



SEPTEMBER 2015 BOARD OF DIRECTORS MEETING SUMMARY

Matt Mahood, President and CEO of San Jose Silicon Valley Chamber of Commerce, presented update on the Regional Economic Development Initiative (REDI).

- The Cities Association endorsed the initiative in August 2014; Matt provided progress and next steps overview of initiative.
- REDI is a private-public partnership created to implement a regional economic and collaborative strategy to promote the region, recruit new businesses, retain existing businesses, attract public investment, and support local entrepreneurs.
- REDI has identified a new wave of innovation, the Internet of Things (IoT) as a key driver of future opportunities in Silicon Valley.
- “IoT is based on digitizing the physical world, operating at the convergence of software, hardware and sensors, and has wide application in both consumer and industrial markets.”
- IoT will transform existing businesses, create new enterprises and generate economic value for both industries and communities. A recent study shows a \$3.9 - \$11 trillion potential economic impact from the IoT globally.
- Through the emergence of IoT, four sectors have been identified to create a number of new opportunities for companies to connect with each other and with public sector partners to leverage exciting innovations:
 - Health IT – technologies that give both healthcare institutions and the individual consumer better access to real time data and processing power;
 - Agile Development & Manufacturing – new kind of “smart” hardware;
 - Smart Buildings – integrating traditional energy savings technology with the power of big data’s predictive and intelligent capabilities;
 - Transportation R&D – R&D Centers building the platforms (software and hardware) that make IoT.
- Action teams have been formed based on the four sectors; they have each met four times between March and September 2015 to develop an action plan to grow their sector in the region.
- The teams are co-chaired by local business and public leaders, and include a wide variety of private and public sector participants.

- Role of REDI includes: 1) regional convener of business, local government and community partners to accelerate job creation, innovation and business opportunities; 2) provide forums that define community challenges that business can help address in each of these opportunity areas while marketing the region as a center of innovation.
- Each action team has identified goals with metrics, opportunities for growth, and specific action strategies.
- SJ/SV Chamber will continue to be the backbone organization for REDI and its forums through:
 - Identifying funding for ongoing support;
 - Convening stakeholders around opportunity areas and mobilizing around action strategies;
 - Creating a REDI Leadership Council composed of sponsors, Chamber board members, action team co-chairs, and a Mayor Caucus to guide implementation;
 - Marketing the region as center of innovation.
- Next Steps include:
 - August – September 2015
 - REDI action teams to finalize action plans
 - REDI stakeholder group to review action plans
 - October 2015
 - REDI public launch event with the Silicon Valley Business Journal
 - September – December 2015
 - REDI action teams work on identified action steps and achieve early wins.

Board Member Chappie Jones led discussion on proposal for Cities Association to partner with City of San Jose to provide a regional economic analysis of increasing the minimum wage.

- According to Cities Association Subcommittee on Minimum Wage, regional consistency is key when considering minimum wage increase ordinances across jurisdictions.
- San Jose Council Members Jones and Mayor Liccardo propose leading a regional economic study on minimum wage and request the Cities Association to join the effort by:
 - 1) Endorsing the concept as an effort to promote regional consistency; the endorsement or participation in the study is not to interfere or delay cities' current efforts to increase minimum wage in their jurisdictions or the regional effort to increase minimum wage to \$15 by 2018.
 - 2) Providing \$1,000 contribution towards the cost of the study as a token of support;
 - 3) Nominating a representative of the Cities Association to participate in the selection of the consultant who will be conducting the study.
- Public Comment from representatives of Working Partnership USA, SEIU - USWW, Sacred Heart Community Services, and United Way Silicon Valley included:
 - Make sure study provides a cost and benefit analysis of possible exemptions (youth, non-profit, wait-staff) to minimum wage.

