

Letters Submitted to the Committee

ASSEMBLY COMMITTEE ON JOBS, ECONOMIC DEVELOPMENT, AND THE ECONOMY

Submitted Public Testimony

Tuesday, March 15, 2016

Item

1. Governor's Office of Business and Economic Development

SUPPORT

City of San Marcos

City of Murrieta

City of San Diego

City of Carlsbad

City of Lakeport

City of Vista

2. Program Oversight

WRITTEN COMMENTS

Tulare County Economic Development Corporation



March 9, 2016

The Honorable Assemblymember Eduardo Garcia,
Chair, Assembly Committee on Jobs,
Economic Development & the Economy (JEDE)
California State Capitol, Room 4162
Sacramento, CA 95814

RE: Support for GO-Biz - March 15, 2016 Oversight Hearing

Dear Assemblymember Garcia:

The City of San Marcos supports the Governor's Office of Business and Economic Development (GO-Biz). As you heard at the Assembly Jobs, Economic Development and the Economy (JEDE) Committee Informational Hearing on March 1, 2016, GO-Biz is a valued partner to local economic developers and an important piece to helping us navigate the State's economic development resources.

Since the creation of GO-Biz, the leadership and staff have made it a priority to understand local economic development issues and provide assistance where they can make a difference with their limited resources. They have tapped into our network to leverage their outreach to businesses, gather our feedback on pressing economic development concerns, and to assist us with business retention, expansion, creation, and attention.

The City of San Marcos has utilized the assistance of our local Go-Biz Business Specialist, Sid Voorakkara, on numerous local business assistance issues and his help has been invaluable. Any time our staff has reached out to any member of the Go-Biz Team they have been ready to help and added significant value to our local efforts to help retain jobs and support local businesses.

The Go-Biz Team have created programs and tools that add capacity for us, as well as make California more competitive. Some of the key resources include:

1. Permit Assistance – reviving CalGOLD as a user-friendly, current tool to assist in finding the appropriate permits for a specific business.
2. California Competes – a nationally touted incentive program, recognized for its transparency, performance requirements, and accountability.
3. California Business Portal – “a one-stop-shop, assisting business owners navigate through the different stages of business development.”

The City of San Marcos values the role GO-Biz plays in supporting local economic development in California and our region. They are a necessary State partner that assists us in helping our businesses



thrive so we can grow our local economy. If you have questions regarding how GO-Biz helps us make a difference, please feel free to contact our Economic Development Manager, Tess Radmill at 760-744-1050 x 3120.

Sincerely,



Jim Desmond *J.D.*
Mayor

cc: CALED, Members of the Assembly JEDE Committee
Include our Senator and Assembly members if they are not already on the committee
League of California Cities
San Marcos Chamber of Commerce



CITY OF MURRIETA

March 9, 2016

Assembly Member Eduardo Garcia, Chairman
Assembly Committee on Jobs, Economic Development and the Economy
Post Office Box 942849, Room 4162
Sacramento, CA 94249-0056
RE: Oversight Hearing on Governor's Office of Business and Economic Development

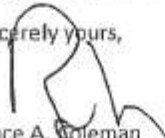
Dear Chairman Garcia:

We understand that the Assembly Committee on Jobs, Economic Development and the Economy will be conducting an oversight hearing on March 15, 2016, regarding the Governor's Office of Business and Economic Development (GO-Biz).

On behalf of the City of Murrieta, we wanted to inform you and members of the Committee that GO-Biz is a major resource for our City, as we work to diversify our local and regional economy in Southwest Riverside County. Our region has grown significantly over recent years as a bedroom community to San Diego, Orange County and Los Angeles. The Murrieta City Council is focused on establishing a more diverse economy so as to create a better housing/jobs balance and reduce the need for 2/3rd of our workforce to commute. With this in mind, GO-Biz has been very instrumental in cooperating with the City to help us to implement our comprehensive economic development strategy. This has included working with the GO-Biz international/trade development team to promote the growth of our economic development partnership between Murrieta and a city in the tech-rich Beersheva area of Israel. GO-Biz has worked extensively with us to help our manufacturing companies to utilize the various State financing programs. We have particularly appreciated having the opportunity to work with our regional representative, Mr. Jeff Malin in the GO-Biz office in Los Angeles. By way of illustration, in just the past week, Mr. Malin was available for an impromptu 45-minute conference call with a robotics company located in Murrieta which is looking to expand in the community. In addition, we are working with Mr. Malin to assist with the growth of the last remaining water faucet manufacturing company in the US which is seeking to expand in Murrieta. Mr. Malin participated on a team which led to the retention of a high tech company in our community; the company had been discussing a move to the US South.

