With 2006 behind us, we can take some pride in the fact that we have weathered some of the most dramatic changes in VICA’s 57 year history. A huge transformation of staff was compounded by new directions and significant changes in the way we do business. I am quite pleased with the transition, and with our new president, Brendan Huffman, who comes to us with a wealth of talent from serving inside the State Capitol as well as at the Los Angeles Area Chamber of Commerce. His networks and his legislative savvy are proving invaluable to our members. He has assembled a dedicated staff, with the support of David Murphy, Public Affairs Manager, and Sharlene Greene, Membership Director.

We all owe a special debt of gratitude to our Director of Operations, Jessica Yasukochi, for guiding us through the some of the biggest organizational challenges in several decades. Her professionalism and dedication have been remarkable in keeping us on course. Through dozens of meetings and impromptu discussions, our officers and directors have uncomplainingly rallied to the cause, offering their valuable time and professional expertise to assist and to promote the VICA agenda through this difficult transitional year.

In the last quarter of 2006, our board moved decisively to completely re-design our committee structure; to re-arrange the structure of our officers, establishing an Executive Committee; and to reformat our work product from numerous disjointed position papers to coordinated public policy documents that will make us more effective.

As a result of these fine efforts, in 2007 we are perfectly positioned to kick our advocacy up a notch, working more collaboratively with a broad array of like-minded civic organizations and advocacy groups, including the L.A. Area Chamber of Commerce and LAEDC.

The need for VICA’s regional advocacy has never been greater. We remain committed to leading the public debate by providing well-reasoned and responsible perspectives, as we serve industry and commerce in northern Los Angeles County and work to keep the dream of free enterprise alive.

With your involvement and support, VICA is perfectly positioned to serve the business community even better than ever!

ROBERT SCOTT
2007 VICA CHAIRMAN
2006: A Year of Transformation

President's Message

Following a successful transition year in 2006, 2007 promises to be a year of significant growth at VICA! I am proud of our accomplishments in 2006, which will be remembered as the year we reinvented VICA. Here are some of the highlights from 2006:

Advocacy: Once again, VICA has a regular presence at L.A. City Hall and the State Capitol, too. In fact, VICA is spending more time in personally delivering the Valley's business perspective than ever before.

Influence: As VICA has dramatically increased our visibility with lawmakers, so has our visibility in the media with more hits in the region's top publications than ever before.

Access: VICA has always done a good job providing our members with access to the Valley's top officeholders and business leaders—and now we're bringing decision makers from throughout the state to the San Fernando Valley.

Connections: Anyone who runs a business wants to grow it, and VICA is providing more opportunities to make those contacts that help your bottom line, raise your profile in the business community, and attract the attention of elected officials.

Looking forward, the reforms VICA enacted in 2006 will provide each VICA member with more value, and therefore more reasons to keep coming back. Specifically:

- Membership investments are no longer based on your number of employees—they're based on value.
- Policy committees will no longer meet for the sake of meeting. They will maximize the time of those who attend to help develop VICA positions that enhance the Valley's business climate.
- Events are more public policy focused with more emphasis on dialogue and results as opposed to people hearing themselves talk.
- Our new Web site, with its early 2007 launch date, will make it much easier to stay informed and get involved with VICA.

I am excited about VICA's future, and I look forward to a productive year of working with our membership and public officials on making the Valley's business climate—and quality of life—better for all!

Thank you for your support of VICA.

Brendan L. Huffman
President, VICA

VICA in the News

The influential Valley Industry & Commerce Association....

One of the more notable barometers ... in the court of public opinion may come from the Valley Industry and Commerce Assn.

VICA, the most powerful business group north of Mulholland....

Kudos to VICA.... It really does take a hard look at issues and isn't afraid to take controversial stands as it tries to act as an advocate for business.

Contact VICA

Valley Industry and Commerce Association (VICA)
Phone: 818-817-0545  Fax: 818-907-7934
5121 Van Nuys Blvd., Suite 203, Sherman Oaks, CA 91403
www.vica.com  Email: vica@vica.com

KPCC's Larry Mantle asks VICA's perspective on LAUSD reform.
VICA Drives Key Advocacy Issues in L.A., Sacramento, & D.C.

