

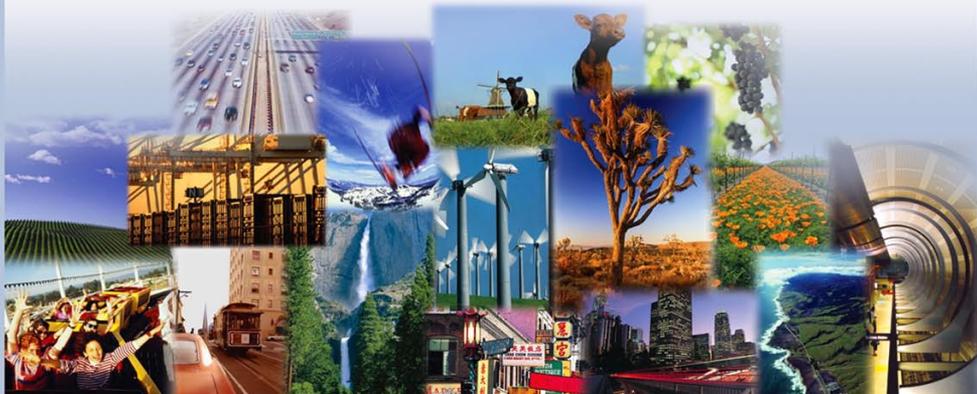
# INLAND EMPIRE REGIONAL ECONOMIC VITALITY CONVERSATION

convened by  
California Center for Regional Leadership  
&  
Inland Empire Economic Partnership

on behalf of  
Governor Schwarzenegger's Cabinet



CALIFORNIA CENTER FOR  
REGIONAL LEADERSHIP



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# ECONOMIC VITALITY CONVERSATION

**T**he California Center for Regional Leadership and our partners conducted a series of Regional Economic Vitality Conversations around the state with representatives from Governor Schwarzenegger's Administration and a diverse group of regional business and civic leaders. The intent of these meetings is to solicit and discuss ideas on how the state government can help stimulate and sustain economic growth in California's regions -- ideas that will then be brought for consideration to the Governor and his Cabinet. The following represents a summary of comments from the Inland Empire region event, organized by key questions posed to participants.

## Fred Aguiar

*Secretary*

State and Consumer Services Agency

Governor Schwarzenegger has charged each of us in his Cabinet with finding ways to strengthen California's economy and create jobs for Californians. That's why we're here, asking for your ideas on how we can make California stronger and more competitive. We want to find the best ideas, the best solutions and the best ways to put them into practice. We also want to involve everyone -- business leaders, civic groups, labor and educators -- in making it happen. Working together, we can build a vibrant business climate and a prosperous future for all of California.

## Sunne Wright McPeak

*Secretary*

Business, Transportation & Housing Agency

The Governor and his Cabinet are reaching out to solicit the best ideas on how state government can support short-term economic recovery and long-term global competitiveness. As California is a state of regional economies, the Administration is seeking guidance from regional business, labor, civic, and community leaders through a series of Regional Economic Vitality Conversations. Building and sustaining strong economies is a shared responsibility and requires a true partnership among the regional private, nonprofit, and local government sectors, if we are to secure future prosperity and quality of life for all Californians.

## Nick Bollman

*President & CEO*

California Center for Regional Leadership

We are pleased to join Secretary Aguiar, Secretary McPeak, and the Cabinet in sponsoring these Conversations. This is one of a dozen such Conversations we hosted across the state during 2004. They are not only historic in the extent of outreach to develop new strategies for economic success, but are also a testimonial to this Governor's commitment to engaging Californians in active partnership with their state government.

**Lynn Pike**

*California Market President*  
Bank of America

Bank of America works at the local, state, and national levels to revitalize and strengthen communities, with a focus on affordable housing, small businesses, consumer loans, and economic development. The Economic Vitality Conversations represent an important pathway for the bank, its customers, community leaders and many others to engage with state government to improve California's economic well being. We applaud the initiative taken by the Governor, his Cabinet, and the California Center for Regional Leadership toward this end. Bank of America is committed to continue working with the EVC participants to improve California's economic well being.

**Paul Hiller**

*President & CEO*  
Inland Empire Economic Partnership

Thank you for the outstanding event with CCRL and Governor Schwarzenegger's staff on November 4, 2004. This event was well attended with outstanding participation from our members; we were pleased to be a part of it.

## **What state actions will have the most immediate positive impact on California's economic recovery?**

### Focus Leadership on Key Issues

- Focus economic development strategy on future opportunities rather than trying to revive dead or dying industries. Understand which industries are declining and why, and which are growing.
- Focus on creating quality jobs, not just any jobs.

### Control the Cost of Doing Business in California

- Address continuing problems with worker's compensation system, including high costs and fraudulent claims.
- Aggressively fight new legislation that would impose additional costs on businesses with no overriding public benefit.
- Explore ways to lower energy, utility, and fuel costs for business, which would help local and regional businesses be more competitive and would at least partially offset California's high land, labor, and construction costs.
- Aggressively fight new legislation that would impose additional costs on businesses with no overriding public benefit.
- Address health care costs. For example, focus public health care funding on routine preventive care to minimize costly emergency room treatment.