In a period when other states are aggressively pursuing economic development and often encouraging California manufacturers and other companies to relocate to their states, we have found that the services provided by GO-Biz are critical to our economic development initiatives. We would be delighted to provide additional information of course. Thank you for this opportunity to comment.

Sincerely yours,


Bruce A. Coleman
Economic Development Director

1 Town Square • Murrieta, California 92562
phone: 951.304.CITY (2489) • fax: 951.698.4509 • web: murrieta.org



THE CITY OF SAN DIEGO

March 9, 2016

The Honorable Assemblymember Eduardo Garcia
Chair, Assembly Committee on Jobs
Economic Development & the Economy (JEDE)
California State Capitol, Room 4162
Sacramento, CA 95814

RE: Support of GO-Biz office – March 15, 2016 oversight hearing

Dear Assemblymember Garcia:

I am writing on behalf of the City of San Diego to voice our support of the Governor's Office of Business and Economic Development (GO-Biz). As stated at the Assembly Jobs, Economic Development and the Economy (JEDE) Committee informal hearing on March 1, 2016, GO-Biz is crucial to regional economic development.

Establishing a strong partnership with the GO-Biz office was instrumental for the City to continue developing San Diego into a world-class economic city. Combining our programs with the incentive programs from GO-Biz has benefited many of our local businesses. As of November of last year, 33 companies in the City have benefited from the California Competes Tax Credit program and, together, have created a net increase of 6,656 full-time jobs and an average capital investment of \$35.8 million. San Diego is a Southern California regional economy, and this growth will benefit the State as a whole.

The City of San Diego is fortunate to have the assistance of our local GO-Biz business specialist, Sid Voorakkara, who has been a tremendous asset to our economic development efforts. The GO-Biz staff offers vital assistance in navigating the State's economic development resources.

The GO-Biz office is an invaluable resource to our city, assisting us to help our businesses thrive, so we can grow our local economy. If you have any questions regarding the partnership between the City of San Diego and the GO-Biz office, please contact me at 619-236-6421 or ecaldwell@sandiego.gov.

Sincerely,

Erik Caldwell
Economic Development Director

Economic Development

1200 Third Avenue, Suite 1400, MS 560 • San Diego, California 92101-6110
Tel: 619-236-6700 Fax: 619-533-3219





www.carlsbadca.gov

March 11, 2016

The Honorable Assemblymember Eduardo Garcia,
Chair, Assembly Committee on Jobs
Economic Development & the Economy (JEDE)
California State Capitol, Room 4162
Sacramento, CA 95814

RE: Support for GO-Biz - March 15, 2016 Oversight Hearing

Dear Assemblymember Garcia:

In anticipation of your Oversight Hearing of March 15, 2016, I am writing to express my support of the Governor's Office of Economic Development (GO-Biz). The City of Carlsbad is committed to nurturing a robust and vibrant economy at the local level. To achieve this, we must rely upon the partnerships, programs and resources provided by the state level, and GO-Biz has been instrumental in meeting that need.

With more than 50,000 jobs, the economic output of Carlsbad's economy is significant. GO-Biz continues to support Carlsbad's local economic development in Carlsbad with impactful business retention and expansion resources. For example, GO-Biz assisted by partnering with local economic developers to prevent Carlsbad companies like Nordson, a semiconductor manufacturing company, from sending 400 jobs overseas to Asia. GO-Biz has also been a tremendous partner to Carlsbad companies like Abtech Technologies, a Carlsbad-based information and communications technology company that specializes in developing IT platform and providing cybersecurity. Since the creation of GO-Biz, the leadership and staff have made it a priority to understand Carlsbad's local economic development issues and provide assistance where they can make a difference with their limited resources.

