

ABAG
Nov/Dec 2000



Service Matters

The Gene Age: Bay Area Biotech Boom

Local Government and Bioscience Industry Convene



Is biotechnology merely a “new (and controversial) branch of medicine and agriculture, or is it better understood as something much more historically important... *a third industrial revolution* or maybe a more responsible approach to evolution?” That was the rhetorical question posed by Walter T. Anderson, Director of Program on Bioscience and Society and Vice President of The Meridian Institute, in his keynote address to the Association of Bay Area Governments (ABAG) Fall General Assembly, in cooperation with the Bay Area’s Bioscience Center’s (BABC) 8th Annual Gene Acres. Walter Truett Anderson is a political scientist, futurist, and author of numerous books including **Evolution Isn’t What It Used To Be**. He reminded the audience of more than 200 government officials, bioscience industry and local economic development representatives that bioscience is not going away: “the genie is out of the box” and “it is bigger than you think.”

For two days, October 5th and 6th, speakers and panelists translated this biotech boom into Bay Area realities and the ways public and private sectors can work together. Biotech industry experts, scientists and local government officials discussed the impact of biotechnology on the Bay Area locally and globally, the vital

role of the research community, public policy and regulatory agencies, local government partnerships and the future trends of bioscience. Industry presenters talked about the jobs created and the problems with hiring because of the lack of affordable housing and the related commuter woes. Presenter Scott Morrison, an industry analyst for Ernst & Young, phrased it this way: “the Bay Area is at risk of losing its leadership in the life sciences sector (as home to the oldest and largest biotechnology cluster in the world) unless we refocus our efforts on housing and transportation problems.”

Other speakers and panelists shared information on their projects and partnerships and defined how they were addressing regional issues, including growth of the industry. Linda Best, Executive Director of the Contra Costa Economic Partnership talked about their proposed \$2.5 million biotechnology incubator, a project to stimulate job creation and new business formation. Their plan is to locate three to five business incubators in Contra Costa County, providing affordable wet lab space and equipment, furnished office space with flexible leases, support services, and business assistance programs to small entrepreneurial companies during the early critical stages of their growth. Zach Hall, UCSF’s Vice Chancellor for Research, unveiled their plan to build housing and commercial space for biotechnology and information technology companies as part of Mission Bay, UCSF’s new 43-acre campus located near Pac Bell Ballpark in San Francisco.

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Service Matters is a publication of the Association of Bay Area Governments, the planning and services agency for the San Francisco Bay Area’s 9 counties and 101 cities.

The Gene Age/ABAG Fall General

Local officials like Walnut Creek Councilmember Gwen Regalia, South San Francisco Councilmember Eugene Mullin, Campbell Councilmember Dan Furtado, Vacaville Mayor David Fleming, Richmond Mayor Rosemary Corbin, Berkeley Mayor Shirley Dean, San Jose Councilmember Charlotte Powers, with Supervisor Bill Carroll presiding as ABAG President, shared their local government perspective. They talked about economic development and jurisdictional partnerships relating to biotechnology.

During the concluding keynote address on the second day, UC Berkeley Chancellor Robert Berdahl

analyzed the relationship of research and biotechnology, *"The Role of the Research University in the Biotech Economy."* Recognizing that the role of the research community is a critical part of the extraordinary success of Northern California as a world leader in the bioscience industry, Chancellor Berdahl highlighted the past and present research discoveries that are opening up the future. He talked about the \$500 million health care initiative, including \$300 million in new facilities, that has been launched at UC Berkeley. He concluded with the ethical implications that need to be addressed as discoveries and new information continue to be released. He wondered about the moral maze science and business must navigate: "What ef-

fect will knowing genetic predisposition have on people's life choices? On the other hand, how do we serve low-income communities and countries without access to these same health and economic bioscience discoveries and information?"

