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CALIFORNIA ECONOMIC SUMMIT

2013

BRIEFING BOOK CAPITAL REGION

Regional Forum
May 29, 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

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Hoover Institute
Stanford University

Leon Panetta
The Panetta Institute for
Public Policy

CO-CHAIRS

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Executive Director
Sustainable Conservation

Jessie Knight
Chairman and CEO
San Diego Gas & Electric

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California Alliance for Jobs

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State of California

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Business Development
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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. 11) 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. 12-21) focuses on the 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. 22-44) 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.

PROGRAM AGENDA

7-8:00 AM	Registration, Networking, Continental Breakfast and Partner Showcase
8:00 AM	Welcome <i>David Lowe - General Manager, KVIE Public Television</i>
8:05 AM	State Economic Summit and Statewide Orientation <i>Jim Mayer - California Forward and Summit Management Team</i>
8:20 AM	Next Economy Overview <i>Sandy Kirschenmann - Executive Director & Associate Vice Provost, Drexel University, Member of the Next Economy Steering Committee</i>
8:30 AM	Capital Region Focus: 2 Sacramentos <i>Roger Niello - President and CEO, Sacramento Metro Chamber</i>
8:40 AM	Mega Trends: Building on our Assets - Panel Presentation <i>Cheryl Dell - Publisher, The Sacramento Bee (Moderator)</i> <i>Dr. John Jackson - President, William Jessup University</i> <i>José Blanco - Principal, Central Valley Fund</i> <i>David Nystrom - Partner, McCuen Properties</i> <i>Kathryn Jeffery - President, Sacramento City College</i> <i>Jim Olson - Business Specialist, Engineering Translational Technology Center, UCD</i>
9:45 AM	Table Discussion: Identifying priorities for state and regional collaboration <i>1. Does the goal statement effectively describe what we need to do?</i> <i>2. What other actions are needed?</i> <i>3. What are the three top priorities for state support and why?</i>
10:45 AM	Opinions: Real-time voting and prioritization <i>Francie Genz - Collaborative Economics</i>
11:15 AM	Wrap up
11:30 AM	Partner Showcase

MEGA TRENDS BUILDING OUR ASSETS

Panel Moderator: Cheryl Dell

Cheryl Dell is the Sacramento Bee’s publisher and president. Cheryl is a native of Modesto and graduate of California State University, Sacramento. Before moving back to Sacramento, Cheryl was publisher of the Tacoma News Tribune and the Tri-City Herald in Kennewick, Wash. All told, she’s been newspapering in California, Texas and Washington State for over 25 years. Cheryl represents The Bee on the boards of the Sacramento Area Commerce and Trade Organization (SACTO), Valley Vision, Salvation Army and the Inland Press Association.

REGULATIONS	<p>Problem Growth inhibited by a thicket of rules</p> <p>Solution Encourage active engagement and cooperative support from private and government leaders</p>
Success Example	<p>William Jessup University is the result of public sector leadership working together with the private sector to pave a pathway for the recruitment of a private university and the effective re-use of former manufacturing center. In 2003, the university purchased the property and facilities of the former Herman Miller Furniture Company. With over 130 acres of land and over 350,000 square feet of existing improved space, the university had much to work with. However, the facility had been sitting empty and was a pretty good hideout for a bunch of rats (literally). Today, the property has been repurposed and is home to over 1000 full time college students ranging in age from 16 to 75.</p>
Presenter	<p>Dr. John Jackson <i>President—William Jessup University</i></p> <p>Prior to joining William Jessup University as its sixth president in March 2011, John served as Executive Director of Thriving Churches International and as a senior leader of Bayside Church, Granite Bay, California. He is the founding pastor of LifePoint Church in Minden, Nevada and was Executive Minister of the American Baptist Churches of the Pacific Southwest where he was responsible for 270 churches in four western states. John’s strong background in executive and organizational leadership has allowed him to engage with leaders in national and global settings. He earned both his Ph.D. and M.A. in Educational Administration and Organizational Studies from the University of California, Santa Barbara; M.A. in Theology (Christian Formation and Discipleship) at Fuller Theological Seminary; and a B.A. in Religion (Christian History and Thought) from Chapman University.</p>

CAPITAL	<p>Problem Finding money to fuel growth and keep jobs local</p> <p>Solution Amassing and deploying VC funds today</p>
Success Example	<p>The Central Valley Fund has over \$100 million of total committed capital which the CVF will deploy as mezzanine debt and equity capital to the lower-middle market and invests the fund across a broad range of sectors and geographies with particular focus on California and the Central Valley.</p> <p>The Central Valley Fund was established to finance later stage growth through mezzanine and preferred equity investments. The Fund's size and scale allows it to focus on the underserved lower middle market, while its flexible structure enables CVF to be creative in solving a company's particular capital needs. Thus far, CVF has deployed or committed over \$50 million in California companies since 2006, including financing for several Central Valley businesses for acquisitions, expansion or recapitalizations. The principals of CVF bring broad expertise to this market, having collectively deployed close to \$800 million into middle market transactions over the last 25 years into mezzanine financings.</p>
Presenter	<p>José Blanco <i>Principal, Central Valley Fund</i></p> <p>José Blanco brings more than 26 years of experience in product management, operation, financial management and direct investments to The Central Valley Fund. Formerly, he served as Regional Vice President and Chief Investment Officer at AIG Investment Corporation and has supervised direct investments into a variety of manufacturing, distribution, service and financial services businesses for 25 years, including mortgage lenders, health care providers, business service firms, food manufacturers, logistics companies, securities dealers and asset management and leasing companies.</p> <p>Most recently, he was the CFO for a \$500M HR outsourcing company. Additionally, Mr. Blanco has taught graduate level finance courses at UC Berkeley, Ohio State University and Saint Mary's College of California and has consulted for medium sized financial services, insurance, healthcare, and advertising firms in the United States and abroad.</p> <p>Mr. Blanco sits on the Business Advisory Board for ProMéxico in the U.S, a part of México's Secretary of the Economy dedicated to promoting increased direct investment and promote trade between the U.S. and México. He earned his undergraduate degree from Saint Michael's College, an MBA from the Claremont Graduate University, an MS in Economics from the University of Utah, and a PhD in Economics from Utah State University.</p>

