



THE CITY OF SAN DIEGO

## SMALL BUSINESS ADVISORY BOARD (SBAB) MEETING MINUTES

April 17, 2015

Downtown Central Library – Mary Hollis Clark Conference Room  
330 Park Blvd., San Diego, CA 92101

BOARD MEMBERS PRESENT	BOARD MEMBERS ABSENT
Antonio Barbosa Joseph Fox Michelle Gray Guy Hanford Gary Peterson Warren Simon	Catherine Arambula Edward Barbat Dr. Ruben Garcia Robert Glick William Lynch

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

OTHERS PRESENT
See April 17, 2015 Attendance Sheet

### 1. Call to Order & Introductions:

- Vice Chair Michelle Gray called the meeting to order at 8:47 a.m.

### 2. