



THE CITY OF SAN DIEGO

SMALL BUSINESS ADVISORY BOARD (SBAB) MEETING MINUTES

June 21, 2013

War Memorial Building – Room 2
3325 Zoo Drive, San Diego, CA 92101

BOARD MEMBERS PRESENT	BOARD MEMBERS ABSENT
Edward Barbat Antonio Barbosa W. Patrick Edwards Dr. Ruben Garcia Robert Glick Michelle Gray	Catherine Arambula Joseph Fox William Lynch Gary Peterson (1 Vacant Seat)

CITY STAFF
Lisa Gordon-Hosch, Small Business Ambassador & SBAB Liaison Alicia Martinez-Higgs, Community Development Specialist

OTHERS PRESENT
See June 21, 2013 Attendance Sheet

1. Call to Order & Introductions

- Dr. Ruben Garcia, Board Chairman called the meeting to order at 8:53 a.m.

2. Approval of Minutes

- A motion was made Robert Glick to approve the April 19, 2013 Minutes. There was a second by Michelle Gray. Yes: 6, No: 0, Absent: 4 Vacant Seat: 1

3. Public Comment

- Antonio Bernal, Director of Business & Community Projects for Council President Todd Gloria shared that regulatory relief will be a focus of the Council President. He welcomed the Board's input and new ideas that support regulatory relief and provided two examples of recent regulatory relief efforts: sidewalk café ordinance which helped streamline the

permit process and reduced costs, and reducing regulations for microbrewers which positively impacted their operations. In addition, in honor of National Small Business Week and on behalf of Council President Todd Gloria, Mr. Bernal thanked the Board for their service. Mr. Bernal also provided a copy of the Council President's newsletter for District 3.

4. Administrative Items

a. Board Administrative Items and/or Non-Agenda Comments:

- Chair Garcia reported that he was honored to provide a presentation on the Small Business Advisory Board to the Council's Rules & Economic Development Committee in early June. This was a good opportunity to bring more awareness to the Board's role, efforts, and activities. He also shared that he was invited to return to the Committee to present ideas and recommendations of the Board.
- Chair Garcia stated that he did present the surety bonding requirement issue to the Committee (City's surety bonding requirement for total amount of contract on public works contracts for prime and subcontractor) that was shared during public comment by Alex Galicia of BPI Plumbing at the Board's April meeting. Chair Garcia recommended that the surety bonding requirement for public works contracting be reviewed by the Committee and surety bonding for a portion of the contract be considered. This contracting requirement is challenging and cumbersome for small businesses.
- Chair Garcia expressed appreciation for the invitation by Council Committee Chair Sherri Lightner to present to the Committee, and he also thanked Lisa Gordon-Hosch for helping to arrange and support this Small Business Advisory Board presentation, as he could not recall a time that the Board had been invited or extended this type of opportunity.
- Chair Garcia encouraged the Board's participation in creating and providing future recommendations to the Committee. Ms. Gordon-Hosch mentioned that it was proposed that the Board's recommendations be brought back to the Committee some time after the Board's Annual Community Outreach Meeting to allow time and proper venue for more direct input from the small business community.
- Board member Gray stated that input from small businesses ("the small business mind") when considering policy changes is critical and hoped that the Committee would consider the Board's input on future small business matters that are reviewed or under discussion by the Committee.

b. Requests of Agenda Revisions (continuances, changes in order, etc.) – None

c. Internal Committee: No Report

d. External Committee: No Report

e. Development Services Department Technical Advisory Committee (TAC) –

Representative(s) Report: Edward Barbat, SBAB Alternate Representative to TAC, read Gary Peterson's summary report of the last TAC meeting:

- The TAC was presented with a new process of how to change Capital Improvement Projects that are adjusted after they are approved. Capital Improvement Projects are typically projects that have already garnered board

approval from the City Council and include public works projects (street improvements, airports, bikeways, libraries, parks, etc.)

- Currently, any changes to already approved Capital Improvement Projects, whether it's zoning, contractors, or design plans, have to go through the same network of advisors, councils, and organizations that initially approved the Capital Improvement Project.
 - According to the presentation given to the TAC, this process adds a lot of time and money to the project. To help streamline this process, a solution was proposed that any changes to a Capital Improvement Project be taken straight to the City Council for approval which would reduce time to have the change/adjustment reviewed by all of the initial and various groups/councils.
 - By streamlining the process to go straight to the City Council, it is believed that timeline for amended projects will be shortened from two years to one year and save the city anywhere between \$5,000 and \$35,000 in costs.
 - Board member Gray was concerned with the elimination of some of the oversight by the various groups. Ms. Gordon-Hosch mentioned that this may only apply to minor adjustments to the project.
- f. Economic Development Division/Office of Small Business – No updates at this time.
- g. Equal Opportunity Contracting/Purchasing & Contracting – No report

