

# THE NEW INNOVATION IMPERATIVE

## The Unique Roles of Regional Stewards

This introductory briefing material focuses on why communities must organize as regions to compete globally, why innovation is the key driver of regional vitality and quality of life, and why regional stewards have a unique role to play in mobilizing diverse leaders and institutions to forge more innovative economies and communities. All forms of innovation—economic, environmental, social—are needed to navigate the complex challenges facing Sonoma County. This material includes examples from two regions that have developed and launched broad-based innovation strategies, and suggestions for how stewards can put innovation on the regional agenda.

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## THERE IS A NEW CHALLENGE FACING AMERICA'S COMMUNITIES

Like Sonoma County, many American communities are experiencing growing pressure from a new wave of globalization, demographic change, and strained resources. Many are uncertain how to respond. Many communities have seen large employers move some or all of their operations overseas, forcing them to refocus workforce development strategies and even to reinvent their economic base. Meanwhile, other regions, from Beijing to Bangalore are rapidly increasing their capabilities to perform value-added activities and compete in the global market place.

While globalization has impacted America's communities differently, all are grappling with how best to respond to the rapid and profound change of today's increasingly innovation-driven, interconnected and flat world. Communities to maintain their quality of life and standard of living, now more than ever, have to become players in the global economy and to do so, must join in the race for talent, capital, and technology.

“The United States now has to compete for every job going forward. That has not been on the table before. It has been assumed we had a lock on white-collar jobs and high-tech jobs. This is no longer the case.”

*Craig Barrett, CEO Intel (2003)*

## WHY REGIONS ARE KEY TO MEETING THIS CHALLENGE

The world's top competitors are not cities, states, or countries per se, but regions. Economic regions are defined not by political boundaries, but economic resources such as industry concentrations, labor markets, and common infrastructure. For example, the key competitor in India is not the country per se, but rather a growing high-tech region in the state of Bangalore. It is metropolitan areas including Shanghai and Guangzhou that are the key competitors, rather than the country of China or its provinces.

Most American communities by themselves stand little chance of competing with the leading economic regions in the global economy. However, clusters of communities acting as regions are large enough to achieve a critical mass of companies, institutions, infrastructure, and talent—yet small enough to allow for the close interactions among people, firms, and organizations required to innovate and ultimately compete in the global economy. While important partners, federal and state governments are no substitute for regional economic resources, knowledge and networks. Regional innovation is the means, then, for American communities to meet the new global challenge.

Globalization has fundamentally transformed the American economy. Regions—defined by economic rather than political boundaries—are the new building blocks of prosperity.

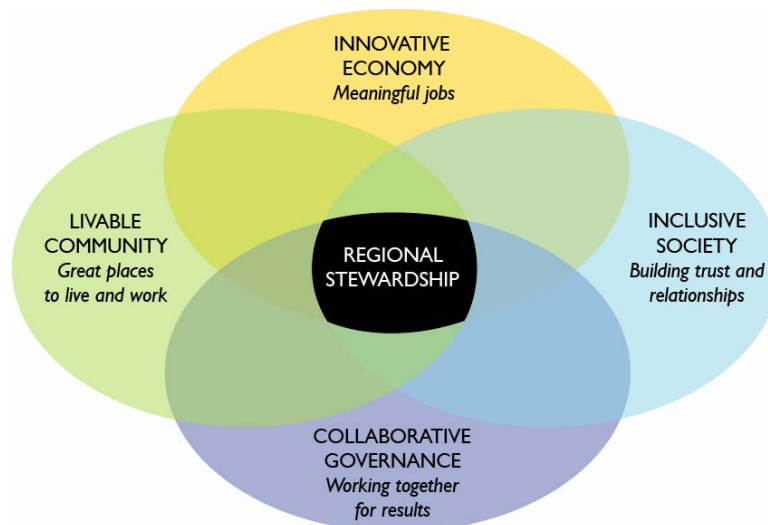
In the 21<sup>st</sup> Century, America’s communities will derive economic strength by acting regionally to compete globally. Innovation and entrepreneurship are the new engines of job creation, productivity, growth, economic prosperity and healthy communities.

*Report of the Strengthening America’s Communities Advisory Committee, July 2005*

## WHAT IS REGIONAL INNOVATION?

Regional innovation is the product of economic, social, environmental, and other place-based factors. It requires innovative companies, but also talent with education, skills, and creativity, and livable communities that provide a quality environment, one that is attractive and supportive for people and commerce. It also requires effective regional governance—the ability of public and private entities to work together across boundaries to strengthen economic, social, and environmental assets that are the key to regional vitality and quality of life.

In fact, regional innovation is the outcome of regional stewardship. The major ingredients for regional innovation are not only an innovative economy, but a livable community, social inclusion, and collaborative governance. Regional stewardship is the boundary-crossing leadership required to connect and blend these ingredients to achieve regional vitality and quality of life.

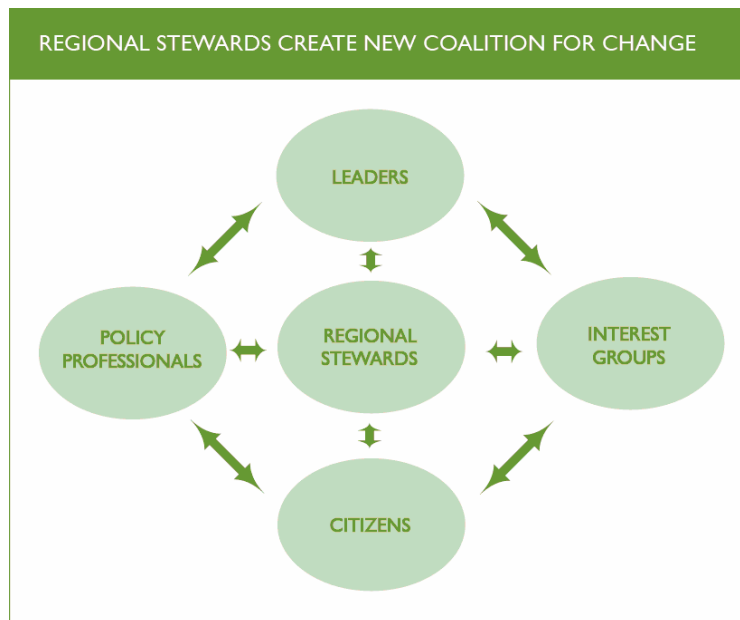


Today, many regions face the threat or reality of lagging innovation because one or more of these ingredients has been underdeveloped or overlooked.

- Some regions lag in innovation and entrepreneurship because they have underdeveloped their talent base and economic infrastructure.
- Some struggle to recruit and retain increasingly mobile talent because they lack livable communities with an attractive mix of creative districts, amenities, and the natural environment.
- Some have focused primarily on smart growth challenges, but now find that the economy is lagging and that many residents are not prepared to compete.
- Some have made social equity a priority, but now find that not enough attention has been paid to expanding economic opportunity and a healthy environment.
- Some have undertaken visioning processes to identify and connect economic, social, and environmental goals, but now find that they lack the necessary mechanisms for regional implementation.

## REGIONAL STEWARDS HAVE A UNIQUE ROLE IN REGIONAL INNOVATION

Regional stewards have a unique and critical role in positioning regions prosper in the global economy. Regional stewards come from all walks of life, but have in common a deep commitment to place. Because their commitment is to place, they cross boundaries of jurisdiction, sector, and issues. Unlike traditional leaders, policy professionals, residents or interest groups, they are not bound by a specific constituency, profession, neighborhood, or issue. Regional stewards can see the bigger picture and bring together various sectors to create a broad coalition for change. This is the role of Sonoma County’s Innovation Council.



With their 360 degree vision, regional stewards can build a “network of responsibility” and spearhead a comprehensive and multifaceted effort to spur regional innovation.

## **WITHOUT AN INNOVATIVE ECONOMY, OTHER COMMUNITY OUTCOMES ARE DIFFICULT TO ACHIEVE**

An innovative economy is at the core of regional vitality and quality of life. Without an innovative economy, any gains in social inclusion, livable community, and collaborative governance are short-lived. An innovative economy is the engine that produces economic opportunity and community revenues that make possible career mobility, investment in educational systems, development of community infrastructure and amenities, investments in environmental preservation, and other critical assets for regional vitality and quality of life.

An innovative economy alone cannot produce regional vitality and quality of life if other factors are not in place (e.g., if residents do not have the skills to participate in the growth of higher-level job opportunities, if the natural environment is seriously degraded). However, it is not possible to sustain regional vitality and quality of life over the long term without an innovative economy (i.e., if residents lack economic opportunity, if communities lack revenues, if the natural environment is not viewed as an indispensable economic asset).

An innovative economy helps create the conditions for a healthy community. As Benjamin M. Friedamin observes in his book *The Moral Consequences of Economic Growth*, “Economic growth—meaning a rising standard of living for the majority of citizens—more often than not fosters greater opportunity, tolerance of diversity, social mobility, commitment to fairness, and dedication to democracy.” In contrast, when an economy stagnates, “the resulting frustration generates intolerance, ungenerosity, and resistance to greater openness of individual opportunity.”

## **WHY IS INNOVATION CENTRAL TO RISING LIVING STANDARDS?**

The key to prosperity is increasing productivity. Productivity growth is the basis for rising real wages for workers, increasing returns to shareholders, and increasing per capita income for a region and the nation. The basis for increasing productivity is innovation. In the long term, an advanced economy like that of the United States cannot compete by just lowering costs or increasing inputs. The only way to compete and raise our standard of living is to find new and better ways to use natural, human, and capital resources to increase productivity.

Innovation is, literally, the act of making changes. It involves introducing new ideas and new ways of doing things. Peter Drucker defined innovation as follows:

**Innovation consists of the purposeful search for changes and the opportunities that such changes might offer.**

Innovation can lead to a series of incremental improvements, and it can also lead to breakthrough change. Drucker maintained that innovation and entrepreneurship go together. Entrepreneurs innovate, and innovation is the specific instrument of entrepreneurship. “The entrepreneur always searches for change, responds to it and exploits it as an opportunity.” Economist Joseph Schumpeter, like Drucker, saw innovation and entrepreneurship as the

engines of change in the economy. Moreover, he spoke of the process of “creative destruction” as entrepreneurship and innovation gradually (or quickly) replace less competitive economic activity.