This General Assembly also featured a special reception, "Biotech on Display" where participants experienced the "DNA of the Industry" and met with leading Biotech industry representatives, economic development groups and elected officials. During the conference, special acknowledgement was given there to the major conference sponsors Catellus Urban Development Group and Doubletwest, and to supporting sponsors Rigel, ISEC, Inc., Sigma-Aldrich, and Ground

GA Snapshots

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Green Business Program wins award

The Alameda County Green Business Program has been selected as an award winner for the Peninsula Conservation Center's (PCC) 2000 BEN Environmental Awards Program in the Environmental and Sustainability Education category. Founded in 1990, the annual Business Environmental Awards Program recognizes and celebrates innovative environmental achievement within the business community. Business, government, academic and nonprofit organizations in Santa Clara, San Mateo, San Francisco, and Alameda Counties may apply for an award.



The Alameda County Green Business Program is part of the **Bay Area Green Business Program (BAGP)**. Coordinated by the Association of Bay Area Governments, the BAGP is a voluntary program currently offered in Alameda, Contra Costa, Napa, Santa Clara and Sonoma Counties. Collectively, the programs have certified more than 240 "Green" businesses. Businesses achieve certification by demonstrating compliance with all environmental regulations and meeting additional standards for waste reduction, pollution prevention and energy and water conservation.

Participating counties may target specific industries, or offer the program to all businesses. Alameda County has targeted auto repair shops, printers, hotels and events centers, and will work with other businesses to help them achieve green business certification.

The judges noted that the Alameda County Green Business Program exhibits the best combination of the selection criteria, which include environmental leadership, significant environmental benefit, a model for the business community and demonstrated program commitment. In particular, the judges and the Peninsula Conservation Center Board cited the Program's transferability, and praised its leadership in creating a truly visionary program that gets businesses to look beyond their own area of environmental problems. The Alameda County Green Business Program will be honored at the BEN Environmental Awards Luncheon on Friday, November 17, in Redwood City. **Congratulations to County Coordinator Pamela Evans and staff Susan Sakaki on receiving this prestigious award.**

For more information about the program visit the Bay Area Green Business website at <http://greenbiz.abag.ca.gov>, or call ABAG Regional Coordinator Ceil Scandone at 510/464-7961.

Revitalize Communities through Recycling

The Throwaway: Abandoned and Underutilized Property

The California Center for Land Recycling offers a special workshop for community development officers, redevelopment managers, construction managers and other practitioners engaged in property acquisition, disposition or development. The workshop, "Managing Environmental Challenges on Your Project: Tools, Techniques & Resources," is a practical, interactive one-day event, with sliding scale fees, targeting the recycling of environmentally impacted sites. The intent is to provide the tools and techniques necessary for skilled management of contamination issues affecting abandoned and underutilized properties. When armed with basic skills related to managing site contamination, community development practitioners can then redevelop more properties and reduce the time, cost, and risk associated with contami-

nation issues. The end result is to revitalize the community with economically feasible and marketable properties.

A workshop will be held at Preservation Park in Oakland on November 9, with more planned at this site in coming months. ABAG will join with Bay Area Council, Greenbelt Alliance, Local Initiatives Support Corporation (LISC) and Nonprofit Housing Association of Northern CA (NPH) to co-convene future workshops. As Fran Wagstaff, Executive Director of the Mid-Peninsula Housing Coalition, commented: "This is a unique program to help us manage time and resources while dealing with complex environmental and regulatory information." For more information on upcoming workshops, call Trina Villanueva at the California Center for Land Recycling, 415/820-2080.

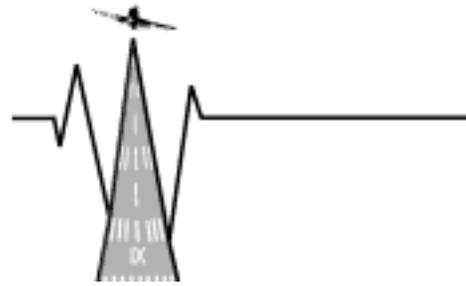
Don't Wing It When It Comes to Airports and Bay Area Earthquakes

Airports are economic engines of the Bay Area, vital to its economy and development. They are also vulnerable to disruption from earthquakes. Based on past experience in California and other recent earthquakes, airport operations are threatened in four ways: liquefaction damage to airport runways, shaking damage to air control and terminal facilities, power and communications disruptions and disruptions to the transportation systems serving the airports.

