

POLICY WATCH – May 2021

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The merry month of May is all the merrier with the promise that come June 15th, we will see the end of most of the pandemic-induced restrictions. This issue looks at positive signs for the recovery and why the North Bay may be lagging in some key areas. We again see the link between our failure to build more housing and a shrinking of the workforce we need to fill the jobs being generated. We also look at issues holding women and BIPOC back from returning to the workforce and keeping their businesses afloat.

We welcome Strata Clean Energy as a new member to NBLC. Strata is one of the market leaders in utility-scale solar and battery-energy-storage and will greatly contribute to NBLC's public policy work around climate change adaptation and the move to clean energy.

We hope you will attend our State of the North Bay Conference on June 10th where we promise you will learn new things about the North Bay economic ecosystem and the path to our prosperity. And please, help us find the top Leaders in the North Bay by nominating one you admire so we can honor them at our awards luncheon. One of our favorite programs is the Youth Power Speech Competition which awards the top contestants with college scholarships and the winner with being the Keynote Speaker at our awards luncheon. If you know a teen with a passionate cause, please encourage them to enter the competition!

Best,

Cynthia Murray

Cynthia

Economic Recovery Revs Up

The North Bay economy is revving up its recovery from the pandemic and the shutdowns it forced. On June 15th, most restrictions will be lifted by the State and the Counties. That means the end of caps on capacity in businesses, no social distancing and no masks for vaccinated individuals. But Felicia Alvarez ([Link](#)) says, "Restrictions are still set to continue for workplaces, however. Workplaces are still under a set of emergency Covid-19 standards adopted by the California Division of Occupational Safety and Health, which mandate mask-wearing and social distancing. The Occupational Safety & Health Standards Board

has been weighing changes to the emergency standards that could see mask-wearing mandates dropped. The board is set to weigh in on a proposal to alter its Covid-19 standards and other requirements at its June 3 meeting,” which means we should have more clarity on business operations, especially regarding employees then.

The removal of most restrictions will give us more ability to resume normal activities which will spur spending and bolster struggling businesses who have been crippled throughout the pandemic. We are already seeing that unemployment is down and job postings are up. There are challenges with the labor force which we will address below, but to frame the positive outlook, take a look at what is happening at the national level:

Mark Schniepp writes in Back on Track Faster Than Expected . . . and Residential Real Estate Demand Remains Firm, “Early spring and it’s all good news at this point. Though the improvement in the U.S. economy this year was expected, the actual levels of growth are better than anticipated. Here is just some of the recent evidence that I’m looking at that is quite stunning:

Recent Evidence: U.S. Economy / May 2021

- Fiscal stimulus in March generated the largest increase in personal income on record
- Consumer spending soared in March, rising nearly 4 percent
- First Quarter GDP surged 6.4 percent
- April 2021 auto sales is the strongest April in the history of the U.S. auto market
- The labor markets are roaring back, especially in the wide-open states
- Manufacturing production and inventories have risen sharply this year
- The housing market has barely cooled, and selling values keep soaring
- The March 2021 median price was 17.2 percent higher than in March 2020
- Vaccination rates have ramped up as supply becomes more available

“Spending would have been higher if not limited by pandemic obstructed spending on services. Therefore, as limitations ease on close human contact businesses that provide services, higher rates of spending are likely this year, and this will translate into a meaningful boost to economic growth,” says Schniepp.

He predicts, “Economic growth was impressive in the first quarter of 2021, but we look for a higher pace in quarters 2 and 3 as mass vaccinations continue and business restrictions are abolished. Real GDP will reach its 2019 peak by the end of this quarter (2021 Q2) and be back to its prior (2019) trend by 2022 Q1.”

Back in the North Bay, unemployment is dropping closer to pre-pandemic rates. In April, Marin County was the lowest at 4.6%, followed by Sonoma County at 5.7% and Napa County lagging at 6.3%. All of these rates are great improvements from the lows of last spring. For comparison, the April rate for California was 8.1% and nationally was 5.7%. The Bay Area has been one of the slower parts of the state to achieve higher employment, partially because of the hospitality industry still being so restricted.

