

ASSEMBLY BILL

No. 1081

Introduced by Assembly Member Medina

February 22, 2013

An act to amend Sections 13101, 13102, 13996.55, and 14526 of the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 1081, as introduced, Medina. Economic development: goods-movement-related infrastructure.

(1) Existing law requires the Governor, in conjunction with the Governor's Budget, to submit annually to the Legislature a proposed 5-year infrastructure plan containing specified information concerning infrastructure needed by state agencies, public schools, and public postsecondary educational institutions, and a proposal for funding the needed infrastructure.

This bill would require the infrastructure plan to include information related to infrastructure identified by state and federal transportation authorities and a recommendation for public sector financing, as specified.

(2) Existing law requires the Director of the Governor's Office of Business and Economic Development to provide the Legislature a strategy for international trade and investment, as provided.

This bill would require that strategy to include the identification of trade-related infrastructure enhancements to support the state's international trade policies, programs, and services.

(3) Existing law requires the Department of Transportation to submit to the California Transportation Commission a 5-year interregional

transportation improvement program that includes specified information, as provided.

This bill would require that program to include projects to improve international movement of goods through air, land, and water ports.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) California is the ninth largest economy in the world with a
4 state gross product of over \$1.9 trillion in 2011. As a global
5 economy, international trade-related commerce represents
6 approximately one-quarter of California’s economy. If California
7 were a country, it would be the 11th largest exporter in the world.
8 In 2011, California exported \$159 billion in products through
9 California ports to 220 foreign destinations, which accounted for
10 over 11 percent of total United States exports in goods.

11 (b) California’s significance in the global marketplace results
12 from a variety of factors, including: its strategic west coast location,
13 providing direct access to the growing markets in Asia; its diverse
14 regional economies; its large, ethnically diverse population,
15 representing both a ready workforce and significant consumer
16 base; its access to a wide variety of venture and other private
17 capital; its broad base of small- and medium-sized businesses; and,
18 its culture of innovation and entrepreneurship, particularly in the
19 area of high technology.

20 (c) California’s largest industry sector is trade, transportation,
21 and utilities, which encompasses everything from major retail
22 outlets, to import-export businesses, to transportation and
23 warehousing. Manufacturing, of course, is the cornerstone to the
24 industry sector. California leads the nation in export-related jobs.
25 The United States Department of Commerce estimates that for
26 every one million dollars of increased trade activity, 11 new jobs
27 are supported. Workers in trade-related jobs earn on average 13
28 percent to 28 percent higher wages than the national average.
29 One-fifth of all manufacturing workers in California depend on
30 exports for their jobs.

1 (d) It is the state’s goods movement infrastructure network that
2 allows raw materials and semimanufactured products to reach
3 other manufacturers and assemblers and then move on to California
4 ports for export to other nations or across the United States.
5 California’s competitiveness is dependent upon the efficient
6 connectivity between differing modes of transportation, including
7 highways, waterways, rail, and air.

8 (e) Much of this infrastructure is, however, over 30 years old
9 and requires maintenance as well as improvements and expansion
10 to accommodate the state’s population growth and evolving policy
11 priorities. Inclusion of goods-movement-related infrastructure
12 within the state’s five-year plan would enhance the state’s ability
13 to develop a more efficient goods movement and logistical network,
14 attract private capital, and support the retention and expansion of
15 jobs.

16 SEC. 2. Section 13101 of the Government Code is amended
17 to read:

18 13101. As used in this ~~article~~, ~~“infrastructure” means real~~
19 ~~property, including land and improvements to the land, structures~~
20 ~~and equipment integral to the operation of structures, easements,~~
21 ~~rights-of-way and other forms of interest in property, roadways,~~
22 ~~and water conveyances. article:~~

23 (a) *“Goods-movement-related infrastructure” means air, water,*
24 *land, and sea port of entry facilities, roads, rail, and other facilities*
25 *and infrastructure projects that move goods, energy, and*
26 *information.*

27 (b) *“Infrastructure” means real property, including land and*
28 *improvements to the land, structures, and equipment integral to*
29 *the operation of structures, easements, rights-of-way, and other*
30 *forms of interest in property, roadways, and water conveyances.*

31 SEC. 3. Section 13102 of the Government Code is amended
32 to read:

33 13102. In conjunction with the Governor’s Budget submitted
34 pursuant to Section 13337, the Governor shall submit annually a
35 proposed five-year infrastructure plan to the Legislature. This plan
36 shall cover a five-fiscal-year period beginning with the fiscal year
37 that is the same as that covered by the Governor’s Budget with
38 which it is being submitted.