5. Presentation on the San Diego Contracting Opportunities Center – FY 2013 SBEP Grant Recipient

- **San Diego Contracting Opportunities Center (SDCOC)** – Gunnar Schalin, Director of the San Diego Contracting Opportunities Center, provided an overview of the mission, methods, metrics, and outcomes of the SDCOC. The Center provides technical assistance, training, one-to-one counseling, and specialized bidding services to help local small businesses pursue federal, state, and local government contracts (prime and subcontracts) and procurement opportunities.
- Mr. Schalin shared overall outcomes and economic impact resulting from SDCOC's services including clients served, contract awards, and job creation. Since 1995, the SDCOC has helped a total of 10,655 firms throughout San Diego County pursue and receive contracts valued at more than \$693 million, including businesses within the City of San Diego that reported \$421 million in contract awards.
- He discussed the unique type of counseling services and workshops provided by SDCOC counselors/procurement specialists, and customized services offered to help identify nationwide opportunities for contracting.
- Mr. Schalin also specifically highlighted contract awards, clients served and statistics for City of San Diego businesses for fiscal year 2012-2013. A total of 300 businesses were served through 473 counseling sessions with 38 businesses reporting contracting awards in the amount of \$14,376,928.
- Mr. Schalin also provided information on overall client demographics, number of employees, and contract awards for women and service disabled veteran-owned small businesses.
- The SDCOC receives funding support through the City of San Diego's Small Business Enhancement Program (SBEP) grant. Mr. Schalin expressed appreciation for this

citywide grant funding and the Board's continued support of its mission.

- Mr. Schalin offered and provided SDCOC fact sheets, annual reports, and training schedules.

6. "Meet & Greet" with Councilmember Mark Kersey

- Chair Garcia introduced Councilmember Mark Kersey.
- Councilmember Mark Kersey expressed appreciation for the invitation and opportunity to meet with the Small Business Advisory Board, and welcomed the Board's feedback and ways the City can improve.
- He opened with a discussion on how the City of San Diego interacts with the small business community and shared the difficulty and challenge City government has in not being able to legislate economic growth and specifically create thousands of jobs, but can identify ways to work in concert with the business community and address obstacles to job creation and business growth. Councilmember Kersey discussed three key business initiatives and topics that he is involved with and currently under discussion by City Council:
 - Through an initiative launched in collaboration with The Brookings Institution during Mayor Sanders' administration, San Diego was selected as one of 10 metropolitan areas nationwide to participate in a Metropolitan Export Exchange Plan to adequately measure San Diego's export of local products and services and challenges to growth of the industry.
 - Stakeholder group participating in this initiative includes the City, Port, Airport Authority, EDC, CONNECT, World Trade Center and regional chamber.
 - Research conducted via surveys completed by export businesses and industry leaders helped stakeholder group identify challenges to growth. Research found that the region is underperforming in export arena (exporting products and services) even with proximity to Latin America and Pacific Rim.
 - Currently, stakeholder group is working to develop a strategic action plan to address research and respond to industry challenges, utilize and grow talent at the university level, identify ways to grow export industry, and advance region's products internationally.
 - Councilmember Kersey believes there is tremendous potential and great opportunity for local businesses and the export economy.
 - Council is concerned about the vulnerability of state's Enterprise Zone Program developed by the state and administered at the local level. The program offers state tax hiring credits for companies hiring people within designated zones.
 - Program has been very successful in investing \$1.7 billion in capital in the enterprise zone region, creating 40,000 jobs from 2006-2012, and expanding over the last year. Program expanded into Councilmember Kersey's district last year and has served as an excellent tool in attracting businesses.
 - This is one of the few tools offered by the state that the City can provide as a business incentive program. Program was under consideration for

termination this year, and there are concerns that the Governor will continue discussions to terminate the program.

- 3) Councilmember Kersey is the Chair of the City Council's new Infrastructure Committee and shared that infrastructure backlog is the next big challenge facing the City with at least \$1 billion worth of capital backlog to be completed. This includes streets, sidewalks, storm drains, facilities, parks, water mains.
 - The state of the City's infrastructure and current conditions impact ability to attract businesses to the City. Infrastructure projects are needed to help support the business community, improve quality of life and attract business to the City.
 - Work plan underway to address assessments, backlog and funding of infrastructure projects.
 - Council working on 5-year infrastructure plan, streamlining internal processes to shorten timeframe for projects to go from concept to completion, and prioritizing projects by receiving input from the community.

