

Silicon Valley Overflow Means \$ to UCSC

Bob Johnson

The continued expansion of Silicon Valley beyond the borders of Santa Clara County could be a money making opportunity for the administrators of the UCSC campus. That conclusion is reached in a long awaited consultants study on the economic feasibility of the plan to build an industrial park on vacant UCSC land.

A few weeks ago a stir was created when it was revealed that the park would have to include 60% high technology manufacturing rather than the pure research and development originally suggested by the University administration. But the report, including that conclusion, prepared by the Land Economic Group of San Francisco, was not made public until this week.

Extraordinary growth in Santa Clara County over the last two decades has used up almost all the land available for high technology industry. And the consultants estimate that the scarcity of research and development sites in Santa Clara County in the 1980s "will accelerate the trend toward spinoff from Silicon Valley."

Firms are looking for land. But they are also looking for a way out of the high cost of doing business that has been one of the

consequences of growth in Santa Clara County. Land, housing wages have all become more expensive as the result of Silicon Valley's success.

"Santa Cruz County's increase in share might be the result of heavy industrial development in Santa Clara County, which has driven up land and housing costs substantially," the consultants write, adding "firms have been moving out of Silicon Valley to reduce costs and Santa Cruz appears to be one of the favored alternative sites."

Spillover from Santa Clara County has already made high technology the fastest growing industry locally. Employment in high technology firms in Santa Cruz County nearly tripled during the last half of the 1970s, resulting in more than 2000 jobs by the end of the decade.

And that trend is expected to accelerate. The consultants estimate that between 5100 and 7400 new high technology jobs will be created in Santa Cruz County during the 1980s.

The University is in a good position to capitalize on that growth because the campus has one of the few large tracts of local land that could be available for industrial development.

Scotts Valley has the advantage of being conveniently located on Highway 17. But the University should be able to overcome that competition because rapid growth has already used up most of the land in Scotts Valley. The consultants estimate that by the middle of this decade the Skypark Airport land might be the only large site left for possible industrial development in that city.

Because the University has the land — and is exempt from local growth control

restrictions — it could capture as much as half the high technology growth due to hit the County this decade. That could mean as many 3700 jobs in the industrial park if the administration decided to go for the largest feasible project.

Jobs figure to be a major focus of the University's public relations effort, as they try to sell their major development to a skeptical community.

The consultants' estimates add up to an increase in high technology jobs locally that will be at least tenfold between 1975 and 1990. But the report says little about how many of those jobs might go to people who already live here and are among Santa Cruz' 10,000 unemployed.

One criticism of high tech growth has been that many firms bring a substantial number of their own people with them over the hill. The result is that the growth does little to help unemployment troubles and drives up the competition for housing.

Earlier this year the University's fact finding report on the park said the feasibility study would include an analysis of the local labor pool.

The consultants did conclude that "junior faculty need opportunities to test their entrepreneurial skills not only to supplement their professorial salaries, through consulting, but also to establish national and international reputations." The report also suggests that graduate and post-graduate students might find research opportunities in the industrial park.

But the only mention of the general labor pool in the report is the conclusion that the most desirable aspect of the park from a corporate view would be "lower labor and housing costs." □