ECONOMIC DEVELOPMENT

South San Francisco’s notable competitive locational advantages within the region, a positive business environment, and a resurgent Northern California economy position it well to capture significant new development with resultant economic benefits for the City. The City’s location is highly strategic, between two world-class universities—Stanford and UCSF—and three major centers of economic activity: (1) the rapidly expanding San Francisco International Airport (SFO); (2) downtown San Francisco; and (3) the Silicon Valley, the San Francisco Bay Area’s primary economic engine, which is producing tremendous growth in business and employment activity. The Silicon Valley, once synonymous with Santa Clara County, has expanded into southern San Mateo County.

South San Francisco’s economy was historically based upon manufacturing and processing industries, many of which slowly gave way to warehousing and distribution businesses. Growth in recent years has focused on the information-based economy, as more high-technology and service firms have located to the eastern portion of the city. With Genentech serving as a major high-technology/biotechnology anchor in East of 101, a significant cluster of bio-technology establishments exists today. The ability of the City to attract uses that generate economic benefits will depend on maintaining a positive business climate and availability of land, particularly sites suited to the needs of large office or research and development campuses, or regional-scaled commercial centers.

Although not required by State law, the Economic Development Element is included to provide a policy framework for ensuring South San Francisco’s long term competitiveness in the region. This Element—based on the analysis of recognized business trends and available resources—outlines the City’s economic development objectives, serves to ensure that economic decision-making is integrated with other aspects of the city’s development, and provides a framework for detailed implementing actions.
ECONOMIC DEVELOPMENT OBJECTIVES

- Link Economic Development with Land Use
- Promote Downtown revitalization
- Promote business attraction, retention and expansion
- Develop infrastructure and services that reinforce the City’s competitive advantage
- Retain existing retail commerce designations
- Encourage commercial development
- Support quality of life projects, such as child care

6.1 ECONOMIC DEVELOPMENT AND THE CITY’S ROLE

With demand for land vastly outstripping supply, and with transportation capacity a potentially major constraint, the need to prioritize the type and the location of developments that provide the greatest economic benefit to the City is greater than at any other time in South San Francisco’s history. While most economic development activity occurs in the private sector, the City can work to: ensure City policies do not impede the needs of businesses to move or expand; facilitate and act as a catalyst for development in strategic market segments; coordinate and provide for infrastructure improvements; and generate revenue to support economic development activities.

A coordinated economic development strategy is also essential for the City to support its community development objectives - such as providing and maintaining parks, protecting open space, and maintaining high levels of municipal services. A managed program of fiscal development, strategic public improvements, and balanced land use will help maximize resultant community benefits. Thus the Economic Development Element envisions three central roles for the City:
Table 6.1-1
Fiscal Impact of Various Land Uses, Per Acre

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Revenues</th>
<th>Costs</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel</td>
<td>$132,290</td>
<td>$19,785</td>
<td>$112,505</td>
</tr>
<tr>
<td>Retail (big box)</td>
<td>$32,550</td>
<td>$2,974</td>
<td>$29,576</td>
</tr>
<tr>
<td>Retail (neighborhood)</td>
<td>$24,108</td>
<td>$2,974</td>
<td>$21,134</td>
</tr>
<tr>
<td>Office (high rise with structured pkg.)</td>
<td>$24,067</td>
<td>$6,682</td>
<td>$17,384</td>
</tr>
<tr>
<td>R&amp;D (biotechnology-related)</td>
<td>$11,285</td>
<td>$3,046</td>
<td>$8,239</td>
</tr>
<tr>
<td>Office (mid-rise business park)</td>
<td>$12,163</td>
<td>$4,406</td>
<td>$7,757</td>
</tr>
<tr>
<td>R&amp;D (high technology-related)</td>
<td>$11,027</td>
<td>$3,710</td>
<td>$7,317</td>
</tr>
<tr>
<td>Residential Low Density</td>
<td>$6,917</td>
<td>$3,872</td>
<td>$3,046</td>
</tr>
<tr>
<td>Residential Medium Density</td>
<td>$8,024</td>
<td>$6,285</td>
<td>$1,739</td>
</tr>
<tr>
<td>Warehouse/Distribution</td>
<td>$3,835</td>
<td>$2,408</td>
<td>$1,427</td>
</tr>
<tr>
<td>Industrial/Light Manufacturing</td>
<td>$4,351</td>
<td>$3,831</td>
<td>$520</td>
</tr>
<tr>
<td>Freight Forwarding</td>
<td>$1,943</td>
<td>$2,408</td>
<td>-645</td>
</tr>
<tr>
<td>Residential High Density</td>
<td>$7,732</td>
<td>$10,716</td>
<td>-$2,983</td>
</tr>
</tbody>
</table>
1. **Promoting development that results in fiscal benefits to the City.** Central to this is an understanding of the benefits or burdens of various land uses on the City’s General Fund. The relative benefit or burden on the City is an important consideration in the allocation and prioritization of future development in South San Francisco. Such an analysis was completed as part of the General Plan process. Table 6.1-1 illustrates, on an average cost basis, the relative net fiscal impact of various land uses. In the case of South San Francisco, these impacts on an annual per acre basis range from negative $3,000 for high-density residential development, to more than $112,000 for hotels.