VICA stepped up its advocacy efforts in 2006 and proactively addressed a variety of business issues at many levels of government, including several trips to Washington, D.C. and Sacramento—as well as countless hours at L.A. City Hall. Among the highlights of 2006 were:

**LAUSD Reforms**
While reaffirming its longtime support for breaking up LAUSD into smaller, more manageable school districts by advocating for AB 2071 (Richman) and SB 1326 (Runner), VICA also boldly asserted itself in the debate over “mayoral control” of LAUSD. Initially, VICA was receptive to L.A. Mayor Villaraigosa’s efforts to assume more of a leadership role over LAUSD. However, the AB 1381 “compromise” legislation hardly resembled mayoral control, and VICA became the first—and only—business group to oppose the bill. After AB 1381 passed, VICA was invited to work with the mayor’s office on identifying which Valley school cluster was the best fit for mayoral management. VICA acknowledges Sen. George Runner and Assemblyman Keith Richman for their leadership on meaningful reforms.

**Wage Mandates**
When L.A. City Councilmembers proposed to use police powers to subject LAX area hotel operators (and their tenants) to an employee wage mandate of $10.50 per hour, VICA was ready to aggressively respond. In collaboration with other business groups, VICA blasted the ordinance as an unconstitutional regulation of the private sector, and helped to gather signatures for a voter referendum. VICA thanks L.A. City Councilmembers Greig Smith, Bernard Parks and Dennis Zine for their opposition to the ordinance.

**Valley Census District**
Culminating a multi-decade effort by Chairman Bob Scott and VICA, statistical data was made available specifically on San Fernando Valley demographics. The Valley has grown to the point where it is quite similar to the rest of L.A. County, with much diversity and recent growth among the Valley’s Latino population and working families. VICA acknowledges the leadership of Rep. Brad Sherman for authoring the enabling legislation in Congress.

**Business Tax Reform**
Days after City Attorney Rocky Delgadillo called for total elimination of the city’s uncompetitive gross receipts tax, the L.A. City Council voted to cut taxes an additional 4% on all businesses and to exempt businesses from paying business taxes at all if their annual gross receipts are less than $500,000 and they have operated fewer than 10 years. VICA appreciates the leadership of City Councilmembers Wendy Greuel and Eric Garcetti on this important issue.

**Infrastructure**
Historians likely will remember 2006 as the year that voters approved $37 billion in bonds to rebuild California's infrastructure, a bond package which VICA was perhaps the first business group in the state to endorse. VICA urged Valley voters to support the bond package and represented the business community in media interviews and with editorial boards. VICA acknowledges the leadership of Gov. Arnold Schwarzenegger, Senate President pro-tem Don Perata and Assembly Speaker Fabian Nuñez.

**Runaway Production**
As more and more states establish tax credits for film productions, California falls further behind in keeping one of our most important industries in L.A. County. VICA worked closely with the entertainment industry and its guilds, coordinating a lobbying coalition in Sacramento of L.A.’s top business groups, and VICA will strongly advocate for tax credits for the local industry again in 2007.

**Water**
In the wake of Hurricane Katrina and severe rain storms in the Sacramento Delta, VICA was credited helping California secure $150 million in federal funds for levee protections in Northern California, the source of a third of the region’s water supply. VICA also endorsed two water quality bonds, Prop. 1E and Prop. 84, both of which passed and will certainly improve local water quality, storage, delivery and recreational uses.

**Housing**
VICA endorsed two housing bonds in 2006, with the state housing bond, Prop. 1C, passing handily, and local housing bond, Prop. H, just falling short of the two-thirds vote threshold. Meanwhile, city officials continued to (perhaps unintentionally) increase the cost of housing in L.A. by moving... (Continued on Back Cover)
Events: Fostering Access to Officials

**State Elected Officials Dinner**
Infrastructure and education were discussed at length during VICA’s annual State Elected Officials Dinner on May 11, hosted by NBC Universal and co-sponsored by Pacific Federal Insurance Corp. and Metropolitan Water District. Approximately 125 VICA members conferred with Senators Sheila Kuehl, George Runner and Jack Scott; Assemblymembers Paul Koretz, Lloyd Levine, Cindy Montañez and Fran Pavely; and Board of Equalization Member John Chiang. Following intimate conversations over drinks and dinner, many of the questions posed to the lawmakers related to LAUSD governance, political reforms and improving the state’s infrastructure.

