

Putting San Mateo County on the Map

“ San Mateo County was born in the shadow of San Francisco, in 1856, out of political compromise surrounded by intrigue and corruption. Thanks to early transportation systems, a great environment and superior urban planning, it has risen to become one of the most desirable suburban communities to live in and work on the planet. Part of its remarkable story has been its great diversity—in its people and its economic activity. Today, San Mateo County businesses, from offices at Oracle in Redwood City, Genentech in South San Francisco, and so many more, make international headlines on a regular basis. At no time in its history has San Mateo County been more important to people everywhere than right now, due to local entrepreneurs creating and building the world's future. ”

Mitch Postel
President, San Mateo County Historical Association



SAMCEDA

The Voice of Business on the Peninsula



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2008/2009
SAMCEDA

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A 57-year history as “the Voice of Business on the Peninsula.”

A Message from our Chairman . . .

As we come to the end of SAMCEDA's 2008-2009 fiscal year, the world is a much different place than it was when we began the year. We have seen major icons such as General Motors, Bear Stearns & Company, Fannie Mae and Freddie Mac, and our great State of California face financial disaster. Employers have shed jobs at an alarming rate, housing prices and production have fallen to new lows and we have our first African American President dealing with an ailing economy, the unwinding of one Middle East conflict and the simultaneous escalation of another, nuclear threats from Iran and North Korea, and the unique opportunity to nominate a new justice to the Supreme Court.

Through all of this, San Mateo County has endured. Even with the collapse of Lehman Brothers and its financial impact on the County, business continues. We continue to work on transportation initiatives such as California High Speed Rail, electrification of CalTrain, landing ferry terminals at South San Francisco and Redwood City as part of the Water Emergency Transportation Authority, as well as housing initiatives up and down the San Mateo Peninsula.

SAMCEDA and its members recognize the importance the environment has for the future of our residents and businesses. As a member of the AB 32 Implementation Group, a coalition of California businesses, SAMCEDA works to insure this landmark legislation achieves its goal of reducing pollution while preserving our economic viability and growth potential. We are also actively analyzing SB 375, the new land use and environmental law, to understand what impacts it will have on future housing and transportation decisions in the County.

SAMCEDA was an integral partner with the County and education community leaders in last year's education program, 'Creating and Preparing a Competitive Global Workforce' held at the Oracle Conference Center. Working with the new County Manager, SAMCEDA recently hosted a P-16 roundtable meeting to reengage the educational focus toward ensuring that the K-College curriculum is designed to prepare students for future careers in a global economy.

Throughout this past year, SAMCEDA has engaged with local, state and federal legislators to bring attention and increased focus to issues critical to the County's economic future. We represented our member companies in Sacramento as part of the Legislative Action Day, the Constitutional Convention Summit, and as a member of the Bay Area Council delegation to Washington D.C. to meet with the new administration.

SAMCEDA is 'Putting San Mateo County on the Map!'

It has been my pleasure to lead our organization these past two years and I look forward to continuing my involvement with SAMCEDA as a Board Member and active supporter for years to come. We have done much over the past several years to elevate SAMCEDA and San Mateo County to the positions of regional significance they both deserve. As new opportunities present themselves, as new doors are opened, I am confident that SAMCEDA will continue to expand its influence and impact on behalf of the business community and San Mateo County. Even in these trying times, the future for San Mateo County is bright. A strong economy underlies a strong community, and as we continue to advance our goals in the areas of business, housing, education, health care and transportation, our economy will grow stronger, our social fabric will strengthen, and San Mateo County will define itself as a new leader, in a new light.



Robert Webster
Chairman of the Board

President & CEO
Bohannon
Development Company



*Plotting Our Future Direction:
Business, Economy and Policy*

Staying On Top Of Our Game

SAMCEDA strives to ensure that the San Mateo County economy remains diverse, stable and resilient in times of distress, while maintaining the flexibility and advantage necessary to grow and excel in times of prosperity. The organization works to preserve and leverage the wealth of cultural, intellectual and natural resources and ethos of creativity, innovation and progress that define and enrich the San Mateo County region and make it one of the most unique economic eco-systems in the country.