More recently, Stanford economist Paul Romer has proposed a “new growth theory” that provides a way to understand the central role of innovation in advanced economies. In new growth theory, ideas are the primary catalyst for economic growth. New ideas generate growth by reorganizing physical goods in more efficient and productive ways. For Romer, the ingredients (natural, human, capital resources) are not as important as the recipes (the ideas about how to put the ingredients together). The recipes are the product of the innovation process.

The McKinsey Global Institute has confirmed the importance of innovation in a series of industry reports over the past decade, summarized in the book *the Power of Productivity* (University of Chicago, 2004) by former Global Institute Director, William M. Lewis. Based on studies of nine major industries, this research found that:

- Productivity growth measured by GDP per capita is key to prosperity
- Economic growth was essential to regional success and at the core of productivity
- Economic growth was the product of continuous innovation in the face of competition by organizing work in more effective ways.

In fact, their studies found that the how work is organized was even more important than technology in explaining productivity gains as seen by the success of lean production methods of Toyota in auto manufacturing.

In fact, as Harvard economist, Elhanan Helpman notes in his book, *The Mystery of Economic Growth*, recent “new growth” economics research has shown that capital accumulation (including more capital equipment and higher levels of education) is not the principal factor driving growth. Helpman cites compelling evidence that innovation (organizing equipment and workers in new ways and using new technologies) is a major driver of productivity, which in turn explains significant cross-country variations in per capita income. He cites that differences in productivity accounts for 90% of the variation in cross-country differences in the growth rate of income per worker.

## HOW INNOVATION WORKS IN TODAY'S ECONOMY AND COMMUNITIES

*Innovation has become the key to economic and community success:* regions must now compete on the basis of increasing productivity not simply costs. While each region has a different set of industries and must compete globally in its own way, every region and industry needs to become more innovative based on increasing productivity. This is true for agriculture and manufacturing as well as professional services, tourism and entertainment and health care as well as so called “high tech” industries such as information and biotechnology. In fact, there is no such thing as a “high tech or low tech” industry anymore only innovative and non-innovative. To achieve economic and community success, regions must understand the evolving nature of innovation.

### It is Grassroots

Innovation can originate from anywhere. In the old economy, hierarchy ruled and R&D departments were responsible for generating a predictable flow of new improvements. In today's innovation economy, anyone with a good idea can potentially become innovation leaders. This new reality creates a positive sum opportunity, where everyone can benefit from participating in innovation networks. Not only can anyone become an innovator, but the commercialization process has also become more universal. Anyone can access global markets and supply chains thanks to technological advances in telecommunications and transportation.

The type of knowledge useful in the innovative economy is no longer solely based on formal training and knowledge. Tacit knowledge based on personal experience is as valuable for innovation as theoretical or “explicit” knowledge. Theoretical or explicit knowledge establishes a base of information for innovators. It is, however, the know-how gained through personal experience and learning by doing that leads to innovation. This also makes innovation more universal because innovation does not solely rest in the hands of the educated or formally trained.

Just as in the economic sphere, social and environmental innovation can originate from anywhere—not simply large national organizations or traditional policymaking bodies. Grassroots innovations are emerging all across the country to preserve the natural environment, address global warming, educate the workforce, and address a variety of community challenges.

### It is Collaborative

Innovation does not occur in a straight line, chain link fashion from research lab to development to commercialization. As British historian James Burke points out:

**Innovation is often surprising and unexpected because the process by which new ideas emerge is serendipitous and interactive.... Interlocking threads of ideas, people and events are woven into a web of knowledge and – bingo – we get today's world of science and technology.**

In the traditional economy, ideas were held tightly within institutions; in the innovation economy, ideas flow more freely within networks. The unit of innovation has become the network, not simply the firm. To stay abreast of change and speed up the commercialization process, the walls that once separated public and private institutions, education and business, large and small firms are coming down.

The new hybrid model, sometimes called “co-opetition,” means that individuals and companies can compete ferociously, but collaborate at the same time to create knowledge. Through a wide variety of formal and informal relationships, networks organize the sharing and distribution of knowledge.

Experience across the country shows that large-scale and sustainable economic, social, and environmental innovation is the product of collaboration rather than the lone inventor, the inspirational community leader, or the single policy initiative.

### It is Place Based

The networks at the heart of the new innovation model function most effectively when their components are clustered geographically in a region. Geographic clustering of people, companies, and institutions is a powerful mechanism for transferring and augmenting personal knowledge quickly. Sharing knowledge, skills, and experience is simply easier when the components of the learning network are in the same place.

The most innovative work occurs primarily in face-to-face exchange within teams where people work in close proximity to each other. Although electronic communication is important, it is not a substitute for the trust, sharing, and intense interpersonal interaction essential for the innovation process. For this reason, the creative heart and soul of the economy (where the action is) will continue to be tied to place. Ultimately, place matters because people matter. Talented and creative people want to be where the action is, where their ideas stand the best chance of coming to fruition.

### It is Accelerating

Technology advances are diffusing at ever-increasing rates. It took 55 years for the automobile to spread to a quarter of the country, 35 years for the telephone, 22 years for the radio, 16 years for the personal computer, 13 years for the cell phone, and only seven years for the internet (Measuring Regional Innovation, Council on Competitiveness). Because of advances in communications and access to information, economic, social, and environment innovators can find one another, develop collaborations, and begin implementation much faster than in the past.

## THE CORNERSTONES OF REGIONAL INNOVATION

Research and experience have shown that not only assets like talent, capital, and physical infrastructure, but regional networks, culture, and community quality of life are critical cornerstones for regional innovation (see figure below). Regional stewards must attend not only to the assets, but the networks and culture of innovation that translates assets into economic and community benefits. And, they must ensure that the community quality of life is attractive and stimulating to the people who drive innovation.



**Assets:** Assets are critical building blocks for regional innovation. Traditional assets, such as access to raw materials or low cost labor are no longer sufficient to succeed in today's knowledge driven global economy. Assets can include R&D/Technology (e.g., universities, research institutes), talented people, financial capital, industry clusters, and physical infrastructure. Assets also include innovative individuals and organizations in the environmental and social fields—and especially major institutions that shape the environmental and social outcomes in a region—such as water districts, educational systems, and the like.

Regions may have different amounts of assets, but every region has basic innovation assets or the ability to identify and cultivate them. These assets are developed in many diverse parts of a region, including university classrooms, non-profit organizations, venture capital offices, community colleges, boardrooms, fledgling startup companies as well as individual families and their aspirations.

Innovation assets are turned into results when a dynamic environment for innovation and entrepreneurship is in place. This technological dynamism includes new product and services

development, technology commercialization or adoption, new business formation as well as business closures, and productivity growth.

**Networks:** Assets are leveraged through personal and institutional networks. Networks are a complex web of tight relationships among people who know how to translate ideas into new products, services, policies, or initiatives fast enough to stay on the innovation curve. These complex networks continually connect people with good ideas and test the changing environment, always searching for the next innovation.

Well-established networks that spark creativity and facilitate knowledge sharing are often the performance difference between regions. In her path breaking research comparing Silicon Valley and Boston's Route 128, *Regional Advantage*, AnnaLee Saxenian found that the performance difference between two technology regions was the "network model" in Silicon Valley that connected companies and sped up the innovation process. Route 128 had similar assets but different results because it failed to collaborate and build open networks for information sharing.

More broadly, in two books published in the past decade (*Grassroots Leaders* and *Civic Revolutionaries*), Collaborative Economics has documented dozens of regions across the United States that have advanced through networks of economic, social, and environmental innovators or "civic entrepreneurs."

**Culture:** The attitudes, beliefs and mind-set that supports an environment for innovation and entrepreneurship. This cornerstone, like networks, is intangible and often overlooked in economic development and other community improvement strategies. A culture of innovation that encourages creativity and risk taking is essential for the development of new business models, creative community partnerships, and breakthrough technologies. An innovative culture is inclusive and accepting of new ideas from untraditional sources. It is not confined to any one particular industry or sector and extends beyond the market place to being open to new ways of examining and approaching community development and environmental issues. An important attribute of a culture of innovation is that it views failure as a lesson in how to succeed and encourages reinvention when necessary.

Like assets and networks, culture can also be influenced and changed over time, even in regions not considered entrepreneurial hubs. San Diego and Austin, for example, were not always centers of entrepreneurship and innovation. San Diego was a military town and Austin a university town until about the 1980s, when both actively encouraged the emergence of a new culture that embraced innovation and entrepreneurship in new industries—as well as in community and environmental innovation.

**Community Quality of Life:** Innovation is driven by people and people flourish when they are part of vibrant, healthy and creative communities. Regions must have a strong quality of life to recruit and retain talented people, who are instrumental in growing technology, attracting capital, and solving complex economic, social, and environmental problems. Many regions are recognizing that to sustain success, quality of life problems, such as schools, environmental preservation, and transportation need to be made a priority.

## HOW REGIONAL STEWARDS FOCUS ON INNOVATION

Regional stewards can bring attention to the cornerstones for regional innovation. They can help connect assets, networks, culture and community quality of life. Innovative economies and communities do not just happen by accident, they are shaped by leaders who are not afraid to take bold action and cross boundaries to create opportunities for their regions. Stewards build, connect, and leverage social networks to help facilitate the innovation process. Specifically, they can help:

- *Build fundamental economic assets*—Regional stewards help take care of the basics, creating the educational, research, and financial platforms necessary for success. They make and leverage investments in institutions like universities and find new sources of capital for innovative companies and community partnerships.
- *Connect entrepreneurs to assets*—Regional stewards ensure that public and private assets are leveraged for broader benefits. They often expand connections through new intermediary mechanisms.
- *Promote a culture of innovation*—Regional stewards know that the intangibles can be as important as the concrete assets and intermediary mechanisms. How accepting and conversant a region is towards innovation is critical. Stewards can support the culture of innovation by calling attention to people and companies that are leading innovators, and defining, measuring, and communicating the nature of regional innovation—actions which create a more supportive regional climate for building and leveraging innovation assets, including quality of life.
- *Make quality of life an innovation asset*—Regional stewards understand that the environment in which people live and work is important to creative social interactions and the innovation process. They are active in expanding amenities like vital downtown centers and addressing quality of life problems, such as schools, environmental preservation, and transportation.

## HOW REGIONS ARE PURSUING A BROAD-BASED INNOVATION AGENDA

Regional stewards in many regions are building assets, connecting assets through networks, promoting a culture of innovation and making quality of life an innovation asset. This section recounts the two examples of very different regions that have effectively made broad-based innovation a regional priority through foresight and collaboration: Northern Kentucky and California's San Joaquin Valley. Both examples include a focus on innovation that spans economic, environmental, and social concerns—and specific action initiatives with measurable objectives to deliver results over the long-term.

