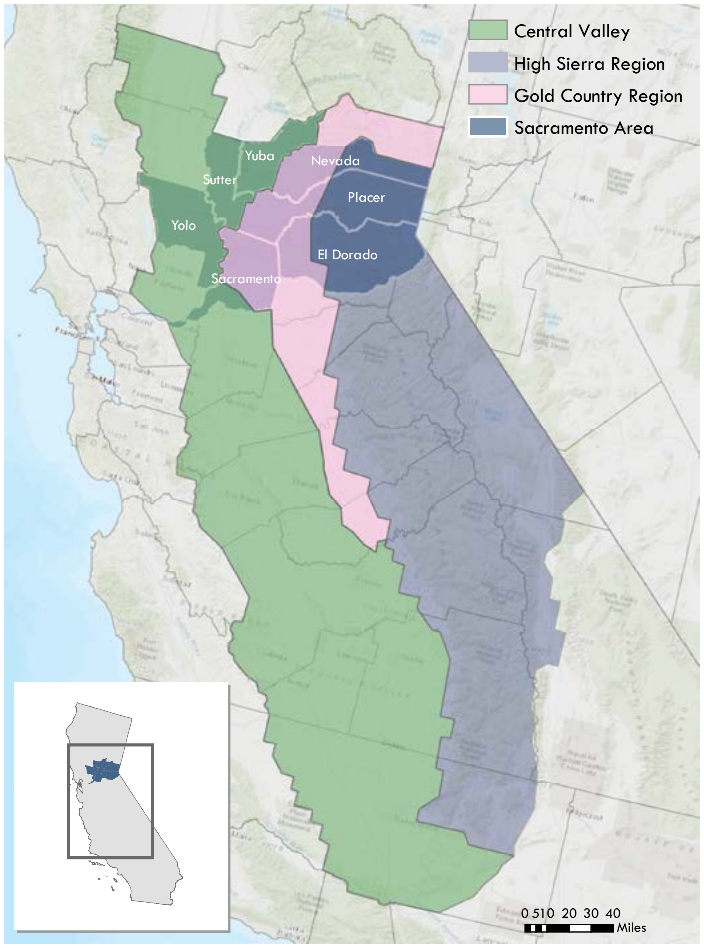
Visitor travel

Dean Runyan Associates assisted the Center of Excellence is conducting an analysis of visitors to the seven counties comprising the study area of this report. Third-parties gather data on visitors to assist destination marketing organizations (DMOs) and other hospitality industry members evaluate tourism performance and create marketing strategies. Key market indicators for visitor travel include:

- Visitor volume
- Visitor demographics (age, ethnicity)
- Purpose of trip
- Average spending
- Average household income

The most readily available visitor data that corresponds to the greater Sacramento region was provided by Visit California, the state's tourism marketing agency. Exhibit 1 shows the 12 regions that Visit California uses to measure travel throughout the state. Three of these regions overlap with the seven counties that are the focus of this report. However, Visit California's three regions span 29 counties, a far greater geography than the seven-county region of this study.

Exhibit 1: Comparison of the seven-county study area with Visit California's travel regions



The seven counties identified for this study extend into three of Visit California's travel regions: Gold Country, the Central Valley, and the High Sierra (Exhibit 2). See Appendix A for more details on the counties and the DMOs in each area.

Exhibit 2: The seven-county Sacramento study region overlaps with three Visit California travel regions

Travel Region	# Counties	Counties in Sacramento Region Study Area
Gold Country	8	El Dorado, Placer, Nevada, Sacramento
Central Valley	14	Yolo, Yuba, Sutter
High Sierra	7	El Dorado, Placer
TOTAL	**29**	

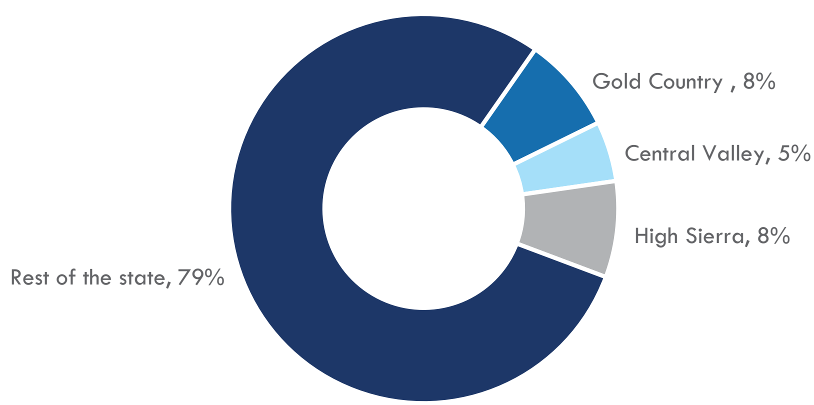
Visitor demographics

Generally, the age of visitors to the three regions that overlap with the greater Sacramento region is lower than for California visitors overall, and visitations by households with children are more highly represented in the three regions than in the state. Income levels vary among visitors to each region, with lower than average incomes for Central Valley and Gold Country visitors, and higher than average incomes for High Sierra visitors. Central Valley visitors tend to travel to visit friends and relatives more than for other purposes. High Sierra visitors are younger and tend to travel more often for leisure, with longer stays and higher spending.

In terms of visitor activities, the regions skew toward higher representation of visitors engaging in outdoor recreation and adventure sports than California as a whole, which is not surprising given the ample offering of lakes, rivers, forests and mountains that can be accessed through national and state parks in the area. Art-and-culture visitation is higher in each of the three travel regions and reveals that visitor interest extends beyond museums and the performing arts, to Native American ruins, local arts and crafts, and historic homes and mansions.

For domestic travel in the state of California, roughly one in 12 visitors, 8%, take a trip to the Gold Country, or approximately 16 million visitors annually (Exhibit 3). About one in 20 visitors, 5%, journey to the Central Valley, about 10 million visitors annually. Approximately one in 12 visitors, 8%, trek to the High Sierra, about 16 million visitors annually.

Exhibit 3: Share of domestic visitors to related travel regions, 2017[37]



[37] Visit California, OmniTrak Group, Inc. The data only accounts for domestic travel. International travel is not accounted for. There might be overlap in travel to the various regions; the donut chart does not reflect overlap.

In the three travel regions, the ages of visitors skew toward millennials compared to visitors in the state (Exhibits 4 and 5). Half of the Central Valley's visitors are millennials. Visitors to the High Sierra are even younger, with millennials comprising 56% of visitors and an average age of 37. Overall, High Sierra visitors are much younger than the average California visitor.

Family travel predominates in the three regions. The majority of domestic visitors to Gold Country are households of three or more people, with almost half living with children under age 18. In the Central Valley, 58% of visitor households have children under 18.

Exhibit 4: Share of visitors by ethnicity in each travel region and California, 2017[38]

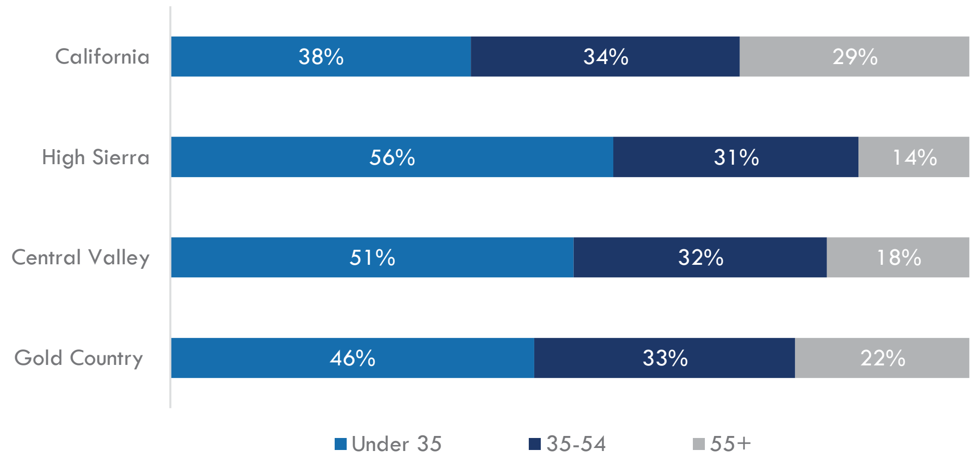


Exhibit 5: Average age of visitors in each travel region and California, 2017[39]

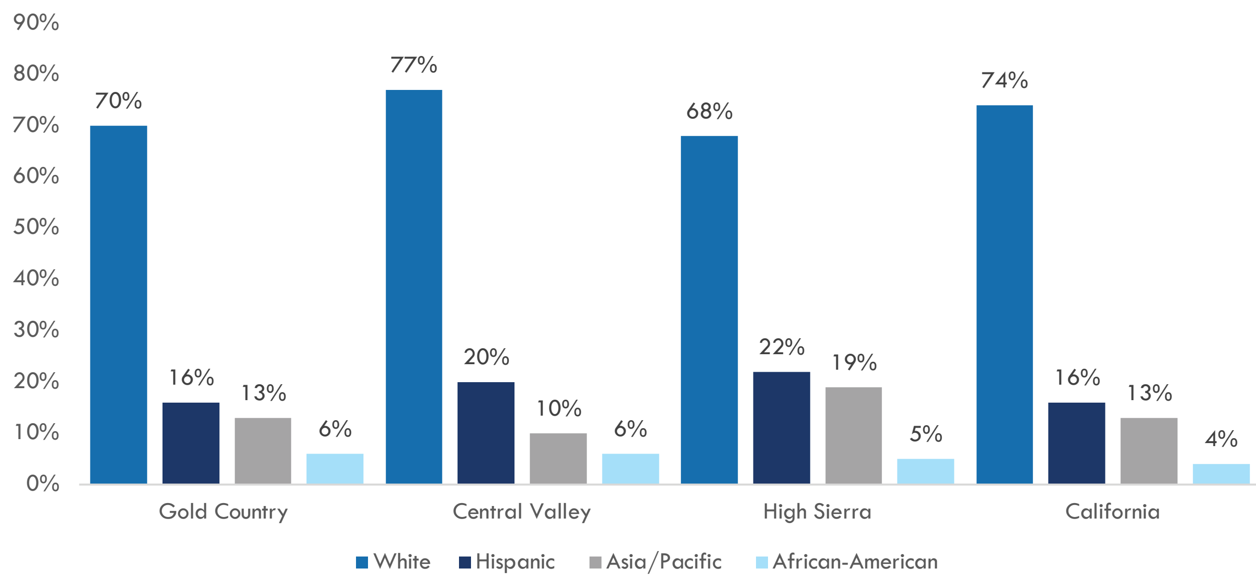
Gold Country	Central Valley	High Sierra	CA
43.0	40.1	37.0	43.7

Whites comprise the majority ethnicity among Gold Country visitors, 70%, a number that is slightly lower than California, as a whole, 74% (Exhibit 6). Whites also comprise the majority of Central Valley visitors, 77%. The percentage of Hispanic visitors is highest in the Central Valley and the High Sierra. High Sierra visitors represent a larger share of Asian/Pacific and Hispanic visitors than typical California visitors.

[38] Ibid.

[39] Ibid.

Exhibit 6: Share of visitors by ethnicity in each travel region and California, 2017[40]



Visitor travel purpose and activities

Analysis was also conducted to determine visitors' main purpose in traveling and their activities while traveling. Exhibit 7 shows the purpose that motivated trips. Exhibit 8 shows the top activities conducted during trips. (See Appendix B for detailed descriptions of activities.)

Leisure is the main travel purpose in the three travel regions and the state, but Gold Country has a slightly lower rate of leisure travel, reflecting travel to the state capital for business purposes. The High Sierra has the highest rate of leisure travel, 86%.

Gold Country and the Central Valley have similar top activities: visiting family and entertainment/amusement. The entertainment category includes casinos, restaurants, nightclubs, shopping, festivals, and wine tasting. A third of visitors to all three regions said that entertainment/amusement was their top trip activity.

Visiting family and relatives is the highest ranked primary purpose and trip activity overall. In the Central Valley nearly half of visitors are traveling to visit friends and family. The rate was lowest, 35%, in the High Sierra.

Notably, more Central Valley visitors selected art and culture (museums, historic sites, concerts, art galleries) as a top activity at a rate more than double California visitors as a whole (26% compared to 12%). These visitors cited nature/outdoors less frequently than California visitors.

The High Sierra region has a much higher rate of traveling for adventure sports, sports and recreation, and nature and the outdoors, which is not surprising given that the region encompasses Lake Tahoe and the eastern Sierra, where there are numerous opportunities for outdoor recreation.

[40] Ibid.

Exhibit 7: Share of visitors by primary purpose of trip in each travel region and California, 2017[41]

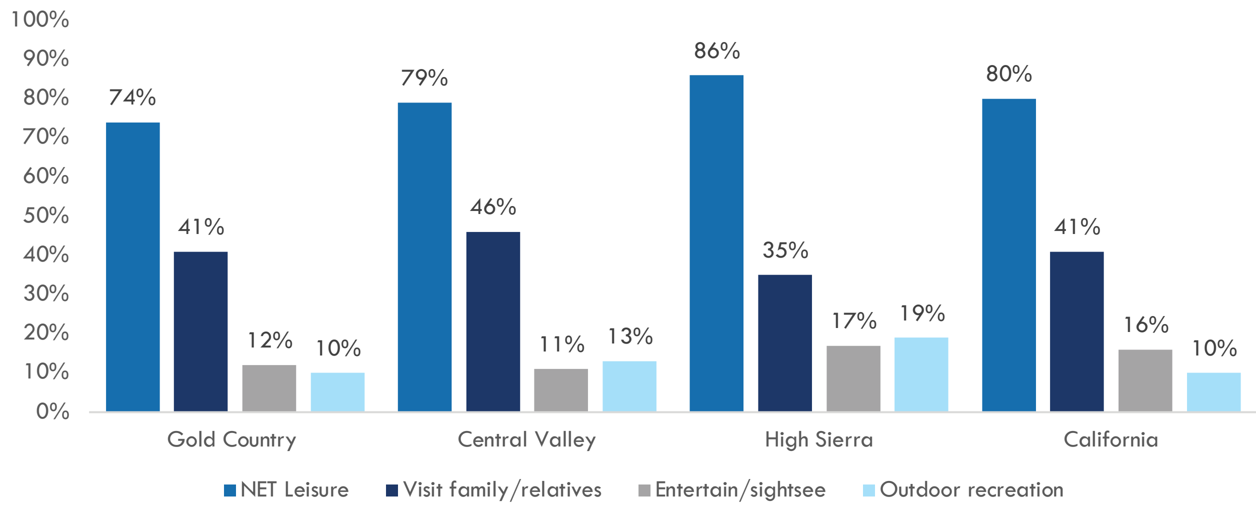
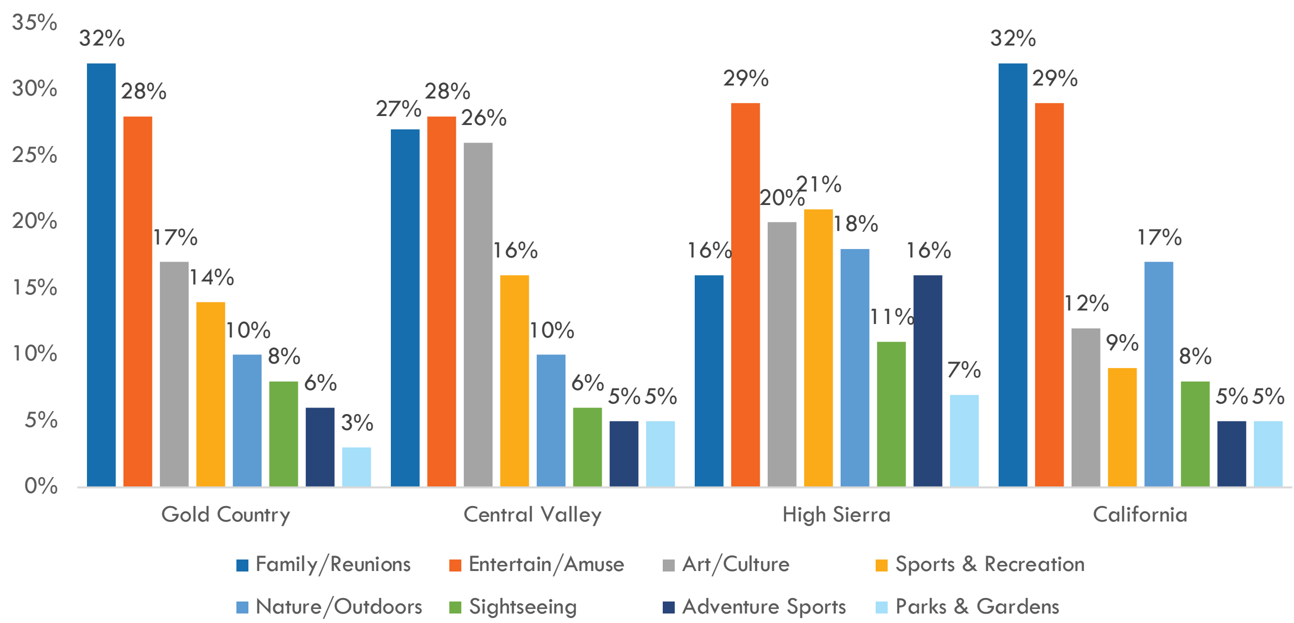


Exhibit 8: Share of visitors by top trip activity in each travel region and California, 2017[42]



[41] Ibid. "NET Leisure" refers to all leisure activities reported. The remaining share in the first bar for each group refers to business travel. The other categories are shares of total travel including business travel; they are not subsets of NET Leisure.

[42] Ibid.

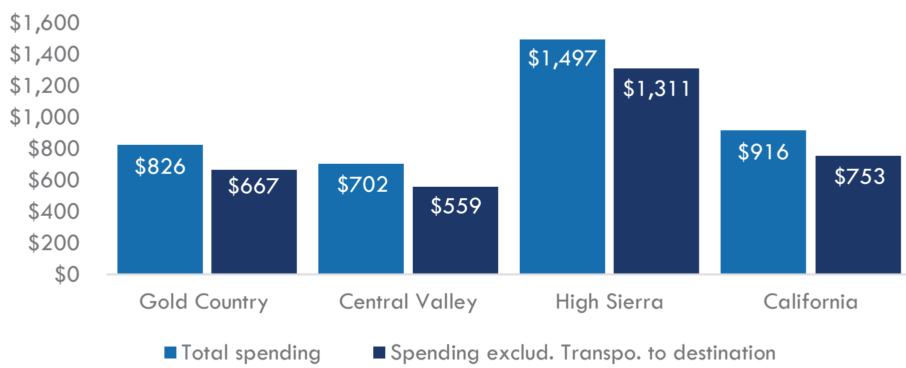
Traveler spending and income

The research team analyzed the total number of nights per visit and the average total spending per party (Exhibits 9 and 10). The High Sierra region leads the other travel regions and the state on these measures. Visitors stay longer, 3.6 nights on average, and travelers spend about twice as much as Gold Country and Central Valley visitors. Of the three regions and the state, the Central Valley had the lowest spending per visit: about $700 in total spending, $120 less than the Gold Country and $800 less than the High Sierra.

Exhibit 9: Average total number of nights per visit in each travel region and California, 2017[43]

Gold Country	Central Valley	High Sierra	CA
2.7	2.7	3.6	2.7

Exhibit 10: Average total spending by visitor party in each travel region and California[44]



Despite a considerably younger visitor demographic, High Sierra visitor households earn slightly more than Gold Country and California visitors (Exhibit 11). Central Valley visitor households earn less than visitors to the other regions and the state.

Exhibit 11: Average household income for visitors in each travel region and California[45]

Gold Country	Central Valley	High Sierra	CA
$94,540	$88,050	$99,990	$95,300

[43] Ibid.

[44] Ibid.

[44] Ibid.

Hotel market performance

From an economic development perspective, traveler accommodations provide key local revenue for businesses and generate tax revenue for local jurisdictions. On the workforce development side, market analysis provides an indication of how the industry is growing or contracting, and where employment is concentrated, having potential for future growth.

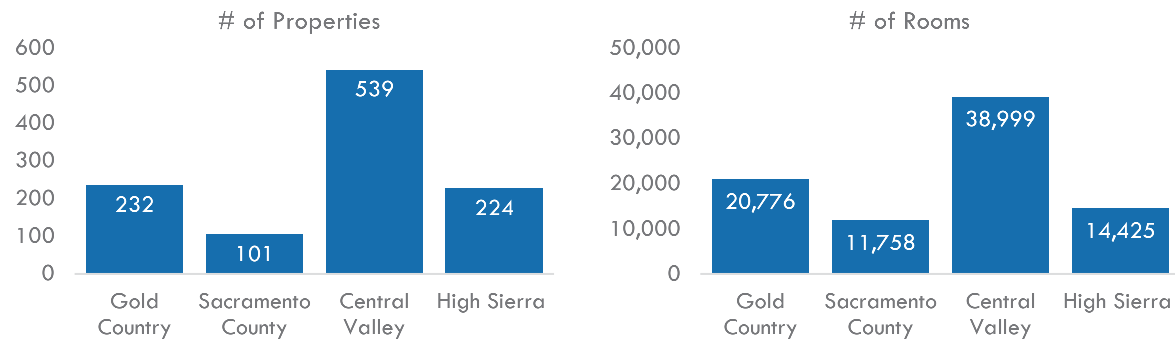
Several metrics are used to evaluate the performance of traveler accommodations.

- Inventory: The number of properties and rooms show trends for the accommodations industry and hotel development, as well as market size comparisons. Increasing inventory shows optimism from the accommodations industry to bring new properties online. A large share of the state market or regional market in a specific market zone indicates consumer preferences and industry concentration.
- Occupancy rates: The percentage of the total rooms available for rent that were occupied over a given period of time, a month or a year. The industry may use this to anticipate capacity challenges, set rates, or create property development strategy.
- Average Daily Room Rate (ADR): The daily room rate compares rental revenue overall to occupied rooms during a month or year. The measure is a comparative market measure for room prices.
- Revenue per Available Room (RevPAR): The revenue per available room compares hotel revenue to the overall available rooms. The measure provides a market indicator that takes the total volume of rooms into account.

The three travel regions' nearly 1,000 properties account for nearly a fifth of the total number of lodging properties in the state, a total of 5,700 (Exhibit 12). The three travel regions' 74,000 rooms account for 14% of the total number of rooms in the state, a total of 526,000.

There is a high concentration of accommodations in the Sacramento region's metropolitan core. Sacramento County accounts for 43% of the Gold Country's number of properties, and 56% of the travel region's rooms.

Exhibit 12: Number of properties and rooms by travel region and Sacramento County[46]



[46] Smith Travel Research (STR), Visit California. industry.visitcalifornia.com

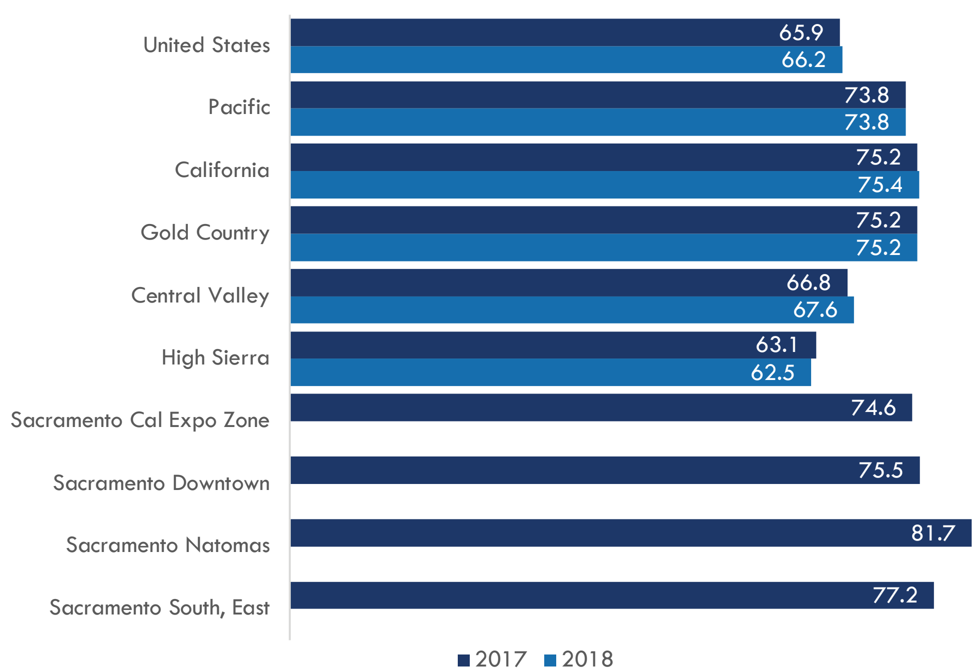
The Gold Country's properties are larger and have more rooms on average, owing to the large hotels in and near downtown Sacramento. The Gold Country and High Sierra travel regions each account for about 4% of the state's 5,700 properties. The Gold Country's nearly 21,000 rooms exceed the High Sierra's 14,400 rooms.

