



THE CITY OF SAN DIEGO

SMALL BUSINESS ADVISORY BOARD (SBAB) MEETING MINUTES

December 13, 2013

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

BOARD MEMBERS PRESENT	BOARD MEMBERS ABSENT
Catherine Arambula Antonio Barbosa Patrick Edwards Joseph Fox Dr. Ruben Garcia Robert Glick Michelle Gray: Arrived at 8:50 a.m. Guy Hanford William Lynch: Departed at 9:30 a.m. Gary Peterson	Edward Barbat

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

OTHERS PRESENT
See December 13, 2013 Attendance Sheet

1. Call to Order & Introductions

- Dr. Ruben Garcia, Board Chairman called the meeting to order at 8:46 a.m.
- Chair Garcia acknowledged outgoing Board member & BID Council Representative Patrick Edwards for his two years of service on the Small Business Advisory Board.
- Chair Garcia introduced and welcomed new Board member Guy Hanford and shared his bio.
- Board member Lynch mentioned that he will depart the meeting at 9:30 a.m., and Board member Barbosa would provide the report for the Internal Subcommittee in his absence.

2. Approval of Minutes

- **A motion was made by Joseph Fox to approve the October 18, 2013 Minutes. There was a second by Bill Lynch. Yes: 7, No: 0, Absent: 1 – Edward Barbat, Abstain: 3 - Catherine Arambula, Patrick Edwards were absent from the October 18, 2013 meeting, and Guy Hanford had not yet been appointed to Board.**

3. Public Comment

- No Public Comment

4. Administrative Items

- a. Board Administrative Items and/or Non-Agenda Comments – None
- b. Requests of Agenda Revisions (continuances, changes in order, etc.) – Board member Patrick Edwards requested that the BID Council Report be moved to later in the Agenda to follow Elizabeth Studebaker’s presentation on the Small Business Enhancement Program (SBEP) Council Policy 900-15.
- c. Development Services Department Technical Advisory Committee – Board member/TAC Representative Gary Peterson stated that there are no updates at this time as the Committee has been on hiatus during the holiday season.
- d. Economic Development Division/Office of Small Business:
 - Small Business Ambassador Lisa Gordon-Hosch announced new name of the department: “Planning, Neighborhoods, & Economic Development Department”, and the Office of Small Business remains underneath the umbrella of the Economic Development Division. Bill Fulton is the new Director of the Planning, Neighborhoods, & Economic Development Department.
- e. Equal Opportunity Contracting/Purchasing & Contracting - No updates at this time per Lisa Gordon-Hosch.

5. Update on Proposed Land Use Regulations and Permit Process for Mobile Food Trucks

- Amanda Lee, Senior Planner, City of San Diego Development Services Department, provided a presentation on proposed (draft) amendments to the City’s Municipal Code to include regulations and permit processes for mobile Food Truck operations. The amendments are not applicable to other types of mobile vending (i.e. hot dog, coffee, and push carts), but are intended to clarify regulations applicable to Food Trucks, and create a new predictable approval process that allows food trucks to operate on private property and within the public right-of-way that balances safety, community character, and economic interests.
- Ms. Lee’s presentation highlighted applicable state laws (Health and Safety Code and Retail Food Code), County’s role in health related enforcement, and California Vehicle Code regulations for Food Truck operations which gives the City authority over time, location, and manner of operations in the public right-of-way.
- Ms. Lee stated that City Code does not currently address this new business model and

existing regulations are primarily focused on ice cream trucks. Code Amendments are needed to:

