

## **Job Creation**

Thank you very much for that kind introduction. Good morning, everyone.

As you can tell, when you hear about all of that, I could spend hours going through all of the tech companies and what they are trying to do.

Ultimately, it is about job creation, and I get excited about that. It keeps me getting up very early. If I can create one job every day for somebody here in San Francisco, that will satisfy me greatly.

Guess what? There are hundreds of thousands of jobs at stake.

I will continue to make this my mantra because I think it is the right thing to do for this great city. I want to also acknowledge the members of the board of supervisors here today. They were announced earlier. We all work as a team and it has never just been about the mayor, him or herself, and I have learned that working in concert with the board that we have clear tones of communication, making sure that we speak more and more in the language that is important for this city - language and policies and ideas that create investor confidence in this city. That is what I have been talking about more and more. We have got to have a city that is investment-confident.

If it is your family, small business, someone joining another one's business, we have got to have that level of confidence to see things through for you, so your investment is one that is positively welcome, taken care of, and prosperous.

That is how we get to the theme of today's breakfast of prosperity and the sharing of that prosperity. I want to take a moment to thank my friend John. He has been at the helm of the chamber for the past few years. He has been an important aspect of the work that I have done over the years.

As you know, I started at the Human Rights Commission and then I went to purchasing, which was the most fun I have had. Who could not have fun buying a billion dollars in supplies every year? Then the former Mayor Brown gave me the heart to work in public works, engage in conversations with everyone about what was wrong with our streets, and making them right.

It was in that toughest job that I had that I have made lifelong friends; people who care enough about the city that picking up somebody else's trash is nothing when you can work together and dream about how much better the city can become.

I want to recognize John because he is one of those few people who I can properly engage with in trash talk and still talk about the city in a positive way. Thank you, John, for your wonderful service. [Applause]

When I came to all of you a year ago, San Francisco's unemployment rate was 9.5%. We

just heard a fantastic presentation by J.P. Morgan and their analyst as to how we came about in making that change. At the time, we faced a \$380 million budget deficit, and we were struggling in how to meet the increasing cost of our pension and health-care obligations. Remember that discussion about our pension? We have come a long way.

It is not even mentioned anymore but it is still prevalent, and so are our health-care obligations. One year later, our city, the supervisors, mayor, and elected officials have all come together with the help of great city department leaders that are also here today doing everything we can to make sure that we tackle the pension issues and make sure that our budget is balanced.

More importantly, we put people back to work. That is the most important thing all of us have joined together in doing. In the last 12 months, guess what we have done? We created jobs for an additional 17,300 San Franciscans, bringing our unemployment rate down from 9.5% to 7.6%. That is in just one year. Thank you for your help on that.

[Applause]

### **Revenues and Job Training**

Two weeks ago, we got another piece of positive information: news on the economy. Our revenues became \$129 million in greater than projected in the first six months of the fiscal year. That is wonderful data for San Francisco.

For some years now, it has been deficit, deficit, deficit, no increase, no revenue, and all of you know how wonderfully negative that discussion has been. Now we have some positive light. I stand before you today, just a year in office, in my first year as mayor, to say that the economic recovery is under way. It is real and the economic policies and strategies we have pursued are working and they are working well.

Our city could not do this without the partnerships of many of you who are here today. San Francisco is back on track, but we must stay the course. What I mean is, even though our revenues have surged from the economic growth that our tech companies have provided, they have also benefitted traditional companies that have been here for so many years. By the way, let me do this. I have been known as the tech mayor.

Whether it is Wells Fargo, PG&E, Recology, the numerous sponsors that continue to come here, you have been part of the life blood as we welcome in the clean technology and biotech companies. You want to make sure that we are growing a family steeped in a tradition of people that love this city, that love every neighborhood, and who have experienced all the great, positive dialogue. But we have also been concerned about the negative dialogue, sharing in every aspect of the city has.

I know many of you have joined with me some weeks ago when we celebrated the 50 years of Tony Bennett and his wonderful song. We have much more to celebrate in the coming years. I hope you all join the chamber in making sure that we share this prosperity. Having said that, knowing that our economy is improving, I want to make

sure you know I will be at home with the board, making sure we are not tempted to return to spending habits and short-term choices that got us into trouble in the first place.

We have two-year budgets, a renewed sense of obligation and responsibility, talking about our infrastructure, and things that allow our tech companies to be successful. We have to solve some serious transportation issues in the city, and that is why I spend hours Saturday morning at a technology hackathon, not trying to create a new application, but to try and solve some traditional problems with our taxis, making sure that someone can get a taxi, rather than waiting and being frustrated.

More than ever, we have to double down on reform, on innovation, and investment. That is why I will continue to announce that we are the innovation center for the whole world, right here in San Francisco.

