
Press Release

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LOCAL LEADERS SAY L.A. ECONOMY IN PERIL UNLESS LEGISLATURE ACTS

Los Angeles, CA – Leading Southern California Economists today warned that without state legislative action, the region’s job and economic recovery could be slowed dramatically. Hundreds of business, labor, legislative and locally elected officials convened in downtown Los Angeles at The Westin Bonaventure Hotel to discuss what action is required to *Accelerate Southern California’s Economic Recovery*. The Third Annual Economic Summit is a joint presentation by the Southern California Association of Governments (SCAG) and the Southern California Leadership Council (SCLC).

During the 2007 Great Recession, the six counties that SCAG represents lost approximately one million jobs. And even though the recession technically ended, there remain 900,000 unemployed in the region. Go to www.scag.ca.gov/economicstrategy for details on job recovery for the region and counties.

“Economists seem to agree that our nation, state and local economies are recovering, however the tepid pace means that a large number of people who are seeking full time jobs remain unemployed. This not only impacts their financial status, it’s also leaving a long term impression on their well-being. The purpose of today’s summit is to bring together state and regional leaders to establish a list of State Legislative Priorities to expedite the region’s economic recovery.” said SCAG President and City of Simi Valley Council Member, Glen Becerra.

In April 2012 SCAG leaders approved the 2012 – 2035 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), a long range transportation and housing strategy to ensure the region is prepared for an estimated four million new residents (mostly our children and grandchildren). The plan creates a blueprint for the region that would improve quality of life while keeping businesses nationally and globally competitive.

“We asked the same economic team that projected the long range plan which, if implemented, would create roughly 500,000 jobs per year, to analyze the economic impact of accelerating the approved transportation projects for years 2021 – 2025, forward five years, to the 2016 – 2020 time frame. If this proposal to modernize environmental law and reduce regulations was approved, how many jobs would be advanced forward and how much money could be saved on construction costs,” said SCAG Executive Director Hasan Ikhata.

“Utilizing the same economic approach we employed for the RTP/SCS, our independent economic team estimates that this concept could accelerate the creation of 102,143 construction jobs, 120,639 jobs as a result of enhanced infrastructure investments resulting in transportation network benefits and an additional 83,654 jobs via a reduction in travel time, emissions, fuel consumption and vehicle operating

costs. In addition, the model also projects that \$1.25B - \$1.95B could be saved on construction costs per year.” said Chief Economic Advisor, Orange County Business Council, Dr. Wallace Walrod.

A number of State elected officials in attendance at this year’s summit expressed their sincere interest in improving the state and region’s economic conditions. Senator Roderick Wright (D-25th) led the discussion by commenting, “We as a state are at a crossroads where, if we are to be successful in reinvigorating the economy, we must stop putting in place policies that stifle our stated goals. It’s not enough to say we want to be a leader in ‘X, Y and Z,’ while building barriers to success within our regulatory system; we must decide what form we want our new economy to take and make positive strides to achieve that reality.” Assembly Member Donald Wagner (R-70th) added, “A robust economy is a non-partisan goal. The new legislative session is an opportune time for Democrats and Republicans to work together on legislation that puts people back to work, allows entrepreneurs and business owners to grow their businesses, and ensures California’s economic prosperity.”

The business community was well represented and was encouraged by the dialogue from across the counties. Orange County Business Council President and CEO, Lucy Dunn added that “Orange County is expected to return to pre-recession employment levels within the time frame of 2014 to 2016, one of the fastest in the region. Pursuing legislative and economic policies that accelerate this recovery not only benefits our county, but it also positively impacts the region and state.”

As a joint presenter of the Third Annual Economic Summit, Chairman and CEO of the SCLC, Jessie Knight commented that the “Leadership Council is a non-partisan, non-profit, business-led public policy organization focused on economic development and job creation in Southern California. As a leading business voice in our region we are honored to have partnered with SCAG on today’s summit. This event brought business, labor, and government leaders together and really “hit the mark” because it was action oriented. Our focus today was not just on the “state of the economy”, but on actual real world solutions for accelerating economic recovery in Southern California.”

President Becerra said “SCAG in partnership with labor and business must work closely with Sacramento leadership in the next legislative session to pass legislation that puts Southern California residents back to work and provides business leaders with certainty on investing in additional jobs in our region”. Several legislative priorities discussed at today’s Summit can be found at www.scag.ca.gov/economicstrategy. We plan to meet with leaders in Sacramento in February to get to work.”

SCAG’s inaugural economic summit was originated under the leadership of Jack Kyser, SCAG’s Chief Economic Advisor, in 2010. As this year’s summit drew to a close, many remembered his tremendous contribution and stewardship.

Top legislative priorities include:

- Project streamlining and expediting project delivery and job creation.
- New method of financing projects and investing in the community.
- Ensuring a portion of the revenues generated from the Cap & Trade program are allocated to transportation improvements.
- Lowering the threshold for local voters to approve local tax measures.

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About SCAG

SCAG is the nation's largest metropolitan planning organization, representing six counties, 191 cities and more than 18 million residents. SCAG undertakes a variety of planning and policy initiatives to plan for a livable and sustainable Southern California now and in the future. For more information about SCAG's regional efforts, please visit www.scaq.ca.gov.