

BAY AREA ECONOMIC RECOVERY WORKPLAN

Bay Area Council Economic Institute

For

The California Business, Transportation & Housing Agency

Bay Area Regional Process and Timing

For Key Stakeholders and the General Public

Thank you for your interest in regional efforts to develop strategies for economic recovery. Recovery is, by its nature, an evolving process, but this document lays out initial thinking on desired outcomes, expectations, project criteria, and overall process.

Context

Economic stimulus and recovery activities are actively being planned and implemented at all levels of government. Among these activities, California state government is developing a list of priority projects to be recommended for state-disbursed federal funding, as well as state funds and other economic recovery initiatives. While much of this funding is short-term, ideally these allocations should take place in the context of a longer term regional plan for economic recovery and growth.

Core Product: Regional Economic Recovery Workplan

Within this context, the Bay Area Council Economic Institute (BACEI) has been asked by the California Business, Transportation and Housing Agency (BT&H) to work with key regional partners to develop a Bay Area Economic Recovery Workplan for the nine Bay Area counties.

Workplan Parameters

- Maximize the impact and benefit of funds coming to the region
- Identify projects and activities with high regional priority (not acting as a gatekeeper for all projects but as a regional advocate for a short list of projects)¹
- Utilize an open, consultative process that is simultaneously focused and expedited
- Leverage in-depth subject-matter expertise (e.g., transportation, water)
- Deliver to BT&H by June 1, 2009
- Limit BT&H summary submission to ten pages

Submitting Proposals

On April 6, the Institute expects to provide a request for proposals that includes an online submission tool. All proposals will be submitted to the Institute via the online tool. **The submission deadline will be April 24.**

Economic development organizations and regional business councils will reach out to cities and other potential proposers and may be able to assist in addressing questions. Subject matter advisors will provide similar outreach to potential proposers in specific areas (such as transportation), and will be

¹ Cities, counties or partner organizations should still submit independent proposals to state or federal agencies based on announced stimulus funding requirements or submissions underway, especially for projects that might not align closely with regional priorities.

assisting the institute in review proposals in their respective subject areas. (*See below for more information on the role of these organizations.*)

Types of Proposals. The workplan will be used by BT&H and other state agencies to facilitate decisionmaking in four areas:

1. **State-disbursed federal funds.** Allocation of federal stimulus funds available through the state.
2. **State funds.** Other funds allocated by the state for economic development purposes.
3. **Reforms.** Regulatory and policy measures that may streamline the flow of these funds to communities.
4. **Strategy implementation.** Implementation of longer-term strategies to enhance state and regional economic competitiveness.

Timing Tiers. Each of these four types of projects or initiatives will fall into one of three timing categories:

- **Tier 1 / Immediate:** Projects subject to immediate funding (use-it-or-lose-it) requirements. This may include strategies to overcome regulatory and operational barriers to project delivery (e.g., relating to procurement procedures, or permit review).
- **Tier 2 / 24 months:** Infrastructure or economic development projects that will be “shovel-ready” and merit priority review within the next two years, with special priority to projects that develop sustainable infrastructure.
- **Tier 3 / Other:** Projects that do not fit into a one of the above funding timeframes or that are more long term or conceptual in nature (such as proposals to improve the business environment or stimulate innovation that aren't essentially connected to Tier 1 or Tier 2 projects).

Subject Matter. Finally, projects or initiatives of interest in this process should fall into one of seven subject categories that map to Bay Area regional priorities. Projects outside of these areas will be considered, but must be particularly compelling. Subject matter advisors may refine the description descriptions below:

- **Transportation:** Priority projects for funding (Tier 1 or 2) and process improvements that deliver 21st century infrastructure, improved regional mobility, and smart growth
- **Water:** Improving reliability and security of the Bay Area's water supply
- **Energy/Climate:** Energy efficiency, grid modernization (smart grid), electric system reliability, renewables, and R&D
- **Human Capital:** Workforce training and education to support near-term recovery and future industry needs
- **Business Development:** Opportunities to reduce obstacles to project delivery, streamline funding flows, and stimulate job creation through business expansion
- **Science and Innovation:** Opportunities to leverage universities, laboratories, and other innovation drivers that expand Bay Area competitiveness or global industry leadership—and ultimately job creation—through programs, policies, or specific projects. Projects with potential to increase productivity, such as electronic medical records and wide deployment of broadband.
- **Housing:** Address housing foreclosures, housing finance, land use and affordable housing policies, and potential projects to support transit integration and related priorities

Accessing Information

Reference documents, including project guidance from BT&H, process guidance regarding this project, and analysis of the federal stimulus package will be accessible on the Institute's website (www.bayareaeconomy.org/recovery).

