



#CAECONOMY.ORG



CALIFORNIA ECONOMIC SUMMIT

2013

BRIEFING BOOK SAN LUIS OBISPO REGION

Regional Forum
April 24, 2013

STATEMENT OF PRINCIPLES

California's economic vitality is the result of abundant natural resources, creative people, entrepreneurial businesses, smart investments in infrastructure, leading-edge technologies, growing markets and effective public policies. This vitality has shaped the world and has shaped California, based on the strengths of distinct regional economies reflecting their own landscapes, products, innovations and people.

Continued success requires public- and private-sector leaders aligning around actions that reinforce the triple-bottom-line, promoting economic, social and environmental progress in all regions in California.

The Summit brings together champions from across California's diverse regions—rural, urban, inland, coastal, northern, southern—to develop a shared agenda to revitalize the state. Summit actions advance triple-bottom-line solutions that simultaneously generate jobs, increase regional competitiveness, promote equality of opportunity, and improve environmental quality.

Developing, enacting and implementing these actions will require new ways for leaders and organizations to work together. Responsibility for developing and furthering this agenda is shared by steward leaders in the private, public, and not-for-profit sectors, each with diverse perspectives and a common commitment to action.

Strong democracies require stewardship in the civic space to ensure nonpartisan, fact-based solutions are developed through inclusive and respectful means to identify and advance solutions that are pragmatic and creative. Stewardship requires that leaders bring their knowledge, expertise and passion to bear on behalf of the whole—and on behalf of future generations of Californians.

These principles are our shared commitment to making the California Economic Summit a fruitful venue and a model to help California thrive.

California Economic Summit Steering Committee

SUMMIT LEADERSHIP

CO-CHAIRS	STEERING COMMITTEE	
	STEERING COMMITTEE	STEERING COMMITTEE
George Shultz <i>Honorary Chair</i> Hoover Institute Stanford University	Bill Allen President and CEO Los Angeles Economic Development Corporation	Sunne McPeak - Co-chair President and CEO California Emerging
Ashley Boren Executive Director Sustainable Conservation	Lucy Dunn President and CEO Orange County Business Council	Lenny Mendonca Director McKinsey & Company
Jessie Knight Chairman and CEO San Diego Gas & Electric	Steve Frisch President Sierra Business Council	Bill Mueller CEO Valley Vision (Sacramento)
Gavin Newsom Lieutenant Governor State of California	Paul Granillo - Co-chair President and CEO Inland Empire Economic Partnership	Sean Randolph President Bay Area Council Economic Institute
Michael Rossi Senior Advisor of Jobs and Business Development Office of the Governor	Carl Guardino President and CEO Silicon Valley Leadership Group	Lauree Sahba CEO San Diego Regional Economic Development Corporation
Ashley Swearingin Mayor City of Fresno	Glenda Humiston State Director USDA Rural Development	Ben Stone Director Sonoma County Economic Development Board
MANAGEMENT TEAM	MANAGEMENT TEAM	
	MANAGEMENT TEAM	MANAGEMENT TEAM
Laura Tyson S.K. and Angela Chan Chair in Global Management Haas School of Business University of California, Berkeley	Julie Meier Wright Strategic Advisor Collaborative Economics	James P. Mayer Executive Director California Forward
	Doug Henton Chairman and CEO Collaborative Economics	Susan Lovenburg Director Partnership for Economic Prosperity California Forward

HOW TO USE THIS BRIEFING BOOK

1

Learn How Your Input Will Lead to Collaborative Statewide Action through the Economic Summit Process.

The first section, “The California Economic Summit” (p. 5) explains the guiding principles and desired outcomes of the California Economic Summit process, including how results from your Regional Forum will be combined with those from other regions to identify shared priorities for action. These are priorities shared by many regions that are better addressed with a collaborative approach involving many regions and state-level partners.

2

Learn About Key Trends and Challenges Facing Your Region.

The second section (pp. 6-11) focuses on the San Diego Region, presenting key economic, social, and environmental indicators and providing an overview of regional challenges and innovations. This information can help you think about potential priorities for action for the 2013 Summit process--those pressing needs in your region that are better addressed working with others statewide.

3

Learn About Progress Made On Shared Priorities in 2012.

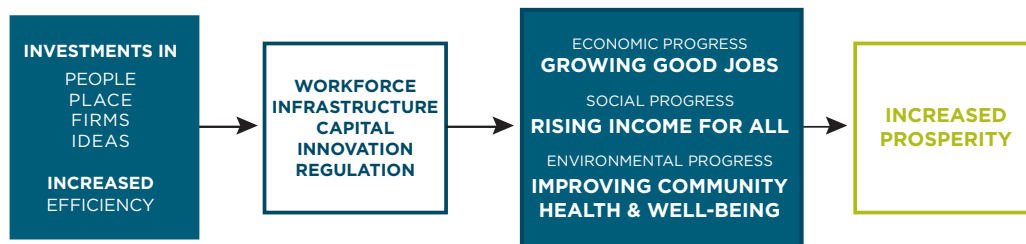
The third section (pp. 12-35) includes a brief overview of progress made since the 2012 California Economic Summit, the result of regional and state-level partners working together on shared priorities in workforce, infrastructure, regulations, innovation, and capital.

Identify Regional Priorities for Collaborative Action through the Summit Process.

The third section also identifies potential opportunities for statewide collaboration in 2013 for your consideration, based on examples drawn from California and other states. It includes space for you to write down your ideas. We want to know what you consider to be your region's most pressing needs that can be better addressed by working with other regions and state-level partners.

SUMMIT OUTCOMES

The California Economic Summit aligns regional leaders to advance triple-bottom-line solutions that promote economic, social, and environmental progress throughout the state. Prosperity is a function of good jobs, rising incomes, and community health.



Ultimately, Summit initiatives help California:

Grow Good Jobs

Good jobs offer opportunity for upward mobility.

Increase Personal Income for All

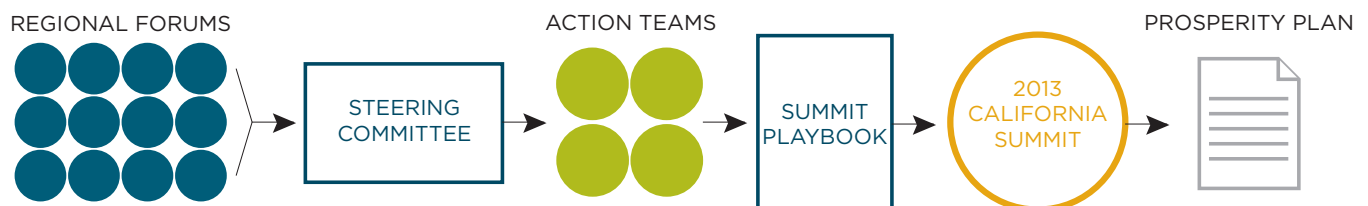
Rising incomes for all Californians demonstrates that prosperity is widely shared.

Improve Community Health and Well-Being in Every Region Across the State

Community health includes quality of place, health, and environment. Maintaining and enhancing the productivity of natural resources—both as ecosystems and economic drivers—is key to maintaining California’s vitality now and in the future.

SUMMIT PROCESS

The Summit promotes prosperity and opportunity by developing a regions-driven shared agenda for state action. With input from your region and from other regions in California, the Summit Steering Committee will identify widely shared priorities and charter Action Teams that will identify specific actions to address those priorities. In late 2013, a statewide Summit meeting will be held to build on the work of the Action Teams and move to implementation.



