



SAMCEDA

San Mateo County Economic Development Association

**Annual Update
2011-2012**

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As we begin our 60th year, the San Mateo County Economic Development Association (SAMCEDA) has great reasons to celebrate and equally great reasons to work even harder.

Founded in 1953 with a focus on facilitating development on the Peninsula, the organization has tackled tough issues and been a strong advocate for balanced solutions that have maintained the quality of life while providing a business environment that has fostered economic growth. An important aspect of the SAMCEDA success story is the organization's ability to adapt its advocacy to the changing times.

Sixty years ago it would have been impossible to predict the diverse and vibrant businesses that are located here in San Mateo County – businesses that define the entrepreneurial spirit for our entire nation. Holding its annual Awards of Excellence that celebrates these innovative companies, SAMCEDA's goal is to both recognize the wildly successful firms and highlight the promising start-ups to inspire and inform the greater business community.

With so many great firms located here on the Peninsula it is easy to fall into the mindset that the area will remain prosperous regardless of challenges that face the region. However, all you really need to do is spend an hour in 101 traffic, rush to the station only to wait an hour for the next Caltrain, ask the landlord if the posted rent is a typo or find out that your schools only received half as much funding per pupil as the neighboring district to realize that there are real impediments to growing or locating a company here in San Mateo County. With the ability of innovative companies to choose where they want to grow their business there is increasing freedom to move and an ever increasing threat to our economic future.

With very few organizations specifically focused on San Mateo County, SAMCEDA is often the only voice for business at regional and state level meetings. Through a conscious decision to increase our presence throughout the Bay Area, we have been keeping the solutions to our region's challenges in our sights and working to keep our member organizations informed about:

- Identifying a dedicated funding source for operation of Caltrain.
- Electrification of Caltrain to improve and expand service and the future of High Speed Rail on the Peninsula and in California.
- Continued advocacy for housing projects that meet the demand of employees at every income level.
- Impact of local tax measures or specific ordinances that affect both the quality of life and economic vitality of the County and its communities.
- Regional development issues associated with the plethora of environmental regulations, including the implementation of AB 32 and SB 375, air quality measures and sea level rise.
- Changing labor demand of San Mateo County through studies that we have commissioned and will assist in business retention, attraction and workforce development.
- Leading the effort to develop a San Mateo County economic development strategy and joining with members of the Bay Area Business Coalition in the development of a San Francisco Bay Area regional economic development strategy.

Once again, I urge you to join us as we not only maintain the unparalleled quality of life here in San Mateo County, but make progress on solving the issues that face the business community so that the next generation of innovative companies will be eager to call the Peninsula "home."

One of the primary objectives of SAMCEDA is to support, champion, recognize and bring attention to the San Mateo County business community. All too often the contributions made by business to the economic health and well being of the community are overlooked and underappreciated. For San Mateo County a healthy business community directly translates to a healthy community and SAMCEDA strives to spread that message in a variety of ways.

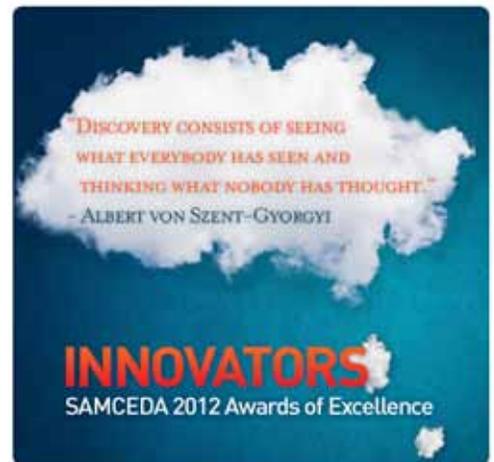
INNOVATORS: SAMCEDA 2012 Awards of Excellence

For the past three years the theme of SAMCEDA's annual Awards of Excellence has been Innovation. Innovation is a fundamental pillar of our county's economy, and we are working to ensure that it continues to be an economic priority for both private and public stakeholders whose investment, management and support infrastructure create and sustain our competitive business climate.



David D. Bohannon Memorial Award

Ruth Peterson
Board Chair Emeritus
Sustainable San Mateo County (SSMC)



Keynote Speaker

Honorable Anna G. Eshoo
Member, U.S. House of Representatives and
Ranking Member of the Sub-Committee on
Communications and Technology



Special Interview

Weili Dai
Co-Founder, Marvell Technology Group



Award Winners

Economy

The San Francisco Bay Area is a region of nine counties and approximately 3.2 million employed residents. On any given day, some 1.3 million people, or about 41% of all full-time employees in the region, commute across one or another of the San Francisco Bay Area’s county lines. The Bay Area, although made up of several distinct economic regions, is a single tightly linked labor market. It is important to keep this in mind when examining patterns of labor supply in San Mateo County.

