KERRI HOWELL
Mayor, City of Folsom

Welcome
Next Economy deliverables:

1. Increased **jobs** and **new investment** in our region
2. Completion of a set of **regionally-activated** job growth and investment strategies
3. Creation of **new partnerships** or **joint ventures** that will execute our Next Economy strategies and actions
4. **Next Economy strategies and actions will be deeply integrated** within partnering agencies and organizations work plans and **championed** by their leadership
5. The completion of the Capital Region’s first-ever region-wide “CEDS,” or **Comprehensive Economic Development Strategy**
6. The creation of **better linkages** between our region and the State of California

**nexteconomy**

**Bill Mueller | Valley Vision**
Today’s Regional Forum is hosted by the City of Folsom and produced in partnership with Next Economy is sponsored by:
Next Economy Report

Progress to Goals

Bill Mueller | Valley Vision
2012 Cluster Focus Areas:

Initial Focus:

• Agriculture & Food
• Advanced Manufacturing
• Information & Communications Tech
• Life Sciences & Health Services
• Clean Energy Technology

Bill Mueller | Valley Vision
2012 Cluster Focus Areas:

Economic Foundation Clusters:

• Education & Knowledge Creation
• Knowledge-Intensive Business & Financial Services
Work Group Structure:

F&A #1
AM #2
ICT #3
LS&HS #4

Innovations
Global Markets
Regional Identity
Small Business
Industries vs. Clusters:

**Industries are...**
- Grouping of companies
- Similar processes used to produce goods & services

**Clusters are...**
- Concentrations of interconnected, competing and complementary companies, suppliers and institutions that cut across multiple industries
- Represent entire value chain
- **Share** markets, labor pools, and other inputs
- Generate portion of revenues from outside region
Next Economy Regional Forum

Who’s in the Room?
Who’s in the Room?

PLEASE INDICATE YOUR GENDER

A. Male

B. Female
Who's in the Room?

Please indicate your age range:

- A. Under 25: 4%
- B. 26 – 40: 24%
- C. 41 – 55: 39%
- D. 56 – 65: 27%
- E. 66 +: 7%
Who’s in the Room?

PLEASE INDICATE YOUR WORK SECTOR

A. Public Sector  26%
B. Private Sector  51%
C. Nonprofit Sector  23%
Who’s in the Room?

Please select the county in which you live

- **A. Sacramento**: 56%
- **B. Yolo**: 9%
- **C. Yuba**: 1%
- **D. Sutter**: 0%
- **E. Placer**: 20%
- **F. El Dorado**: 11%
- **G. Other**: 4%
Next Economy Report
Research Update
Positive annual job growth for most of last two quarters of 2011

Data Sources: CA Employment Development Department and U.S. Bureau of Labor Statistics
Research on “horizontal” or cross-cutting factors

1. Economic Development Ecosystem
   – Assessment of regional economic development programs and services

2. Economic Foundations
   – Evaluation of underlying foundations for economic vitality

Goal: identify strengths, gaps, and catalytic opportunities
Framework of standard economic development programs

- Business Attraction & Marketing
- Business Retention & Expansion
- Entrepreneurial & Small Business Development
- Business Finance
- Technology Development
- Workforce Development
Negative perceptions of several key economic foundations

<table>
<thead>
<tr>
<th>Economic Foundations</th>
<th>General Perceptions</th>
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<tr>
<td></td>
<td>Positive</td>
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<tr>
<td>Suitability of commercial real estate</td>
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<td>Suitability of infrastructure</td>
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<td>Workforce size and quality</td>
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<td>Consumer base size and quality</td>
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<td><strong>Cost of doing business</strong></td>
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<td>Business climate</td>
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<td>Access to domestic markets</td>
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<td>Quality of life</td>
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<td><strong>Entrepreneurial environment</strong></td>
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<td>Foreign market interactions</td>
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<td>Technology and innovation environment</td>
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<td>Access to capital</td>
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<td>Higher education infrastructure</td>
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<td>Access to business services</td>
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Developed through input from national, statewide, and regional contacts in the economic development, research, site selection, and business communities plus Steering Committee survey responses.
Room for improvement in fostering growth of innovative, entrepreneurial companies

Levels of Innovation Maturity

Sacramento Region Innovation Readiness Score = 65

- Level 1: Nascent
- Level 2: Limited
- Level 3: Emerging
- Level 4: Mature

GROWCalifornia
Four major impediments affecting innovative companies

Extreme Impediments

1. Lack of Early-Stage Venture Capital: *Nascent Level*
2. Unfulfilled Commercialization and Tech Transfer Capability: *Nascent Level*
3. Lack of Venture-Backed Executives and Serial Entrepreneurs: *Limited Level*
4. Insufficient Skilled Technical Workforce: *Limited Level*

Identified based on a gap analysis of those factors deemed most important for innovation and current capacity—a greater than 20% gap represents an extreme impediment meriting attention
Thank You!