REGIONAL PROFILE

SAN LUIS OBISPO REGION

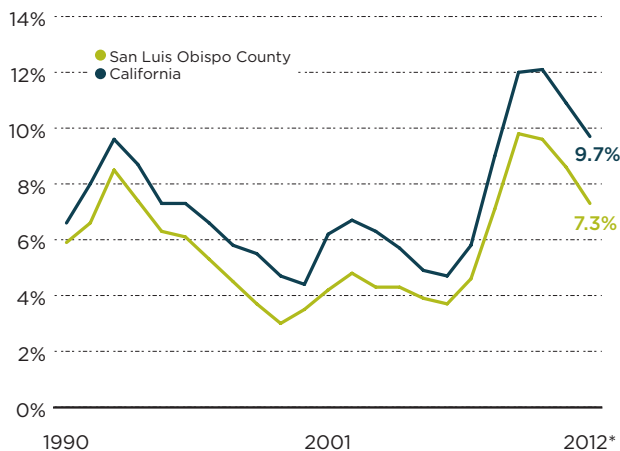
KEY TRENDS **SAN LUIS OBISPO REGION**

The following indicators shed light on economic, social, and environmental progress in the San Luis Obispo region. This information can help you think about potential priorities for action for the 2013 Summit process. We invite your input on any additional indicators that you use to measure prosperity in your region.

ECONOMIC PROGRESS

UNEMPLOYMENT RATES

San Luis Obispo County and California



* Data for 2012 is preliminary.

Data Source for Economy Trends: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, California Employment Development Department

Analysis: Collaborative Economics

Which trends have the greatest impact on your region?

What additional indicators do you use to measure prosperity in your region?

UNEMPLOYMENT RATE

7.3%

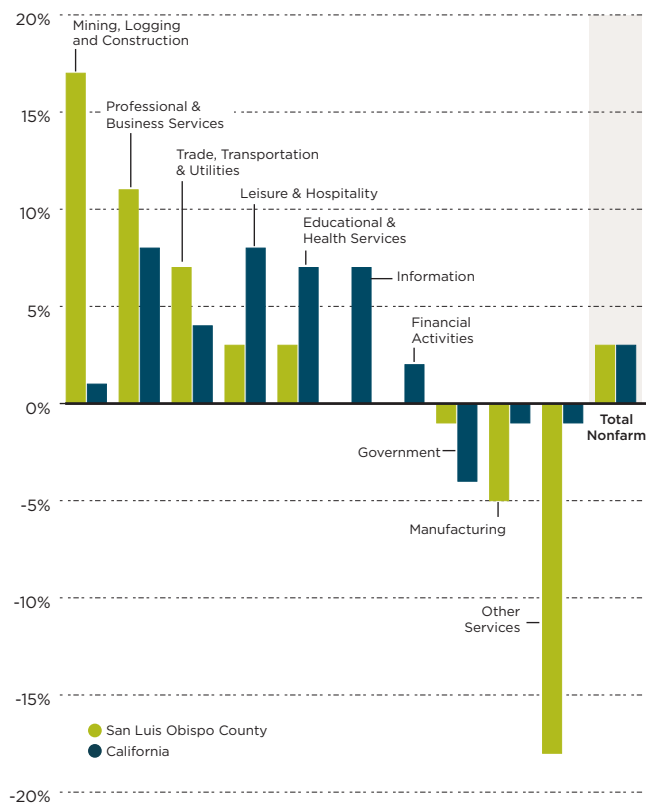
San Luis Obispo Region

9.7%

California

PERCENT CHANGE IN EMPLOYMENT BY INDUSTRY

December 2009 to December 2012
San Luis Obispo County and California

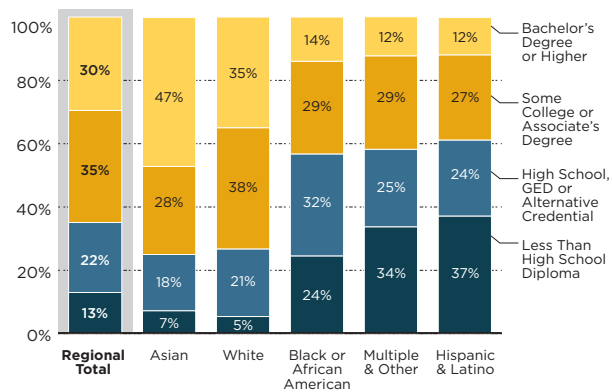


Note: Data is not seasonally adjusted.

SOCIAL PROGRESS

EDUCATIONAL ATTAINMENT BY RACE & ETHNICITY

San Luis Obispo County, 2011



Note: The White category is Non-Hispanic. Multiple and Other includes American Indian and Alaskan, native Hawaiian and Pacific Islander, Two or More Races and Other Races.

PER CAPITA INCOME

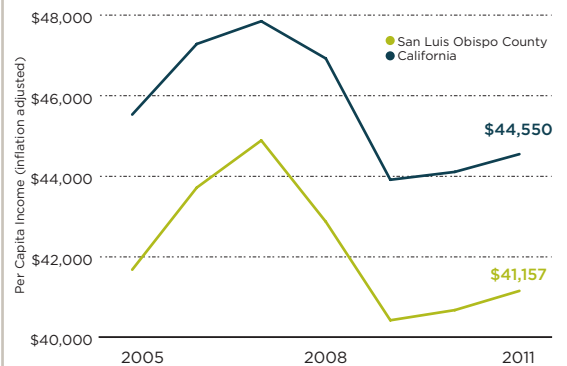
\$41,157

POPULATION IN POVERTY

35%

PER CAPITA INCOME

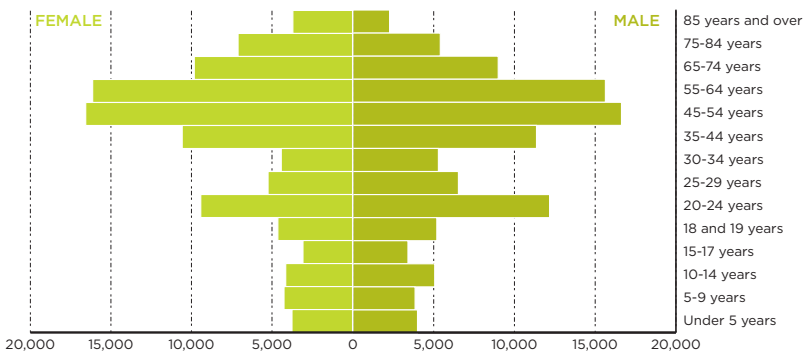
San Luis Obispo County and California



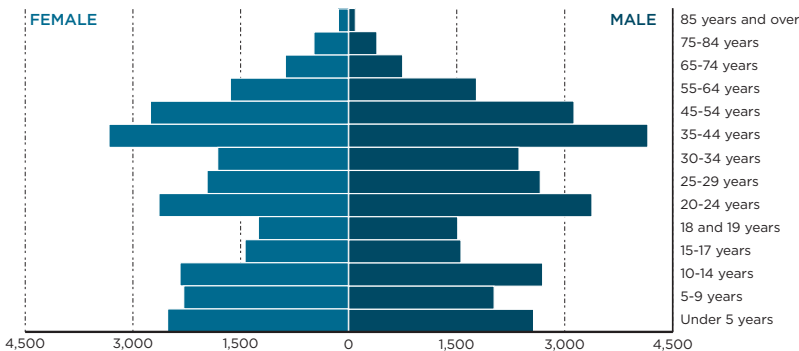
POPULATION BY AGE & ETHNICITY

San Luis Obispo County, 2011

NON-HISPANIC

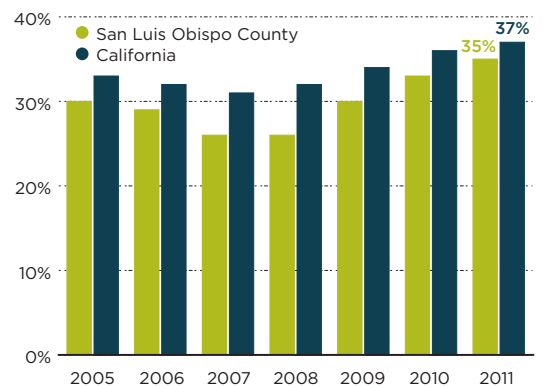


HISPANIC



PERCENT OF POPULATION IN POVERTY

Households with Income Below 200 percent Federal Poverty Level
San Luis Obispo County and California



Note: Poverty is defined as income at or below 200% of the Federal Poverty Level, currently as \$47,100 per year for a family of four.

