

GAAS:215:10
For Immediate Release:
Thursday, April 8, 2010

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Governor Schwarzenegger Establishes Office of Economic Development

*Signs Executive Order, Appoints Director, Launches Web Site to Improve
Communication between Businesses and State*

Governor Arnold Schwarzenegger today signed an executive order establishing the Governor's Office of Economic Development (GoED), a one-stop shop to help businesses acquire the direction, information and resources they need to invest, succeed and expand in California. The Governor appointed Joel Ayala, former president and chief executive officer of the California Hispanic Chambers of Commerce, as director of the new office.

"California is the best place in the world to do business, and by cutting red tape and streamlining functions, my Office of Economic Development will make the state an even better partner to the economy," said Governor Schwarzenegger. "This office is exactly what businesses need to navigate through state requirements and take advantage of state resources, and Joel Ayala is exactly the person to head it up. He knows what it takes to create jobs and bring businesses to our state, and I am looking forward to working with him to boost California's economy."

Those who want to do business in California must interact with the state in many ways, such as establishing, registering and maintaining their businesses, obtaining permits and licenses, reporting required information and paying taxes. The state also has more than 100 individual economic development programs and services available to businesses. At GoED, experienced staff will guide businesses through the various state requirements and help them access state resources.

The idea of creating a one-stop shop to cater to California businesses needs was originally suggested as a part of the Governor's [2004 California Performance Review](#) and again in a [February 2010 Little Hoover Commission](#) report. The office will have three defined functions: to promote California as a place to do business; to support businesses interested in starting, growing, financing, expanding or relocating in California; and to help those businesses facing challenges to operating in California.

GoED will be open for business beginning today and can be contacted toll free at 877-345-GoED (877-345-4633) or at www.business.ca.gov.

GoED is being established, staffed and housed using existing state resources. The Administration is currently in the process of drafting legislation that will make GoED a permanent entity in state government.

Joel Ayala has been appointed to lead GoED as the director. Since 2007, he has been president and chief executive officer of the California Hispanic Chambers of Commerce. Previously, Ayala served as president and chief executive officer for the Orange County Chamber of Commerce from 2001 to 2007 and school director for adult education and corporate training at the Career Management Institute from 1994 to 2001. He was deputy probation counselor for the Orange County Probation Department from 1985 to 1993. Ayala is a member of the Orange County Presidents Council and a previous member of the Santa Ana Workforce Investment Board, Anaheim Workforce Investment Board, University of California, Irvine Alumni Association Board of Directors and the California Task Force for Small Business Department of General Services.

Ayala, 44, of Anaheim, earned two Bachelor of Arts degrees in political science and social ecology from the University of California, Irvine. This position does not require Senate confirmation and the compensation is \$138,000.

“I’m looking forward to working with the Governor, businesses and the people of California to improve the economy and get people back to work,” said Joel Ayala. “The development and growth of businesses is more important now than ever due to the economic hardships so many communities face. Improving California’s business climate will attract new businesses and allow greater prosperity for businesses that are already here.”

The full text of the Governor's executive order is below:

EXECUTIVE ORDER S-05-10

WHEREAS job creation and retention are critical to California’s economic well-being and quality of life; and

WHEREAS in 2009, the United States confronted the most severe economic downturn since the Great Depression; and

WHEREAS California was especially hard hit by the global financial crisis, and while the recovery has begun, economic growth remains modest and high unemployment persists; and

WHEREAS unemployment in the State stood at 12.5 percent as of February 2010; and

WHEREAS it will take aggressive action on the part of government and the private sector to ensure that California leads the recovery; and

WHEREAS good jobs enable Californians to achieve their potential and contribute to the economic performance of the State; and

WHEREAS California has led the world in innovation as the high-technology capital of the world, the biotechnology capital of the world, the agriculture capital of the world, the

entertainment capital of the world, the aerospace capital of the world, and now the green-technology capital of the world; and

WHEREAS in 2009, venture capital investment in California led all other states, with approximately \$8.9 billion of the \$50 billion invested nationwide; and

WHEREAS in my State of the State Address this year, I announced a job creation package that will create or retain at least 100,000 jobs, and additional efforts are necessary to eliminate barriers in further creating jobs; and

WHEREAS I have just signed two important parts of this jobs package: a homebuyer tax credit and a sales tax exemption for companies purchasing green-technology manufacturing equipment; and

WHEREAS people who want to do business in California must interact with the State to establish and maintain their businesses, by obtaining permits and licenses, registering their businesses, reporting required information, and paying taxes; and