The Central Valley is the largest market included in the study, by properties and rooms; it is also the largest travel region by geography. The Central Valley travel region accounts for 9.5% of the state's properties and 7.4% of the state's room inventory. It is the largest travel region (and geography) of those included in the study. (See Appendix C for lodging market indicators.)

Exhibits 13, 14, and 15 compare key hotel metrics in the traveler markets with the nation, state, and submarkets in Sacramento County in December 2017 and December 2018. Recall that Sacramento County is a subset of the Gold Country travel region. Data from 2018 was not available for the Sacramento market zones.

The Gold Country's occupancy rate was the same in 2017 and 2018, just over 75%, and was on par with state occupancy rates (Exhibit 13). The Gold Country and Sacramento County markets outpaced the Central Valley and High Sierra travel regions. An uptick occurred in the Central Valley's occupancy rate of just under one percentage point between 2017 and 2018, increasing to 67.6%. The High Sierra had the lowest occupancy rate, 62.5%, likely owing to seasonal travel. The High Sierra rate declined slightly between 2017 and 2018.

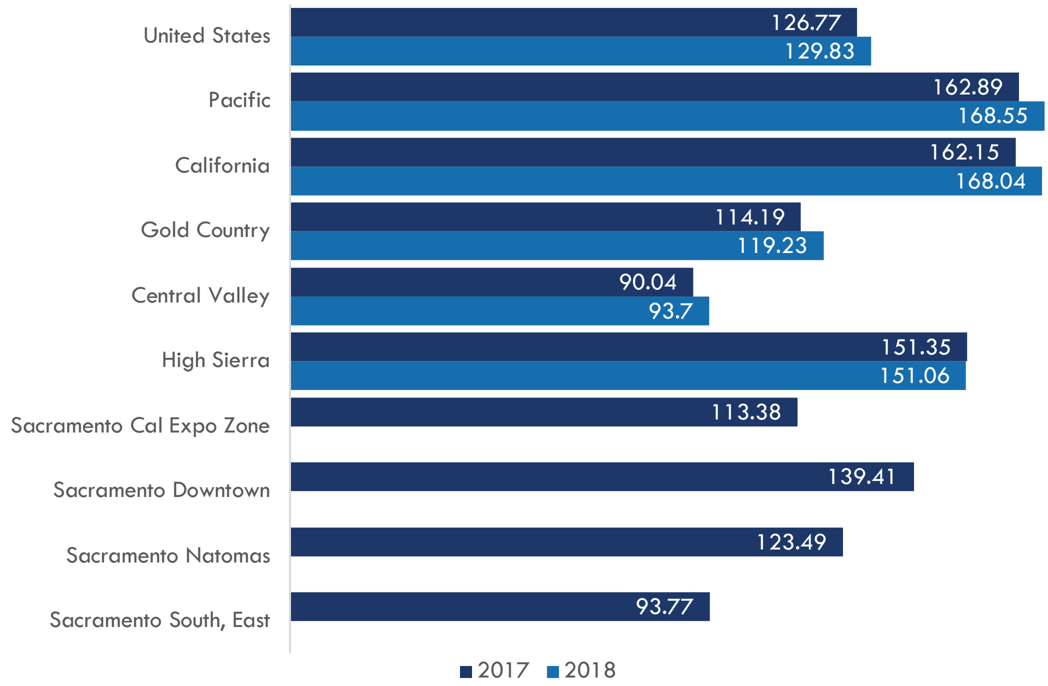
Exhibit 13: Occupancy rates by travel region and city of Sacramento market zones, December 2017 and December 2018[47]



Average Daily Room Rate (ADR) for 2018, however, shows that travelers paid more in the High Sierra region ($151.06) than the Gold Country ($119.23), Central Valley ($93.70), or Sacramento markets ($139.41 downtown) (Exhibit 14). All these regions, however, had lower rates than the state's average. Of all the regions studied, the Central Valley had the lowest ADR ($93.70). In Sacramento County, ADR varies according to submarket. Downtown commanded the highest rates ($139.41). Natomas and Cal Expo zones yielded $15 to $25 less per room than downtown. The southern and eastern parts of the county had the lowest rates, around $94 per room. Again, 2018 data was not available for the Sacramento zones.

[47] Ibid. Note: Pacific refers to Alaska, Washington, Oregon, California, Arizona, and Hawaii combined.

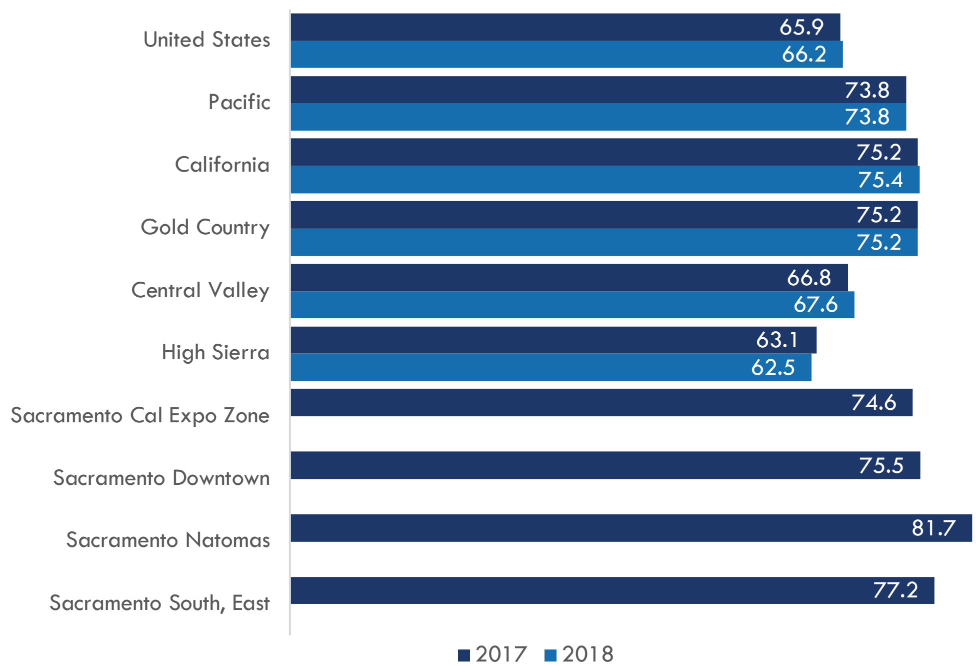
Exhibit 14: Average daily room rate (ADR) by travel region and city of Sacramento zones, December 2017 and December 2018[48]



[48] Ibid.

RevPAR, the measure that compares room inventory (volume) and available rooms, shows that higher daily room rates do not necessarily translate to higher revenues. For example, Sacramento's room rates are lower than the High Sierra, but certain zones in Sacramento have higher RevPAR than the High Sierra (Exhibit 15). The Gold Country posted a RevPAR of nearly $90 in December 2018. For the High Sierra, the rate was $94. The Central Valley's lower occupancy rate and lower room rates equated to a RevPAR of $63 that was half the state's, $126.72. RevPAR for the Sacramento subregions varied by zone. Downtown and Natomas had the highest rates ($105 and $101). The southern and eastern parts of the county had the lowest rates (about $72). Data from 2018 was not available for the Sacramento zones.

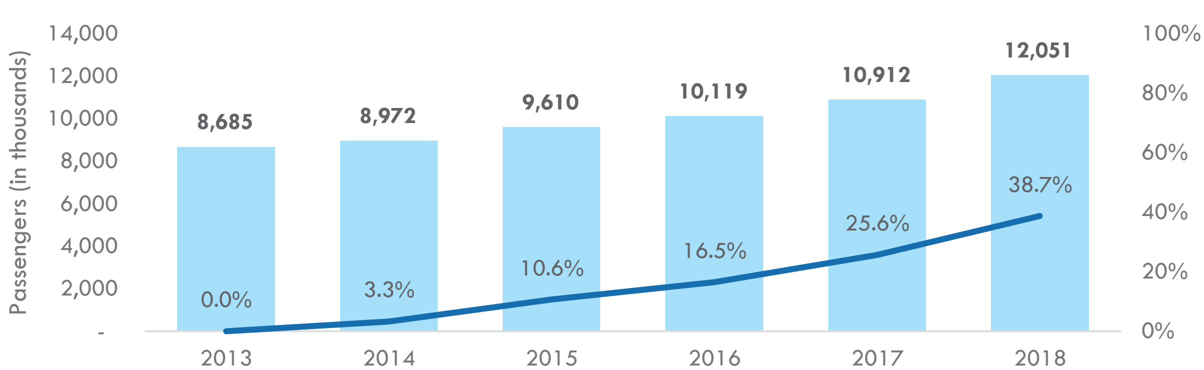
Exhibit 15: Revenue per Available Room (RevPAR) by travel region and city of Sacramento zones, December 2017 and December 2018[49]



Airport traffic

Airport traffic has steadily increased over the last five years at Sacramento International Airport (SMF). Exhibit 16 shows the total enplaned passengers, and the percent change from the 2014 baseline. In 2018, there were just over 12 million enplaned passengers at SMF, a 39% increase over 2013.

Exhibit 16: SMF Traffic (total enplaned passengers, in thousands), and percent change from 2013[50]



[49] Ibid.

[50] Sacramento International Airport

ECONOMIC IMPACTS

There are two types of impact analyses included in this report. The first measures economic impacts based on employment for the industries defined in the U.S. Cluster Mapping Project (CMP) described in the previous industry analysis section. All jobs in the cluster definition are used as a basis for calculating impacts, regardless of traveler or local share of the employment. The research analysis uses IMPLAN modeling of cluster employment for the impact analysis.

The second impact analysis focuses on traveler spending and was conducted by the economics consulting firm Dean Runyan Associates. The analysis exclusively measures traveler impacts throughout the economy in terms of spending, jobs, and tax revenue.

Hospitality cluster impacts

Calculating economic impacts involves estimating the overall economic effect from a project, industry, or group of industries, such as a cluster (or subcluster). The impacts from an industry cluster are not limited to direct effects that occur from industry activities and/or business operations. They also represent a multiplier effect from ancillary activities created by industry activities. The combined hospitality clusters directly benefit the regional economy through business operations and jobs supported by establishments within their subclusters.

The economic impact analysis measures direct impacts (within the industry cluster), indirect impacts (supplier spending and hiring), and induced impacts (wider economic impacts from cluster spending at the household level). These impacts take the form of jobs created, industry output (value of goods and services), and labor income (employee compensation and proprietor income).

The Hospitality Clusters' Economic Impact

$17.7 billion in industry output

182,000 jobs

$6.8 billion in labor income

For every job created by the hospitality clusters, an additional **0.53 jobs** are created elsewhere in the region

Combined, these measures equate to the total economic impact of a project or industry cluster. Using an IMPLAN input-output model, the cluster's total economic impacts were quantified using these measures:[51]

- Jobs—The number of jobs in the industry clusters (direct); number of jobs created in suppliers (indirect); and the number of jobs created in the wider economy as a result of employee spending (induced).
- Output—The value of goods and services produced by the industry clusters (direct); the value of goods and services produced by the cluster suppliers (indirect); the value of goods and services produced in the wider economy as a result of employee spending (induced).
- Labor income—The employee compensation and proprietor income in the clusters (direct); the employee compensation and proprietor income for cluster suppliers (indirect); the employee compensation and proprietor income in the wider economy as a result of employee spending (induced).

When accounting for all the direct and multiplier effects, the hospitality clusters contribute about $17.7 billion in industry output, 182,000 jobs, and $6.8 billion in labor income (inclusive of both employee compensation and proprietor income) to the economy of the greater Sacramento region.

This means that for every job created by the hospitality clusters, an additional 0.53 jobs are created elsewhere within the region as a result of supplier relationships and employee spending. Appendix D presents information on economic impacts by subcluster.

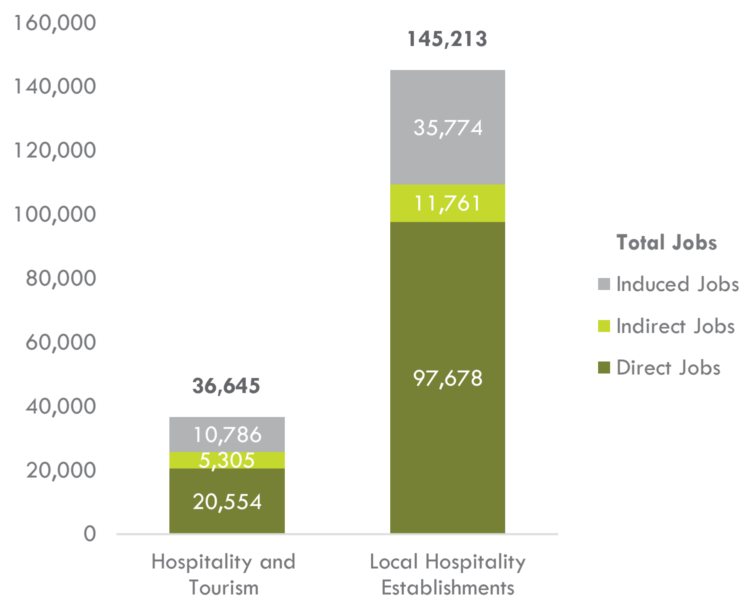
[51] EMSI employment and 2016 IMPLAN coefficients.

Impact of employment

With direct and multiplier effects, both clusters account for 182,000 jobs in the local economy (Exhibit 17). The traded hospitality and tourism cluster represents 36,600 total jobs; the local hospitality establishments cluster accounts for 145,000 jobs. For every job in these clusters, another 0.53 jobs are created in the local economy.

The majority of these jobs are direct cluster employment, with fewer jobs coming from induced effects. The smallest multiplier comes from indirect jobs created in supplier establishments. As a percentage of direct jobs, the hospitality and tourism cluster (traded) has a higher multiplier effect.

Exhibit 17: Direct, indirect, and induced jobs for hospitality clusters in the greater Sacramento region



Output impacts

With direct and multiplier effects, the hospitality clusters generate about $17.7 billion in industry output in the greater Sacramento region (Exhibit 18). The local hospitality establishments cluster accounts for $13.4 billion, and $4.3 billion is derived from the hospitality and tourism cluster (traded). The multiplier effects for indirect and induced impacts do not show as large a difference between the clusters as a percentage of total output in the same way they do for jobs. Indirect output for the traded cluster is slightly higher than the local cluster.

Exhibit 18: Direct, indirect, and induced output for hospitality clusters in the greater Sacramento region (in $millions)

Labor income impacts

Total labor income from cluster activity is $6.8 billion, including direct and multiplier effects (Exhibit 19). Most of this, $5.2 billion, comes from the local hospitality establishments cluster. About $1.6 billion is attributable to the hospitality and tourism cluster. Indirect labor income shows higher multiplier effects, accounting for five percentage points more than the local cluster for induced impacts. Indirect impact rates as a percentage of the total output are equivalent between the two clusters.

Exhibit 19: Direct, indirect, and induced labor income for hospitality clusters in the greater Sacramento region (in $millions)

Economic Impact of Traveler Spending

$7 billion in travel spending

67,000 jobs supported

$2.3 billion in earnings

$583 million generated in local and state taxes

Traveler impacts

The economics consulting firm Dean Runyan Associates, a research partner for this report, developed a form of analysis of travel-specific impacts that has become an industry standard for destination marketing organizations. Dean Runyan Associates produces an annual report for Visit California, the state's destination marketing organization, that benchmarks the economic impacts of travel by county and travel region throughout the state. The methodology uses a wider industry definition for merchant categories influenced by traveler spending, including transportation, entertainment, retail, and administrative/support services—categories that are not included in the impact calculations in this study. Their methodology is focused exclusively on impacts generated by traveler activity and spending, and how that spending circulates in the economy and generates employment; their travel analysis job counts are linked to traveler consumer activity, not to the industries themselves.

The analysis measures travel-related spending, travel-supported employment, travel employment earnings, and travel-generated local and state taxes. Dean Runyan Associates provided a summary of traveler impacts in the seven-county greater Sacramento region that are summarized in Exhibit 20. Detailed impact tables by county are included in Appendix E.

Overall travel-related spending totals $7 billion in the seven counties of the region. Travel activity supports over 67,000 jobs in the region, with earnings totaling nearly $2.3 billion. Travel generates $230 million in local taxes and $353 million in state taxes.

Exhibit 20: Traveler impacts in the seven-county greater Sacramento region (in $millions)

HOSPITALITY, LEISURE, AND TOURISM INDUSTRY CLUSTERS

The hospitality, leisure, and tourism industries encompass a broad range of activities in the greater Sacramento region, including hotels and motels, restaurants and bars, sports venues and ski resorts, casinos and fitness centers.

To investigate the areas of opportunity for supporting the greater Sacramento region's hospitality, leisure, and tourism clusters, this report uses cluster definitions from the U.S. Cluster Mapping Project (CMP).[52] Economic cluster analysis gained popularity in the 1990s and has remained an accepted practice for investigating regional advantages for economic and workforce development investment strategies. The method provides a way to show how locally-serving and externally-serving industries perform over time. When comparing clusters in individual regions and across multiple regions, the standard method allows observers and planners to compare regional industry size and performance across geographies.

This report uses the CMP definition as a proxy for counting employment in industries that primarily serve out-of-town visitors and those that primarily serve local customers. The method offers a way to track the performance of those industries that generate wealth in the region from external markets, and those that generate wealth primarily from local consumers.

- The industries included in the hospitality and tourism cluster (traded, export-oriented) generally serve out-of-town visitors who come for overnight stays in hotels for sporting events and concerts, skiing at resorts in Lake Tahoe, or tours in Gold Country. The industries in the cluster include hotels, skiing, casinos, museums, sports teams, and amusement parks.
- Local hospitality establishments primarily serve local consumers in the region who patronize restaurants, have memberships at fitness centers, and hire caterers for work events. The industries in the cluster include restaurants and food service, and fitness and recreation activities.

Other research groups use economic modeling to determine the share of each industry (including industries outside this study scope) that is attributable to out-of-town tourism and business travel activity. (Refer to the economic impacts section of this report for more information.) The CMP method provides a simple way to track employment and job trends between regions over time.

Some industries that owe their employment base to leisure, hospitality, and tourism are defined in other clusters in the CMP that are not included in this report. These include transportation services (taxis, buses, air transportation, and car rentals), entertainment, most retail, and some manufacturing activities, like beer and wine making. The distinct groups in the CMP represent industry groupings with strong trading relationships. The groupings also reflect an economic development imperative to define regional specializations and competitive advantages in the context of a global marketplace.

Each cluster for hospitality, leisure, and tourism is organized into subclusters, i.e., groups of industries that further define specializations. (Exhibits 23 and 24 provide an overview of the 10 subclusters within the hospitality and tourism cluster and the local hospitality establishments cluster. Appendix F provides detailed figures for the industries in the hospitality and tourism cluster of the study region, while Appendix G focuses on the local hospitality establishments cluster.)

[52] Institute for Strategy and Competitiveness, Harvard University and U.S. Economic Development Administration, https://www.clustermapping.us/.

Hospitality Employment & Earnings

118,000 jobs, representing 10% of the region's economy

In the last decade, employment **increased by 17%**

The local hospitality establishments cluster, which mostly consists of food service jobs, has average earnings that are **one third** the regional average.

Hospitality, leisure, and tourism employment

Combined, the hospitality and tourism cluster, and the local hospitality establishments cluster have more than 118,000 jobs in the seven-county greater Sacramento region (Exhibit 21). The local hospitality establishments cluster currently employs 98,000 workers in the region, more than four times the amount in the traded hospitality and tourism cluster, which has 20,500 jobs. Employment in the hospitality and tourism cluster represents 1.7% of all jobs in the region. The local hospitality establishments cluster accounts for about 8.3% of total jobs in the region.

The industries in the hospitality and tourism cluster grew 16% between 2007 and 2017, while the local hospitality establishments cluster grew by 17% during the same period. Both clusters are projected to grow at a slower, but still strong, pace through 2022, 7% and 9% respectively.

Most of the more than 40 industries in the clusters grew swiftly between 2007 and 2017, some by dozens of percentage points. Employment declined in only a few industries, including travel agencies, caterers, marinas, and art dealers. Cluster employment appears to have weathered the recession very well, dropping a maximum of 2.5% from baseline 2007. Most industries have grown far beyond pre-recession levels. Many cluster industries increased job numbers during the recession.

The hospitality and tourism cluster which mostly serves out-of-town travelers has much higher earnings on average compared to the local hospitality establishments cluster. Average earnings in the hospitality and tourism cluster are $39,500, nearly double the earnings in the local hospitality establishments cluster, $22,500. However, the hospitality clusters in the region offer much lower earnings in comparison with the average earnings across all industries in the Sacramento region, $68,670.

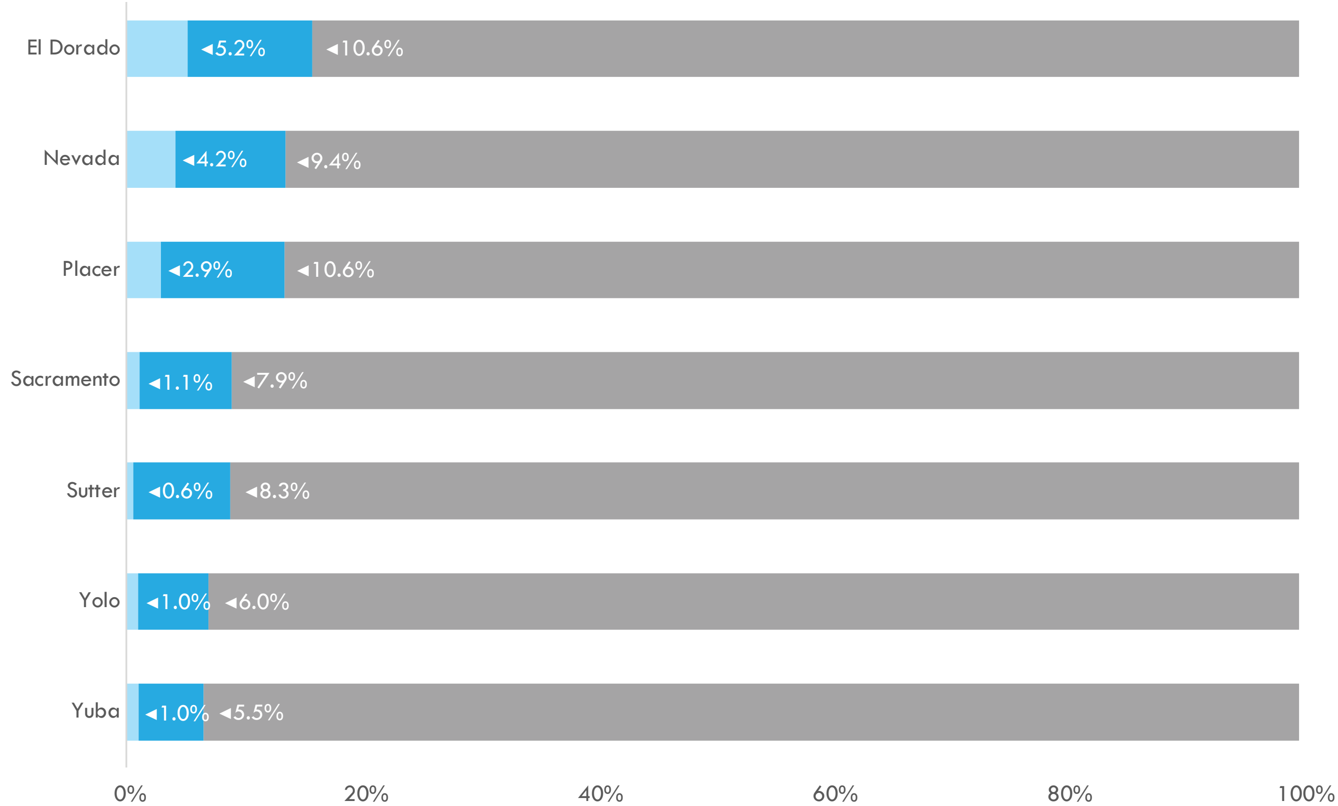
Location quotients compare the concentration of regional employment to the nation. A location quotient above 1.0 indicates a higher level of concentration, denoting a regional specialization. Though many industries in the clusters are highly concentrated, such as skiing facilities, convention centers and visitors bureaus, the regional hospitality clusters are not particularly specialized compared to their counterparts in the nation (Exhibit 21). Hospitality and tourism jobs in the region are 16% less concentrated than the nation. Job concentration in the local hospitality establishments cluster is on par with the nation.