An understanding of these considerations can allow the City to ensure that each new development pays its fair share of the costs to service it. Perhaps equally critical, it can allow the City to proactively facilitate fiscally beneficial development with upfront costs defrayed by enhanced future revenue returns.

2. **Financing public improvements.** The financing of public improvements is a key element of any municipal economic development effort. Such improvements may include road widening or extension, sewer and water upgrades, utility undergrounding, etc. In many cases, these improvements provide the necessary incentive for subsequent private sector investment in the revitalization or redevelopment of an area. In others, these improvements are made in an effort to retain or expand existing business, or to attract new business. Since the City’s ability to finance public improvements is in part determined by its fiscal health, these roles are closely intertwined.

Improvements can be targeted to facilitate or expedite certain developments, or to ensure that infrastructure capacity does not become an impediment to growth, as was the case in the 1980s when sewage capacity constrained development in East of 101 area.

3. **Maintaining Land Use Balance.** Maintaining a balanced supply of different land uses—based on economic and community development objectives—is critical to the City’s financial health. This balance is also necessary to attract businesses seeking quality housing opportunities and retail services, in addition to ensuring that existing transportation capacity can be used more effectively. Chapter 2: Land Use, of this Plan sets the policy direction in this area for South San Francisco.
6.2 LAND USE BALANCE: NEED AND GENERAL PLAN PROVISION

As noted in Chapter 2: Land Use, a small inventory of sites—totaling 167 acres, or less than four percent of land within the Planning Area—is currently vacant. Market assessment conducted as part of the General Plan forecasts that demand for all land uses will exceed 1,400 acres during a 20-year horizon, necessitating redevelopment and intensification of land uses. Thus, prioritizing development and reserving sites for designated uses will be essential to maintain economic development and to maximize available transportation capacity.

Table 6.2-1 indicates how the provisions of the General Plan will meet the land use needs in South San Francisco to buildout.

While overall non-residential floor space in the city is expected to increase by about 30 percent at buildout, employment could soar by as much as 80 percent or 32,500 additional jobs (see Section 2.4). A great majority of these new jobs will be in the services sector in R&D establishments and offices, although significant growth will also result in hotel/visitor services industry. Major sites targeted for employment growth are located in East of 101 area and Lindenville, both of which are unsuitable for residential uses.
Table 6.2-1:  
Land Use Need by Use and General Plan Provision