**Local Elected Officials Lunch**
Economic development—attracting and retaining business—was a key concern discussed at VICA’s annual Local Elected Officials Luncheon on Sept. 25 at the Warner Center Marriott. The event, which was presented by Vons and superbly emceed by Lee Alpert (Alpert & Barr, LLP), attracted 300 business leaders and 15 elected officials from the County of Los Angeles, City of Los Angeles, City of Glendale, City of San Fernando, City of Santa Clarita and LAUSD.

City Attorney Rocky Delgadillo spoke of the need to eliminate L.A.’s Gross Receipts Tax—replacing its $420 million in revenue with higher sales and property tax receipts. Although reluctant to give up such a large chunk of change in one bite, L.A. City Councilmembers Eric Garcetti and Wendy Greuel discussed short term plans to implement another round of annual five-percent tax cuts.

VICA thanks Vons for its title sponsorship of the event. Other sponsors included The Boeing Company, Metropolitan Water District, Southern California Edison, Union Pacific Railroad, and Paul, Hastings, Janofsky & Walker LLP.

**Business Forecast Conference**
More than 350 business leaders participated in VICA’s 18th annual Business Forecast Conference on Oct. 27 at the Sheraton Universal Hotel, dialoguing with top state and local decision makers and opinion leaders about the challenges ahead for improving our regional infrastructure.

Beginning the day with a 2007 business forecast, economists Dan Blake (California State University, Northridge) and Jack Kyser (Los Angeles Economic Development Corporation) outlined their predictions for the economic climate in the coming year, which included an economic slowdown nationally, but not in the long term. “We’re still doing better than L.A. and California,” said Blake. “We’ve got a dynamic economy in the Valley.”

Following the opening session, conference participants attended breakout sessions on four aspects of infrastructure: education, housing, transportation, and water. Session panelists included Sacramento agency heads, statewide elected officials, and academic researchers.

“Our goal this year was to bring together some of California’s leading infrastructure experts and facilitate some dialogue on the needs and the role of the business community to address them,” said VICA President Brendan Huffman. “The conference proved to be a unique opportunity for Valley businesspeople to connect with many of the drivers of public policy, some of whom you never see in the San Fernando Valley.”

The conference concluded with luncheon remarks by California State Controller Steve Westly and Legislative Secretary Richard Costigan. Controller Westly implored attendees to support the infrastructure bonds on the Nov. 7 ballot, each of which VICA had endorsed many months prior and prevailed on election day. Secretary Costigan outlined some of Gov. Schwarzenegger’s legislative priorities and goals for further improving California’s business climate. “The annual Business Forecast Conference remains VICA’s signature annual event,” said event chair Larry Venema (Automobile Club of Southern California).

“Where else can you dialogue with so many statewide officials in one place about Valley business needs?”
VICA Programming Fosters One-on-One Advocacy

VICA’s First “Newsmaker Connection” Panel Analyzes Nov. 2006 Election

VICA launched a new speakers series bringing top opinion leaders to the Valley on Nov. 9, two days after the election, convening four leaders to analyze the election returns. Former Assembly Speaker Bob Hertzberg (Mayer, Brown, Rowe & Maw LLP) moderated a panel composed of Ron Kaye (Los Angeles Daily News), Joe Mathews (Los Angeles Times), and Jack Pitney (Claremont McKenna College). The series will continue in 2007 with programs on a variety of key issues, such as industrial land use, energy, manufacturing, etc.