Data Source for Society Trends: U.S. Census Bureau, American Community Survey, U.S. Bureau of Economic Analysis, United States Department of Labor, Bureau of Labor Statistics

Analysis: Collaborative Economics

ENVIRONMENTAL PROGRESS

NUMBER OF UNHEALTHY
AIR QUALITY DAYS

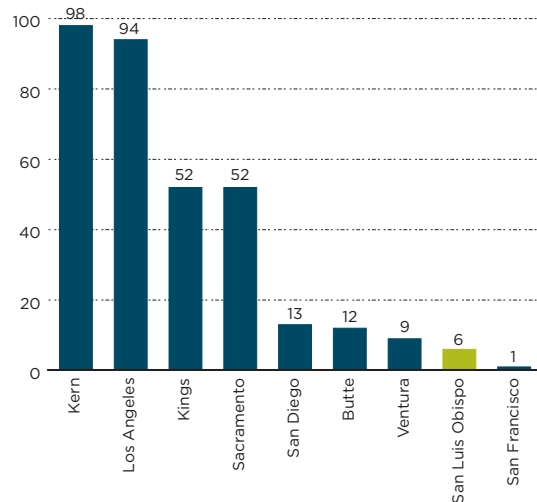
6

AVERAGE VEHICLE MILES
TRAVELED PER DAY

25

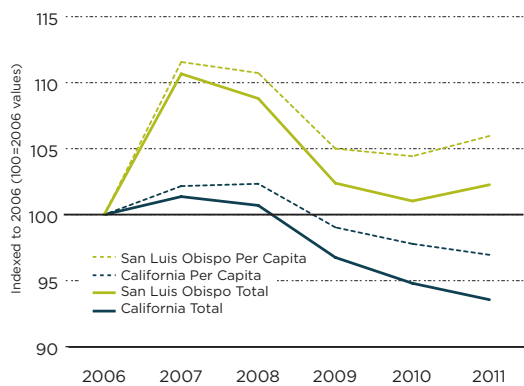
NUMBER OF UNHEALTHY AIR QUALITY DAYS

For Older Adults and Children
San Luis Obispo and Selected Counties, 2011



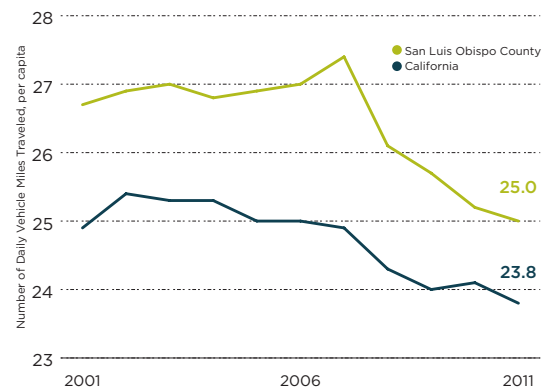
TOTAL & PER CAPITA ELECTRICITY CONSUMPTION

San Luis Obispo County and California



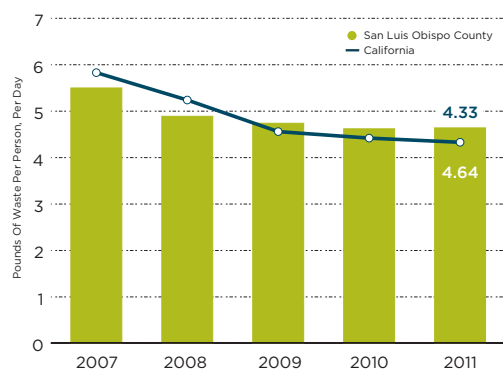
VEHICLE MILES TRAVELED

Per Day, Per Person
San Luis Obispo County and California



WASTE DISPOSAL PER CAPITA

San Luis Obispo County and California



Data Source for Environmental Trends: U.S. Environmental Protection Agency, AIRNOW, AirCompare, California Energy Commission, California Department of Finance, CalTrans Highway Performance Monitoring System's Annual California Public Road Data Reports, California Department of Resources Recycling and Recovery, Local Government Central

Analysis: Collaborative Economics

THE SAN LUIS OBISPO REGIONAL ECONOMY

Six industry clusters have been responsible for most of the County's new economic vitality since the 1990s: Health Services, Building Design and Construction, Knowledge and Innovation Services, Specialized Manufacturing, and "Uniquely SLO County" (a combination of agriculture, wine, recreation, accommodation, restaurants, and other specialty products and experiences). (The Green Energy cluster, which also experienced growth, has some overlap with Building Design & Construction and is analyzed as a unique data set.)

These clusters continue to be the key drivers of San Luis Obispo County's economic vitality and quality of life. All of the clusters added employment between 2008 and 2011. The number of business establishments also grew in all but one of the clusters during this period.

This broad based growth in jobs and establishments was the result of the leadership and actions taken by employers in each cluster. In some areas, these firms along with other employers, local governments, educational institutions, and other community partners worked together to improve the local business environment for the clusters.

These clusters generate jobs and wages for residents and create demand for products and services from local suppliers that have a positive ripple effect for every community in the county. They generate tax revenues that fuel local public services and support the outstanding quality of life enjoyed by local residents. Growth in these clusters have helped keep unemployment rates lower in San Luis Obispo than in California overall, at 7.3 percent as compared to 9.7 percent in California (see p. 7).

Health Services is the largest cluster, employing about 13,350 people in 2011. Since 2008, employment in Health Services has grown at an average annual rate of 1.7 percent, while the average annual growth in the number of establishments was 5.3 percent.

Building Design & Construction employed nearly 13,300 workers were employed, and the cluster grew at an average annual rate of 2.9 percent between 2008 and 2011. In 2012, construction increased by 12 percent and, according to Beacon Economics, the sector is likely to continue growing, particularly if several large-scale development projects break ground.

The **Knowledge & Innovation Services** cluster grew at an average annual rate of 0.9 percent to 8,989 workers between 2008 and 2011. Establishments grew at a faster rate, with an average growth rate of 10.5 percent between 2008 and 2011.

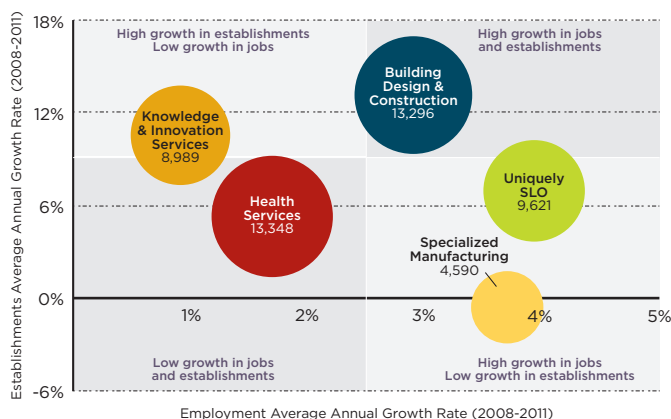
Specialized manufacturers using advanced technology in their products and processes drove the growth of this cluster at an average annual rate of 3.7 percent between 2008 and 2011.

The **Uniquely SLO** cluster combines specialty agriculture and wine with recreation, accommodation, and high-value eating and drinking establishments. The cluster grew at an average annual rate of 3.9 percent to 9,621 employees, nearly double the rate of its annual growth during the 1995-2008 period (2.0 percent).

As reported in the Central Coast Economic Forecast from Beacon Economics, "Hands down tourism in the region has been a huge driver of growth through the recovery. And, over the past twelve months, San Luis Obispo has seen some of the greatest increases in hotel occupancy rates in the state. In addition to an idyllic climate and miles of pristine coastline, the region's agricultural sector has increasingly become tied to the local tourism markets as visitors come to San Luis Obispo County to visit the tasting rooms of North County and consequently inject the local economic with additional consumer spending at retail establishments, restaurants, and other entertainment options."