Businesses are opening up and hiring. Unfortunately, many are having trouble opening up to full capacity due to trouble filling open positions. There is great consternation that jobs at all levels are difficult to fill. Some see a labor shortage, but others see a variety of reasons that unemployed people aren’t taking these jobs. Some reasons offered are the need for companies to pay higher, competitive wages and some unemployed people choosing to remain on the boosted amount of unemployment.

Perhaps more central to why the North Bay is having troubling hiring goes to our region's demographics. Marin and Sonoma counties have outsized aging populations, with many soon-to-be retired or retired. Napa is not so out of alignment with the average. We have less people in the workforce with alarming amounts of people over 55 years old soon to be retiring. For example, Sonoma's total workforce is approximately 250,000. The age of the workforce over 55 is 173,000!

The number of millennials living in the North Bay is the reverse – there is shrinking amount of millennials in the North Bay compared with the national average for this area. This is especially true in Marin County. As we know, the population has been decreasing in the North Bay, one major factor being the high cost of housing. Those leaving tend to be millennials in search of affordable housing, especially now that they are able to work remotely or in a hybrid situation that doesn't require long daily commutes.

In addition, the North Bay's workforce participation rate is declining, with only about 60% of the working demographic actually participating in the workforce (Napa County is closer to 62%). It is harder to fill jobs, and be encouraged to create new ones, with that low level of participation. Also, the North Bay is not generating jobs that fit the level of education of its workforce. We need to do a better job attracting businesses with positions that require higher degrees and upskill the workers who lack of skills current jobs require.

These factors – high number of older workers, shrinking number of younger workers and low workforce participation – greatly impact the ability of the workforce to meet the job demands of North Bay employers.

Another important factor is the number of women who were pushed out of the workforce due to a lack of childcare as well as fear that their public-facing jobs put them at high risk of bringing COVID home to their families. Women have been impacted far greater than men in the loss of jobs and we need to do more to help them return to the workforce. All the jobs created in April were for men! The childcare issues remain a problem for women to return to the workforce as the pandemic response has cut childcare slots and increased costs. And there is a big reassessment by many workers, especially women, about the work they did, with many changing careers to something more fulfilling and with less income volatility.

These concerns are being addressed by several solutions, many driven by changes wrought by the pandemic. One is to make more positions meet the demands of the talent they seek, such as higher pay, more remote work, and increased benefits. Another is to hire people who don't have all of the skills they seek and train them onsite. Providing childcare onsite or more support for the expansion of childcare in their communities holds promise. Helping educators provide skills education and training for the jobs being created is another effort, as there is a growing skills mismatch between the job requirements and the skill levels of the workforce. And lastly, there is an acceleration of automation and robotics for some employers who want to make their operations less reliant on scarce workers.

It is important to note that the North Bay economy before the pandemic needed improvement. One of the biggest improvements needed then and more obvious now is the need for more equity. Especially with Marin County being identified as one of the most inequitable counties in the state, economic efforts must include ways to address those inequities, so we rebuild the economy better than before. The Keep Marin Business Survey showed how hard hit women and BIPOC businesses were, the difficulty of these business to access relief funds, and their need for more support. Our goal should be more than recovery. We need to put our energy and financial support into helping these businesses thrive and be the economic

engine that small businesses have been and will be in this county. And to have robust training programs to raise the skills workers in Marin to match the job openings today and tomorrow.

As we continue with the recovery, let's ensure that we also continue to diversify the workforce, help BIPOC business thrive and do more to educate and train the current and future workforce that is key to our economic vitality.

Get Your Tickets to the State of the North Bay Conference on June 10th!

NBLC's annual State of the North Bay Conference will give you insights and knowledge from original research provided by two of the top analysts at the Bay Area Council Economic Institute: Patrick Kallerman and Greer Cowan. These experts will share data on our economic resilience, what our challenges and opportunities are, and key factors shaping our future prosperity. Find out on June 10th!

To get more information or buy tickets go to:

https://us02web.zoom.us/webinar/register/WN_xXgPwX1sQOCWZeHprUvTFQ

Strata Clean Energy Joins North Bay Leadership Council

North Bay Leadership Council (NBLC) welcomes Strata Clean Energy as a new member. Strata Clean Energy is one of the market leaders in utility-scale solar and battery-energy-storage. Their mission is to create opportunities for clean, renewable energy. Patty Garbarino, chair of NBLC and President of Marin Sanitary Service, said, "Sound public policy on climate change adaptation is a priority for NBLC members. We are excited to have Strata join us in our public policy work to increase clean energy and build more resilience in our energy grid."