At the first newsmaker connection, VICA thanked voters for supporting our positions on the ballot propositions:

VICA’s Positions on the Ballot Items
November 7, 2006 Election

<table>
<thead>
<tr>
<th>Prop.</th>
<th>Description</th>
<th>Position</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1A</td>
<td>Transportation funds protection</td>
<td>SUPPORT</td>
<td>Passed</td>
</tr>
<tr>
<td>1B</td>
<td>Infrastructure Bond</td>
<td>SUPPORT</td>
<td>Passed</td>
</tr>
<tr>
<td>1C</td>
<td>Housing Bond</td>
<td>SUPPORT</td>
<td>Passed</td>
</tr>
<tr>
<td>1D</td>
<td>Education Bond</td>
<td>SUPPORT</td>
<td>Passed</td>
</tr>
<tr>
<td>1E</td>
<td>Disaster &amp; Flood Protection Bond</td>
<td>SUPPORT</td>
<td>Passed</td>
</tr>
<tr>
<td>84</td>
<td>Water, Flood Control &amp; Park Bonds</td>
<td>SUPPORT</td>
<td>Passed</td>
</tr>
<tr>
<td>87</td>
<td>Clean Alternative Energy Initiative</td>
<td>OPPOSE</td>
<td>Failed</td>
</tr>
<tr>
<td>88</td>
<td>Parcel Tax for Education</td>
<td>OPPOSE</td>
<td>Failed</td>
</tr>
<tr>
<td>89</td>
<td>“Clean Money” Initiative</td>
<td>OPPOSE</td>
<td>Failed</td>
</tr>
<tr>
<td>90</td>
<td>Eminent domain changes</td>
<td>OPPOSE</td>
<td>Failed</td>
</tr>
<tr>
<td>Local Initiatives (City of Los Angeles)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H</td>
<td>Affordable Housing Bond</td>
<td>SUPPORT</td>
<td>Failed</td>
</tr>
<tr>
<td>J</td>
<td>Fire Station Sites</td>
<td>SUPPORT</td>
<td>Passed</td>
</tr>
</tbody>
</table>

No positions taken on:
- Prop. 83 – Sexual Predators (Passed)
- Prop. 85 – Abortions (Failed)
- Prop. 86 – Cigarette Tax (Failed)
- Prop. R – Term Limits & Ethics Reforms (Failed)

At VICA’s 57th Annual Meeting, LAUSD’s David Brewer Promises to Implement School Reform; Pledges to Work Together with the Businesses Community

David Brewer, the newly installed Superintendent of the Los Angeles Unified School District (LAUSD), keynoted VICA’s 57th Annual Meeting on Dec. 7 at the Universal City Hotel & Towers. The luncheon, attended by more than 250 Valley business leaders, was presented by The Walt Disney Company, and co-sponsored by Chevron Products Co., Kaiser Permanente, Thomas Properties Group, and Valley Presbyterian Hospital.

Brewer outlined his vision for LAUSD reform, saying “we must continue to support small learning communities” and pledging to whip into shape the behemoth school district. Brewer had been recently chosen to lead LAUSD, which is the nation’s second largest school district, and his appearance at VICA’s Annual Meeting was his first major address in the San Fernando Valley.

VICA’s 2007 board of directors and officers were also approved by a vote of the general membership as well as a by-law change to reduce the number of board members from 100 to 80. Bob Scott (The CivicCenter Group) was approved to chair the board in 2007, and all of the new executive committee members were approved as nominated, as well.

LAPD’s Top Valley Chief Discusses Restaurant Robberies, Addresses Safety

Addressing a capacity crowd at the Aug. 17 VICA After Dark Reception, LAPD Deputy Chief Michel Moore (pictured at right) spoke to recent news reports about a string of restaurant robberies along Ventura Boulevard and throughout the Valley, reminding the audience that the Valley remains much safer than many other areas of L.A. VICA thanks presenting sponsor Galpin Motors for making the event possible.

VICA honored Jill Barad (Jill Barad & Associates) with its Harmon Ballin Award and Larry Venema (Automobile Club of Southern California) with the inaugural President’s Award in recognition of their years of service to VICA and the Valley community.

