

Good Morning, Walnut Creek!

Many of you may remember this salutation from Robin Williams,....

Well, if the business surveys we have conducted are any indication, this year may very well be the best year of our lives! **Walnut Creek business is strong—and positioned to grow stronger still. And the people in this room deserve the credit.** It's because of your hard work, and vision, and collaboration, that we can say Walnut Creek is a city poised to Lead the Way to a bright future.

**It's been my great pleasure this** past year to serve as the Chair of the Chamber of Commerce. I was thinking about that word **COMMERCE**. We can't really assess the State of our City without thinking about Commerce. Although narrowly defined as "business transactions", in its broadest terms, commerce includes social relations, communication, learning intellectual and spiritual exchange -- Partnerships and collaboration. It seems especially important to keep that broad definition in mind as we explore the state of our city, **because all of us in this room treasure** not only the business we conduct in Walnut Creek, but the **quality of the lives** we lead here, day in and day out, as we go to work, and raise our kids, and play, and shop and socialize together. And by defining commerce broadly, we can **better celebrate our successes** and our progress, but also note the challenges we face. **The Walnut Creek Chamber of Commerce is working hard on** your behalf, in support all the aspects of Commerce.

I'd like to share with you **2 shining examples of Walnut Creek's robust business climate**, how the Chamber is an integral part of these, and **then 3 especially interesting results of a recent business survey** we offered to our members. I'll conclude by **offering some specific and challenging ideas on how we in Walnut Creek might address some of the difficulties** faced by our city today, and announcing **exciting new programs** that the Chamber is launching.

When the Chamber Board met last spring for an all-day planning conference, we decided, as a group, on areas we felt the Chamber of Commerce could make the most difference. Here is a graphic of the organization of the Walnut Creek Chamber and our **strategic goals**.

Our first shining example of a **robust business climate** and the **power of partnerships** comes from **SHADELANDS**. I know Mayor Wedel is going to speak more about this, but here is what I want to emphasize. For years, The Shadelands was, kindly put, an underutilized business asset. The Chamber of Commerce led the charge and worked with the city and property owners to form a Property Business Improvement District. The PBID allows the property owners to generate revenues to **tackle their difficulties**, and fund their priorities. The PBID revenues allowed the bus services, and now the new Lime Bike-BikeShare service, launched just last week, whose tagline is **download, unlock, and ride anywhere**. These changes have transformed Shadelands. According to Newmark Knight Frank's 2017 Office Market Report, Shadelands, was the best performing submarket, capping the best 2 calendar years of listing in the submarket in over 30 years! **The revitalization** of the Shadelands is one of the great success stories of the year.

The **second example of robust business climate** and the power of partnerships is the Walnut Creek CONVENTION and VISITORS BUREAU –a structure much like the Property Business Improvement District, but funded by tourism dollars. In 2017 we recorded 290,000 room nights booked in Walnut Creek. And studies show that each overnight visitor spends **on average \$160** per day on food and retails in addition to the cost of rooms. **Now, this money added over \$46 million to the WC economy, in addition to sales taxes and \$2.3 million estimated Occupancy Taxes.** To almost quote Senator Everett Dirksen - a million here, a million there, and pretty soon you're talking about real money! Every year the Walnut Creek Chamber and Convention Visitors Bureau spends more than \$300,000 promoting Walnut Creek to visitors. If you haven't seen Linda Colberg's beautiful "CelebratingBusiness and Community" video from last year's state of the city I highly recommend you watch it. You can find it on the Chamber's website.

Now to our Survey:

In the 2018 Business Climate Survey, we were astonished to see that 64% of the responses were from businesses who had been here more than 10 years. This means that many answers were offered not with just short term experience of a new business, but with the **broader vision** of business people who have seen many cycles. And 6 of 10 **businesses had fewer than 20 employees**. In Walnut Creek, **small** business is a **big** part of our economy.

And, what did our respondents say?