## NORTHERN KENTUCKY VISION 2015

Great communities don't happen by accident. They start with vision. In March 2005, a team of nearly 100 civic, business and government leaders launched a community planning effort to develop a strategic plan for Northern Kentucky's future. The group identified six critical areas the region must successfully address to ensure its economic competitiveness and prosperity. The group divided into action teams to study critical issues and develop actions related to:



- Economic Competitiveness
- Educational Excellence
- Effective Governance
- Livable Communities
- Urban Renaissance
- Regional Stewardship.

The teams, which were co-chaired by members of Legacy, Northern Kentucky's young leaders group, engaged neighborhood and community groups, local and state officials, educational and social service organizations, and academic experts from Kentucky's nine northernmost counties and Cincinnati.

In all nearly 2,000 members of the community shared their ideas. Input from that community planning initiative evolved into Vision 2015, a 10-year blueprint for Northern Kentucky. Vision 2015 is sweeping and ambitious. Over the next decade it has the potential to transform Northern Kentucky through talent, innovation and civic contribution.

But Vision 2015 is more than just a plan. It is a call to action. Northern Kentucky's future depends on the ability of regional stewards to work cooperatively and find creative solutions to the economic and social issues facing the area.

### **Q: Who is involved in Vision 2015?**

A: Business, civic, government and education leaders from the nine northernmost counties in Kentucky and Cincinnati are directly involved. Community members and volunteers working with our partners on projects such as Success by Six® and Strive are indirectly involved as they are advancing the goals laid out by the Vision 2015 report.

### **Q: Vision 2015 emphasizes diversity and intergenerational leadership. Why?**

A: There are a number of reasons. First, our community is home to people of different backgrounds, religions, races, genders, ages and abilities. It's essential that the vision represents everyone's needs and desires. Second, we live in a global economy. If we are to speak to

international customers and trade partners, attract diverse talent and appeal to employers, we must make sure everyone feels welcome and represented.

Because Vision 2015 is a plan for shaping our future, intergenerational leadership is essential. During the visioning process members of Legacy, Northern Kentucky's young leaders group, co-chaired the process and each of the action teams. Today, members of Legacy are represented on each of the RSC working teams.

**Q: What authority does Vision 2015 have?**

A: Vision 2015 is not a government organization and doesn't work in any "official" capacity. As members of every sector of the community, we are interested in the region's future. Our job is to encourage organizations – be they government, business, educational or civic – to work toward achieving the goals spelled out in the community vision and to provide any assistance we can.

**Q: What is the focus of Vision 2015?**

A: During the year-long community planning process six areas were identified as critical to the region's economic competitiveness and future prosperity. Today under the direction of the Regional Stewardship Council (RSC), six action teams are dedicated to issues relating to:

- Economic Competitiveness
- Educational Excellence
- Effective Governance
- Livable Communities
- Urban Renaissance and
- Regional Stewardship

Summaries of the goals and strategies for each of these six areas are included in the Appendix.

## CALIFORNIA PARTNERSHIP FOR THE SAN JOAQUIN VALLEY

### The Partnership

Set in motion by an executive order from Governor Schwarzenegger in June 2005 and renewed in November 2006, the California Partnership for the San Joaquin Valley is an unprecedented public-private partnership sharply focused on improving the region's economic vitality and quality of life for the 3.4 million residents who call the San Joaquin Valley home. The Partnership is addressing the challenges of the region by implementing measurable actions on six major initiatives to help the San Joaquin Valley emerge as California's 21st Century Opportunity.

Led by an appointed, 31-member board, the Partnership engaged hundreds of people in the eight-county San Joaquin Valley to focus on action strategies, and the Board released its Strategic Action Proposal in October 2006. Gov. Schwarzenegger and the state Legislature approved \$5 million in the State Budget for 2006-2007 to jumpstart implementation of the Strategic Action Proposal.

### The Challenges

The San Joaquin Valley has persistent problems of poverty, environmental degradation, and social separation, as evidenced by consistent under-performance compared to other regions in California.

- Average per capita incomes are 32.2 percent lower than the rest of the state
- College attendance is 50 percent below the state average
- Violent crime is 24 percent higher than the rest of the state
- Access to healthcare is 31 percent lower than the rest of the state (based on the number of primary care physicians)
- Air quality is among the worst in the nation

### The Opportunity

The California Partnership has a unique opportunity to provide a world-class region with a diversified economy, a healthy environment, and a high quality of life for all residents through collaboration on a scale that has not been done before.

- Cutting-edge, state-of-the-art, renewable energy systems
- Mobility for people and commerce in new ways
- New model of economic development that supports agriculture and a healthy environment with clean air and plentiful, clean water
- Diversified, globally-competitive economy with skilled workforce
- K-12 public school system that supports student achievement and prepares children for success in college and career
- High-quality, accessible health and human services



### The Work

The Partnership has brought together experts and leaders committed to sustainable economic development, environmental stewardship, and human advocacy. The Partnership is focused on action around ten work groups:

- Advanced Communications Services and Information Technology
- Air Quality
- Economic Development
- Energy
- Health and Human Services
- Higher Education and Workforce Development
- K-12 Education
- Land Use, Agriculture and Housing
- Transportation
- Water Quality, Supply, and Reliability

Summaries of each of the ten work groups are included in the Appendix.

## The Success So Far

- Five enterprise zones designated in the Valley – City of Arvin, City of Delano, City of Fresno, County of Fresno, and Merced County.
- San Joaquin Valley Air Pollution Control District provided grant funding to plan for a Clean Energy Office as recommended in the Strategic Action Proposal.
- The Hospital Council received a \$500,000 grant from the State to establish the San Joaquin Valley Nursing Education Consortium.
- CA Labor & Workforce Development Agency’s Employment Training Panel awarded Kern Community College District \$500,000 for training in high-wage occupations, such as manufacturing, logistics and construction.
- A \$2 million Community-Based Job Training Grant was awarded to State Center Community College District and West Hills College to provide training through the “Ensuring Agriculture for Tomorrow” (EAT) program.
- U.S. Dept. of Labor awarded \$1.85 million to expand nurse training at community colleges in Merced and Modesto, as well as SCCC’s Madera Center.
- Superintendents from the eight Valley counties have convened to improve K-12 education.
- All eight Valley counties and their respective councils of government are collaborating on the Regional Blueprint Process and were awarded \$2 million in grant funding.
- CalTrans accelerated completion of the Highway 99 Business Plan (274 miles from Bakersfield to Stockton) which calls for \$6 billion to be invested over the next 10 years - \$1 billion was earmarked by the Governor and State Legislature to jumpstart Highway 99 improvements; it was approved in November 2006.
- \$5.3 million in general obligation bonds was approved by voters in November 2006 to be used for water projects in California.

## HOW REGIONAL STEWARDS CAN PUT INNOVATION ON THE REGIONAL AGENDA

Every region has the capacity to cultivate innovation assets and, more importantly, the ability to connect their assets through collaborative institutions and organizations. And any region can foster a mindset about the critical role of innovation and entrepreneurship in promoting regional outcomes.

How can regional stewards put innovation on the regional agenda? Based on the examples above and others like them, the unique “value added” that regional stewards can provide are:

- Recruit the Drivers
- Shift the Focus
- Insist on Breakthroughs
- Instill a Sense of Urgency in Implementation

### RECRUIT THE DRIVERS OF THE INNOVATION

Then Build a Team Around Them

Regional stewards should start at the source. With their networks, they should reach and engage the drivers of innovation—some of whom may be well-known public, private, and community leaders, some of whom are little-known business or civic entrepreneurs. These are the individuals who are on the frontlines of innovation, and can often leverage the resources needed to drive a regional innovation agenda forward.

#### EXAMPLE: Cluster Mobilization

One effective method for engaging business in the collaborative process is through cluster mobilization. This method has produced positive outcomes in regions as varied as San Diego, Arizona, Portland, Silicon Valley, Florida, Cleveland/ Akron, North Carolina Research Triangle, South Carolina, Columbia, and Louisville. Cluster mobilization engages employers from the region’s driving industry clusters and gains their insight and commitment to strengthen a region’s asset base. Through this method, employers actually become *partners* in developing a regional innovation strategy—focusing on not only economic, but social and environmental innovations required to sustain an innovative economy over the long term.

To organize for cluster mobilization, establish a stewardship group, a staff support team and the cluster groups lead by co-chairs:

- Cluster groups, composed of employers, provide the focal point to set priorities and develop specific ideas for implementation. Cluster group members can serve as the core of action teams organized around key priorities, and including “asset” leaders (e.g., university, government, community institutions).
- An overarching stewardship group can sponsor the overall process, empower cluster co-chairs to conduct cluster groups, receives the results from the cluster groups, charter action teams, and ultimately decides how to support implementation.

- The staff support team includes a local project manager, facilitators and administrative support to assist the co-chairs of the stewardship and cluster groups—and action teams—in carrying out their roles.

The most important success factor for cluster mobilization is that it be both “top down” and “bottom-up.” The good ideas and talented people who will surface through the cluster groups must be connected to experienced leaders in the community who can lend their credibility, connections, and resources to aid implementation.