- Allow for the operation of Food Trucks on private property and public right-of-way.
 - Create a new zoning category (a “separately regulated use” category) to identify where Food Trucks are allowed, where certain land use regulations would apply, and the process for approval.
 - Help eliminate inconsistencies between code sections (Health Code requirements, Land Development Code regulations, and Public Safety limits on sales from vehicles).
- Ms. Lee also noted that a wide variety of key stakeholders are involved including the California Restaurant Association, Food Truck operators, property owners hosting Food Trucks, customers, employees, and suppliers; competing businesses in the food industry (restaurants, push cart vendors, traditional Food Trucks, gourmet Food Trucks); and the diverse and competing interests from local businesses, residents, consumers, community groups, and BIDs.
- Proposed amendments to the Permit Process for Food Trucks include:
 - Food Truck operators must continue to obtain City Business Tax certificate and County Health Permit.
 - No City permit is required, but operations must comply with new “limited use” regulations.
 - Property owners will be required to obtain a City permit (Process 1, over-the-counter permit) to host Food Trucks on private property with an approved site plan, and agree to comply with limited use regulations (property owner must demonstrate appropriate area, facilities on site, and space to accommodate Food Truck without negative land use effects). Permit to be issued via Development Services Department (staff approval) and will include an annual expiration date. Cost of permit will range between \$491-\$935 based on staff review needed, but will not exceed maximum of four hours.
- Special Case Permit Exceptions include:
 - No permit required where owner grants permission for private catering (no charge to guests for attending private event); service at an active construction site; or service to schools, universities, and hospitals.
 - Neighborhood Use Permit can be obtained to deviate from limited use criteria (i.e. hours of operation or maximum number of Food Trucks allowed on site). Requires discretionary review process (staff level approval and appealable to the Planning Commission)
 - Temporary Use Permit can be obtained for limited time events on private property i.e. seasonal retail (Christmas Tree Lot, Pumpkin Patch) or entertainment with maximum of two events per year – staff level approval
 - Special Event Permit can be obtained for event on public property serving 75 or more people (Staff level approval/Special Events Director)

- Allowable Locations:
 - Allowed as a limited use in all industrial and commercial zones. Conditional Use Permit (CUP) in Centre City Planned District area downtown is the only current permit available that allows for legal operation of Food Trucks, however, the CUP does not provide conditions of use/set criteria, and this permit/process has been cost prohibitive and challenging for Food Truck operators. The new limited use regulations will provide set requirements/criteria and replace the existing CUP permit process in approved downtown areas.
 - Not permitted in the following locations with the exception of what is allowed through a Temporary Use Permit, Special Event Permit, or Special Case exception:
 - Open Space, Agricultural, or Residential zones (possible amendments to accommodate higher density multi-dwelling unit zones that seek to provide Food Trucks as amenities to residents)
 - Gaslamp Quarter Planned District
 - In the right-of-way within the Parking Impact Overlay Zone (mapped areas) which includes beach impact areas with high parking demand and campus impact areas around SDSU, UCSD, and USD.

- Limits on Hours of Operation:
 - Not permitted within 1,000 feet of dwelling unit (may change to 500 feet) between 10:00 p.m.-6:00 a.m. Sunday-Thursday or 11:00 p.m.-6:00 a.m. Friday-Saturday. Hours of operation can be extended if property owner can demonstrate appropriate for location.
 - Must comply with all parking time limits per the Vehicle Code (if operating in public right-of-way) including parking meter limits.
 - Operations in commercial zones are limited to maximum of 3 days/week per site (private property only).
 - Deviations available through Discretionary Permit (Process 2 Neighborhood Use Permit) for exceptions to operating hours, number of days per week, or number of trucks per site.

- Other Regulatory criteria includes:
 - No amplified music or loud speakers, no signage other than on Food Truck, operations must be self-contained within vehicle (no extension cords running across sidewalk). Only trash receptacle can be outside of vehicle.
 - Must provide trash/recycling receptacles and clean up trash within 25 foot radius.
 - Operator and employees must have access to restrooms and hand-washing with 200 feet (in accordance with County Health Permit).

- In Public Right of Way:
 - Operator must organize customer line/traffic to maintain a minimum 4 foot clear path of travel along sidewalk, and food trucks in commercial zones must be no longer than maximum length of 30 feet or occupy a maximum of two on-street parking spaces.

- Limits on Proximity:
For operations within public right of way, Food Trucks must be:
 - 25 feet from street intersections and transit stops.
 - 500 feet of K-12 schools.
 - 500 feet of special events, unless part of particular special event.