Exhibit 21: Employment, occupational demand, and location quotients in the traded and local hospitality clusters

Cluster	2007 Jobs	2017 Jobs	2022 Jobs	2007-2017 % Change	2017-2022 % Change	2017 LQ	2017 Annual Earnings
Hospitality and Tourism	17,691	20,554	21,996	16.2%	7.0%	0.84	$39,494
Local Hospitality Establishments	83,368	97,678	106,435	17.2%	9.0%	1.01	$22,469
TOTAL	**101,060**	**118,232**	**128,430**	**17.0%**	**8.6%**	**0.97**	**$25,429**

Out of each county's total employment, the percentage of employment by the hospitality, leisure, and tourism clusters reflects the size and diversity of the economies in the region's counties, and where cluster industries have strong activity. El Dorado, Nevada, and Placer counties have the highest percentage of hospitality, leisure, and tourism jobs, reflecting the predominance of cluster industries in largely rural counties (Exhibit 22). Sacramento and Placer counties have the largest number of cluster jobs; El Dorado and Yolo counties have significant employment levels, although Yolo County has a smaller share of jobs in the cluster industries. Sutter and Yuba counties have small shares and low numbers of cluster jobs.

Exhibit 22: Share of total jobs by county for the hospitality, leisure, and tourism clusters, 2017



	Yuba	Yolo	Sutter	Sacramento	Placer	Nevada	El Dorado
Traded Cluster	254	1,185	202	8,228	5,369	1,634	3,507
Local Cluster	1,356	7,084	2,883	56,298	19,239	3,640	7,157
Rest of Economy	22,881	109,493	31,677	652,542	157,668	33,550	56,546

Analysis of industry subclusters

CMP further distills the two clusters into subclusters representing categories of industries that allow for further analysis of regional specializations and comparative advantages.

The hospitality and tourism cluster has seven subclusters: accommodations and related services; amusement parks and arcades; cultural and educational entertainment; gambling facilities; other tourism attractions; spectator sports; and tourism related services (Exhibit 23). It should be noted that the data for accommodations and gambling facilities does not include tribal casinos and as a result, cannot present a complete picture of the overall scope of those two subclusters in the region. The COE was able to obtain establishment-level data for some of the tribal casinos and hotels which is included in Appendix H, which shows top employers for each subcluster.[53]

Exhibit 23: Industries comprising the hospitality and tourism cluster

Hospitality and Tourism Cluster (Traded)	
Subcluster	**Related Industries**
Accommodations and Related Services	• hotels • casino hotels • motels • RV parks
Amusement Parks and Arcades	• theme parks
Cultural and Educational Entertainment	• art galleries • museums • zoos • historical sites
Gambling Facilities	• casinos
Other Tourism Attractions	• ski resorts • marinas • "other recreation"
Spectator Sports	• professional and amateur sports teams
Tourism Related Services	• travel agencies, reservation services • sporting goods rental

[53] Job counts in these industries are affected by suppression; the state Employment Development Department cannot publish employment counts due to confidentiality policies.

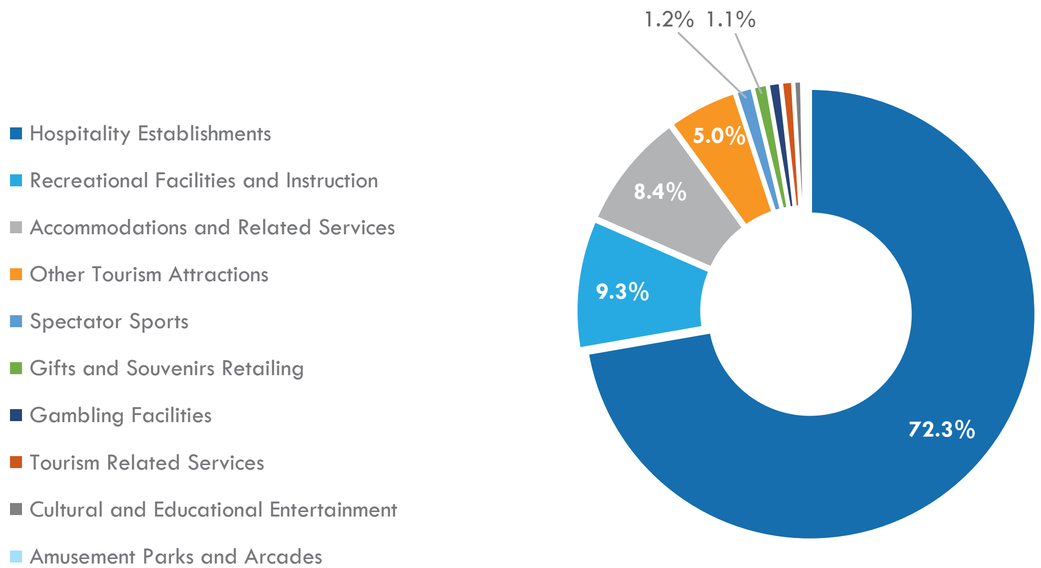
The local hospitality establishments cluster has three subclusters: hospitality establishments; recreational facilities and instruction; and gifts and souvenirs retailing (Exhibit 24).

Exhibit 24: Industries comprising the local hospitality establishments cluster

Local Hospitality Establishments Cluster (Local)	
Subcluster	**Related Industries**
Hospitality Establishments	• restaurants • fast food • bars • catering
Recreational Facilities & Instruction	• gyms • fitness studios • golf courses
Gifts and Souvenirs Retailing	• gift shops

Of all the subclusters, hospitality establishments employment accounted for nearly three quarters of all hospitality jobs in the region, indicating a high number of jobs in restaurants and fast food (Exhibit 25). Recreational facilities and instruction, a subcluster which mainly encompasses golf courses, and fitness centers and studios, accounts for just over 9% of all hospitality jobs in the region. The accommodations and related services subcluster which includes nearly all hotel and motel employment, makes up 8.4% of all hospitality jobs. The other tourism attractions subcluster accounts for 5% of hospitality employment and represents mostly ski resort employment.

Exhibit 25: Subcluster share of total jobs in the hospitality and tourism cluster, and local hospitality establishments cluster, 2017



Industry and subcluster employment trends, earnings, concentration

The study analyzed several basic variables to evaluate industry and subcluster performance: employment; job growth between 2007 and 2017; average annual earnings; and location quotients.[54] In many cases, strong industries score well in three or four of these categories. For example, the 10 industries in the study with the highest location quotients also tended to have two or more of the following: higher than average job totals (for the clusters); above-average historical job growth; above-average projected job growth; or above-average earnings. Exhibits 26, 27, and 28 show subcluster performance measures including employment, occupational projections, employment concentration, and earnings.

With a few exceptions, strong individual industries in the study did not tend to translate to other industries in the subclusters. Most subclusters are dominated by one or two high-performing industries, while other industries in the subclusters display mediocre numbers. In other cases, strong industries across subclusters revealed other possible themes for future analysis.

Overall subcluster job performance has been very strong in the last 10 years. The recession put a small dent in the overall number of jobs across all industries. Between 2007 and 2012, overall industry employment only dipped by 2,500 jobs, a drop of 2.5%. During the recession, employment increased in the other tourism attractions (skiing) cluster, recreational facilities and instruction cluster, and gambling cluster. Since 2007, overall job numbers have increased by a robust 17% with several subclusters growing by more than 10%.

Overall annual earnings across all subclusters are low, just $25,000 per year on average, accounting for a little more than a third (37%) of annual average earnings for all industries in the Sacramento region, $68,670.

The sections below describe major industry and subcluster trends. In some cases, the trends combine subclusters and propose related categories.

Hospitality Establishments (Restaurants, Bars, Fast Food, Food Service)

The hospitality establishments subcluster is by far the largest subcluster in the study, but its annual earnings are among the lowest.

- Two industries account for most of the activity. Full-service restaurants, with 37,500 jobs, and limited-service restaurants, 33,500 jobs, comprise nearly three quarters of the local hospitality establishments cluster and 60% of all jobs in the industries included in the study. These two industries added nearly 11,000 jobs over 10 years, representing more than 60% of the region's cluster job growth during this period. The hospitality establishments subcluster is projected to add another 8,300 jobs by 2022.
- The average earnings in the hospitality establishments subcluster are among the lowest of the subclusters. Average earnings are just $22,500, less than a third of the average earnings for the region.

Industry trends in the subcluster do not necessarily reflect a boon for the full-service restaurants often associated with the region's burgeoning culinary scene. Though employment in the full-service restaurants subcluster has grown 11.5% in the last 10 years, the location quotient is 0.94, on par with the nation. Instead, industry trends suggest the market is growing far more quickly for fast food, including snack and nonalcoholic beverage bars; limited-service restaurants; cafeterias, grill buffets, and buffets.

- Limited service restaurants (location quotient of 1.0 and 33,600 jobs), and snack and nonalcoholic beverage bars (location quotient of 1.6 and 8,000 jobs) both grew by more than 20% between 2007 and 2017. The location quotient for snack and nonalcoholic beverage bars makes the industry the most specialized local hospitality industry.
- Drinking places (alcoholic beverages) grew by 30% between 2007 and 2017, adding 1,900 jobs, though annual earnings are just $19,500. Food service contractors grew by 23%, with 2,300 jobs in 2017 and annual earnings just under $30,000.

[54] Location quotients compare the region's industry employment to the entire economy's employment; the concentration in the region is then compared to the national concentration. The figure is sometimes called "a ratio of a ratio." Coupled with other indicators like earnings and employment trends, industries and subclusters with high concentration levels represent opportunity areas for public policy support, and workforce and economic development investment and coordination.

Accommodations and Related Services (Hotels, Motels, Other Types of Accommodations)

Despite major new hotels coming online in downtown Sacramento, the industry data suggests that job growth in hotels and motels has been modest compared to other types of accommodation. Boutique industries like RV parks and campgrounds, bed-and-breakfasts, and vacation camps display the highest growth rates. Subcluster earnings overall are in the middle range of the subclusters, $34,000. The hotels and motels industry shows a similar earnings level. Casino hotels display modest numbers; however, data for this category is incomplete and these numbers may not be representative of the actual situation.

- Hotels and motels, the largest industry in the accommodations and related services subcluster, accounted for the largest number of new jobs, but had a modest growth rate (+5.4%, +500 jobs).
- Other accommodations industries showed much higher rates of growth, but have low levels of employment, fewer than 500 jobs in the region. These are boutique industries like RV parks and campgrounds (+48% job growth, +100 jobs, 1.3 location quotient); bed-and-breakfast inns (+20% job growth, + 20 jobs); and recreation and vacation camps (+74% job growth, +120 jobs).
- Business establishment data provided by Dun & Bradstreet indicate casinos and casino hotels currently employ more than 4,000 workers in the seven-county region. Cache Creek Casino Resort in Yolo County and Thunder Valley Casino Resort in Placer County each employ nearly 2,000 workers. (Appendix H presents business-level data on tribal casino hotels.)
- See the section immediately following for convention and visitors bureaus.

Cultural and Educational Attainment and Civic Institutions (Museums, Parks, Zoos, Art Galleries, Convention Centers and Visitors Bureaus)

The cultural and educational attainment subcluster includes convention and visitors bureaus. Despite a small number of jobs, just over 700, several industries in this subcluster underwent remarkable growth. Regarding convention and visitors bureaus, the data may reflect the impact of regional funding support for civic organizations that serve local residents and attract visitors.

- Several civic institution industries experienced remarkable growth rates, though the total number of added jobs is low. These industries include museums (+35% job growth, +320 jobs); nature parks (+65% job growth, +120 jobs); and zoos and botanical gardens (+150% job growth, +120 jobs). The concentration of employment for the nature parks industry is 40% higher than the nation. Earnings in these industries range from $33,000 to $37,000 annually.
- The convention and visitors bureaus industry has a location quotient of 2.4 and has more than doubled its employment over the 10-year study period to 180 jobs. Earnings in the industry are strong, $72,500.
- Over the past decade, the art dealers industry lost half its employment, shrinking from just over 300 jobs to about 170. Average annual earnings are $35,000.

Recreation and Fitness: Other Tourism Attractions (Skiing and Other Amusement and Recreation Industries) and Recreational Facilities and Instruction

Several industries related to recreation, fitness, and sports display high regional concentration levels and other indicators, suggesting areas for further exploration for workforce development. The section combines analysis of other tourism attractions and recreational facilities and instruction.

- The other tourism attractions subcluster has nearly 6,000 jobs and grew by 63% between 2007 and 2017, due in large part to the growth in ski resort employment. Average earnings in the subcluster total $29,500.

- With a job concentration level that is nearly 10 times higher than the national level, skiing facilities represent the region's most concentrated industry (Exhibit 28). Skiing facilities by itself accounted for 40% of job growth in the region's hospitality and tourism cluster in the past 10 years, adding 1,150 jobs, growing from 1,800 jobs in 2007 to 2,900 in 2017, an increase of 65%. The industry's employment spans three counties in the Sierra Nevada: Placer County (1,360 jobs), El Dorado County (950 jobs), and Nevada County (610 jobs).
- The recreational facilities and instruction subcluster has 11,000 jobs, a location quotient of 1.2, and grew by 13% over the 10-year study period. Average earnings are only $22,000.
- Most of the recreational facilities and instruction subcluster's growth is owed to three industries. Fitness and recreational sports centers, and sports and recreation instruction have location quotients of 1.3. Fitness and recreation sports centers grew at a healthy rate during the 10-year study period (6.6% job growth, +400 jobs); the industry has 6,400 jobs in the region. The sports and recreation instruction industry has nearly 1,700 jobs and grew 16% over the same time period, adding 400 jobs. Fitness and recreation sports centers have annual earnings of just $18,000 annually. Earnings for sports and recreation instruction total only $20,800. Both industries have earnings below the average earnings of all industries in the Sacramento region.
- A third industry, golf courses and country clubs, added 1,100 jobs since 2007, a growth rate of 37%. The industry has the highest annual earnings within the local hospitality establishments cluster, $31,912.
- Recreational goods rental (part of the tourism related services subcluster) is a small industry, with just under 300 jobs, but it is 2.6 times more concentrated than the nation. Employment has not risen substantially in the last 10 years. Average annual earnings are just under $37,000.

Gambling Facilities (Casinos)

Despite research challenges, the incomplete data for tribal casinos noted above, the casinos and gambling industries demonstrate compelling performance indicators. The gambling facilities subcluster consists of casinos (except casino-hotels) and other gambling facilities.

- Considering the available data as a sample, the data shows exceptional job growth for casinos (except casino-hotels),[55] a 72% increase during the past decade. Average annual earnings in the industry are among the highest of all industries in the study, $45,507.
- Other gambling industries, an industry category encompassing a wide variety of activities, has a job concentration level that is 1.6 times higher than the national level. The industry grew 36% between 2007 and 2017, but has generally low earnings, $25,000. Other data indicates the subcluster and associated hotels represent an important source of public revenue and job creation for the Sacramento region.

Sports Teams and Clubs (Professional and Amateur Sports)

- The sports teams and clubs industry has 1,000 jobs and dominates the small spectator sports subcluster. The industry has a location quotient of 1.3 and grew by 21% during the 10-year study period. Industry earnings are extremely high, $180,000, owing to executive and athlete salaries for the Sacramento Kings.
- Other sports industries in the subcluster have lower job numbers and far lower earnings on par with the lowest subclusters in the study.

Tourism Related Services (Travel Agencies, Tour Companies, Sightseeing)

- The tourism related services subcluster, with just over 1,000 jobs, lost nearly a third of its jobs over 10 years. The travel agencies industry, and all other travel arrangements and reservation services industry, likely have fallen victim to automation. Average earnings in these industries is more than $40,000.

[55] A further examination on the region's business establishments data (Dun & Bradstreet, EconoVue) reveals that Red Hawk Casino in Placer County alone employs 1,200 workers while EMSI reports only 503 jobs in the entire seven-county region. Hundreds of jobs are not accounted for in the study due to suppression. Cache Creek Casino Resort, Thunder Valley Casino Resort, and Red Hawk Casino are the largest employers that are not counted in the data.

Gifts and Souvenirs Retailing

- Gifts and souvenirs retailing, a small subcluster comprising only one industry, has only 1,200 jobs and contracted by about 5% since 2007. Average earnings are low, just $22,500.

Amusement Parks and Arcades

- Amusement parks and arcades, a one-industry subcluster, showed significant growth, adding more than 100 jobs over the last 10 years, representing 54%. Earnings are the lowest of the group, just $18,500.

Exhibit 26: Subcluster employment, occupational projections, and earnings, Sacramento region, 2007-2022

Subcluster	2007 Jobs	2012 Jobs	2017 Jobs	2022 Jobs	2007-2017 Growth	2017-2022 Projection	2017 Weighted Avg. Earnings
Hospitality Establishments	72,298	68,618	85,434	93,702	18.2%	9.7%	$22,525
Recreational Facilities and Instruction	9,756	10,382	10,989	11,507	12.6%	4.7%	$22,010
Accommodations and Related Services	9,395	9,099	9,976	10,317	6.2%	3.4%	$34,080
Other Tourism Attractions	3,637	4,796	5,913	6,766	62.6%	14.4%	$29,419
Spectator Sports	1,494	1,466	1,471	1,483	(1.5%)	0.8%	$126,605
Gifts and Souvenirs Retailing	1,315	935	1,254	1,225	(4.6%)	(2.3%)	$22,673
Gambling Facilities	722	1,152	1,089	1,193	50.8%	9.5%	$34,555
Tourism Related Services	1,430	1,145	1,016	975	(28.9%)	(4.1%)	$40,562
Cultural and Educational Entertainment	694	603	737	833	6.2%	12.9%	$35,534
Amusement Parks and Arcades	229	318	351	430	52.9%	22.6%	$18,551
TOTAL	**100,970**	**98,514**	**118,232**	**128,430**	**17.1%**	**8.6%**	**$25,429**

Exhibit 27: Subcluster employment and location quotients, Sacramento region, 2017

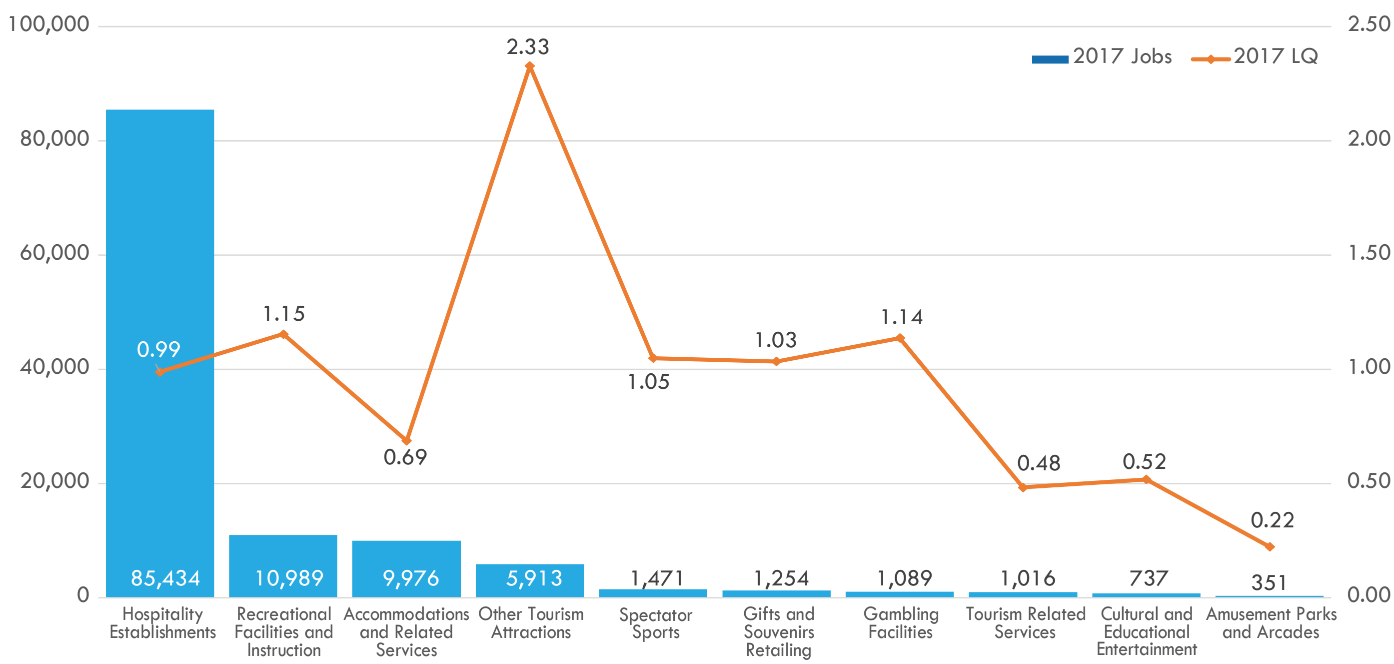
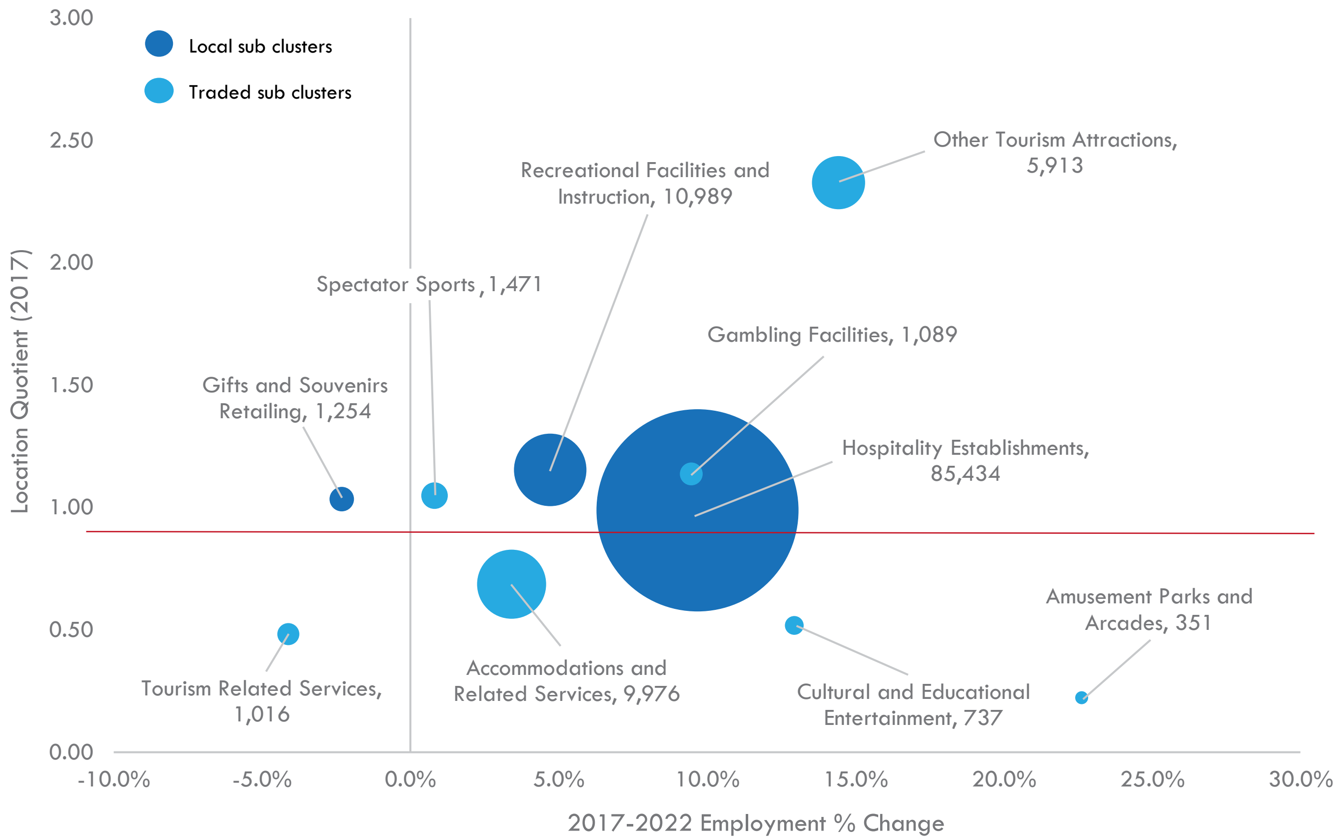


Exhibit 28 shows three variables in the bubble chart, providing another way to view the subcluster data. The size of the bubble represents the total number of jobs in each subcluster. The location of the bubble on the vertical axis represents the location quotient above or below the national employment concentration, a value of 1.0 or greater. The horizontal axis shows the projected growth rate over the next five years through 2022.