- Exclusions will present challenges, especially at a time when wage theft is prominent in the region.
- Include in study how the increase of minimum wage benefits the region.
- Include community engagement during the study.
- Include affects on small businesses.
- Support \$15 by 2018.
- Increasing the minimum wage in San Jose made an incremental change across the most vulnerable of our populations: homeless, emancipated foster youth, low-income, etc.,
- Board Members feedback included:
 - It is important for cities to move together on this effort.
 - Individual cities can join study for more specific information about their jurisdiction for \$5,000 each.
 - The request is from the Rules Committee; San Jose City Council to finalize and take position on Tuesday, September 15th.
 - There are significant issues with a multi-tiered approach to minimum wage; a multi-tiered approach is not recommended.
 - It is important to ensure balanced scope and parameters are identified for the study.
 - Cities Association can play a bigger role; e.g. community engagement process.
- Board of Directors unanimously voted (10:0 with one abstention) to support the countywide economic analysis of minimum wage proposed by Council Member Jones and Mayor Liccardo as follows:
 - 1) Contribute \$1,000;
 - 2) Appoint Mayor Rod Sinks of Cupertino to represent the Cities Association of Santa Clara County;
 - 3) Ensure the inclusion of community engagement;
 - 4) Ensure cost benefit analysis of exemptions is included in the study.
- Board Members agreed that supporting the study is in line with the Board's prior recommendation of June 2015 for regional consistency on minimum wage; results of the study will provide membership cities with more economic data potentially needed to consider joining the existing regional effort on minimum wage.

President Jason Baker reviewed submittal of two Cities Association letters addressing AB 1110 (Ting) and SB 350 (De Leon) on September 5, 2015.

- Cities Association policy allows action of support or opposition to be taken by the President and Executive Director when there is not sufficient time to bring the matter to the Board or LAC and the legislation clearly supports or hinders cities' interests or the Association's adopted goals.
- Included in adopted 2015 priorities, Board agreed to support and continue to monitor the development of Community Choice Aggregation (CCA) amongst cities in Santa Clara County.
- At the August 2015 Board of Directors Meeting, Board Members supported submission of a letter opposing unless amended AB 1110 (Ting) Emissions of Greenhouse Gases Reporting: Retail Electric Suppliers. If passed, new

CCA's would have a hard time investing in power purchase agreements to build new clean power; SCC cities are currently interested and working on forming CCA.

- On September 1, 2015, Cities Association Executive Director received communication from LEAN Energy regarding an action alert to resubmit a letter re: AB 1110 and submit a new letter re: SB 350 (De Leon) Clean Energy Pollution and Reduction Act of 2015 expressing opposition to amendments offered by San Diego Gas and Electric that would be very harmful to developing future CCA programs. The letters needed to be submitted by September 5, 2015 to be considered in time for the final votes in the legislative session.
- Due to the timeline required, Cities Association policy, and prior action taken by the Board to support the development and success of CCA's, the two letters were submitted on September 5th and were attached in the September 9, 2015 Board Agenda Packet for review.
- Board Members supported submission of the letters.

City Selection Committee Appointee Chris Clark of Silicon Valley Regional Interoperability Agency (SVRIA) provided brief report on recent activities.

- SVRIA is the agency that oversees and ensures the interoperability of communication between jurisdictions across the county through the implementation and oversight of a \$30 million infrastructure project currently underway.
- A new Executive Director has been recently hired.
- All cities are now signed on and MOU's have been processed; VTA has also joined the system.
- The system will be ready by January for Super Bowl 50; capacity will be doubled on all sites and three more sites will be added.

City Managers' Association Report: Mark Linder reported that two Next Generation reports were presented; one addressed the Santa Clara Valley Water District's best practices and meeting the 218 requirements, and the other addressed Social Media Policy that all jurisdictions can consider for adoption. Another Next Generation program, Job-Shadow Day, will soon be implemented in several jurisdictions and will include High School Seniors. In addition, city managers met about CCA; JPA has been drafted. Three lead jurisdictions are included in the JPA. Once the technical study is completed in November, other cities will have 90 days to join the JPA without approval by the Board. After 90 days, cities can still join but will need to be approved by the Board.

Legislation Report: Betsy Shotwell reported that the legislative session will end tomorrow, September 12th. More updates will be provided next month. Senator Beall's transportation bill, which includes a proposal of \$3.5 billion for transportation funds, will continue to be addressed in conference committee.

Joys and Challenges:

- Nine cities joined City of Mountain View and submitted letter to VTA requesting a comprehensive study of transit options to connect the region.

- Los Gatos hired a new Town Manager: Laurel Prevetti.
- Los Gatos is being approached by school district to approve an ordinance that would add \$9.62 a square foot to the cost of new housing built within the district's boundaries to pay for additional classrooms. To do this, Los Gatos would have to agree with the district's findings that schools are overcrowded.
- Saratoga continues to receive complaints regarding flight patterns over the city.