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Land Need (1999-2000)</th>
<th>General Plan Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>North San Mateo County has a projected space absorption of 4.0 to 4.6 million square feet. South San Francisco could capture between 2.0 and 2.3 million square feet of this. Sites at locations that match the criteria of prospective office users would be instrumental in achieving these capture rates.</td>
<td>3.6 million square feet of office space, most of which will require redevelopment, and 2.0 million square feet of space in Business Commercial settings East of 101 area. This includes 1.2 million square feet of space with current approvals.</td>
</tr>
<tr>
<td>Research and Development (R&amp;D)</td>
<td>Genentech, with about 1.7 million square feet of occupied space, has served as a magnet. As development sites in south county become increasingly scarce, R&amp;D firms have been seeking sites farther north to secure larger, more economical space. While biotechnology firms anchor the R&amp;D market in the city, software, telecommunications, and other computer-related businesses are also strongly represented. Potential demand could be 1.5 to 2.0 million square feet or more.</td>
<td>3.5 million square feet, including 0.7 million square feet with current approvals.</td>
</tr>
<tr>
<td>Hotel</td>
<td>More than 1,600 hotel rooms are approved or currently under review by the City. The need for additional space is likely to be moderate.</td>
<td>Sites for hotels are not provided separately, but are permitted as of right in the Business Commercial category. Ample inventory should be available for projected demand over the General Plan horizon.</td>
</tr>
<tr>
<td>Retail</td>
<td>The retail market in South San Francisco could absorb new regional commercial uses. This demand could diminish if another center outside South San Francisco opens.</td>
<td>1.1 million square feet, and an additional retail permitted in the Business Commercial classification.</td>
</tr>
<tr>
<td>Industrial</td>
<td>South San Francisco may experience increasing pressure for industrial development based on demand.</td>
<td>While new sites are not provided, the General Plan increases existing permitted intensities to accommodate growth. However, there is likely to be a net loss of industrial space as these uses are succeeded by others. Despite this, industrial uses will occupy greater floor space (about 9 million square feet) than any other non-residential use at the maximum intensity of development.</td>
</tr>
<tr>
<td>Residential</td>
<td>Substantial regional market exists due to severe regional imbalance between supply and demand, specifically for affordable housing.</td>
<td>2,780 housing units, including 1,150 housing units with varying levels of approval.</td>
</tr>
</tbody>
</table>

6.3 ECONOMIC DEVELOPMENT STRATEGY

The economic development implementation strategy outlined here provides a framework for ensuring South San Francisco’s long-term regional competitiveness. The strategy is based on the analysis of business and market trends and of available resources. While the strategy seeks to attract new businesses, build on existing clusters of high technology and biotechnology, and nurture start-ups in new market segments, it also outlines measures to retain and expand existing business establishments.

GUIDING POLICIES: ECONOMIC DEVELOPMENT STRATEGY

6-G-1 In partnership with business and community groups, proactively participate in the City’s economic development.

6-G-2 Establish economic development priorities and undertake targeted investments to facilitate expansion, retention, and attraction of businesses that meet the City’s economic development objectives.

6-G-3 Maintain and enhance an attractive climate for conducting business in South San Francisco.

6-G-4 Undertake a leadership role in the coordination and completion of infrastructure improvements, and in facilitating environmental remediation, particularly where the City can provide these services more effectively than the private sector.

6-G-5 Establish land use priorities based on economic criteria and sound fiscal planning; reserve sites for designated uses rather than accepting any development.

6-G-6 Maintain a centralized economic development and land information system, and actively promote economic development opportunities.
IMPLEMENTING POLICIES: ECONOMIC DEVELOPMENT STRATEGY

Programs

6-I-1 Establish an economic development implementation program that specifically outlines tasks to be undertaken, timeframes for completion, resource allocation, monitoring, and annual evaluation and progress reporting to ensure the success of the overall economic development strategy.

Whereas the General Plan provides the overall framework, the implementation program will determine the specific tasks to be undertaken, set the task deadlines, allocate the necessary resources, and provide the means for monitoring, evaluation, and regular reporting. The program format could be similar to that of the City's Capital Improvement Program, with a five-year program horizon and annual budgeting and updates. Specific components should at least include:

- Target investment and strategic improvements;
- Target industries;
- Revenue enhancement;
- Small business incubation;
- Redevelopment;
- Land acquisition and assembly;
- Development tracking;
- Land availability;
- Business climate; and
- Marketing.

The program will allow the City to demonstrate its commitment to the expansion, retention, and attraction of business through specific
actions and investment decisions. The program should actively involve business and community groups, and property owners in South San Francisco to access community knowledge and expertise and partner in the city’s future.

6-I-2 Continually monitor land use in the city to ensure a “balanced inventory” of commercial and residential land. This analysis of land use should assess the sufficiency of available supply offering appropriate use designations and development intensities in strategic locations. If needed, undertake strategic land assembly and improvements to provide sites adequate in size and at appropriate locations to meet the needs of businesses the City wishes to attract.

Currently, there is a greater demand for all land uses than there is land available over the longer term. For the first time, the City is in a position to prioritize the type and location of developments that generate the greatest economic benefit for the community. In order to capitalize on this situation, the City must maintain a balanced land use inventory.