CLUSTERS OF OPPORTUNITY

San Luis Obispo County, 2008-2011



Data Source: National Establishment Time-Series Database (NETS)
Analysis: Collaborative Economics

¹ Source: Central Coast Economic Forecast (San Luis Obispo County, Jordan Levine, BEACON ECONOMICS, Inc., November 2012)

IMPACT OF SAN LUIS OBISPO ECONOMIC STRATEGY

The countywide Economic Strategy project that was developed and is being implemented by the Economic Vitality Corporation is a public/private partnership between emerging industry clusters and sectors responsible for the majority of job growth and economic gains over the last ten years. In its third year of implementation, this first-ever assessment of, and strategy for, the San Luis Obispo economy has resulted in the following long-term beneficial impacts through enhanced industry engagement:

Local Government Engagement

- Endorsement and funding of the Economic Strategy by the Board of Supervisors
- Modification of the Economic Element of the General Plan to be consistent with and reference the Economic Strategy as the Action Plan for the region
- Process Improvements to county building and land use permitting
- Economic Analysis Program Pilot Project implementation to evaluate the potential economic impacts of policy adoption or modification and discretionary project outcomes

Cluster Engagement and Business Assistance Services

- Development of a “Business Assistance Team” to expedite development projects which are within the urban reserve line and create quality jobs, resulting in the expansion of a major local companies and job creation
- Specialized Manufacturing Business Forum initiated to facilitate monthly networking and knowledge exchange
- Regional Branding of Food, Wine and Tourism assets through annual Savor the Central Coast events and the San Luis Obispo International Film Festival
- Broad industry participation in the development of Agri-Tourism and other land use ordinances which impact value added agriculture
- Business Outreach Services Program to enhance awareness and facilitate direct access to workforce development and business resources
- Industry advocacy and approval of two large scale solar projects (two of the world’s largest in operation and under construction)

Workforce Development and Retention

- Annual Local Employers’ Job Fairs initiated at California Polytechnic State University and Cuesta Community College (in its second year)
- Workforce Housing Needs study to address housing needs, market demand and affordability and to inform land use decisions

KEY CHALLENGES

The central coast region of San Luis Obispo County is realizing opportunities as well as facing challenges. The region has been recognized by Parade Magazine and many publications as the “happiest” and “friendliest” place in America for its climate, natural beauty, and an up and coming wine region as the third largest producer in the state. However, the region has unfortunately been deemed as one of the least affordable areas to live in the nation (relative to the jobs/housing imbalance), with a lack of head-of-household jobs. The concentration of industries that provide a high-demand for highly technical and skilled jobs are below those found in major metropolitan areas and thus it can be challenging for some local employers in recruiting and retaining talent.



Read about how the Summit could advance workforce priorities on p. 15

As a relatively remote area with a small population, this college town maintains the 4th lowest unemployment rate in the state as of January 2013, and would benefit from:

- More head of household jobs
- Higher industry concentrations
- Workforce development programs to address skill gaps for employment in competitive and emergent industry sectors.

IDENTIFYING YOUR PRIORITIES

Sometimes solving regional problems requires solutions that involve not only regional, but state-level actions as well. **The California Economic Summit asks regions to identify their top priorities for collaborative actions that advance the triple-bottom-line across the state**--priorities that are best addressed with an Action Team involving multiple regional and state-level partners.

This section can help you identify regional priorities for collaborative action through the 2013 Summit process. **We want to know what you think are your region’s most pressing needs that can be most effectively addressed by working together with other regions and state-level partners.**

With your ideas and those from other regions of California, the California Economic Summit steering committee will identify widely shared priorities and charter Action Teams that will identify specific actions to address those priorities.

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ACRONYMS

CALFor - California Opportunities Roundtable

CEQA - California Environmental Quality Act

CTE - Career Technical Education

EIR- Environmental Impact Report

LWIB - Local Workforce Investment Board

RICO - Regional Industry Clusters of Opportunity

STEM - Science Technology Engineering and Math

WIB - Workforce Investment Board

WORKFORCE

Workforce emerged as a top priority in the 2012 Summit. Below are the 2012 Problem and Goal statements that shaped the actions of last year's Summit. We invite your input in updating the workforce problem and goal statements to reflect new priorities and opportunities in 2013.

2012 PROBLEM STATEMENT

Growing shortage of skilled workers for major regional industry sectors

Thousands of unemployed and underemployed people

Growing competition from other states and countries

Fragmented and under-resourced approach to workforce development

2013 PROBLEM STATEMENT

2012 GOAL STATEMENT

Prepare people for high-demand jobs in major industry sectors

Prioritize workforce training resources to support major regional industry sectors

Create partnerships between local workforce investment boards (WIBs), community colleges, economic development organizations, businesses, and labor

2013 GOAL STATEMENT

PROGRESS SINCE THE 2012 SUMMIT

Key legislation promoting regional industry partnerships and sector strategies ([SB 1070](#) and [SB 1402](#)) was passed and signed by the Governor in September 2012.

The California Community College Chancellor's Office funded eight industry-driven regional collaboratives.

The California State Board Regional Industry Clusters of Opportunity (RICO) initiative will launch in the spring of 2013, seeding new regional partnerships across California.

For up-to-date information on initiative progress since the Summit, check out the Progress Tracker at caeconomy.org/progress

POTENTIAL 2013 **WORKFORCE** PRIORITIES

For your consideration, below are potential areas for future action, building off of progress since the 2012 Summit. We include innovations from California's regions and other states to stimulate thinking about what actions the Summit could advance in 2013. We ask you to identify your priorities, drawing either from these or other potential actions.

STRENGTHEN INDUSTRY WORKFORCE DEVELOPMENT PARTNERSHIPS

Connect regional partners to develop and align sector partnerships and career pathways.

Examples of [state-level efforts](#) to promote regional industry partnerships

Many states including Pennsylvania, Washington, Colorado, and Massachusetts have committed more resources to seeding industry partnerships than California. The State could build on last year's progress to multiply the number of partnerships in key industries across different regions.

California's State Workforce Investment Board has called for a comprehensive local planning process to be undertaken by LWIBs, including criteria assessment of high performing WIBs, prioritization of investment in worker training, and adoption and use of sector partnerships as a key service delivery strategy.

Examples of regional partnerships

Partnerships including the [Los Angeles Workforce Systems Collaborative](#), the [San Joaquin Valley Partnership](#), the [Coachella Valley Partnership](#), and the [Greater Sacramento NextEconomy](#) braid data, funds, resources and efforts to meet regional labor market needs. Partnerships include community colleges, local workforce investment boards, K-12 regional occupational programs, adult education, industry/chamber and economic development entities

As one of 10 RICO partnerships launched statewide in 2011, the Los Angeles County Economic Development Corporation is facilitating relationships among industry, education, and training providers to develop workforce programs around alternative and renewable fuel and vehicle technologies.

Remove systemic barriers to effective partnerships.

[SB 594](#) (Steinberg) would create new financial incentives for regions to engage business, education, and workforce institutions to prepare people for high-growth occupations that create effective talent pipelines and career pathways in high-growth industries.

[SB 118](#) (Lieu) would target resources for workforce training in specific, high-growth industry clusters.

Qualify community colleges on the Employment Training Provider List so that they can become the natural workforce training providers for the public workforce system.

Publish wage data mapped to community college programs in order to increase transparency for consumers and partners.



YOUR PRIORITIES

- 1.
- 2.
- 3.

FOCUS ON CLOSING THE ACHIEVEMENT GAP

Coordinate and scale Latino advancement and leadership development initiatives.

Example from the Inland Empire

An initiative of the Inland Empire Economic Partnership, the [Latino Leadership and Policy Institute](#) supports leadership and professional achievement in the Latino community while promoting dialogue about the growing Latino population in the region.

Identify and scale key strategies for boosting achievement in schools with predominately Latino students.

Example from Arizona

Using methodology from Jim Collins, author of Good to Great, “[Why Some Schools with Latino Children Beat the Odds and Others Don't](#)” is a project that identifies twelve Arizona elementary and middle schools with mostly Latino students that are ‘beating the odds’ in terms of academic achievement. The project identifies key contributors to the schools’ success.

EXPAND CAREER TECHNICAL EDUCATION IN HIGH-DEMAND FIELDS

Implement changes that begin to reverse the long-term decline in funding and encourage innovative approaches to expanding career technical education in high-demand fields.