## SHIFT THE FOCUS

### Assess Your Cornerstones for Regional Innovation

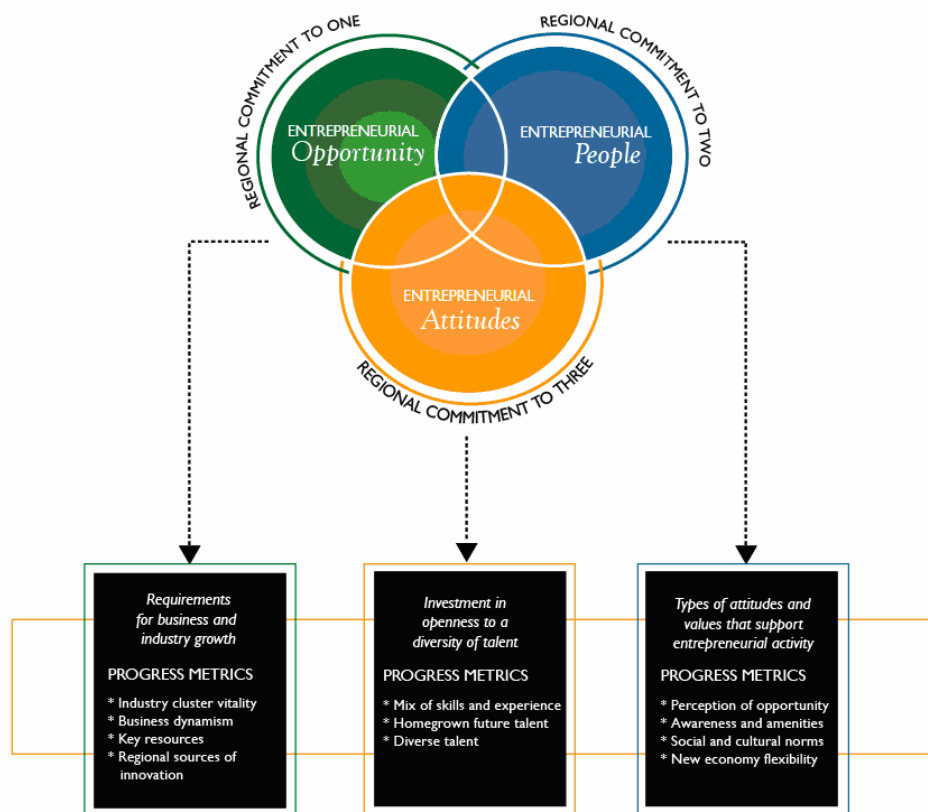
Regional stewards can play an invaluable role in shifting the focus away from single issues, jurisdictions, and sectors to the critical role of regional innovation. They can help leaders understand the conditions and cornerstones of regional innovation: assets, networks, culture, and community quality of life. Basic questions that can guide a regional self-assessment include:

- What are our driving clusters and how innovative are they?
- How is innovation and entrepreneurship contributing to regional vitality and quality of life?
- What are the strengths and weaknesses of assets for regional innovation? What is missing?
- How does the regional mindset or culture support or inhibit innovation and entrepreneurship?
- What networks connect assets that support regional innovation? How strong are they? What connections are missing?
- How does the region’s quality of life contribute or hinder regional innovation? Is innovative and entrepreneurial talent attracted and retained?
- How does the region compare to benchmark regions with regard to the cornerstones of innovation?

To provide a focal point, a document can be created that will describe and diagnose the region’s innovative cornerstones, revealing strengths and weaknesses. Many regions have used such a document to inspire innovative thinking, dialogue and action.

## EXAMPLE: Innovation Indexes

*The Pittsburgh Region: Fostering Entrepreneurialism and Innovation.* Pittsburgh, long known as a steel town dominated by big companies, has in recent years actively promoted the culture of entrepreneurship and innovation in the region. In an effort to re-establish its historic culture of innovation, regional leaders launched a series of initiatives aimed at retaining and attracting entrepreneurial talent and creating a more entrepreneurial environment. In the early stage of these efforts, as an important assessment tool, the Pittsburgh region created a document known as *Progress Metrics for the Entrepreneurial Economy* that tracked progress toward the region's realization of an entrepreneurial future. The metrics underscored three areas for regional commitment to grow an entrepreneurial economy. They are:



*Massachusetts: Pioneering a Path to Innovation.* Massachusetts has pioneered a new way of defining, understanding, and promoting its innovation economy. In 1996, the Massachusetts Technology Collaborative (MTC), set out to develop a new way to understand the state's changing economy and create a framework that could help Massachusetts align its investment priorities with the needs of its changing economy. The result was the Massachusetts Innovation Index, a document that measures the strength of the region's innovation resources and how well they are being turned into results.

MASSACHUSETTS INNOVATION INDEX		
	Framework element	Indicator (samples)
RESOURCES	<b>Human Resources</b>	<b>Engineering &amp; Computer Science Degrees</b>
	Technology R&D Resources	R&D Expenditures
	<b>Investment Capital Resources</b>	<b>Venture Capital Investment</b>
	Infrastructure Resources	Information Infrastructure Use
PROCESS	<b>Idea Generation</b>	<b>Patent Activity</b>
	Commercialization	Technology Licensing Activity and Values
	<b>Entrepreneurship</b>	<b>Initial Public Offerings (IPOs) Activity and Values</b>
	Company Business Innovation	Proportion of Revenues from New Products
RESULTS	<b>Individual Opportunity</b>	<b>Real Income Adjusted for Cost of Living</b>
	Competitiveness	Industry Value Added
	<b>Business and Cluster Performance</b>	<b>Job Cluster Growth</b>

## INSIST ON BREAKTHROUGHS

### Creating a Framework for Immediate Actions and Long-Term Strategies

Regional stewards can also play a crucial role in raising the standards—to insist on breakthrough strategies to bolster the regional innovation. Because of the need to build new connections and assets, breakthroughs will likely be required to make a meaningful difference in this field. Breakthrough strategies should focus on the cornerstones: building assets, strengthening networks, changing culture, improving community quality of life. Stewards can organize teams, and give them the charge of mapping out breakthrough strategies. These implementation “roadmaps” should include outcomes and metrics for action, roles and commitments for multiple sectors and stakeholders, and timelines for implementation.

### A FRAMEWORK FOR BREAKTHROUGH STRATEGIES

**RESULTS**—the specific, measurable “breakthrough” outcomes expected. What constitutes a breakthrough will depend on the scope, setting, and stage of regional problem-solving.

**ROLES**—the specific roles implementation partners will play, depending on their unique set of capabilities to achieve the desired breakthrough results

**RELATIONSHIPS**—the specific connections among partners, depending on the level of interdependence required to achieve the desired breakthrough results.

**AGREEMENTS**—specific actions that can be taken, often focused projects or initiatives, or mobilizations such as campaigns, and specific multi-party arrangements that establish specific commitments or guidelines for policy and action by partners, such as compacts.

**ACCOUNTABILITY**—specific and ongoing commitments to hold partners (and the entire coalition) accountable for results, both follow-through on agreements and overall impact on regional competitiveness.

**ARCHITECTURE**—an organizational “platform” or “web” that provides the capacity to support, expand, and renew fledgling efforts, such as multi-party forums or networks.

## INSTILL A SENSE OF URGENCY

### Organize Implementation as a Civic Campaign

Engaging the drivers, shifting the focus, and insisting on breakthroughs are important, but instilling a sense of urgency in implementation is an indispensable role for regional stewards. As many of the examples above and others like them show, implementation efforts that are rolled out with the urgency, if not all the trappings, of a political campaign, produce results. While sometimes there are political components (e.g., a bond issue to finance education or other infrastructure), a more accurate term for this approach would be a “civic campaign.” Regional stewards can help create the campaign infrastructure, provide a focal point for ongoing accountability and refinement of strategies, and monitor outcomes on regional competitiveness.

#### A CIVIC CAMPAIGN CHECKLIST

**Articulate a Clear, Compelling Goal**—Effective civic campaigns have a clear, compelling goal that can be readily communicated. For example, Fresno and the Research Triangle have used a job creation goal, while Austin focused on winning national competitions, and San Diego rallied the region behind the creation of a new business school.

**Develop a Set of Driving Themes**—In addition to a compelling overarching goal, create and communicate a set of underlying themes that can resonate with different audiences in the region. These themes should derive from the breakthrough actions being pursued. Examples of themes include global competition, increasing economic opportunity for people, economic recovery, entrepreneurship and innovation, creativity, green innovation and clean technology.

**Break it Down Into Definable, Manageable Tasks**—A civic campaign is likely to be a complex endeavor, and needs to be broken down into specific actions and milestones. This is where an implementation “roadmap” listing the steps over time can be a particularly important focusing device. It is also important to have periodic re-energizing events to keep up the sense of urgency over time.

**Create a Team of Champions**—A civic campaign will also have lots of moving parts, and will require explicit assignments for people willing to be champions. Assignments should be made to specific individuals, not organizations in general, to avoid diffusion of responsibility.

**Leverage Existing Events and Organizations**—A civic campaign should play out in several venues, not simply in campaign sponsored events. Work with champions to take the message to their organizations and networks.

**Make Communication a Priority**—Communication of goals, themes, actions, and results are as important as the work behind the scenes in implementation. Be creative in the number and variety of communications strategies. Be disciplined but also opportunistic to seize on events and news that reinforce the need for breakthroughs.

**Create a long-term campaign coordinating function**—Civic campaigns, unlike political campaigns, are likely to be longer and involve more parties in implementation. Make sure that sufficient resources are invested in a formal organization (new or existing entity) or network to sustain the campaign over time.

## CONCLUSION

Regional innovation is not a new challenge. What is new is the broad agreement that innovation and regional vitality and quality of life are inextricably linked. What is also new is the understanding that innovation is not simply the responsibility of individual companies, economic development professionals, public officials, or non-profit leaders—nor is it simply an economic issue. Regional innovation requires collaboration across jurisdictions, sectors, and issues—including economic, environmental, and social concerns. Boundary-crossing of this kind is what regional stewards do. In fact, with America’s communities facing new global economic pressures, regional stewards are in a unique position to forge coalitions and catalyze campaigns to make innovation a top priority.

### PRACTICAL GUIDANCE FOR REGIONAL STEWARDS

There are many ways regional stewards can build the cornerstones of regional innovation—the assets, networks, culture, and community. As regional stewards consider different options, the following principles can help guide their decision-making.

#### #1: Innovation is a Team Sport

Innovation is not simply the job of experts, nor is it the product of a lone inventor working in a garage or the single inspirational leader. Regional stewards are the key in building diverse teams from business, education, government and the community that will work together to promote an innovative region.

#### #2: Good Information Puts Innovation on the Regional Agenda

Regional stewards can use well-designed indicators to raise the visibility of innovation as a key to regional success, spotlight key issues and opportunities, and provide a catalyst for action. Without good information on sources of innovation in a region, it is unlikely the region will embrace innovation as a priority.

#### #3: Inform, Connect, and Promote (Over and Over Again)

Good information is not enough. Regional stewards must share information widely and often as a tool to connect leaders from diverse perspectives and help them embrace a regional vision for innovation. Regional stewards can work to inform, connect and promote innovation through formal visioning processes and repeated reminders through the media, speeches, and face-to-face encounters.

#### #4: Think Regionally, Act Regionally

Many believe that innovation is either something that “just happens” or is largely the product of strong assets (e.g., universities) dependent on funding from outside the region. They see little if any regional role. Encouraging new thinking about the cornerstones of regional innovation can lead to action on a regional basis—action to use both national and regional assets to promote a regional vision for innovation.

#### #5: Tear Down the Walls Between People

The greatest barrier to innovation has been the traditional “walls” that separate universities, industries, and entrepreneurs. Regional stewards can immediately create new forums and mechanisms to permeate these boundaries. Forget worrying about institutions and programs per se, and focus on connecting people.

