

From the Desk of the CEO

Dear CALED Members,



As I write this update, we are wrapping up the end of a two-year legislative session. Additionally, CALED's leadership just held a strategic meeting to discuss trends in the field and profession of economic development and the continued role CALED can – and should – play in supporting our members. When reflecting on our role, we consider the state of local economic development in California and the current legislative environment.

California has a dynamic economic development landscape, and we know that local economic development is not a one-size-fits-all proposition. As our leadership met, some of the trends they shared that they see across the state include 1) the need for more training on a broader array of economic development topics, 2) concerns regarding the stability of local government budgets, 3) more communities are focusing on reviving their downtowns to further economic development goals, 4) there is an increased understanding of the value of local zoning, and 5) continued anxiety about how to get increased and new power to businesses and economic development projects.

At the same time, while many legislators and Governor Newsom's administration seem supportive of economic development tools and resources, there is still a push to restrict or remove all-together local governments' ability to zone and plan for economic development projects – especially if they don't include or are focused on building housing. This dynamic played out in the outcomes on a few of the bills that CALED engaged on.

- AB 98 (Carrillo) – Warehouse development restriction bill. We opposed the bill and encouraged members to do the same. Governor Newsom signed this bill late in the session.
- SB 1140 (Caballero) – EIFD formation streamlining to make the process less complex and costly. We supported the bill and Governor Newsom signed it.
- Support for Manufacturing Investment Incentives – we sent letters to the Governor requesting signatures on:
 - AB 52 (Grayson) – Allows a credit against state personal or corporate income taxes to offset sales and use taxes dedicated to local agencies on manufacturing and research equipment. Governor Newsom vetoed this bill.
 - AB 2922 (Garcia) – Extends the Capital Investment Incentive Program by 10 years and offers a new option for qualified manufacturers which invest more than \$25 million in a community and hire local workers. Governor Newsom signed this bill.

With these trends and the legislative environment in mind, CALED is as determined as ever to fight for economic development tools and resources and to expand our training opportunities not only to help our members, but to help decision makers understand the value of economic development and what effective practical implementation looks like. It is our hope to engage our members in this work as we consider future opportunities to create influence on behalf of California's economic developers.

If you are interested in learning more about CALED's work related to legislation, please feel free to reach out to any of the CALED team. We are your association and welcome your engagement.

Sincerely,

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