6-I-3 Create and update a detailed five-year Economic Development Budget outlining the uses of funds, such as priority projects and departmental operating costs, and sources of funds, including increases in the transient occupancy tax dedicated to economic development.

South San Francisco’s transient-occupancy taxes (TOTs) are towards the lower end of the range for peninsula cities. A portion of the TOTs is also set aside for the Conference Center. Mechanisms to direct some of these resources to economic development activities should be explored.

6-I-4 Establish a computerized central information system for the City to be linked with development permitting and the Geographic Information System (GIS).

A computerized central information system could be a key element of the economic development strategy. The system could provide instant
site-specific information for every municipal address, including property ownership, lot dimensions, General Plan designation, current zoning, business activity (SIC or another federally-recognized code), development history, environmental status, relevant City programs, etc.

Such a system could offer significant advantages to the City by providing it with the ability to:

- Monitor sites that are of strategic importance for redevelopment. Monitoring of progress in environmental remediation or status of environmental clearance is possible;
- Coordinate strategic improvements for redevelopment, such as infrastructure upgrade and extension, environmental remediation, etc.;
- Identify development trends and monitor land capacity;
- Identify sites for acquisition or assembly in support of economic development initiatives; and
- Generate reports for marketing key development sites.

Others benefiting from such a system include permit applicants, property owners, and prospective locators. For permit applicants, the system could make necessary property information and application requirements instantly available at the development counter. Tracking status could also be available once the application is filed. For property owners, this information could be used to determine the environmental compliance of their property. Finally, for prospective locators to South San Francisco, the system could provide the ability to electronically search and identify sites in the city that best meet their needs.

6-I-5 Establish a one-stop shop for information on environmental cleanup, which could be integrated with the City’s existing one-stop shop for development permits. Assume a leadership role in enhancing environmental quality in the city by coordinating the remediation of former
industrial and commercial sites and by facilitating their redevelop-
ment, and considering undertaking permitting authority for brown-
field development.

Employment growth in the city will result from redevelopment of
existing areas. The City can foster redevelopment by acting as a
catalyst and facilitator of former industrial and commercial sites, par-
ticularly where upfront private sector investment is unlikely due to
perceived or actual environmental constraints or liabilities, referred to
as brownfields.

The City should work with the California Environmental Protection
Agency’s Department of Toxic Substances Control (DTSC) to deter-
mine the eligibility of these lands for the Voluntary Cleanup Program
(VCP). The VCP offers a streamlined process whereby the DTSC
reviews, maintains oversight of, and signs off on specific remediation
activities for voluntary participants. Successful projects receive a reme-
dial action certification at the end of the process. While the State does
not offer any financial inducements for the upfront costs associated
with site assessment or remediation, the City could use tax increment
financing to undertake the work and facilitate redevelopment.

Several Bay Area cities have launched innovative programs to facili-
tate brownfields redevelopment. In Oakland, the City’s Urban Land
Redevelopment Program streamlines the approval of cleanup activities
for new projects by tracking the development permits and remedia-
tion procedures of completed projects. Based on local hydrology and
soil conditions, the cleanup procedures of completed projects can be
quickly adopted for new projects of similar conditions and use. In
Emeryville, the Redevelopment Agency will become the main permit-
ting authority for brownfield development in the city, coordinating
actions with the DTSC and the RWQCB. Emeryville also plans to
implement a risk-based approach that defines groundwater manage-
ment zones that would allow development without having to totally
cleanup the underlying groundwater.

Some of these approaches may be appropriate to South San Francisco
as well since many of the contaminated sites are on fill, where contamination can spread rapidly and form plumes that extend beyond individual property boundaries. This situation will be particularly relevant in the redevelopment of sites in the East of 101 area and around the San Bruno BART Station. The City could also consider assembly of brownfield lands where upfront private sector investment is unlikely, and the use of transit funds for the redevelopment of sites near transit centers.

6-I-6 Create a task force of biotech/R&D industry leaders to work toward the creation of a campus environment in the East of 101 area, and to promote the area as a high amenity growth-based industrial activity center.

The biotech/R&D industry is South San Francisco’s largest industrial cluster. While the provisions of the General Plan permit a doubling of current employment at Plan buildout, many other cities are also targeting similar development. The most likely source of competition is likely to be the Mission Bay project in San Francisco, which includes the new UCSF biotech/R&D campus.