The ABAG Earthquake Program, in collaboration with the Metropolitan Transportation Commission (MTC) and with funding from the Federal Aviation Administration (FAA), sponsored one of a series of regional workshops in October to address this vulnerability. Called, "Don't Wing It," the workshop focused on developing strategies for improved emergency planning and coordination of emergency planning among airports, other transportation, emergency providers, and business.

More than sixty representatives from the regional airports, air cargo carriers, emergency responders, transportation providers, the military and local government joined together to ask "what if" questions of airports damaged by an earthquake and to pose strategies and solutions for minimizing the impact. Two facts drove the discussions about airport operations after an earthquake: one was that emergency responders need to use the transportation systems, including airports, after earthquakes; secondly, transportation system disruptions, especially to airports, can have a severe impact on a region's economy for months, if not years.

During the lunch keynote, Sean Randolph, President of the Bay Area Economic Forum, shared important economic realities about the Bay Area's three major



commercial airports and the need to keep them operational. Oakland, San Francisco and San Jose Airports serviced 56.6 million passengers on a total of 639,000 total flights in 1999. In addition there were 71,000 cargo flights or 195 flights per day. SFO handled 66% of the passengers, while OAK handled 76% of the cargo flights. Thousands of people work at the airports and the airports generate 33,456 air cargo related truck trips to and from the airport. He stressed that "communities and businesses depend on this supply of goods and services that airports transport, as well as the tourism dollars generated. It is essential to our Bay Area economy."

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Emergency Plans Presented

Presenters from United Parcel Service, Southwest Airlines, Agilent Technologies, and the FAA set the stage with their perspective and plans. The Red Cross shared its plan for sustained sheltering and feeding that would result from a Bay Area earthquake and the logistics of moving staff, medical supplies, communications equipment,

computer equipment and mass care support supplies into the area when airports and transportation arteries are damaged. Representatives from Travis Air Force Base, San Carlos General Aviation Airport, and Sacramento International Airport presented their emergency plans and issues as airport diversion sites and staging grounds for air relief.

The long-term action plans and short-term ideas for better planning that arose from this workshop and previous strategy sessions will be integrated into a major report on "Airports and Earthquakes" being developed by the ABAG Earthquake Program for unveiling in December, 2000.

For more information regarding the workshop presentations and materials from "Don't Wing It," contact Jeanne Perkins, ABAG Earthquake Program Manager at 510/464-7934 or e-mail JeanneP@abag.ca.gov.

Silicon Valley by 2010: More Growth and Consequences

New Report Outlines Opportunities for Action

ABAG and the Silicon Valley Manufacturing Group (SVMG) unveiled their latest report, *Silicon Valley Projections 2000*, at a conference held at Stanford University on September 20th.

Craig Barrett, President and CEO of Intel; Larry Horton, Director of Government and Community Relations at Stanford University; Paul Fassinger, ABAG Director of Research, and Carl Guardino, President and CEO of SVMG discussed key findings noted below.

Silicon Valley's population has been growing steadily, and over the next 10 years, the number of residents will increase by 250,000. The region is expected to add an estimated 180,000 new jobs, especially in southern **Alameda County** and southern **Santa Clara County**.

The housing market will experience even more pressure. In the past five years, new construction barely averaged 1 percent. Affordable housing advocates are working to improve the housing supply and financing options for homebuyers.

Living beyond Silicon Valley, where housing is somewhat cheaper, is becoming an option.

However, traffic congestion by new commuters into Silicon Valley will likely worsen. To ease the commuter nightmare, the state has allocated \$1.4 billion to fund highways and public transit improvements.

More people also means more children. School enrollment is expected to jump 8 percent. This translates into the need to increase the number of classrooms, repair and upgrade existing schools and attract more teachers.

Silicon Valley's environment could also become a casualty of growth. Efforts are being made to eliminate emissions and fuel spills. Cities are also adopting urban growth boundaries (UGBs) to prevent sprawl and protect open space. And finally, deregulation has caused uncertainties in the utility industry. Rising electricity costs and rolling blackouts may impact companies' profits. Advocates are working on solutions to provide safe and reliable energy to businesses and residents.