In the context of the broader Bay Area, we find that San Mateo County is in an enviable position with respect to labor supply and flows. However, this position brings with it significant policy obligations in terms of maximizing the county’s potential by facilitating job and labor flows into the county that match the needs of the county’s residents and employers.

Such flows are significant. On an average workday in 2010, the most recent year for which such data are available, approximately 177,000 individuals commuted out of San Mateo County, and a slightly smaller number, 174,000, commuted into San Mateo County (Figure 1). Only about 40% of the County’s residents who work full time are employed in the county (Table 1).

Unlike other Bay Area counties with a similarly small proportion of residents employed in the county (Solano, Contra Costa, and Marin), San Mateo County is not a bedroom community. Instead, San Mateo County lies directly between and is a part of two of the major employment centers of the Bay Area: San Francisco to the north and Silicon Valley to the south. In other words, San Mateo County’s high level of cross-commuting is more a function of where the county lines were drawn than of anything more fundamental about the county.

This is borne out by Figure 2, which illustrates that nearly 40% of the workers commuting out of San Mateo County are destined for San Francisco (23%) and Santa Clara (16%) counties. A smaller proportion of imported workers come from these counties, just 25%, or about 12% to 13% each. Alameda County, just across the Dumbarton and San Mateo-Hayward bridges provides a similar percentage of those working in San Mateo County.

San Mateo County stands out not only because similar numbers of workers flow in and out of the county but also because the workers flowing in and out are similar in terms of skills and overall incomes. In particular, over the five years spanning 2006–2010, approximately 57% of those commuting out of the county had at least a bachelor’s degree.

A nearly identical share of those commuting into the county had at least a bachelor’s degree, at 56%. Moreover, 23% of each group possessed some type of advanced degree. Comparable numbers for those living

Figure 1: San Mateo County Labor Flows

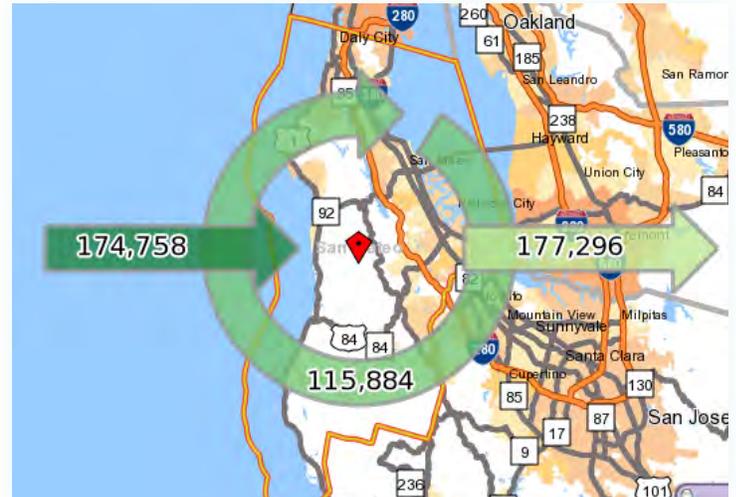
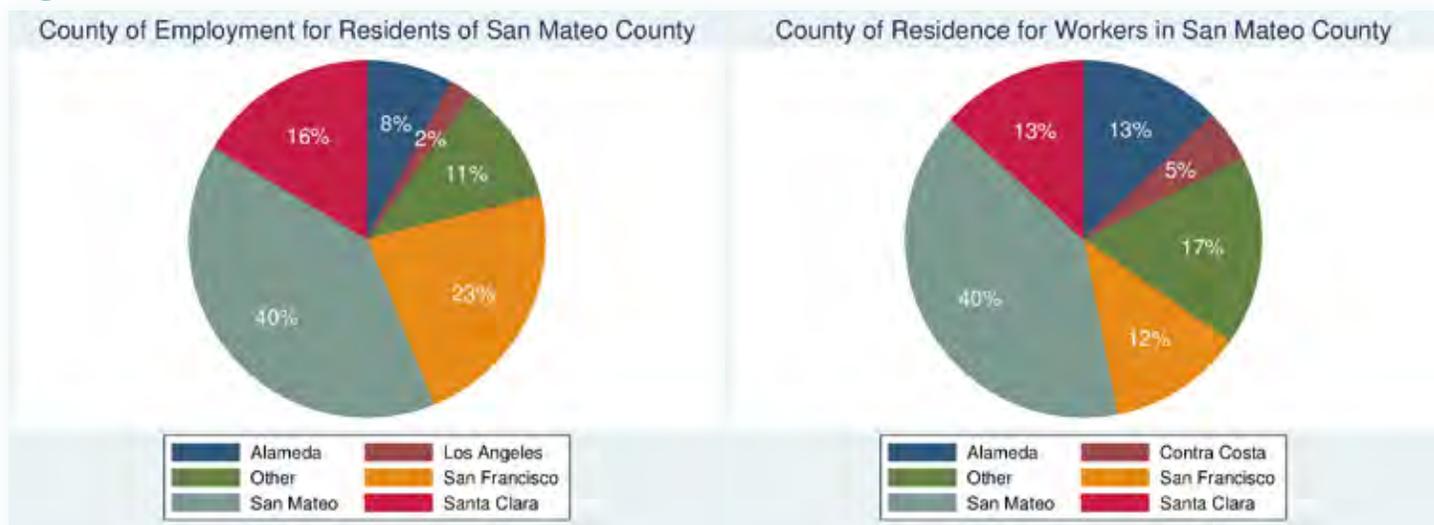