INFRASTRUCTURE

Problem Assets idle

Solution Transforming and reuse of existing assets into job creators and wealth generators

Success Example

Redevelopment of Mather Airfield

McCuen Properties was selected through a public competition to manage the development of Mather Field, a 5,800 acre decommissioned Air Force base, through a public/private partnership with Sacramento County. The U.S. Department of Defense identifies Mather Field as one of the nation's most successful conversions of a military base to civilian use.

Today, the former "main base" of the once-shuttered facility comprises the Mather Commerce Center encompassing approximately 150 acres that has been re-purposed into a multi-use business park. Notable occupants of the Mather Commerce Center are the Northern California VA Hospital, the California Emergency Management Agency, Sutter Hospital, Bloodsource's corporate offices and lab, Sacramento County's Environmental Management Division and Sacramento Metro Fire. Approximately 1,500,000 square feet of new construction has been built since the base was decommissioned (valued in excess of \$375,000,000) and nearly 7,000 employees come to work at Mather each day. In addition to the Commerce Center, Mather Airport occupies 2,500 acres, offering general aviation facilities and superior facilities for the air cargo industry on one of the longest runways in the country. Home to over 300 private and corporate airplanes, it also is a hub for Intel's air fleet and sees over 40,000 Intel employees pass through its gates every year.

Presenter

David Nystrom *Director of Development, McCuen Properties*

David Nystrom has been associated with McCuen Properties for 25 years and directs all aspects of development activity, including initial project design and financial modeling, tenant recruitment, acquisition of entitlements, design, construction and tenant move-in. With extensive experience in public/private relationships on projects such as Sacramento's Central Library and Mather Field, he has a comprehensive understanding of the intricacies of large, complex projects in the current legal environment of California. In his tenure at McCuen, Mr. Nystrom has been responsible for the construction of over 2,250,000 square feet of new structures throughout the Sacramento region.

WORKFORCE

Problem Workforce readiness

Solution Ensure students effectively transition to and succeed in college or gain a career technical education to pursue employment and enter the workforce

Success
Example

Sacramento Pathways to Success: A Partnership for College to Career is a joint partnership of the Sacramento City Unified School District, Sacramento City College and California State University, Sacramento, who as public educational institutions have come together so that they can do more to retain and prepare students for college readiness and persistence toward a college degree by better serving every child living in the region.

Sacramento Pathways to Success creates a new era of heightened collaboration among all three organizations and commits leadership, staff and faculty working in and around the three education systems to collectively provide the opportunity to inform, guide and assist families, children and other young people as they navigate an increasingly clear pathway that helps them persist from kindergarten to a college education or career, and enjoy the quality of life afforded by that effort.

The goals of the Sacramento partnership are creating a greater college-going culture among city students, reducing the number of students who drop out of high school, reducing the number of college students who need remediation in math and English, and increase the number of students who are eligible to transfer from community college to a four-year college or who have earned a two-year certificate and are ready to pursue a career.

The Sacramento Pathways to Success partnership is modeled from the “Long Beach College Promise”—a notable program launched in 2008, in which the K-12 school district and the local public colleges create focused and integrated pathways for those K-12 students to enroll, progress and complete their educational goals.

Presenter

Dr. Kathryn E. Jeffery *President, Sacramento City College*

Dr. Kathryn Jeffery has been president of Sacramento City College since 2008. She has a bachelor’s degree in music, a master’s in counseling and a Ph.D. in community college leadership. In 1981 Jeffery brought her talent to City College as one of the youngest counselors in the college’s counseling office. Twenty-seven years and various job titles later Jeffery returned as college president. During the interim, she also received a Ph.D. in community college leadership from the University of Texas, Austin.

Sacramento City College is a two-year community college, part of the Los Rios Community College District, and had an enrollment of 25,307 in 2009. Sacramento City College is officially accredited by the Western Association of Schools and Colleges, offering Associate in Science (A.S) and Associate in Art (A.A.) degrees.

INNOVATION

Problem Inadequate conditions to grow emerging industries and new businesses

Solution Improve linkages between researchers making discoveries and entrepreneurs and companies able to commercialize and deploy them

Success Example

The Engineering Translational Technology Center (ETTC) at the UC Davis College of Engineering was named one of “Ten College Business Incubators We’re Most Excited About” by bestcollegesonline.com in August 2012. ETTC appears on the list alongside Syracuse University’s Student Sandbox and Harvard’s Innovation Lab.