In conjunction with the EVRE (Economic Vitality Research and Education) Foundation, SAMCEDA recently concluded a research project focused on identifying economic, political and social factors that inform the location, growth, success and retention of knowledge-based start-up businesses in San Mateo County.

Active collaboration with the San Francisco Center for Economic Development and East Bay Economic Development Alliance as SAMCEDA formulates and prepares to implement a comprehensive, countywide economic development strategy in San Mateo County.

Participating in the Bay Area Regional Economic Recovery Workplan, a coalition of leading Bay Area economic development organizations and regional business councils supporting California Business, Transportation & Housing Agency in identifying and allocating federal stimulus funds to San Mateo County and Bay Area infrastructure, transportation and reinvestment projects critical to California. San Mateo County businesses, government agencies and regional organizations submitted a total of 24 project proposals spanning the designated "high-priority" areas of education, energy, housing and transportation, and promising significant job creation, economic stimulus and financial and social benefit to San Mateo County businesses and residents.

In partnership with the Bay Area Council and the Silicon Valley Leadership Group, SAMCEDA met with President Obama's key economic, energy, environment and technology advisors including Larry Summers, Christina Romer, Van Jones, Vivek Kundra, Matt Rogers, and Carol Browner to discuss policies that affect the California business and economic climate.

Represents the San Mateo County business community as a member of the Blue Ribbon Task Force Community Financing Committee, opposing plans to fund the countywide health care initiative via increased taxes on corporations and small businesses.

Designed, developed and hosted a one day seminar entitled "Greening Your Business" at Electronic Arts featuring keynote speakers Joe Stagner of Stanford University and Jay Bechtel of Google, representing a dynamic intersection of public and private sector views on sustainability and its economic implications. The exclusive Green Vendor Expo had over 35 vendors showcasing their products and services for the 250 conference attendees and Electronic Arts employees. SAMCEDA created an online 'Green Resource Guide' listing more than 165 businesses that provide green products, services and support in the clean and green technology industries. Check out the 'Green Resource Guide' at www.samceda.org/greenbiz.

Partnered with VitalComm and Scottish Development in hosting the VComm Venture Faire, a collaborative effort which brought together Western European start-up companies and Silicon Valley venture capitalists to forge new alliances and explore avenues for international growth and economic development in San Mateo County.



Bay Area Business Leaders meet with White House Staff and California Congressional Members in Washington D.C.

Securing Our Economic Future

HOUSING

SAMCEDA advocates for housing programs, land-use policies and regional growth objectives that advance our county's economic and social priorities through increasing access to affordable housing, ensuring adequate workforce housing to support the needs of local businesses and employers, and integrating 21st century, sustainable, smart-growth design principles into communities for businesses and residents.

- Opposed and defeated Measure W – a November, 2008 ballot measure in Redwood City that threatened to impact city governance, local land use decisions and private property rights.
- Actively supports and collaborates with the Housing Leadership Council (HLC) and Housing Endowment and Regional Trust (HEART).

EDUCATION AND TRAINING

At the root of creativity, innovation, commercial and technical achievement, lies education. Without a properly educated and relevantly trained workforce, San Mateo County would not be able to compete as an economic destination for prospective businesses, employers and investors. A sound, underlying education system is fundamental to our region's longevity and ability to remain competitive in an evolving and increasingly more technology-oriented economy.

- Hosted a P-16 meeting with County officials and representatives of the Bay Area education community focused on the goal of implementing targeted educational reform, expanding and modernizing workforce and job training programs and introducing metrics for tracking progress and measuring success.
- Ongoing collaboration with the San Mateo County Workforce Investment Board to help formulate a curriculum and identify job training programs that will strengthen the existing labor pool and prepare the County's workforce with the professional and technical skills necessary to meet the demands of new and future jobs.



Photo P-16 meeting with County officials and representatives of the Bay Area education community



“ Since my 1986 – 1998 service as a State Senator and 11 year term as Senate Transportation Committee Chairman, I have respected SAMCEDA's time and effort to improve transportation facilities in San Mateo County and adjoining counties. Now, as Chairman of the California High Speed Rail Authority, I value SAMCEDA's enthusiastic support of California's pioneering High Speed Rail project. SAMCEDA's understanding of the extraordinary economic (and environmental) benefits of such a project reflects its sincere dedication to the lives of San Mateo County residents and workers. ”

Judge Quentin Kopp



TRANSPORTATION

SAMCEDA supports a fully-integrated and diverse transportation system that can enhance and facilitate travel throughout the Peninsula, encourage business location and catalyze commercial activity in the county, and protect and preserve the environmental and quality of life standards for communities and residents in San Mateo County.