As an Elected Official that is involved in and supports economic development, I value the role GO-Biz plays in supporting these efforts in California and our region. They are a necessary State partner that assists us in helping our businesses thrive so we can continue to grow our local economy. If you have questions regarding how GO-Biz helps us make a difference, please feel free to contact our Economic Development Manager, Christina Vincent at 760-602-2712.

Sincerely,

A handwritten signature in cursive that reads 'Matt Hall'.

Matt Hall
Mayor



City Hall
1200 Carlsbad Village Drive | Carlsbad, CA 92008 | 760-434-2820 | 760-720-9461 fax

CITY OF LAKEPORT

*Over 100 years of community
pride, progress and service.*



March 5, 2015

The Honorable Assemblymember Eduardo Garcia,
Chair, Assembly Committee on Jobs,
Economic Development & the Economy (JEDE)
California State Capitol, Room 4162
Sacramento, CA 95814

RE: Support for GO-Biz - March 15, 2016 Oversight Hearing

Dear Assemblymember Garcia:

I am writing on behalf of the City of Lakeport and the Lake County EDC to express my support and feedback regarding the Governor's Office of Business and Economic Development (GO-Biz). As you heard at the Assembly JEDE Committee Informational Hearing on March 1, 2016, GO-Biz is a valued partner to local economic developers and an important piece to helping us navigate the State's economic development resources.

Since the creation of GO-Biz, the leadership and staff have made it a priority to understand local economic development issues and provide assistance where they can make a difference with their limited resources. They have tapped into our network to leverage their outreach to business, gather our feedback on pressing economic development concerns, and to assist us with business retention, expansion, creation, and attention.

Additionally, they have created programs and tools that add capacity for us, as well as make California more competitive. Some of the key resources include:

1. Permit Assistance – reviving CalGOLD as a user-friendly, current tool to assist in finding the appropriate permits for a specific business.
2. California Competes – a nationally touted incentive program, recognized for its transparency, performance requirements, and accountability.
3. California Business Portal – “a one-stop-shop, assisting business owners navigate through the different stages of business development.”

GO-Biz in 2014 in partnership with CALED sponsored and facilitated a community meeting with key stakeholders in Lake County to provide a forum for discussion of a regional partnership approach to economic development. The meeting also provided information and education on programs and partnerships available through GO-Biz, CALED and other statewide organizations. This meeting became the catalyst for the newly formed Lake County Economic Development Corporation, forming a partnership

with the cities, county and key agencies working to better the economy of Lake County. The need for this partnership has become even more important after the three major fires in Lake County in 2015, most notably the Valley Fire.

As a city manager and economic developer in a rural county, with very limited resources, we value the role GO-Biz plays in supporting economic development in California. They are a necessary State partner that assists us in helping our businesses thrive so we can grow our local economy. If you have questions regarding how GO-Biz helps us make a difference, please feel free to contact me.

Sincerely,



Margaret Silveira
City Manager, City of Lakeport
Board Member Lake County EDC

cc: CALED, Members of the Assembly JEDE Commit



March 9, 2016

**MAYOR &
CITY COUNCIL**

Judy Ritter
Mayor

Amanda Rigby

Deputy Mayor

John J. Aguilera
Councilmember

Cody Campbell
Councilmember

John Franklin
Councilmember

CITY MANAGER

Patrick Johnson

The Honorable Assemblymember Eduardo Garcia Chair, Assembly Committee on Jobs,
Economic Development & the Economy (JEDE)
California State Capitol, Room 4162
Sacramento, CA 95814
Fax: (916) 319-2156

RE: Support for GO-Biz - March 15, 2016 Oversight Hearing

Dear Assemblymember Garcia:

The City of Vista supports the Governor's Office of Business and Economic Development (GO-Biz). As you heard at the Assembly Jobs, Economic Development and the Economy (JEDE) Committee Informational Hearing on March 1, 2016, GO-Biz is a valued partner to local economic developers and an important piece to helping us navigate the State's economic development resources.

Since the creation of GO-Biz, the leadership and staff have made it a priority to understand local economic development issues and provide assistance where they can make a difference with their limited resources. They have tapped into our network to leverage their outreach to businesses, gather our feedback on pressing economic development concerns, and to assist us with business retention, expansion, creation, and attention.

