READY FOR ITS CLOSE

California's capital city is setting the course for a dynamic future fueled by technological innovation, green living and a farm-to-fork ethos.

For years, Sacramento was a city without much of an identity of its own, a place known primarily for its proximity to Tahoe, San Francisco and Northern California's wine country. Many of its own residents viewed it as a city suffering from a lack of leadership. Today, California's capital city crackles with a new energy, esprit de corps and pride. Much of the credit goes to Mayor Kevin Johnson, the charismatic NBA All-Star point guard who more than 10 years ago began buying properties in Oak Park, the tough Sacramento neighborhood where he grew up, restoring once-stately buildings that he saw had potential. Then in 2008, Johnson ran for mayor and won his first term in a runoff election.

Now Johnson is leading Sacramento into a bright future. Perhaps his biggest hometown victory: brokering a deal to keep the beloved but un-winning NBA Sacramento Kings in town. The former owners had plans to sell the Kings to an investor group in Seattle, where the team would subsequently relocate. It looked like an intractable deal, but earlier
this year Johnson made a passionate case to NBA commissioner David Stern and to NBA owners to keep the team in Sacramento. He also lined up new, well-financed buyers.

A huge component of the deal is a planned new $447 million basketball arena in down-town Sacramento that’s scheduled to be game ready for 2016. Although still in the formative stage as a public-private partnership, the arena promises to inject new life into a struggling downtown mall, create jobs and attract more businesses to the area.

“This fight was so much bigger than basketball,” Johnson says. “The Kings employ between 800 and 1,000 people. We were fighting for their jobs.”

Also at stake: the city’s identity. “The franchise is one of the highest-profile businesses in our region that helps to brand and market Sacramento on a global stage,” Johnson says. “We were fighting for our city.”

There have been other big wins in Sacramento in recent years, including a $1.07 billion airport terminal expansion in 2011 and in 2010 a modernized expansion of the distinguished Crocker Art Museum. Next up: redeveloping the 830-acre industrial River District located just north of downtown. Developers envision a transit-oriented community of restaurants, shops, offices, hotels, condos and single-family homes—connected by light rail and bordered by parks at the edge of the American and Sacramento Rivers.

Sacramento is already benefiting from a thriving downtown food, music and arts scene, new urban living spaces and a lower cost of living than its neighbors in nearby Silicon Valley and the San Francisco Bay Area. With a healthy diversity of neighborhoods—urban, suburban, even rural farm homes—within 20 minutes of the urban core, it’s a livable city that’s become even more so.

“I don’t think there’s another area in California with this much diversity among close-in neighborhoods,” says Roger Niello, president and CEO of the Sacramento Metropolitan Chamber of Commerce.

Farm to Fork

A 45-minute drive east of Sacramento up Highway 50 yields to the Sierra Nevada foothills of Placerville, home to one of the region’s major economic drivers: wine.

The area’s 71 foothill wineries are smaller, lower-volume boutique properties than those in Napa Valley and its surrounding wine country, producing 500 to 12,000 cases annually. Greg Boeger’s family started the first post-Prohibition winery in Placerville in 1972, after long-standing pear orchards in the area died en masse from an insect infestation. A core group of wineries followed and continue today, including Madrona, Sierra Vista, Granite Springs, Fitzpatrick and Lava Cap.

“We’re not as well known as we’d like,” Boeger says. “But this region produces wine as good as the higher-priced wine in the Napa-Sonoma region. Here you don’t pay an exorbitant amount for a good wine.”

Mayor
Kevin Johnson

LOCAL ROOTS: Johnson was born and raised in Sacramento and played basketball for University of California-Berkeley. A three-time NBA All Star with the Phoenix Suns, he retired from the game in 2003.

HOME LIFE: In 2011, he married former Washington, D.C., public schools chancellor Michelle Rhee, now the founder and CEO of the advocacy group StudentsFirst.

WHERE YOU’LL FIND HIM: “I belong to 24 Hour Fitness downtown because I’m an early riser and like to get in my 4:30 a.m. workout. Michelle and I also enjoy bike riding and jogging along the Sacramento River.”

EATING AT: Bacon & Butter, Maggie Café, Estelle’s Patisserie

TIP: “A great place to hang out that not everyone knows about is Swabbies on the River. They have the best tacos in the city and great live music.”
Clockwise from top left: UC Davis Medical Center; "Leap" by Lawrence Argent at Sacramento International Airport; Sacramento State graduate; Rice Fields near Sacramento.

The region sold $8 million worth of wine grapes during 2012, up more than $2 million from the previous year. Helping boost walk-in vineyard traffic is nearby Apple Hill, where apple orchards, baked goods and Christmas tree farms lure Sacramentans, who traditionally make the weekend drive from Labor Day through year's end.

As Laurel Brent-Bumb, CEO of the El Dorado Chamber of Commerce, likes to say, "This is agri-tourism. We don't export product, we import consumers."

The two other important regional crops are sushi rice ("every piece of sushi in the U.S. is made with rice grown in the Sacramento Valley," says Tim Johnson, president and CEO of the California Rice Commission) and almonds (the region grows more than 80 percent of the world's supply).

Local almond growers, represented by 103-year-old Blue Diamond Growers, saw sales from the region last year top more than $1 billion, spurring the March opening of the Sacramento Almond Innovation Center dedicated to speeding up low-cost almond product innovation. In June, the growers opened the first phase of their largest investment, a new processing plant in the city of Turlock, south of Sacramento.

Science and Tech Hub

MedStart, a program of the Sacramento Regional Technology Alliance, is focused on finding, cultivating and keeping bioscience and medical device companies in the area. When it began its work five years ago, there were only 73 bioscience company headquarters in the region. Today, there are 126.