Table 1: Bay Area Commute Patterns, 2010

County	% of Residents that Work in the County	% of Workers that Live in the County
Solano	36	39
Contra Costa	39	51
San Mateo	40	40
Marin	41	39
Alameda	49	47
Napa	55	52
San Francisco	60	40
Sonoma	63	71
Santa Clara	71	61

Source: U.S. Census Bureau, 2010 LEHD.

Figure 2: Job Creation and Job Destruction



and working in the county show that only 31% have a bachelor’s degree and just 14.5% possess an advanced degree. Similarly, the mean incomes of those commuting in and out are extremely close, at \$82,000 and \$85,000, respectively. For those living and working in the county, the mean income is just \$66,000, or about 21% less.

Of those living and working in San Mateo County, about one-fifth (19.7%) live and work in the same city (Table 2). A substantial number of the remaining intra-county commutes, three of the top five, are between cities in close proximity to each other. In other words, many of the commutes within the county are relatively short, with many workers choosing to live near their jobs.

The same is roughly true for workers commuting across county lines. The top three commutes (either into or out of the county) are all between San Francisco and cities very close to San Francisco in San Mateo County: Daly City and South San Francisco. San Francisco is both the single largest source of jobs for San Mateo residents—nearly 60,000 people commute from the county into San Francisco each day—and the single largest source of workers outside of San Mateo County—more than 30,000 people commute into San Mateo County from San Francisco each day. Accordingly, San Francisco is on one end or another of the top five commutes into and out of San Mateo County each day (Table 3).

Table 2: Top Intra-County Commutes

Home City	Work City	Number	Share (%)
San Mateo	Burlingame	2,642	2.3
Daly City	S. San Francisco	2,139	1.8
San Mateo	Redwood City	2,103	1.8
San Mateo	S. San Francisco	1,629	1.4
San Mateo	Foster City	1,587	1.4
Total Top 5		10,100	8.7
Same City	Same City	22,781	19.7

Source: U.S. Census Bureau, 2010 LEHD.

Table 3: Top Inter-County Commutes

Home City	Work City	Number	Share (%)
Daly City	San Francisco	17,194	4.9
S. San Francisco	San Francisco	8,202	2.3
San Francisco	S. San Francisco	7,397	2.1
San Mateo	San Francisco	7,109	2.0
Pacifica	San Francisco	5,607	1.6
Total Top 5		45,509	13.0

Source: U.S. Census Bureau, 2010 LEHD.

The average distance of commutes by those working in San Mateo County is just under 14 miles. Those commuting entirely within the county have relatively reasonable commutes, averaging just 6.7 miles if they drive their cars. For comparison, making the same commute on public transportation takes about 43 minutes,

or a ratio of 6.4 minutes for each mile of the driven commute. For workers commuting into the county, the fastest available form of public transportation takes about 4.8 minutes per mile. These commutes by public transportation are apparently quite long, with a median duration of just under 1 hour and 30 minutes.

The difference between within-county and cross-county commute distances and times is significant. When using public transportation, inter-county commutes take about twice as long as within-county commutes, and are nearly three times the distance. It would be tempting to take the evidence presented earlier on the similarities between San Mateo County residents who commute out of the county and San Mateo County workers who commute into the county each day and contemplate the reduction in commutes that might be possible if jobs were to be switched. Unfortunately, there is only about a 10% overlap in terms of industries and occupations between those coming into and out of the county; those leaving the county in general have a different set of skills than those commuting into the county each day.