It is vital that the City strives to create an environment that is beneficial in realizing this potential and maintains the City’s competitive edge. The creation of a campus environment in the East of 101 area would not only enhance the prestige of South San Francisco as the biotech/R&D capital, but also promote the City as a high amenity location for these activities. This concept would include a high level of landscaping and design, a unified signage and wayfinding system, orchestrated streetscapes, nearby services including child care programs, and access to parkland or open space. Policy 3.5-I-7 of this Plan addresses this concept specifically.

As a means of specifically defining and implementing such a concept, a task force of biotech/R&D industry leaders, City officials, Chamber of Commerce, and others should be created. Matters to be addressed may include design guidelines, infrastructure improvements, parking, transit, parkland and open space, bayfront access, marketing and pro-
motion, etc. A partnership in the pursuit of common goals will ensure the success of this concept in East of 101 area and identify South San Francisco as a formidable force in the pursuit of biotech/R&D locators.

6-I-7 Undertake a streetscape and signage improvement program in the East of 101 area to promote a unified, campus-like environment in the area.

A unified streetscape and signage system would promote the affiliation of East of 101 area firms with the area itself. As a collection of individual campuses drawn together by a common design theme, East of 101 could become an entity for which the City can market the privileges of membership.

Target Strategies and Investments

6-I-8 Complete a planning and market feasibility study of the development of a regional-serving retail center in the South San Francisco, as indicated on the Land Use Diagram, and if feasible facilitate the required infrastructure improvements.

The Land Use Diagram designates the area west of U.S. 101 along San Mateo Avenue as Regional Commercial. This site has excellent visibility and with improvements would provide excellent highway access. While South San Francisco has regional retail facilities, a regional Commercial Center currently does not exist in South San Francisco. A preliminary assessment conducted as part of the South San Francisco General Plan: Existing Conditions and Planning Issues (1997) indicates that the market area could most likely absorb such retail development in the future. The lack of such a facility in South San Francisco means that city residents must drive to San Bruno, Colma, San Francisco, San Mateo, or Palo Alto to shop.

A regional commercial center at the location designated on the Land Use Diagram would require the extension of Victory Avenue to U.S. 101, and the construction of a Victory Avenue/U.S. 101 interchange. The cost of the Victory Avenue extension is estimated at $17 million;
the U.S. 101 interchange at $25-$35 million. In total these improvements would cost $42-$52 million, a major share of which would likely have to be borne by the City.

The net revenue generated by a regional commercial development on this site would be approximately $1.2 million per year, which is retained by the City, assuming a sales tax revenue of $29,600 per acre for a 40 acre site. Additional jobs and sales tax revenues would also result. Because Lindenville businesses would also benefit from direct access to U.S. 101, the City could encourage their participation as well.

Work with hotel establishments in the East of 101 area to establish a Hotel District Program for the purposes of joint marketing, visitor services coordination, conference promotion, and complementary activity attraction to encourage a diverse and vibrant activity area; identify any infrastructure improvements necessary to enhance the economic strength of the District.

South San Francisco currently has an inventory of over 1,500 rooms—the majority of which are located in the East of 101 area—and a visitor services employment base of around 1,800. By Plan buildout, the number of rooms could reach 4,000 and employment more than double to 3,900. Interest in South San Francisco hotel development is high. This interest is the result of the city’s proximity to San Francisco International Airport (SFO) and the expansion of that facility, as well as significant growth in the biotech/R&D industry in the East of 101 area.

The clustering of hotel facilities in the East of 101 area area is ideal for the establishment of a Hotel District Program, such as for Hotel Circle in San Diego. The program should include:

- Joint marketing of District resources and advantages to potential visitors, including an Internet presence;
- Centralized reservations for the District and Conference Center,
including online booking or links to individual hotel sites;

- Coordinated visitor services, such as a District shuttle system to SFO and Downtown, discount programs, promotion of District resources for guests, visitor information center, etc.;

- Identification of complementary activities to serve District visitors such as Oyster Point Marina;

- Design criteria to promote high quality, pedestrian-friendly development, unified signage to direct visitors to nearby services and facilities, and extensive landscaping;

- Joint funding of Conference Center expansion and child care programs to serve hotel employees; and

- Identification of necessary infrastructure improvements to enhance the District.