Exhibit 28: Subcluster comparison of employment, projected occupational growth, and location quotients, Sacramento region



OCCUPATIONAL ANALYSIS

This section analyzes occupations in the industry clusters and subclusters, emphasizing occupations that pay living wages, and occupations that have education and training levels that indicate opportunities for schools and workforce development organizations. The industry clusters that underpin the occupational analysis indicate the industries that make the most sense for strategic planning engagement.

Using "competency models," researchers maintain a classification system that groups similar kinds of workers into categories based on similar functions (tasks and duties) and characteristics (knowledge, skills, education, training, and experience). The Bureau of Labor Statistics and its counterpart O*NET established the Standard Occupational Classification (SOC) System, categorizing nearly 900 occupations that serve as the basis for large surveys conducted by state employment agencies.

The surveys in the Occupational Employment Statistics (OES) program use the occupational classification system to then establish staffing patterns, i.e., shares of occupational employment in industries. This report employs staffing patterns to analyze the occupational employment in the hospitality, leisure, and tourism clusters.

Occupational employment in the subclusters was analyzed according to two opportunity measures:

- Skill level: Measuring demand for middle-skill occupations offers community colleges and other postsecondary education and training providers an estimate of the scale of the need for workers with less education than a bachelor's degree but more education and training than a high school diploma. Aside from middle-skill occupations which align with the education offered by community colleges, below-middle-skill and above-middle-skill occupations may offer pathway opportunities. The report's analysis estimates the share of occupational employment that is middle skill, below middle skill, and above middle skill. (See Appendix I for definitions.)[56]
- Wage level: The analysis estimates the share of subcluster occupational employment that pays a living wage based on two measures of family size: one adult ($12.32/hour), and a one adult/one child household ($26.48/hour); the rates are averages of the living wages for each of the seven counties in the study.[57]

Each section highlights the occupations that represent opportunities for training based on these measures. (Appendix J and Appendix K list the top occupations for each cluster, by skill level.)

Occupational employment by skill level for each cluster

The vast majority of occupational employment in each of the hospitality, leisure, and tourism clusters requires a high school diploma or less, and little experience or on-the-job training. These are considered below-middle-skill jobs.

In the local hospitality establishments cluster, where food service employment heavily dominates, nearly 87% of the workforce is below middle skill (Exhibit 29). In the hospitality and tourism cluster, the share of below-middle-skill jobs is smaller, but is still the majority category: Nearly three quarters of the workforce is below middle skill.

Middle-skill jobs represent a primary opportunity area for community colleges and other workforce training providers. These are occupations that require some level of postsecondary education (less than a bachelor's degree) as an entry-level educational requirement or as a benchmark for educational attainment in the current workforce.

About 11% of the workforce, about 10,300 jobs, in the local hospitality establishments cluster, qualifies as middle skill. The share is higher in the hospitality and tourism cluster, 18%, about 3,700 jobs.

Similarly, above-middle-skill jobs, which typically require a bachelor's degree or higher, comprise a larger share of the hospitality and tourism cluster, 9% (1,800 jobs), versus 3% (2,800 jobs) in the local hospitality establishments cluster.

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[56] See Appendix I for a full explanation of the skill-level calculations and methodology.

[57] The MIT Living Wage calculator is a commonly used tool that describes a local market-based "minimum subsistence wage" by county and other geographies. The living wage method moves beyond the basic basket-of-goods method of the federal poverty rates. The method does not consider entertainment, eating in restaurants, or leisure activities, so these wages should not be taken to have any standard-of-living association. Source: http://livingwage.mit.edu/pages/about.

These numbers indicate higher-road job opportunities in the traded hospitality and tourism cluster—positions that more often require education and training beyond high school, and potentially greater opportunities for advancement from entry-level and mid-level positions.

Exhibit 29: Occupational employment by skill level for each cluster, Sacramento region, 2017[58]

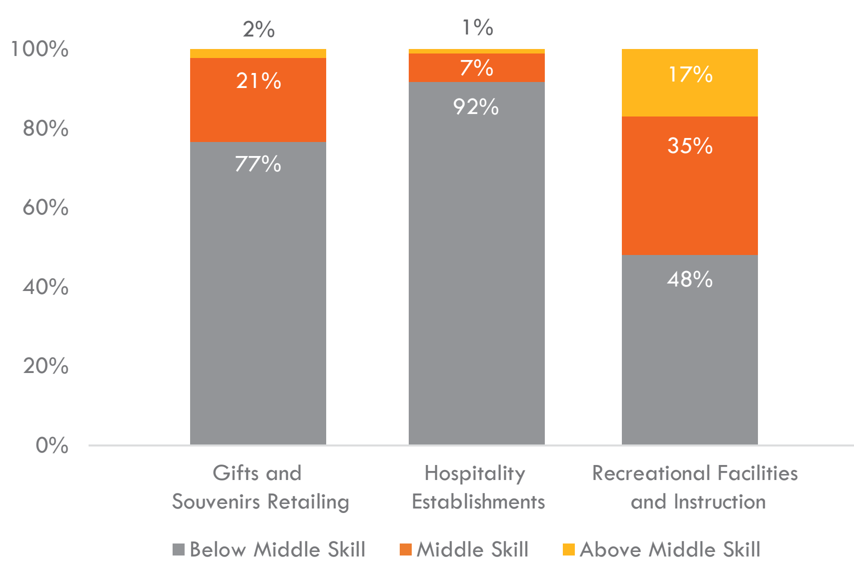
Skill Level	Employed in Local Hospitality Establishments (2017)	Share of Local Hospitality Establishments (2017)	Employed in Hospitality and Tourism (2017)	Share of Hospitality and Tourism (2017)
Above Middle Skill	2,764	2.8%	1,775	8.9%
Middle Skill	10,265	10.6%	3,672	18.4%
Below Middle Skill	84,138	86.6%	14,516	72.7%
TOTAL	**97,167**		**19,964**	

Local hospitality establishments cluster occupational analysis

The breakdown of subclusters within the local hospitality establishments cluster shows some differences in middle-skill and above-middle-skill opportunities. The skill-level shares for the cluster are greatly affected by the large numbers of jobs in the hospitality establishments cluster (85,000 jobs in restaurants, fast food, bars, and food service), which is dominated by low-skill, low-wage occupational employment.

Exhibit 30 summarizes the share of employment for the three subclusters comprising the local hospitality establishments cluster. Jobs that are not below middle skill comprise only 8% of the hospitality establishments subcluster, a startling finding given the large employment numbers in the subcluster's affiliated industries. The recreational facilities and instruction subcluster has the largest share of middle-skill jobs, 35%.

Exhibit 30: Share of jobs, by skill type, subclusters in local hospitality establishments, Sacramento region, 2017



[58] EMSI, 2017.3. The occupational employment numbers are lower than the industry totals due to removal of occupations with fewer than 10 employees from the analysis.

The **hospitality establishments** subcluster houses the top 10 occupations with the most employment of all subclusters in the study. These include food preparation workers, waiters and waitresses, fast food cooks, restaurant cooks, and dishwashers. The subcluster has few middle-skill and above-middle-skill opportunities. Two bright spots are, chefs and head cooks, and general and operations managers; however, the employment totals for these more encouraging occupations are dwarfed by the number of low-skill, low-wage jobs.[59]

Hospitality Establishments (85,500 jobs) Representative Occupations

Occupation	2017 Jobs	Median Hourly Wage	Skill Level
General and Operations Managers	600	$46	Above
Chefs and Head Cooks	960	$19	Middle Skill
Food Prep. Workers	26,000	$11	Below
Waiters and Waitresses	14,600	$12	Below
Restaurant Cooks	7,400	$13	Below
Fast Food Cooks	7,500	$11	Below

Recreational facilities and instruction has more middle-skill jobs with higher hourly wages than the local hospitality establishments subcluster. The higher-skill occupations are associated with personal services at gyms, health clubs, and golf courses. These occupations include fitness trainers and aerobics instructors, self-enrichment education teachers, and teachers and instructors, all other. There are a handful of management; maintenance and repair; and sales workers in the subcluster, but the numbers are negligible.

Recreational Facilities & Instruction (11,000 jobs) Representative Occupations

Occupation	2017 Jobs	Median Hourly Wage	Skill Level
Fitness Trainers and Aerobics Instructors	1,860	$22	Middle Skill
Self-Enrichment Education Teachers	500	$21	Below
Teachers and Instructors, All other	430	$21	Above

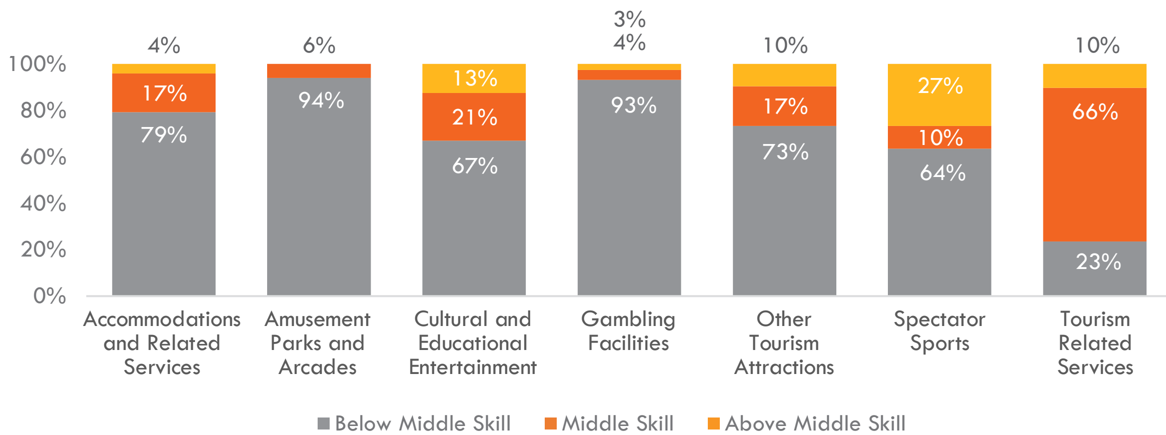
The **gifts and souvenirs retailing** subcluster has 1,250 jobs and does not display data indicating there are opportunity occupations in significant numbers.

[59] The wage level is generalized for all workers in the occupation, not necessarily what the occupation earns in the industry sector. Tips are included in the occupational surveys of wages.

Hospitality and tourism cluster occupational analysis

The subclusters in the hospitality and tourism cluster are similarly dominated by low-wage, low-skill labor (Exhibit 31). There are some opportunity occupations. Accommodations and related services (hotels and motels) and other tourism attractions (ski resorts) in particular present middle-skill workforce development opportunities for back office positions, maintenance and repair, and management roles.

Exhibit 31: Share of jobs, by skill type, subclusters in hospitality and tourism, Sacramento region, 2017



The **accommodations and related services** subcluster presents a more favorable occupational opportunity. There are a handful of middle-skill opportunities in hotels, motels, and other accommodation industries: maintenance and repair workers; lodging managers; first-line supervisors of housekeeping and janitorial workers; and sales representatives, services, all other. Promising occupations include back office occupations, supervisors of administrative support, and bookkeeping and accounting. At the same time, the industries are served primarily by low-wage, low-skill labor. The largest occupations in the subcluster are maids and housekeeping cleaners; and hotel, motel, and resort desk clerks.

Accommodations and Related Services (10,000 jobs) Representative Occupations

Occupation	2017 Jobs	Median Hourly Wage	Skill Level
Maintenance & Repair Workers, General	400	$19	Middle Skill
Lodging Managers	250	$18	Below
First Line Supervisors of Housekeeping and Janitorial Workers	200	$18	Below
Supervisors of Office & Administrative Support	175	$28	Middle
Bookkeeping and Accounting Clerks	130	$20	Middle
Maids and Housekeeping Cleaners	2,400	$11.50	Below
Hotel, Motel, Resort Desk Clerks	1,250	$12	Below

Gambling facilities has one of the weakest occupational outlooks of all the subclusters. The subcluster is dominated by low-wage occupations including gaming dealers; gaming cage workers; gaming change persons and booth cashiers. Few middle-skill and above-middle-skill jobs exist in the subcluster. Hotels associated with casinos may have an occupational picture similar to the accommodations and related services subcluster.

Gambling Facilities (1,100 jobs) Representative Occupations

Occupation	2017 Jobs	Median Hourly Wage	Skill Level
Gaming Dealers	500	$11	Below
Gaming Cage Workers	70	$13	Below
Gaming Change Persons & Booth Cashiers	60	$13	Below

Other tourism attractions, the subcluster with sizeable employment in skiing facilities, presents some occupational opportunities including fitness trainers and aerobics instructors; maintenance and repair workers, general. Promising management occupations include managers, all other; and general and operations managers. The subcluster has a range of low-wage, low-skill occupational employment including amusement and recreation attendants, landscaping and groundskeeping workers, and a significant number of food service, retail, and administrative occupations that pay between $11/hour and $14/hour.

Other Tourism Attractions (6,000 jobs) Representative Occupations

Occupation	2017 Jobs	Median Hourly Wage	Skill Level
General and Operations Managers	600	$46	Above
Fitness Trainers & Aerobics Instructors	200	$22	Middle Skill
Maintenance & Repair Workers, General	120	$19	Middle Skill
Managers, All Other	70	$24	Above
Amusement & Recreation Workers	900	$12	Below
Landscaping & Groundskeeping Workers	600	$12	Below

The **spectator sports** subcluster, which has a smaller employment pool, offers few occupational training opportunities. The staffing patterns show a handful of talent-related occupational employment (writers and authors, musicians and singers, athletes and sports competitors, entertainers and performers) with wages from $17/hour to $35/hour. Beyond that, a majority of low-wage, low-skill occupations make up the rest of the workforce, including gaming-related occupations, security guards, amusement and recreation attendants, food service workers, cashiers, and office clerks.

Spectator Sports (1,500 jobs) Representative Occupations

Occupation	2017 Jobs	Median Hourly Wage	Skill Level
Musicians & Singers	100	$18	Below
Writers & Authors	95	$18	Above
Athletes & Sports Competitors	50	$35	Below
Entertainers & Performers	30	$21	Below

Tourism related services has 1,000 jobs and the rosiest middle-skill and above-middle-skill occupational picture of the subclusters, but the industry data shows a workforce that is impacted by automation.[60] Job losses impact nearly every occupational category. Jobs for travel agents, and reservation and transportation ticket agents, and travel clerks have declined precipitously. Sales representatives and customer service representatives are middle-skill occupations also in decline.

Tourism Related Services (1,000 jobs) Key Occupations

Occupation	2017 Jobs	Median Hourly Wage	Skill Level
Travel Agents	275	$17	Middle Skill
Reservation & Transportation Ticket Agents	60	$16	Middle Skill
Sales Representatives	50	$25	Middle Skill
Customer Service Representatives	30	$17	Middle Skill

The **cultural and educational entertainment** subcluster shows a small number of middle-skill and above-middle-skill occupations, including general and operations managers, museum technicians and conservators, and maintenance and repair workers, general. The small overall employment count in the subcluster shows limited occupational opportunities for workforce development, even though one-third of the occupational employment is listed as middle skill or above middle skill.

Cultural and Educational Entertainment (730 jobs) Representative Occupations

Occupation	2017 Jobs	Median Hourly Wage	Skill Level
Museum Technicians and Conservators	20	$19	Above
First-Line Supervisors of Retail Sales Workers	50	$17	Middle Skill

With only 350 jobs, the **amusement parks and arcades** subcluster did not display compelling data for opportunity occupations.

[60] Most businesses providing tourism related services in the region are travel agencies, sightseeing companies, airlines, cruises, and tourism advocacy organizations.

Occupational wages

Occupational wage data shows that jobs requiring high levels of educational attainment correspond to higher earnings. Roughly half of occupational employment requiring a bachelor's degree for entry-level positions pay more than the living wage for a one-adult, one-child household in the Sacramento region ($26.50/hour).

The industries that more often draw on out-of-town visitors generally have a larger share of middle-skill employment and pay above the living wage level for a one-adult, one-child household (9.5% of occupational employment versus 5% in the local hospitality establishments cluster) (Exhibit 32). But the share of above-middle-skill jobs paying more than $26.50/hour is slightly higher in the local hospitality establishments cluster (54% versus 51.5%) (Exhibit 33).

Just 1% of below-middle-skill occupational employment pays a living wage for a one-adult, one-child household in both clusters. These are not measures of overall wage volume, and so should not be taken to mean industry wages are comparable between the clusters. Tips are included in the occupational wage surveys.

Exhibit 32: Share of occupational employment above living wage levels, hospitality and tourism cluster, Sacramento region, 2017

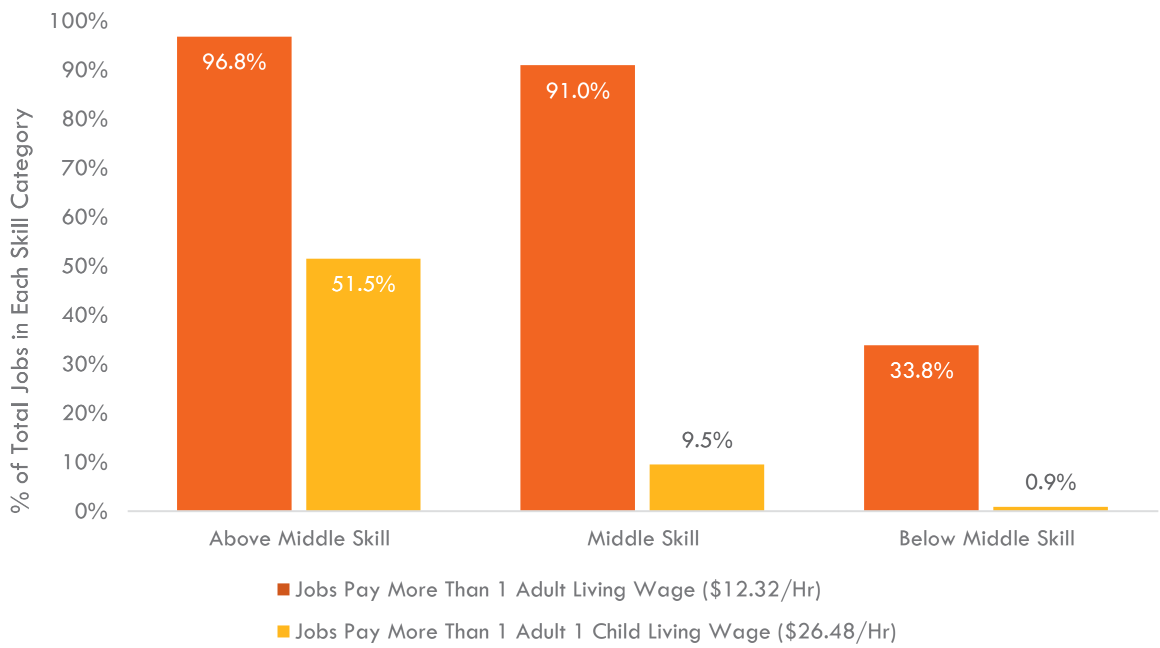
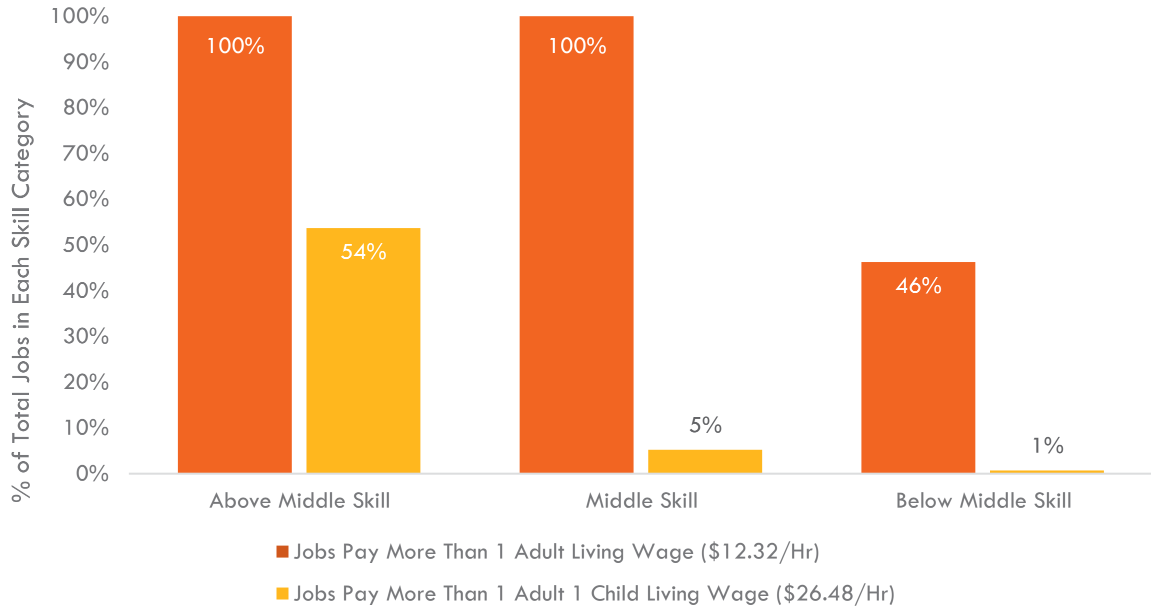
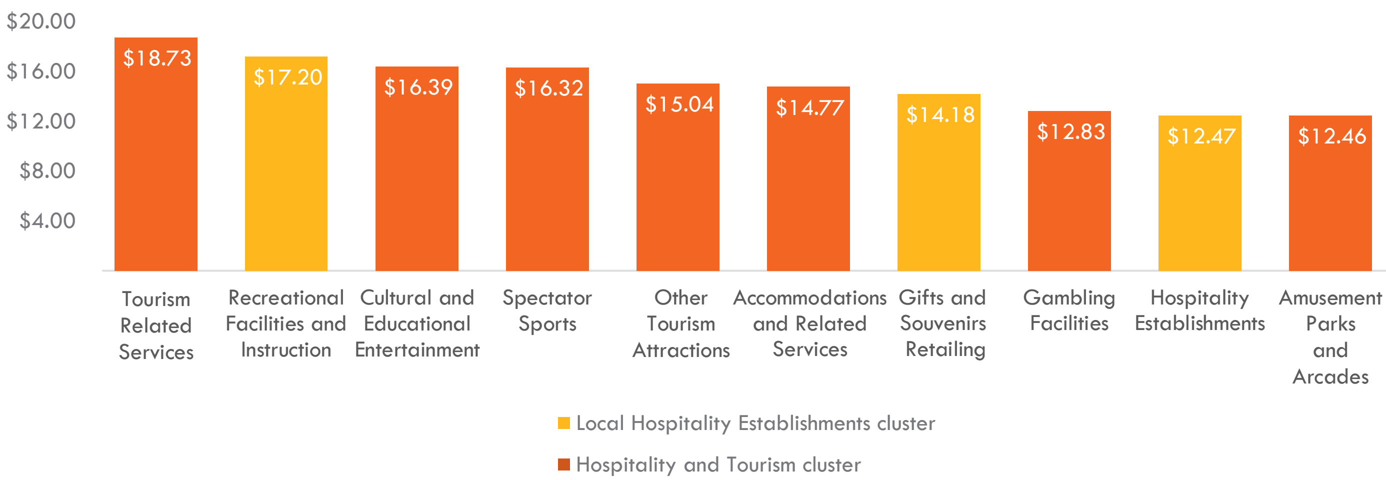


Exhibit 33: Share of occupational employment above living wage levels, local hospitality establishments cluster, Sacramento region, 2017



The weighted average hourly earnings by subcluster take into account wage levels by the volume of employment.[61] Occupations in the tourism related services subcluster lead the other subclusters in terms of weighted average hourly earnings while jobs in the amusement parks and arcades subcluster pay the lowest wages in the region (Exhibit 34). The weighted average analysis shows that the hospitality establishments subcluster, which has the most employment, generally has among the lowest wages, $12.50/hour.

