



THE CITY OF SAN DIEGO

SMALL BUSINESS ADVISORY BOARD (SBAB) MEETING MINUTES

June 20, 2014

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

BOARD MEMBERS PRESENT	BOARD MEMBERS ABSENT
Catherine Arambula Edward Barbat – Arrived at 9:25 a.m. Antonio Barbosa Dr. Ruben Garcia Guy Hanford Gary Peterson Warren Simon	Joseph Fox Michelle Gray Robert Glick William Lynch

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

OTHERS PRESENT
See June 20, 2014 Attendance Sheet

1. Call to Order & Introductions:

- Dr. Ruben Garcia, Board Chairman called the meeting to order at 8:55 a.m.

2. Approval of Minutes:

- **Motion to approve Meeting Minutes of April 18, 2014 was tabled for the next Board meeting. Only four of six Board members were present at April 18, 2014 meeting.**

3. Public Comment:

- Elizabeth Schott, CEO/Executive Director of ACCION San Diego, announced and invited everyone to attend the 4th Annual “Here’s the Money? Access to Capital Business Expo” on June 28, 2014 from 8:00 a.m. – 3:00 p.m. at the Doubletree Hilton in Hazard Center. The Expo will feature Keynote Speaker, Johnny Earle, owner of Johnny

Cupcakes, and a wide variety of agencies, speakers, panels, and workshops aimed at helping small businesses identify financial resources to help their business grow and succeed. Fliers were distributed.

- Ms. Schott also wanted to thank the City and the Small Business Advisory Board for ACCION’s Small Business Enhancement Program grant funding. ACCION San Diego is now in its 20th year and is celebrating 20 years of helping small businesses gain access to capital. Ms. Schott handed out save-the-date postcards announcing their 20th Anniversary Celebration event to be held on October 9, 2014 from 5:00 p.m.-7:30 p.m.

4. Administrative Items:

- a. Board Administrative Items and/or Non-Agenda Comments – None
- b. Requests of Agenda Revisions (continuances, changes in order, etc.) – None
- c. Development Services Department Technical Advisory Committee – Board member/TAC Representative Gary Peterson stated that there are no updates at this time.
- d. Economic Development Division/Office of Small Business:
 - Small Business Ambassador Lisa Gordon-Hosch appreciated the opportunity to have Department Director Bill Fulton at today’s Board meeting to present and share his thoughts on small business, and reported that Small Business Advisory Board members attended the SBA/SBDC’s Award Breakfast on July 11, 2014. Board members that attended the breakfast commented on the event.
- e. Equal Opportunity Contracting/Purchasing & Contracting - No updates from the department at this time per Lisa Gordon-Hosch. However, she plans to invite Purchasing & Contracting Department Director Dennis Gakunga to a future Board meeting to present on improved changes to citywide contracting processes and efforts to support small businesses.

5. “Meet & Greet” with Bill Fulton:

- Bill Fulton, Director of the Planning, Neighborhoods, and Economic Development Department, expressed greetings from Mayor Faulconer, provided a quick overview of the department and announced that the Economic Development Division will become a separate department with a new Department Director, and Planning will also operate as a stand-alone department under the leadership of Bill Fulton.
- Over the last year, Economic Development has made progress by:
 - Revising the Small Business Enhancement Program (SBEP) Council Policy/Guidelines
 - Updating the Economic Development Strategy – The process of updating the strategy had been languishing for years. The strategy includes support for small businesses particularly in neighborhood business districts and business improvement districts. Final approval of the Economic Development Strategy by the City Council is scheduled for next Tuesday.