## PRACTICAL GUIDANCE FOR REGIONAL STEWARDS (cont.)

### #6: Hot Ideas Come From Cool Places

Innovation is about sharing knowledge or “know-how”. Creating environments where innovative ideas can be shared face-to-face is important in innovative regions. These can be personal networks of people with hot ideas who want to gather in creative places. Regional stewards can create spaces and amenities that are attractive for innovative people.

### #7: Learn from Others, But Create Your Own

Benchmarking against best practice is an important learning tool, but each region’s assets, networks, culture, and community are so different that borrowing instead of creating is a mistake. Regional stewards should take time to understand their unique challenges, consider the experience of others, and customize strategies to fit their situation. Trying to duplicate the Silicon Valley experience is not going to work.

### #8: Unleash the Power of Networks

Remember that encouraging the growth of networks has a very high leverage impact. Metcalf’s Law shows that the number of nodes on a network grows exponentially—i.e., each new node adds its own set of network connections. Networks connect to networks. Regional stewards can encourage the “networking of networks,” and address obstacles discouraging the growth of networks.

### #9: The Job is Never Done

Innovation is a continuous process. Once an innovation culture is created, an environment of continuous improvement must take over. Regional stewards can create the expectation that continuous innovation is the norm. They must remain vigilant and prepare the next generation of leaders to understand and further build the cornerstones of regional innovation.

### #10: Anyone Could Create the “Next Big Thing”

Innovation can originate from anywhere. Innovation used to be the domain of research and development departments. The universal nature of innovation means that the regional culture of innovation must be inclusive and welcoming, accepting of new ideas from untraditional sources. Regional stewards can nurture and celebrate the diversity of innovators—and in the process help expand the scope and benefits of regional innovation.

## **APPENDIX**

## NORTHERN KENTUCKY VISION 2015

### ECONOMIC COMPETITIVENESS: Overview & Strategies

#### Goal

Create 50,000 new jobs in the next decade.

#### Overview

In our knowledge-based global economy, talent, clusters, inclusion and connectivity are fundamental competitive advantages:

- Companies are attracted to regions with large pools of talented workers. Northern Kentucky must be able to cultivate, attract and retain creative workers by providing excellent education and an outstanding quality of life.
- Innovators tend to locate near similar companies to form high-growth clusters.
- Inclusive, culturally literate communities are most successful at attracting highly skilled and ambitious people. Northern Kentucky can gain a competitive advantage by making it easy for those from other cultures and countries to assimilate into our community.
- Companies depend on connectivity, both physical and virtual. Northern Kentucky must establish an electronic public platform or “e-community” to maximize our use of online communication. Transportation venues such as the Delta Air Lines hub, Interstates 71 and 75, railways and rivers are key to our ability to move people and goods.

#### Strategies

Six strategies for achieving a competitive economy:

- Develop an economic competitiveness strategy that is fully integrated with Greater Cincinnati and leverages assets on both sides of the Ohio River.
- Focus on industry sectors, such as advanced manufacturing, financial, healthcare, business services and technology, which have the highest growth potential for high-paying jobs.
- Make entrepreneurship and innovation defining qualities of our region.
- Create and implement a marketing plan centered on our region’s distinctive spirit, advantages and unique value proposition. Consistently promote these qualities to both internal and external audiences.
- Connect our region by creating an electronic public platform (e-community) for commerce, education and communication that maximizes access and use of online opportunities and information.
- Align our college and university programs and resources to support our overall economic competitiveness

## **EDUCATIONAL EXCELLENCE: Overview & Strategies**

### **Goal**

Vision 2015 calls for Northern Kentucky to exceed national performance standards at every educational level. Our children must be prepared for every stage of the educational continuum from kindergarten to post-secondary education, graduate school and, ultimately, the work force. We want to see the number of college graduates in Northern Kentucky exceed the national average.

### **Overview**

Research and empirical evidence call us to action:

- A concentration of highly educated people is essential to achieving a region's economic success. Regions that cultivate, attract and retain the largest number of educated, skilled workers attract businesses.
- Children who are academically successful in their early years develop more confidence, enjoy more success, and are able to take advantage of more opportunities later.
- Our children must enter kindergarten with the necessary skills to succeed. As they advance through the educational system they must continually demonstrate a mastery of reading and mathematics.
- No child's education should end prematurely.
- Young students who are prepared to go beyond their curriculum should have access to summer and academic-year enrichment programs offered by our colleges and universities.
- We must attract the most qualified teachers through competitive salaries and proactive recruiting.
- We must devote more resources and attention to education in Northern Kentucky.

### **Strategies**

Seven strategies for achieving educational excellence:

- Provide high-quality, affordable early childhood programs for all children.
- Challenge students with a rigorous curriculum necessary for furthering their education and career goals, and for strengthening Northern Kentucky's workforce.
- Develop a nationally recognized "culture of contribution" by promoting service learning and community engagement in schools.
- Exceed national standards for educator excellence in school systems that pay competitive salaries, reward performance and require accountability.
- Make post-secondary education and adult training accessible and affordable to all.
- Connect our children's in-school and out-of-school development.
- Ensure all Northern Kentucky educational institutions have the financial resources and programs needed to reach these goals.

## **URBAN RENAISSANCE: Overview & Strategies**

### **Goal**

Restore our urban core to a position of prominence.

### **Overview**

As we strive to capitalize on our history, architecture and neighborhood experience, our urban communities are among our greatest assets. We must revitalize our urban center and make it the “location of choice” for businesses, residents and entertainment venues.

Toward that end we must:

- Capitalize on our proximity to Cincinnati’s arts, entertainment and cultural institutions and our access to the river.
- Enhance the safety, walkability and connectivity of our river communities.
- Recognize and respect the needs of existing residents. Current residents must participate in and benefit from the redevelopment of Northern Kentucky neighborhoods.
- Offer diverse housing options that appeal to different income and lifestyle markets and promote the development of more mixed-rate housing that complements the existing character of our urban neighborhoods.
- Implement zoning and building codes that respect historic architecture while facilitating development.
- Eliminate vacant buildings, improve lax code compliance, and invest in infrastructure improvements.

### **Strategies**

Seven strategies for achieving urban renaissance:

- Increase the availability of new and rehab market-rate housing by 3,000 units in 10 years.
- Create a catalytic development corporation to stimulate redevelopment of urban areas.
- Increase the rate of home ownership and quality, affordable housing options.
- Expand arts, retail, dining and entertainment opportunities for people of diverse races, cultures, ages, abilities, incomes and family structures.
- Improve access to and use of the Ohio and Licking rivers through a network of parks and green spaces with walkways and bike paths that connect the river cities.
- Reduce crime and improve safety through collaborative law enforcement efforts.
- Ensure each neighborhood has a strong, active association that increases civic engagement.

## **EFFECTIVE GOVERNANCE: Overview & Strategies**

### **Goal**

A strong economy and desirable quality of life depend on effective regional governance. We want to see Northern Kentucky become a model for “networked governance”. Networked governance would retain the benefits of small government while encouraging local governments to work together to deliver services more efficiently and use resources more efficiently.

### **Overview**

Effective governance depends on:

- Maximizing the use of public dollars for public services, while preserving and enhancing the identity and intimacy of our communities.
- Streamlining the efficiency of government services.
- Creating ways to evaluate costs and preferred service-delivery methods.
- Replacing our current system of constitutionally prescribed taxes with one that gives local government flexibility to respond to new demands and eliminates inter-jurisdictional competition.
- Encouraging citizen involvement so we can speak with a strong, unified voice in Frankfort and Washington.

### **Strategies**

Six strategies for achieving an effective governance:

- Establish a Northern Kentucky Effective Governance Commission that will ensure the most effective delivery of government services through research and analysis.
- Develop a fair, equitable and flexible revenue system for local governments and remove competition for limited resources.
- Ensure planning in all Northern Kentucky counties by developing a regional council of planning and zoning professionals.
- Transform the application, licensure and tax collection system to foster business retention, attraction and development.
- Eliminate outdated constitutional offices and convert certain partisan elections to non-partisan.
- Enhance communication between local governments and citizens, and establish one unified voice in Frankfort and Washington.

## **LIVABLE COMMUNITIES: Overview & Strategies**

### **Goal**

Northern Kentucky will be recognized, both nationally and internationally, as a great place to live.

### **Overview**

We have a strong asset base: we enjoy economic success, an affordable cost of living, friendly neighborhoods, and myriad recreational opportunities. We must build on those assets by expanding our parks, protecting our environment, promoting arts and culture, and creating a more diverse community so that we can enhance the quality of life we all enjoy.

Regional growth stems from the availability of highly educated and productive people. For Northern Kentucky to attract and retain talented workers, we must offer and promote a full array of amenities:

- Cultivate a vibrant community of art and culture.
- Cultivate a strong sense of place rooted in landscape and architecture, access to high-quality outdoor recreational activities, and a diverse social scene.
- Build upon the arts, cultural and sports venues available in Northern Kentucky and Cincinnati
- Capitalize on our stunning landscape and environment, preserve our unique natural resources, and foster further economic development.

### **Strategies**

Seven strategies for achieving a livable community:

- Establish an integrated system of regional parks, green space and tourist destinations
- Promote the development of an international community that attracts, retains and celebrates people from diverse backgrounds, races, cultures, genders, ages, incomes and family structures.
- Foster a vibrant arts, cultural and entertainment community.
- Conduct ongoing health and social assessments and implement a comprehensive regional approach to meet and fund those needs.
- Replace the Brent Spence Bridge with an internationally acclaimed design.
- Enhance our quality of life by addressing our infrastructure and environmental needs with a balanced approach to our region's growth.
- Expand the use and reach of our non-rail transit system throughout our region to meet the needs of all residents, especially those of workers, the elderly and the disabled.

## **REGIONAL STEWARDSHIP: Overview & Strategies**

### **Goal**

Regional stewardship will be a defining quality of our region.

### **Overview**

Northern Kentucky was shaped by a generation of leaders committed to improving the region's quality of life and economic viability. Implementing Vision 2015 will depend on our ability to cultivate and mentor a new breed of leaders or "regional stewards" who will shoulder the responsibility of advancing regional economic and social progress.

Northern Kentucky's ability to compete in a global, knowledge-based economy and offer its citizens an enhanced quality of life depends on our ability as a region to unite and adapt to changing economic and social forces. We need to foster a generation of regional stewards who are:

- Drawn from every level and every sector of our community.
- Committed to the long-term well-being of Northern Kentucky.
- Able to cross jurisdictional and sector boundaries and forge coalitions.
- Able to see the connection between economic, environmental and social concerns.
- Able to address complex issues and create opportunities for our region by mobilizing diverse coalitions.