LAUSD Superintendent David Brewer

Assemblymember Mike Feuer and City Controller Laura Chick confer with VICA member Mel Kohn (Kirsch Kohn & Bridge).
VICA’s 2006 Directors and Officers

**Chair**
Robert L. Scott, CivicCenter Group

**Vice Chairs**
Carolyn Casavan, West Coast Environmental & Engineering
Sandy Goldman, BFI, Inc.
Randy Howard, Department of Water & Power
Dean Joaquin, RSM McGladrey, Inc.
Mel Kohn, Kirsch, Kohn & Bridge CPAs
Greg Lippe, Lippe, Hellie, Hoffer & Allison LLP
Tom McCarty, The McCarty Company LLC
Jacque McMillan, MWD
Robert Rodine, The Polaris Group
George Stavaris, Colliers Seeley International, Inc.
Ralph Tarr, Andrews Kurth LLP
Larry Venema, Automobile Club of Southern California

**Treasurer**
Peter Satuloff, Anderson, Satuloff, Machado & Mendelsohn

**Secretary**
Pegi Matsuda, San Fernando Valley Business Journal

**Immediate Past Chair**
Martin M. Cooper, Cooper Beavers Inc.

**President**
Brendan Huffman, VICA

**Board of Directors**
Bruce Ackerman, Economic Alliance of the San Fernando Valley
David Adelman, Greenberg & Bass LLP
Jill Banks Barad, Jill Barad & Associates
Roberto Barragan, Valley Economic Development Center
Ray Boyadjian, Comerica Bank
John Bradley, Pratt & Whitney Rocketdyne, Inc.
Darrell Brown, US Bank
Carolyn Casavan, West Coast Environmental & Engineering
Martin M. Cooper, Cooper Beavers Inc.
Donna Deutchman, Deutchman Development
David Fleming, Latham & Watkins
Anna Frutos-Sanchez, Southern California Edison
Fred Gaines, Gaines & Stacey LLP
James Garrison, Pacific Federal Insurance Corp.
Josh Gertler, Consensus Planning Group
Sandy Goldman, BFI, Inc.
Larry G. Gray, SEC Civil Engineers, Inc.
Marianne Haver Hill, M.E.N.D.
Ross Hopkins, Ross Hopkins & Associates
Jason Horstman, Bank of the West
Randy Howard, LA Department of Water & Power
Brendan L. Huffman, VICA
David Iwata, LTDtwo Marketing Group
Erica Jacquez-Santos, The Gas Company
Dean Joaquin, RSM McGladrey Inc.
Edgar Khalatian, Paul, Hastings, Janofsky & Walker LLP
Jolene Koester, California State University, Northridge
Mel Kohn, Kirsch, Kohn & Bridge LLP
Larry Kosmont, Kosmont Companies
Clay Lacy, Clay Lacy Aviation

VICA Chair Bob Scott (CivicCenter Group) welcomes guests of VICA’s Annual Gala.

Paul Laufer, Olympic Insurance Agency
Deane Leavenworth, Time Warner Cable
Harold Lee, Air Sources, Inc.
David Levinsohn, Sherman Oaks Hospital
Greg Lippe, Lippe, Hellie, Hoffer & Allison LLP
Vincent Liuzzi, Wells Fargo Bank
Marta Mack, Metro
Pegi Matsuda, San Fernando Valley Business Journal
Tom McCarty, The McCarty Company LLC
Jacque McMillan, Metropolitan Water District
Stacy Miller, Child Care Resource Center
George Minter, Greer/Dailey/Minter
Donald Miod, Miod & Co.
Mike Mizrahi, The Gas Company
Walter Mosher Jr., Ph.D., Precision Dynamics Corporation
Scott Murphy, AmeriTel, Inc.
Randall Neudeck, Metropolitan Water District
Susan Ng, Kaiser Permanente
Ann O’Connor, NBC Universal
Michael Olenick, Child Care Resource Center
Board (Continued)