Exhibit 34: Weighted average hourly earnings by subcluster, Sacramento region, 2017



[61] A weighted average multiplies the occupational employment totals by the occupational median wages, sums the total wages, and then divides by the overall employment to get the weighted average for the subcluster.

INDUSTRY WORKFORCE PERCEPTIONS AND CHALLENGES

The executive interviews revealed important context and key themes for workforce development for the hospitality clusters. The findings indicate a number of challenges that face the region amid substantial growth of the cluster industries. Job quality, recruitment and promotional practices, and informal or non-existent training and workforce pathway development are just a few of the major concerns industry leaders shared with the research team.

Facility quality, location, and size affected the types of responses. Workforce education, training, and partnership opportunities are more readily available for downtown Sacramento luxury hotels and restaurants, and tribal gaming hotels than for small rural wineries in El Dorado County, for example.

This section summarizes the major workforce themes that resonated among the interviews and presents unfiltered findings based on clearly articulated, common perceptions and key themes voiced by the interviewees. In some cases, the narrative summarizes the researchers' interpretation of general themes. (See Appendix L for a list of interviewees and Appendix M for the interview guide and questions.)

> **"We are not a great training industry. [The schools in the Sacramento region] are not producing talent in our area. … I would love to have a better partnership with the schools than we do in our downtown hotels. … I don't know any workforce organizations that have a workforce impact on our industry."**
>
> —Leading consultant in the hospitality industry

Workforce shortages in many roles at all levels

No single specific position or job category was cited in the interviews as a particular pain point. Instead, interviewees remarked on workforce shortages at every level. They noted that a robust economy and proliferating hotel, restaurant, and casino development collectively impacted workforce shortages. Specific roles that pose hiring challenges include sales, housekeeping, kitchen staff (cooks, food prep), counter workers, kitchen and house managers, and casino and gaming workers (slot machine mechanics, card dealers, cage staff).

Management roles in hotels presented a special challenge in the interviews. Several interviewees noted a common practice for hiring managers and senior managers via transfers and through national searches. They suggested that a lack of education and training programs in the greater Sacramento region was a contributing factor to a lack of home grown management talent in the hotel industry.

Job quality and wage pressures in restaurants and food service

Several interviewees in restaurants and food service noted concerns about impending minimum wage increases and the effect increases would have on the sharing of tips and raising menu prices.[62] Tip pooling between front-of-house and back-of-the-house staff was cited as a common strategy for retaining back-of-house workers. They noted that low wages impacted worker retention, especially in the kitchen; back-of-house staff frequently change employers for a small increase in wages. They also noted that the difficulty of the work and long hours was a deterrent to some workers who ended up seeking a different career field, a trend common among kitchen staff.

One veteran food service interviewee regarded an hourly wage of more than $20/hour as a higher wage for cooks, but $14-$15/hour as more typical. Many cooks, the interviewee noted, have two or three jobs to make ends meet. A smaller minority of salaried head chefs (chef-de-cuisine) earn $40,000 to $50,000 annually. In a minority of cases, according to several interviewees, front-of-house wait staff, mixologist bartenders, and sommeliers, and sous chefs and prep cooks can be "good

[62] Scott Rodd, "Minimum wage hikes leave businesses feeling the pinch," The Sacramento Business Journal, February 28, 2019, https://www.bizjournals.com/sacramento/news/2019/02/28/minimum-wage-hikes-leave-businesses-feeling-the.html.

jobs" that pay more than $20/hour at high-end restaurants and bars. At the high end, some make far more than that, as much as $40 to $50 per hour at restaurants and bars. Another interviewee suggested that chefs and executive chef salaries can be even higher at fine dining restaurants, reaching $70,000 to $90,000 annually.

Health benefits vary from restaurant to restaurant. No clear picture of health benefits emerged from the interviews. Some restaurant chains and fine-dining restaurants offer benefits to employees. Retirement benefits were not mentioned.

Luxury hotels have more formalized, segmented workforce structures with better wages and earnings, and more opportunities for advancement

Interviewees from large, high-end hotels indicated that their organizational charts have a hierarchy of management, supervisory, and service areas that include several specializations that offer advancement opportunities for a smaller segment of the workforce. At higher-end hotels, entry-level salaried managers start at $40,000 per year, according to a few interviewees.

Job quality for restaurant, food service (banquet), and bar staff in large or luxury hotels may be better paid than in non-hotel or down-market hotel restaurant settings, according to several interviewees. There is some indication that front-of-house restaurant and bar staff earn wages higher than $20-$25/hour including tips.

Seasonal work and part-time work negatively impact some workers

Non-management, non-salaried workers in hotels and restaurants commonly hold jobs with more than one employer, according to several interviewees. Seasonality affects workers especially in Lake Tahoe, where low snow winters and a shoulder season means reduced hours, having shifts cut, and unexpectedly having to change employers. At organizations like the Golden1 Center, the annual schedule of events does not provide consistent employment for all workers, according to interviewees. For small businesses in agritourism, seasonality heavily impacts the bottom line and workforce opportunities that depend on a visitor customer base when weather is pleasant.

Union agreements cover a small segment of hotel and restaurant establishments

Many interviewees regarded the union presence as insubstantial in the region's hotel and restaurant industries. A few had awareness of several hotels downtown, the Sacramento Convention Center, and Golden1 Center union agreements with Unite Here Local 49, but none regarded unions as a major force. Outside of downtown, interviewees had no awareness of union presence among industry partners.

Flexibility, lifestyle, and work culture benefit many

Some industry leaders noted that part-time and flexible work enabled many workers to balance other responsibilities with school and family. For other workers, the lifestyle suits their work style and personality, keeping them in an industry distinct from "the straight community."

Affordable housing poses challenges for local rank-and-file restaurant and hospitality workers and for recruiting managers from out of state

Many interviewees regard workforce housing and housing affordability in California in general as one of the top recruitment-and-retention problems faced by employers. Lake Tahoe interviewees specifically cited workforce housing efforts as a near emergency; second homes, short-term rentals, and growth boundaries and other building restrictions choke housing supply, heavily impacting the staff employed by restaurants, hotels, and ski areas. Others mentioned challenges recruiting hotel managers from out of state due to housing costs.

Soft skills most commonly sought by employers; other skill needs include new technology

The interviewees universally indicated that customer service, communication, and a strong work ethic were the most in-demand qualities for workers to thrive and advance in the field. For interviewees in Lake Tahoe, realizing regional goals of building a customer base of long-term-stay customers means improving customer experience in a national and international marketplace for destination travelers. These interviewees commented that general lack of good customer service skills impeded regional progress to create a high quality customer experience. For others, a strong work ethic was the most crucial characteristic of workers who would thrive in a position, particularly for back-of-house kitchen staff moving up the ladder. In small start-up agritourism businesses in the Sierra Foothills, social media marketing, and business management skills were cited as skill needs for new entrepreneurs. New technology like automated check-in, digital season passes at ski resorts, and robotic room service were cited as emerging technology with the potential to impact the workforce. Specific technical skills were infrequently cited. In the kitchen, basic math, a food safety card, and knife skills were cited as needed training content.

Formal education and training may be required for some hotel and restaurant management positions; often, experience is valued more than formal education and training for all job levels

Responses to a question about formal education and training requirements for hiring and advancement produced a mix of responses. One interviewee estimated that less than a quarter of restaurant and hotel managers have a formal, related educational award, even in downtown luxury hotels. A few interviewees indicated that a lack of formal educational qualifications is not seen as a barrier to hiring, if a candidate has significant industry experience, even at the most senior levels.

> **"Tourism and hospitality have not quite reached a level of a specific education or degree requirement to prosper or grow."**
>
> —Destination marketing organization executive

Some said that culinary and hotel management positions do require formal educational programs. Others suggested that experience can be substituted for educational requirements, and that general business programs that are not from a specific hospitality or culinary school are sufficient for management positions. A few interviewees noted that specific, formal degrees are more common for some specialized professional positions, especially finance and accounting. Internal, on-the-job training is common in luxury hotel management.

Many suggested that "working your way up" was the most common pathway for advancement. Most managers in hotels and restaurants, several interviewees noted, started in the industry years ago, and advanced through the ranks without additional formal education. One interviewee regarded formal culinary education preparation as a "mismatch," suggesting that typical job placements straight out of school are in low-wage, entry-level cooking positions, not chef-de-cuisine or executive chef positions.

Progressive talent promotion practices may reduce turnover and keep workers in the industry

Some regarded leading restaurants in Sacramento as having fostered successful talent promotion practices that helped reduce turnover. Several interviewees observed that the same restaurants had generated spinoff restaurants, the result of employees leaving to start new businesses. These restaurants were seen as talent development incubators for the local industry.

Other interviewees viewed talent management practices generally as a race to the bottom, where high rates of turnover are accepted human resource outcomes and training investment is not a priority. One interviewee described these as industry-standard "sink-or-swim" hiring and management practices.

> “We’ve worked with some of the trade schools [on recruitment], but it’s almost like nobody really has anybody that drives those departments for them.”
>
> —Executive of a regional restaurant chain

> “A lot of those for profit culinary schools have gone by the wayside. … I think there is a great opportunity for small community college style cooking schools to take advantage of the market.”
>
> —Owner of a high-end restaurant

Lack of awareness, and perception of low performance, or lack of programs, at educational and training institutions

Awareness of hospitality-related educational and training programs among interviewees was spotty. Several remarked that there was a general perception that educational programs were not equipped to fulfill industry workforce needs. One hospitality industry leader said that the western United States, especially California, has not created a university hospitality management network of programs on par with the eastern United States. The interviewee could only cite one hospitality management program in California. Most interviewees regarded formal educational and training programs as hopeful, but ultimately not effective at providing needed training.

Lack of formal workforce training and education partnerships

Many interviewees indicated that partnerships with educational and training programs were vaguely nascent or non-existent. None of the representatives from destination marketing organizations, civic leadership conveners, industry associations, and industry leaders cited formal workforce development initiatives with employers or school partners. A few had details or examples of recruitment or training partnerships with institutions, but these were exceptions. A few remarked that they lacked capacity and expertise to create such partnerships. Others had a willingness to collaborate but cited lack of school leadership, cultural disconnects, or ineffective engagement tools, like one-off software recruitment platforms.

Potential for formalizing school-employer partnerships and endorsed programs

A few interviewees noted the potential for formalizing career pathways and partnerships with educational providers as a possible solution for hiring and retention challenges. Several interviewees noted that the emerging Hospitality Management program to be offered by California State University, Sacramento (Sac State) could provide a regional anchor for workforce development educational pathways. Many interviewees expressed a desire to work with formal education and training providers for recruitment but cited various reasons for why such partnerships didn’t exist, including lack of time and capacity, no follow up on the part of the school, and general lack of information.

EDUCATION AND TRAINING AWARDS

The occupational data from staffing patterns reveals potential areas for education and training in management, back office administrative support and bookkeeping, maintenance and repair, chefs and cooks, and fitness trainers and other kinds of fitness instruction. This section of the report focuses on the educational and training programs in the Sacramento region that target these opportunity occupations in the cluster industries analyzed.

Awards serve as a typical proxy indicator for workforce supply. It is assumed that students completing programs are ready to enter the workforce in a related field and position. Much of what the executive interviews for the study revealed, however, is that many of the industries in the study—restaurants, hotels, food service—have informal paths for recruitment and advancement. Some hotels have formalized training pathways and recruit from hospitality management programs at a national scale.[63]

Maintenance and repair programs like welding, electronics, industrial technology, and manufacturing technology serve a broad range of industries, and so are not included in the study, even though these programs are common and should be connected to hospitality industries. Similarly, programs that may include skills training that is transferable and valuable to hotel and restaurant administration, like business administration, accounting, and general management, are not included, given their broad reach.

Award counts group similar programs into one of three categories of programs. Exhibit 35 presents the three categories, program category designations, and representative (sample) departments. Appendix N details the programs and departments for each college offering awards for the most recent three years in these categories.

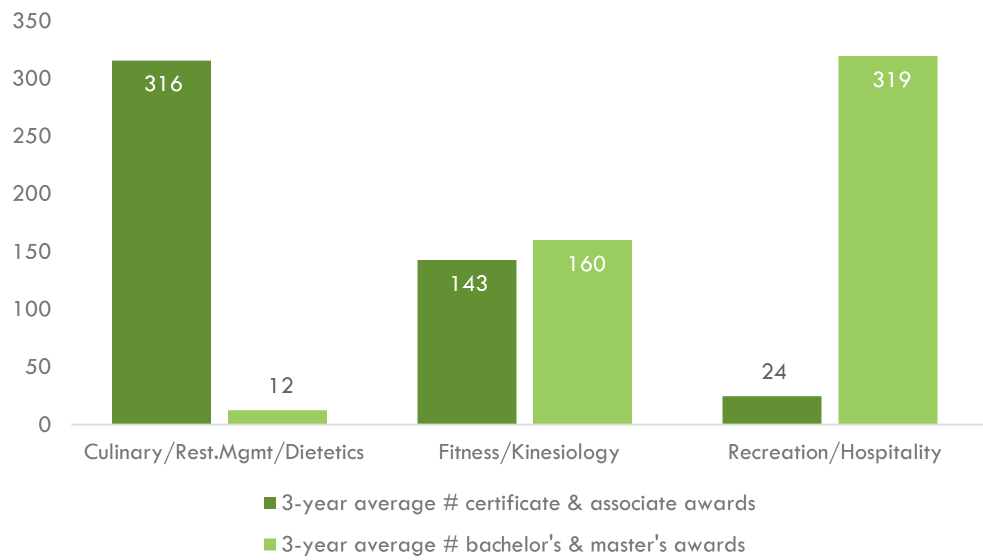
Exhibit 35: Educational and training program categories of analysis, with representative departments

Analysis Category	Program Categories	Representative Departments/ Programs
Culinary, Restaurant Management, Dietetics	• Culinary Arts • Restaurant Management • Pastry Chef • Dietetic Services & Management	• Sierra College, Nutrition & Dietetics • ARC, Restaurant Management • CRC, Food Service Entrepreneurship • Woodland Comm. College, Baking
Fitness/Kinesiology	• Kinesiology • Fitness Trainer • Physical Education • Health Services	• Sierra College, Kinesiology • William Jessup, Exercise Science • CSUS, Kinesiology, Exercise Science • ARC, Fitness Specialist
Recreation/Hospitality	• Recreation • Recreation Assistant • Parks, Recreation Management	• Sierra College, Recreation Mgmt. • LTCC, Wilderness Education • CSUS, Recreation & Park Mgmt.

[63] The awards data does not represent the full picture of available workers. Hotels and higher-end restaurants recruit management staff from a broader regional and national context. Workers move between regions. General programs in business and management may provide sufficient skills for entry-level managers.

All three analysis categories have a similar number of awards on average annually for the most recent three years for which data is available (Exhibit 36).[64] The community colleges' certificates and associate degrees are responsible for nearly all of the awards in the culinary/restaurant/dietetic category, whereas Sac State's Recreation, Parks & Tourism Administration department is the source of most of the awards in the recreation/hospitality arena. Fitness/kinesiology programs produce about 300 awards on average annually, split almost evenly between certificates and associate degrees, and bachelor's and master's degrees.

Exhibit 36: Three-year average awards for hospitality-cluster-related programs, Sacramento region, 2014-2018



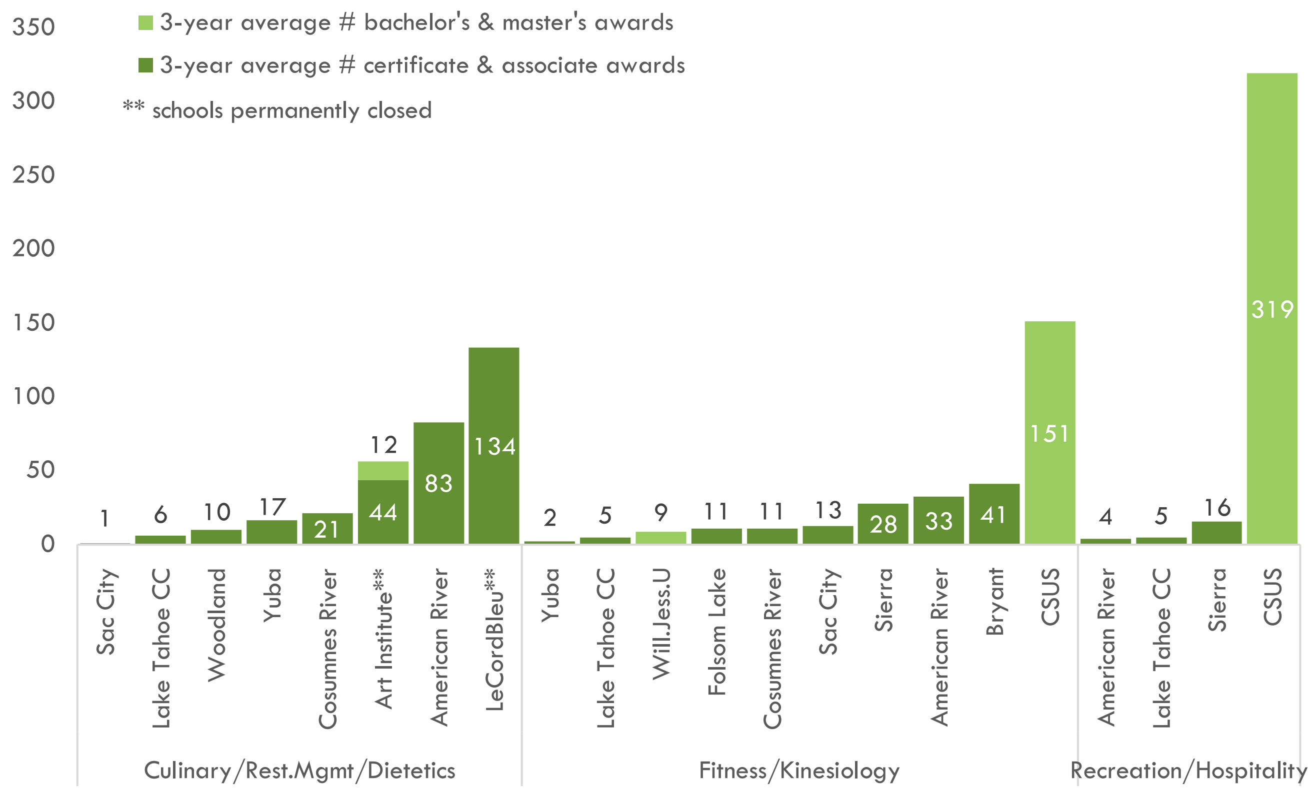
The community colleges have a new advantage in culinary arts and restaurant management training in the Sacramento region. Two private institutions, Argosy University's Art Institute and Le Cordon Bleu, closed in recent years. These organizations were responsible for most of the awards in the region, with the exception of American River College. Above all other institutions, American River College, with its Oak Park Café training facility, produces the most awards on average annually in the category. Cosumnes River College, Yuba College, Woodland Community College, and Lake Tahoe Community College all have programs in the culinary and restaurant category.

Kinesiology programs at the community colleges are largely focused on transfer to four-year universities. Kinesiology programs are common at the community colleges. For example, Sierra College, Lake Tahoe Community College, American River College, Folsom Lake College, Sacramento City College, and Yuba College all have programs. Sac State supplies the lion's share of kinesiology and exercise science awards (bachelor's and master's degrees) in the region, about 150 on average annually. Certificate programs like athletic trainer, fitness trainer, and others account for many of the community college awards.

[64] Community college award data comes from the California Community Colleges Chancellor's Office MIS Data Mart. Data Mart data includes the last three academic years; the most recent year is the 2017-18 academic year. All private college and four-year university data comes from Emsi, 2019.2, and the National Center for Education Statistics' Integrated Postsecondary Education Data System (IPEDS). The most recent academic year in IPEDS is 2016-17. The research aggregated program awards for the previous three years.

Sac State produces the majority of the recreation/hospitality-related program awards in its Recreation, Parks & Tourism Administration department, more than 300 on average annually (Exhibit 37). The department has a Recreation & Parks Management program, Recreation Therapy concentration, with related majors, minors, and a graduate program. The department recently added a Hospitality and Tourism Management program in conjunction with the launch of a downtown Sacramento satellite campus. The community colleges produce few awards in the recreation/hospitality category.

Exhibit 37: Three-year average awards for hospitality-cluster-related programs, school detail, Sacramento region, 2014-2018



CONCLUSION AND RECOMMENDATIONS

The greater Sacramento region has many diverse trends that drive leisure, hospitality, and tourism activities. Agritourism involves extending on-farm activities to include wine tasting, farm experiences, shopping, dining, and events that encourage rural destination visits. Agritourism in the region has grown beyond traditional venues like Apple Hill, influencing corporate entities such as Cache Creek Casino Resort, which has expanded through agricultural investments in the Capay Valley for rural driving tours and shopping. Wineries in El Dorado County and Clarksburg seek new and scaled visitor traffic. Craft breweries proliferate in Sacramento and Auburn. Regarding farm-to-fork, local sourcing and seasonal menus are trending in the region. Hotel development also is booming, with new luxury hotels and casino-hotels planned for downtown Sacramento, the suburbs, and Lake Tahoe. The concentration of outdoor recreation activities, amateur sports events, and fitness centers indicate the region is a hub for recreation, sports, and fitness. The Lake Tahoe area, especially, and other parts of the region have recreation opportunities that serve as economic drivers for the region. Arts-and-culture institutions attract a large share of regional visitors, presenting an opportunity to leverage these activities.

The research resulted in these key findings:

- One in 5 visitors to California visit at least one of the three travel regions that encompass the greater Sacramento region. Annually, 42 million visitors travel to these three regions. These visitors have a higher tendency to travel for activities related to arts and culture, such as museums, theaters, and historical sites. There is also a higher rate of visitors traveling for outdoor activities, adventure sports, and recreation, especially travelers to the High Sierra.
- Sacramento County accounts for just under half of the Gold Country's hotel properties and half of the number of rooms for the travel region. There are 1,000 properties and 74,000 available rooms in the three travel regions included in the study. Hotel performance metrics are generally lower in the three regions than California, as a whole, but appear to be gaining competitiveness, especially in the High Sierra and Sacramento's downtown core.
- Airport traffic, measured in enplaned passengers, grew nearly 40% between 2013 and 2018, from 8.6 million to 12 million passengers at Sacramento International Airport.
- The economic impact analysis of the regional hospitality industry clusters showed that the clusters produce $17.7 billion in industry output, 182,000 jobs, and $6.8 billion in labor income. For every job in the hospitality industry clusters, another 0.53 jobs is created elsewhere in the economy.
- A second economic impact analysis of traveler spending comes from Dean Runyan Associates. Overall travel-related spending totals $7 billion in the greater Sacramento region. Travel activity supports over 67,000 jobs in the region, with earnings totaling nearly $2.3 billion. Travel generates $230 million in local taxes and $353 million in state taxes.

- The hospitality and tourism cluster, and the local hospitality establishments cluster have more than 118,000 jobs in the seven-county greater Sacramento region. The local hospitality establishments cluster currently employs 98,000 workers in the region, more than four times the amount in the traded hospitality and tourism cluster, which has 20,500 jobs. Together, the two hospitality clusters represent 10% of the region's total jobs.
- Between 2007 and 2017, combined cluster employment increased by a robust 17%. Employment contracted just 2.5% during the recession, but quickly rebounded. Some industries continued growth during the recession.
- Average earnings in the traded hospitality and tourism cluster are $39,500, nearly double the earnings in the local hospitality establishments cluster $22,500. These earnings are much lower than the average earnings across all industries in the Sacramento region, $68,670.
- The cluster industries present a generally disappointing picture for the majority of the workers in low-skill occupations. Just one-third of below-middle-skill workers in the traded hospitality and tourism cluster earn more than the living wage of $12.32/hour for one adult in the region. In the local hospitality cluster, 46% of workers earn more than $12.32/hour. Few jobs in either cluster pay more than $26.48/hour, the living wage for a two-person household.
- The vast majority of the jobs in the clusters are low skill. Skill-level analysis shows that in the local hospitality establishments almost nine out of 10 jobs require a high school diploma or less with little or no experience. The traded hospitality and tourism cluster has only slightly higher education rates. Just one out of four jobs requires some postsecondary education or a degree. The remaining 75% require little or no education and training.
- Restaurants, fast food, bars, and food service (hospitality establishments) accounted for nearly three quarters of all hospitality cluster jobs in the region, about 85,500 jobs. Industry trends show that growth is strongest in fast food, including snack and nonalcoholic beverage bars; limited-service restaurants; cafeterias, grill buffets, and buffets.
- Industries in the hospitality establishments subcluster are comprised of predominantly low-skill, low-wage labor. Only 7% of the jobs in the related industries require any education or training beyond high school. Annual earnings are just over $22,000, and most occupational wages are on par with the minimum wage, or just above the minimum wage. Interviewees indicate no uniform availability of health benefits for workers in restaurants and fast food industries.
- Despite major new luxury hotels and other hotels in development in downtown Sacramento and surrounding areas, the industry data suggests that job growth rates in hotels and motels has been modest compared to other types of boutique and camping accommodations. At $34,000, overall annual earnings in these industries is better than in restaurants and food service, but still well below the regional average. There are a few management opportunities in larger hotels for a minority of workers. Some rank-and-file positions in luxury hotels are good jobs that pay high wages. Overall, low-wage, low-skill jobs predominate in these industries.
- Despite challenges with data availability, the analysis shows high growth rates and employment concentrations for gambling facilities. Casinos and casino-hotels are major job engines in the region. Establishment data shows that existing tribal casinos and hotels employ thousands of workers. Projects in development anticipate hiring hundreds more hotel and gaming workers. Industry data displays annual earnings in casinos that are among the highest in the study, $45,500. Other gambling facilities, however, shows markedly lower earnings, just $25,500. Occupational data shows dismal wages for the majority of casino and gaming workers, but may not reflect wages offered by casino-hotels. Reports suggest some facilities have agreements with the restaurant and hotel union, Unite Here, Local 49.