Founded in late 2010, ETTC is a technology incubator designed to speed the transfer of high-impact, innovative ideas to the marketplace to meet society’s needs and help companies started by engineering professors jump the gap from the early research and discovery stage to having a marketable product that can attract investors. It’s a phase sometimes called the “Valley of Death” where many promising companies fail. ETTC is a technology incubator.

In May 2012, the Center had its first graduate: Dysonics, which makes products for delivering three-dimensional immersive sound over headphones.

Current tenants in the Center include Barobo, Inc., which aims to make robotics more affordable, adaptable, reconfigurable, and reprogrammable for education, research, and industrial applications; Inserogen, a biotech startup that uses tobacco plants as “biofactories” of high value recombinant proteins, including life-saving therapeutics and vaccines; TacSense, a company focused on the development of an array of cutting-edge flexible sensing applications for personal home health monitoring; Atocera, developing ceramic and semiconductor blades with custom 3D cutting edge-profiles and integrated micro-fluidic channels for shaving and surgery; and ViVita, a company revolutionizing regenerative medicine through technology which removes the immunological barriers of living tissue implants, including biological heart valve replacements. ViVita recently took top prize in the annual UC Davis “Big Bang!” competition.

Funding for ETTC is provided by private donations. Typically, government grants support the early stage of discovery. ETTC helps its companies secure Angel and VC financing for the vital developmental period that precedes demonstrating proof of concept or financial viability to investors.

Presenter

Jim Olson *Co-founder and Business Specialist, Engineering Translational Technology Center, UCD College of Engineering*

Besides his ETTC role, Jim Olson was named the 2013 Robert A. Fox Executive-in-Residence at the UC Davis Graduate School of Management, where he teaches courses on leadership, negotiations, and teams. He is also a guest lecturer at Stanford University’s Graduate School of Business. Olson founded WestShore Management Group in April 2007, continuing a distinguished career after leading several high-technology businesses for two Fortune companies and serving for nine years as CEO of SkyStream Networks, the top rated IPTV video head-end provider worldwide. TANDBERG Television acquired SkyStream in 2006. Olson left TANDBERG and founded WestShore Management Group in early 2007, when ERICSSON acquired TANDBERG for \$1.4 billion.

WestShore Management Group provides interim CEO, corporate consulting and executive development services for both public and private, venture-financed companies.

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

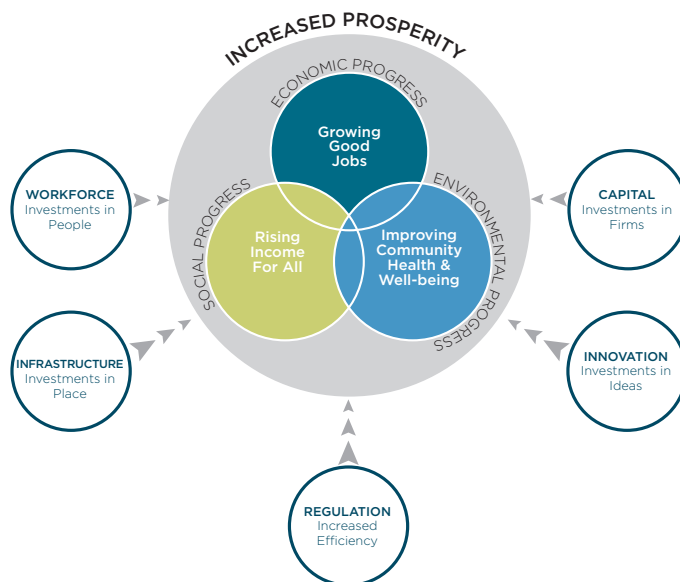
Good jobs offer opportunity for upward mobility.

Increase Personal Income for All

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

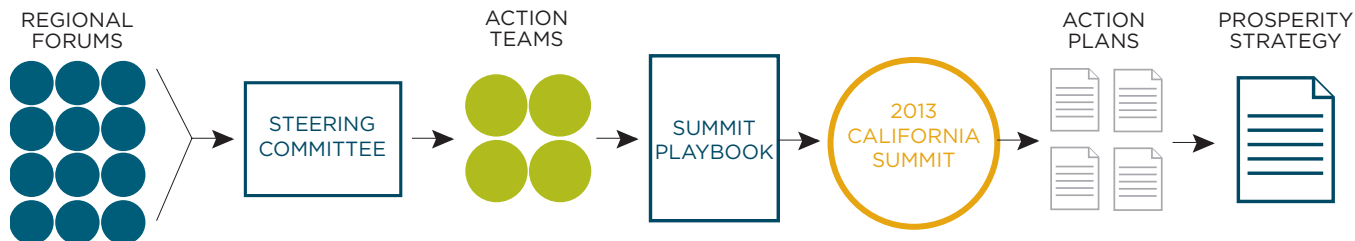
Improve Community Health and Well-Being in Every Region Across the State

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

CAPITAL REGION

[Includes El Dorado, Placer, Sacramento, Sutter, Yolo,
and Yuba Counties]

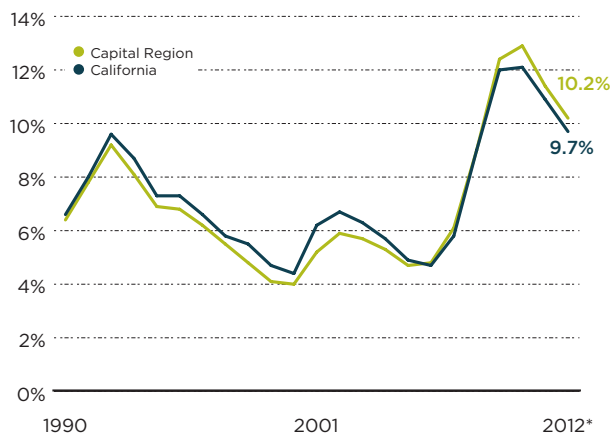
KEY TRENDS CAPITAL REGION

The following indicators shed light on economic, social, and environmental progress in the Capital 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

Capital Region and California



* Data for 2012 is preliminary.

