

# Role of Regions in Economic Recovery

National Association of Regional  
Councils

June 14, 2011 San Diego, CA

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# History

- Southern California has lost over 980,000 jobs between 2006 and 2010.
- Since 2007 D&B reports 2,565 businesses and 109,000 jobs have left California (Arizona, Texas and Florida top 3)
- City and County budgets have been slashed as a result of declining tax base
- In 2010, SCAG Regional Council determined need for organization to work on “Economic Recovery & Job Creation Strategy”

# Objectives

- 1. ID SoCal advantages for economic development
- 2. Preserve key industries and encourage growth
- 3. ID key new/emerging industries
- 4. Create incentives for retention and expansion
- 5. Without duplicating efforts, united the SCAG region as a single and effective voice in at both State and Federal levels for economic growth

# Process

- SCAG engaged 6 economists to assist in effort to create FIRST EVER regional economic growth strategy.
- Each economist completed both quantitative and primary research for a portion of the 6 counties and 190 cities within Southern California
- Work included interviews with over 300 business leaders

# Process (continued)

- Initial research completed in Fall, 2010
- SCAG forum in December 2010 to discuss findings
- Initial research conducted in Spring 2011
- Findings placed into work plan recommendations
- Work plan presented to SCAG at Annual in May, 2011
- SCAG RC adopted Resolution (Game plan) in June, 2011

# Findings

- 1. Employment predicted to return to “pre-crash” levels in 2014-2015.
- 2. Region at risk of losing additional entertainment and logistic jobs
- 3. New/emerging industries
  - Green tech/renewable energy
  - innovation/design/creativity
  - Manufacturing
  - Mineral & oil extraction

# Hurdles to Growth

- Regulatory uncertainty
- California's business tax structure
- Availability of skilled workforce
- Nonresponsive government agencies
- California's "political instability" & credit rating
- Aggressive recruitment by "other states" with incentives and favorable tax policies
- Expansion of Panama Canal

# Recommendations

- Oppose legislation that negatively impacts economy
- Support legislation that allows for early delivery of projects by local agencies (local control)
- Require new legislation to include independent economic impact analysis
- Renew/expand tax credits to retain entertainment jobs
- Create additional communication with labor groups to support growth
- Take steps to prevent frivolous CEQA lawsuits

# Challenges in Process

- Untimely passing of both project lead and famed economist Jack Kyser and long-time economic development professional Lee Harrington
- Questions from cities, “What is SCAG doing in economic development”
- Business leaders questioning potential effectiveness of effort
- Ever changing economic conditions

# Lessons Learned

- Diversification of economists
  - Pure academic economists
  - Economic policy (political economists)
  - Economic development (implementation economists)
- Complete both quantitative and primary research
  - Often quantitative research (numbers) lag real world
  - Use existing relationships to get real information from business leaders

# More Lessons Learned

- Keep economic work and politics uncoupled
- During process have MPO staff and local elected leaders begin to establish economic development relationships with both state and federal representatives
- If using team, make sure you give them time to discuss, debate (its ugly to put 6 economists in a room, but effective!)

# Contact Information

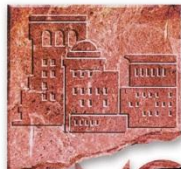
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