Example from Los Angeles County

Los Angeles Trade Tech (LATTTC) has worked with regional partners to prioritize programming for high-demand occupational areas in CTE. LATTTC is able to sustain its high cost portfolio of programs thanks to differential funding by its district.

Examples from the states of Indiana, Washington, and Others

In Indiana and Washington, and several other states, community and technical colleges are reimbursed at higher rates for high-demand occupational programs in CTE.

ACHIEVEMENT
GAP

YOUR PRIORITIES

1.

2.

3.

ENCOURAGE INNOVATION IN PREPARING YOUTH FOR ECONOMIC OPPORTUNITY

Promote alignment across institutions to comprehensively invest in youth.

Example from Sonoma County

[Cradle to Career](#) is a region-wide collaboration connecting all segments of the educational continuum – early childhood, K-12, college/technical training, and workforce development – with broad-based community support to improve the educational, economic, and health outcomes for all Sonoma County youth, preparing a future workforce to succeed.

Example from Los Angeles County

A partnership between Long Beach Unified School District (LBUSD), Long Beach Community College (LBCC) and Cal State University, Long Beach (CSULB), the [Long Beach College Promise](#) guarantees all LBUSD students the opportunity to receive a college education. The Promise provides a variety of educational benefits and services, including: early and continued outreach for students and families; support for multiple college pathways; guaranteed college admission at CSULB for students who complete minimum college preparatory or community college transfer requirements; and a tuition-free semester at LBCC.

Prepare students for Technology, Engineering, and Math (STEM) careers through innovative public-private partnerships.

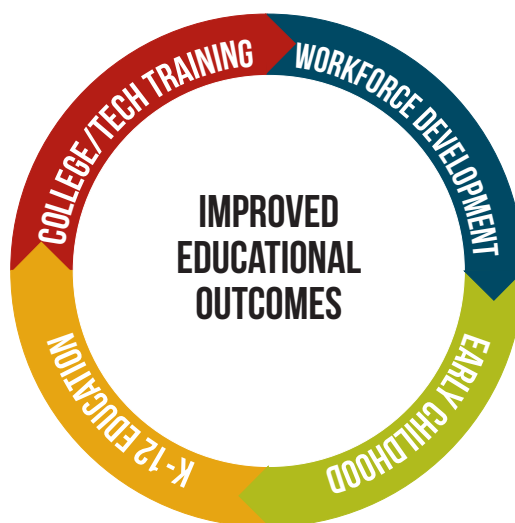
Example from Illinois

[STEM Learning Exchanges](#) are public-private education partnerships that prepare students for careers in STEM fields. Exchanges are organized by career cluster and work to coordinate planning and investment, aggregate resources, and review talent supply-chain performance in STEM occupations.

FOCUS CA'S ADULT EDUCATION SYSTEM ON BASIC SKILLS DEVELOPMENT

More clearly define the focus of adult schools toward basic skills, with community colleges focusing on technical/job training as well as other work readiness skills.

Improve coordination of adult education funding and tracking of enrollment and learning outcomes.



YOUR PRIORITIES

1.

2.

3.

INFRASTRUCTURE

To maintain our competitive edge in today's global economy, California must invest in upgrading our critical infrastructure. Below are the 2012 Infrastructure Problem and Goal statements that shaped the actions of last year's Summit. We invite your input in updating the infrastructure problem and goal statements to reflect new priorities and opportunities in 2013.

2012 PROBLEM STATEMENT

California faces a ten-year, \$765 billion infrastructure deficit, \$500 billion of which is in transportation.

State and local governments lack adequate tools to address the infrastructure deficit.

California's water infrastructure is not equipped to meet the needs of our growing population and economy.

2013 PROBLEM STATEMENT

2012 GOAL STATEMENT

Deliver 21st century infrastructure for California businesses and citizens.

Develop new procurement processes and financing tools to enable accelerated project development, supporting job creation and environmental goals.

Address state-level bottlenecks, and provide cities, counties and regions with more investment options and increased policy flexibility.

Implement a comprehensive, integrated water infrastructure plan that restores the Bay Delta water system and ensures water reliability.

2013 GOAL STATEMENT

PROGRESS SINCE THE 2012 SUMMIT

PRIVATE FINANCING OF INFRASTRUCTURE

At the urging of Action Team members, the California Infrastructure and Economic Development Bank, a major source of financing for public infrastructure and private development, has been incorporated into GO-Biz, the Governor's Office of Business and Economic Development.

At the request of Michael Rossi, Senior Advisor for Jobs and Business Development in the Governor's Office, the Action Team has submitted a white paper to the Governor's Office on creating a center for expertise to increase private financing of infrastructure.

MODERNIZING CA'S WATER SYSTEM

A list of key near-term projects were identified by regional stakeholders to maintain the Delta ecosystem while providing Californians with a reliable source of drinking water. The group has committed to delivering this list to the legislature by the end of April 2013.

POTENTIAL 2013 **INFRASTRUCTURE** PRIORITIES

For your consideration, below are potential areas for future action, building off of progress since the 2012 Summit. We include innovations from California's regions and other states to stimulate thinking about what actions the Summit could advance in 2013. We ask you to identify your priorities, drawing either from these or other potential actions.

HELP SHAPE THE COMPREHENSIVE STATE INFRASTRUCTURE PLAN

California does not have an integrated strategy for targeting capital investments to support its established triple-bottom line goals. Multiple government agencies are currently working on parts of what should be an integrated statewide strategy. Eventually community leaders and voters will be asked to support a plan that may or may not be the best it could be.

Instead, regions could help focus the administration's attention on the best ideas for developing integrated, performance driven and smartly financed infrastructure as the strategy is being developed.

What are the infrastructure investment priorities in your region that are essential to economic growth and which level of government (local, regional, state or federal) should have primary responsibility for financing and managing the investment?

What are appropriate financing tools for implementing those priorities? Who should be primarily responsible for each tool?

EXPAND PRIVATE FINANCING OF INFRASTRUCTURE

Revise and clarify the Infrastructure Financing Act to undo unnecessary restrictions and make it easier to administer, more flexible to manage and less costly to implement public-private partnership programs.

Educate department heads, elected officials, and key decision makers on global best practices for procurement, to ensure California is taking advantage of the full range of funding options.

Empower the Infrastructure Bank with responsibility to advise and assist state and regional agencies in evaluating and negotiating potential infrastructure projects, and support an expanded pipeline of California projects drawing on private finance and management expertise. Support the office with adequate authority and resources.

YOUR PRIORITIES

1.

2.

3.

EXPAND PUBLIC INVESTMENT IN TRANSPORTATION

California's existing transportation system was funded by past generations, is aging, needs significant investment for rehabilitation, and needs expansion and modernization to serve 21st century goals for mobility, economic competitiveness and sustainability. At current funding levels, the quality of the transportation system will continue to degrade.

Partially restore annual Vehicle License Tax and dedicate funds to transportation.

Allocate State's Cap and Trade revenues derived from vehicle fuels to transportation system needs that achieve greenhouse gas reduction strategies and support sustainable communities.

Give local governments the ability to enact, extend, or increase special taxes to fund local transportation projects with 55% voter approval (including sales taxes, parcel taxes and bond measures). Increasing local government's ability to fund infrastructure projects would help address the [\\$82 billion funding shortfall](#) over the next ten years to fix California's aging system of local roads, bridges, sidewalks, bikeways, signals, lights, signs and storm drains.¹ [State legislation](#) has been initiated to consider lowering the current two-thirds voter approval threshold for transportation taxes to 55%.

Allow for regional highway system to be operated like a private utility with variable pricing set to manage demand, reduce congestion, improve efficiency for goods movement, and generate adequate funds for ongoing operations and maintenance.

Leverage current low interest rates to expedite infrastructure projects, create jobs, and stimulate the economy.

Example from Los Angeles

In Los Angeles, the [30/10 Initiative](#) uses funds from Measure R as collateral for long-term bonds and a federal loan so that the projects can be built much faster, taking advantage of low interest rates and low construction costs.

YOUR PRIORITIES

1.

2.

3.



