



SMALL BUSINESS COMMISSION
OFFICE OF SMALL BUSINESS



CITY AND COUNTY OF SAN FRANCISCO
EDWIN M. LEE, MAYOR

July 16, 2014

David, Chiu, President,
Board of Supervisors
City Hall Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Subj: BOS File No: 140687 - Initiative Ordinance - Administrative Code - Minimum Wage

Small Business Commission Recommendation: **Commission Took No Action**

Dear President Chiu:

At its meeting of July 14, 2014, the Small Business Commission heard Board of Supervisors (BOS) File No. 140687. The Small Business Commission unanimously voted to take no action on BOS File No: 140687 - Initiative Ordinance - Administrative Code - Minimum Wage.

The Small Business Commission extends its appreciation to Mayor Lee for his early engagement and genuine interest to hear and understand the economic implications of a minimum wage increase to small business (under 100 employees). The Small Business Commission also expressed their appreciation to Jason Elliot for the great job he did in staffing the Mayor on this matter and his continued engagement with the small business community during deliberations.

The Small Business Commission thanks Mayor Lee for supporting the Small Business Commission's recommendation to track the job and economic outcomes should the ballot measure pass. Not only is it important to have true and reliable San Francisco based data to stay abreast of the real-time outcomes. It is the smart and fiscally responsible thing to do since we now have seen history repeat itself since the first ballot measure in 2004, and data will be needed should any future revisions be necessitated.

The vast majority of hourly wage positions are in consumer base businesses. Therefore the success with the minimum wage ballot measure is not in its passage; success is not in business paying the higher wages; success can only be achieved through the consumer. San Franciscans will need to truly value hourly wage employees being paid the highest minimum wage in country. They need to be willing to pay for it with the increase in the cost of goods and services small businesses will have to charge as a result of such a wage increase. Success will be dependent on San Franciscans not purchasing lower cost products from entities such as Amazon Fresh, or businesses who can offer lower priced goods and services because they can offset their true cost of doing businesses in San Francisco through lower wages paid elsewhere in country. Success will come when the Budget Analyst does not use such entities as OfficeMax.com to conduct their cost comparison analysis but instead use San Francisco based businesses such as Patrick and Company.

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(7/17/2014)

Success can come with the Board of Supervisors championing Buy Local to the same degree it champions Transit First and Zero Waste. The Small Business Commission thanks Mayor Lee for understanding the importance to champion a Buy Local program in budgeting seed money in the 14/15 budget. The Small Business Commission also thanks the Board of Supervisor's for approving it. It is encouraged that the Board of Supervisors take the opportunity to continue its commitment to the hourly wage worker in matching the Mayor's funding. The Small Business Commission look forward to working with each Supervisor to develop a City wide program and assist each Supervisor and their office to incorporate a "Buy Local, Do Business with San Francisco First" message into their daily duties and actions.

Sincerely,



Regina Dick-Endrizzi
Director, Office of Small Business

cc: Jason Elliot, Mayor's Office
Jane Kim, Board of Supervisor
Ms. Angela Calvillo, Clerk of the Board
Todd Rufo, Director, Office of Economic and Workforce Development