Strata recently developed the Ventura Energy Storage grid-scale battery in southern California, one of the largest standalone battery storage projects in the United States. The company is now pursuing a similar battery storage project in northern California, near Petaluma. The project, North Bay Energy Storage will increase the reliability of the electrical grid in Sonoma and Marin County.

Strata is privately owned and operated, headquartered in Durham, North Carolina, with multiple projects throughout the USA, including the site in Petaluma. As an independent power producer for over a decade, Strata has proven competence across the clean energy infrastructure space.

Will Mitchell, Vice President, Business Development, is the NBLC member representative. Mitchell said, "Strata wants to be a strong community partner as we expand into the North Bay and are joining NBLC to work with community leaders to make the North Bay more resilient and prosperous. We look forward to supplying much needed energy storage, grid resiliency, and new jobs and revenue to the North Bay." Strata's North Bay Energy Storage will provide a major source of local capacity with enough batteries to serve over 150,000 Sonoma and Marin homes. The Project will also capture excess solar energy and deploy it back into the grid when it is needed most.

Mitchell is responsible for commercial and development activities as well as policy initiatives and public affairs. He has served on numerous Trade Association Boards. Will is active in his North Bay community of Stinson Beach where he is an elected Fire District Commissioner and serves as a volunteer firefighter.

As a community partner, Strata puts an emphasis on recruiting military veterans to create jobs and training for a successful career in a growing field. They also work with participating community colleges and tech schools to develop program curriculum and expand opportunities in the clean energy space.

SMART Launches Welcome Back Campaign with a New Expanded Service Schedule and Reduced Fares

Another sign of recovery is the expanded service schedule of Sonoma Marin Area Rail Transit (SMART), including five trips added to the weekday schedule and the resumption of Saturday weekend service. SMART also announced a significant reduction in the price of fares to kick off its Welcome Back campaign.

With the North Bay opening back up as COVID-19 restrictions ease, SMART held numerous listening sessions and conducted two surveys to reassess the public's travel needs and interest in weekend service.

Weekday Service: Beginning on Monday, May 24, 2021, SMART will add two new morning trips and three new afternoon trips to the weekday schedule. These additional trips address SMART commuters' requests for later morning trips and later afternoon trips.

Additionally, SMART now offers the last Northbound train departing the Larkspur Station at 8:29 PM to enable riders visiting Marin County to enjoy dinner and travel back by train.

Weekend Service: Beginning on Saturday, May 29, 2021, SMART will resume Saturday weekend service with an enhanced schedule.

New Promotional Fares: Beginning on Saturday, May 29, 2021, SMART will kick off its Welcome Back celebration with new reduced fares available only on the SMART eTickets app until September 2021, when the reduced fares will be available on Clipper. The promotional fare will run through May 31, 2022, and offer riders over 40% off the price of fares.

SMART will reduce its weekday fares to a \$1.50 base for travel within 1 zone and \$1.50 for each additional zone traveled. Seniors, youth, low-income, and passengers with disabilities will receive a 50% discount rate of \$.075 for the first zone and \$.075 for each additional zone.

SMART is also pleased to offer a Weekend Day Pass to our weekend travelers – a fantastic deal for families with children or grandparents. The Weekend Day Pass is \$10.00 for adults & 5.00 for seniors, youth, passengers with disabilities, and low-income passengers. The Weekend Day Pass offers unlimited rides for the entire day.

The mobile ticketing app is available for download in the Apple App Store and Google Play Store. See our Mobile App FAQs for additional information.

In September 2021, SMART will offer a discounted 31-day pass providing unlimited rides for \$135 for adults and \$67.50 for youth, seniors, passengers with disabilities, and low-income passengers. The 31-day pass is not available on SMART's eTicket app.

Our new enhanced schedule, the resumption of Saturday service, and new promotional fares are just the first part of SMART's Welcome Back Celebration – expect more to come later this fall!

“We are excited to welcome our riders back to SMART as the North Bay opens up from COVID-19 restrictions,” said SMART Board Chair David Rabbitt. “The added trips, Saturday service, and reduced fares will certainly help kick start the region’s economy.”