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INFO@STRATEGICECONOMICRESEARCH.ORG
Research

Audience Views & Opinions

Bill Mueller | Valley Vision
WHICH REGIONAL ISSUE REQUIRES THE MOST ATTENTION?

20%  A. Cost of doing business
19%  B. Business climate
20%  C. Entrepreneurial environment
17%  D. Tech & innovation environment
21%  E. Access to capital
 3%  F. Foreign market interactions
Regional Priorities

 WHICH SHOULD BE THE REGION’S #2 PRIORITY?

- **A.** Cost of doing business (17%)
- **B.** Business climate (20%)
- **C.** Entrepreneurial environment (24%)
- **D.** Tech & innovation environment (16%)
- **E.** Access to capital (21%)
- **F.** Foreign market interactions (2%)
STATE ACTIONS FOR VOTING AT REGIONAL FORUMS

In the following slides you will have the opportunity to vote on possible state actions in the areas of workforce, infrastructure, innovation, and regulatory process. For each set of actions, you will get to vote on:

• Which of these state actions is most supportive of our region’s priorities?
WHICH OF THESE STATE ACTIONS IS MOST SUPPORTIVE OF OUR REGION’S PRIORITIES?

A. Preparation to continue past high school 20%

B. Expansion of career technical education 29%

C. Affordable access to postsecondary education 17%

D. Better responsiveness to industry needs 35%
WORKFORCE:
MEET IMMEDIATE SKILL NEEDS OF THE ECONOMY

WHICH OF THESE STATE ACTIONS IS MOST SUPPORTIVE OF OUR REGION’S PRIORITIES?

17%  A. Middle-skill job preparation
53%  B. Train for major industry sectors
24%  C. Focus on high-demand jobs
 5%   D. H1B/permanent visas
INFRASTRUCTURE: IMPROVE THE EFFICIENCY OF OUR EXISTING INFRASTRUCTURE

WHICH OF THESE STATE ACTIONS IS MOST SUPPORTIVE OF OUR REGION’S PRIORITIES?

16%  A. Transportation infrastructure
13%  B. Energy infrastructure
15%  C. Water systems
30%  D. Connecting regions
26%  E. Information infrastructure
Which of these state actions is MOST supportive of our region’s priorities?

- A. Devolution to local/regional level (14%)
- B. New funding sources (8%)
- C. Funding with 55% majority (15%)
- D. User fees/private financing (3%)
- E. Fix state fuel-tax system (13%)
- F. Authorize public-private partnerships (48%)
INNOVATION: GET MORE ECONOMIC BENEFITS FROM PUBLIC INVESTMENT

WHICH OF THESE STATE ACTIONS IS MOST SUPPORTIVE OF OUR REGION’S PRIORITIES?

16% A. Leverage university R&D investment
43% B. Help small businesses innovate
31% C. Industry-university R&D partnerships
11% D. R&D tax credits
INNOVATION:
SUPPORT REGIONAL EFFORTS TO PROMOTE INNOVATION

WHICH OF THESE STATE ACTIONS IS MOST SUPPORTIVE OF OUR REGION’S PRIORITIES?

39%  A. Regional innovation partnerships
12%  B. Manufacturing innovation initiatives
  6%  C. Access to export markets
43%  D. Access to capital
REGULATORY PROCESS: IMPROVE EFFICIENCY OF PERMITTING PROCESS TO EXPEDITE JOB-CREATING PROJECTS

WHICH OF THESE STATE ACTIONS IS MOST SUPPORTIVE OF OUR REGION’S PRIORITIES?

25%  A. Shorter permit processing times
19%  B. Pre-approved economic zones
10%  C. Evaluation of economic impacts
19%  D. Alternatives to regulations
  6%  E. Five-year regulatory review
21%  F. Reduction of CEQA uncertainty
Work Group Objectives:

• **Data Review:** Determine what business or industry types make up and define the cluster

• **Inventory Assets:** Identify existing assets so that we capitalize on key strengths

• **Needs Assessment:** Determine what’s missing and what barriers to be overcome that would bring additional investment or new job creation.