The City of Vista has utilized the assistance of our local Go-Biz Business Specialist, Sid Voorakkara, on numerous local business assistance issues and his help has been invaluable. Any time our staff has reached out to any member of the Go-Biz Team they have been ready to help and added significant value to our local efforts to help retain jobs and support local businesses.

The Go-Biz Team have created programs and tools that add capacity for us, as well as make California more competitive. Some of the key resources include:

1. Permit Assistance - reviving CalGOLD as a user-friendly, current tool to assist in finding the appropriate permits for a specific business.
2. California Competes - a nationally touted incentive program, recognized for its transparency, performance requirements, and accountability.
3. California Business Portal - "a one-stop-shop, assisting business owners navigate through the different stages of business development."

The City of Vista values the role GO-Biz plays in supporting local economic development in California and our region. They are a necessary State partner that assists us in helping our businesses thrive so we can grow our local economy. If you have questions regarding how GO-Biz helps us make a difference, please feel free to contact our Economic Development Director, Kevin Ham at (760) 643-5244.

Sincerely,

Judy Ritter
Mayor

cc: CALED, Members of the Assembly JEDE Committee
Senator Pat Bates (916) 651-4936
Assemblymember Rocky Chavez (916) 319-2176
Assemblymember Marie Waldron (916) 319-2175
League of California Cities (916) 658-8240
Vista Chamber of Commerce (760) 726-8654



ECONOMIC DEVELOPMENT CORPORATION

servicing Tulare County

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City of Dinuba

Chuck Littlefield

Richard Best Transport

Steven Mecum

City of Lindsay

Mike Porte

Newmark Grubb Pearson

Monte Reyes

City of Porterville

Harroll Wilky

Workforce Investment Bd.

Don Zoldak

Lars Andersen & Assoc.

February 29, 2016

TRANSMITTED VIA FACSIMILE

Assembly Committee on Jobs, Economic Development and the Economy
The Honorable Eduardo Garcia, Chair
The Honorable Kim Young, Vice Chair
1020 N. Street, Room 359
Sacramento, CA 95814

Mr. Chairman and Committee Members:

I am unable to attend your hearing on March 1, 2016 on the "Methods of Review for Economic Development Activities". However, I would like to take the opportunity to provide the attached written testimony for your consideration.

Thank you for the opportunity and for your continued efforts to improve the economic and support economic development in California.

Very truly yours,

Paul M. Saldana
President & CEO

- cc: The Honorable Devon Mathis
- The Honorable William Brough
- The Honorable Cheryl Brown
- The Honorable Ed Chau
- The Honorable Mike Gipson
- The Honorable Jacqui Irwin
- Toni Symonds, Chief Consultant
- Julia King, Republican Caucus Consultant

**Written Testimony of Paul M. Saldana
President & CEO, Tulare County Economic Development Corporation**

**Methods of Review for Economic Development Activities
March 1, 2016, Sacramento, CA
Before the Committee on Jobs, Economic Development and the Economy
California State Assembly
The Honorable Eduardo Garcia, Chairman**

Mr. Chairman and Members of the Committee:

I am unable to attend the meeting today and hear the testimony of the other speakers and provide commentary in person. However, I have reviewed the background report prepared by your staff as well as the applicable appendices and offer the following comments for the record.

For background, I have been a professional economic developer for nearly 30 years, earning designation as a Certified Economic Developer in 1992 and working in economic development roles at the Community College, County, City and non-profit level, exclusively in California, in rural, urban and suburban areas of the state. Likewise, I have managed a variety of economic development programs including redevelopment agencies, enterprise zone programs, small business development centers, finance programs as well as traditional programs in business attraction, retention and expansion. For the last 15 years, I have been President and CEO of the Tulare County Economic Development Corporation, one of only two (2) organizations in California designed as an Accredited Economic Development Organization by the International Economic Development Council ("IEDC"). Throughout my career, I have had the opportunity to testify before your committee as an economic development professional as well during my 6-year tenure as an Executive Committee member and Chairman of the California Association for Local Economic Development ("CALED").

My testimony today focuses on three (3) areas delineated in the background report, the definition of economic development¹, the state and local relationship² and preliminary date requests for GO-Biz³.