Nominate a North Bay Leader!

Do you have a leader you admire? We want to know who it is! NBLC wants to honor the people and organizations in the North Bay whose leadership on challenging issues have made a positive difference in the community. If someone, an organization or a group has touched your life in a memorable way, please nominate them for a Leaders of the North Bay Award.

There are five categories:

- From Red Tape to Red Carpet (Leadership in Government)
- United We Stand (Community Building)
- Paint the Community Green (Environmental Stewardship)
- The Light Bulb Went On (Innovative/Entrepreneurial Spirit)
- Empowering the Latino Community (Leadership within the Latino Community)

The deadline to submit a nomination is June 24th. To download a nomination form, please click here [Link](#). The honorees will be recognized at an Awards Luncheon at the Embassy Suites Hotel, San Rafael, on December 10th.

Help a Teen Earn a Scholarship: Encourage Them to Enter the Teen Speech Competition

North Bay Leadership Council wants to hear from Teen Leaders in the North Bay! We are hosting a Youth Power Speech Competition for students ages 16-20. The winning applicant will be chosen to be the keynote speaker at our annual Leaders of the North Bay Awards Luncheon on December 10th and receive a \$5,000 college scholarship. Runner ups are also eligible for scholarships. Please encourage a teen you know to enter! The deadline to enter the competition is July 2nd.

For more information and an entry form, click here. [Link](#)

NBLC Member Anniversaries

Thank you to the for being NBLC members all these years!

First 5 Sonoma County ~ 2-year anniversary

Members in the News

North Bay Business Journal Wins 6 Awards in California Journalism Contest

The North Bay Business Journal, which covers the entire six-county North Bay region, captured a half-dozen awards in the California News Publishers Association’s 2020 contest.

Sonoma Raceway Hosts Speedway Children's Charities Fund Raising for Sonoma County Youth During NASCAR Weekend

The Sonoma chapter of Speedway Children's Charities (SCC), the charitable arm of Sonoma Raceway, is dedicated to raising much-needed funds during raceway major events.

Bank of America Increases US Minimum Hourly Wage to \$25 by 2025

Bank of America announced it will raise its U.S. minimum hourly wage to \$25 by 2025.

Press Democrat wins 23 awards in CNPA California Journalism Awards

The Press Democrat was honored Saturday by the California News Publishers Association with eight first-place awards, including the top award for general excellence for the second consecutive year.

SPARC's Proposed Dispensary Was Approved by the Sonoma Planning Commission 5-2

SPARC'S proposed dispensary was approved by the Sonoma Planning Commission 5-2. Eight modifications will be made, mainly to architecture of the dispensary. This will be Sonoma's first dispensary.

Friedman's Home Improvement's CEO Barry Friedman Reflects on Family Business in 75th Year

Under Barry Friedman, the third generation of his family to run Friedman's Home Improvement, the retailer last month reached the milestone of 75 years in business.

Midstate Construction and Burbank Housing Completes Stoddard West Apartments

General contractor Midstate Construction Corporation, developer Burbank Housing, and partner The Peter and Vernice Gasser Foundation recently completed Stoddard West Apartments, a new four-story, 50-unit multi-family affordable housing community in Napa, CA.

Star Staffing Awarded Forbes Best Recruiting and Temporary Staffing Firm Award for the Second Year

Star Staffing is proud to be recognized as a Forbes Best Recruiting and Temporary Staffing Firm for the second consecutive year.

Redwood Credit Union Wins Industry Marketing Awards

Redwood Credit Union (RCU) recently received four Diamond Awards at the annual Credit Union National Association (CUNA) Marketing & Business Development Council conference—this year held virtually.

Dominican University of California Delivering on Excellence and the Highest of Standards in Business Education

AACSB International (AACSB) announced today that Dominican University of California has earned accreditation in business.



Who We Are

Over twenty five years ago, business leaders founded the North Bay Leadership Council on a simple premise: We can accomplish more by working together. Today, the Council includes 54 leading employers in the North Bay. Our members represent a wide variety of businesses, non-profits and educational institutions, with a workforce in excess of 25,000. As business and civic leaders, our goal is to promote sound public policy, innovation and sustainability to make our region a better place to live and work. For more information: Call 707.283.0028 / E-mail info@northbayleadership.org

www.northbayleadership.org