Which trends have the greatest impact on your region?

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

UNEMPLOYMENT RATE

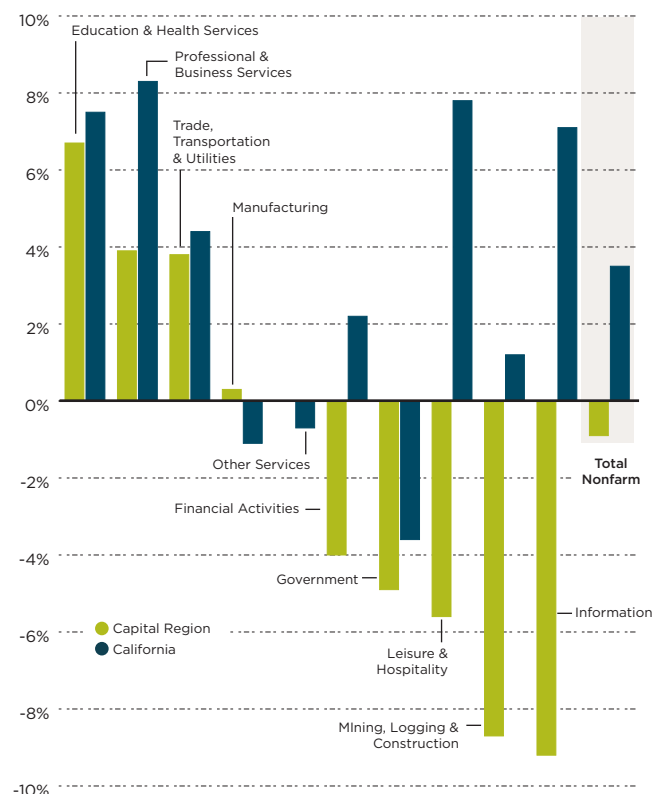
10.2%
Capital Region

9.7%
California

PERCENT CHANGE IN EMPLOYMENT BY INDUSTRY

December 2009 to December 2012

Capital Region and California



Note: Data is not seasonally adjusted.

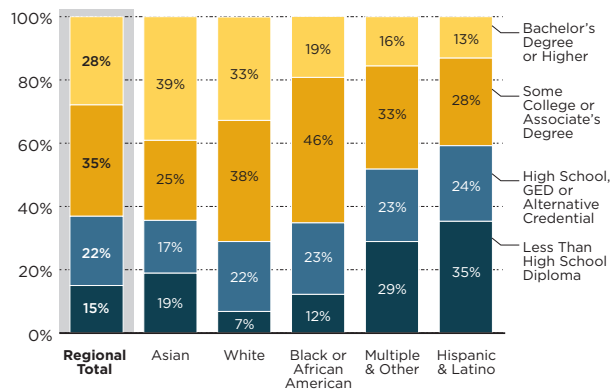
Data Source for Economy Trends: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, California Employment Development Department