- Active member of the Water Transit Advocates which supports the Water Emergency Transit Authority (WETA). Together, WTA and WETA successfully lobbied for advanced funding from the San Mateo County Transportation Authority of new Measure A funds for the South San Francisco ferry terminal project.
- Working in conjunction with Caltrain, local, state and federal officials to obtain funding appropriations for the electrification of the Caltrain line from San Francisco to San Jose (conversion from conventional diesel trains to EMU (electric multiple unit) trains in which electricity is the motive power will result in a quieter, safer and more cost-effective mode of transportation for county residents.)
- Supported the passage of Proposition 1A (High Speed Rail Bond Act) and has since convened stakeholder scoping sessions with HNTB (project lead) and development, labor and public agency representatives to facilitate a coordinated and successful build out of the San Francisco to San Jose segment. The San Francisco to San Jose segment is the only High Speed Rail project in the country with program level EIR clearance to date, and is eligible to receive billions in public funding through a combination of Federal and State allocations as well as matching funds from private sector investors.

Leading and Managing Positive Change

SAMCEDA utilizes open dialogues, educational forums and direct advocacy strategies to engage state, regional and local officials on legislative and public policy issues. Through its various committees, SAMCEDA closely monitors and participates in economic development, housing, transportation and other relevant issues that have the potential to impact member companies and the business community in San Mateo County.



Convened *The Golden State is Tarnished*, a panel discussion challenging California's failed system of government in light of the state's prevailing economic and political crises, and outlining the various means through which to effect the reforms necessary to returning our state to the level of economic, educational and innovative excellence at which it belongs.

Participated in the Bay Area Council Legislative Action Day in Sacramento, CA, meeting with state leadership and Bay Area legislators to directly discuss and advocate on behalf of issues affecting the business community in the nine county Bay Area.

Actively engaged in the Constitutional Convention Summit in Sacramento, CA, along with public, private and non-governmental constituencies from throughout the state to discuss proposals and vehicles for a constitutional convention.

In partnership with the Bay Area Council and Silicon Valley Leadership Group, SAMCEDA met with House Speaker Nancy Pelosi, members of the Bay Area Congressional Delegation and Senators Boxer and Feinstein to advocate for California's share of the Federal stimulus funds and encourage legislation that benefits both business and residents during these challenging economic times.

Played a pivotal role in both advocating for and disseminating information to its members regarding environmental legislation AB 32 and SB 375, holding multiple educational forums on AB 32 and meeting directly with MTC officials to discuss SB 375 and its implications for business, housing and transportation in San Mateo County.

Pro-active involvement as one of the key agencies in The Grand Boulevard Initiative, an inter-jurisdictional collaboration involving 19 cities, San Mateo County, Santa Clara County and regional agencies with the goal of modernizing and revitalizing the El Camino Real Corridor between Daly City and San Jose to expand the range of housing choices, spur economic development, and support existing investments in transportation.

“ SAMCEDA has established itself as the voice of the business community in San Mateo County by its proactive approach in addressing issues that confront its membership. It does this through a very thorough process of understanding the member's priorities and ensuring that SAMCEDA then becomes the primary policy advocate. This advocacy is effective in the region and due to the organization's demonstrated track record of success, has significantly enhanced SAMCEDA's presence in both Sacramento and Washington D.C. ”

John Paul Bruno
Vice President and General Manager
DMB Redwood City Saltworks



“ SAMCEDA's attention to and support of the San Mateo County education community far surpasses that of a conventional business organization. SAMCEDA is an active, engaged advocate for educational advancement, institutional reform and increased opportunities for K-12 students. It supports the introduction of skill-specific training programs for high school and community college students entering the workforce. SAMCEDA recognizes the importance of education as fundamental to individual development and social contribution, and its longstanding commitment to education reflects this. ”

