
[Welcome results for business](#) [Passage of bonds should make it easier for firms to thrive in California](#)

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California's business climate just warmed up a few degrees, and the rest of the nation should pay attention to how it happened.

That was the sense of state business leaders who awoke Wednesday to learn that Californians had authorized \$40.1 billion worth of bonds to bolster roads, schools, waterways and affordable housing.

"For California employers and the economy, this election was like Christmas," said Carl Guardino, president of the Silicon Valley Leadership Group. "Almost every package we hoped for was under the tree."

What made the passage of those bonds all the more remarkable, said Jim Wunderman, president of the Bay Area Council, was the bipartisan way that Republican Gov. Arnold Schwarzenegger worked with state Democratic leaders.

"I think the country will watch what happened in California," said Wunderman. "This may well have been the most important election for business in California in a generation."

Business leaders expect the bonds to ease congestion and improve mass transit, expand educational facilities, help alleviate potentially catastrophic floods and create more affordable housing -- all measures that should boost the economy and benefit the Californians who work it.

Meanwhile, in Washington, ground zero for the historic power shift in Congress, American Electronics Association President Bill Archey said high-tech leaders should take heart that Democrats are now in a position to raise their voices on issues of industrial policy -- even if no one expects them and their Republican colleagues to start singing "Kumbaya."

"We are optimistic when it comes to Democrats and high tech because, to use a Silicon Valley term, they tend to get it," said Archey.

Small businesses in San Francisco, however, found coal in their stockings Wednesday, according to Scott Hauge of San Francisco Small Business Advocates, who took exception to the passage of Proposition F, which will require all employers to give workers an hour of sick leave for every 30 hours worked.

"There was no discussion with the business community," Hauge complained. "It was just rammed through."

The discordant note in San Francisco stands in contrast to the virtual euphoria among business leaders at the state level. They are pleased that voters not only embraced the bipartisan bond package but turned back some of the other populist measures on the ballot, such as Prop. 87, which would have raised \$4 billion for alternative energy research by taxing crude oil production.

Voters rejected that measure by a 55-to-45 percent ratio, handing a victory to Chevron Corp., which poured \$43 million into the measure. San Ramon's Chevron pumps more crude from California's oil fields than any other company, about 212,000 barrels per day. Chevron executives estimated that the new tax, if approved by voters, could have cost the company \$200 million per year.

Prop. 87 also represented a divide among businesses. Wunderman's Bay Area Council opposed the measure, saying it pitted one business sector against another. But Guardino's Leadership Group, populated by high-tech firms eager to get into clean-energy technologies, had supported the tax.

Pacific Gas and Electric Co., meanwhile, dodged a very different threat -- the potential defection of 77,000 customers in Yolo County.

Part of that county -- including Davis, West Sacramento and Woodland -- voted to stay plugged into PG&E rather than getting electrical service from the Sacramento Municipal Utility District. Backers of the switch, as well as SMUD officials, had said Yolo residents could have saved money by switching because SMUD's rates average 29 percent less than PG&E's.

PG&E spent \$10 million to convince Yolo residents that their rates would actually increase. The company had a distinct edge in advertising, as SMUD rules prohibit the district from spending ratepayer money on political advocacy.

Allan Zaremborg, president of the California Chamber of Commerce, said the overall state election results -- from the passage of the bond measures to the re-election of Schwarzenegger -- were a plus for the economy and business climate.

Zaremborg, whose group has been closely aligned with Schwarzenegger since he took office, also took a stab at explaining why the governor's popularity didn't have more of a coattail effect for other Republicans -- despite the voters' embrace of so many business-backed initiatives.

The national tide in favor of the Democrats appears to have been so strong, Zarembert said, that some fraction of Republican voters may have sat out the election, making it tougher for GOP office seekers at the state level. Nevertheless, Zarembert said the overall results made this "a very successful election for the economy and citizens of California."

But as the after-election glow fades and lawmakers of both parties return to Sacramento to divvy up the gift voters put under the tree, Jean Ross of the liberal California Budget Project said the state will eventually face the challenge of handling these new debt-service payments at a time when its budget is already heading into the red.

"At some point in the future it means less spending somewhere else or higher taxes," she said.

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