### **Strategies**

Four strategies for achieving regional stewardship:

- Increase the number of women, minorities and young people in key leadership positions.
- Expand leadership development opportunities throughout the region.
- Build and sustain a culture of civic volunteerism and philanthropy.
- Create a Regional Stewardship Council to lead the implementation of Vision 2015.

## CALIFORNIA PARTNERSHIP FOR THE SAN JOAQUIN VALLEY

### ADVANCED COMMUNICATIONS SERVICES WORK GROUP

#### Challenge

High-speed broadband telecommunications access is critical for businesses to thrive in the global marketplace and for San Joaquin Valley residents to access services and education. Affordable high-speed broadband service is not available in all areas of the region, and rural communities are especially underserved.

#### Opportunity

Facilitate the deployment and utilization of advanced communications services and information technology throughout the region.

#### Focus

The Advanced Communications Services Work Group focuses on facilitating the use of regionwide, advanced communications. Recognizing that high-speed, broadband telecommunications access is essential in doing business and accessing services; the work group is promoting greater deployment and use in the underserved San Joaquin Valley.

#### Success for the San Joaquin Valley

Through support from the AT&T Foundation, Great Valley Center has designed and is implementing a project to address the three prongs of access: infrastructure, training, and hardware. The pilot is designed to enhance educational, health, economic and social opportunities and is located in Pixley, a small, rural Tulare County community in the San Joaquin Valley.

#### The Action

#### **Expedite the provision of advanced communications services (ACS) access in all areas of the San Joaquin Valley**

- Raise the profile of access to ACS as a fundamental and necessary service for all residents and businesses
- Inform local elected officials about the benefits of making ACS accessible to all and provide model policies to help facilitate deployment
- Identify communities and neighborhoods without affordable connections to deliver ACS
- Increase availability of affordable ACS in rural and other underserved areas
- Increase deployment of ACS by current and prospective service providers
- Increase deployment through wired, fixed wireless, wireless and other technologies
- Eliminate installation barriers that discourage deployment
- Identify and seek all available funding for deployment of ACS
- Leverage unused bandwidth for the benefit of the greatest number of users
- Incorporate ACS infrastructure into all new residential and commercial construction

### **Promote accessibility and utilization of ACS in target underserved communities**

- Increase utilization of ACS by all residents
- Inform local elected officials about the importance and benefits of access to ACS and IT for all residents and businesses and implement projects
- Develop and implement a program to ensure all high school students graduate with the basic computer literacy skills
- Expand the number of public locations for access to ACS

### **Expand and replicate successful model programs to increase access to ACS and IT**

- Develop and implement a plan to expand and replicate the most successful strategies and programs to bridge the digital divide
- Foster demand for ACS access in underserved communities by encouraging economic development and growth of home-based businesses

### **Accelerate deployment of ACS infrastructure through telemedicine and eHealth technology**

- Develop and implement a telemedicine and eHealth plan to connect health clinics with medical centers
- Build upon ACS infrastructure for telemedicine and eHealth to promote other applications for education and economic development

## **AIR QUALITY WORK GROUP**

### **Challenge**

The San Joaquin Valley's air quality is among the worst in the nation, having a significant impact on the health of its residents and the economy. The Valley has one of the highest rates of respiratory ailments and mortality rates attributable to air pollution in the nation. In addition, the air quality has an adverse affect on the region's economic growth, making it difficult to attract and retain workers and businesses.

### **Opportunity**

Make it possible for residents to enjoy healthy air by removing the adverse impacts of poor air quality and improving the quality of life.

### **Focus**

The Air Quality Work Group focuses on improving the quality of the San Joaquin Valley's air through bold and sustainable actions that will enable residents to enjoy healthy air. The goals of the work group are to achieve air quality compliance set by the Environmental Protection Agency (EPA); establish the Valley as a national leader in air quality management; and engage Valley residents in a clean air strategy that includes monitoring, reporting of performance, and accountability.

### Success for the San Joaquin Valley

- Valley lawmakers educated White House officials on the San Joaquin Valley air pollution problem and encouraged allocations to the San Joaquin Valley from the Diesel Emissions Reduction Act and Environmental Quality Incentives programs.
- San Joaquin Valley officials drafted legislation to create an air quality “empowerment zone” to provide incentives, grants and other advantages.
- The San Joaquin Valley Air Pollution Control District has provided grant funding to develop the plan for a Clean Energy Office as recommended by the Partnership to facilitate air quality improvement by reducing pollution related to energy production and use.

### The Action

#### **Achieve U.S. Environmental Protection Agency (EPA) standards for eight-hour ozone and PM2.5**

- Work with EPA to address federal constraints on alternative compliance emission reduction programs and eliminate institutional constraints
- Negotiate with U.S. EPA to allow State Implementation Plan (SIP) credits for incentive programs
- Work with the Air Resources Board (ARB) to identify criteria and approach for incentive programs and develop action plan

#### **Encourage EPA adoption of tighter federal emission control standards**

- Ensure that on- and off-road heavy duty vehicles and equipment comply with emission standards
- Encourage U.S. EPA to develop strong emission control standards for locomotives
- Negotiate with railroads to ensure introduction of the cleanest locomotives into the San Joaquin Valley fleet

#### **Implement incentives to accelerate adoption of air quality improvement technologies**

- Enact state- and federal-level incentives
- Establish and fund a five-year program to scrap and replace 7,500 heavy duty diesel trucks per year and achieve 60 tons/day emissions reduction over five years
- Establish and fund a five-year scrap and replace program for off-road equipment to achieve 10 tons/day emissions reduction over five years
- Implement school bus fleet modernization

#### **Promote clean energy projects**

- Work with the Energy Work Group to implement and promote clean energy projects in the Valley, including a community-choice energy aggregation project and a net metering program

### **Improve transportation mobility and goods movement**

- Work with the Transportation Work Group to support surface transportation improvements, goods movement infrastructure improvements, and public transportation improvements

### **Encourage “green” local government policies and sustainable communities**

- Accelerate the use of clean energy technologies in local governments and state operations
- Include criteria for impacts on air quality for local government and state contracts
- Work with Land Use, Agriculture, and Housing Work Group to support development and adoption of efficient land use patterns and green building standards

### **Accelerate research on emission-reduction strategies and clean-air technologies**

- Work with the Energy Work Group to support research on agricultural PM10, PM2.5 and ROG emissions, dairy emissions sources, renewable energy, and alternative fuels

### **Improve public understanding of air quality issues and solutions**

## **ECONOMIC DEVELOPMENT WORK GROUP**

### **Challenge**

The San Joaquin Valley has been consistently plagued with high levels of unemployment and poverty. The Valley’s average per capita income is 32.2 percent lower than the rest of the state. The factors contributing to the Valley’s economy are numerous, complex, and interconnected. The Valley must shift to innovation-driven and value-added growth to sustain its economy.

### **Opportunity**

Implement creative and collaborative solutions to regionwide infrastructure challenges, focus on the growth of target industries with comparative advantages, and promote the region as a business and tourist destination.

### **Focus**

The Economic Development Work Group focuses on growing businesses in targeted industries that have comparative advantages in the San Joaquin Valley – agribusiness, including food processing, agricultural technology and biotechnology; manufacturing; supply chain management and logistics; health and medical care; and renewable energy. The group is working on several fronts to support the region’s economic health through facilitating investments in infrastructure and business incentives, aligning economic development efforts in the eight-county region, creating a climate that supports and promotes entrepreneurship, leading renewable and clean-energy efforts, and promoting the San Joaquin Valley as a tourist destination.

### **Success for the San Joaquin Valley**

- The Partnership facilitated agreement between the Economic Development Organizations and Workforce Investments Boards in the region to target key industry clusters to promote investment and develop workforce.

- Workforce investment boards, community colleges, and economic development organizations have committed to the target industry clusters
- Five new enterprise zones designated in the Valley – City of Arvin, City of Delano, City of Fresno, County of Fresno and County of Merced
- The San Joaquin Valley Air Pollution Control District has provided grant funding to develop the plan for a Clean Energy Office as recommended by the Partnership to facilitate air quality improvement by reducing pollution related to energy production and use.

## The Action

### **Facilitate investments in infrastructure and incentives that support economic vitality**

- Establish a regional financing authority for infrastructure, including water and sewer
- Establish region wide economic development incentives
- Create a region wide organization for marketing the San Joaquin Valley.
- Align region wide economic development efforts in support of target industry clusters
- Establish region wide networks of industry clusters to facilitate expansion
- Work with the Higher Education and Workforce Development Work Group to ensure a prepared workforce to support the target industry clusters

### **Foster a dynamic business climate to encourage and support entrepreneurs**

- Develop and implement a program to support entrepreneurs and promote entrepreneurship
- Develop resources to invest in entrepreneurs, including capitalizing an “entrepreneurship opportunity fund”
- Identify resources to invest in expansion of industry clusters

### **Accelerate the deployment and adoption of renewable and clean energy**

- Work with the Energy and Air Quality work groups to establish a regional clean energy office
- Work with state officials to remove barriers to clean energy development and deployment

### **Promote the Valley as a tourist destination**

- Establish the Central Valley Tourism Association as the lead organization in overseeing the tourism plan for the Valley
- Establishing a marketing plan for the eight-county region that includes a Highway 99 campaign as part of the overall strategy

## ENERGY WORK GROUP

### Challenge

The Partnership recognizes the critical role that clean energy plays in the future of the San Joaquin Valley. The Valley's air is among the worst in the nation – the creation and deployment of renewable and alternative energy sources are intimately tied to the health of Valley residents and its economy. A quality environment is one of the “three E's” of sustainable growth – prosperous economy, quality environment, and social equity.

### Opportunity

Promote energy use efficiencies and adoption of clean, renewable energy technologies to ensure a reliable supply, grow the economy, and improve air quality.

### Focus

The Energy Work Group focuses on promoting environmentally friendly renewable and alternative energy sources to ensure reliable supply in the San Joaquin Valley. The work group is leading efforts to help make the San Joaquin Valley self-sufficient in its development and use of clean energy. This includes increasing the efficiency with which our homes, farms, and businesses use energy and other resources and producing more electricity and fuel in the from renewable energy resources such as solar, wind and biomass.