Dr. Jean Holbrook
San Mateo County Superintendent of Schools

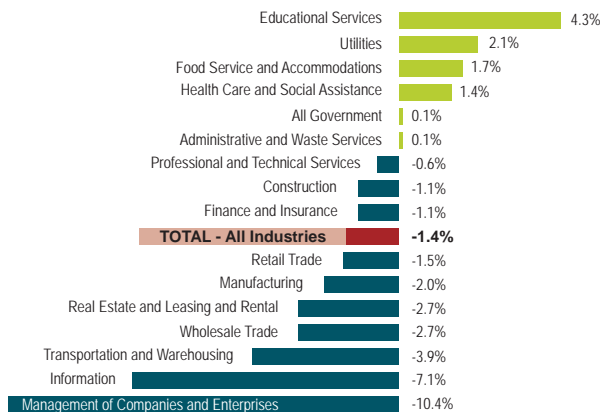


Economic Indicator Report

SMC is a Diverse, Innovative and Thriving Economic Hub

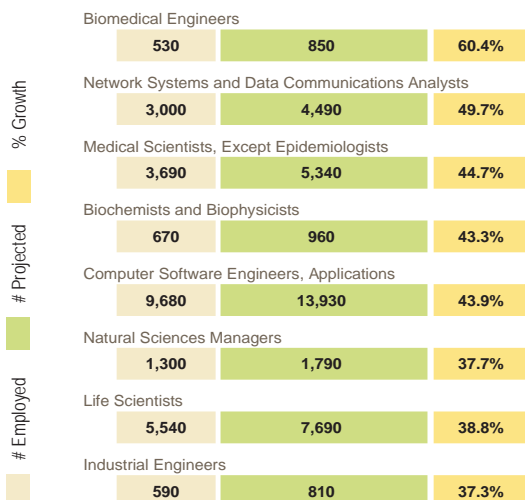
Located among two of the world's major metropolitan centers, San Francisco and San Jose, in the heart of Silicon Valley, San Mateo County is a diverse, innovative and thriving economic hub, home to some of the world's best and brightest businesses and entrepreneurs. From transnational corporations to budding start-up companies, knowledge-based businesses abound, from the origins of Napster and YouTube to the clean-energy innovation of Codexis to the global headquarters of Genentech, Oracle, Gilead, Franklin Templeton, Electronic Arts and Virgin America Airlines. Boasting one of the state's most ethnically and age diverse populations of 739,000 and a highly-skilled, knowledge-oriented labor pool of 385,000, San Mateo County will continue to drive the technological, scientific and commercial innovation at the core of our region's progress and economic prominence.

Employment Change 2001 - 2007 Annual Average Growth Rate



U.C. Davis, Center for Regional Change

Future Job Growth: Top Industries by % Growth 2006 - 2016 (California EDD, Labor Market Info)



Economy:

- Diverse job base with at least seven industry sectors **employing more than 25,000 workers**.
- 8.1% unemployment (April, 2009, **3rd lowest county** in California, Cal EDD).
- \$71,753** per capita income (**8th highest county in the U.S.**, Bureau of Economic Analysis).
- \$83,000** median household income versus \$59,000 California average.
- \$2.3 billion** 2008 venture capital investment in San Mateo County (214 deals, cash-for-equity investment in private companies, PricewaterhouseCoopers).

Credit rating/Issuer rating:

(San Mateo County Joint Powers Financing Authority, as of April, 2009)

- Moody's Investor Services: **Aa1** (highest rated county in California)
- Standard & Poor's: **AAA** (highest rated county in California)

Education:

- 44%** of the population has a bachelor's degree or higher versus 29% California (U.S. Census Bureau, American Community Survey).
- 88%** high school graduate versus 80% California (U.S. Census Bureau, American Community Survey).
- \$8,387** average per pupil expenditure in San Mateo County Unified School District versus \$7,081 California average (California ranks 46th of 50 among states for per pupil expenditure, national average is \$8,973).