¹ 81% of statewide roadway infrastructure is maintained by cities (44%) and counties (37%)

DEVELOP COMPREHENSIVE ENERGY INFRASTRUCTURE PLAN

California is in the middle of implementing over a dozen major programs to transform energy efficiency and alternative energy in the state. Several recent reports call for action on coordinating energy policies and clarifying responsibility for the administration of the state’s many energy policies.² Given the changing policy landscape, California’s regions have the opportunity to provide input to improve coordination and prioritization of initiatives as well as leverage regional assets to capitalize on statewide energy programs.

Develop comprehensive, integrated statewide plan for energy infrastructure in California to help guide, coordinate, and prioritize agencies’ actions.

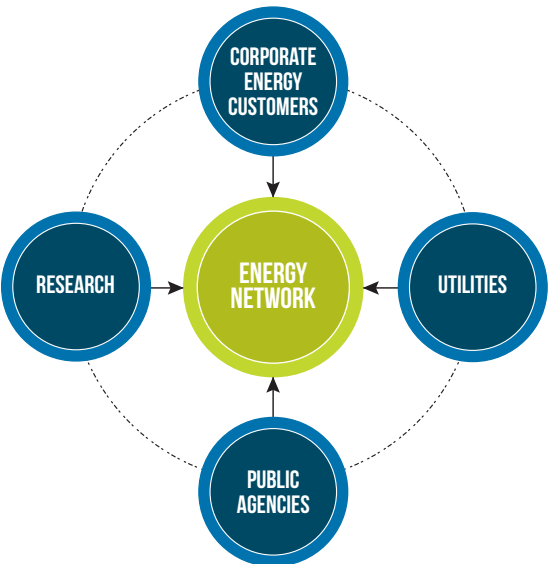
Example from Silicon Valley

With leadership from Joint Venture, the [Smart Energy Enterprise Development Zone](#) (SEEDZ) brings together corporate energy customers, public agencies, utilities and research institutions to develop a high-performing, smart energy network in Silicon Valley. The SEEDZ collaborative allows stakeholders to identify areas of common opportunity, define integrated standards and solutions, and more rapidly propagate best practices.

Identify economic development opportunities that leverage statewide energy policies.

Example from Imperial Valley

Leveraging its natural resources and strategic location, the Imperial Valley region is [expanding renewable energy projects](#) that will help the state meet its 33 percent renewable electricity goal.



YOUR PRIORITIES

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² Reports include the Legislative Analyst’s Office [Energy Efficiency and Alternative Energy Programs](#), the Little Hoover Commission’s [Rewiring California: Integrating Agendas for Energy Reform](#) and Advanced Energy Economy’s [California’s Advanced Energy Economy: Advanced Energy Business Leaders’ Perspectives and Recommendations on California’s Energy Policies](#).

EXPAND BROADBAND INFRASTRUCTURE

Deploy broadband infrastructure in rural areas.

Example from Redwood Coast

[Redwood Coast Connect](#) is a pilot project supported by the California Emerging Technology Fund to make broadband available in rural communities by assessing the needs of users, engaging telecom providers, and simplifying policies.

MODERNIZE CA'S WATER INFRASTRUCTURE

Further link and integrate strategies and projects to achieve the co-equal goals of restoring the Delta ecosystem and ensuring water supply reliability.

Support water projects that improve levee structural integrity and safety, increase through-Delta conveyance, and enhance habitat.

FACILITATE RURAL/URBAN COLLABORATION

Leverage assets across borders.

Example from San Diego

The Cali Baja Bi-National Mega-Region Initiative is a long-term economic development strategy partnering San Diego County, Imperial County and Baja California in Mexico for the purpose of increasing global competitiveness. The initiative brings together business, civic and government leaders from San Diego County and Imperial County to assess the advantages and challenges of doing business in the bi-national region, and to ultimately market the region internationally.

INCREASE REGIONAL FLEXIBILITY IN SETTING INFRASTRUCTURE PRIORITIES

Example from New York

New York's [Regional Economic Development Councils](#) are made of up local business, university, labor and community leaders and develop strategic plans that reflect their own distinct regional priorities. Economic development awards are granted to the regional councils, allowing them to pursue their own economic development priorities and implement their strategic plans.

DEVELOP INFRASTRUCTURE FOR SCALING SUCCESSFUL SOCIAL PROGRAMS

Increase resources for high-impact social programs that demonstrably achieve results through social impact bonds.

Example from New York and Massachusetts

New York and Massachusetts have implemented social impact bond programs to scale [social programs](#) that achieve successful outcomes.

YOUR PRIORITIES

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REGULATIONS



Regulations emerged as a top priority in the 2012 Summit. Below are the 2012 Problem and Goal statements that shaped the actions of last year's Summit. We invite your input in updating the Regulations problem and goal statements to reflect new priorities and opportunities in 2013.

2012 PROBLEM STATEMENT

California Environmental Quality Act (CEQA) uses have undermined rather than enhanced sustainable development

More work needs to be done to streamline and promulgate regulations that serve the state's public policy interests

2013 PROBLEM STATEMENT

2012 GOAL STATEMENT

Implement CEQA's original intent to improve environmental outcomes, ensuring informed environmental concerns, increasing transparency, reducing uncertainty and complexity and preventing abuses for non-environmental objectives

Effectively implement SB 617 to better analyze, rationalize and more thoughtfully promulgate regulations

Streamline mutually contradictory, duplicative, outdated and/or absurd regulations without undermining important environmental and worker protections

Improve the processes for promulgating and enforcing regulations to achieve their intended public policy results and minimize costs to the state's economy

2013 GOAL STATEMENT

PROGRESS SINCE THE 2012 SUMMIT

CEQA MODERNIZATION

The CEQA Working Group conducted CEQA tours in Los Angeles County, San Francisco, the Central Valley and Silicon Valley, bringing together legislators and key stakeholders to highlight CEQA abuses as well as examples of CEQA serving its intended purpose.

The CEQA Working Group coalition formed, developed key principles for CEQA modernization (integrate environmental planning laws; eliminate CEQA duplication, lawsuit public disclosure and accountability; expedite CEQA litigation), and led the strategic communications, coalition-building and advocacy efforts surrounding CEQA modernization legislation. Lawmakers have introduced more than two dozen CEQA-related bills, including Sen. Steinberg's SB 731, which would modernize CEQA, reduce duplication and avoid delays in completing the CEQA process.

REGULATORY STREAMLINING

SB 1099 (Wright), a regulatory certainty bill providing that all regulations must go into effect on a quarterly basis as opposed to the current standard of 30 days after being filed and providing additional notification procedures, was enacted and chartered in 2012.

AB 12 (Cooley) was introduced in December 2012 and would increase accountability of government agencies to analyze and report on the impact of regulations.

For up-to-date information on initiative progress since the Summit, check out the Progress Tracker at caeconomy.org/progress

POTENTIAL 2013 REGULATIONS PRIORITIES

For your consideration, below are potential areas for future action, building off of progress since the 2012 Summit. We include innovations from California's regions and other states to stimulate thinking about what actions the Summit could advance in 2013. We ask you to identify your priorities, drawing either from these or other potential actions.

CEQA MODERNIZATION

More than two dozen CEQA-related bills have been introduced in this legislative session, most of them pushing for relatively modest modifications to the law. Sen. Steinberg's SB 731 goes further. His bill proposes changing CEQA to:

Provide more certainty for infill projects by updating CEQA for infill developments to reduce urban sprawl.

Streamline the law for certain projects by expediting the process for new investments in clean energy, bike lanes, and transportation projects in a way that does not compromise public disclosure or environmental protections.

Update CEQA's traffic and aesthetic impacts by setting clear minimum thresholds for impacts like parking, traffic, noise, and aesthetics to allow local agencies to standardize mitigation of those impacts.

Speed up the legal process by reducing duplication in Environmental Impact Report (EIR) filings, by allowing courts to repair only portions of EIRs instead of requiring the entire report to be redone, and by prohibiting "document dumps" after the public comment period.

Update local plans by providing \$30 million in new funding to local governments to update general, area, and specific plans to better "tier" and streamline environmental review of compliant projects.

