



November 14, 2014

Ms. Pilar Lorenzано-Campo
Chair, Bay Area Regional Prosperity Plan Steering Committee

SENT VIA E-MAIL

Dear Ms. Lorenzано-Campo:

The Bay Area Business Coalition is an organization comprised of many of this region's business advocacy groups and economic development entities. We are writing to you today to express our concern with the recently published Economic Prosperity Strategy and to record our opposition to the inclusion of the third Goal and the strategic recommendations stemming from that section of the report.

The Economic Prosperity Plan had just two original goals as directed by the HUD framework; (1) Improve pathways to the middle class and (2) facilitate overall economic growth to create more middle class jobs. We originally supported this framework. However, almost a year into the process, the project veered in a decidedly different direction when the drafters decided to add a third goal; "Economic Security: improve conditions for workers in lower-wage jobs." While on paper, this is an admirable objective we do not feel it to be within the original scope of work.

In October 2014 the final report was released. There are many good recommendations in the original two goal sections; growing the economy and improving pathways to the middle class, however the newly added third section contains some very troubling recommendations that we feel will be harmful to economic growth in our region; particularly for middle income jobs. We are also concerned that strategy #55 to "strengthen business retention and expansion programs" is the only one of a total of 98 recommendations in the report that comes with an "evidence based" qualifier. We are curious as to why the only definitively employer or business friendly proposal in the report must be "evidence based" while many other proposals that would, for example, mandate union labor, or prevailing wage requirements, do not have a similar requirement.

We feel strongly that the Bay Area is already the most heavily regulated place in the country to do business and create jobs and it is not a coincidence that we are also home to the nation's fastest growing levels of income disparity. Our world class research institutions and universities have spawned a technology and biotechnology industry cluster that is the envy of the world because of the very well-paying jobs those industries provide and the many spin off support jobs they create. Our economy also supports a great many entry level jobs primarily in the service and tourism sectors. Where we are failing as a region is in fostering growth in middle income jobs in the manufacturing and construction sectors. These


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jobs are fleeing our region and our state because of the very high cost of doing business here driven primarily by regulations and mandates imposed by government. If our goal is to encourage middle income job growth, the very last thing we need right now, is introduce a whole raft of new expensive mandates and burdens on employers as they struggle with ever rising costs.

The Bay Area Business Coalition remains committed to the original scope of this report and will continue to work to grow our economy and ensure that everyone who lives here can share in the benefits of our prosperity. We cannot, however, support the report as drafted and are opposed in principal to the inclusion of "Goal C" and the recommendations therein and feel they will hinder not help raise more people into the middle class in the Bay Area.

Sincerely,



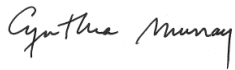
Jim Wunderman
Bay Area Council



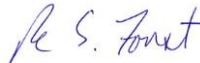
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