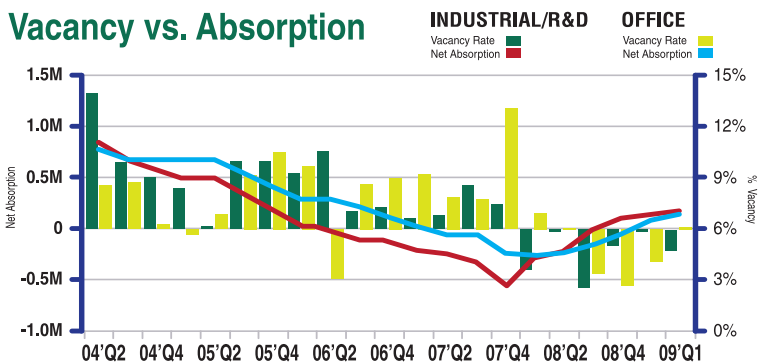
Infrastructure:

- SanTrans local and commuter bus service, Caltrain commuter rail and BART (Bay Area Rapid Transit) systems.
- Port of Redwood City, the only deepwater port in the South San Francisco Bay, providing berths for dry bulk, liquid bulk, and project cargoes.
- SFO (San Francisco International Airport) one of the world's leading international airports (2008, named **Best Airport in North America** by Skytrax World Airport Awards).
- 99% broadband availability versus 96% California average (**93% at 5-10 mbps** versus 4.8 mbps U.S. Average). (California Broadband Task Force)

Real Estate:

- \$580,500** median home price (2008) versus \$249,000 California average.
- San Mateo County produced 63% of its RHNA target for 1999-2006 versus 92% average for the Bay Area. (SSMC)
- Overall commercial **-1,511,958** net absorption (2008) vs **-1,569,700** for Santa Clara and **-2,076,943** for San Francisco County.

Vacancy vs. Absorption

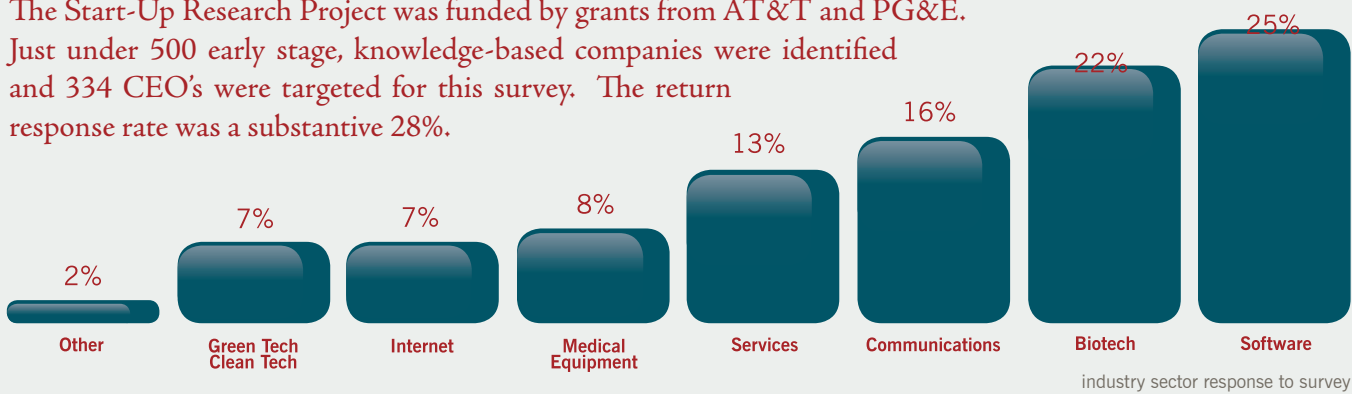


Start-Up Company Research Project

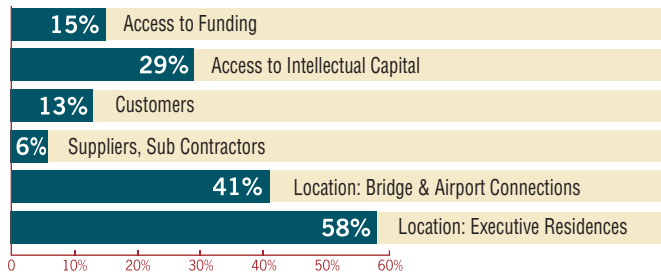
SAMCEDA and its research entity, EVRE (Economic Vitality Research and Education) perform fieldwork and study-based research in areas that have potential impact on the economy, quality of life and future for the business community and residents of San Mateo County.

