



San Jose Silicon Valley
CHAMBER
The Region's Voice of
Business Since 1886

Regional Economic Development Initiative Executive Summary

About the San Jose Silicon Valley Chamber

Founded in 1886, the San Jose Silicon Valley Chamber is a nonprofit business association representing nearly 1,500 employers and a quarter million employees throughout the greater Silicon Valley. As the region's leading voice of business, its mission is to create a strong local economy, provide premier business connections and visibility, represent the interests of business to government, promote the community and initiate political and community action. The chamber operates with an annual budget of approximately \$2.3M. For more chamber information, visit www.sjchamber.com.

Today's Economic Development Landscape

Silicon Valley has been one of the most successful economic engines in California, the nation and the world. Much of its success is due to the business ecosystem that has organically evolved over the last 60 years. However, a strong ecosystem alone is not enough to keep our region's economy growing in the new "flatter" world economy. Regional economic competitiveness requires a coordinated strategy and action.

A number of entities conduct economic development activities in the Silicon Valley:

- San Jose ***Silicon Valley Chamber of Commerce's*** mission is to create a strong local economy, provide premier business connections and visibility, represent the interests of business to government, promote the community and initiate political and community action.
- ***Silicon Valley Leadership Group's*** mission is to involve principal officers and senior managers of member companies in a cooperative effort with local, regional, state, and federal government officials to address major public policy issues affecting the economic health and quality of life in Silicon Valley.
- ***Joint Venture Silicon Valley's*** mission is to provide analysis and action on issues affecting our region's economy and quality of life. The organization brings together established and emerging leaders—from business, government, academia, labor and the broader community—to spotlight issues and work toward innovative solutions.
- Many cities in the region have an economic development professional and a defined internal strategy – but there is no organized process to weave or knit their efforts together into a combined effort.
- Several local chambers of commerce located throughout the greater Silicon Valley may engage in some economic development activity, but there is not a cohesive, organized regional strategy.

No one singular organization has focused and succeeded in undertaking a region-wide business retention, expansion, creation and attraction effort on behalf of the greater Silicon Valley. There is no one organization or initiative with a full-time staff of economic development professionals who are dedicated to the sole purpose of helping the region's companies grow and create jobs.

Without coordinated and effective regional business retention, expansion, creation and attraction effort, the Silicon Valley may not be as prosperous in the future as it would with a cohesive strategy and plan. We run the risk of losing our competitive advantage – in the same way as California as a state has lost its competitive advantage to other states with much more aggressive economic development strategies.

Need for Action

Some of the competitive and strategic advantages of the San Jose Silicon Valley region have significantly diminished. Among the reasons and outcomes:

- The region faces increasing competition from out of state entities, initiatives and incentives.
- Globalization and technology have significantly changed the economic landscape.
- Local jurisdictions have reduced economic development efforts because of budgetary constraints.
- Regional advantages are not perceived as overcoming high costs.
- Key industries that once dominated our landscaper are not necessarily expanding locally.
- With the elimination of redevelopment and enterprise zones, jurisdictions have lost their primary economic development tools.
- While the region leads the economic recovery, this recovery has been slower than anticipated—and has created fewer jobs across the entire economic spectrum.

To ensure regional prosperity, the San Jose Silicon Valley Chamber believes the region must take action.

What We Need to Do

The Silicon Valley needs to do what other large metropolitan regions have been aggressively doing: Create an entity charged with economic development to protect existing jobs, to stimulate job growth and to ensure that actions of individual entities work collaboratively—making for the strongest possible economic region.

Examples of these dedicated regional economic development organization—with primary purpose of helping the region's economy grow and creating more jobs—abound in the Rust Belt states. However, major metropolitan cities throughout the West Coast have organized Economic Development Corporations (EDCs). Examples exist in Seattle, WA; Portland, OR, Denver, CO; Los Angeles, CA; San Diego, CA; Sacramento, CA; Phoenix, AZ; and most notably, Austin, TX.

For Silicon Valley, the best example may be the Greater Austin Chamber of Commerce. This regional chamber has become their region's one stop shop for business recruitment, business retention, expansion and regional promotion. The Greater Austin Chamber has been able to marshal the resources to build out one of the best economic development strategies and organizations that leverage their region's competitive advantages in order to effectively grow their region's economy. And the Silicon Valley business community is their favorite place to go shopping for potential new businesses!

In New York, the NYEDC provides expertise to develop, advise, manage and invest to strengthen businesses and help neighborhoods thrive as well as help create affordable housing, new parks, shopping areas, community centers, cultural centers and much more. It provides policy advice to the city, manages city property and assets, and makes available the financial tools that allow businesses and not-for-profits to grow and create new jobs.