Analysis: Collaborative Economics

SOCIAL PROGRESS

EDUCATIONAL ATTAINMENT BY RACE & ETHNICITY

Capital Region, 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

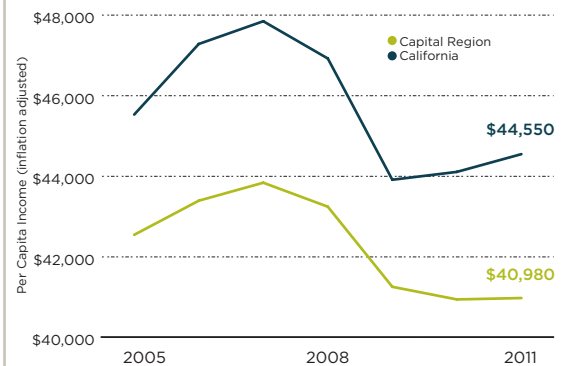
\$40,980

POPULATION IN POVERTY

36%

PER CAPITA INCOME

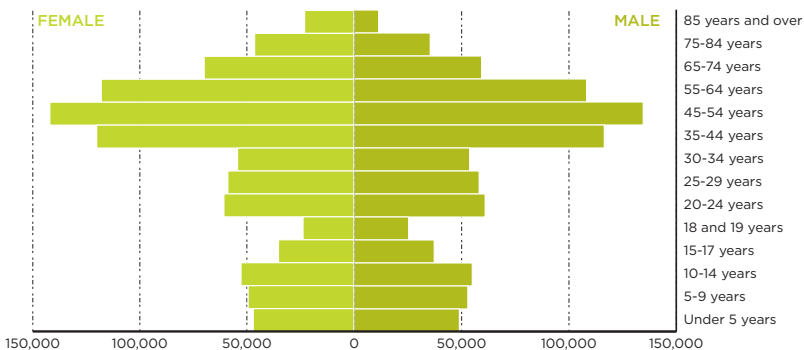
Capital Region and California



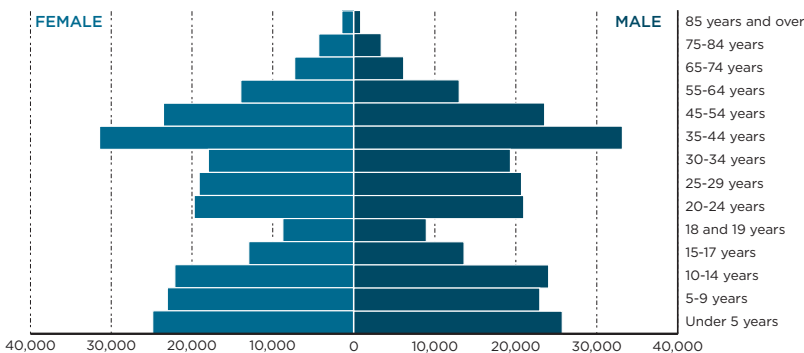
POPULATION BY AGE & ETHNICITY

Capital Region, 2011

NON-HISPANIC

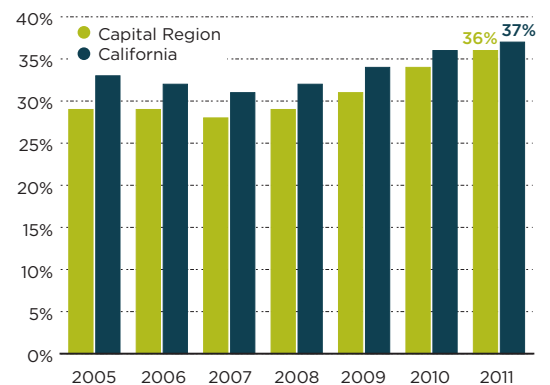


HISPANIC



PERCENT OF POPULATION IN POVERTY

Households with Income Below 200 percent Federal Poverty Level
Capital Region 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

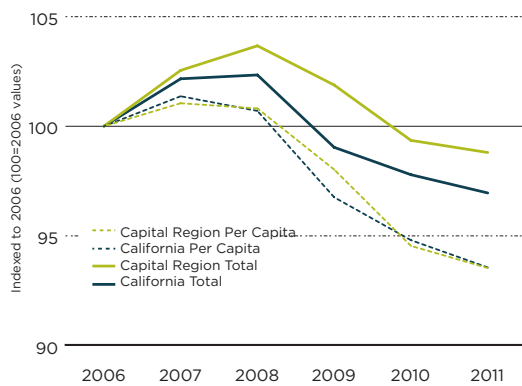
ENVIRONMENTAL PROGRESS

AVERAGE VEHICLE MILES TRAVELED PER DAY

24

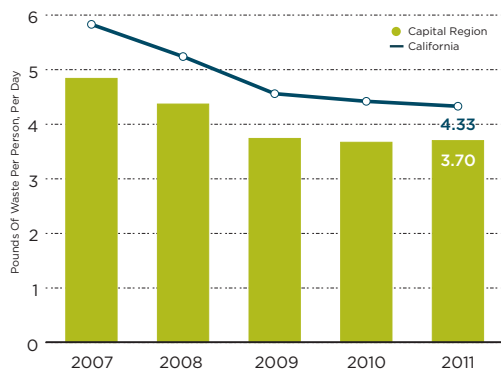
TOTAL & PER CAPITA ELECTRICITY CONSUMPTION

Capital Region and California



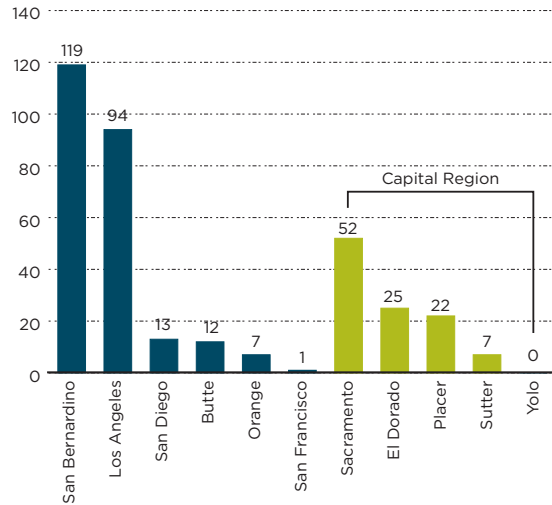
WASTE DISPOSAL PER CAPITA

Capital Region and California



NUMBER OF UNHEALTHY AIR QUALITY DAYS

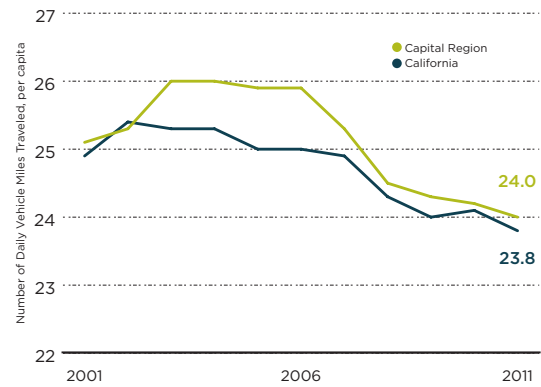
For Older Adults and Children
Capital Region and Selected Counties, 2011



Note: Data for Yuba County was not available

VEHICLE MILES TRAVELED

Per Day, Per Person
Capital Region 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

CAPITAL REGION INTRODUCTION

Next Economy, a regional business-led strategic planning initiative, released the Capital Region Prosperity Plan in March 2013, which sets in motion a unified economic agenda for the region. The plan lays out five overarching goals, a set of performance-based strategies and objectives, and a detailed Implementation Plan all focused to accelerate job and wealth creation and boost new investment across the Capital Region.