### Success for the San Joaquin Valley

The San Joaquin Valley Air Pollution Control District, Kings River Conservation District and Valley CAN have provided grant funding to design a regional San Joaquin Valley Clean Energy Organization to lead efforts to increase the Valley's clean energy use. This should help improve air quality and create positive economic growth and development.

### The Action

#### **Develop and implement a regional plan for efficient energy use and clean, renewable technologies**

- Establish regional San Joaquin Valley clean energy organization to advance energy efficiencies and clean energy use in the Valley
- Establish clean energy office to implement regional plan and monitor progress toward regional energy self-sufficiency
- Seek an increased share of public goods charges revenue for funding energy efficiency programs from CPUC in proportion to regional population

#### **Increase efficient energy use in all sectors**

- Work with Air Quality Work Group to establish a clean vehicle information exchange program
- Increase efficient energy use in rural communities
- Develop and implement program to encourage new buildings to EnergyStar standards
- Support adoption of green building ordinances by all local jurisdictions
- Support project-based learning in schools to demonstrate positive role clean energy can play in improving air quality and reducing greenhouse gas emissions

### **Advance energy self-sufficiency and grow the economy through development of clean, renewable technologies**

- Work with state agencies to increase use of renewable energy
- Design, site and build methane-powered co-generation plants for wastewater facilities and dairies
- Design, site and build biomass small-scale co-generation gasifier plants fueled by orchard prunings and waste urban wood
- Implement initiative to convert 200 megawatts of water-related energy consumption to solar power
- Implement community-choice energy aggregation projects

### **Improve energy efficiencies in the management and use of water**

- Convene a state summit meeting to identify and adopt converged water-energy conversation activities
- Design and implement an innovative energy conservation program in water management
- Promote the region as an international leader for clean energy research, development, and use
- Work with economic development agencies to incubate, grow, and attract clean energy companies
- Work with community colleges, trade unions, and Workforce Investment Boards to ensure an adequately trained workforce for clean energy industry
- Encourage and support public and private agencies to use and showcase clean energy technologies
- Develop and implement innovative clean energy demonstration projects

## **HEALTH AND HUMAN SERVICES WORK GROUP**

### **Challenge**

The health of San Joaquin Valley residents falls short of statewide and national averages – the region leads the state in rates of infant mortality, teen births, and late access to prenatal care. The Valley’s health care sector is poorly equipped to address the current health challenges of the region and may be unable to meet emerging needs of the growing population. Access to health care is more difficult for Valley residents than other Californians because of the lack of health insurance, a scarcity of providers, and language and cultural barriers.

### **Opportunity**

Achieve improved health status and well-being by promoting healthy lifestyles; nurturing, safe communities; providing timely access to necessary health care and social services; and embracing the cultural diversity of the region.

### **Focus**

The Health and Human Services Work Group focuses on providing San Joaquin Valley residents access to quality health care and effective social services. The work group is developing

education and training systems to increase the number of health care workers in the region, enhance access to health care services, create drug education and treatment programs, promote foster care prevention, and improve access to state resources for health and human services.

### Success for the San Joaquin Valley

- U.S. Department of Labor awarded \$1.85 million to expand nurse training at community colleges in Merced and Modesto and State Center Community College District's Madera Center. Grant will be matched with \$1.5 million from the participating colleges and partners.
- The Department of Managed Health Care and Department of Insurance awarded \$5 million to University of California, Merced, for the development of a Medical Education Program (from a fund established as a condition of a merger between two companies).
- The State of California awarded a \$500,000 grant to the Hospital Council to establish the San Joaquin Valley Nursing Education Consortium, which will expand the number of registered nursing graduates by 250 each year in the Valley.

### The Action

#### **Develop education and training systems to meet the health care worker shortage in the region**

- Establish a medical education program at UC Merced within 10 years
- Establish the Central Valley Nursing Education Consortium

#### **Enhance access to health care services and improved public health management**

- Provide incentives for difficult-to-recruit health and medical professionals
- Enhance public health management capabilities
- Develop a regional plan to address the needs of the uninsured
- Improve delivery of health and medical care services through the use of information technology, eHealth and telemedicine

#### **Develop methamphetamine education, treatment, and law enforcement programs**

- Develop research-based treatment programs for methamphetamine and other substance abuse with a focus on prevention and recovery
- Organize a regionwide interagency law enforcement task force to develop an aggressive campaign to reduce the manufacturing, transportation, sale, and use of methamphetamine and other illegal drugs

#### **Support and promote foster care prevention services**

- Promote higher rates of relative placements
- Support stable and continuous preventive services programs

### **Enhance access to social services to adults and other adults**

- Identify and support workforce development models and training activities for social workers
- Implement improved social services to adults

### **Develop and implement programs to promote self-sufficiency among disadvantaged populations**

- Implement effective programs to promote self-sufficiency and improve workforce skills
- Integrate self-sufficiency strategies and programs with education and economic development activities

### **Explore alternative funding methods in distributing new grant resources**

- Develop funding allocation methods that reflect Valley-specific data, circumstances and priorities

## **HIGHER EDUCATION AND WORKFORCE DEVELOPMENT WORK GROUP**

### **Challenge**

The San Joaquin Valley's economic success depends on a skilled workforce prepared for knowledge-based jobs. However, the education gap of Valley residents is significant – U.S. Census shows that only 15 percent of adults (during 25 years) have a bachelor's degree compared to 28 percent statewide. The need for meaningful collaboration between higher education institutions and industry has never been more critical to develop a skilled workforce.

### **Opportunity**

Expand higher education opportunities and develop the workforce preparation infrastructure to support sustained, long-term economic vitality.

### **Focus**

The Higher Education and Workforce Development Work Group focuses on aligning workforce development resources to the needs of target industries that are thriving in the San Joaquin Valley – agribusiness, manufacturing, supply chain management and logistics, health and medical care, and renewable energy. The work group recognizes the need for an educated workforce in the Valley and is working to create a college-going culture that prepares students for success in the workplace.

### **Success for the San Joaquin Valley**

- The California Labor and Workforce Development Agency's Employment Training Panel (ETP) awarded the Kern Community College District (Bakersfield College) \$500,000 to promote full-time job retention in high-wage occupations, provide skills for transitioning to high performance workplaces, support priority industries, and serve the region's manufacturing companies as well as the logistics, goods movement, and construction industries. The "Just in Time" training funds will cover training costs for businesses throughout the region.

- To address the need to find employees for hard-to-fill positions, the U.S. Department of Labor awarded \$2 million for the creation of 12 new training programs at Sate Center Community College District (SCCCD) and West Hills campuses to serve 500 students through the Agriculture for Tomorrow program, introducing students to the advances in food processing, manufacturing, logistics and warehousing; and preparing them for careers from computer-based inventory management to high-tech food safety inspection. Grant will be matched by \$2.7 million from the partners in the program.
- U.S. Department of Labor awarded \$1.85 million to expand nurse training at community colleges in Merced and Modesto and SCCCDC's Madera Center. Grant will be matched with \$1.5 million from the participating colleges and partners.
- \$1 million grant to support the work of the Partnership's Higher Education and Workforce Development Work Group.
- "Center of Excellence" established at Modesto Junior College that will track and report on economic and workforce trends in the region. This is one of nine Centers of Excellence in California to help colleges improve programs to meet the needs of workforce development.

## The Action

### **Create a demand-driven workforce investment system that supports target clusters: agribusiness, including food processing, agricultural technology and biotechnology; manufacturing; supply chain management and logistics; health and medical care; and renewable energy**

- Align workforce development resources to support target industry clusters
- Conduct occupational analysis of key jobs in target industries
- Develop web-based inventory of vocational training and "gap analysis"
- Implement region wide business intelligence tool
- Create a "just-in-time" training voucher fund
- Address workforce supply on a regional basis
- Align vocational and career technical education with target industries
- Establish the San Joaquin Valley Workforce Consortium
- Align the efforts of the San Joaquin Valley's economic development corporations, the San Joaquin Valley Workforce Consortium and the California Community College Central Region Consortium

### **Develop a college-going culture in the San Joaquin Valley**

- Improve academic preparation and increase expectations for student achievement
- Increase accessibility of financial aid
- Increase availability of information and resources to students and parents
- Increase collaboration between higher education and P-12 education
- Align academic content to support economic vitality
- Assure accessibility to educational opportunities
- Expand vocational and career technical education programs and courses

## **Develop education and training systems to meet the healthcare worker shortage in the region**

- Establish a medical education program at UC Merced within 10 years
- Establish the Central Valley Nursing Education Consortium

## **K-12 EDUCATION WORK GROUP**

### **Challenge**

Students in the San Joaquin Valley lag behind in academic performance – about 60 percent of Valley students from 2nd grade through 11th grade do not meet the state’s proficiency levels in math and reading. Valley students are at a disadvantage in being adequately prepared for college with only 26 percent completing UC and CSU eligibility coursework and only 23 percent taking the Scholastic Aptitude Test (SAT). In addition, career and technical education programs struggle to adequately prepare students for success in careers after high school.

### **Opportunity**

Implement policies and programs through public-private partnerships to ensure equal access to educational opportunities and resources that will improve academic performance for all children.

### **Focus**

The K-12 Education Work Group focuses on improving the academic achievement of all students in the Valley. The work group is leading the effort to ensure all students have access to educational opportunities and resources through public-private partnerships and best-practice programs to prepare students for success in college and career.

### **Success for the San Joaquin Valley**

The superintendents from the County Office of Education in each county have convened and are collaborating on the work to improve K-12 education in the Valley.

### **The Action**

## **Increase the achievement level of students, schools, and school districts in the San Joaquin Valley**

- Implement a school and school district support system through county offices of education
- Implement a curricular and instructional program to ensure all children are able to read at or above grade level
- Provide school choice, and intra-district and inter-district options
- Establish an executive leadership academy to train principals of low-performing schools in “turn-around” educational and management services
- Coordinate and integrate health and human services organized around school attendance boundaries

### **Develop a college-going culture in the San Joaquin Valley**

- Support collaborations among school districts and the community colleges, California State University and University of California systems
- Increase the rates of high school graduates completing courses for college admission

### **Implement a computer literacy initiative for K-12 students aligned with community college curriculum**

- Facilitate deployment of advanced communications services to schools and accessibility of technology to students

### **Implement research-based programs to reduce substance abuse, including voluntary drug testing**

- Implement substance abuse prevention education programs
- Implement collateral actions to reinforce drug abuse prevention education

## **LAND USE, AGRICULTURE, AND HOUSING WORK GROUP**

### **Challenge**

The San Joaquin Valley is one of the fastest growing regions in the state and is projected to grow from 3.4 million residents today to almost 8 million residents in the next 40 years. The Valley must balance this growth with the needs of its residents and economy, while preserving agricultural land and natural resources.