San Mateo County relies on other regions for both employing its residents and for providing its labor force. This has significant implications for policymaking and workforce and economic development. From a policy standpoint, the regional interdependency has particular relevance for both housing development and transportation planning. An understanding of commute flows can help provide guidance for where new housing developments should occur; in particular, forecasts of employment growth, combined with the commute patterns presented in this report, can help to better match housing supply with the locations of labor demand. From a transportation perspective, it's important to understand that there will always be a significant amount of in- and outcommuting in the county. This highlights the central role that transportation of all types can and does play in facilitating the growth of San Mateo County as both a great place to live and a convenient place to work.

From a workforce perspective, this analysis of labor flows and commute patterns with respect to occupational categories will inform workforce development. Assisting San Mateo County residents in finding meaningful employment requires an understanding of opportunities both inside and outside of the county. There will always be a substantial amount of cross-commuting in a labor market with the broad geographic reach of the Bay Area.

From an economic development perspective, two lessons come to mind. First, many of the county's skilled residents are commuting a significant distance to employment out of the county. Perhaps the county is missing opportunities to attract jobs that match the skills of available residents. Second, the growth of employment in the county does not need to be limited by the type of labor that is available in the county. Employers can draw on residents in the greater Bay Area to fill employment positions. Having a very large and highly skilled accessible labor pool will continue to be an enormous benefit for employers in San Mateo County and, by extension, the San Mateo County economy.

Table 4: Commute Distances and Times

Commute	Distance (Median Miles)	Elapsed Time of	
		Public Trans. (Median Mins)	Ratio
Within County	6.7	43	6.4
Cross-County	18.2	87	1.8
All	13.9	70	5.0

Source: U.S. Census Bureau, 2010 LEHD, and Google Maps

Report Funded By:



SAMCEDA offers access to valuable information on a timely basis regarding budgetary and fiscal stability with state, regional and local jurisdictions, policy initiatives on multiple topics including technology, environment, healthcare, land use/zoning and economic development that directly impact how business is done. SAMCEDA monitors and provides regular updates on the economy in San Mateo County including unemployment figures, industries that are expanding/contracting, commercial and retail vacancy rates and legislation that affects business and our economic future

Economic Development and Fiscal Stability

California Forward: Actively supports their proposed budget reform measures.



California Economic Summit, Can-Do California: Supports and actively participated in Regional Forums for the Bay Area and Silicon Valley in preparation for the California Economic Summit, Can-Do California: Thriving Regions Lead to a Thriving State. The Summit connected regional and state leaders to develop a shared agenda to generate jobs and improve regional competitiveness.



Transportation

California High Speed Rail: Actively supports the “Blended Approach” in the new Business Plan and engages in discussion and ongoing debates regarding the future of High Speed Rail on the Peninsula.



Caltrain: Actively supports the Modernization Program and efforts to “Save Caltrain” and identify a permanent and sustainable funding source for ongoing operations.



Grand Boulevard Initiative: Continues working with the Grand Boulevard Initiative and its efforts to revitalize El Camino Real and link housing, jobs, and transit.

Land Use

One Bay Area: Actively following and engaging in the **Sustainable Communities Strategy (SCS) and One Bay Area Initial Vision Scenarios** for the implementation of Senate Bill 375 (Steinberg), which requires each of the state’s 18 metropolitan areas to reduce greenhouse emissions from cars and light trucks.



CEQA: Working with members of the **Bay Area Business Coalition** and other key stakeholders to identify a path forward on CEQA reform.



Bay Area Air Quality Management District: Actively following and engaging with regional business, economic development, housing, local government and non-profit stakeholders on implementation of the District’s CEQA Guidelines.

Who is SAMCEDA?

SAMCEDA was founded in 1953 to promote business issues that enhance and sustain the economic prosperity of our region and its local communities. Almost 60 years later, the core message that "Business is Good, Business Brings Opportunity," remains timeless.

Beyond that, the rapid pace of change and innovation locally, regionally, nationally and globally demands that SAMCEDA meet this ever-changing environment with ideas and tools that our members and partners need to remain one step ahead.



What We Offer

- An influential voice and a seat at the table on issues that affect business, education, non-profits and residents.
- Direct communication with top federal, state, regional and local political leaders and other stakeholders.
- Established relationships with regional partners throughout the Bay Area as a member of the Bay Area Business Coalition.
- Access to valuable information on a timely basis regarding budgetary and fiscal stability with the state, regional and local jurisdictions, policy initiatives on multiple topics including technology, environment, healthcare, land use/zoning and economic development that directly impact how business is done.
- Up-to-date economic research prepared both internally and externally and drawn from multiple independent sources on San Mateo County, the greater Bay Area and the State of California.
- Direct communication through SAMCEDA 2012 (e-newsletter).

Interested in knowing more about SAMCEDA?

Visit our website at www.samceda.org

SAMCEDA Chairman Circle Members



SAMCEDA

San Mateo County Economic Development Association

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