Councilmember Kersey responded to questions and received input from the Board including:

- Board member Edwards expressed concern over: 1) Replacement of sidewalks in commercial districts and disruption of business activity; Need to look at soil analysis and testing when planning/constructing new sidewalks; Possibly consider requiring contractor to do soil testing for sidewalk replacements. 2) Concerned with management of micro district funding and grant process since BID Council will no longer be managing this process; Will be managed by Mayor's Office; Requesting that Council pay attention to changing way that City makes distributions to micro districts.
- Questions by Board member Glick regarding marketing and location of Enterprise Zones. Councilmember Kersey & Council are looking into ways to help better market program through addition of dedicated staff however a new position was not budgeted since the program is "in limbo" at this time. Ms. Gordon-Hosch mentioned specific City staff and website for more information regarding the Enterprise Zone.
- Board member Barbosa commented on use of technology in receiving input from the community on infrastructure projects. Councilmember Kersey/Council is working with Code for America to advance solutions in government, make City data more available and accessible to open source community to help City, create online surveys on infrastructure, deploy technology to collect data, and schedule town hall meetings to receive input from the community.
- Board member Gray inquired whether there is collaboration with embassies on the initiative launched through the Metropolitan Export Exchange. Councilmember Kersey mentioned that they are working with the U.S. Commercial Service (Department of Commerce) based in embassies and consulates. They have an office based in San Diego.
- Chair Garcia commented regarding the state and the City's ability to attract business despite continued competition with other states. Councilmember Kersey mentioned continued efforts at the local level to create a more attractive business

climate for the City through streamlining regulations and expediting permit processes, like recent changes for the craft brewer industry. Councilmember hopes to see this type of change and improvements for other industries, and identify more strategic ways to help grow other industry sectors.

- Chair Garcia thanked Councilmember Kersey for the discussion and participation in the meeting, and invited him to return for a future Board meeting.

7. BID Council Monthly Report

- Mr. Patrick Edwards reported that the previously reported “misunderstanding” between the BID Council and the Mayor is not fully resolved. Mr. Edwards feels he is in a difficult position as BID Council President in managing the transition of the BID Council from an organization that has been contracting with the City for more than 20 years for the benefit of small businesses through SBEP program and other activities to the sudden absence of funding which occurred when the Mayor’s budget withdrew all funding for the BID Council for any administration.
- Negative budget currently in place for BID Council for FY 2014 and they are relying on resources which will allow the BID Council to continue operation, but they’re uncertain regarding role and capacity and how the BID Council will function.
- They are working with Mayor’s Chief of Staff on reaching agreement and a memorandum of understanding, and they are currently awaiting response from Mayor’s Office.
- Mr. Edwards stated that the BID Council has had an amazing 20-year commitment to business improvement and enhancement, and he is concerned about the BID Advocate position, transition, replacing BID Council activities, and the future of the BID Council.

8. Discussion on FY 2014 Small Business Enhancement Program (SBEP) Application & Process

- Lisa Gordon-Hosch provided an overview of the Small Business Enhancement Program (SBEP) Grant that was created to provide funding to non-profit organizations that offer specialized programs and assistance to help create, grow, or retain small businesses in the City of San Diego.
- Ms. Gordon-Hosch highlighted the application process, timeframe, funding request amounts, and number of grants awarded last year, and reported that due to changes and improvements made to the application over the last few years, there are no recommended changes for this year’s application or process. Possible changes and improvements to SBEP, policy, and funding are likely to occur next year.
- Ms. Gordon-Hosch asked for volunteers to serve on the FY 2014 SBEP Panel and responded to questions from the Board regarding release of application, deadline, and total amount of funding available for FY 2014.
- Edward Barbat, Antonio Barbosa, and Michelle Gray volunteered to serve on the FY 2014 SBEP Panel. Ms. Gordon-Hosch will check with board members not present at meeting to see if they would like to participate on the Panel.

9. Next Meeting Date

- **Next Meeting Date and Location – August 16, 2013 at the War Memorial Building – Room 2** located at 3325 Zoo Drive, San Diego, CA 92101
<http://www.sandiego.gov/park-and-recreation/parks/balboa/warmemorial.shtml#>

Directions/Parking:

- The War Memorial Building is located at the north end of Balboa Park at Park Boulevard and Zoo Drive, across from Roosevelt Middle School. Take Hwy 163 South to Park Blvd Exit. Turn left at Park Blvd., then continue to Zoo Drive. Make a left/go west on Zoo Drive. Building will be on your left. Street parking available on Zoo Drive, Park Blvd., or in the north end of the Zoo's parking lot.

9. Meeting Adjournment

- The meeting was adjourned by Chair Ruben Garcia without objection at 9:59 a.m.