Francine Oschin, Oschin Partners, Inc.
Jerald Otchis, Bobrick Washroom Equipment, Inc.
Sanford Paris, Paris Industrial Parks
Francis Park, Latham & Watkins
Lisa Pitney, The Walt Disney Co.
James Polish, Carlsmith Ball LLP
Lynn Rinker, Coldwell Banker Quality Properties
Robert L. Rodine, The Polaris Group
Brad Rosenheim, Rosenheim & Associates
Doug Rosenthal, Wells Fargo Bank
Peter J. Satuloff, Anderson, Satuloff, Machado & Mendelsohn
Bob Scott, CivicCenter Group
Marvin R. Selter, CMS, Inc.
Jan Sobel, Gelb Enterprises
Stuart M. Solomon, Transcon Property Services
Rod Spackman, ChevronProducts Corp.
George Stavaris, Colliers Seeley International, Inc.
Ralph Tarr, Andrews Kurth LLP
Ron Tropicich, AT&T
Francisco Uribe, Verizon
Larry Venema, Automobile Club of Southern California
Michael Wall, Northridge Hospital Medical Center
Greg Weinberg, Bank of Santa Clarita
Don Weissman, Waserman, Comden, Casselman & Pearson LLP
Tyree Wieder, Los Angeles Valley College
Ronda Wilkin, Blue Shield of California
Gary Yomantas, New Hampshire Ball Bearing, Inc.
Helen Young, RSM McGladrey, Inc.

2006 Committees

VICA thanks its Committee Co-Chairs:
Aviation: Harold Lee, Air Sources, & Robert Rodine, The Polaris Group
Education: Michael Olenick, Child Care Resource Center, & Greg Weinberg, Bank of Santa Clarita
Environment, Infrastructure, & Water: Randy Howard, DWP, & Randall Neudeck, MWD
Federal Issues: Stacy Miller, Child Care Resource Center, Ralph Tarr, Andrews & Kurth, LLP, & Ron Tropicich, AT&T
Ground Transportation: Josh Gertler, Consensus Planning Group & Marta Mack, METRO
Local Issues: David Adelman, Greenberg & Bass LLP, & Francine Oschin, Oschin Partners, Inc.
Land Use: Lynn Rinker, Coldwell Banker Quality Properties, & Brad Rosenheim, Rosenheim & Associates
Special Events: Larry Venema, Automobile Club of So. California
State Issues: Greg Lippe, Lippe, Hellie, Hoffer & Allison LLP, & Jan Sobel, Gelb Enterprises
Taxation: Mel Kohn, Kirsch Kohn Bridge LLP & Jerry Otchis, Bobrick Washroom Equipment, Inc.

Los Angeles Area Chamber of Commerce President & CEO Gary Toebben and VICA Chairman Bob Scott (CivicCenter Group) confer.

VICA Vice Chair Greg Lippe (Lippe, Hellie, Hoffer & Allison) speaks with Sen. Richard Alarcón.

VICA led a delegation to Washington, D.C. for meetings on Capitol Hill and at the White House to fight for Valley business needs.
Advocacy Year in Review
(Continued from page 3)
toward a moratorium on apartment
demolitions and/or conversions to
condominiums. Nonetheless, several
significant projects moved forward in
the Valley, particularly near the Metro
Red Line station in North Hollywood.

LAND USE
As 2006 came to a close, VICA was
in the middle of a citywide debate over
appropriate uses of L.A.’s industrial
zones. Several homebuilders want
convert certain existing industrial
parcels into residential or mixed use
parcels, which may result in stronger
environmental enforcement of local
manufacturers and also cost jobs
and sizeable tax revenues. VICA
facilitated a series of meetings among
leading business groups to iron out
differences, and a compromise is
expected that will allow some degree
of mixed-use and job-based uses of
some industrial properties, but will
protect the commercial aspect of
industrial zones. VICA acknowledges
the support L.A. City Councilman Greig
Smith has shown for preserving jobs.

POLITICAL REFORM
In an effort to take the tasks of
drawing political boundaries out
of the hands of politicians, VICA
urged lawmakers to support SCA 3
(Lowenthal), which would have done
just that. The bill ultimately died in
the closing hours of the legislative
session, but VICA continues to
support policies that create more
competitive districts and give voters
more choices in deciding whom
to elect to represent them. VICA
acknowledges the leadership of Sen.
Alan Lowenthal and Gov. Arnold
Schwarzenegger.

TRASH FEES
When the L.A. City Council rushed
through a 154 percent trash collection
fees hike to pay for 1,000 new police
officers, VICA opposed the trash
fee increase as inconsistent with the
spirit of Prop. 218, and as it would
produce a net gain over ten years
of roughly 175 officers as others
retire. VICA acknowledges L.A. City
Councilman Greig Smith for being the
sole opposing vote and for noting that
the garbage collection services are
themselves underfunded, too.