Four of the five Next Economy goals—regulations, capital, workforce, and innovation—match up with the key Signature Initiatives outlined in the State Economic Summit Policy Playbook, with a fifth Next Economy goal focusing on growth and expansion of the region's high-yield business clusters and a fifth statewide Signature Initiative focusing on infrastructure.

The Capital Region Economic Forum provides an opportunity to identify which of Next Economy's regional priorities can be most effectively advanced through collaboration with other regions and state-level partners.



NEXT ECONOMY REGIONAL GOALS

Foster a strong innovation environment

Amplify the Region's global market transactions

Diversify the economy through growth and support of core business clusters

Grow and maintain a world-class talent base

Improve the regional business climate for economic growth

REGIONAL AND STATE ECONOMIC PRIORITIES AT-A-GLANCE WORKSHEET

REGIONAL PRIORITY Next Economy Capital Region Prosperity Plan	OPPORTUNITY TO COLLABORATE With Other Regions and State-Level Partners
Business Climate Improve the regional business climate for economic growth	<ol style="list-style-type: none"> CEQA modernization Regulatory Streamlining – leverage technology to improve responsiveness and efficiency of public sector processes Regulatory Streamlining – encourage cities and public agencies to proactively engage and work with the private sector to reduce regulations to encourage investment and job creation Regulatory Streamlining – working with GO Biz, identify state regulations for regulatory relief that support the objectives of the Next Economy Business Climate – expand and enhance the programs and tools available to regions and localities to support investment and job creation Business Climate – identify economic development and financing mechanisms to incentivize investment and job creation. Next Economy Business Clusters – working with GO Biz, create and support initiatives focused on growth within the region’s six core clusters
Innovation & Capital Foster a strong innovation environment	<ol style="list-style-type: none"> Expand and create networks among iHubs – stimulate partnerships, as in the Latino Business Retention and Expansion Program in Skagit County, Washington Increase access to capital in under-served communities – for example, the Latino Business Retention and Expansion Program in Skagit County, Washington targets Latino entrepreneurs Protect and expand funding for air quality and clean fuel technology Expand PACE program – property assessed clean energy financing program offers a revenue source for retrofits. The program is currently well underway in the Sacramento region, but faces blockage at the federal level Create and support advanced manufacturing initiatives in regions across the state Increase investment in local businesses and economies - for example, regional seed funds

REGIONAL PRIORITY Next Economy Capital Region Prosperity Plan	OPPORTUNITY TO COLLABORATE With Other Regions and State-Level Partners
Infrastructure to support overall goals of Next Economy	<ol style="list-style-type: none"> 1. Statewide Infrastructure Plan – help shape the comprehensive state infrastructure plan 2. Expand private financing of infrastructure – example: make it easier to administer and less costly to implement public-private partnership programs 3. Expand public investment in transportation – example: protect and increase funding for interregional rail 4. Energy Infrastructure – develop comprehensive, integrated statewide plan for energy infrastructure 5. Expand broadband infrastructure – example: identify and coordinate strategic broadband investments to improve broadband infrastructure, access and adoption as the Capital Area Broadband Consortium aims to do 6. Modernize California’s water infrastructure 7. Invest in the state’s agricultural economic viability 8. Incentivize Infill Development & Infrastructure – example: Blueprint
Workforce Grow and maintain a world-class talent base	<ol style="list-style-type: none"> 1. Strengthen industry workforce development partnerships 2. Focus on closing the achievement gap – example, coordinate and scale Latino advancement and leadership development initiatives as in the Inland Empire Economic Partnership’s Latino Leadership and Policy Institute 3. Expand career technical education in high-demand fields – example: help students more easily transition to and succeed in college or gain a career in technical education through Sacramento Pathways to Success initiative 4. Encourage innovation in preparing youth for economic opportunity –example: promote alignment across institutions to comprehensively invest in youth as in the Cradle to Career initiative in Sonoma County 5. Focus California’s adult education system on basic skills development 6. Support a balanced budget approach – increase and strengthen investments in education funding

REGIONAL PRIORITY Next Economy Capital Region Prosperity Plan	OPPORTUNITY TO COLLABORATE With Other Regions and State-Level Partners
Global Markets Amplify the region's global market transactions	<ol style="list-style-type: none"> 1. Create a strong state export strategy and promotion department—align and coordinate export-promotion efforts statewide 2. Develop a better reporting mechanism for export data 3. Re-establish the California Export Finance Office 4. Invest in key goods movement infrastructure
Other	<ol style="list-style-type: none"> 1. Military Assets—align efforts to protect the military economy 2. Develop infrastructure for scaling successful social programs – social impact bonds increase resources for high-impact social programs that demonstrably achieve results through social impact bonds 3. Facilitate rural/urban collaboration – example: the Sacramento Region's Rural Urban Connections Strategy facilitated by SACOG; the Cali Baja Bi-National Mega Region initiative in San Diego leverages assets across borders to increase global competitiveness of the Mega-Region

CAPITAL REGION REGIONAL PRIORITIES

Drawing from the priorities outlined in the Capital Region Prosperity Plan (described below), we invite your input on priorities that the California Economic Summit could advance in 2013.