- Hiring a BID Advocate to support business improvement districts and associations, and collaborate with the Office of Small Business.
- Mr. Fulton shared that the City/Department is very supportive of small business, and reinforcing neighborhood business districts. He also stated that as a former small business owner, he appreciates the value of the entire ecosystem that serves small businesses.
- On the Planning side, Mr. Fulton shared that Mayor Faulconer has made the update of community plans a very high priority. These plans focus on land use and transportation plans for each neighborhood. When Mr. Fulton arrived at the City, 11 Community Plan Updates were delayed and pending. Three Community Plan Updates have progressed and/or have been approved over the last year. The Ocean Beach Community Plan Update will be presented for final approval to City Council on June 30, 2014.
- The City/Planning Department is focused on many of the Community Plan Updates in commercial areas that are likely to see additional development around transit stops/trolley stops, and where BIDs operate. Additional growth and concentrated development can strengthen business improvement districts and increase patron traffic in those districts. He shared that the “plan it, build it, and manage it” planning philosophy is important in business improvement districts.
- Mr. Fulton highlighted the discussion underway to re-purpose the former downtown library (90,000 square feet and three floors) that is now vacant. He stated that Mayor Faulconer promised to create more business incubators when elected. Discussion is underway between Mayor’s Office, Planning Department, Civic San Diego, and Downtown Partnership to identify how to repurpose the building to benefit businesses and bring business activity downtown. The employment base downtown is flat and not growing, however there is a lot of activity around tech, software and app start-ups and small businesses downtown. The intent is to repurpose the building as a business incubator, and they are currently discussing an appropriate type of leasing and management structure.
- Mr. Fulton provided a quick history of how the land for the former library was originally acquired. The City acquired the property from the Marston family in 1899 through a deed covenant. There was a discussion as to whether the City was bound by the deed to require that the space be used as a library in perpetuity. However, the City had actually purchased the property for \$14,000 which lifted the City from being bound by the deed.
- Mr. Fulton responded to questions from the Board:
 - Board member Gary Peterson inquired as to other options being considered for potential use of library. Mr. Fulton shared that along with incubator space for tech start-ups, an arts and culture element is being discussed and could include providing office and/or gallery space, and use of the old auditorium and boardroom for events, public workshops, lectures, and meetings. There is a significant amount of space to be used.

- Board member Peterson asked if the City would be responsible for managing, maintaining, providing security, and ensuring Wi-Fi and power for the facility, or whether the City would be seeking outside sponsors/entities. Mr. Fulton replied that there is likely to be a third party intermediary to manage the space which could be Civic San Diego, the Downtown Partnership or another entity created or adopted specifically for that purpose. The tech start-up community has a certain degree of unique needs and required services, so the managing entity would need to plan for that type of support system including start-up essentials and a user-friendly set-up for tenant businesses. The intermediary could manage the building, but could also directly provide an ecosystem of services for tech start-ups. They are also discussing funding options beyond start-up tenants such as funding/donations to a non-profit by private donors or public/private entities.
- Next steps – The City, Civic San Diego, Downtown Partnership, and members of the tech start-up community including Grant Cooper are working to determine the best management/leasing structure, and how to make services convenient, easy, and readily available to tenant businesses. Because the former library is City-owned space, the Real Estate Assets Division is also involved. Mr. Fulton reiterated that the business incubator project is a high priority project for the Mayor, so it is expected that progress will be made in the near future.
- Board member Peterson inquired on how the SBAB and software community/tech businesses can help support and be involved in this project/ongoing discussion. Mr. Fulton stated that the Board could possibly help identify types of services and the ecosystem needed to support tenant businesses, determine how to provide those services, and try to help keep the project moving forward. Board member Peterson inquired on proper person to contact to get involved and help keep this project moving forward. Mr. Fulton stated that he would look into ideas/best way to accomplish this and would inform Ms. Gordon-Hosch who could then further advise the Board.
- Ms. Gordon-Hosch stated that she would e-mail the Board any ideas/updates provided by Bill, and also suggested an update be provided at the Board’s August meeting.
- Meeting attendee Elizabeth Schott of ACCION San Diego stated that their organization supports this project, interacts with a variety of businesses and resource agencies, and would like to be involved on any level.

6. BID Council Report – Report on Current Activities of the BID Council

- BID Council Representative Warren Simon reported that there were no updates at this time.

