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Contact: Mayor's Office of Communications, 415-554-6131

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**MAYOR LEE INTRODUCES LEGISLATION TO SUPPORT CITY'S
MANUFACTURING SECTOR & LIGHT INDUSTRIAL BUSINESSES**

*Legislation Encourages Development of New Industrial Space & Streamlines Regulatory Process;
Manufacturing Initiative Key Part of Mayor's 17-Point Jobs Plan*

San Francisco, CA—Mayor Edwin M. Lee with Supervisors Malia Cohen and David Campos today introduced legislation to strengthen the expansion and growth of San Francisco's manufacturing and light industrial sector. The legislation incentivizes the production of new space for industrial users by assisting new and existing manufacturers with affordable space and streamlines the regulatory process for locating in San Francisco. This legislation is a central element of the Mayor's manufacturing initiative which was launched in 2012.

"Supporting the growth and success of our local manufacturing industry is central to my 17-Point Jobs Plan and getting San Franciscans back to work," said Mayor Lee. "Access to industrial space is critical for businesses that want to start, stay and grow in San Francisco, and this legislative package will encourage the development of new space for industrial users in the City. These businesses provide good jobs to thousands of San Franciscans, help build strong neighborhoods, and contribute to the economic diversity and vitality of the City."

The proposed legislation is the product of a working group that includes representatives from the Office of Economic and Workforce Development, the Planning Department, Supervisor Malia Cohen and the City's industry sector partner SFMade. Over the course of several months, the group evaluated, prioritized and identified the needs and recommendations to strengthen policy in support of the growing manufacturing sector.

"Light industrial businesses are critical to the health of our local economy, and are some of the largest employers in southeastern portion of San Francisco," said Supervisor Cohen. "Since the passage of the Eastern Neighborhoods Plan we have seen an increase in the need for small and large manufacturing space in San Francisco and this legislation will support these operations by easing the cost of doing business and creating incentives for the development of much needed industrial space in our City. Preserving and growing the manufacturing sector is critical to ensuring that we have a diverse economy in our City."

One of the goals is to reduce the barriers light industrial businesses face when trying to start, stay, and grow in San Francisco. The legislation amends the Planning Code to ease restrictions on certain manufacturing uses and provides increased flexibility to businesses in industrial "PDR" zoning districts. The basic objectives of the Production, Distribution, and Repair activities in San Francisco (PDR) Districts; which was crafted five years ago as part of the Eastern Neighborhoods zoning effort are to provide and space in San Francisco for a wide variety of light industrial operations. The amendments to the Planning Code complements existing zoning regulations that protects space for light industrial activities by restricting competing uses; while supporting the recent resurgence in urban manufacturing.

Specific changes would:

- Remove the requirement that certain uses obtain a “Conditional Use” approval from the Planning Commission;
- Allow small manufacturers to share or “pool” retail space, reducing operational costs;
- Allow self-storage facilities to be rebuilt, if the project sponsor also delivers new manufacturing space on-site;
- Facilitate the development of Small Enterprise Workspaces (SEW), which make for ideal incubators; and
- Incentivize the development of new Production, Distribution, and Repair space on vacant or underutilized parcels in industrial districts. The legislation would allow the development of office space, if at least one-third of the project is dedicated to new light industrial space.

The San Francisco manufacturing sector is seeing strong growth. According to the Bureau of Labor Statistics (2011-2012), the employment growth for manufacturing sector is at 5.3 percent, outpacing the U.S. growth rate. Local manufacturing facilities are critical to the health of the local economy and the diversity of the City. Since 2010, San Francisco manufacturers have generated more than \$325 million in direct revenue into the local economy with 12.5 percent new manufacturing jobs that are employing almost 4,000 people according to a report published by SFMade. Currently, there are 122 more manufacturing firms associated with SFMade putting them just over 500 companies, a 25 percent increase from last year.

“This legislation responds directly to feedback, from our member organizations, about the needs and challenges facing manufacturing businesses in the City today,” said SFMade Executive Director Kate Sofis. “While the sector is thriving in many ways, a sometimes overly burdensome regulatory process and a critical lack of affordable, functional space are challenges we hear about from light industrial businesses in San Francisco on an almost daily basis.”

About SFMade

SFMade’s mission is to build and support a vibrant manufacturing sector in San Francisco by sustaining companies that produce locally-made products, encourages entrepreneurship and innovation, and creates employment opportunities for a diverse local workforce. SFMade collaborates with both the public and private sectors to define and enhance the local infrastructure -from access to capital to industrial land use policy - required to supporting a vibrant manufacturing sector. SFMade’s membership has swelled to over 500 companies.

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