- The region has invested in the arts, cultural entertainment, and other civic institutions. Employment has grown in the subcluster encompassing the convention center, museums, zoos, parks, and botanical gardens. Art dealer employment has declined. The region adopted a Creative Edge plan in an effort to overcome investment and public arts challenges.
- The region has strong employment indicators in skiing facilities, fitness and recreational sports centers, sports and recreation instruction, and golf courses and country clubs. The region has a special concentration of employment in skiing facilities, more than 2.5 times the national concentration. Ski resorts added 1,150 jobs between 2007 and 2017, an increase of 65%.
- Other sports and fitness industries have higher-than-average concentrations of employment. Annual earnings are low in most of these industries, between $18,000 and $22,000. Golf courses and recreational goods have higher earnings, though employment in these subclusters is small.
- Even though the Golden1 Center is responsible for significant economic impacts and business creation in Sacramento's urban core, staffing patterns suggest the arena itself is not responsible for many high-wage, high-skill jobs.
- Tourism services, like reservation services and travel agencies, have fallen prey to automation. The associated industries have consistently recorded job losses.
- Workforce shortages were reported for many different types of positions, at all levels of the organizational chart for hotels and restaurants. There are scant opportunities for middle-skill occupational employment, but some bright spots emerge: maintenance and repair; chefs and head cooks; fitness trainers, and other kinds of instruction in fitness and sports facilities; and some back office and administrative occupations, like bookkeeping and accounting. Some management occupations also present opportunities, but many of these positions could require a bachelor's degree, according to the occupational data.
- Nearly every community college in the region provides a program pertaining to culinary arts and restaurants. Two private colleges closed in recent years, extending a leadership opportunity to the community colleges. Programs in dietetics, restaurant management, and culinary arts from six regional community colleges produce about 140 awards annually.
- With about 300 awards annually, fitness and kinesiology programs from the community colleges, private colleges, and Sac State well supply the region's recreation and fitness industries.
- Sac State is the major provider of parks and recreation management program graduates in the region. The university produces more than 300 degrees a year from the program. The hospitality management program is a new addition to the department.

Recommendations for workforce development

Workforce recommendations emphasize building governance and engagement capacity and establishing high-road employment pathways.

Build governance capacity for schools and employers to co-create strategic workforce priorities

Systematic and regular partnership engagement between industry, workforce agencies, unions, and community colleges and universities is a critical need for the region. The interviews reveal poor awareness and few connection points between employers, postsecondary institutions, and other workforce intermediaries. Industry associations, employers, community colleges, and universities should boost engagement capacity and governance systems for consistent, meaningful engagement.

Map high-road employment targets and the skills and education needed for the workforce

Before considering investing in new programs, employer-school partnerships should work to verify and promote high-road employment targets for existing programs in culinary and restaurant management, kinesiology and fitness, and recreation and hospitality management. Other positions served by general business, management, or other programs in industrial arts should be included in this school-to-career "pathway mapping."

Maximize capacity in existing programs prior to starting new programs, increase work-based learning

Maximizing capacity in existing programs means ensuring enrollments are full, award numbers are increased, and placements in high-road employment opportunities are common. It also means increasing the frequency of work-based learning and career awareness. The research findings suggest on-the-job experience is often more valuable than formal education, and that media portrayals of the work does not reveal the difficulty of the work.

School-industry partnerships can identify key employer training and technical assistance needs that colleges can fulfill

Additional research and engagement can inventory internal training for rank-and-file and management-track employees, and identify short-term training and educational targets that may be fulfilled by existing curriculum resources at local colleges and universities. Contract education efforts may support incumbent worker training, or short-term professional programs that colleges may be able to provide.

Identify and adopt model, progressive hiring and promotional practices

Interviewees regarded several leading Sacramento restaurants as having progressive promotional practices, serving as model workforce and business incubators. Reports indicated these employers enjoyed reduced turnover and supported employees rising through the ranks. Some employees from these restaurants went on to manage other restaurants or to start restaurants. Model employment practices should be codified and promoted by regional industry leaders. Schools should be made aware of these model employers, who could serve as key partners for job placement, work-based learning providers, and program advisors.

Tribal casinos and hotels merit special attention from regional workforce development organizations and additional research

Tribal casinos and hotels employ thousands of workers in the region. The Hard Rock Casino and Hotel in Yuba County, and the planned Wilton Rancheria in Elk Grove are expected to hire thousands of permanent workers. Interviewees provided no information to suggest that there is a coordinated regional workforce development strategy or engagement effort in place to meet projected demand. Additional research and engagement are needed to evaluate job quality at these facilities.

Additional research should explore the value of expanding union presence in regional hotels and restaurants

A minority of hotels and hotel restaurants are covered under agreements with Unite Here, Local 49. The research did not analyze the effect of union contracts on wages and benefits. Additional research should explore the economic cost-benefit and advantages for workers given union expansion in the region in the context of concerns around job quality, and the relatively small presence of the union in the region.

Focus regional workforce planning and pathway mapping on Sac State's Hospitality and Tourism Management program

Sacramento State's Hospitality and Tourism Management program should serve as a focal point for pathway development and transfer-model curriculum. Some management positions, especially at larger hotels, may prefer or require candidates to possess a bachelor's degree. Students in community college programs should have the option of continuing their education and training at Sac State having earned relevant credits that count toward the bachelor's degree while in culinary, restaurant, or hospitality programs at the community colleges.

Partnerships with schools should plan for transitioning rank-and-file employees into better-paying industries and occupations outside hospitality industries

Job quality poses a major concern for the industries analyzed in the study. Most workers are not required to complete a postsecondary education and do not earn a living wage. Industry partners should work with workforce development representatives to investigate models for creating pathways into other fields that can reduce hiring costs and lower turnover rates. Pooling resources for program management and tuition costs may offer part of a strategy. Additional research should explore national program models for large and small businesses to support staff.

Recommendations for economic development

Economic development recommendations center on scaling local marketing efforts and best business practices to a broader regional scale to realize scaled and shared benefits.

Regional industry and policy leaders should explore mechanisms to overcome jurisdictional complexity and funding mismatch among destination marketing organizations (DMOs)

Destination marketing organizations derive their existence from local revenue sources. Many rural DMOs are lightly staffed and have limited capacity to connect to regional initiatives that will benefit local stakeholders. DMOs may benefit from exploring shared resource models at a regional scale that expand capacity with pooled resources for co-marketing and partner engagement across jurisdictional boundaries.

Local officials should streamline permitting and other licensing requirements for farms seeking to expand operation scope

Local rural jurisdictions should explore special zoning tools to enable farms and other small businesses to expand operations, reducing turnaround and fees. UC Davis' Small Farm Program has researched practices around agritourism districts and local tourism benefits.

Workforce and economic development partners should work with industry leaders to identify key business services for small businesses in line with key market driver initiatives

Many small businesses in agritourism, restaurants, and hospitality may benefit from targeted business services that can address specific challenges, like boosting marketing capacity and recruiting staff. Accessing shared marketing efforts around farm-to-fork efforts, for example, or engagement through high-visibility events will benefit small businesses, and bring them into the fold of key regional initiatives.

Civic leadership organizations and industry partners should continue efforts to identify and scale local sourcing practices

Valley Vision and other partners should continue important industry engagement efforts like Farm-to-Fork Live which share best practices for local sourcing for large-scale food service operations and restaurants. Sharing methods, such as menu creation strategies, and building supplier relationships may help build capacity to mitigate cost increases and improve efficiencies.

A wider regional mini-cluster initiative for recreation, sports, adventure sports, and fitness may realize untapped economic development potential

With Lake Tahoe emphasizing recreation, adventure sports, and sporting events, and broader regional employment concentrations in recreation and fitness industries, a regional focus on connecting industry partners engaged in athletics, the outdoors, and recreation may benefit the greater Sacramento businesses in these areas with shared marketing efforts, consumer awareness, and shared supplier networks.

Expand and align regional arts and entertainment engagement and marketing efforts

A number of local jurisdictions in the greater Sacramento region have arts initiatives, but regional-scale engagement and promotion appears weak. Traveler data indicates arts and culture is a substantial catalyst spurring visitor traffic. Connecting marketing and engagement efforts at a regional scale can support local initiatives.

APPENDIX A: VISIT CALIFORNIA'S TRAVEL REGIONS AND DMOS

Visit California, the state's tourism marketing agency, groups counties by designated travel region to measure travel in the state.

Exhibit A1: Counties comprising each of the three travel regions analyzed in this report

Gold Country	Central Valley	High Sierra
• El Dorado County* • Placer County* • Nevada County* • Sacramento County* • Sierra County • Tuolumne County • Amador County • Calaveras County	• Yolo County* • Yuba County* • Sutter County* • Butte County • Colusa County • Glenn County • Fresno County • Kern County • Kings County • Madera County • Merced County • San Joaquin County • Stanislaus County • Tulare County	• El Dorado County* • Placer County* • Alpine County • Inyo County • Madera County • Mariposa County • Mono County

*denotes overlap with the greater Sacramento region.
Note: Placer County and El Dorado County are counted in both the High Sierra and the Gold County travel regions.

Exhibit A2: Destination marketing organizations (DMOs) in each travel region

Gold Country	Central Valley	High Sierra
1. Calaveras Visitors Bureau 2. El Dorado County Chamber of Commerce* 3. Gold Country Tourism Association/ Folsom Tourism Bureau* 4. Placer Valley Tourism* 5. Visit Rancho Cordova* 6. Visit Sacramento* 7. Visit Tuolumne County	1. Fresno/Clovis Convention & Visitors Bureau 2. Modesto Chamber of Commerce 3. Visit Bakersfield 4. Visit Fairfield 5. Visit Lodi 6. Visit Stockton 7. Visit Visalia 8. Visit Vacaville 9. Visit Yolo 10. Yuba-Sutter Chamber of Commerce	1. Bishop Area Chamber of Commerce & Visitors Bureau 2. Mammoth Lakes Tourism 3. Mono County Tourism & Film Commission 4. North Lake Tahoe 5. South Lake Tahoe 6. Visit Truckee 7. Visit Yosemite Madera County 8. Yosemite Mariposa County Tourism Bureau 9. Yosemite National Park – Aramark

*denotes location in the greater Sacramento region.

APPENDIX B: TOP VISITOR ACTIVITIES[1]

Exhibit B1: Breakdown of the top trip activities in the OmniTrak data

Art and Culture	Art galleries, Historic sites/churches, Museums, Musical theatre, Native American ruins/rock art, Local/folk arts/crafts, Old homes/mansions, Theatre/drama, Symphony/opera/concert, Musical performance/show
Adventure Sports	Hang glide/skydive/base jump, Hike/backpack/Canyoneer, Mountain bike, Rock/mountain climb, Scuba dive/snorkel, Ski/snowboard, Water ski, Whitewater raft/kayak/canoe/paddleboard
Sports and Recreation	ATV/four-wheel, Bike/road bike/cycle, Fish, Golf, Horserace, Horseback ride, Hunt, Motor sports-NASCAR/Indy, Motor boat/jet ski, Sail, Snowmobile, Snow sports other than ski/snowmobile, Sports events (major/pro, youth/amateur/collegiate/other – spectator or participant)
Nature/Outdoor Activities	Beach, Bird watch, Camp, Caverns, Nature travel/eco-touring, Wildlife view, Zoos/aquariums/aviaries, Farms/ranches/agri-tours, Other nature (photography, rockhound, etc.)
Entertainment/Amusement	Casino/gaming, Fine dining, Nightclubs/dancing, Rodeo/state fair, Shop, Spa/health club, Special events/Festival (e.g., Mardi Gras, hot air balloon races), Theme/amusement/water park, Wine taste/winery tour, Craft breweries, Distilleries
Family Activities/Reunion	Family reunion, High school/college reunion, Visit friends, Visit relatives
Sightseeing	Rural sightseeing, Urban sightseeing, Area where a TV or movie was filmed
Parks and Gardens	Gardens, State park/monument/recreation area, National park/monument/recreation area

[1] Visit California. OmniTrak Group, Inc.

APPENDIX C: SACRAMENTO COUNTY KEY LODGING MARKET INDICATORS

Exhibit C1: The number of properties and rooms in each travel region, and percentage of California's total number of properties and rooms[2]

Travel Region	Properties	Rooms
United States	54,511	5,222,064
California	5,659	525,659
Gold Country	232	20,776
Gold Country % of CA Total	**4.1%**	**4.0%**
Sacramento County	101	11,758
Sac. County % of Gold Country	43.5%	56.6%
Sac. County % of CA Total	**1.8%**	**2.2%**
Central Valley	539	38,999
Central Valley % of CA Total	**9.5%**	**7.4%**
High Sierra	224	14,425
High Sierra % of CA Total	**4.0%**	**2.7%**

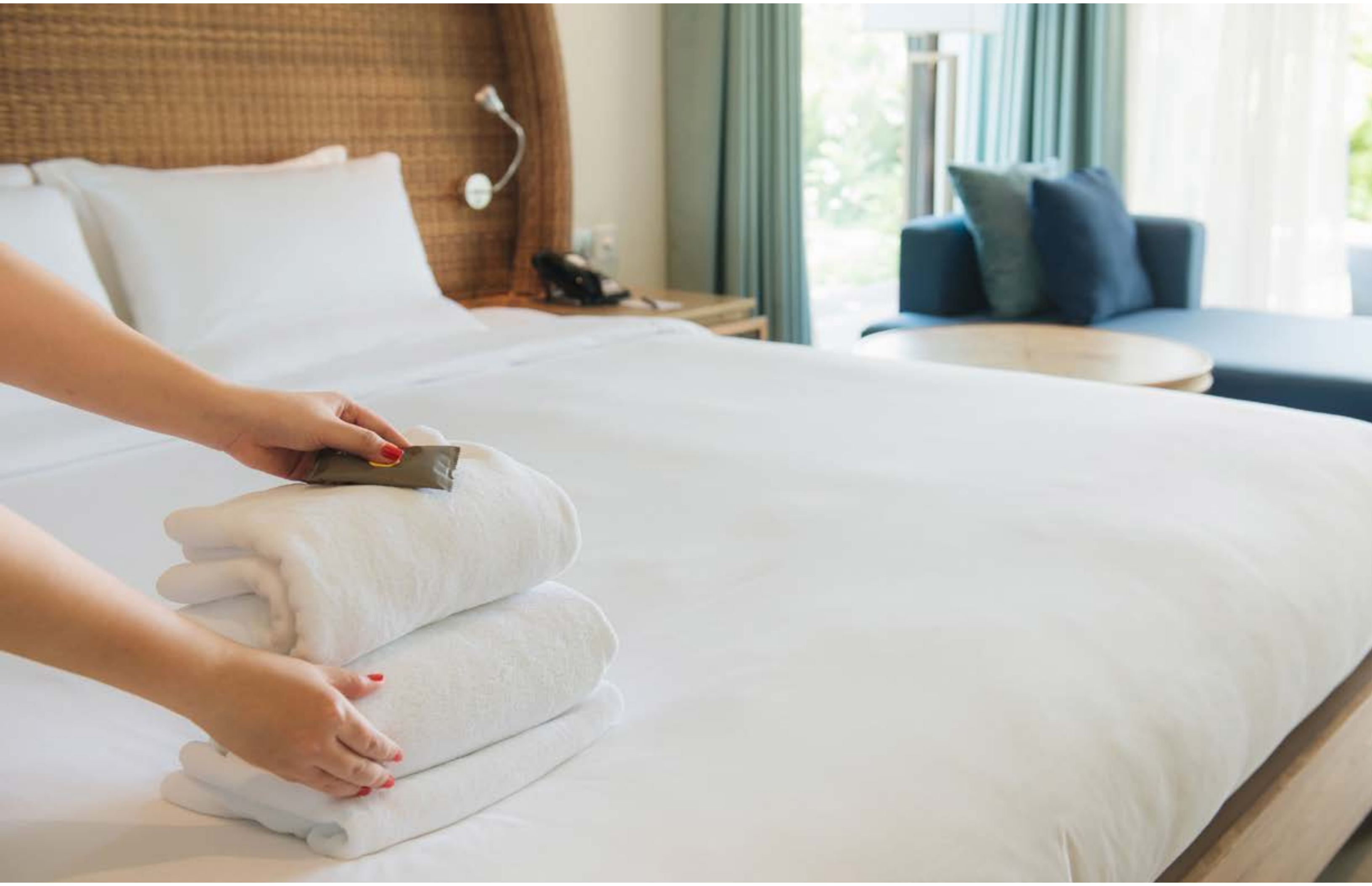
Exhibit C2: Occupancy, Average Daily Room Rate (ADR), and Revenue per Available Room (RevPAR), percent change, 2017-2018

STR Data December 2018 vs December 2017						
	Occ %		ADR		RevPAR	
	2018	2017	2018	2017	2018	2017
United States	66.2	65.9	129.83	126.77	85.96	83.53
Pacific	73.8	73.8	168.55	162.89	124.45	120.25
California	75.4	75.2	168.04	162.15	126.72	121.9
Gold Country	75.2	75.2	119.23	114.19	89.66	85.91
Central Valley	67.6	66.8	93.7	90.04	63.38	60.15
High Sierra	62.5	63.1	151.06	151.35	94.48	95.46
Sacramento Cal Expo Zone	N/A	74.6	N/A	113.38	N/A	84.58
Sacramento Downtown	N/A	75.5	N/A	139.41	N/A	105.29
Sacramento Natomas	N/A	81.7	N/A	123.49	N/A	100.95
Sacramento South, East	N/A	77.2	N/A	93.77	N/A	72.44

[2] Smith Travel Research (STR), Visit California, industry.visitcalifornia.com.

Exhibit C3: Percent change in occupancy, Average Daily Room Rate (ADR), Revenue per Available Room (RevPAR), room revenue, room availability, and rooms sold, 2017-2018

STR Data December 2018 vs December 2017						
	Percent Change from YTD 2017					
	Occ	ADR	RevPAR	Room Rev	Room Avail	Room Sold
United States	0.5	2.4	2.9	5	2	2.5
Pacific	0	3.5	3.5	5.3	1.8	1.8
California	0.3	3.6	4	5.7	1.7	2
Gold Country	0	4.4	4.4	6.9	2.4	2.3
Central Valley	1.3	4.1	5.4	5.9	0.5	1.8
High Sierra	(0.8)	(0.2)	(1)	(1.3)	(0.3)	(1.1)
Sacramento Cal Expo Zone	N/A	N/A	N/A	N/A	N/A	N/A
Sacramento Downtown	N/A	N/A	N/A	N/A	N/A	N/A
Sacramento Natomas	N/A	N/A	N/A	N/A	N/A	N/A
Sacramento South, East	N/A	N/A	N/A	N/A	N/A	N/A



APPENDIX D: DETAILED ECONOMIC IMPACTS IN THE SACRAMENTO REGION

Applied Development Economics (ADE) performed the cluster analysis for this report using IMPLAN and the cluster employment data. When accounting for all the direct and multiplier effects, the hospitality clusters contribute about $17.7 billion in industry output, 181,900 jobs, and $6.8 billion in labor income (inclusive of both employee compensation and proprietor income) to the greater Sacramento regional economy. Exhibit D1 presents details of the regional cluster impacts for each subcluster, and the combined clusters.

Exhibit D1: Economic Impacts for Hospitality Clusters by Subcluster, 2017[3]

Subcluster	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
Accommodations and Related Services	9,976.4	2,754.7	5,408.8	18,139.9
Amusement Parks and Arcades	350.7	39.8	104.7	495.3
Cultural and Educational Entertainment	737.3	201.5	391.4	1,330.3
Gambling Facilities	1,089.4	559.2	704.5	2,353.2
Other Tourism Attractions	5,912.5	907.4	2,167.3	8,987.3
Spectator Sports	1,471.0	262.9	1,205.6	2,939.5
Tourism Related Services	1,016.4	579.2	803.8	2,399.4
Hospitality and Tourism Cluster Total	**20,553.9**	**5,304.7**	**10,786.2**	**36,644.8**
Gifts and Souvenirs Retailing	1,254.5	223.9	798.9	2,277.3
Hospitality Establishments	85,434.1	10,212.6	32,002.2	127,649.0
Recreational Facilities and Instruction	10,989.3	1,324.6	2,972.5	15,286.4
Local Hospitality Establishments Total	**97,677.9**	**11,761.2**	**35,773.7**	**145,212.8**
Combined Cluster Total	**118,231.8**	**17,065.9**	**46,559.9**	**181,857.5**
Subcluster	**Direct Output**	**Indirect Output**	**Induced Output**	**Total Output**
Accommodations and Related Services	$1,007,584,071	$397,447,598	$767,579,675	$2,172,611,344
Amusement Parks and Arcades	$17,264,625	$6,344,195	$14,837,742	$38,446,562
Cultural and Educational Entertainment	$58,460,336	$32,595,823	$54,936,203	$145,992,363
Gambling Facilities	$173,639,223	$86,888,375	$99,998,925	$360,526,524
Other Tourism Attractions	$376,432,305	$144,121,450	$309,052,718	$829,606,473
Spectator Sports	$173,352,494	$33,083,742	$172,277,489	$378,713,725
Tourism Related Services	$148,147,126	$84,564,957	$114,366,450	$347,078,533
Hospitality and Tourism Cluster Total	**$1,954,880,180**	**$785,046,140**	**$1,533,049,203**	**$4,272,975,523**
Gifts and Souvenirs Retailing	$100,754,702	$36,285,783	$111,595,689	$248,636,175
Hospitality Establishments	$5,718,985,451	$1,747,841,940	$4,543,900,529	$12,010,727,921
Recreational Facilities and Instruction	$514,026,914	$217,547,712	$424,238,508	$1,155,813,133
Local Hospitality Establishments Total	**$6,333,767,067**	**$2,001,675,435**	**$5,079,734,726**	**$13,415,177,228**
Combined Cluster Total	**$8,288,647,247**	**$2,786,721,575**	**$6,612,783,929**	**$17,688,152,751**

continued

[3] EMSI employment and 2016 IMPLAN coefficients

Exhibit D1: Economic Impacts for Hospitality Clusters by Subcluster, 2017 (continued)

Subcluster	Direct Labor Income	Indirect Labor Income	Induced Labor Income	Total Labor Income
Accommodations and Related Services	$322,120,137	$148,084,042	$311,089,097	$781,293,276
Amusement Parks and Arcades	$5,844,036	$2,178,669	$6,203,154	$14,225,859
Cultural and Educational Entertainment	$24,802,571	$9,821,817	$22,076,569	$56,700,957
Gambling Facilities	$34,186,535	$27,259,344	$40,478,924	$101,924,803
Other Tourism Attractions	$165,566,723	$44,589,645	$121,408,051	$331,564,419
Spectator Sports	$107,633,272	$14,106,028	$66,923,072	$188,662,371
Tourism Related Services	$48,283,797	$30,649,110	$44,796,111	$123,729,018
Hospitality and Tourism Cluster Total	**$708,437,070**	**$276,688,655**	**$612,974,978**	**$1,598,100,703**
Gifts and Souvenirs Retailing	$38,428,088	$12,639,868	$48,321,737	$99,389,693
Hospitality Establishments	$2,274,045,382	$559,109,584	$1,833,165,867	$4,666,320,833
Recreational Facilities and Instruction	$225,294,439	$64,649,429	$166,389,552	$456,333,420
Local Hospitality Establishments Total	**$2,537,767,909**	**$636,398,881**	**$2,047,877,156**	**$5,222,043,946**
Combined Cluster Total	**$3,246,204,979**	**$913,087,536**	**$2,660,852,133**	**$6,820,144,649**

APPENDIX E: DETAILED TRAVELER IMPACTS IN THE SACRAMENTO REGION

Dean Runyan Associates provided a summary of the traveler impact analysis that the firm conducts for Visit California. Overall, regional travel-related spending yields $7 billion for the regional economy. Travel activity supports over 67,000 jobs in the region, whose earnings totals nearly $2.3 billion. Travel generates $230 million in local taxes and $353 million in state taxes. Sacramento County accounts for the largest share of spending, employment, earnings, and taxes by a wide margin, more than double the totals for the next ranked regional county, Placer County. Sutter County and Yuba County have the lowest share of travel-related impacts.

