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## New group is turning up the heat on business advocacy in the region

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On a windy day in mid-September, a group of influential local restaurateurs gathered around a table at de Vere's Irish Pub in downtown Sacramento to drink beer and discuss how to stop the city from raising the minimum wage.

Josh Wood, CEO of the construction advocacy group Region Builders, told Patrick Mulvaney, Kevin Fat and other restaurant owners that the **California Restaurant Association** had picked a losing strategy at City Hall.

Wood suggested the restaurateurs create a new trade association called Region Restaurants. Wood would lead the group, and the restaurateurs could control their own board and political action committee.

"I told them what we did with Region Builders. We took a bunch of contractors ... and we made them the most powerful political entity in Sacramento," Wood said.



DENNIS MCCOY | SACRAMENTO BUSINESS JOURNAL

And so Region Restaurants was born. Just one month later, Wood went a step further and announced plans to transform Region Builders into an umbrella advocacy group serving six industries. He pledged that the group, newly dubbed **Region Business**, would wield a powerful influence by aggressively pursuing pro-growth policies.

While the move suggests an ambitious upstart is seeking to muscle aside other players, many business leaders say they welcome the new group. With unions increasingly waging public-policy battles at the local level, some think Sacramento's business community needs all the advocates it can muster.

"If having new blood keeps people on their toes and ensures you are bringing your best stuff to the table, that's good," said Mulvaney. "If Josh (Wood) turns out to be effective in the things he does in public life, then God bless him for moving Sacramento forward."

### **Too many cooks?**

In making a pitch for a new business group, Wood had a track record to offer. Since starting Region Builders three years ago, Wood has victoriously fought for a string of controversial development projects.

In 2013, he successfully championed the repeal of the big-box ordinance that banned giant retail shops like Wal-Mart in Sacramento.

Also that year, during a public debate over a public subsidy for the downtown Kings arena, Region Builders helped squash a group that was petitioning residents to allow the public to vote on the arena.

The emergence of a new lobbying group comes at a time of rapid change for the capital area's economic development scene.

One year ago, an influential group of local CEOs formed the Greater Sacramento Area Economic Council and hired Barry Broome to revitalize business retention and recruitment efforts.

The group replaced the Sacramento Area Commerce & Trade Organization,

which had done the same work for 40 years.

Also in January 2015, a leadership change at the Sacramento Metro Chamber of Commerce resulted in a more aggressive approach to policy that promised to bring more business groups into the fold and bolster their political clout.

Are there too many cooks in the kitchen? At least one analyst doesn't think so.

"It's inevitable, when you have more than one organization whose goals overlap, they will have some competition," said Dan Schnur, director of the Jesse M. Unruh Institute of Politics at the University of Southern California.

"But that downside is more than offset by the greater range of advocates in the debate. For the most part they work together in a complementary way."

### **'Fight like labor, think like business'**

A changing political strategy among labor unions also has helped open the door for new regional advocacy groups like Region Business.

Starting with minimum-wage debates, the Service Employees International Union has moved political fights from Congress and state legislatures into city halls. That shift has exposed a vulnerability in the business lobby, which at the regional level, typically lacks the clout of organized labor, said Christopher Thornberg, a partner at Beacon Economics.

"The business advocacy world is fairly balkanized; as a result of that, you tend to see a power imbalance where public unions have excessive amount of sway on policymaking," said Thornberg, who has been a consultant to both business and labor groups in California.

Wood — who began his political career as a legislative intern for AFSCME, a union that represents many government office workers — said his goal is to always be on the offensive.

"My vision when I started ... Region Builders was a group that could fight like labor, but think like business," he said. "If you have the muscle and the

strategy and the message, then you can win.”

The group held its annual retreat in December at the Sacramento Gun Club. After discussing a 2016 agenda that includes pushing for new tax incentive programs and regulatory streamlining, some members walked to the shooting range for target practice. The image of business leaders firing guns aptly describes the mission of Region Business, Wood said.

“It’s an aggressive model,” he said. “A hair-trigger reaction to policy.”

Responding quickly does carry risks. Some Region Business members, for instance, wondered if the group moved too quickly in endorsing Darrell Steinberg for mayor. Steinberg supports a \$15 minimum wage — the same policy that caused local restaurateurs to revolt and form Region Restaurants.

“There were a lot of board members who felt like (the mayoral endorsement) was way too soon,” said Michelle Smira Brattmiller, a political consultant who served on the metro chamber board for seven years and is now a board member at Region Business.

The chamber, which has established a series of candidate forums before it attempts to endorse a candidate, “has been way more deliberative.”

### **Chamber steps up policy efforts**

Not surprisingly, Region Business has ruffled the feathers of more established groups. Privately, some business advocates have raised concerns about where the group gets its funding and whose interests it serves.

Wood acknowledges that his style can rub some people the wrong way. But he dismisses their concerns as unfounded. The critics “have to find something wrong with us instead of beating us at what we are doing,” he said.

The group lists 25 members on its board of directors. Most are people involved in real estate construction and financing, including representatives from well-known businesses such as Stafford King Wiese, Brown Construction, Ramco Enterprises, Lionakis and Five Star Bank.

Meanwhile the Metro Chamber — the area’s leading business advocacy group since 1895 — had already begun bolstering efforts to influence public policy. One piece of that reinvigorated platform includes a new alliance of business groups called Keep Sacramento Working, said chamber CEO Peter Tateishi.

The chamber has nearly 1,700 members and eight policy committees. Ideas that emerge from those committees must survive a vote first by the executive board and then by the chamber’s 77-member board.

Some say the process is overly bureaucratic.

“It could take three months to take action,” said Smira Brattmiller. “There are things that come up that you’d like to have more flexibility. You can’t wait three months.”

Tateishi acknowledges the concern, but says the chamber will not forgo its democratic process to form policy positions.

“It is incumbent upon us to make sure we are being inclusive to all the kinds of businesses we represent,” Tateishi said. At the same time, he notes that the chamber can react more quickly when necessary.

### **‘They can all coexist’**

Leaders of both the Metro Chamber and the California Restaurant Association said that the emergence of Region Business will not affect the way they approach policy.

“I think Josh saw an opportunity to create a new business model, and that’s perfectly fine,” said Matt Sutton, the restaurant association’s vice president of government affairs.

“We think that having more voices that are up on restaurant issues is helpful. We’re great partners with the Metro Chamber. ... They are the leader in town.”

Smira Brattmiller agrees that there’s room for everyone.

Region Business “prides itself on being quick to act, and that is, I think, an opening and a niche in the market that they hold,” Brattmiller said. “They are more nimble and they are able to turn around and make decisions.”

But she also described the chamber’s advocacy role, which includes a state Legislative Summit and an annual trip to Washington, D.C., as “very valuable.”

“I think they can all coexist here and play a role,” she said.

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