Of these regional priorities, which require collaboration with other regions and state-level partners?

REGULATIONS

Improve the regional business climate for economic growth

Business costs and regulatory environments play an integral role in economic development. The single largest impediment to business growth and job creation in California is the regulatory environment.

Not only is the state's business-unfriendly reputation deterring new companies from considering California as a place for business, it's often compelling existing businesses to consider the benefits of moving to other states.

Whether large or small, employers require a predictable, growth-oriented and business-friendly environment and access to assets that foster economic opportunity. If the Region is to unleash the entrepreneurial spirit and innovative culture that creates 21st-century jobs, business leaders must leverage their power—both locally and in partnership with regions across the state—to influence removal, reduction and improvement of local and state regulatory burdens that stand in the way of enterprise growth.

- Remove economic and regulatory barriers to stimulate growth
- Amplify the region's reputation and visibility among key audiences
- Intensify economic development activities that drive growth and investment
- Develop a next economy governance structure that ensures implementation and accountability

INNOVATION

Foster a strong innovation environment

To boost the Region's innovation environment, bolster high-revenue producing employment sectors and effectively compete in a globalized, information-age economy, new investment (public and private) must be leveraged and entrepreneurship and risk-taking must become commonplace.

This goal focuses on stimulating innovation and new company creation by creating the conditions to grow emerging industries and new businesses, and by putting into practice collaborative mechanisms to accelerate the development of new technologies and industries.

- Bolster university technology transfer and commercialization
- Expand access to capital for high growth companies and small and medium enterprises
- Build a robust network of business incubator and accelerator services



Read about how the Summit could advance regulations priorities on p. 35



Read about how the Summit could advance innovation priorities on p. 39

WORKFORCE

Grow and maintain a world-class talent base

Young, educated people are both an indicator of and a significant contributor to a region's economic vitality, making a skilled labor force one of the key factors companies consider when locating to or expanding within a community.

In addition to being a business attractor, a talented workforce also drives innovation, entrepreneurship, and ultimately economic growth. Increased mobility among this population and their desire to live in regions with a variety of employment, recreation and cultural opportunities make it critically important for the Region to leverage the factors that attract young talent and keep them connected to the community.

- Create mechanisms to attract new talent and retain existing talent
- Align training and education pathways to increase economic prosperity for businesses and workers

GLOBAL CONNECTIVITY

Amplify the region's global market transactions

International trade brings the exchange of capital, goods, and services across international borders or territories and can represent a sizable share of a region's economic activity. As the global economy continues the shift to one determined by information and innovations, the economic, social, and political importance of international trade continues to rise.

Access to global markets is crucial to achieving true economic growth. In the Capital Region the level of export activity is relatively low and dominated by only a few products, yet the Region possesses strong assets for global connections and growth: World-class healthcare, education and research institutions, for instance, present important opportunities for direct foreign investment.

- Grow international trade and export activity
- Increase the level of foreign direct investment



Read about how
the Summit could
advance workforce
priorities on p. 25



Read about how
the Summit could
advance global
connectivity
priorities on p. 43

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 Workforce Investment Board's 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

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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.

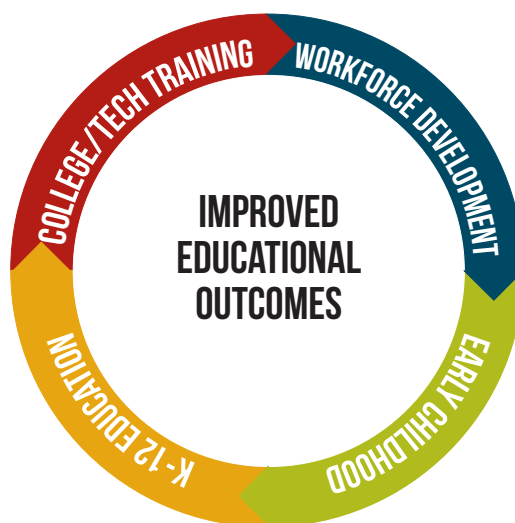
Example from Illinois

[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

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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

With the support of Action Team members, the California Infrastructure and Economic Development Bank, a major source of financing for public infrastructure and private development, was 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. Create a P3 center of expertise, linked but external to Infrastructure Bank, to bring private sector management and financial expertise to the table to support public sector entities at the state and support process improvement, transparency and enhanced deal flow.

Begin the process of renewing and extending SB 4 (2009), which, until the end of 2016, removes the prior ceiling on the number of P3 projects in transportation that could be developed. With that authority about to expire, and investors needing a stable, long term environment in which to invest, planning for an extension should begin soon.

YOUR PRIORITIES

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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

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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.