Exhibit E1: Direct travel impacts in the seven-county greater Sacramento region, by county, 2017

	7-county Total	Sacra-mento	Placer	El Dorado	Yolo	Nevada	Sutter	Yuba
Travel Related Spending (millions)	**$7,002.1**	$3,870.0	$1,297.0	$910.0	$385.9	$358.8	$96.4	$84.0
Travel Supported Employment (jobs)	**67,370**	31,080	13,730	11,710	4,820	3,670	1,380	980
Travel Employment Earnings (millions)	**$2,256.5**	$1,113.1	$424.3	$407.2	$121.0	$139.0	$29.4	$22.5
Travel Generated Local Taxes (millions)	**$229.9**	$120.1	$40.6	$41.0	$12.0	$12.5	$2.2	$1.5
Travel Generated State Taxes (millions)	**$353.1**	$159.0	$96.1	$39.1	$19.4	$28.8	$5.7	$5.0

Exhibit E2: County proportions of direct travel impacts in the seven-county greater Sacramento region, by county, 2017

	7-county Total	Sacra-mento	Placer	El Dorado	Yolo	Nevada	Sutter	Yuba
Travel Related Spending (million)	**100.0%**	55.3%	18.5%	13.0%	5.5%	5.1%	1.4%	1.2%
Travel Supported Employment (jobs)	**100.0%**	46.1%	20.4%	17.4%	7.2%	5.4%	2.0%	1.5%
Travel Employment Earnings (millions)	**100.0%**	49.3%	18.8%	18.0%	5.4%	6.2%	1.3%	1.0%
Travel Generated Local Taxes (millions)	**100.0%**	52.2%	17.7%	17.8%	5.2%	5.4%	1.0%	0.7%
Travel Generated State Taxes (millions)	**100.0%**	45.0%	27.2%	11.1%	5.5%	8.2%	1.6%	1.4%

APPENDIX F: INDUSTRY DETAILS FOR HOSPITALITY AND TOURISM CLUSTER (SACRAMENTO REGION)[4]

Exhibit F1: Employment, occupational growth projections, earnings and location quotients for the industries in the hospitality and tourism cluster

NAICS	Description	Subcluster	2007 Jobs	2017 Jobs	2022 Jobs	2007-2017 %Change	2017-2022 %Change	2017 Total Earnings	2017 Location Quotient
721110	Hotels (except Casino Hotels) and Motels	Accomm. Rel. Serv.	8,799	9,270	9,538	5%	3%	$33,678	0.78
721211	RV Parks and Campgrounds	Accomm. Rel. Serv.	203	300	334	48%	11%	$26,944	1.28
561591	Convention and Visitors Bureaus	Accomm. Rel. Serv.	75	179	195	138%	9%	$72,675	2.38
721191	Bed-and-Breakfast Inns	Accomm. Rel. Serv.	106	127	154	20%	21%	$22,338	0.98
721199	All Other Traveler Accommodation	Accomm. Rel. Serv.	126	63	65	(50%)	2%	$42,790	0.53
721310	Room & Board. Hous., Dorms & Work Camps	Accomm. Rel. Serv.	86	38	32	(56%)	(16%)	$31,771	0.32
721120	Casino Hotels	Accomm. Rel. Serv.	18	-	-	N/A	N/A	N/A	N/A
713110	Amusement and Theme Parks	Amuse. Parks & Arcade.	132	195	230	47%	18%	$16,019	0.14
713120	Amusement Arcades	Amuse. Parks & Arcade.	97	156	200	60%	28%	$21,719	0.74
712110	Museums	Cult. & Edu. Entert.	243	328	394	35%	20%	$37,354	0.45
453920	Art Dealers	Cult. & Edu. Entert.	331	171	152	(48%	(11%)	$34,054	0.96
712130	Zoos and Botanical Gardens	Cult. & Edu. Entert.	48	121	145	151%	20%	$33,227	0.39
712190	Nature Parks and Other Similar Institutions	Cult. & Edu. Entert.	72	118	141	65%	20%	$34,970	1.41
713290	Other Gambling Industries	Gambling Facilities	430	586	651	36%	11%	$25,143	1.63
713210	Casinos (except Casino Hotels)	Gambling Facilities	293	503	541	72%	7%	$45,507	0.84
713920	Skiing Facilities	Other Tour. Attr.	1,772	2,923	3,205	65%	10%	$32,766	9.77
713990	All Other Amuse. & Recreation Industries	Other Tour. Attr.	1,336	2,441	2,978	83%	22%	$23,838	1.50
721214	Rec& Vacation Camps (exc.Campgrounds)	Other Tour. Attr.	162	281	338	74%	20%	$31,976	1.06
713930	Marinas	Other Tour. Attr.	354	252	228	(29%)	(10%)	$41,262	0.80
114210	Hunting and Trapping	Other Tour. Attr.	13	15	17	17%	12%	$38,085	0.45
711211	Sports Teams and Clubs	Spec. Sports	801	968	978	21%	1%	$180,853	1.33
711219	Other Spectator Sports	Spec. Sports	638	417	414	(35%)	(1%)	$23,574	1.04
711212	Racetracks	Spec. Sports	56	86	91	54%	6%	$15,494	0.31
561510	Travel Agencies	Tourism Rel. Serv.	702	524	503	(25%)	(4%)	$44,102	0.64
532284	Recreational Goods Rental	Tourism Rel. Serv.	295	290	293	(2%)	1%	$36,975	2.57
561520	Tour Operators	Tourism Rel. Serv.	76	99	98	30%	(1%)	$32,023	0.43
561599	All Other Travel Arrang. & Reservation Servs.	Tourism Rel. Serv.	309	55	37	(82%)	(32%)	$40,650	0.08
487210	Scenic & Sightseeing Transportation, Water	Tourism Rel. Serv.	48	49	43	3%	(12%)	$40,992	0.36

[4] Emsi, 2018.3

APPENDIX G: INDUSTRY DETAILS FOR LOCAL HOSPITALITY ESTABLISHMENTS CLUSTER (SACRAMENTO REGION)

Exhibit G1: Employment, occupational growth projections, earnings and location quotients for the industries in the local hospitality establishments cluster

NAICS	Description	Subcluster	2007 Jobs	2017 Jobs	2022 Jobs	2007-2017 %Change	2017-2022 %Change	2017 Total Earnings	2017 Location Quotient
453220	Gift, Novelty, and Souvenir Stores	Gifts & Souvenirs Retail.	1,315	1,254	1,225	(5%)	(2%)	$22,673	1.03
722511	Full-Service Restaurants	Hospitality Establishments	33,622	37,494	40,190	12%	7%	$25,582	0.94
722513	Limited-Service Restaurants	Hospitality Establishments	26,783	33,636	37,242	26%	11%	$19,229	1.05
722515	Snack & Nonalcoholic Bev. Bars	Hospitality Establishments	6,476	7,969	9,268	23%	16%	$20,360	1.57
722310	Food Service Contractors	Hospitality Establishments	1,892	2,335	2,861	23%	23%	$29,630	0.59
722410	Drinking Places (Alcoholic Bev.)	Hospitality Establishments	1,442	1,877	1,960	30%	4%	$19,612	0.64
722320	Caterers	Hospitality Establishments	1,629	1,247	1,297	(23%)	4%	$24,132	0.77
722514	Cafeterias, Grill Buffets, & Buffets	Hospitality Establishments	454	875	883	93%	1%	$23,014	1.01
713940	Fitness & Recreational Sports Centers	Recreat. Facil. &Instruction	6,015	6,410	6,529	7%	2%	$18,314	1.32
713910	Golf Courses and Country Clubs	Recreat. Facil. &Instruction	1,802	2,459	2,654	36%	8%	$31,912	0.89
611620	Sports and Recreation Instruction	Recreat. Facil. &Instruction	1,441	1,668	1,856	16%	11%	$20,802	1.21
713950	Bowling Centers	Recreat. Facil. &Instruction	498	452	469	(9%)	4%	$25,008	0.89

APPENDIX H: TOP 10 EMPLOYERS FOR EACH SUBCLUSTER[5]

Exhibit H1: Top 10 employers, accommodations and related services

Registered Company Name	Tradestyle Name	City	County	Sales Amount	Site # Employee	NAICS	Description
Hyatt Corporation	-	Truckee	Nevada	N/A	316	721199	All Other Traveler Accommodation
Cache Creek Casino Resort	-	Brooks	Yolo	$111,680,418	2,000	721120	Casino Hotels
United Auburn Indian Community	Thunder Valley Casino	Lincoln	Placer	N/A	1,963	721120	Casino Hotels
Capitol Regency LLC	Hyatt Regency Sacramento	Sacramento	Sacramento	$25,215,828	360	721110	Hotels (exc.Casino Hotels) & Motels
Gringteam Inc	Doubletree Hotel	Sacramento	Sacramento	N/A	350	721110	Hotels (exc.Casino Hotels) & Motels
The Sheraton Corporation	Sheraton Grand Sacramento Ht	Sacramento	Sacramento	N/A	328	721110	Hotels (exc.Casino Hotels) & Motels
Marriott Grand Residence	Marriott	South Lake Tahoe	El Dorado	$6,980,083	320	721110	Hotels (exc.Casino Hotels) & Motels
Wmk Sacramento LLC	Doubltree By Hlton Scrmento Ht	Sacramento	Sacramento	$17,000,000	250	721110	Hotels (exc.Casino Hotels) & Motels
Easun Inc	-	Sacramento	Sacramento	$20,000,000	250	721110	Hotels (exc.Casino Hotels) & Motels
Park Hotels & Resorts Inc.	Hilton	South Lake Tahoe	El Dorado	N/A	250	721110	Hotels (exc.Casino Hotels) & Motels

Exhibit H2: Top 10 employers, amusement parks and arcades

Registered Company Name	Tradestyle Name	City	County	Sales Amount	Site # Employee	NAICS	Description
Six Flags Entertainment Corp	Waterworld USA	Sacramento	Sacramento	N/A	300	713110	Amusement & Theme Parks
County of Sacramento	Department of Regional Parks	Sacramento	Sacramento	N/A	82	713110	Amusement & Theme Parks
Funderland Inc	-	Sacramento	Sacramento	$1,195,255	35	713110	Amusement & Theme Parks
Fairytale Town Inc	-	Sacramento	Sacramento	$1,606,026	25	713110	Amusement & Theme Parks
The Bounce Spot LLC	-	West Sacramento	Yolo	$300,000	16	713110	Amusement & Theme Parks
Laser Craze	-	Rocklin	Placer	$254,034	8	713110	Amusement & Theme Parks
Ltc Lasertag	-	Carmichael	Sacramento	$297,489	7	713110	Amusement & Theme Parks
49er Family Fun Park Inc	-	Grass Valley	Nevada	$520,000	25	713120	Amusement Arcades
Shawnanigans Arcade Vending Ex	-	Sacramento	Sacramento	$459,950	10	713120	Amusement Arcades
Bayside Amusement Corp	-	Sacramento	Sacramento	$332,457	7	713120	Amusement Arcades

[5] Econovue, Dun & Bradstreet

Exhibit H3: Top 10 employers, cultural and educational entertainment

Registered Company Name	Tradestyle Name	City	County	Sales Amount	Site # Employee	NAICS	Description
California Department of Parks	-	Sacramento	Sacramento	N/A	41	712110	Museums
California State Railroad Muse	-	Sacramento	Sacramento	$2,838,199	33	712110	Museums
State Museum	-	Sacramento	Sacramento	$260,359	30	712110	Museums
California Department of Corre	Departmental Archives Unit	Rancho Cordova	Sacramento	N/A	22	712110	Museums
El Dorado County Historical So	Talman Fountain Museum	Placerville	El Dorado	$348,587	20	712110	Museums
Powerhouse Science Center	DISCOVERY MUSEUM	Sacramento	Sacramento	$1,832,405	19	712110	Museums
American Visions Art Gallery	Kinkade Gallery	Folsom	Sacramento	$385,771	14	712110	Museums
California Automobile Museum	-	Sacramento	Sacramento	$745,685	13	712110	Museums
Auburn Old Town Gallery	Old Town Gallery of Fine Art	Auburn	Placer	$2,200,000	60	712190	Nature Parks and Other Similar Institutions
Sacramento Zoological Society	SACRAMENTO ZOO	Sacramento	Sacramento	$7,032,297	50	712130	Zoos and Botanical Gardens

Exhibit H4: Top 10 employers, gambling facilities

Registered Company Name	Tradestyle Name	City	County	Sales Amount	Site # Employee	NAICS	Description
Shingle Springs Tribal Gaming	Red Hawk Casino	Placerville	El Dorado	$64,029,207	1,200	713210	Casinos (exc. Casino Hotels)
Phong Sau Cung	Sino Marysville	Marysville	Yuba	$162,153	4	713210	Casinos (except Casino Hotels)
G-Factor Gaming LLC	-	Elk Grove	Sacramento	$171,929	3	713210	Casinos (except Casino Hotels)
Trollgazer Gaming	-	Fair Oaks	Sacramento	$37,030	2	713210	Casinos (except Casino Hotels)
California Custom Gaming Table	-	Roseville	Placer	$45,145	2	713210	Casinos (except Casino Hotels)
Igt Global Solutions Corporati	-	Sacramento	Sacramento	N/A	40	713290	Other Gambling Industries

Exhibit H5: Top 10 employers, other tourism attractions

Registered Company Name	Tradestyle Name	City	County	Sales Amount	Site # Employee	NAICS	Description
Cosumnes Community Services Di	-	Elk Grove	Sacramento	$60,000,000	387	713990	All Other Amuse. & Rec. Industries
Kings Casino Management Corp.	-	Citrus Heights	Sacramento	$8,400,000	350	713990	All Other Amuse. & Rec. Industries
Elk Grove Park District	-	Elk Grove	Sacramento	N/A	295	713990	All Other Amuse. & Rec. Industries
Capitol Casino	-	Sacramento	Sacramento	$4,175,631	150	713990	All Other Amuse. & Rec. Industries
Truckee Donner Recreation & Pa	-	Truckee	Nevada	$8,737,969	100	713990	All Other Amuse. & Rec. Industries
City of Folsom	Park and Recreation	Folsom	Sacramento	N/A	75	713990	All Other Amuse. & Rec. Industries
California Department of Fish	Sacramento Valley Region 2	Gold River	Sacramento	N/A	200	721214	Recreat. &Vacation Camps (exc. Campgrounds)
Royal Gorge Nordic Ski Resort	Royal Gorge Crss Cntry Ski Rst	Soda Springs	Nevada	$4,504,362	120	713920	Skiing Facilities
Boreal Ridge Corporation	Boreal Ski Area	Soda Springs	Nevada	$11,549,384	110	713920	Skiing Facilities
Squaw Valley Ski Corporation	Squaw Valley	Olympic Valley	Placer	$31,316,645	107	713920	Skiing Facilities

Exhibit H6: Top 10 employers, spectator sports

Registered Company Name	Tradestyle Name	City	County	Sales Amount	Site # Employee	NAICS	Description
Independent Officials Associat	Independent Officials Assn	Marysville	Yuba	$437,807	40	711219	Other Spectator Sports
Smith Racing Enterprises LLC	Sacramento Raceway Park	Sacramento	Sacramento	$1,433,902	35	711219	Other Spectator Sports
Desomer Stables, Inc.	-	Wilton	Sacramento	$409,305	12	711219	Other Spectator Sports
Pat Gould's Golf Shop	-	Marysville	Yuba	$219,014	11	711219	Other Spectator Sports
City of California	Amusement Ride Unit	Sacramento	Sacramento	$97,384	10	711219	Other Spectator Sports
Wsr Golf	-	Citrus Heights	Sacramento	$385,373	9	711219	Other Spectator Sports
River City Baseball Investment	-	West Sacramento	Yolo	$2,814,739	60	711211	Sports Teams and Clubs
Sacramento River Cats Baseball	Sacramento River Cats	West Sacramento	Yolo	$6,249,483	50	711211	Sports Teams and Clubs
Sacramento Republic Football C	Sacramento Republic Fc	Sacramento	Sacramento	$1,794,492	22	711211	Sports Teams and Clubs
Orangevale Youth Soccer	-	Orangevale	Sacramento	$68,279	10	711211	Sports Teams and Clubs

Exhibit H7: Top 10 employers, tourism related services

Registered Company Name	Tradestyle Name	City	County	Sales Amount	Site # Employee	NAICS	Description
United Airlines, Inc.	United	Sacramento	Sacramento	N/A	150	561599	All Other Travel Arrang. & Reserv. Servics.
Sugar Bowl Corporation	-	Norden	Nevada	$9,801,113	100	532284	Recreational Goods Rental
Dave's World, Inc.	DAVE'S SNOWBOARDS	Tahoe City	Placer	$6,078,002	40	532284	Recreational Goods Rental
Williams Sports Rentals Inc	Ski Run Boat Co	South Lake Tahoe	El Dorado	N/A	35	532284	Recreational Goods Rental
Sacramento Modular Railroaders	-	Woodland	Yolo	$388,609	42	487110	Scenic and Sightseeing Transportation, Land
Lake Tahoe Cruises	Miss Tahoe Charters & Tours	South Lake Tahoe	El Dorado	$4,518,667	45	487210	Scenic and Sightseeing Transportation, Water
Travelmasters, Inc.	Goldrush Getaways	Citrus Heights	Sacramento	$7,999,814	50	561510	Travel Agencies
Patterson Travel Agency	Patterson Travel	Sacramento	Sacramento	$5,008,964	43	561510	Travel Agencies
California Travel and Tourism	Visit California	Sacramento	Sacramento	$11,506,420	40	561510	Travel Agencies
USA Consolidated Travel Group	USA Student Travel	El Dorado Hills	El Dorado	$5,173,465	30	561510	Travel Agencies

Exhibit H8: Top 10 employers, gifts and souvenirs retailing

Registered Company Name	Tradestyle Name	City	County	Sales Amount	Site # Employee	NAICS	Description
Tuesday Morning Corporation	-	Sacramento	Sacramento	N/A	102	453220	Gift, Nov. & Souvenir Stores
Tuesday Morning Corporation	-	Folsom	Sacramento	N/A	102	453220	Gift, Nov. & Souvenir Stores
Evangeline	Evangeline	Sacramento	Sacramento	$2,740,176	35	453220	Gift, Nov. & Souvenir Stores
Hallmark Cards, Incorporated	-	Rancho Cordova	Sacramento	N/A	26	453220	Gift, Nov. & Souvenir Stores
Wishing Well Enterprises, Inc.	-	Sacramento	Sacramento	$4,922,743	26	453220	Gift, Nov. & Souvenir Stores
Party City	Party City	Roseville	Placer	N/A	22	453220	Gift, Nov. & Souvenir Stores
H L C Hallmark	-	Roseville	Placer	$526,631	17	453220	Gift, Nov. & Souvenir Stores
Kirkland's, Inc.	-	Elk Grove	Sacramento	N/A	17	453220	Gift, Nov. & Souvenir Stores
Serendipity Boutique	-	Woodland	Yolo	$761,362	17	453220	Gift, Nov. & Souvenir Stores
Party City Corporation	-	Sacramento	Sacramento	N/A	14	453220	Gift, Nov. & Souvenir Stores

Exhibit H9: Top 10 employers, hospitality establishments

Registered Company Name	Tradestyle Name	City	County	Sales Amount	Site # Employee	NAICS	Description
Sodexo, Inc.	-	Davis	Yolo	N/A	300	722310	Food Service Contractors
Dave & Buster's Entertainment,	Dave & Busters	Roseville	Placer	N/A	330	722511	Full-Service Restaurants
Grove Elk Unified School Distr	Food Processing Center	Sacramento	Sacramento	N/A	300	722511	Full-Service Restaurants
Colmax LLC	Dos Coyetes Border Cafe	Davis	Yolo	$4,855,243.00	250	722511	Full-Service Restaurants
The Cheesecake Factory Restaur	-	Roseville	Placer	N/A	232	722511	Full-Service Restaurants
The Cheesecake Factory Restaur	-	Sacramento	Sacramento	N/A	232	722511	Full-Service Restaurants
Zinfandel Grille, Inc.	Zinfandel Grille Sacramento	Sacramento	Sacramento	$5,018,837.00	190	722511	Full-Service Restaurants
Ashria, LLC	Popeye Louisiana Kitchen	Granite Bay	Placer	$13,942,278.00	220	722513	Limited-Service Restaurants
Johnson Haller Inc	McDonald's	Roseville	Placer	$4,152,189.00	220	722513	Limited-Service Restaurants
Kauai Restaurant Inc	McDonald's	Yuba City	Sutter	$4,357,327.00	180	722513	Limited-Service Restaurants

Exhibit H10: Top 10 employers, recreational facilities and instruction

Registered Company Name	Tradestyle Name	City	County	Sales Amount	Site # Employee	NAICS	Description
City of Woodland	Charles Brooks Cmnty Swim Ctr	Woodland	Yolo	N/A	200	713940	Fitness & Rec. Sports Centers
Ucd Recreation Hall	-	Davis	Yolo	$3,900,000	100	713940	Fitness & Rec. Sports Centers
Sun City Roseville Community A	Timber Creek Golf Course	Roseville	Placer	$11,264,102	200	713910	Golf Courses & Country Clubs
Lahontan Golf Club	-	Truckee	Nevada	$10,310,163	150	713910	Golf Courses & Country Clubs
Granite Bay Golf Club	-	Granite Bay	Placer	$4,700,249	120	713910	Golf Courses & Country Clubs
Crstb Partners LLC	Twelve Bridges Golf Club	Lincoln	Placer	$1,434,165	110	713910	Golf Courses & Country Clubs
Del Paso Country Club	-	Sacramento	Sacramento	$7,597,921	105	713910	Golf Courses & Country Clubs
Serrano Country Club Inc	-	El Dorado Hills	El Dorado	$7,815,000	105	713910	Golf Courses & Country Clubs
Serrano Associates, LLC	Serrano Country Club	El Dorado Hills	El Dorado	N/A	100	713910	Golf Courses & Country Clubs
Morton Golf, LLC	Haggin Oaks Golf Shop	Sacramento	Sacramento	$12,377,902	100	713910	Golf Courses & Country Clubs

APPENDIX I: SKILL-LEVEL DESIGNATIONS AND EMPLOYMENT COUNTS

The Centers of Excellence uses a skill-level criteria based especially on a scoring system per occupation. The criteria assigns each occupation a designation of "middle skill," "below middle skill," and "above middle skill."

The calculations for employment share by subcluster and skill level sum job totals by skill level. The goal is to evaluate job quality and potential for training partly based on the share of jobs in skill level categories. Middle-skill and above-middle-skill occupational employment indicates training and education opportunities for community colleges and workforce training providers.

Middle-skill occupations meet one or more of the following criteria based on typical entry-level education (TELE), typical on-the-job-training (OJT), and educational attainment (EA) of some college or an associate degree:

- TELE some college, a postsecondary non-degree award, or an associate degree
- TELE high school diploma or equivalent + more than short-term OJT (usually long-term)
- TELE high school diploma or equivalent with a significant amount of postsecondary educational attainment levels
- TELE bachelor's degree if a large share (a third or more) have EA at the community college level
- OJT Apprenticeship

Below-middle-skill occupations fall below the levels indicated above, requiring no on-the-job training, experience, or postsecondary education. Above-middle-skill occupations typically require a bachelor's degree or higher level of education.

A few occupations were included in this report that did not meet any of the previously detailed education, training or educational attainment requirements, but are established career education (CE) targets of existing community college programs in California.