- Limits on Private Property:
 - Limited to maximum of 25% area of premises, must be in paved area, demonstrate no impact to parking or pedestrian circulation.
 - Maximum number of trucks per site:
 - Space per vehicle maximum is 35 feet by 15 feet space per food truck
 - Trucks greater than 30 feet require 70 feet by 15 feet space
 - Deviations can be requested with a Neighborhood Use Permit

- Public Outreach & Approval Process:
 - Ms. Lee stated that Interim Mayor/Council President Todd Gloria initiated preparation of amendments to the Municipal Code via a letter to the City's Development Services Department. A copy of letter was provided in the Board packet. Development Services staff started the process with Council's Land Use and Housing Committee to receive policy direction, and created a Draft Ordinance which was sent out for public comment through this week. Staff has also presented to various stakeholder groups including the Community Planners Committee, Technical Advisory Committee, and Code Monitoring Team and received unanimous approval from each committee.
 - Next steps are to start public hearing process with the Planning Commission in January 2014. After Planning Commission, staff will return to Council Land Use and Housing Committee, and City Council will consider for final approval. A state review process will be scheduled with the Coastal Commission and Airport Authority.

- How Food Trucks Can Operate in the Interim:
 - Maintain County Health permit in good standing.
 - Possess an active City Business Tax Certificate.
 - Operate in the public-right-of-way in accordance with Vehicle Code, parking time limit restrictions, and on public property with approved Special Events Permit
 - Operate on private property for private catering (no permit required), with a Conditional Use Permit for downtown locations, or with a Temporary Use Permit as part of a retail/entertainment event.

- Ms. Lee responded to questions from the Board regarding: specific and recurring Food Truck activity in the public-right-of way downtown, special event permits, private property, parking lots, owner permission, cost of other permits including the Special Event Permit, Temporary Use Permit, and Neighborhood Use Permit, County health requirements regarding access to restrooms and hot water in restroom facilities, merchandise trucks, and environmental impacts.

- Board member Edwards shared BID Council concerns and varying views over applying PROW guidelines when Food Trucks are using sidewalks within the BIDs, and whether Food Trucks are receiving special benefits within a BID without paying assessments.
- Ms. Lee welcomed follow-up questions on the Draft Mobile Food Truck Ordinance and provided her contact information in the Development Services Department: 619-446-5367 and ajohnsonlee@sandiego.gov

6. Small Business Enhancement Program (SBEP) Council Policy 900-15 – Action Item

- Elizabeth Studebaker, Business Improvement District (BID) Advocate, provided a brief overview of proposed changes recommended for the Small Business Enhancement Program (SBEP) Council Policy 900-15, and provided a copy of the current Policy and the strike-out version of the Policy to Board members.
- Ms. Studebaker stated that the SPEP Policy expired in November 2013 and proposed changes to the Policy were recently discussed at the Council’s Rules & Economic Development Committee in early November. The Committee did request the input of the Small Business Advisory Board on changes to the policy.
- Staff’s direction was to revise the language and eliminate line item budget in SBEP Council Policy so it is more in line with language in other Council Policies, and retain language that allows the Office of Small Business to administer various programs without strict line item budgets attached to each program. This creates flexibility as priorities shift throughout the years and/or new or additional needs, programs, or services are identified. The Committee/City Council will review SBEP funding and services as part of the annual budget process. Outreach to the BID Council and BID Associations has already occurred
- Ms. Gordon-Hosch requested that Meredith Dibden Brown, Office of Small Business Manager, provide a historical overview of the Council Policy for newer Board members. Ms. Dibden Brown provided history since inception of program (1995) when the City’s Business Tax fee was set at \$34, and \$20 per each small business registered (12 or fewer employees) was allocated out of the general fund to provide for programs/services to support small businesses. In 1997, the Council Policy was adopted as a formal program and has been updated several times to reflect changing needs. The policy sunsets every five years and the Small Business Advisory Board has previously been involved in the review process. Over time, the Policy has included more specific criteria and funding amounts. Current revision is to make the policy more general and flexible.
- Ms. Studebaker noted an additional change to language made after the Council Committee meeting to include a floor of dedicated funds at 22 ½ % of overall non-personnel budget annually for BID Management Grants. These grants help BID Associations with professional staffing. The 22 ½ % allocation is considered a fair reflection of the number of small businesses represented in the BIDs, and will create more predictability and a level of certainty in the budgeting process for the BID Associations.