YOUR PRIORITIES

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REGULATORY STREAMLINING

Leverage California's innovative technology to improve the responsiveness and efficiency of public sector processes.

Across the country, technology is being used to increase transparency and efficiency of public sector institutions. So-called 'Government 2.0' solutions can be applied to a wide range of government agencies and functions, increasing responsiveness and streamlining bureaucracies.

Example from Silicon Valley

Joint Venture Silicon Valley began the Smart Permit Program, a web-based initiative to enable property owners, contractors and businesses to check the status of permits online, submit plans electronically and apply and pay for permits online.

Encourage cities and public agencies to proactively engage and work with the private sector to streamline regulations.

Examples from Orange and Los Angeles Counties

Orange County Business Council's [Turning Red Tape Into Red Carpet Awards](#) honors public agencies that proactively cut through bureaucratic red tape, opening the door for Business Retention and Expansion and Sustainable and Green Development.

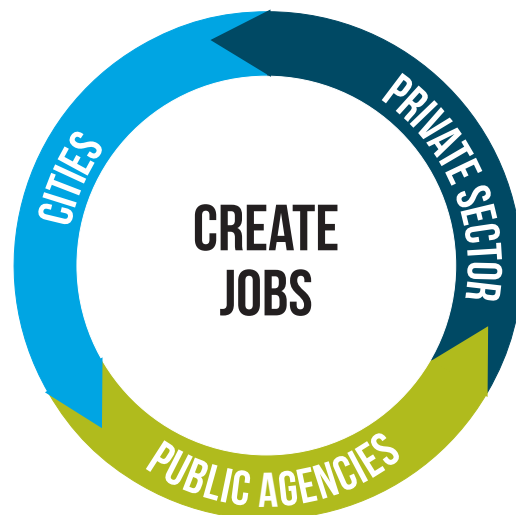
Los Angeles Economic Development Corporation awards the [Most Business-Friendly City in Los Angeles County](#) that proactively promotes business-friendly programs and services to attract and retain good quality jobs.

YOUR PRIORITIES

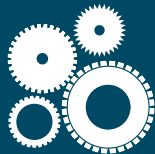
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INNOVATION



Creating a climate that supports and fosters innovation in California was a top priority in the 2012 Summit. Below are the 2012 Problem and Goal statements that shaped the actions of last year's Summit. We invite your input in updating the Innovation problem and goal statements to reflect new priorities and opportunities in 2013.

2012 PROBLEM STATEMENT

California is a global leader in innovation but lacks a strategic plan to build on industry and regional strengths and connect emerging and existing businesses with innovation assets

2013 PROBLEM STATEMENT

2012 GOAL STATEMENT

Help small business and start-ups innovate
Work with industry, universities, local governments, and regional innovation partnerships to start and grow businesses

2013 GOAL STATEMENT

PROGRESS SINCE THE 2012 SUMMIT

Worked with GO-Biz to establish iHubs as part of GO-Biz and to expand the iHub program to include advanced manufacturing. GO-Biz held an Advanced Manufacturing Summit in late March, 2013, convening key stakeholders from education, industry, research and the state's iHub innovation network.

Worked with CWIB to establish a Manufacturing Council to support industry partnerships for skills development.

Hosted a March forum to launch the California Network on Manufacturing Innovation (CMNI) focused on additive manufacturing.

Supported regional efforts to secure a Regional Patent Office in San Jose – one of only three being added nationwide – to speed intellectual property protection for innovative companies.

For up-to-date information on initiative progress since the Summit, check out the Progress Tracker at caeconomy.org/progress

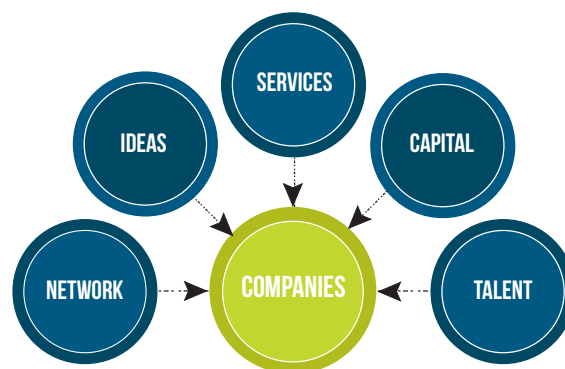
POTENTIAL 2013 INNOVATION PRIORITIES

For your consideration, below are potential areas for future action, building off of progress since the 2012 Summit. We include innovations from California's regions and other states to stimulate thinking about what actions the Summit could advance in 2013. We ask you to identify your priorities, drawing either from these or other potential actions.

EXPAND IHUB NETWORKS

Expand and create networks among iHubs to stimulate partnerships, economic development, and job creation around research clusters.

The iHub initiative run by GO-Biz leverages assets such as research parks, technology incubators, universities, and federal laboratories to provide an innovation platform for startup companies, economic development organizations, business groups, and venture capitalists. Creating networks among iHubs will increase their impact.



ADVANCED MANUFACTURING

Create and support advanced manufacturing initiatives in regions across the state.

Example from Massachusetts and Colorado

Massachusetts' governor launched the [Massachusetts Advanced Manufacturing Collaborative](#), a group comprised of leaders from industry, academia and government, which is investing more than \$20 million in public and private in support of regional advanced manufacturing initiatives. Colorado is following a similar strategy.

Generate and submit a California-wide application to secure a National Network of Manufacturing (NNMI) grant to fund two (Northern and Southern California) regional hubs of manufacturing excellence to help make our manufacturing firms more competitive.

YOUR PRIORITIES

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CAPITAL



Capital emerged as a top priority in the 2012 Summit. Below are the 2012 Problem and Goal statements that shaped the actions of last year's Summit. We invite your input in updating the Regulations problem and goal statements to reflect new priorities and opportunities in 2013.

2012 PROBLEM STATEMENT

Existing firms and potential entrepreneurs require access to capital and a strong network of business services - both are currently inadequate

Successful businesses often relocate to attract capital for growth, removing jobs from the community

Interested impact investors and local residents lack efficient intermediaries

Value of locally owned businesses (multiplier effect) needs support and marketing

2013 PROBLEM STATEMENT

2012 GOAL STATEMENT

Expand impact investment and new sources of capital for local business and regional industry clusters

Invest in sectors that offer a foundation for jobs and prosperity for all Californians

Reduce financial risk to the lender, improve credit worthiness of borrowers and strengthen overall business management through financial technical assistance and business mentoring

2013 GOAL STATEMENT

PROGRESS SINCE THE 2012 SUMMIT

The California Opportunities Roundtable (CalFOR) released an [Access to Capital Guidebook](#) as a one-stop-shop resource in a straightforward, easy-to-use format for those seeking capital.

As part of the CalFOR process, roundtable members worked with the California Endowment to create financial structures that can receive funds from non-accredited investors for investments in non-profit Community Development Financial Institutions. CalFOR is working with the Endowment to organize workshops that will lead to the establishment of several structures.

For up-to-date information on initiative progress since the Summit, check out the Progress Tracker at caeconomy.org/progress

POTENTIAL 2013 CAPITAL PRIORITIES

For your consideration, below are potential areas for future action, building off of progress since the 2012 Summit. We include innovations from California's regions and other states to stimulate thinking about what actions the Summit could advance in 2013. We ask you to identify your priorities, drawing either from these or other potential actions.

INCREASE INVESTMENT IN LOCAL BUSINESSES AND ECONOMIES

Increase the number of local equity-based opportunities for non-accredited investors.

Example from Redwood Coast

Redwood Coast is developing an "invest local" strategy to increase investment in locally-owned businesses.

Create regional seed funds to increase small businesses' access to capital

Example from [Chico](#)

The North Valley Community Foundation is working in collaboration with 3CORE, a regional economic development organization to ensure local entrepreneurs can access the capital they need to start local business that can thrive in Chico.

INCREASE ACCESS TO CAPITAL IN UNDER-SERVED COMMUNITIES

Create intermediaries that mitigate or reduce risk, increasing access to capital in under-served communities.

Statewide example

California Freshworks is a private-public partnership loan fund improves access to capital in under-served communities by mitigating and/or reducing lending risks.