### **Opportunity**

Support and promote regional consensus on future land use through the San Joaquin Valley Regional Blueprint Plan process that identifies appropriate areas for growth and economic development, contributing to the conservation of important agricultural land and natural resources and advancing the sustainability of the region.

### **Focus**

The Land Use, Agriculture, and Housing Work Group focuses on promoting regional coordination through the San Joaquin Valley Regional Blueprint Plan process that identifies appropriate areas for social and economic development.

The work group is creating a plan that will provide San Joaquin Valley residents housing, community amenities and mobility, while supporting a strong local economy, conserving prime agricultural land and natural resources, and ensuring a clean and healthy environment.

### **Success for the San Joaquin Valley**

The eight counties' Councils of Government (COGs) with regional support from Great Valley Center have joined forces in a multiyear effort to develop an integrated Regional Blueprint Plan to create a plan for the San Joaquin Valley that looks to the year 2050. Now, six months into the project funded by a \$2 million grant from BT&H with matching funding from the San Joaquin Valley Air Pollution Control District, the two groups recently received notice of a \$1.95 million award to assist in the second year of work.

The Resources Agency and Department of State Parks completed an assessment of needs, undertook an outreach effort, and announced plans to enhance, recreate, and celebrate the region's natural and cultural heritage through new state parks in the Valley.

## The Action

### **Foster regional consensus to support development and implementation of the Regional Blueprint Plan**

- Assist development of regional consensus on values, goals, strategies, and guidelines for the Regional Blueprint Plan to identify locations for growth and economic development that accommodates projected population while contributing to the conservation of important agricultural land and natural resources
- Develop a high-value parks and open space strategy

### **Promote adoption of community design guidelines that ensure strong neighborhoods, improve mobility and health, improve air quality, increase energy efficiency, and increase infrastructure cost-effectiveness**

- Increase the overall average density of new development
- Reduce urban run-off by decreasing the land covered by commercial and industrial parking
- Promote the adoption and implementation of flexible zoning ordinances
- Study and adopt a strategic concept for accommodating new growth

### **Determine requisite regional infrastructure and funding strategies to support implementation of the Regional Blueprint Plan**

- Develop and implement a plan for the provision of regional infrastructure
- Develop and implement a process for monitoring the performance and adequacy of regional infrastructure

### **Improve the planning and development process to be consistent with the Regional Blueprint Plan and to provide incentives for smart growth**

- Improve sharing, access, and use of planning and environmental resource data for more informed decision-making

### **Develop a long-range strategy for agriculture in the San Joaquin Valley that ensures its viability and sustainability**

- Develop a plan to maintain the viability of agriculture in the region as a leading strategy for economic development
- Minimize ranchette development on farmland
- Reduce the loss of farmland attributable to General Plan amendments

### **Ensure safe and healthy communities that provide a variety of affordable housing types**

- Increase the number and availability of housing units for people of all income levels
- Provide incentives for affordable housing that meets the needs of all income levels

## **Identify legislative and regulatory changes necessary to facilitate the implementation of the adopted goals and strategies**

- Use the San Joaquin Valley as a pilot for testing new permitting and environmental review incentives that will facilitate infill and refill developments
- Develop an innovative approach to establishing a voluntary high-value open space conservation system
- Increase the coordination among local General Plan region wide to facilitate better land use, transportation, air quality, and energy outcomes

## **TRANSPORTATION WORK GROUP**

### **Challenge**

The San Joaquin Valley's economy requires mobility of people and goods. To support the anticipated growth of the region, the transportation system must be improved to attract capital investment and support economic development. The transportation system must embrace new technology to minimize impact on the Valley's poor air quality and maximize alternative modes of transportation.

### **Opportunity**

Build innovative transportation systems to increase travel choices and improve mobility, regional and state goods movement, air quality, and economic prosperity.

### **Focus**

The Transportation Work Group focuses on building a transportation system that improves mobility and increases travel choice for San Joaquin Valley residents, while supporting the movement of state and regional goods, protecting air quality, and preserving economic prosperity. The work group is supporting efforts to improve Highway 99; enhancing the capacity for moving goods; promoting safety and decreased congestion; developing a sustainable, regional transit system; and transforming roadside rest areas into user-friendly amenities that benefit the region.

### **Success for the San Joaquin Valley**

- The California Transportation Commission accelerated funding to begin construction of Highway 205 in San Joaquin County and construction of the Mission Avenue Interchange at Highway 99 in Merced County to provide improved access to University of California, Merced.
- The California Transportation Commission allocated \$16.7 million to widen Road 80 between Goshen Avenue in Visalia and Avenue 416 in Dinuba to ease traffic congestion between the cities. (\$14.8 million from Federal Highway Administration and \$1.9 million match from state)
- Caltrans accelerated completion of the Business Plan for improving Highway 99 (274 miles between Bakersfield to Stockton) which calls for \$6 billion to be invested over the next decade; the plan calls for Highway 99 to continue as the "main street" of the San Joaquin Valley and as a backbone of the State's transportation system, as well as become

a gateway for tourism in the San Joaquin Valley, using state-of-the-art information technology at rest stops.

- In November 2006, California voters approved a package of general obligation bonds including one targeted at financing transportation infrastructure. The transportation bond included a \$1 billion earmark for Highway 99 improvements; the only transportation earmark approved by the governor and state Legislature.
- Conceived, designed and directed by Great Valley Center, the first GreenStop® International Design Competition focused on environmentally friendly, resource-conserving, high-tech rest stop design. With support from Caltrans in both the competition and implementation, a prototype GreenStop® is targeted for Tipton in Tulare County.

## The Action

### **Implement a Route 99 Corridor Master Plan for the 274-mile section within the San Joaquin Valley as a leading economic development strategy**

- Improve Highway 99 to freeway standards to increase safety
- Increase Highway 99 capacity which will result in improved mobility and reduced congestion, while protecting environmental resources and fostering economic vitality
- Create a San Joaquin Valley Route 99 corridor identity
- Build an ongoing coalition of civic leaders to support improvements to the Highway 99 corridor

### **Improve safety and capacity of vital east-west corridors**

- Support construction of projects to improve safety and capacity of vital east-west corridors
- Incorporate plans for improving east-west corridors into Regional Blueprint Plan

### **Improve goods movement within the region to increase economic vitality, traffic safety, and mobility**

- Increase benefits to the San Joaquin Valley from goods movement through a goods movement enhancement system

### **Enhance goods movement capacity while increasing safety, decreasing congestion, improving air quality, and promoting economic development**

### **Develop a sustainable regionwide transit system**

- Implement an efficient alternative transportation system for intra-regional and inter-regional passenger trips

### **Transform roadside rest stops into user-friendly amenities that benefit the overall region and host communities**

**Improve mobility through more efficient land use patterns that will reduce single-occupant trip generation and support use of alternative modes**

- Encourage the Regional Blueprint Plan process to integrate land use and transportation planning to improve mobility
- Incorporate into regional transportation plans those actions that support and encourage implementation of the Regional Blueprint Plan

**Improve understanding by public officials and public of the relationship between investments in transportation improvements and economic development**

- Develop and implement a system for tracking economic development that results from investments in transportation improvements

**Implement “intelligent transportation system” (ITS) technologies to assist the region in achieving mobility goals**

**Assure a high-speed rail system supports the San Joaquin Valley in achieving its economic, environmental, land use, and mobility goals**

**WATER QUALITY, SUPPLY AND RELIABILITY WORK GROUP**

**Challenge**

The San Joaquin Valley’s growing population and expanding economy require an adequate, quality water supply that is reliable for all sectors and the environment. The current supply is inadequate for the future, and the San Joaquin River is a valuable natural resource that needs to be restored and protected while developing additional water supplies. Water and energy are interdependent resources – one-fifth of the state’s energy is used to pump, transport, and treat water – and methods must be addressed to maximize both.

**Opportunity**

Ensure a reliable, adequate, quality water supply to sustain a high quality of life, and a world-class agricultural sector, while protecting and enhancing the environment.

**Focus**

The Water Work Group focuses on ensuring an adequate, diverse water supply for the San Joaquin Valley to support the lifestyle of residents, support economic growth, retain the world-class agricultural base, maintain a reliable urban water supply, and protect the local environment.

**Success for the San Joaquin Valley**

- Governor Schwarzenegger proposes \$4.5 billion in general obligation bonds in his 2007-08 budget to pay for two new dams in California – Temperance Flat in the San Joaquin Valley and one south of Chico – which would be the first major dams built in California in more than 30 years. The proposed bond will be on the November 2008 ballot and will provide up to three million additional acre feet of surface storage and up to 500,000 acre feet of annual supply.

- \$5 million general obligation bonds approved by California voters in November 2006 to be used for water projects in California.
- Valley congressional delegation convened planning group to come up with the regional water plan.

## The Action

### **Develop and implement a San Joaquin Valley Regional Water Plan**

- Provide management, technical, and administration support for developing the regional water plan
- Coordinate and integrate the regional water plan with other key plans

### **Strengthen levees in the Sacramento-San Joaquin Delta and San Joaquin Valley to safeguard regional water quality and quantity and provide flood control**

- Improve the levees and tributaries to assist communities meet 100-year plus fold protection standards and levee certification standards from the Federal Emergency Management Agency
- Improve the integrity of the Delta levee system

### **Augment surface, groundwater banking programs and recycled water projects in San Joaquin Valley**

- Complete Upper San Joaquin River Basin project
- Promote and support up to five conjunctive use projects that can be commissioned or enhanced in 2007-2017
- Develop recycled and inland brackish water projects to expand regional water supplies

### **Develop and implement water quality and salinity management infrastructure**

- Develop a Salinity Management Plan to be implemented as an update to the San Joaquin River and Tulare Lake Basin plans
- Ensure all communities have adequate sanitary sewage disposal facilities
- Ensure all communities provide water that meets state and federal drinking water standards

### **Expand environmental restoration**

- Develop and implement a San Joaquin Valley Ecosystem Restoration Plan
- Complete San Joaquin River restoration consistent with the settlement between the Friant Water Users Authority and the National Resources Defense Council

### **Expand agricultural and urban water-energy use efficiency programs**

- Implement cost-effective, results-oriented, agricultural water-energy use efficiency diagnostic, repair, and retrofit projects
- Implement a public awareness and education program about water-energy use conservation