Soon enough there will be time to reflect that in the city we had to break with some traditional things from announcing that in the most Broadway, letting everyone know that this is the center for a lot of things to happen. For Reebok to keep that innovation strong, keep the dialogue, as the panel has been talking about, keep Salesforce growing, Twitter growing here, keeping us all engaged as technology helps us to solve many of our problems, and finding solutions that we have not thought about.

Once and for all, we must treat government and our responsibility as mayors as families do -- find savings where we can, reduce unnecessary spending, and importantly, invest. Invest in our people and our infrastructure.

As said earlier, I will continue to talk about jobs. I do not care if I'm called the most boring guy that said one thing. I will repeat. I come here every day to the office asking whether or not I created another job for somebody else. When you learn about the statistics that SF Citi is sharing with us, it is worth getting early for, staying for late-night meetings, working on the weekend -- except my golf. [Laughter]

We are attracting tech, biotech, and clean tech companies. We are supporting local manufacturing. We are going to be making more things. Fashion is coming back. Technology with fashion will be an exciting area that we can hopefully unleash soon.

I will also tell you this. There are areas that we do not pay attention to that are not only stable, increasing, and wonderful when you hear this, but did you know -- and I got this from the recent reports from our hospital council -- did you know that our health care industry in San Francisco generates economic impact of over \$15 billion a year? Our own health care industry. 99,000 jobs. That is a huge contribution to our economy.

I do not want them to be silent any more. Our health care needs are important. [Applause]

With our elected officials on board, we need to continue to reform the payroll tax. We have got to incentivize businesses to create those jobs. The conversation in the board has been very good because we have not forgotten those that are not skilled as well as others.

We have got to get that employment training center up; we have to invite those who are living in the Tenderloin, in Mid Market, South of Market, the traditional groups that have struggled. They have identified issues in the past, such as the digital divide. They were not caught up to the level of education and technology they needed to be. We have got to help our returning veterans get those skill sets.

People who are in the middle of their careers have those skills sets. That is why employment training is so important. We need a stronger training partnership. We also need private and more public investment in our schools. I will be talking a lot about that with the new president of our school board Norman Yi. I will be talking about how our schools can participate in this employment training and make sure there are generations of kids who do not lose hope in this city, do not look elsewhere when the best jobs are created right here. All they have to do is do their part.

### **Hetch Hetchy and the America's Cup**

I want to say one thing about our infrastructure, something that I want you to remember as you leave today. I just want to mention something about Hetch Hetchy. Some people out there are suggesting we can tear down that dam and still survive as a city. I want to let you know, as insane as it is, it is, in fact, insane. [Applause]

There will be some leaders that approach you, others around the city that suggest tearing down Hetch Hetchy is a good idea. They will start talking about water sustainability issues. But know this: not only do we have the cleanest water, not only have we spent serious amounts of money upgrading seismically the whole system to deliver that clean water, but it is also one of the strongest clean hydroelectric power sources that any city across the country has had. I want to make sure you know that as this public dialogue begins. Do not be misled on the discussions by people who will connect something that we want to have, which is sustainable water, but not by tearing down our dam.

Finally, I want to end with a discussion on America's Cup. Yesterday, we made the announcement that Piers 30 and 32 are no longer part of it. I think the public discussion and discourse around the investments that we need to rebuild the piers, including the horrible conditions at 30 and 32, got away from the focus, which should be on hosting the 34th America's Cup, one of the greatest sporting events we will see.

It will be the only international sporting event in all of 2013 in any part of the United States, and it is coming here to San Francisco. It will be a blend of technology with boating and will be used by new technologies to introduce us to generations of new sailors by using our waterfront and bay in the right way.

I spoke to Larry Ellison directly for a good few moments. We reiterated our excitement about the race. It is on for this year for the smaller boats, next year for the larger ones, and we do expect hundreds of thousands of people to come to our city.

We have figured out, through the work of the event authority and host committees, all the different plans. We have to use properly our open space and transportation lines, making sure we create positive use.

I want to let you know about the change in investment and topic this course is a very key reminder of how sensitive we have to be to this whole dialogue about investment. It can go different ways. The thing that I need to make sure we do at the board of supervisors and mayor's office is keeping a strong foundation for economic growth in this city and keeps talking to audiences like you and others who can help us. Talking to neighborhoods, making sure the dialogue is understood and job creation is still the key.

This whole theme today, prospering together and sharing it, is consistent with what I have been saying throughout the city. We are the city for the 100%.

We will work together. I will make sure the city's discourse is positive. We will not prevent the foundation that provides us with economic growth. Let's move forward together.

Thank you very much.