WHEREAS California has at least 100 individual programs and services across 28 separate state government entities that support economic development; and

WHEREAS the American Recovery and Reinvestment Act of 2009 will provide approximately \$85 billion in cash and tax benefits to Californians; and

WHEREAS state-level services and resources for California businesses are disjointed, with an uneven geographical distribution of services, no centralized entity with broad expertise, no mechanism to focus efforts and measure results, and a lack of effective coordination with other government and private sector resources; and

WHEREAS some of these services and resources reside under the authority of other constitutional officers, including the Lieutenant Governor, the Treasurer, and the Secretary of State; and

WHEREAS from a business owner's perspective, state government is not a collection of independent agencies, but rather one "state government" and therefore, business owners expect seamless services from the State; and

WHEREAS some who want to start a business in California do not know where to begin, and even some established business owners find it difficult to navigate the state bureaucracy; and

WHEREAS the State should simplify the path to the state-level resources and services that businesses need to grow and succeed in California; and

WHEREAS the California Performance Review and the Little Hoover Commission have also recognized this need for a central economic development entity, and action is needed.

NOW, THEREFORE, I, ARNOLD SCHWARZENEGGER, Governor of the State of California, by virtue of the power vested in me by the Constitution and statutes of the State of California, do hereby order effective immediately:

1. The Governor's Office of Economic Development is hereby created. Its purpose is to promote California as a place to do business, to support those interested in starting, growing, financing, expanding or relocating a business in California, and to help, to the extent possible, those businesses facing challenges to operating in California. The Office of Economic Development shall exist within the Governor's Office, and shall be headed by a director designated by the Governor.
2. The Office of Economic Development shall be the state's lead entity for economic development coordination with all public and private entities and shall perform the following functions:
 - a) Leading the State's business-oriented outreach and marketing efforts and promoting California as a place for business investment and job creation, working with private-sector, nonprofit and other government entities;
 - b) Creating a Web portal that will provide one-stop access to state-level information and resources for businesses;
 - c) Serving employers, corporate real estate executives and site location consultants who are considering California for business investment and expansion;
 - d) Communicating the business advantages of California locations for new business investment and expansion;
 - e) Providing site, workforce training and infrastructure availability and cost information;
 - f) Providing permit and regulatory assistance;
 - g) Facilitating participation in state capital financing, grants, loans, tax credits, and other incentives;
 - h) Supporting the State's small businesses by providing information about accessing capital, regulatory compliance, state procurement and state initiatives that support small businesses;
 - i) Encouraging collaboration among research institutions, start-up companies, local governments, venture capitalists and economic development organizations to promote innovation;
 - j) Working with the federal government to leverage economic development programs and to foster relationships with international counterparts to help address barriers to trade, find business partners and promote California's strengths; and
 - k) Conducting ongoing research about how California can remain on the leading edge of innovation and emerging sectors.
3. The Office of Economic Development shall be created with existing resources and shall be staffed with personnel from agencies and departments whose functions relate to economic development, including small business promotion. These agencies shall

include, but not be limited to, the Labor and Workforce Development Agency, the Business, Transportation and Housing Agency, the Environmental Protection Agency, the Natural Resources Agency, the State and Consumer Services Agency, the Department of Food and Agriculture, the Office of the Chief Information Officer, and the Office of Planning and Research.

4. Each member of the Cabinet shall identify a senior manager within his or her agency to coordinate business support activities with the Office of Economic Development.
5. The Office of Economic Development shall operate a Web portal, as described above in paragraph 2(b), and shall be prepared to respond appropriately and promptly to all requests for information and assistance from businesses that need help interacting with California state government.
 - a) The Web portal shall provide assistance with: establishing or registering a business; license, permitting and registration requirements; tax requirements; and building codes and zoning.
 - b) The Office of Economic Development shall ensure all state Web sites focused on economic development and business support are user-friendly and provide accurate, updated resources.
6. The Director shall seek advice and input from local government officials, economic development agency officials, and industry leaders.

IT IS FURTHER ORDERED that the agencies and departments under my executive authority shall cooperate in the implementation of this Order. Other entities of state government not under my direct authority are requested to assist in its implementation.

This Order does not and is not intended to create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees or any other person.

I FURTHER DIRECT that as soon as hereafter possible, this Order shall be filed with the Office of the Secretary of State and that widespread publicity and notice be given to this Order.

IN WITNESS WHEREOF I have hereunto set my
hand and caused the Great Seal of the State of
California to be affixed this 8th day of April 2010.

ARNOLD SCHWARZENEGGER
Governor of California

ATTEST:

DEBRA BOWEN
Secretary of State