Given the high fiscal revenue-generating potential of hotels—$112,500 per acre per year for the General Fund on an average cost basis—the City should work closely with the hotel industry to promote growth by reserving key parcels in the District that offer high levels of highway accessibility and visibility. The City and industry should also work to encourage a wide variety of complementary activities, including restaurants, retail and convenience stores, business and personal services, banks, theaters, fitness centers, etc. The combination of high quality, pedestrian-friendly development and concentrated complementary activities will ensure a vibrant and diverse Hotel District that is attractive to guests, East of 101 area employees during the day, and city residents in the evenings.

6-I-10 Establish an inventory of industry clusters in South San Francisco in order to identify locational characteristics and determine the effects of City policy and regulation on the operation and continued success of these clusters; work closely with industry contacts to identify specific expansion and land use needs to be addressed.
Industry clusters may be described as the vertical and horizontal integration of firms. In other words, the clustering of certain activities is largely a function of locational characteristics: some advantage must exist for clustering to occur. For instance, the proximity of like activities may be advantageous in some industries; the proximity of complementary activities may be advantageous in others. The identification of industry clusters could result from the implementation of the computerized central information system program outlined in policy 6-I-4. The clusters could then be mapped as part of the system integration with the City’s GIS.

The identification of industry clusters would make it possible to evaluate City policy and regulation to determine their effect on the operation and continued success or phased elimination of these clusters. Such an evaluation should include the General Plan, as well as the various regulations and standards included in the Zoning Ordinance, such as conformity, lot area, parking and loading.

The industry cluster evaluation should determine industry site selection and expansion requirements. The high-tech industry demands high amenity areas that offer physical (parks, common areas, plazas, and open space) and service advantages. As part of the efforts of this Plan to create a campus environment in the East of 101 area, the City should actively encourage the development of a high amenity-like developments. The type of amenities incorporated in a campus-like development could include local serving convenience stores, ATM machines, eating and drinking establishments, child care facilities, fitness centers, and laundry services. The location of commercial uses in the East of 101 area should not have a negative impact on Downtown businesses.

Identification of industry clusters would also help the City determine which clusters should be targeted for economic development, based on their current contribution to the local economy and potential for growth in the future. Targeting of certain clusters could result in the creation of a specific planning, infrastructure improvement, or mar-
keting program to retain and expand existing cluster businesses, or to attract new businesses to the cluster. The City must work closely with industry contacts to ensure the program meets the needs of the industry.

6-I-11 Identify new industry clusters, such as multimedia, and work to encourage startups by promoting locational advantages and favorable City policy and regulation. This should be pursued through the Enterprise Development Center outlined in policy 6-I-12.

Proximate to San Francisco’s “Multimedia Gulch,” centered at South Park, South San Francisco is in a position to capture some of the growth of this industry segment for two reasons: 1) As multimedia startups continue to locate in the “Gulch” the primary advantages for locating there—inexpensive and plentiful space—are reduced. This trend has already begun with many firms beginning to move other Bay Area locations, including to the East Bay. 2) The city’s workforce already consists of great number of San Francisco residents (in effect, in 1990 there were more San Franciscans than South San Franciscans who worked in the city). Thus, the city should be able to draw from an established labor pool. Needed will be small ready-to-go spaces (including loft-style development) with room to expand quickly.

6-I-12 Establish an Enterprise Development Center to promote and assist in small business startup.

As an incubator for small business, the Enterprise Development Center would serve to promote small business startup in South San Francisco and provide technical assistance to small businesses. The Center could provide permit and license information, relevant resource materials, Internet access for research purposes, office space for short-term lease, training workshops, guest lectures, and a mentoring program to connect startups with similar firms already established in the city. The Center could be linked with the City’s computerized central information system to facilitate the identification of appropriate locations for startups, and assist the City in its tracking of business trends, identification of industry clusters, and targeting for economic development.
New industry clusters should be the main focus of the Enterprise Development Center.

The Center could operate half-time and be located in an existing City facility. Similar programs exist in Daly City and San Jose.

6-I-13 Adopt a home occupation ordinance in support of home-based business in South San Francisco.

As home-based businesses become more and more common, the revenue they generate and the employment they provide has become significant. A home-based business ordinance would permit businesses of limited size and intensity to locate in some or all residential areas.