For the complete picture, *Silicon Valley Projections 2000* (Catalog No. P00010PRO) can be downloaded for free or purchased for \$10, plus tax.

Visit www.abag.ca.gov/planning/siliconvalley for more information.

Bay Trail Legislative sponsor, Senator Liz Figueroa (D-Fremont), in the center (with Legislative Aide Aaron Carruthers) presents ABAG Bay Trail Manager Janet McBride (left) and Rick Parmer, Chair of the Bay Trail Board (right), a ceremonial check for \$7.5 million, an historic state budget allocation for the Project.



EPA Awards ABAG \$125,000 for Bay Area Dioxins Projects

ABAG is the recipient of two grants from the United States Environmental Protection Agency (EPA) for \$125,000 that will fund pollution prevention efforts to reduce dioxins emissions from Bay Area cities and counties. Dioxins are an extremely toxic group of man-made chemicals that are byproducts of various industrial activities.

The money will be used to help communities analyze and implement projects that could reduce dioxins emissions. Projects could range from retrofitting diesel vehicles to purchasing chlorine-free paper. A community liaison who will provide information to local governments, regulatory agencies and community groups on dioxins-related issues will also be funded.

In the past two years, the Cities of **Oakland, Palo Alto and Berkeley**, the City and County of **San Francisco, Marin County**, the **Port of Oakland** and **ABAG** have passed zero dioxins resolutions. ABAG

has established a Dioxins Task Force to help these governments and other Bay Area communities address dioxins contamination. Last year, the EPA's San Francisco office listed dioxins as a high priority environmental issues for the San Francisco Bay. The EPA set a timeline for federal, state and local regulators to search out dioxin sources in the Bay Area and then devise pollution prevention projects to reduce dioxins emissions into the air and water. "This funding will help local governments who are showing leadership on this issue to come up with measures that can be taken to cut dioxins emissions, which in turn will benefit the entire Bay Area," said EPA Regional Administrator Felicia Marcus. "We all know that dioxins are a serious health threat — now it's time to reduce them at their myriad sources."

"We all know that dioxins are a serious health threat — now it's time to reduce them at their myriad sources."

*EPA Regional Administrator
Felicia Marcus*

For more information, please contact Jennifer Krebs, ABAG Senior Environmental Planner, at 510-464-7977 or e-mail jenniferk@abag.ca.gov.

Fannie Mae and CHFA Preserve Affordable Rental Housing

An innovative bond transaction between Fannie Mae and the California Housing Finance Agency (CHFA) has financed the preservation of more than 23,300 affordable rental housing units in 279 sites throughout the state. In the Bay Area, 6,459 units, representing 25 percent, will be preserved in 58 sites. These units were at risk of being converted to market-rate housing.

Under the terms of the financing, Fannie Mae sold approximately \$274 million of Section 236 mortgages to CHFA, providing CHFA the opportunity to preserve these affordable units.

Created by the Department of Housing and Urban Development (HUD) in 1968, Section 236 mortgage assistance program helps developments maintain affordable rents for very-low income tenants. However,

a clause allows property owners to prepay the mortgage after 20 years, ending affordability assistance and HUD Section 8 rental assistance for individual tenants. Property owners can convert once affordable rentals to market-rate housing, causing skyrocketing rents in hundreds of communities.

Innovative Financing Protects Over 6,400 Section 236 Rental Units in Bay Area

"Opportunities like this are especially important given the extent of the affordable housing crisis we are experiencing here in California," said Theresa Parker, executive director of CHFA. "This single transaction will enable CHFA to contact the 279 current property owners to work with them to find new owners who will provide affordability well beyond the term of the Section 236 program." *For more information, please contact Colleen Haggerty with Fannie Mae at 626/396-5225.*

From EV to ZEV's and SULEV's

The Alphabet Soup of Electric and Zero Emission Vehicles

ABAG's Legislative and Governmental Organization Committee (L&GO) recommended to the ABAG Executive Board at the September Board meeting that all jurisdictions pass a policy on Zero Emission Vehicles (ZEV). This L&GO action was a follow-up to the recent reaffirmation of the California Air Resources Board mandate that 10% of all cars and light duty trucks offered for sale in California must be Zero Emission Vehicles beginning in 2003. This official reaffirmation was made in response to the opposition of manufacturers to the ZEV requirements.