Target financing to Latino entrepreneurs.

Example from Washington

[The Latino Business Retention and Expansion Program](#) in Skagit County, Washington targets Latino entrepreneurs and has supported Latino business owners in securing more than \$2 million in loans.



YOUR PRIORITIES

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OTHER

While the 2013 Summit Steering Committee considers a focus on the preceding Signature Initiatives as a top priority, other initiatives have been raised by regions that may also emerge as priorities in 2013. We ask for your input in identifying priorities in other areas, drawing from these and other potential actions for consideration in 2013.

WORKING LANDSCAPES

Working Landscapes is a broad term that refers to promoting the health of ecosystems as well as the livelihoods that are based on natural resources. Working landscapes initiatives support job-creation and economic growth in areas of the economy that depend on food systems, the emerging bio-based economy, tourism, and other industries tied to working landscapes. Initiatives could include:

- Public acquisition of lands for parks, forests, recreation, and agriculture
- Establishment of urban growth boundaries
- Assistance with farm and forest business plans
- Development of rural community infrastructural support

GLOBAL CONNECTIVITY

California's connection to growing global markets is an important driver of the state's economic vitality. Despite the benefits and importance of international trade, however, California lacks a coherent strategy to encourage and facilitate export trade.

Create statewide export strategy to align and coordinate export-promotion efforts.

Example from Washington

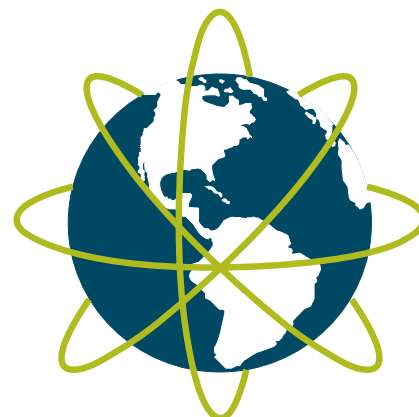
Washington's statewide export initiative is aimed at increasing Washington exports by 30 percent by enhancing the export capacity of firms, aligning economic development and export promotion organizations, and partnering more closely with the federal government to implement new export promotion programs.

YOUR PRIORITIES

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GLOBAL CONNECTIVITY (CONTINUED)

Develop targeted, integrated export-related services and strategies to increase California’s engagement in international trade.

Example from Ventura

The Economic Development Collaborative of Ventura County focuses business development services on helping local firms identify and take advantage of opportunities for increased international trade.

Example from San Diego

The Brookings Institution selected the San Diego region to participate in its first Metropolitan Export Exchange program, which will apply market intelligence to develop targeted, integrated export-related services and strategies that will improve how San Diego companies connect to global customers.

PROTECTING MILITARY ASSETS

Align efforts to protect military economy.

Example from San Diego

“Operation San Diego” represents San Diego’s interests in Washington DC and with state and local policymakers. The goal is to maintain the region’s military footprint which includes more than 130,000 service members, 15 bases and 57 ships based in the region. Operation San Diego is coordinating with statewide efforts to protect military assets in California.

YOUR PRIORITIES

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MEASURING SUMMIT OUTCOMES **PROPOSED CALIFORNIA PROSPERITY INDEX**

Prosperity is a function of the triple-bottom-line: a strong economy, vibrant society, and healthy environment. Summit initiatives impact each aspect of the triple-bottom-line, as described in the diagram below:



An inclusive measure of triple-bottom-line prosperity—the California Prosperity Index—will help to benchmark and measure our success over time in achieving Summit goals.

The Prosperity Index will build on regional and statewide indexes that measure triple-bottom-line prosperity, presenting a comprehensive framework for benchmarking our success.

Based on a scan of regional indexes from across California that measure economic, social, and environmental progress, there is a broad consensus on:

- Measuring economic progress through employment rates and job creation
- Measuring educational attainment, income, demographic characteristics, and health as indicators of social progress
- Measuring environmental quality through indicators on transportation, energy, waste, and air quality

The Prosperity Index will build on these measures to develop an integrated, inclusive set of indicators. The Index will hold us accountable for achieving Summit outcomes while focusing our efforts on actions that measurably advance the triple-bottom-line.

APPENDIX

Percent Change in Employment by Industry

Percent change in employment by industry data is from the California Employment Development Department, Employment By Industry Data. Data is not seasonally adjusted.

Unemployment Rates

Data is from the Bureau of Labor Statistics, Local Area Unemployment Statistics. Data is not seasonally adjusted and is as of December each year. 2012 data is preliminary. Employed persons are those who did any work at all for pay or profit in the reference week or worked 15 hours or more without pay in a family business or farm, plus those not working who had a job from which they were temporarily absent, whether or not paid, for such reasons as labor-management dispute, illness, or vacation.

Venture Capital Investment

Data is for the San Diego area as defined by The MoneyTree™ Report from PricewaterhouseCoopers and the National Venture Capital Association based on data from Thomson Reuters. All values are inflation-adjusted and reported in 2012 dollars, using the CPI for the U.S. City Average from the Bureau of Labor Statistics.

Per Capita Income

Personal income is defined by the Bureau of Economic Analysis as the income received by persons from participation in production, from government and business transfer payments, and from government interest. BEA estimates personal income largely from administrative data sources

Educational Attainment by Race/Ethnicity

Educational attainment data by ethnicity is from the U.S. Census Bureau, 2007-2011 American Community Survey 5-Year Estimates, C15002: Sex By Educational Attainment for The Population 25 Years and Over. The White category is Non-Hispanic. Multiple and Other includes American Indian and Alaskan, native Hawaiian and Pacific Islander, Two or More Races and Other races.

Percent of Population in Poverty

Poverty data is from the U.S. Census Bureau, American Community Survey 1-Year Estimates, S1701.

Population by Age and Race/Ethnicity

Regional ethnicity data is from the U.S. Census Bureau, 2007-2011 American Community Survey 5-Year Estimates, B01001: Sex By Age. The Non-Hispanic category includes people who are White Alone, Asian Alone, American Indian & Alaska Native Alone, Black or African American Alone and Native Hawaiian & Other Pacific Islander Alone. The Hispanic category includes people who are Hispanic or Latino.

Number of Unhealthy Air Quality Days

Air quality data is from the U.S. Environmental Protection Agency, AIRNOW, AirCompare website. The data come directly from the Air Quality System (AQS) Data Mart. The AQS Data Mart contains ambient air pollution data collected by EPA, state, local, and tribal air pollution control agencies from thousands of monitoring stations. The Office of Air Quality Planning and Standards (OAQPS) and other AQS users rely upon the data to assess air quality, assist in Attainment/Non-Attainment designations, evaluate State Implementation Plans for Non-Attainment Areas, perform modeling for permit review analysis, and other air quality management functions.

Total and Per Capita Electricity Consumption

“California population estimates come from the California Department of Finance’s “E-4 Historical Population Estimates for Cities, Counties and the State, 2001-2010, with 2000 and 2010 Census Counts” and “E-2 California County Population Estimates and Components of Change by Year, July 1, 2010-2012”. Electricity consumption data are from the California Energy Commission’s California Energy Consumption Data Management System: Electricity Consumption by County.

Vehicle Miles Traveled Per Day, Per Person

Daily Vehicle Miles Traveled (DVMT) is defined as the average distance traveled per day by all vehicles in a geographic segment. Annual VMT estimates by county for 1995-2007 are from the California Department of Transportation’s “2008 California Motor Vehicle Stock, Travel and Fuel Forecast”, and are converted to daily averages. DVMT data by county for 2008-2011 are from the California Department of Transportation’s Highway Performance Monitoring System 2008, 2009, 2010 and 2011 “California Public Road Data.” In order to calculate DVMT, Caltrans multiplies the road section length (length in miles along the centerline of the roadway) by Average Annual Daily Traffic (AADT). AADT are actual traffic counts that the city, county or state have taken and reported to the California Department of Transportation and include both highway and non-highway roadways. “Revised County Population Estimates, 1970-2012” from the California Department of Finance are used to calculate per capita values.

THRIVING REGIONS LEAD TO A THRIVING STATE

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