• **Key Strategies:** Surface short-, med- and long-term catalytic strategies that will grow the cluster, then prioritize in terms of ROI contribution.
Desirable Cluster Attributes:

**Economic:**

- Strong presence of economic base activities
- Alignment with workforce structure
- Linkages to other clusters
- Import capacity
- Robust multiplier effects
- Broad future growth potential
Desirable Cluster Attributes:

And Locational:

• Prominent company visibility
• Regional competitive advantage
• Presence of supporting attributes
• Innovation activity
Small Group

Conversation
2012 Cluster Focus Areas:

Work Group Discussion Topics:

• Agriculture & Food
• Advanced Manufacturing
• Information & Communications Tech
• Life Sciences & Health Services
• Innovations
Small Group Conversation:

Housekeeping:

• Assemble in your chosen topic area
• Start by filling out worksheet on the table
• Roughly 40 minutes discussion time
• Report out: #1 BHAG and #1 Impediment
Small Group Conversation:

Objectives:

• Come to agreement on the best “Big, Hairy Audacious Goal” or BHAG.
• Identify the biggest impediment to rapid economic growth in the region.
Q. Favorite BHAG?
Q. Largest impediment?
Guest Speaker

Julie Meier Wright
THE SACRAMENTO REGIONAL ECONOMIC FORUM

THRIVING REGIONS LEAD TO A THRIVING STATE
PREPARING FOR CAN-DO CALIFORNIA: THE FIRST STATE ECONOMIC SUMMIT

THE SACRAMENTO REGIONAL ECONOMIC FORUM

#CAECONOMY.ORG
PURPOSE

On May 11, 2012, the California Stewardship Network and California Forward will host the first California Economic Summit, Can-Do California: Thriving Regions Lead to a Thriving State.

The Summit will connect regional and state leaders to develop a statewide job creation and competitiveness implementation plan, and a broad coalition to support that agenda.

Regional Forums, conducted throughout the state in advance of the Summit, will identify economic opportunities and priorities for regional and state action.
PURPOSE

Building upon this regional input, the California Economic Summit will:

Develop a shared agenda to generate jobs by improving regional competitiveness

Align regional champions in support of a strong economic development strategy that will attract investment, promote sustainable growth and restore economic opportunity

Establish the Summit as a valuable process to annually refine and focus the agenda and strengthen the coalition of supporters
REGIONAL FORUMS

BAY AREA MARCH 12
BUTTE REGION FEBRUARY 17
INLAND EMPIRE MARCH 21
LOS ANGELES COUNTY MARCH 16
ORANGE COUNTY MARCH 20
REDWOOD COAST MARCH 22
SACRAMENTO FEBRUARY 17
SAN DIEGO MARCH 9
SAN JOAQUIN REGION MARCH 29
SAN LUIS OBISPO REGION MARCH 29
SHASTA CASCADES REGION TBD
SIERRA NEVADA REGION MARCH 26
SILICON VALLEY MARCH 30
SONOMA REGION MARCH 7

#CAECO ECONOMY.ORG
MAY 11, 2012
Think Long Committee’s Task Force on Jobs, Infrastructure and the Workforce based on 20+ prior reports, 50+ interviews and bipartisan agreement on recommendations

Brookings/McKinsey report *An Economic Growth and Competitiveness Agenda for California*

California Stewardship Network’s report *A Shared Agenda: Thriving Regions Lead to a Thriving State*

California Stewardship Network’s alignment with California Forward
MAJOR FINDINGS

- California does not have an economic strategy
- State economic development activities are fragmented
- California needs both a defensive and offensive strategy:
  - Total customer service for businesses that want to expand and locate in California
  - Investment strategy to meet the needs of regions
U.S. and California economies rise and fall together

California’s recession and recovery is driven by its industry structure

Califonia’s economy varies by region

The California Recession was largely the result of job losses in construction

California has economic opportunities in tech, trade, tourism and creativity
California’s economy is actually a set of very diverse regional networks of businesses, financial and educational institutions and public infrastructure.

It is important to recognize that the state of California is a political jurisdiction, not an economy.

The goal of state economic strategy should be promoting broad-based prosperity rooted in rising productivity.

Reduce costs and add value to promote private-sector and public-sector productivity and innovation.
Our economic challenges are long-term and structural in nature not short-term and cyclical.

As we recover from the deep recession, we must address major investment needs while our population continues to expand.

Our rapidly changing economies often create a mismatch between jobs and skills.

Every region is asking what are the sources of jobs of the future? What are the requirements for promoting economic vitality?

How can our regions promote broad based prosperity and quality environments that are attractive to both people and business at a time of resource constraints?
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<tr>
<th>REGIONAL ECONOMIC OPPORTUNITIES</th>
<th>AREAS FOR ACTION: HOW WE CAN CAPITALIZE ON OUR REGIONAL ECONOMIC OPPORTUNITIES</th>
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<tr>
<td>INDUSTRY-SPECIFIC OPPORTUNITIES FOR JOB GROWTH</td>
<td>WORKFORCE</td>
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No Champions, No Initiatives!
Next Economy Regional Forum:

May 4
Sacramento State

Evaluate action steps and synthesize recommended activities for implementation

Roger Niello | Metro Chamber
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