The L&GO committee recommended to the Board that all jurisdictions should be encouraged to pass a policy on Zero Emission Vehicles, similar to the one recently proposed by Contra Costa County. The Contra Costa County policy states that "beginning in fiscal year 2003-2004, at least 10% of all County (or City) purchases of automobiles and light-duty trucks shall be zero emission vehicles (ZEV) as certified by the Cali-

fornia Air Resources Board. Six percent of the 10% requirement may be met by the purchase of super ultra low emission vehicles (SULEV), as certified by the California Air Resources Board, at the rate of five SULEV's for each required ZEV. The remaining 4% must be actual ZEVs."

The L&GO Committee stated that these kinds of actions will affirm to automakers that there is a marketplace for ZEV and SULEV vehicles which they have been mandated to provide. Manufacturers have argued that there is no marketplace and that producing electric vehicles is too costly. However, it has been countered that improved technology and mass production will reduce the cost, which is now about \$20,000 per vehicle. A variety of options are being explored: from long range battery electric vehicles to hybrid EV's which are a combination of conventional combustion with battery powered technology. At the heart of this discussion is the fact that zero emission technology is essential if California is to meet the health-based state and federal clean air standards.

Statewide Coalition Defeats Insurance Requirement For Federal Disaster Assistance Bill Would Have Crippled Public Agencies In Earthquake Country

Groups representing cities, counties, public hospitals, universities and school districts worked with the state's congressional representatives to defeat an effort in Congress to require local and state government entities to insure their public buildings against natural disasters. On the recommendation of the Legislative and Governmental Organization (L&GO) Committee, ABAG's Executive Board submitted an opposition letter to the Federal Emergency Management Agency (FEMA), which had been pushing for an insurance mandate.

Disaster recovery efforts and the repair of public structures cost the federal government increasing amounts of money. These measures would have required state and local governments to buy coverage or self-insure to help reduce the drain on federal funds. Both would have denied federal disaster assistance funds for re-

building state and local public buildings if they were not insured. There was little national opposition to the idea, mainly because hurricanes, tornadoes, floods and snowstorms do minor damage to publicly owned buildings. But the proposal would have significantly impacted California, where even a moderate earthquake can cause serious damage to buildings and severe quakes can destroy structures. Representatives from California amended the disaster mitigation bill to remove the insurance requirement. The bill passed and was sent to the White House.

FEMA said 63 percent of the 291 comments received about its proposed regulation were from California. Many of those claimed money spent on insurance would reduce funds for seismic retrofits, or that coverage was unavailable or too costly. FEMA officials said they will continue to analyze their proposal.

Mark Your Calendar!

Notable Numbers....

November 2000

- | | |
|--|---|
| 15 - 2:00 p.m.
ABAG POWER Meeting
MetroCenter - ABAG Room 106B | 16 - 5:00 p.m.
Finance & Personnel
ABAG Room 102A |
| 16 - 3:30 p.m.
Legislative & Governmental
Organization Committee
MetroCenter - ABAG Room 106B | 16 - 7:30 p.m.
Executive Board
MetroCenter - Auditorium |
| | 17 - 10:00 a.m.
Regional Steering Com.
Homelessness & Housing
MetroCenter - Room 171 |

December 2000

- 2 - 7:30 a.m - 4:30 p.m
"Earthquake Retrofit of Wood-frame
Homes" Training Workshop
Napa - Napa County Landmarks Bldg.
- 13 - 2:00 p.m.
ABAG POWER Meeting
MetroCenter - ABAG Room 106B

500:

Bioscience companies in
Northern California

60,000:

Number of jobs generated by
Bay Area bioscience compa-
nies.

30%:

Households in California that
can afford a median priced
home.

16%:

Number of households in Bay
Area that can afford a median
priced home.

#1:

680 South, Sunol Grade rank
as Bay Area's most congested
route.

5:

Out of 10 most congested
routes in the Bay Area carry
commuters to and from Silicon
Valley.

Source:
Silicon Valley Projections 2000



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