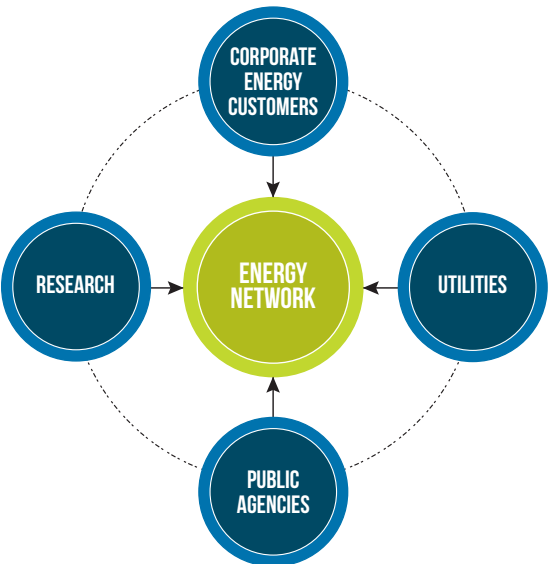
Example from Silicon Valley

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.

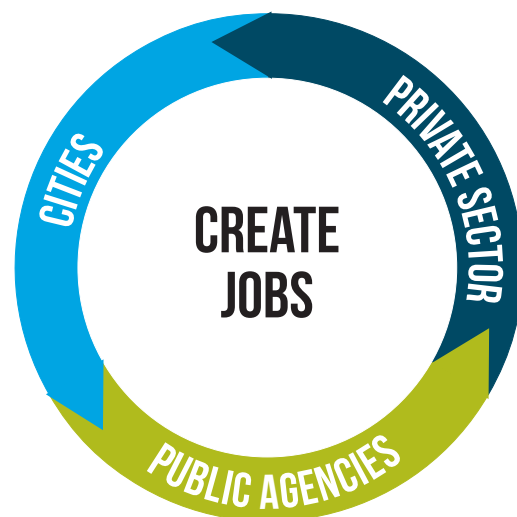
Los Angeles Economic Development Corporation awards the [Most Business-Friendly City in Los Angeles County](#) that proactively promotes business-friendly programs and services to attract and retain good quality jobs.

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

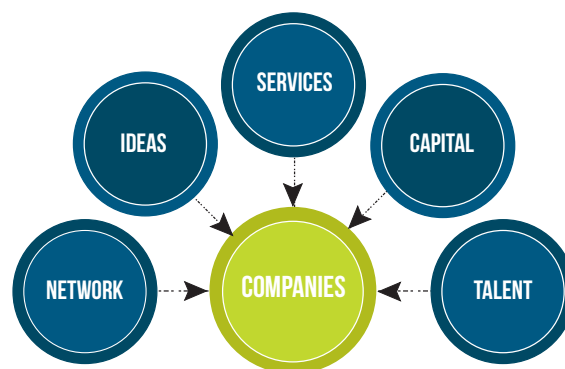
POTENTIAL 2013 INNOVATION PRIORITIES

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 contribute over \$2 Trillion to California's economy annually – supporting job-creation and economic growth based on food systems, forestry, fisheries, renewable energy, the emerging bio-based economy, tourism, and many other industries tied to our natural resources. Enhancing working landscapes requires a triple-bottom-line approach fully supporting people, planet and profits in a sustainable fashion. Initiatives could include:

- Watershed improvements that increase water supply, improve habitat and reduce fire damage

- Support for city-centered growth strategies and farmland protection

- Increased investment in rural and natural resource-based economies

- Development of state and regional goods movement infrastructure

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

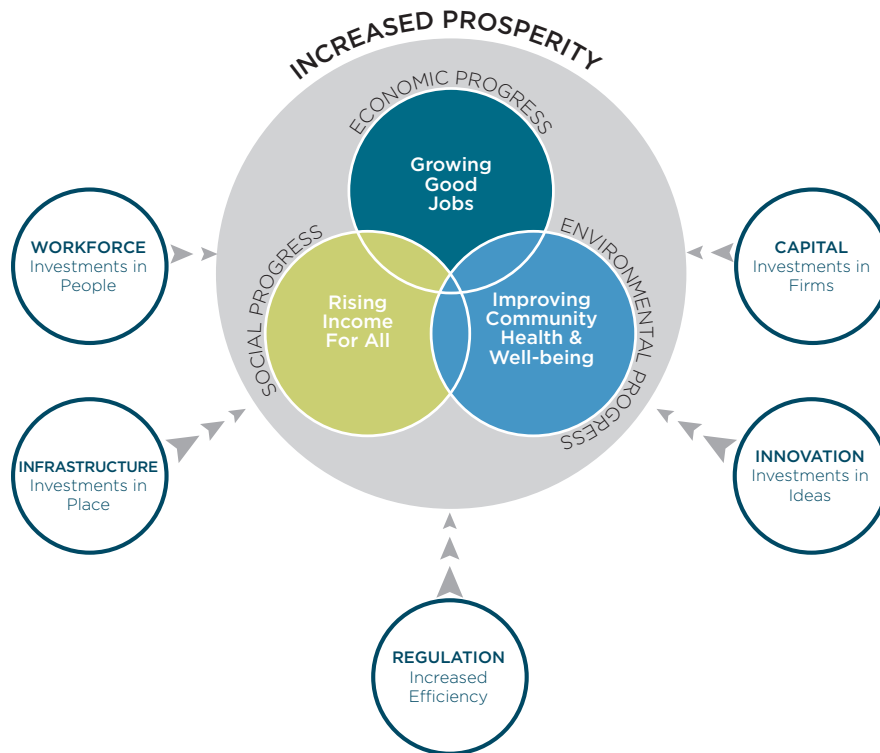
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MEASURING SUMMIT OUTCOMES **PROPOSED CALIFORNIA PROSPERITY INDEX**

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.

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.

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