The SJSV Chamber is the appropriate singular organization to undertake this effort, because:

- Through its members, we represent over a quarter million Silicon Valley jobs.
- We are oldest business membership organization in the valley.
- We have the ability to marshal resources for a coordinated effort across organizational and jurisdictional boundaries.
- We have a track record of leading the business community on critical projects and policy issues.
- We have the senior staff expertise in regional collaboration, specifically private/public partnerships in the area of economic development.

The Concept

The concept is a regional economic development entity with the purpose of growing jobs, businesses and the economy in the Silicon Valley.

The core objectives of the new entity will be:

- **Promote the Region**—Promote the Silicon Valley as an ideal business location with a remarkable ecosystem that supports our business climate, culture and success. Market the region as “the global capital of innovation and entrepreneurial success.”
- **Business Retention and Expansion**—Augment local cities' capacity to meet with significant employers and growing companies to show appreciation, assist with expansion, and address any issues/opportunities. (Ex: Business Walk Program & Reports)
- **Business Creation**—Encourage new business creation throughout the region in every sector.
- **Business Recruitment**—Augment local cities' capacity to meet with significant employers/companies to locate or relocate in the greater Silicon Valley region and welcome them when they arrive (including foreign businesses). Serve as a coordinator across jurisdictional boundaries to assist companies in finding the right location for their business while assisting them with any issues that may arise during that process. Serve as both the regional concierge and advocate.
- **Research and Data**—Create and/or partner with like-minded organizations to develop outstanding data about the entire region's demographics: workforce readiness, commercial real estate, residential real estate, water availability, utility connectivity, transportation infrastructure, K-16 education assets, etc. Serve as the depository of this data, by providing economic impact reports, and being the best source for information on the region's attributes. (Ex: Regional Talent Initiative Study)
- **Local Economic Development Policy Support**—Develop and disseminate policy papers addressing key policy issues that affect economic development (job growth), i.e. permitting processes, timelines, fees, taxes, standardization of permits, etc. Provide policy best practices to regional and local chambers for their direct advocacy efforts.

A key principal of the entity will be to serve only as a regional resource. Accordingly, the entity will not participate in retail attraction or retentions, as this is a matter for which individual jurisdictions would continue to be responsible.

Governance

The initiative will be formed to look, act and feel as a separate entity, similar to an economic development corporation—but under the direction and supervision of the SJSV Chamber of Commerce Board of Directors. A Steering Committee made up of key stakeholders and initiative funders will oversee the strategy implementation. The initiative will be located within the SJSV Chamber offices. Similar models exist in Austin, Texas, and St. Louis, Missouri.

How Do We Finance It

The initiative will be financed by membership, contracts for service and revenue generating activities.

- Membership — will include private sector firms and public sector entities, including jurisdictions and public agencies. Currently, we are seeking Founding Partners to kick-off the work of the initiative.
- Contracts for Service — the entity will provide economic development services for local jurisdictions, Workforce Investment Boards and public agencies.
- Revenue Generating Service — the entity could provide services for jurisdictions, such as managing revolving loan funds or property development initiatives.

Fundraising Efforts (as of May 1, 2014)

The SJSV Chamber has set a goal of raising \$350,000 by Q2 2014 in order to begin implementation of the initiative. Fundraising will be on-going. To date, the chamber has secured commitments of \$380,000 from these Partners:

• Santa Clara County	\$ 100,000
• City of San Jose	\$ 105,000
• Devcon Construction	\$ 25,000
• Essex Property Trust	\$ 30,000
• Mission West Properties - Carl Berg	\$ 25,000
• Santa Clara & San Benito Counties Building & Construction Trades Council	\$ 25,000
• Arcadia Development	\$ 20,000
• PG&E	\$ 13,000
• Alliance Roofing Co.	\$ 5,000
• J.J. Albanese	\$ 5,000
• Adobe	\$ 5,000
• Cosmopolitan Catering	\$ 5,000
• Kaiser Permanente	\$ 5,000
• Robinson Oil	\$ 5,000
• Silicon Valley Community Foundation	\$ 5,000
• Misc Chamber Members	\$ 2,000

Contact Information

For more information about REDI or to inquire about becoming a contributing partner, please contact:

Matthew R. Mahood

President & CEO

San Jose Silicon Valley Chamber of Commerce

101 W. Santa Clara St., San Jose, CA 95113

Phone: 408-291-5277 Email: mattm@sjchamber.com