Definition of Economic Development

Indeed, actions by the State in the elimination of the community redevelopment agencies, enterprise zones and the establishment of the GO-Biz program and other actions by the State would necessitate a review of the definition of economic development as codified in Government Code § 12100(b) et seq. The definition established in AB 1721 (JEDE), Chapter 631, Statutes of 2007, provided a descriptive meaning that encompassed programs, processes and outcomes of economic development, particularly as it relates to economic growth and job creation. The proposed definition lacks some basic foundations of economic development, namely the creation of jobs and the improvement of the quality of life. Moreover, the revised definition does not retain the definition of "local" economic development as it

¹ Memorandum to Assembly Committee on Jobs, Economic Development and the Economy, February 29, 2016, page 4.

² Ibid, p. 10

³ Ibid, Appendix H, P. H:2

Written Testimony of Paul M. Saldana
 March 1, 2016
 Before the Assembly Committee on Jobs, Economic Development and the Economy
 Page 2

currently exists. As recommended, we cannot support the proposed change to the definition of economic development as contained in the background report.

According to the International Economic Development Council, "no single definition incorporates all the different strands of economic development".⁴ IEDC's *Economic Development Reference Guide*⁵ provides an extensive list of programs, services and activities found throughout the United States. The common denominator of most all economic development programs is the creation of jobs, economic wealth and improved quality of life⁶. The current definition found in Government Code §12100 sufficiently defines what the professional practice of economic development is and can be modified in a manner that retains the Legislative intent of §12100 overall. The following modified definition is proposed for your consideration:

(5) "Economic development" means any activity, that enhances the factors of productive capacity, such as land, labor, capital, and technology, of a national, state, or local economy. "Economic development" includes policies and programs expressly directed at improving the business climate in business finance, marketing, neighborhood development, small business development, business retention and expansion, technology transfer, and real estate redevelopment. "Economic development" is an investment program designed to leverage private sector capital in such a way as to induce actions that have a positive effect on the level of business activity, employment, income distribution, and fiscal solvency and quality of life of the community.'

(6) "Local economic development" is a process of deliberate intervention in the normal economic process of a particular locality to stimulate economic growth of the locality by making it more attractive, resulting in more jobs, wealth, better quality of life, and fiscal solvency. Prime examples of economic development include business attraction, business expansion and retention, and business creation.

This revised definition would reduce the identification of certain programs and activities in the description, maintain the definition of local economic development, restore the importance of job creation and quality of life improvement in the definition, and hopefully provide a definition that all stakeholders can agree with.

⁴ International Economic Development Council, *Economic Development Reference Guide*, http://www.iedc.org/clientuploads/Downloads/IEDC_ED_Reference_Guide.pdf, accessed February 29, 2016

⁵ Ibid

⁶ Ibid, p.3

⁷ Recommended modification restated without marked changes: *"Economic development" means any activity, policy, and designed to leverage private sector capital in such a way as to induce actions that have a positive effect on the level of business activity, employment, income distribution, fiscal solvency and quality of life of the community.*

Written Testimony of Paul M. Saldana
March 1, 2016
Before the Assembly Committee on Jobs, Economic Development and the Economy
Page 3

Redefining the State and Local Relationship

The background report provides several questions that your panel guests will be addressing and as such, these responses may be repetitive. However, having worked in the profession for the past three decades, I have worked with State economic development programs in most all of its formats: Department of Commerce under the Business Transportation and Housing Agency; Trade & Commerce Agency; Economic Development Unit under the Business Transportation and Housing Agency; California Business Investment Services under the Labor and Workforce Development Agency; and the Governor's Office of Business and Economic Development (GO-Biz).

I have had the opportunity to experience and work numerous State programs, including a variety of programs that supported local economic development, such as the Office of Local Economic Development and the Rural Renaissance program, in the mid-1980's through the Enterprise Zone Program and most recently the California Competes Tax Credit. I offer comments in response to the questions listed in the background report⁶:

1. Do stakeholders see the state economic development organization primarily as a leader? convener? facilitator? capacity builder?