"The number of companies is growing vigorously, despite the challenges they face as early stage med-tech companies," says Cary Adams, the program's chairman.

One notable success is StemExpress, the Placerville biotechnology company that owner Cate Dyer started in 2010 with $9,000. Now a multimillion-dollar operation that collects human cells, blood and tissue for regenerative research, it has 20 employees and operates 30 collection sites throughout Northern California and the East Coast.

Start-ups benefit from the region's relative affordability. A market cost study conducted two years ago found costs in Sacramento-Davis to be the lowest among four other urban areas in California: San Jose-Palo Alto, Los Angeles-Long Beach, Orange County and San Diego. Entrepreneurs are also attracted to the proximity to UC Davis. The university has seen huge growth in research funding, now a whopping $750 million annually—the 16th highest in the country. Its prodigious research initiatives have spawned advances in genome sequencing, molecular imaging and regenerative medicine.

The region's other dominant higher education provider, Sacramento State, has a longstanding association with the Sutter Institute for Medical Research and works with UC Davis in cellular biology and stem cell research. Sacramento State also supplies much of the region's health care workforce.

"Anywhere you go in Sacramento you're going to run into our alumni," says Fred Baldini, dean of Sacramento State's College of Health and Human Services, the university's largest college with some 6,400 students in seven departments. Since 2008, 97 percent of its nursing graduates have passed the state licensing exam on their first try.

At UC Davis, an agriculture research machine is fueling entrepreneurial opportunities to improve agriculture through higher crop yields, better farming efficiencies, environmental stewardship and food processing. Several notable commercial successes have emerged from Davis, including Marrone Bio Innovations, a producer of naturally occurring biopesticides that earlier this year filed for an IPO. There's also AgraQuest, a natural and low-chemical pesticide producer that last year was purchased by Bayer CropScience, a division of the German company Bayer AG.

Another high-tech segment in the region is occupied by Intel, which has more than 6,000 employees at its campus in nearby
Wayne Thiebaud

American master artist best known for his pop art paintings of cakes.

HOME: Sacramento's Land Park neighborhood. "I came here when the streetcars were still running. Having grown up in Southern California, it looked to me almost like an eastern city, like Boston—all the trees and the fall color change."

MUST SEE: Sacramento Delta. "That's a very beautiful place because of the changing landscape, seasons and wonderful cloud changes. It provided a great source for my paintings and drawings."

ONLY HERE: More trees per capita than anywhere else in the country. "The city planners and developers ensured we would have that as a counterpoint to the raw, hot, flat valley. It made it possible for us to live here with grace."

Folsom that delivers technology and support for phones, tablets and client platforms.

Just down the road in Rancho Cordova is GetCorp, parent of rocket motor maker Aerojet-General Corp. In June, GenCorp acquired Rocketdyne, doubling the size of the company. Aerojet was renamed Aerojet Rocketdyne and instantly grew to some 5,300 companywide employees. Headquarters remain in Rancho Cordova.

At the same time, software developers are setting up shop in the Midtown area of Sacramento, home to Hacker Lab, which provides month-to-month leases for coworking "maker space" for hardware fabrication, prototyping and manufacturing.

The critical mass of tech start-ups in the region has also spawned 11 venture capital investment groups. Companies such as Dell, Samsung, Oracle, Adobe and Google now keep a close watch on the local tech start-up scene, says Jack Crawford of Velocity Venture Partners, who points to the huge research war chest at UC Davis—bigger than MIT's and University of California Berkeley's—and the fact that Sacramento is the state capital, thus home to one potentially huge market for tech innovations and services: government agencies. Crawford, who teaches at the University of the Pacific in nearby Stockton, says his students want to stay in the region to pursue their start-ups. Mayor Johnson would like to help them do just that. He even dropped by one of Crawford's classes to personally deliver the message. "You're my economic development strategy," he told the class. "So let me know if you need any help."

Green Leader

If Johnson has his way, Sacramento will soon be the greenest region in the country and a hub for clean technology—as synonymous with cutting-edge green practices as Silicon Valley.

Vivek Ranadive, Sacramento Kings majority owner, and Mayor Kevin Johnson.
Valley is synonymous with cutting-edge technology. Clean Energy Sacramento, a financing program launching before the end of the year, will make it easier and more affordable to do energy-efficient retrofits and upgrades for millions of square feet in commercial buildings, offices and schools around the city (and now required for many state lease renewals).

The mayor also tackled a long-standing city problem. "For years we were spending too much money hauling our trash to dumps in other states like Nevada," he says. "The trucks were not only costly, but their carbon emissions were harmful to the environment."

Now a portion of food waste is picked up by a local waste hauler and taken to the biogas company Clean World, which converts it to renewable natural gas. That gas in turn is used to power garbage trucks. "We're looking for Clean World to provide this service regionally and become a very large Sacramento-based company with facilities all over the state and the world," Johnson says.

The mayor, who declared 2015 the Year of Food, would also like to get more locally grown produce onto the lunch plates of area schoolkids. "There are 22 million free meals a year for local students," says Julia Burrows, president and executive director of Greenwise Joint Venture, a local nonprofit focused on building a robust green economy. "We want more of that food to come from our local farms. We have the opportunity to both support local farmers, have healthier students and support the local economy."

The Sacramento Municipal Utility District, the community-owned electric company for Sacramento County, has its own green programs and incentives. For an extra $1 to a month, customers can help fund projects aimed at reducing or containing greenhouse gases. The utility just finished its second such project, a "dairy digester" that captures the greenhouse gas methane from cow manure. The captured methane is then used to power a turbine that generates electricity used by a local dairy. That's right. The city that in its day was once derided as a cow town has turned the very notion on its head. //