9 of 10 feel the local economy is going in the right direction, and a stunning 79% felt sales would be higher next year. **See? Good morning, Walnut Creek!**

However, one area was of consistent concern: **the ability to attract and keep employee candidates with appropriate skills.**

The Chamber believes we need a “multi-lever” **approach to address the dual challenge of people without jobs, and jobs without people.**

**One of those levers is the need for leadership and skills-based training.** The 4 year degree is not the only path to prosperity and work-based learning like apprenticeships, can lead to fulfilling careers. We also need to encourage life-long learning, helping workers adapt to change. **To help fill this need, the Walnut Creek Chamber has formed Chamber Foundation**, whose mission is to foster the development of leadership, and to provide a link between the education system and the business community. One of the programs will be an expansion of Leadership Contra Costa – which many of you know –how many here are graduates of the program? I may be the only person who hasn’t been through it! We plan on developing programs to connect local college apprenticeship programs and local and regional businesses. **The bottom line is that we can’t strengthen and sustain economic growth unless we grow and support our workforce.**

Now, Providing work opportunities for our young people to live near where they work is a major challenge—**in our survey ¾ of our respondents were over 45.** Where are our young professionals? You know what? They can't afford to live here.

According to **the Contra Costa Association of Realtors** the average sales price for a single family home in Walnut Creek is \$1,071,000. The average condo price is \$543,000. According to Redfin, it takes a \$200,000 income to be able to buy that house. Now, I don't know about you, but when I was 35 years old, I never even heard that kind of money. Many of us have been proud as baby boomers that the 65 million of us has changed the face of the country and the economy as we worked our way through our life stages. **Well, look out everyone, because the next tsunami** to hit our shores is even BIGGER than the baby boomers, and there are 85 million of them---the millennials. **And they are changing the way we work, we live, we drive, and everything. Now, they're a little late to party**—marrying later, having kids later, and establishing careers later-as anyone with a boomerang kid can tell you. But look out-they are here. **And if Walnut Creek is to lead the way, we must adapt as a city to the needs of this generation. The next generation of workers wants a more urban environment, with access to mass transit** Who among us doesn't treasure working and living in Walnut Creek? **Yet, shame on us, we permit huge barriers** to living in Walnut Creek due to lack of housing, especially the more affordable condos and even larger barriers to companies that want to locate here to employ our children by our height limits that preclude companies from headquartering here. **What does that mean?** It means that families either can't afford to live here, or live the nightmare madness. on 680 of 1, 2 hour commutes to SF. I sometimes get to work at 5:30 in the morning, and 680 is ALREADY bumper to bumper. My assistant, Ila commutes in at 5am to beat the traffic, and still drives an hour. And she has a 3 year old and a 1 year old child. I wish I could see those children in downtown Walnut Creek. **If we are to step fully into our future, if we are to LEAD THE WAY, we must re-think our attitudes about what an urban-suburban life looks like.** To provide opportunities for our young workers to raise their families near where they work, **we must open our**

**eyes to way new generations live.** . Dare I say it, we need to re-open the discussion around Measure A and height limits that were put into place 33 years ago. We cannot build a 21<sup>st</sup> century economy using 20<sup>th</sup> century height limits. **We need density** not everywhere, but around transportation hubs. We fall short of our responsibility to new generations by keeping business out of Walnut Creek through rigid codes from decades ago. **I challenge our business, and cultural, and political leaders to open this dialogue so we can provide a better, more welcoming environment to people businesses who wish to join us here.**

**And, speaking of the future.** I mentioned at the beginning of my talk that the Chamber is serious about leading the way to the future of Walnut Creek. The Chamber wants to bring together the best minds in the country and in our area, **to think deeply about what all this means**, what we know about it, what we wonder about and what we want to embrace in our communities. So **I'm thrilled to announce**, (you heard it here first!) to be held in the fall of 2019, a broad one-day conference sponsored by the Chamber, on "the Future of Us." **The future of health care, of transportation, of education, of housing, and of work.** I hope each of you will consider becoming committee members, and major sponsors, and supporters of this new Conference. Templated after the award-winning EBWC, which has sold out every year for 13 years, you are going to want to get in early to be a major sponsor for the **Future of Us.**

As a friend of mine used to say, we are lucky, lucky lucky. We are indeed blessed as we cradle in the benevolent shade of our beautiful Mt. Diablo. Let us be bold, and take our place as we can, and we should, and we must, lead the way to our future. **And friends, growth is our future.** If you are a **bank** or lending institution, open your doors to business lending to our companies, if your **own a company**, support an apprenticeship program through the Chamber Foundation, if you are in the **real estate** business, **be the engine** for robust dialogue around how we grow best. **Everyone, Join us at the WC Chamber** so we can all wake up every morning and shout "Good Morning, Walnut Creek!"