The State economic development organization is primarily viewed, from our perspective, as a "partner" in economic development. They provide a critical role in addressing state permitting issues as well as access to incentives, financing and other assistance from statewide programs. Likewise, they partner with local economic development in assisting companies with site selection needs. Secondly, they provide capacity building resources in the areas of innovation, entrepreneurship and international trade development, helping communities and businesses improve their competitiveness.

2. How could the state-local partnership be strengthened to achieve local economic development objectives?

GO-Biz designated staff that work with the regions within the state should have a keen understanding of the local economic development strategies within that region and also understand the industries, resources and services provided by local communities. Go-Biz has taken the time to travel to our area and visit our economic development opportunities and that type of activity should be encouraged and continued. GO-Biz should undertake the development of a statewide economic development strategy, develop and pursue programs, such as California Competes, that help us compete effectively with other states.

⁶ Memorandum to Assembly Committee on Jobs, Economic Development and the Economy, February 29, 2016, page 10.

Written Testimony of Paul M. Saldana
March 1, 2016
Before the Assembly Committee on Jobs, Economic Development and the Economy
Page 4

3. How do stakeholder organizations and the individuals they work with view the portfolio of economic development programs offered through the state?

The portfolio of economic development programs offered through the state is a suitable role for the state and should continue to be supported by the Legislature.

4. Is there sufficient information on available programs and how to use them?

Yes, GO-Biz does an effective job at ensuring that sufficient information is available, and more importantly, they make staff available to explain the programs to stakeholders and businesses when questions do arise.

5. What are the most useful programs? Are there significant gaps?

The most useful programs, from our perspective, is the Business Investment Services Unit, which provides a single point of contact for companies considering investment or expansion within California; the permit streamlining unit provides an invaluable service to businesses and communities and the incentives and financing programs help businesses in their location and expansion needs.

6. How can information sharing and collaboration between local and state economic developers be improved?

The relationship between local and state economic developers was best when State staff was directly assigned to work with and advocate for the regions of California, particularly the rural areas such as the San Joaquin Valley. Currently, however, only Los Angeles, San Diego and San Francisco have designated "Senior Business Development Specialists". Having a designated specialist for the other regions of the state is recommended.

Preliminary Data Requests for Go-BIZ

We applaud the Committee and staff for developing the list of questions for GO-Biz as part of your oversight hearing scheduled for March 15. The response to several of the questions will help us at the local level identify areas in which there may be gaps between the state and local programs, as well as areas where there might be better alignment of opportunity. For example, the business assistance questions related to geographic location and industry will help us at the local level better understand the nature of the companies contacting GO-Biz for assistance. Likewise, site location referrals, monitoring and outcomes are important to us, particularly since local economic development organizations are the primary recipient of those referrals. To date, we only know about the projects that are referred to us and understanding how many projects GO-Biz processes on an annual basis combined with the other demographic factors of the referrals will help us to determine the competitiveness of our communities and our region.

The one area of questioning that is not within the direct responsibility of GO-Biz but should be included to provide the Committee with the ability of fully evaluating the State's economic development program

Written Testimony of Paul M. Saldana
March 1, 2016
Before the Assembly Committee on Jobs, Economic Development and the Economy
Page 5

is the New Employment Hiring Tax Credit (NEC), which is promoted by GO-Biz but administered by the Franchise Tax Board ("FTB"). Questions similar to those listed on Appendix H for California Competes should also be asked of the FTB, particularly as it relates to the geographic location of the business, the industry for which the tax credit is issued and how the tax credits are being monitored, etc. Information can be provided in such a manner as not to breach the confidentiality of the taxpayer(s) while providing the Committee and Legislature to evaluate fully the State's economic development program.

Summary

Thank you for the opportunity to provide these comments and recommendations as well as the leadership of the Committee to provide oversight and direction to GO-Biz, a vital and important partner for economic development in California. As always, the Committee staff is comprehensive in their research and their background report is thought provoking and addresses the questions that will enhance economic development, job creation and the economy in California. I look forward to the outcomes of your hearing(s) and will continue to provide input and testimony to assist in your endeavor.

Paul M. Saldana
President & CEO
Economic Development Corporation serving Tulare County
506 N. Kaweah Avenue, Suite A
Exeter, CA 93221
(559) 592-1349
Paul@SequoiaValley.com

End Notes