39 The infrastructure plan shall contain the following information
40 for the five years that it covers:

- 1 (a) (1) Identification of new, rehabilitated, modernized,
2 improved, or renovated infrastructure requested by state agencies.
- 3 (2) Aggregate funding for transportation as identified in the
4 four-year State Transportation Improvement Program Fund
5 Estimate prepared pursuant to Sections ~~14524 and 14525~~ *14524,*
6 *14525, and 14526.*
- 7 (3) Infrastructure needs for Kindergarten through grade 12 public
8 schools necessary to accommodate increased enrollment, class
9 size reduction, and school modernization.
- 10 (4) The instructional and instructional support facilities needs
11 for the University of California, the California State University,
12 and the California Community Colleges.
- 13 (5) *Identification of new, rehabilitated, modernized, improved,*
14 *or renovated infrastructure identified by state or federal agencies*
15 *or regional transportation authorities, not otherwise identified in*
16 *paragraph (2), that directly relate to the enhancement of goods*
17 *movement.*
- 18 (b) The estimated cost of providing the infrastructure identified
19 in subdivision (a).
- 20 (c) A proposal for funding the infrastructure identified in
21 subdivision (a), that includes all of the following:
- 22 (1) Criteria and priorities used to identify and select the
23 infrastructure it does propose to fund, including criteria used to
24 identify and select infrastructure that by January 1, 2005, shall be
25 consistent with the state planning priorities specified pursuant to
26 Section 65041.1 for infrastructure requested by state agencies
27 pursuant to paragraph (1) of subdivision (a).
- 28 (2) Sources of funding, including, but not limited to, General
29 Fund, state special funds, federal funds, general obligation bonds,
30 lease revenue bonds, and installment purchases.
- 31 (3) An evaluation of the impact of the new state debt on the
32 state's existing overall debt position if the plan proposes the
33 issuance of new state debt.
- 34 (4) (A) Recommended specific projects for funding or the
35 recommended type and amount of infrastructure to be funded in
36 order to meet programmatic objectives that shall be identified in
37 the proposal.
- 38 (5) *For goods-movement-related infrastructure, the plan shall*
39 *also include recommendations for private sector financing*
40 *including, but not limited to, public pension fund investors, private*

1 *sector investors, and commercial and industrial users who would*
2 *benefit from the enhanced logistical network.*

3 (B) Any capital outlay or local assistance appropriations
4 intended to fund infrastructure included in the Governor's Budget
5 shall derive from, and be encompassed by, the funding proposal
6 contained in the plan.

7 *(d) Eligible goods-movement-related infrastructure shall also*
8 *be submitted to infrastructure financing exchanges, including, but*
9 *not limited to, the West Coast Infrastructure Exchange.*

10 SEC. 4. Section 13996.55 of the Government Code is amended
11 to read:

12 13996.55. (a) The Director of the Governor's Office of
13 Business and Economic Development shall provide to the
14 Legislature, not later than February 1, 2014, a strategy for
15 international trade and investment that, at a minimum, includes
16 all of the following:

17 (1) Policy goals, objectives, and recommendations necessary
18 to implement a comprehensive international trade and investment
19 program for the State of California. This information shall be
20 provided in a fashion that clearly indicates priority within the
21 overall strategy.

22 (2) Measurable outcomes and timelines for the goals, objectives,
23 and actions for the international trade and investment program.

24 (3) Identification of impediments for achieving goals and
25 objectives.

26 (4) Identification of key stakeholder partnerships that will be
27 used in implementing the strategy.

28 (5) Identification of options for funding recommended actions.

29 (6) Identification of an international trade and investment
30 organizational structure for the state administration of international
31 trade and investment policies, programs, and services.

32 *(7) Identification of trade-related infrastructure enhancements*
33 *to support the state's international trade policies, programs, and*
34 *services.*

35 (b) The strategy shall be submitted to the Chief Clerk of the
36 Assembly and the Secretary of the Senate. A copy of the strategy
37 shall be provided to the Speaker of the Assembly, the President
38 pro Tempore of the Senate, and the chairs of the Assembly
39 Committee on Jobs, Economic Development, and the Economy
40 and the Senate Committee on Business, Professions and Economic

1 Development, or the successor committees with jurisdiction over
2 international trade and economic development programs.

3 (c) The strategy shall be updated pursuant to the procedures of
4 this section at least once every five years.

5 SEC. 5. Section 14526 of the Government Code is amended
6 to read:

7 14526. (a) Not later than December 15, 2001, and December
8 15 of each odd-numbered year thereafter, and after consulting with
9 the transportation planning agencies, county transportation
10 commissions, and transportation authorities, the department shall
11 submit to the commission its five-year interregional transportation
12 improvement program consisting of all of the following:

13 (1) Projects to improve state highways, pursuant to subdivision
14 (b) of Section 164 of the Streets and Highways Code.

15 (2) Projects to improve the intercity passenger rail system.

16 (3) Projects to improve interregional movement of people,
17 vehicles, and goods.

18 (4) *Projects to improve international movement of goods through*
19 *air, land, and water ports.*

20 (b) Projects may not be included in the interregional
21 transportation improvement program without a project study report
22 or major investment study.

23 (c) Major projects shall include current costs updated as of
24 November 1 of the year of submittal and escalated to the
25 appropriate year, and shall be consistent with, and provide the
26 information required in, subdivision (b) of Section 14529.

27 (d) Projects included in the interregional transportation
28 improvement program shall be consistent with the adopted regional
29 transportation plan.