- Questions and discussion with Board members included historic baseline number of small businesses in the Policy; increase from 80,000 small businesses in the current Policy to actual number of small businesses registered; explanation of the actual funding to be allocated for staffing, programs, and 22½ % for BID Management Grants, whether additional staff will be added to Office of Small Business to better measure number of actual existing businesses and ensure all businesses obtain a City Business Tax Certificate; City coordination with the state Franchise Tax Board to identify businesses that may be operating without a Business Tax Certificate; working with the BID Associations to better reflect and accurately count number of current businesses within the districts; a summary of the changes made to the Policy language, how allocations will be decided through the budget process on annual basis, clarification and appropriate input from the Board on the Policy; the importance of the Policy; how the update will improve the BID Management Grant process and how the proposed update to the Policy is supported by the BID Council.
- Ms. Gordon-Hosch clarified that the Board is being asked to consider the general concept of the proposed update of the Policy (as requested by the Council Rules & Economic Committee) and consider a recommendation.
- **A motion was made by Patrick Edwards to support the update to the Policy. There was a second by Guy Hanford. Yes:10, No: 0, Absent: 1.**
- Ms. Studebaker plans to attend future Board meetings and provide updates to the Board on the Policy.

7. BID Council Report – Report on Current Activities – Patrick Edwards

- Mr. Patrick Edwards reiterated that there are conflicting views over Food Trucks within the BIDs, and the BID Council supports the update to the SBEP Policy and BID Management Grants. He stated that BID Associations are historically underfunded and start with little funding. These initial fixed assessments/fee structures do not accelerate over time or reflect increased cost of living, and are difficult to re-ballot for increased assessment. Mr. Edwards is concerned that assessment districts will continue to be challenged by Prop. 26 and the threat of litigation. He stated that the City Attorney is working to transfer business assessment districts into property assessment districts. He and the BID Council will continue to monitor the discussion on the future of assessment districts.
- As this was Mr. Edwards final report as a member of the Small Business Advisory Board and BID Council Representative, he stated that he is very proud to have been President of the BID Council over the last four years, recognized the BID Council’s important role in supporting small businesses, and appreciated its uniqueness throughout the country. He has also appreciated the opportunity to be involved and represent the BID Council.

8. Report and Discussion on External & Internal Subcommittee Meetings

- SBAB Subcommittee Chairs/Representatives reported on discussions during External & Internal Subcommittee Meetings held on December 3 and December 4, 2013. These Subcommittee meetings were held to review comments and ideas received during the Brainstorm Session/Public Comment at the Board's Annual Community Outreach Meeting held October 18, 2013.
- Board member Michelle Gray reported on behalf of the External Subcommittee on topics discussed during the meeting on December 3, 2013:
 - Film Permit – The Committee discussed whether the dissolution of the Film Commission has had an impact on the film permit process, and recommended inviting film makers to future SBAB meetings to provide feedback and determine whether there has been an impact.
 - Use of Former Central Library – The Committee supported the idea of requesting that a member of the Small Business Advisory Board participate in any meetings or stakeholder groups formed to discuss future use of the former Central Library, and also participate to ensure that shared workspace is a part of the discussion to provide opportunities for business collaboration. Gary Peterson shared that small software developers would benefit from this type of space and he volunteered to be the Board representative to participate in these meetings.
 - City Business Website – Possibly consider translation of sections of the City's website on (how to do business with the City) in Spanish due to the region's border proximity. The Committee also requested that City staff that manage the small business section of the website be invited to a future Board meeting to demonstrate navigation of the website and allow for Board input and feedback.
- Office of Small Business Manager, Meredith Dibden Brown, was invited to the Board meeting to provide information and updates on the film permit process and the business section of the City's website. Ms. Dibden Brown shared that City staff in Special Events have taken over the responsibility of the film permit process since dissolution of the Film Commission and loss of commission staff. Staff has recently been working with film industry representatives to create, simplify, and streamline the film permit process, and provide additional assistance to the industry. Staff plans to attend the Board's February meeting to provide an update on the film permit and process.
- Ms. Dibden Brown also shared that the City's Business Resource Center webpage was created through a federal grant as an online resource tool, and was envisioned as an online one-stop-shop with link from City's home webpage. Due to limitations with the City's main website, architecture, and tab design, a different type of external Business Resource Center webpage was created. Staff is working to bring more awareness to the webpage and Ms. Dibden Brown welcomed future input and feedback on the webpage from the Board to make it more business and navigation-friendly. She also plans to return to provide a presentation.

