FILE NO. 040641 (FIRST DRAFT)

[Office of Economic Analysis; Economic Development Plan]

CHARTER AMENDMENT

PROPOSITION ____

Describing and setting forth a proposal to the qualified voters of the City and County of San Francisco to amend the Charter of the City and County of San Francisco by adding Section 2.118, to create an Office of Economic Analysis under the Board of Supervisors, and by adding Section 16.126, to require the Office of Economic Analysis to prepare an annual Economic Development Plan for the City.

The Board of Supervisors hereby submits to the qualified voters of the City and County, at an election to be held on November 2, 2004, a proposal to amend the Charter of the City and County by adding Sections 2.118 and 16.126, to read as follows:

Note:

Additions are *single-underline italics Times New Roman*. Deletions are *strikethrough italics Times New Roman*.

SEC. 2.118. OFFICE OF ECONOMIC ANALYSIS.

(a) There shall be an Office of Economic Analysis under the Clerk of the Board of Supervisors. The office shall consist of two economists and such other staff as provided subject to the budgetary and fiscal provisions of the Charter. The Clerk of the Board shall appoint one economist nominated by the Mayor. The Clerk shall also appoint one economist nominated by the Board of Supervisors from a list of three candidates submitted by the Controller. The economist positions shall be exempt from competitive civil service selection and appointment procedures, and the persons serving in the positions shall serve at the pleasure of the nominating authorities.

(b) Prior to the consideration of any proposed legislation relating to or potentially

having a significant impact on a topic included in the most recent version of the Economic

Development Plan or Survey on Barriers to Employment Retention and Attraction provided for

in Section 16.126, the Office of Economic Analysis shall in a timely manner prepare an economic impact report on the subject legislation for the Board of Supervisors and the Mayor. The Board of Supervisors may waive this requirement, by a two-thirds' vote, if it finds that the public interest requires the timely enactment of the legislation under consideration. The Office of Economic Analysis shall solicit assistance from the Board of Supervisors' Budget Analyst, the Mayor's Office of Economic and Workforce Development, the Controller's Office, and such public or private economists or other experts or professionals as may be appropriate to analyze the likely impacts of the legislation on business attraction and retention, job creation, tax and fee revenues to the City, and other matters relating to the overall economic health of the City.

SEC. 16.126. ECONOMIC DEVELOPMENT PLAN.

- (a) Within twelve months of the effective date of this Section, and annually thereafter, the Office of Economic Analysis ("the Office") shall prepare and present to the Mayor and the Board of Supervisors a three-year Economic Development Plan for the City and County of San Francisco. The plan and annual updates must be approved by the Board of Supervisors by resolution.
 - (b) The plan and annual updates shall address:
 - (1) Employment in the City, by industry and job classification;
 - (2) The City's tax revenues, by industry type and firm size;
- (3) The industries most likely to create significant numbers of jobs in the City in the succeeding three years, together with an assessment of the skills and education typically required to obtain such job;
- (4) Goals for job and revenue generation, describing the industries, wage levels, skills and education required for the jobs the City would like to attract, and the anticipated tax revenue these new jobs would create;
 - (5) Areas and sites within the City suitable for development;

- (6) The impact of the City's land use policies on short-term and long-term economic development goals and opportunities;
 - (7) Goals and strategies for reducing poverty in San Francisco;
- (8) Goals and strategies for protecting small businesses and neighborhoodserving businesses from displacement;
- (9) Goals and strategies for increasing employment opportunities for people with disabilities; and,
 - (10) Any other topic the Office deems useful or appropriate.
 - (c) The plan and annual updates also shall include:
 - (1) An analysis of the office and industrial markets in the City;
- (2) A review of the physical, financial, market and organizational factors impacting the City's ability to attract, retain and increase office and industrial jobs;
- (3) Identification and analysis of other significant public and private sector economic plans and initiatives intended to promote economic development within the City and the region;
- (4) An assessment of the City's competitive strengths and weaknesses with respect to other regional, state and national commercial real estate markets; and,
- (5) The identification of best practices that other jurisdictions have successfully implemented to create jobs, with particular emphasis on office and industrial jobs, within their respective communities.
- (d) As part of the initial plan required by this Section, and not less than once every three years thereafter, the Office of Economic Analysis shall conduct a survey of key industries and significant employment generators that identifies impediments to business and employment retention in and attraction to the City, such as zoning, permitting, taxes and fees, regulatory schemes and other City policies, requirements and other matters that may inhibit economic development and job creation within the City, keeping in mind the unique character of the City and its neighborhoods. The Office shall publish the results of the study, to be entitled "Survey"

on Barriers to Employment Retention and Attraction," in conjunction with and at the same time
as promulgation of the first Economic Development Plan required by this Section.
APPROVED AS TO FORM: DENNIS J. HERRERA, City Attorney
By: THOMAS J. OWEN Deputy City Attorney