

ENGAGING EMPLOYERS

Carl Guardino Silicon Valley Manufacturing Group

Presented at CNU VII: The Wealth of Cities

JUNE 16, 2000, 11:00 AM

CONGRESS
FOR THE
NEW
URBANISM

Bio: Carl Guardino is President and CEO of the Silicon Valley Manufacturing Group. Founded in 1978 by David Packard of Hewlett-Packard, the Manufacturing Group (SVMG) is a public policy trade association that represents 190 of Silicon Valley's most respected private sector employers, who collectively provide more than 275,000 jobs.

Before being named President of the Manufacturing Group, Guardino worked for Hewlett-Packard Company.

Previously, Guardino spent six years on the staff of Assemblyman Rusty Areias, the last three years as his Chief Assistant. When he was named to that position, he became the youngest Chief Assistant in California.

He was born and raised in San Jose, and received his Bachelor of Arts Degree in Political Science from San Jose State University. Guardino has been actively involved in the community, and has been honored for his community service in being named one of the "Five Outstanding Young Californians" by the California Junior Chamber of Commerce.

In talking about new urbanism, I was asked to answer two questions. Why should employers care and what can they do? So my theme is simple. The private sector role and the community planning process. Or, stated a slightly different way, why should we let elected officials have all the fun?

Answering the first question is pretty easy. Why should employers care? Three words. Enlightened self interest. In the information age economy, employees can live anywhere in the world that they want to. They are only going to live in Silicon Valley and other urban places if we make sure that we create not only a great place to work, but also a great place to live. Let me illustrate.

I'm governed by a board of directors of 27 of Silicon Valley's top CEO's and principle officers. Each year I sit down with them at the beginning of the year and I ask them a very simple question. For your company here in Silicon Valley, what are the key issues that impact your ability to remain healthy and competitive? The response? Not bureaucratic red tape. Not government regulations. Not high taxes. Number one—housing that our workers can afford. Number two—a transportation system that works. They constantly remind me that those two issues are the flip side of the same coin. Like a coin, we know we have a choice. We can use our heads and build livable communities that the world's best and brightest workers will want to call home. Or we can ignore the rules of new urbanism and wind up on our tails.

So I'd like to talk about the private sector role in the community planning process. During my few minutes with you, I'll give you some examples of some of the work we do—really for two reasons. One, I think we need to share best practices and learn from each other. Two, the other one, private sector employers in your communities may be doing more. You can go home and pat them on the back. Or you can let them know that other folks are stepping up to the plate, and we need you to as well.

New urbanism though in Silicon Valley is a tough challenge. For decades, Silicon Valley was a metropolitan size monument to suburban sprawl. We still have our challenges. But we think three ingredients help address it. First, we have to create with you, a vision with values. Second, if we're talking new urbanism, we have to have that determination to deliver. Finally, we have to show a willingness to work together.

Vision with values. For us, values of creating quality communities are the same as a table. Four legs to a table. If you look underneath, it doesn't look like there's anything that connects them until you see the tabletop. For us, those four legs are housing, transportation, land use, and the environment. If you pull out any of those legs, the table collapses. It cannot sustain a quality community. So you either have four legs of the table and you address them together, and you're

successful. Or you separate them, and instead you have the four horsemen of the apocalypse. We prefer the former, rather than the later.

But values are no good unless you have the vision and can get other people excited about it too. Private sector employers have a role to play in that as well.

In our 21 year history at the Manufacturing Group, we have produced a document a couple of times to create change. It's called creating quality neighborhoods. It's part of our vision. We're in the third iteration now, to be released this October. First released in 1982, it mapped all of Silicon Valley's cities and showed every single vacant and redevelopable parcel, where it was located in access to transit, and whether it was commercial, industrial, or residential. That was only half the report and half the gray hairs on my head.

The second portion is what we need to do in terms of jobs, housing, balance, quality neighborhoods—so that we're not just building homes, but communities to move forward. This will be released again with those 21 cities. But we've learned over the years. That first report led to the new zoning of literally thousands of acres of industrial and commercial land, to more compact, transit-oriented, housing developments—creating neighborhoods.

We want to do better this time around, even in that success. So to do that, we created a 21-member steering committee. An elected official from each of those 21 jurisdictions. So that this [me] document becomes a [we] document in their eyes. They're the steering committee creating it. So that when we release it, they take it back, get it implemented, and recreate a better place.

That brings up the second point—and that's a determination to deliver. Sometimes that means finding some pretty creative ways to do so. During the darkest days of World War II, a young officer stepped into the British war cabinet and said, "Gentlemen, we're out of money. I'm afraid we're going to have to think."

Determination to deliver in California—one of the key areas that we have to be more creative in our state, is transportation. Our state legislature just issued a report that shows over just the next 10 years alone, we have an un-funded transportation need of 120 billion dollars. A real challenge. So we wanted to address that ourselves locally.