Project Team Structure

The proposals submitted in this process will be characterized by vastly different priorities, drivers, and types of projects. Thought must also be given to multi-city and multi-county impacts, and considerations such as sustainability and social equity. Three groups will have central responsibility for collaboration in workplan development.

- BACEI project management team
- Subject matter advisors
- Regional economic development organizations and business councils

Subject Matter Advisors

The Bay Area's approach to recovery hinges on leveraging the collaboration and deep expertise of key leaders. Based on prior analyses by the Institute (www.bayareaeconomy.org) of regional priorities and strategies, and taking into consideration federal and state priorities, we are utilizing subject matter advisors who can provide essential expertise for proposal submission and evaluation. The names and initial descriptions of the seven groups are stated above. The individuals serving as subject matter advisors are listed below.

Economic Development Organization / Business Councils

The Institute is also working with leaders of 13 different organizations, listed in the regional outreach list below. This list consists of a lead contact for economic development organizations, key city/county offices, and regional business councils. . These organizations will work to ensure good two-way information flow and quality projects from across the region. They will disseminate information to key cities and entities within their jurisdiction or membership, advise the Institute on stakeholder concerns, and play a consultative role as feasible in framing proposals.

Project Priorities and Criteria

Subject matter-specific criteria and prioritization considerations will be contained in the final RFP package. This section discusses general priorities and criteria for producing workplan recommendations.

Workplan recommendations. The workplan will deliver to BT&H recommendations in the four areas listed on page 1: projects for state-disbursed federal funds, projects for state funds, key reforms, and key strategies. In each of these four areas, recommendations will take into consideration:

- an assessment of the Bay Area's distinct competitive assets
- best opportunities for economic expansion
- projects from which the Bay Area can obtain maximum leverage from Federal, state and other investment to accelerate regional growth and job creation.

Regional priorities. Projects and initiatives included in the plan should ideally align with one or more of the regional priorities as set forth in the subject matter categories. Additionally, when applicable, projects should consider environmental sustainability. Projects generated by both large and smaller cities and organizations will receive full consideration.

Core Project Criteria. Projects and initiatives included in the plan should meet one or both of two criteria:

1. **Jobs.** Significant near-term job creation
2. **ROI.** Potential to generate long-term growth with high return on investment

Additional criteria include

3. **Job sustainability.** Likelihood to create jobs that are sustainable in the longer-term
4. **Geographic impact.** Cross-jurisdictional or cross-sectoral scope (e.g., projects that are regional in nature or span more than one city, county or sponsoring organization)
5. **Resource leveraging.** Degree of leverage of state and federal resources with matching funds or other resources
6. **State alignment.** Alignment with State programs and priorities. Proposals should be achievable without major legislation or significant new state resources outside Federal or other stimulus programs.

Note that Tier 3 type initiatives to deal with longer-term regulatory reform or implement an overarching strategy such as business environment improvement are welcome and may be considered more carefully after BT&H's June 1 deadline for workplan submission.

Focal points for subject matter working groups may include but are not limited to:

- Drivers for industry or regional competitiveness
- Known funding guidelines or priorities
- Existing guiding regional documents for given types of projects

Project Team

Management

Project management: Sean Randolph, President & CEO, BACEI

Coordination and integration: Paul Oliva, Consultant to BACEI

Project support: Kristen Durham, Senior Analyst, BACEI

Project adviser: Bruce Kern, Executive Director, East Bay EDA

Team Adviser

Philippe Sion, McKinsey & Company

Subject matter advisors

Transportation: Therese McMillan, MTC

Water: Bob Whitley, Whitley, Burchett & Associates

Energy/Climate: Dan Kammen, University of California-Berkeley, Energy & Resources Group and David Rubin, PG&E

Human Capital: Virginia Hamilton, California Workforce Association and Lorne Needle, United Way of the Bay Area

Business Development: Karen Engel, Oakland Chamber of Commerce

Science and Innovation: Kim Walesh, City of San Jose and John Kao, Kao & Company

Housing: Carol Galante, BRIDGE Housing Corporation and Ken Kirkey, Association of Bay Area Governments

