

# DISCUSSION WORK GROUPS

Please come to this year's retreat prepared to join one of the following four groups to discuss how to position East Bay EDA to continue addressing the trends, challenges and opportunities in your organization. Our goal is to identify a role that East Bay EDA can play in each issue area.

## Economic Recovery & Long Term Growth

***Sharon Cornu, Alameda County Labor Council & Steve Andrews, Bank of Alameda***

While experts debate whether national indicators are signaling the start of a true national recovery or not, the local picture is still very much mixed. In 2009, led by clean tech and life sciences, East Bay companies received \$1.13 billion in venture capital, more than any state received except for California and Massachusetts. Solyndra says that even beyond the jobs created to build their new facility, they will be hiring 1,000 permanent workers. Milpitas' hot new fuel cell company, Bloom Energy, says they will be expanding rapidly and would like to hire NUMMI workers. On the other hand, the East Bay has been especially hard hit in the construction, finance and real estate industries. Economic stress has caused retail, services and local government to cut back as well. There are predictions of a new round of foreclosures. And at the beginning of April, unless there is some dramatic reversal, 4,700 NUMMI workers will lose their jobs and an estimated 20,000 others supporting NUMMI will be out of work – far more than can be absorbed by a handful of growing companies.

Provide your thoughts and suggest actions to respond to questions such as:

- What are the East Bay's inherent resources for growing new companies and jobs?
- What are the local, state and federal resources to facilitate that growth?
- Are we sufficiently organized to access those resources?
- Are eligible local businesses leaving dollars and resources on the table?
- Are there legislative remedies that could stimulate company growth and job formation while still protecting our workers, the environment and our communities?
- Can we be more effective in growing local businesses and attracting outside businesses?

## Public Sector Challenges

***Supervisor Mary Piepho, Contra Costa Board of Supervisors & Mayor Mark Green, City of Union City***

Because public sector revenues such as property taxes generally lag behind changes in the economy, the public sector is now facing the brunt of the economic slowdown. In addition, with the loss of property taxes through the ERAF shift and the potential loss of redevelopment revenue, cities and counties are facing painful decisions about programs and staffing levels. This is also compounded by the escalating costs cities and counties face due to commitments they have to pensions and other benefits. The loss of important city services affects all citizens and thousands who depend on county programs providing housing, medical care, food and other types of assistance. These budget cuts are sure to have harmful ripple effects throughout the East Bay.

Join a discussion to find out what kind of choices local governments face and help determine the priorities for how tax dollars should be spent:

- How bad is the fiscal condition of our East Bay cities and counties?
- What impact will residents experience?
- If cuts have to be made, what are the highest priorities? For instance, should public protection receive a higher or lower priority than health care?
- Can counties and cities squeeze out more "bang for the buck" by organizing differently or working differently? (e.g., larger fire districts? different formulas for sharing tax revenues?)
- Are there opportunities to improve public services through public/private collaborations?
- Is there a need for legislative remedies, and if so, what kind?

## Real Estate & Construction

***Ed Del Beccaro, Grubb & Ellis & Cheryl O'Connor, Northern California Homebuilder's Association***

The East Bay managed to weather the dot.com bust in relatively good shape due in large part to real estate. But now we are facing a wrenching correction in real estate that has brought down most of our other industry sectors with it. What started as a residential housing problem is now a commercial property problem, not to mention finance, construction, retail and local government problem. The most recent figures show February default notices lower than a year ago. It remains to be seen whether this is the start of a market recovery or just a false reading generated by extraordinary foreclosure prevention measures. The answers will say much about the future course of the East Bay economy.

Join an interactive group that will explore and make recommendations about this critical industry sector:

- How do industry experts characterize the existing condition of the market and what changes do they expect over the next few years?
- What are the broader implications for the East Bay economy?
- Will real estate and construction cause the East Bay recovery to lag behind the rest of the Bay Area and country?
- What are the keys to understanding whether a real estate recovery is taking place or not?
- What are the major challenges facing builders and brokers?
- Are there any public/private or other solutions?

## Workforce Development & Training

***Ken Mercer, ValleyCare Health System & Mo Qayoumi, California State University, East Bay***

As jobs continue to be sent overseas and unemployment rises at home, many see innovation and high value-added products and services to be the key to the nation's future economic competitiveness. However, it has been recently reported that students at a number of high schools in the East Bay are not performing up to minimum standards. And since 2001 it has become increasingly difficult for local technology companies to recruit the most talented workers from abroad. For their part, foreign countries have not been sitting still, but have been aggressively building infrastructure, boosting educational programs, investing in R&D and reaching out to top talent to build their own Silicon Valleys. Temporarily the recession has diminished the demand for these workers, but when the time comes, will East Bay companies be able to obtain the talent they need -- both in quantity and quality -- to sustain the growth that we have come to expect?

Please join in a discussion of the region's key resource and how it will affect the future economy of the Bay Area:

- How real is the perception that the Bay Area has a workforce advantage, and if true, how long can we expect that to last?
- Heading into the future, under current funding and policy conditions and with a diminishing flow of talent from overseas, can the East Bay provide enough workers of the quantity and quality needed to keep up with industry demand?
- Is it realistic to think our workforce assets can offset the area's disadvantages in direct costs and cost of doing business?
- Currently East Bay clean tech companies are drawing a lot of venture capital. Does the East Bay have the human capital to retain the growth of this industry?
- Are interventions needed to change the system? Can the market fix the system?
- What should local residents and local economic development efforts be doing to create a workforce advantage for the region?
- How are higher education institutions addressing the financial difficulties students are faced when attending school full time due to rising tuition and other costs?