7. Discussion on FY 2015 Small Business Enhancement Program Application & Process

- Lisa Gordon-Hosch provided an overview of the purpose of the Small Business Enhancement Program (SBEP) Grant that was created to provide funding to non-profit organizations that offer specialized programs and technical assistance services to help create, grow, or retain small businesses in the City of San Diego. Grant funding is expected to help leverage and support enhanced services provided by non-profit organizations.
- Ms. Gordon-Hosch highlighted the current application process and timeframe, funding amount requests (\$7,500 - \$24,000), eligibility requirements, and total amount of SBEP grant funding that is available on an annual basis (\$120,000). She reflected upon the non-profit grant award recipients and funding that was awarded for the FY 2014 grant cycle, and reported that due to the availability of unexpended funds from prior years (unexpended funds were added to annual base amount), \$133,000 in grant funding was awarded for FY 2014.
- Ms. Gordon-Hosch reported that several minor changes/updates/improvements were made to the application to increase the amount which may be requested; clarify eligibility requirements to ensure compliance with updated SBEP Council Policy regarding “Business Neighborhood SBEP funds,” and respond to contracting requirements. Specific changes and updates include: increasing the minimum and maximum requested amounts to \$10,000 - \$25,000; adding specific language to ensure non-duplication of SBEP funding for Business Improvement Districts, BID Associations, and micro districts; providing updated Workforce Report; and adding new requirement for organizations to include a printout of their Entity Status Letter from the Franchise Tax Board (FTB) website. The FTB webpage link was also added to the application, along with link to Secretary of State webpage for printout of organization’s status report.
- Ms. Gordon-Hosch asked for volunteers to serve on the FY 2015 SBEP Panel and responded to question from Gunnar Schalin/San Diego Contracting Opportunities Center/Southwestern Community College District regarding the Entity Status Letter requirement from the Franchise Tax Board. Lisa explained that language is included in the application to exempt educational institutions from the state corporation requirements, and educational institutions can submit other documents. Ms. Alicia Martinez-Higgs specified that an organizational entity status printout from the federal SAM website would be acceptable.
- Catherine Arambula, Antonio Barbosa, Guy Hanford, Gary Peterson, and Warren Simon volunteered to serve on the FY 2015 SBEP Panel.
- **A motion was made by Catherine Arambula to accept and approve updates and changes to the FY 2015 SBEP Grant Application. There was a second by Warren Simon. Yes: 6, No: 0, Abstention: 1 (Edward Barbat was not present during the discussion); Absent: 4**

8. Annual Small Business Advisory Board Community Outreach Event

- Ms. Gordon-Hosch, Small Business Advisory Board Liaison, opened a discussion on the Board's Annual Community Outreach Meeting to be held on October 17, 2014 at the War Memorial Building Auditorium. At the Board's request, brainstorming and planning for this annual meeting was placed on the Board's June Agenda (instead of August) to allow more time for planning and promotion of the event.
- Ms. Gordon-Hosch provided an overview of the purpose and format of the Annual Community Outreach Meeting intended to engage the small business community, provide presentations and training on topics that benefit small businesses, provide updates on City processes and services to small businesses, and brainstorm ways the City can improve services. She highlighted last year's topics, speakers, breakout sessions, resources agencies, small business experts, and participating City leaders (Interim Mayor Todd Gloria and Councilmember Sherri Lightner). The 2013 Outreach Meeting Agenda provided to Board members.
- Ms. Gordon-Hosch reflected that everyone in attendance really enjoyed the event, appreciated the content and format, but wanted more time during the three scheduled mini-breakout sessions so they could visit with more resource agencies and small business experts without a limited schedule.
- Ms. Gordon-Hosch proposed that the Board consider duplicating last year's event with a few modifications and improvements to the format such as providing a "Resource Fair" instead of scheduled "Mini Breakout Sessions." This would give attendees an opportunity to visit more small business experts/resource agency tables without the limited timeframe and structure of the breakout sessions.
- Ms. Gordon-Hosch also shared that additional promotion of the event is needed this year to improve and increase attendance, as attendance was a little down from prior years. Chair Garcia plans to promote through the SBA's massive distribution list, and encouraged all Board members to help promote the event earlier in the year. He also suggested participation by speakers from Constant Contact or LinkedIn to help increase attendance. Ms. Gordon-Hosch stated that she has already reached out to Constant Contact to provide a Keynote presentation, and she also requested that participating resource partners/agencies help promote the event.
- Ms. Gordon-Hosch presented a proposed agenda and schedule for this year's event:
 - Opening, Welcoming Remarks by Mayor, Keynote Speaker, Small Business Resource Fair, Brainstorm Session/Public Testimony, and Closing. Other option would be to schedule Small Business Fair after the Brainstorm Session/Public Testimony.
 - Board member Hanford recommended the proposed agenda and schedule that was similar to last year, and supported having a Resource Fair (in lieu of Breakout Sessions) followed by the Brainstorm Session/Public Testimony. Chair Garcia and other Board members also supported the proposed agenda.

- Board member Barbosa suggested including microbreweries/microbrewery business as a topic.
- Board member Barbat appreciated participation by SDSU's Small Business Consulting Center and California Western School of Law/New Media Rights in the event last year, as they helped attract a broader and diverse audience. Ms. Gordon-Hosch mentioned that many of the resource partners that participated during the breakout sessions were also SBEP grant recipients. She also stated that City staff from various departments will participate in the Resource Fair this year.

9. Next Meeting Date

- **Next Meeting Date and Location – August 15, 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.

9. Meeting Adjournment

- Chair Garcia invited everyone to the next Small Business Advisory Board Meeting in August, thanked everyone for attending, and the meeting was adjourned at 9:39 a.m.