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SACRAMENTO, CA WASHINGTON, D.C.

ECONOMIC DEVELOPMENT

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DRIVING ECONOMIC GROWTH THROUGH CLEAN TECH, MOBILITY, AND ADVANCED MANUFACTURING INNOVATION

Requested Action:

The Economic Development Team seeks Congressional support for a U.S. Economic Development Administration Regional Technology and Innovation Hubs (Tech Hubs) designation, specifically for the California Mobility Center.

- Establish an innovation ecosystem to drive research and development in targeted sectors.
- Pursue funding opportunities at the federal and state levels for clean tech and semiconductor initiatives.
- Advocate for a regulatory framework that supports growth in clean tech and semiconductor industries.
- Develop and implement industry cluster initiatives with a focus on clean tech and semiconductors, emphasizing advanced and precision manufacturing.
- Create a strategic positioning plan to enhance the region's visibility and attractiveness.
- Foster collaborative partnerships with industry leaders, research institutions, and government bodies.
- Address the quality job gap by prioritizing workforce development programs to meet the specific needs of the clean tech and semiconductor industries.

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Business Nexus

California's Capital Region is poised to become a hub for economic growth, with a specific emphasis on clean energy and transportation technologies (clean tech) and semiconductor, cornerstones of the future economy. The outlined objectives include strengthening industry clusters, fostering innovation through workforce development, solidifying regional leadership in clean tech and semiconductors, addressing regulatory concerns, enhancing strategic positioning, securing funding, building collaborative partnerships, and bridging the quality job gap.

Initiatives like California Jobs First and the California Mobility Center contribute significantly to the region's economic development by addressing the quality job gap and fostering a robust workforce for clean tech and semiconductor industries. Emphasizing clear and present opportunities in advanced and precision manufacturing will greatly enhance the region's economic potential in the global landscape of clean technology and semiconductor innovation.

Background

California has historically been home to some of the most famous clean tech and semiconductor companies. Now with federal tax credits and incentives from the Bipartisan Infrastructure Law and Inflation Reduction Act, there's opportunity to stack with state tax credits and incentives designed to recruit new manufacturing and research investments. Sacramento, the Capital City of a six-county metropolitan region and the world's sixth-largest economy, stands at the cusp of a transformative economic journey, particularly in the clean tech, semiconductor, and advanced manufacturing sectors. The region is ready to capitalize on existing strengths, foster innovation, and attract strategic investments to propel itself to the forefront of these crucial industries.

The region's ability to become California's driver of the next generation in clean tech and semiconductor manufacturing is directly in view. Projects like the California Mobility Center and funding opportunities like California Jobs First will create immediate impact in growing a workforce trained in manufacturing skills for high-road jobs positions. The California Mobility Center is a shovel-ready, 25-acre clean tech campus plan focused on providing research and development and workforce training space for clean energy, power, and zero-emission innovation. With California Environmental Quality Act approval and having already conducted an Environmental Impact Report, the proposed development will marry research from the University of California and California State University systems with private sector investments focused on technology advancement. The Mobility Center's current workforce development training with battery manufacturing, EV charging station maintenance, and other clean tech training classes will grow exponentially with new funding for the 25-acre campus.

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The California Mobility Center has already earned early support for the Tech Hubs designation from industry leaders like Tesla, Rivian, Bosch, Siemens, and Lion Electric, and is set to reapply for the federal the designation to accelerate next generation battery technology for electric vehicles and utility storage. Their reapplication will include new partners, including Lawrence Berkeley National Laboratory and the Contra Costa County Green Empowerment Zone.

The Capital Region is also at a pivotal moment to build upon existing assets, momentum, and a shift towards a more climate resilient, inclusive, and diverse economy. In 2018, the Brookings Institute conducted an economic assessment for the six-county region that identified key areas for economic growth, leading to our region's 2020 EDA-funded Comprehensive Economic Development Strategy (CEDs), The Prosperity Strategy.

In 2023, the State of California awarded the region a California Jobs First (formerly Community Economic Resilience Fund) grant to build a collaborative strategy for inclusive growth in the Capital Region, part of a major investment in 13 regions across the state to foster the transition toward more resilient and equitable growth. In addition, the region received one of 13 designations to become an Inclusive Innovation Hub designated by the California Office of the Small Business Advocate and their Accelerate CA program. The Brookings Institute analyzed the region's post-Covid economy and provided recommendations to increase quality jobs with more inclusive pathways and increase opportunities for disinvested communities.

Brookings found that the region needs to produce 335,000 quality jobs to support the 38 percent of our population who are struggling to make ends meet and recommended a focus on four key tradeable sectors to produce quality jobs in sustainable industries. These include AgTech and Biomedical Sciences, Precision Manufacturing, Working Lands, and Advanced Business Services. Investment is needed in talent, innovation, small business and entrepreneurship, and infrastructure to drive cluster growth.

The California Mobility Center and California Jobs First funding program will allow the region to create a workforce supported ecosystem capable of helping achieve California's ambitious climate goals. The state aims to be carbon-free and operating on 100 percent renewable energy by 2045 and has set zero-emission targets for light-, medium-, and heavy-duty vehicle sales between 2035 and 2040¹. These workforce development training programs at the state and local level supplement the funding packages that are coming out of Washington D.C. from the Department of Energy and Joint Office².

Sources:

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- ¹ <https://www.gov.ca.gov/wp-content/uploads/2019/09/9.20.19-Climate-EO-N-19-19.pdf>
- ¹ <https://www.energy.gov/articles/biden-harris-administration-announces-24-million-expand-americas-clean-energy-workforce#:~:text=WASHINGTON%2C%20D.C.%20%E2%80%94%20In%20support%20of,not%20require%20a%20four%20degree.>

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