# ECONOMIC VITALITY CONVERSATION

## Streamline Government, Reduce Regulation, and Increase Business Incentives



- Re-open the State's Office of Permit Assistance to help businesses maneuver through the approvals process.
- Review all laws and regulations to see how they can be simplified to benefit small businesses, consumers, and the general public without damaging their original intent.
- Allow outsourcing of government services to California businesses.

- Expand the State's enterprise zone program.
- Revise the eight-hour work day law in a way that protects workers and takes away the competitive disadvantage our businesses have in relation to businesses in other states.
- Revise prevailing wage law as it relates to redevelopment projects. As it is currently written, the law is discouraging redevelopment and economic revitalization in areas that desperately need it.

## Support Business Attraction and Retention

- Give cities and counties greater control over various tools to encourage businesses to stay in or relocate to California.
- Focus on business retention first and recruitment second.
- Support small business development and entrepreneurship by cultivating a better relationship with the SBA and by bringing back programs such as CalTIP and the RTA.

## Address Issues Related to the Region's Role as a Goods Movement Corridor

- Provide funding to create separate lanes for truck traffic or designate specific times for truck travel in designated lanes to encourage less truck traffic during peak commuter windows.
- Explore creative financing options to spread the costs of improving goods movement infrastructure among all of those who benefit. The region should not have to bear the burden of serving as a major freight corridor when much of the economic benefit goes elsewhere.
- Form a coalition of public and private interests to develop a plan for improving goods movement through the Inland Empire while addressing issues such as diesel pollution, traffic congestion, the need for rail/road separation, and the dangers related to increased truck traffic.



## Market California as a Business-Friendly State

- Work to change the attitude among in-state business leaders that California is a bad place in which to do business. Market the reasons why so many businesses do choose to locate here in California.

## What state actions will result in the most significant long-term improvement to California's economic competitiveness and comparative advantage?

### Support Technology Transfer and Emerging Industries

- Support formal links between the academic research community and entrepreneurial businesses to bring technology initiatives to the private sector more quickly and with more support.
- Look to successful models such as the Georgia Research Alliance for encouraging technology-based economic development and supporting innovation from the academic research stage to the creation of start-up companies.
- Create a seed capital fund to assist new technologies in advancing to the next level.
- Develop new programs that meet the needs of new and emerging technology sectors, such as Michigan's "Smart Zones" program.
- Open technology lab incubators within the UC system.



### Prioritize Education, Workforce Development, and Child Care

- Offer incentives for businesses to become more directly involved with education and workforce training.
- Address the region's critical lack of child care facilities. Allocate resources to help faith-based and community-based organizations develop child care facilities in their existing buildings.



- Increase support for community colleges, which are a critical partner in economic development, especially in terms of supporting small business development.
- Place a greater emphasis on science and math education. Consider creating focused high school diplomas in math, science, technology, and other areas.

# ECONOMIC VITALITY CONVERSATION

## Invest in Infrastructure Systems



- Focus infrastructure investments (transportation, utility, etc.) on improving reliability and upgrading existing systems.
- Reform the gas tax to permanently dedicate it, or a significant portion of it, to transportation only.
- Restore transportation funding to traditional levels by adjusting the gas tax to reflect inflation and miles driven; pay back the transportation accounts.
- Support the passage of county tax measures to finance transportation improvements.
- Improve communication between developers and local, state, and federal agencies around future transportation infrastructure to ensure the system can support both population growth and increased freight traffic from local ports.
- Expand public transportation.

## Support Good Planning and Development

- Support smart growth development patterns in policy and legislation. Provide incentives for green building. Foster programs to support brownfield redevelopment.
- Reward comprehensive local and regional planning efforts that address social and environmental infrastructure along with traditional bricks and mortar infrastructure.
- Acknowledge and address the jobs/housing imbalance issue.
- Address housing affordability and undersupply issues.
- Strongly encourage greater use of all redevelopment funds by local communities.

## Advocate for California at the Federal Level

- Fight any attempts to close March Air Reserve Base and other California military bases during the next round of base closures.
- Push for immigration reform that recognizes the demand for immigrant workers in various economic sectors but that effectively controls their entry and exit.
- Make sure California is receiving its fair share of federal dollars.



## How do we best structure an effective partnership between the regions and the state around economic strategy?

### Play to Strengths and Leverage Existing Partnerships

- Support and utilize the expertise of regional economic development collaboratives, such as the Inland Empire Economic Partnership, which are already established in the regions and provide an excellent forum for gathering information, assessing needs, and developing successful policy.
- Look to regions such as the Inland Empire that have been successful at attracting and retaining businesses and jobs to serve as models for other regions.



### Establish Coordinated Region-State Structures

- Ensure ongoing interaction between the Administration, Legislators and their staffs, local and regional economic development organizations, and the business community.
- Ensure that every region of the state has an equal voice at the state level, such as through representation on boards and commissions. The perception is that the Bay Area and Los Angeles have much greater access and influence at the state level.
- Work with the regions to develop region-specific economic development plans that recognize each area's unique strengths and opportunities. State policy and actions should then support these plans within the context of an overarching statewide economic development plan, with funding tied to quantifiable results.
- De-centralize the state's economic development bureaucracy by opening one or more regional offices that can respond more efficiently and effectively to regional needs.
- Establish regional advisory boards that meet twice a year to educate state and local governments about the direction of the economy in general from the perspective of the business community.



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