- External Subcommittee Comments: Subcommittee Member Gary Peterson shared feedback he has received since attending the External Subcommittee meeting. He has received valuable feedback from film/video industry representatives and businesses, and they reported that the new film permit process performed by City Special Events staff (Cindy Kodama) has vastly improved beyond the previous process provided by Film Commission staff. The process has been streamlined, and response and approval time has improved dramatically (within 24 hours). They encouraged more exposure and awareness of the new City film permit process. Mr. Peterson also mentioned that the film production guide previously created by the Film Commission is now an online guide and readily available. On the topic of the future use of the former Central Library, Mr. Peterson shared his passion and support for making San Diego a very tech-friendly city. He stated that software developers would greatly appreciate a centralized facility and shared workspace designed for collaboration opportunities.

- Board member Barbosa reported on behalf of the Internal Subcommittee and Subcommittee Chair Lynch (due to 9:30 a.m. departure from the meeting) on topics and discussion held during Subcommittee meeting on December 4, 2013. Mr. Barbosa reported that the Subcommittee nominated Bill Lynch to be the new Chair and discussed the following topics:
 - Film Permit – The Subcommittee recommended and supported City staff review and research into the current film permit process and a report back to the Board upon review. Lisa Gordon-Hosch stated that she is working to identify appropriate staff/stakeholders to present at the Board’s February meeting, and mentioned that the Board’s proposed Subcommittee meetings in early February will need to be delayed to allow time for the research process and presentations at the Board’s meeting in late February.

 - Use of Former Central Library – The Subcommittee also supported the idea of requesting that a member of the Small Business Advisory Board participate in potential meetings or committees formed to discuss future use of the former Central Library. Joseph Fox volunteered to be a Board representative and participate in these meetings. Lisa Gordon-Hosch mentioned that she is working on the request for Small Business Advisory Board representation (“getting a seat at the table”), input, and participation in any committees/stakeholder groups formed on this topic. She is working with Councilmember Lightner’s Office on this request.

 - City Business Website – Creating a business-friendly web portal is critical and the Committee recommended better promotion and marketing of the City’s Business Resource Center website. Meredith Dibden Brown stated that without dedicated promotion, marketing or public information staff, it has been challenging to appropriately and consistently promote and market the website. Ideas on how to better market promote this webpage are welcomed, and a student intern may be assigned to assist with the marketing effort. Board member Gray recommended that student intern contact business organizations and put link on their website.

9. Planning & Discussion on 2014 Small Business Topics/Initiatives and Meeting Schedule for 2014 Small Business Advisory Board Meetings – Action Item

- Ms. Gordon-Hosch, Small Business Advisory Board Liaison, helped open the Board’s discussion on a review of the Board’s activities for 2013, and topics of interest for 2014 Small Business Advisory Board Meetings. Ms. Gordon provided “A Year in Review” handout of the Board’s 2013 Meetings which included a summary of last year’s schedule, topics, and highlights of the Board’s activities, accomplishments, and panel participation.
- Ms. Gordon-Hosch presented a Draft 2014 Small Business Advisory Board Meeting Schedule with dates and locations for the Board’s review and consideration. Ms. Gordon-Hosch also provided a proposed draft of 2014 Meeting Topics with plan to focus on specific topics the Board will consider for potential recommendations to the Council’s Rules & Economic Development Committee and inviting stakeholders to present on these topics and participate at Board meetings; presentations by SBEP grant recipients, Board participation in the EDTS Panel, timeframe for continued discussion on topics and schedule to possibly finalize recommendations and provide to Committee after June Board meeting (possibly July or September); and planning for Board’s October outreach meeting. Ms. Gordon-Hosch welcomed discussion on the 2014 Topic plan and schedule.
- Board Member Barbosa suggested earlier promotion of the Board’s October Outreach Meeting. Ms. Gordon-Hosch will work with the Board and resource partners on earlier promotion of the meeting.
- **A motion was made by Gary Peterson to approve the 2014 Meeting Schedule. There was a second by Catherine Arambula. Yes: 10, No: 0, Absent: 1.**
- Ms. Gordon-Hosch stated that she will explore opportunities to remind/promote the Small Business Advisory Board’s role and readiness to serve, and also look into inviting the Council President/other council members.

10. Next Meeting Date

- **Next Meeting Date and Location – February 21, 2014** (2nd Friday) at the **War Memorial Building in 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.

10. Meeting Adjournment

- The meeting was adjourned by Board Chair Garcia without objection at 10:08 a.m.