Regional Outreach

Michael Ammann, President, Solano EDC

Linda Best, Executive Director, Contra Costa Council

Michael Cohen, Economic Development Director, City of San Francisco

Dennis Conaghan, Director, San Francisco Center for Economic Development

Dan Cruvey, Executive Director, SAMCEDA

Henry Gardner, Executive Director, ABAG

Carl Guardino, President, Silicon Valley Leadership Group

Bruce Kern, Executive Director, East Bay EDA

Paul Krutko, Chief Development Officer, City of San Jose

Kara LaPierre, Executive Director, Silicon Valley Economic Development Alliance

Dan Lindheim, Chief Administrative Officer, City of Oakland

Cynthia Murray, President, North Bay Leadership Council

Ben Stone, Economic Development Director, Sonoma County

Jim Wunderman, President & CEO, Bay Area Council

FAQs

Q: Other regions just held a project call and solicited projects. Why is our process more complex?

We want to capitalize on the deep expertise within our region's priority areas and use that to build a region-wide strategy and advocate projects swiftly and accurately. Subject matter advisors will help us to do that and to look at projects with a high positive impact across jurisdictions. Finally, we have advocated for this type of process based on the regional collaborative economic development innovation model developed last year under the U.S. Department of Labor's WIRED (Workforce Innovation in Regional Economic Development) grant. The model is accessible on the publications page of the Institute's website www.bayareaeconomy.org.

Q: I see that BT&H has produced different timings and names for things. What should I use?

BT&H information is a non-binding set of guidelines, and they have deferred to each region for how it will move forward this process. Use our timings and categories for any projects you wish to be included in regional recommendations. The most important timing is delivery of our recommendations by June 1, which requires project submissions for regional consideration between April 6 and April 24. For any proposals independent of the region, you should follow the instructions for that funding source.

Q: What is the Institute's real role in this? Why this extra level?

Certain types of projects and issues are best addressed in a regional context. The Institute's role is to identify and advocate priority projects with a regional impact *and* to place these within the context of longer term economic recovery and global competitiveness.

Q: Will the Institute entertain projects that fall outside the nine-county Bay Area?

Our criteria focus on impact within the nine-county Bay Area. However, we will look at any project involving a Bay Area country and one or more adjoining counties as long as it offers significant positive impact in the nine-county Bay Area.

Q: A project I have in mind doesn't really fit into BACEI criteria. What should I do?

If your project doesn't fit with regional priorities but fits within an RFP issued by a specific agency, simply apply directly to that agency. Don't spend time on using the regional process for that particular project.

Q: I still have questions. Whom should I consult?

You can consult anyone on the core team. Contact information for Kristen Durham and Paul Oliva is listed below.

Timeline

Deadline	Entity	Work
Mar 23	BACEI	Project planning
Mar 24	BACEI	Process and instructions out to SM advisers, EDCs, ABAG, others
Mar 24	BACEI	Post key information on process, materials, and contacts on the web
Mar 25	EDCs	Inform cities and other core stakeholders about process
Mar 31	SM advisers, supported by BACEI Recommend that EDCs can listen in if SM groups actually convene (time may not allow SM groups formally to meet)	Engage SM colleagues as necessary or feasible to discuss. Send to BACEI refined information with: (1) Any clarifications or adjusted description of your subject matter area, (2) Critical guidance for people preparing proposals specific to your subject area, such as known federal, state, or regional priorities tied to stimulus dollars related to this subject matter, and (3) Any high-priority projects or entities from which proposals should be solicited.
Apr 3	BACEI	Update on process to BT&H
Apr 6	BACEI	RFP package out to SM advisers, EDCs, ABAG and others to be distributed to respective networks
Apr 24	EDCs/other entities	Assist constituents with refining proposals to extent desired/feasible
Apr 24	BACEI	Submit projects online to BACEI
May 1	BACEI/SM advisers	Vet projects. BACEI evaluation team provide Initial scoring of projects to SM advisers
May 8	BACEI	Refine scoring / prioritization based on SM input. Period for questions/requests for clarifications to proposers ends
May 13	BACEI / BASIC Board	Conference call/e-mail period closes for project review & input
May 15	BACEI	First draft of report to BT&H complete
May 22	BACEI / SM / EDCs	Meeting and/or conference call to report back on projects, status, conclusions, etc.
May 27	BACEI	Finalize draft report
Jun 1	BACEI	Final report to BT&H