APPENDIX J: CRITICAL OCCUPATIONS BY SKILL LEVEL, TRADED AND LOCAL (NON-TRADED) CLUSTERS[6]

Exhibit J1: Critical above-middle-skill occupations for the traded hospitality cluster

SOC	Description	Employed in Industry Group (2007)	Employed in Industry Group (2017)	Employed in Industry Group (2022)	2017-2022 % Change	Median Hourly Earnings
11-1021	General and Operations Managers	201	338	368	8.7%	$46.90
11-9199	Managers, All Other	78	178	201	13.0%	$23.55
13-2011	Accountants and Auditors	116	118	124	5.2%	$32.07
27-3043	Writers and Authors	98	98	102	4.3%	$18.25
13-1121	Meeting, Convention, and Event Planners	59	89	96	7.8%	$23.88
13-1161	Market Research Analysts and Marketing Specialists	15	57	63	9.2%	$28.88
11-3031	Financial Managers	36	45	50	10.9%	$51.45

Exhibit J2: Critical middle-skill occupations for the traded hospitality cluster

SOC	Description	Employed in Industry Group (2007)	Employed in Industry Group (2017)	Employed in Industry Group (2022)	2017-2022 % Change	Median Hourly Earnings
49-9071	Maintenance and Repair Workers, General	413	550	600	9.1%	$18.98
41-3099	Sales Representatives, Services, All Other	170	274	284	3.4%	$25.12
39-9031	Fitness Trainers and Aerobics Instructors	172	269	289	7.1%	$22.02
43-3031	Bookkeeping, Accounting, and Auditing Clerks	240	228	232	2.0%	$20.31
43-1011	First-Line Supervisors of Office and Administrative Support Workers	188	224	233	4.1%	$26.99
35-1011	Chefs and Head Cooks	124	166	179	8.0%	$19.40
43-6014	Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	84	124	127	2.2%	$17.86

[6] Emsi, 2018.3

Exhibit J3: Critical below-middle-skill occupations for the traded hospitality cluster

SOC	Description	Employed in Industry Group (2007)	Employed in Industry Group (2017)	Employed in Industry Group (2022)	2017-2022 % Change	Median Hourly Earnings
11-9081	Lodging Managers	309	259	255	(1.6%)	$18.24
37-1011	First-Line Supervisors of Housekeeping and Janitorial Workers	190	205	214	4.3%	$18.39
27-2042	Musicians and Singers	111	111	114	3.3%	$17.75
25-3021	Self-Enrichment Education Teachers	35	57	65	14.2%	$20.90

Exhibit J4: Critical above-middle-skill occupations for the local hospitality establishments cluster

SOC	Description	Employed in Industry Group (2007)	Employed in Industry Group (2017)	Employed in Industry Group (2022)	2017-2022 % Change	Median Hourly Earnings
11-1021	General and Operations Managers	540	864	937	8.4%	$46.90
25-3097	Teachers and Instructors, All Other	299	440	482	9.6%	$20.82
11-9199	Managers, All Other	38	134	158	17.6%	$23.55
13-2011	Accountants and Auditors	85	83	88	7.0%	$32.07
13-1121	Meeting, Convention, and Event Planners	17	49	55	10.5%	$23.88
13-1161	Market Research Analysts and Marketing Specialists	<10	47	53	13.8%	$28.88
13-1199	Business Operations Specialists, All Other	34	41	44	7.2%	$35.91

Exhibit J5: Critical middle-skill occupations for the local hospitality establishments cluster

SOC	Description	Employed in Industry Group (2007)	Employed in Industry Group (2017)	Employed in Industry Group (2022)	2017-2022 % Change	Median Hourly Earnings
39-9031	Fitness Trainers and Aerobics Instructors	1,661	1,861	1,906	2.4%	$22.02
35-1011	Chefs and Head Cooks	804	1,011	1,093	8.1%	$19.40
43-3031	Bookkeeping, Accounting, and Auditing Clerks	298	240	247	3.0%	$20.31
41-3099	Sales Representatives, Services, All Other	103	216	226	4.7%	$25.12
49-9071	Maintenance and Repair Workers, General	152	191	207	8.6%	$18.98
43-6014	Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	93	142	144	1.6%	$17.86
43-1011	First-Line Supervisors of Office and Administrative Support Workers	77	73	77	6.6%	$26.99

Exhibit J6: Critical below-middle-skill occupations for the local hospitality establishments cluster

SOC	Description	Employed in Industry Group (2007)	Employed in Industry Group (2017)	Employed in Industry Group (2022)	2017-2022 % Change	Median Hourly Earnings
53-3031	Driver/Sales Workers	894	1,193	1,232	3.2%	$18.63
25-3021	Self-Enrichment Education Teachers	383	503	561	11.4%	$20.90
49-9099	Installation, Maintenance, and Repair Workers, All Other	14	31	33	5.7%	$17.55

APPENDIX K: CRITICAL OCCUPATIONS BY SUBCLUSTER[7]

Exhibit K1: Critical occupations for the accommodations and related services subcluster

SOC	Description	Employed in Industry Group (2007)	Employed in Industry Group (2017)	Employed in Industry Group (2022)	Change (2017-2022)	Median Hourly Earnings	Skill Category
49-9071	Maintenance and Repair Workers, General	302	391	412	20	$18.98	Middle Skill
11-9081	Lodging Managers	304	253	248	(5)	$18.24	Below Middle Skill
37-1011	First-Line Supervisors of Housekeeping and Janitorial Workers	176	194	201	7	$18.39	Below Middle Skill
41-3099	Sales Representatives, Services, All Other	107	178	185	7	$25.12	Middle Skill
43-1011	First-Line Supervisors of Office and Administrative Support Workers	140	174	179	5	$26.99	Middle Skill
43-3031	Bookkeeping, Accounting, and Auditing Clerks	131	130	129	(1)	$20.31	Middle Skill
11-1021	General and Operations Managers	79	122	127	5	$46.90	Above Middle Skill
35-1011	Chefs and Head Cooks	91	98	101	3	$19.40	Middle Skill
11-2022	Sales Managers	54	61	63	2	$44.91	Above Middle Skill
13-2011	Accountants and Auditors	68	61	62	2	$32.07	Above Middle Skill

Exhibit K2: Critical occupations for the cultural and educational entertainment subcluster

SOC	Description	Employed in Industry Group (2007)	Employed in Industry Group (2017)	Employed in Industry Group (2022)	Change (2017-2022)	Median Hourly Earnings	Skill Category
41-1011	First-Line Supervisors of Retail Sales Workers	65	48	48	0	$16.58	Middle Skill
11-1021	General and Operations Managers	12	21	24	3	$46.90	Above Middle Skill
25-4013	Museum Technicians and Conservators	<10	19	24	5	$19.01	Above Middle Skill
25-3021	Self-Enrichment Education Teachers	<10	16	20	4	$20.90	Below Middle Skill

[7] Emsi, 2018.3

Exhibit K3: Critical occupations for the gambling facilities subcluster

SOC	Description	Employed in Industry Group (2007)	Employed in Industry Group (2017)	Employed in Industry Group (2022)	Change (2017-2022)	Median Hourly Earnings	Skill Category
39-9031	Fitness Trainers and Aerobics Instructors	24	38	43	5	$22.02	Middle Skill
11-9071	Gaming Managers	<10	24	26	1	$32.99	Below Middle Skill
11-9199	Managers, All Other	<10	11	14	3	$23.55	Above Middle Skill

Exhibit K4: Critical occupations for the other tourism attractions subcluster

SOC	Description	Employed in Industry Group (2007)	Employed in Industry Group (2017)	Employed in Industry Group (2022)	Change (2017-2022)	Median Hourly Earnings	Skill Category
39-9031	Fitness Trainers and Aerobics Instructors	125	204	218	14	$22.02	Middle Skill
11-1021	General and Operations Managers	68	149	171	22	$46.90	Above Middle Skill
49-9071	Maintenance and Repair Workers, General	81	128	153	25	$18.98	Middle Skill
11-9199	Managers, All Other	12	69	81	12	$23.55	Above Middle Skill
43-3031	Bookkeeping, Accounting, and Auditing Clerks	51	60	67	6	$20.31	Middle Skill
35-1011	Chefs and Head Cooks	30	60	70	10	$19.40	Middle Skill
37-1012	First-Line Supervisors of Landscaping, Lawn Service, and Groundskeeping Workers	40	55	64	9	$18.54	Below Middle Skill
43-6014	Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	22	47	51	4	$17.86	Middle Skill
49-9099	Installation, Maintenance, and Repair Workers, All Other	14	30	34	4	$17.55	Below Middle Skill
13-2011	Accountants and Auditors	19	28	32	3	$32.07	Above Middle Skill
25-3021	Self-Enrichment Education Teachers	15	25	28	3	$20.90	Below Middle Skill
13-1121	Meeting, Convention, and Event Planners	<10	21	24	3	$23.88	Above Middle Skill
27-2021	Athletes and Sports Competitors	13	18	20	2	$35.73	Below Middle Skill
13-1161	Market Research Analysts and Marketing Specialists	<10	13	15	2	$28.88	Above Middle Skill

Exhibit K5: Critical occupations for the spectator sports subcluster

SOC	Description	Employed in Industry Group (2007)	Employed in Industry Group (2017)	Employed in Industry Group (2022)	Change (2017-2022)	Median Hourly Earnings	Skill Category
27-2042	Musicians and Singers	102	104	107	3	$17.75	Below Middle Skill
27-3043	Writers and Authors	95	95	99	4	$18.25	Above Middle Skill
27-2099	Entertainers and Performers, Sports and Related Workers, All Other	27	27	28	0	$20.65	Below Middle Skill
41-3099	Sales Representatives, Services, All Other	10	22	22	0	$25.12	Middle Skill
11-1021	General and Operations Managers	16	19	19	0	$46.90	Above Middle Skill
27-1011	Art Directors	21	17	18	1	$18.91	Above Middle Skill
49-3023	Automotive Service Technicians and Mechanics	18	16	16	0	$18.47	Middle Skill
11-9199	Managers, All Other	13	14	14	1	$23.55	Above Middle Skill
27-3031	Public Relations Specialists	11	12	12	0	$33.67	Above Middle Skill

Exhibit K6: Critical occupations for the tourism related services subcluster

SOC	Description	Employed in Industry Group (2007)	Employed in Industry Group (2017)	Employed in Industry Group (2022)	Change (2017-2022)	Median Hourly Earnings	Skill Category
11-9199	Managers, All Other	40	53	58	4	$23.55	Above Middle Skill
41-3099	Sales Representatives, Services, All Other	41	47	45	(2)	$25.12	Middle Skill
11-1021	General and Operations Managers	22	22	20	(2)	$46.90	Above Middle Skill
41-1012	First-Line Supervisors of Non-Retail Sales Workers	27	21	21	0	$23.18	Middle Skill
53-5021	Captains, Mates, and Pilots of Water Vessels	18	16	13	(3)	$29.93	Below Middle Skill
53-3032	Heavy and Tractor-Trailer Truck Drivers	<10	13	14	1	$19.33	Middle Skill

Exhibit K7: Critical occupations for the gifts and souvenirs retailing subcluster

SOC	Description	Employed in Industry Group (2007)	Employed in Industry Group (2017)	Employed in Industry Group (2022)	Change (2017-2022)	Median Hourly Earnings	Skill Category
41-1011	First-Line Supervisors of Retail Sales Workers	200	185	179	(6)	$16.58	Middle Skill
11-1021	General and Operations Managers	17	23	23	0	$46.90	Above Middle Skill
49-2011	Computer, Automated Teller, and Office Machine Repairers	26	18	18	0	$19.63	Middle Skill
41-4012	Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	14	16	16	0	$26.39	Middle Skill
43-3031	Bookkeeping, Accounting, and Auditing Clerks	16	12	11	(1)	$20.31	Middle Skill

Exhibit K8: Critical occupations for the hospitality establishments subcluster

SOC	Description	Employed in Industry Group (2007)	Employed in Industry Group (2017)	Employed in Industry Group (2022)	Change (2017-2022)	Median Hourly Earnings	Skill Category
53-3031	Driver/Sales Workers	892	1,191	1,230	38	$18.63	Below Middle Skill
35-1011	Chefs and Head Cooks	751	963	1,041	78	$19.40	Middle Skill
11-1021	General and Operations Managers	370	613	674	61	$46.90	Above Middle Skill
43-3031	Bookkeeping, Accounting, and Auditing Clerks	176	162	170	7	$20.31	Middle Skill
49-9071	Maintenance and Repair Workers, General	51	73	82	9	$18.98	Middle Skill
43-6014	Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	24	59	62	3	$17.86	Middle Skill
13-2011	Accountants and Auditors	45	47	51	4	$32.07	Above Middle Skill
41-3099	Sales Representatives, Services, All Other	17	33	37	5	$25.12	Middle Skill
11-9199	Managers, All Other	<10	28	33	5	$23.55	Above Middle Skill
13-1121	Meeting, Convention, and Event Planners	11	27	31	4	$23.88	Above Middle Skill

Exhibit K9: Critical occupations for the recreational facilities and instruction subcluster

SOC	Description	Employed in Industry Group (2007)	Employed in Industry Group (2017)	Employed in Industry Group (2022)	Change (2017-2022)	Median Hourly Earnings	Skill Category
39-9031	Fitness Trainers and Aerobics Instructors	1,660	1,860	1,905	45	$22.02	Middle Skill
25-3021	Self-Enrichment Education Teachers	382	500	557	57	$20.90	Below Middle Skill
25-3097	Teachers and Instructors, All Other	299	439	481	42	$20.82	Above Middle Skill
11-1021	General and Operations Managers	153	229	240	12	$46.90	Above Middle Skill
41-3099	Sales Representatives, Services, All Other	82	181	187	5	$25.12	Middle Skill
49-9071	Maintenance and Repair Workers, General	98	115	123	7	$18.98	Middle Skill
11-9199	Managers, All Other	31	105	124	19	$23.55	Above Middle Skill
49-9099	Installation, Maintenance, and Repair Workers, All Other	14	28	30	2	$17.55	Below Middle Skill

APPENDIX L: LIST OF PARTICIPANTS IN EXECUTIVE INTERVIEWS

- Carol Chaplin, President and CEO of the Lake Tahoe Visitors Authority
- Santana Diaz, Executive Chef, UC Davis Medical Center
- Heidi Hill Drum, CEO of The Tahoe Prosperity Center
- Jody Franklin, Executive Director of Tourism for the El Dorado County Visitors Authority
- Cindy Gustafson CEO, North Lake Tahoe Resort Association
- Lial Jones, Mort and Marcy Friedman Director, CEO, Crocker Art Museum
- Brian Larsen, President, Halo Hospitality Group
- Jocelyn Maddux, Board member, Placer County Vintner's Association, Owner, Buffalo Vineyards
- Shelly Moranville, CHA, Residence Inn by Marriott, Downtown Sacramento at Capitol Park
- Patrick Mulvaney, Mulvaney's Building & Loan
- Josh Nelson, CEO/CFO, co-founder, Selland Family Restaurants
- Kara Sather, Association Director, El Dorado Winery Association (EDWA)
- Terry Selk, Executive Director, Visit Yolo
- Brynda Stranix, Board member, Yuba-Sutter Lodging Association; President/CEO, Yuba-Sutter Economic Development Corporation
- Mike Testa, CEO, Visit Sacramento
- Jeff Thorsby, Administrative Analyst, Nevada County Board of Supervisors
- Scott VandenBerg, General Manager, Hyatt Regency Sacramento

APPENDIX M: EXECUTIVE INTERVIEW GUIDE, FALL 2018

Purpose/Goal

The North/Far North Center of Excellence in conjunction with Valley Vision is conducting a cluster study of the hospitality and tourism industry in the greater Sacramento metropolitan area.

These executive interviews will help the research team understand several issues: how the industry is organized; major economic drivers and trends; workforce challenges (recruitment and retention); and partnerships that can serve as models for workforce development stakeholders to support the hospitality and tourism industry.

The findings will be released in Spring 2019.

Seven-county Sacramento study region

Our questions pertain to the establishments in the seven counties around Sacramento: El Dorado, Placer, Sacramento, Nevada, Sutter, Yolo, and Yuba.

Time Management

We have dedicated an hour to cover about 20 questions. To ensure we get to them all, we need to move relatively quickly.

Recording and Formality

With your permission, we will record this interview for accuracy. Direct quotes will not be attributed in the report, except generally to your position and industry (such as "executive in a travel bureau"). Also with your permission, your name, position, and company will be included in a list of interviewees in an appendix of the report. The transcripts are kept as part of the research documents. The formal nature of the interview ensures that you have enough time to share your expertise, and for the consistency of the information we receive.

Please remember to,

- State what acronyms stand for (schools, organizations, credentials, etc.)
- Include job titles when describing how work is performed
- Clearly differentiate observations on company from industry

Introduction Script (est. 3-4 mins)

Thank you for agreeing to take the time to share your insights and expertise about key trends in the hospitality and tourism industry. I am [NAME & TITLE] from the Center of Excellence, California Community Colleges. Through our collaboration with Valley Vision, we are conducting a study of the hospitality and tourism industry in the greater Sacramento region. We have been analyzing labor market data and other types of intelligence from a variety of sources. These interviews are an integral part of the study as they will provide additional insights and more in-depth input to supplement the data analysis being conducted for the report.

Introductory Questions (est. 1-2 mins)

1. Do you have any questions before we start?
2. Can you please tell us your name and title and please spell out your name. How would you prefer we refer to you for your title and organization affiliation?

Industry Description/Overview (est. 25 mins)

1. If someone were just learning about your field, how would you describe it to them?
   - o What are some meaningful distinctions between different types of companies/organizations that you would include in your description?
     Probe: Firm size, unions, sectors of the field, etc.
2. Please briefly tell us about your organization.
   - o What is your line of work and where does it fit into the industry you just described?
   - o How many locations or sites do you operate?
   - o How many employees do you have?
3. What events or trends, if any, should we be aware of that impact how business is conducted in your industry?
   - o In what ways do these events or trends affect the size of the workforce or how work is performed?
     Probe: Annually, seasonally, days of the week differences? Probe: impact of technology?
   - o Thinking of the same events/trends, can you talk about how they influence the types of occupations or skills that are in demand in the industry?
   - o Finally, how would you say these events/trends are changing the way people perform their jobs?
     Probe: Workflow? Work pace/intensity? How the work is accomplished? Impact of technology?
4. Tell me about any professional associations you belong to.
   - o Which other associations, if any, are you aware of or do you pay attention to?
5. If asked to approximate, what would you say the mix of seasonal, part-time, temporary, or contract workers is in your industry's workforce?
   - o What about the mix of workers whose workplace is covered by a union agreement versus those who work in non-union facilities in hospitality and tourism in the seven-county study region?

Employment/Careers (est. 20-25 mins)

1. What are those most common positions or occupations in the industry?
   a. What are the typical education and skills needed for these occupations?
   b. What are the new or emerging occupations, if any?
2. Can you tell me about any jobs in your company or industry that pay good wages and require less than a bachelor's degree?
   a. What about any jobs that pay good wages and require a bachelor's degree?
3. Thinking about successful people in these roles, what are some of the technical skills they have?
   a. What about soft skills?
      Probe: Define soft skills (interpersonal skills, communication skills, etc.).
   b. Are there other skills (either technical or soft) that you think would be useful to have in the industry?
4. What is the typical hourly wage or salary for those areas you mentioned?
   a. And please tell us about other benefits or forms of compensation (e.g., tips, commissions, health benefits).
5. Could you share the details of any initiatives or projects that impact worker skills or training?
   a. What training does your company/industry provide for new hires and experienced workers?
   b. Is this training in house or using external sources? (What are the sources?)

6. What is a typical job pathway for a person who starts with an entry-level job in your organization?
   a. Is it possible to move from entry-level to mid-level?
   b. What about from a middle-tier position to a management role?
   c. What might signal to you that someone is ready to be promoted?
      Probe/Clarify: education, professional development/training, level of experience
7. What retention challenges do you face, if any?
   a. And why do these challenges exist?

Recruitment and partnerships (est. 5-6 mins)

1. How do you/the industry recruit candidates?
   o What are some examples of where you recruit candidates from?
2. Have you had any recent challenges in recruiting qualified candidates?
   o What are the most challenging positions to fill, and why?
3. Tell me about your experiences with any organizations you've worked with to recruit and train candidates?
   o What would you like to change about how your organization partners with workforce organizations?
4. Which, if any, local high schools, community colleges, training programs, or universities act as a pipeline for your industry?
5. If you could change one thing about the way candidates are being prepared for jobs in your industry, what would that be?

Wrap Up/Next Steps (est. 2-3 mins)

1. Is there anything else you would like to add?
2. We welcome suggestions for additional people we should interview. We are looking to interview executives and managers who can shed light on broad trends in the industry, specific in-demand skill areas and high-level strategic goals for their organization or company.

Thank you for taking the time to participate in this interview.

APPENDIX N: POSTSECONDARY INSTITUTIONS, DETAILS OF DEPARTMENTS AND PROGRAMS

The community colleges, private training providers, and California State University, Sacramento are the major postsecondary institutions serving the region's hospitality clusters. The data summarized in the educational awards section is derived from the institutions, departments, and programs shown in the following exhibits. Each of the three exhibits below corresponds to a unit of analysis for the counts presented in the section on education and training awards.

Exhibit N1: Detailed college, department, and program matrix for culinary/restaurant/dietetics programs

Award Analysis Category	Postsecondary Institution	School Type	Department/Program	Degree/Certificate Programs
Culinary/Restaurant/Dietetics	**American River College**	CCC	Nutrition and Dietetics	Food Theory and Science, Nutrition Management, clinicals
			Culinary Arts/Restaurant Management	Culinary Arts, Restaurant Management, Baking, Oak Café Restaurant
	Argosy University, Art Institute, Sacramento**	Private	N/A	Restaurant/Culinary ***Sacramento campus closed*
	Cosumnes River College	CCC	Culinary Arts Management	Culinary Arts Management and Services; Food Service Entrepreneurship; School Food Service; Cooking
			Nutrition & Foods	Nutrition & Dietetics; Nutrition and Foods
	Lake Tahoe Community College	CCC	Culinary Arts	Culinary Arts
	Le Cordon Bleu College of Culinary Arts-Sacramento**	Private	N/A	Pastry Chef; Chef Training ***Sacramento campus and campuses closed nationally*
	Sacramento City College	CCC	Nutrition & Foods	Nutrition; Nutrition & Dietetics
	Sierra College	CCC	Nutrition & Food Science	Nutrition & Dietetics; Nutrition & Fitness
	Woodland Community College	CCC	Culinary Arts	Baking; Culinary Arts
	Yuba College	CCC	Culinary Arts	Culinary Arts

Exhibit N2: Detailed college, department, and program matrix for fitness/kinesiology programs

Award Analysis Category	Postsecondary Institution	School Type	Department/Program	Degree/Certificate Programs
Fitness/Kinesiology	**American River College**	CCC	Kinesiology and Athletics	Athletics, Kinesiology, Recreation Management, Fitness Specialist
	Bryan College, Gold River, Sacramento	Private	Health & Fitness Training	Health & Fitness Training
	California State University, Sacramento	CSU	Kinesiology & Health Science	Kinesiology, Exercise Science, Physical Education; Athletic Training; undergraduate and graduate
	Cosumnes River College	CCC	Kinesiology & Athletics	Physical Education; Kinesiology
	Folsom Lake College	CCC	Kinesiology & Athletics	Kinesiology
	Lake Tahoe Community College	CCC	Kinesiology	Kinesiology
	Sacramento City College	CCC	Kinesiology, Health & Athletics	Kinesiology; Exercise Science; Athletic Coaching; Fitness Instructor
	Sierra College	CCC	Kinesiology	Kinesiology
	William Jessup University, Sacramento	Private	Kinesiology	Health & Wellness; Exercise Science; Sports Management; Faith-based Fitness & Wellness
	Yuba College	CCC	Kinesiology, Health, Athletics	Kinesiology

Exhibit N3: Detailed college, department, and program matrix for Recreation/Hospitality programs

Award Analysis Category	Postsecondary Institution	School Type	Department/Program	Degree/Certificate Programs
Recreation/Hospitality	**California State University, Sacramento**	CSU	Recreation, Parks & Tourism Administration	Hospitality & Tourism Management (HTM); Recreation & Park Management (RPM); undergraduate and graduate
	Lake Tahoe Community College	CCC	Recreation	Wilderness Education
			Hotel & Restaurant Management	Special topics, occupational work experience
			Hospitality, Tourism, Recreation & retail	Special topics, occupational work experience
	Sierra College	CCC	Recreation Management	Recreation Management; Recreation Specialist

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