EVRE Foundation
www.evrefoundation.org

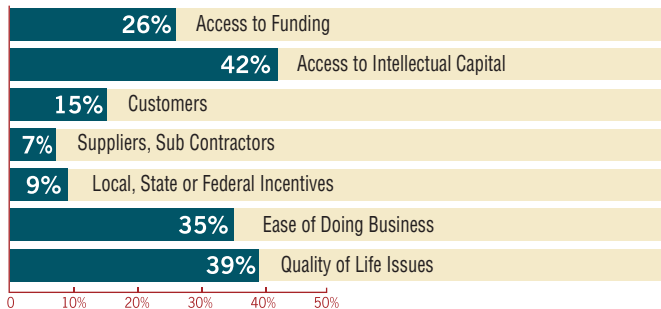
The Start-Up Research Project was funded by grants from AT&T and PG&E. Just under 500 early stage, knowledge-based companies were identified and 334 CEO's were targeted for this survey. The return response rate was a substantive 28%.



Why did you establish your business in San Mateo County? *

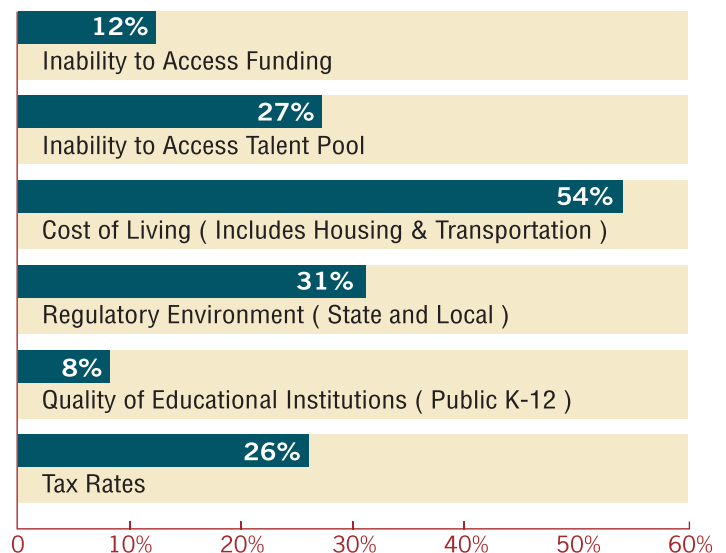


What are the factors that will help you grow and stay in San Mateo County? *



* Percentages exceed 100% due to multiple selections.

What would make you leave and relocate either to another part of the state or outside California? *



The next step will be to combine the data from the Economic Indicator Profile along with these initial research findings on start-ups to design, develop and implement a county-wide economic development strategy that focuses on maintaining San Mateo County's competitive edge. During the field research for the Start-Up project, one CEO commented that "We have a unique, 'perfect storm' of universities, money, and risk. We need to look at what is being born here as a real treasure."

In order to do that we need to take a hard look at what is driving companies out of the area and out of California and focus on changing those variables.

We can no longer afford to be at the bottom rung of the ladder if we are to continue California's path of innovation and entrepreneurship.

Funded by a Special Grant:



at&t



Pacific Gas and Electric Company®

Research study done for EVRE Foundation by eConcepts Consulting.

Why SAMCEDA?

- Unified and Influential Voice**
Ensuring that San Mateo County has a voice in economic opportunities and policy decisions that affect the business climate for entrepreneurship and innovation.
- Direct Interface**
With top federal, state, and regional political leaders and stakeholder groups.
- Important Channels**
Engaging the powerful business, financial and educational leaders in the region.
- Regional and Local Policy Expertise**
Through "on the ground" involvement and presence, leveraging relationships with partner and reciprocal organizations, and maintaining an extensive, mature information network.
- A Legacy that Speaks For Itself**
For more than 50 years, SAMCEDA has been the voice of business on the peninsula, leading the way on issues of economic development, housing, public policy and transportation in the interests of businesses, local communities and county residents.

Don't stand alone in today's business climate.

This is your personal invitation to join us.

www.samceda.org

SAMCEDA'S CHAIRMAN CIRCLE MEMBERS

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