So as a business organization linking with the rest of the community in 1984, we became the first of California's 58 counties to step forward and pass a local half cent sales tax upon ourselves to build transportation improvements. We emulated that again in 1996, and were the first of the 58 counties to renew that measure. Combine two and a half billion dollars worth of local infrastructure. The second measure, 60 percent for rail transit. Why? Our communities are alive. Rail transit, we think, is the key. It's the skeleton in the body of that living community. Then you can build that land use, the veins, the muscles, the flesh around that skeleton. You have the vibrant pulsing place that people will want to be.

The second reason though that we need to continue to work together as private citizens as well as with the public sector, is that when you go after these infrastructure investments there's so much more credibility if I as a private citizen, am saying to another private citizen, "We need to tax ourselves for this investment." An elected official is a difficult spot saying, "I want to raise your taxes." When we reach into our own wallet, it works much better.

Our view in Silicon Valley, at least as business leaders is, we don't do view it as taxes. It's not tax and spend. It's invest and prosper, if we're going to build these communities.

Finally, is the willingness to work together. You've been sitting for a long time. So this is your audience participation portion of my presentation. Two quick quotes. Think about which one best describes you as we talk about delivering new urbanism. The first one was by Winston Churchill, who was saying it about England during World War II. He said, we have neither permanent friends nor permanent enemies, only permanent interests. I love that quote, even though it sounds Machia-

vellian and a little cold hearted.

The second quote was by a Roman Emperor who said, neither the favor of any friend nor the insult of any enemy, will not go unpaid in full. I like that quote a lot too, but I'd sure hate to live my life that way. It's an even worse way to try to deliver a new urbanism. If we were so locked into, if you ever crossed me, if you are ever on my bad side, watch out because I may get you. We can't build communities, more coalitions, that way to deliver new urbanism.

We have a principle at the manufacturing group that we call our 95-5 principle. On these new urbanism issues, it's our belief and practice that 95 percent of the time—no matter how diverse we think we are—we pretty much agree. Five percent of the issues, we vehemently disagree. But we tend as people to focus on the five percent, instead of taking advantage of the 95 percent where we could make real progress. Let's get off the five and work on the 95, and build better communities.

One of example of that, then I'm going to give Mr. Gantt a chance to be heard, because I'm really looking forward to his speech. We work on housing issues in this way. Nothing more contentious than housing issues in existing neighborhoods. We work on the grass roots and grass tops levels. I'm just going to give you the grass roots example.

Four and a half years ago, we formed a group called the housing action coalition. Today, it's 200 organizations and individuals strong in Silicon Valley. The Sierra Club, the Greenbelt Alliance, numerous chapters of the Leagues of Women Voters, the Building Trades Council, the Home Builder's Association, numerous chambers of commerce, everyone in between. It's a great group. They have just a couple of things in common. We all want homes that are well built, relatively affordable, and appropriately located so that out cities, schools, and transit system can accommodate them. With that as our mantra, we try to provide that voice at planning commissions and city councils when projects come up that we know will build new urbanism communities.

What has been the result of that? Over the past four years, we have endorsed 71 proposals. We have won 70 out of 71 times, 24,000 new homes in 16 different Silicon Valley cities. But I must tell you, it wasn't always easy.

The first hearing that I went to on behalf of this group to speak was about four years ago. I walked into a council chambers of a city that I will not name—San Jose. There were 75 people in the audience all opposed to that particular affordable housing project. There were 35 people already in line with their speaker cards clutched in hand, all opposed. I was the 36th and lone speaker in support. I don't mind telling you that I was nervous.

With my knees knocking together, and that trickle of sweat coming down the side of my face, I kept repeating that old civil rights quote to myself. One man armed with the truth, is a majority. One man armed with the truth, is a majority. Yet as I stood there that night, basically lying to myself, another quote kept coming into my mind. It went something like this. Yeah, but [one neighbor armed] with a gun, and you're dead. Not because of anything brilliant I had to say that night, that city council held firm. They approved that project. It was a proud day about two years ago when I was the key note speaker, as 100 families waited for those 100 affordable rental homes to occupy them.

The two neighbors who led that opposition, got 75 of their neighbors out on a cold winter night—thirty-five of them to actually go and speak—called me off the podium after I spoke. They looked kind of shy. They called me over. They said, "We just want you to know one thing. If we had had any idea that this is the type of homes that qualifies as affordable—and they're this well built, and these are the type of people who need them—we would not have been opposing you that night." We have a great job to do as private citizens and the public sector, to educate folks about new urbanism and what we're trying to create. When they see the vision, and capture the vision, and show that willingness to work together, a determination to deliver and a vision with values—we will win them over.

[Stanislaw Lem] once said that no snowflake in an avalanche ever feels responsible. The truth of the matter is, we are all responsible if we're going to deliver on new urbanism. I hope that we will continue to challenge our private sector employers—large and small—in our communities, to step up to the plate and move forward.

David Packard, the co-founder of Hewlett Packard, who founded the Manufacturing Group with Bob [Noice]—the co-founder of Intel—21 years ago had a quote on his wall that is our mantra. When you do something well, don't gloat about it. Find something harder and better to do, and go out and do it. That's what we need to do.