



DIANNE JACOB
VICE CHAIRWOMAN
SUPERVISOR, SECOND DISTRICT
SAN DIEGO COUNTY BOARD OF SUPERVISORS

AGENDA ITEM

DATE: July 8, 2003

TO: Board of Supervisors

SUBJECT: PRESERVING SAN DIEGO'S MANUFACTURING INDUSTRY (District: All)

SUMMARY:

Overview

This item would direct the Chief Administrative Officer to review the recommendations provided by the community at the May 14, 2003 County of San Diego Manufacturing Summit. The action would identify and forward those items pertaining to the State of California to San Diego's State legislative delegation and to the County's Sacramento advocates. In addition, the action would also direct the Chief Administrative Officer to review the suggestions pertaining to improving services at the County and return to the Board of Supervisors with recommendations in an effort to preserve San Diego's manufacturing industry.

Recommendation(s)

VICE CHAIRWOMAN JACOB:

1. Direct the Chief Administrative Officer to review the recommendations provided at the May 14, 2003 County of San Diego Manufacturing Summit within 30 days.
2. Direct the Chief Administrative Officer to identify and forward those items pertaining to the State of California to San Diego's State legislative delegation and to the County's Sacramento advocates.
3. Direct the Chief Administrative Officer to review the suggestions pertaining to improving services at the County and return to the Board of Supervisors with recommendations within 60 days.

Fiscal Impact

None.

BACKGROUND:

SUBJECT: PRESERVING SAN DIEGO'S MANUFACTURING INDUSTRY (District:
All)

Over the last two years, manufacturing in San Diego and throughout the State of California has been on the decline. More than 11,000 manufacturing jobs have been lost in San Diego over the last two years. Approximately 280,000 manufacturing jobs have been lost statewide over this same period. Manufacturing businesses face daunting workers compensation costs, multiple layers of environmental regulation, including the new storm water regulations, increasingly unstable energy costs and rising taxes. If left to continue, we are at risk of becoming a "barbell economy" in which there are an abundance of low-wage jobs and high-paying jobs, but few opportunities for the backbone of our economy, the middle class.

To stop this trend, the County Board of Supervisors, at my request, approved hosting a Manufacturing Summit to provide manufacturers with a forum to tell their stories and to make recommendations for improving the business climate. Representatives from the technology and bio-pharmaceuticals sectors, aviation, mechanical, and heavy and light industrial as well as many individual speakers each addressed a growing list of issues that plague our economy.

Approval of this item would direct the Chief Administrative Officer to review the recommendations provided by the community at the May 14, 2003 County of San Diego Manufacturing Summit. The action would identify and forward those items pertaining to the State of California to San Diego's State legislative delegation and to the County's Sacramento advocates. In addition, the action would also direct the Chief Administrative Officer to review the suggestions pertaining to improving services at the County and return to the Board of Supervisors with recommendations in an effort to preserve San Diego's manufacturing industry.

By reviewing these suggestions and forwarding the recommendations, the County can play an active role in improving the business climate allowing manufacturers to maintain and expand their operations. I, therefore, urge you to approve this item to help preserve San Diego's vital manufacturing industry.

Sincerely,

A handwritten signature in black ink, appearing to read "Dianne Jacob". The signature is fluid and cursive, with a large initial "D" and "J".

DIANNE JACOB
Supervisor, Second District

SUBJECT: PRESERVING SAN DIEGO'S MANUFACTURING INDUSTRY (District: All)

AGENDA ITEM INFORMATION SHEET

CONCURRENCE(S)

- | | | |
|---|------------------------------|------------------------------|
| COUNTY COUNSEL REVIEW | <input type="checkbox"/> Yes | |
| Written Disclosure per County Charter Section 1000.1 Required | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| GROUP/AGENCY FINANCE DIRECTOR | <input type="checkbox"/> Yes | <input type="checkbox"/> N/A |
| CHIEF FINANCIAL OFFICER | <input type="checkbox"/> Yes | <input type="checkbox"/> N/A |
| Requires Four Votes | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| GROUP/AGENCY INFORMATION TECHNOLOGY DIRECTOR | <input type="checkbox"/> Yes | <input type="checkbox"/> N/A |
| COUNTY TECHNOLOGY OFFICE | <input type="checkbox"/> Yes | <input type="checkbox"/> N/A |
| DEPARTMENT OF HUMAN RESOURCES | <input type="checkbox"/> Yes | <input type="checkbox"/> N/A |

Other Concurrence(s): [Click here and type, or type N/A if not applicable]

ORIGINATING DEPARTMENT: [Click here & type]

CONTACT PERSON(S):

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_____	_____	_____
Mail Station		Mail Station
_____	_____	_____
E-mail		E-mail

AUTHORIZED REPRESENTATIVE: _____

SUBJECT: PRESERVING SAN DIEGO'S MANUFACTURING INDUSTRY (District:
All)

ATTACHMENT A

**Recommendations from participants at the May 14, 2003
County of San Diego Manufacturing Summit**

Workers Compensation

1. Reduce workers compensation insurance costs
2. Oppose the passage of SB 20 and AB 76
3. Support AB 595, AB 596, AB 597, AB 1434, AB 1481, AB 1482 and AB 1483

Energy

1. Establish competitive and predictable electricity rates
2. Allow for direct access so companies can choose their own energy provider
3. Support new energy transmission infrastructure
4. Encourage the growth of renewable energy sources
5. Investigate the use of "cool roofs" to reduce energy costs
6. Support reliable energy including generators, cross border opportunities and energy transfers
7. Buy local energy saving products to be used at the County

Land Use and Environment

1. Investigate the development of "manufacturing preserves" on County-owned property. Authorize this land be provided at attractive rates.
2. Expand the redevelopment and reuse of land in the County
3. Obtain local control for site assessment and mitigation
4. Ensure a secure and affordable water supply
5. Provide incentives for companies with environmental management systems
6. Link future housing with transit

Taxes

1. Expand state enterprise zone tax credits for worker recruitment
2. Allow a tax credit against the quarterly sales tax
3. Allow a tax credit against the federal corporate income tax
4. Prevent the imposition of new taxes or issuance of new bonds
5. Eliminate sales tax on manufacturing equipment

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Permit Processing

1. Establish a fast track permitting process including expanding the types of permits that can be issued over the counter
2. Reevaluate the threshold for requiring permits
3. Reduce processing times for permits
4. Allow multiple permits to be obtained in one visit
5. Streamline rules and regulations to eliminate duplicating actions
6. Establish a continuous improvement process
7. Establish cost containment programs
8. Develop a County directive on regulations that use collective resources to effectively accomplish regulatory objectives while protecting jobs and businesses
9. Form partnerships that offer training for both government agencies and companies when new regulations are adopted

Education

1. Sponsor skilled manufacturing training center
2. Increase funding for the development of industrial arts programs in schools

Government Reform and Advocacy

1. Prevent adding new layers of government
2. Limit regulations to existing laws and requirements whenever possible
3. Create a manufacturing alliance
4. Establish partnerships with businesses and advocate on their behalf