**Acquisition, Land Assembly, and Redevelopment**

6-I-14 Establish an inventory of read-to-go sites, complete with zoning, infrastructure, and environmental clearances. If necessary, acquire or assemble sites to ensure availability of sites of adequate size to attract industry clusters that meet the City’s development objectives.

6-I-15 Establish criteria for the assembly of land by the City where redevelopment and revitalization would support community development goals, maximize economic benefit, and promote private sector investment it would not otherwise be possible.

Chapter 3: Planning Sub-Areas, of the General Plan identifies the opportunities for redevelopment and revitalization in South San Francisco and provides a policy framework for the inclusion of these areas in the achievement of Plan buildout expectations. These areas—East of 101 area, Downtown, South Spruce Corridor/San Bruno BART Station Area, and the El Camino Real Corridor—present a variety of challenges. With careful planning, municipal incentives, and private sector involvement, the opportunities that would result from redevelopment and revitalization are tremendous.

While the City should engage in land acquisition, assembly, and re-parcelization only sparingly, such action may be justified if:
• Sites are in a strategic, one-of-a-kind location (such as adjacent to a BART station);
• Needed to create an inventory of ready-to-go sites to attract targeted industry clusters;
• Facilitate reuse of brownfield sites;
• Minimize adverse environmental impacts or contribute to environmental remediation;
• Overcome short-term market inefficiencies; or
• Where necessary to achieve development of a size (such as for residential development in downtown) that would allow for quality development, attainment of higher intensities, and professional management and upkeep.

Maximize the City’s public financing tools and consider opportunities for enhancement in order to fund the various economic development initiatives outlined in this Element.

The City derives revenues from several sources. The Sewer Rental Fund, not a part of the City’s General Fund, constitutes 41 percent of the City’s operating revenues for the 1999-2000 fiscal year. The top revenue-generating general fund sources are sales taxes, property taxes and transient occupancy taxes (TOT), respectively. These three sources are projected to comprise 59 percent of the total General Fund in the 1999-2000 fiscal year (percent of the City’s total operating revenues).
The most flexible source of revenue the City could use to fund economic development initiatives is the TOT and development impact fees. An increase in the TOT could provide substantial capital for achieving economic development goals, without adversely impacting project feasibility. The increased TOT revenue could potentially be used as debt service for tax-exempt bond to finance capital projects.

The chart to the left shows the City’s operating revenues from the General Fund and other revenue sources.

The City’s TOT, pegged at 8 percent, has been an increasing source of revenue; contributions from TOT to the City’s General Fund were $3.7 million during the 1996-97 fiscal year and are projected to reach $5.0 million—12 percent of the City’s General Fund revenues—in 1999-2000. The City should consider raising the TOT rate by one or two percent to nine or ten percent. There are two reasons for this. One, revenues from TOT in South San Francisco have increased 26 percent over the past three years due to increased room inventory, occupancy rates, and average daily rates. In addition, a $2.50 per night surcharge is applied to finance the South San Francisco Conference Center. Two, most other cities in the vicinity of SFO already charge a TOT of 10 percent, and San Francisco charges 14 percent. While the increase in the TOT rate is minimal, it would generate nearly $1.1 million in additional revenues each year, revenues that could be earmarked for the economic development initiatives of this Element.

Business Climate and Marketing

6-I-18 Maintain efficient licensing and permitting procedures and regulations.

Regulation should be appropriate to accomplish the City’s goals without being unnecessarily burdensome or time-consuming. The City
should strive to maintain this delicate balance so that appropriate development is expedited. Opportunities to further streamline procedures should be continuously pursued. While the City’s new one-stop permit application program is good start, a periodic review of the system with user input can also help identify problem areas.

6-I-19  Actively market South San Francisco at organized trade fairs and other forums of target industries.

6-I-20  Produce a handbook of permitting procedures and fees for new and existing businesses.

An attractively laid-out handbook of permitting procedures and fees will be a good marketing tool, and of great assistance to any potential applicant. The handbook should be offered in a variety of formats, including as a page on the City’s webpage, for easy access.

6-I-21  Work with the Chamber of Commerce to promote local business successes and ventures in all parts of the city. Include the handbook as part of the City’s Homepage.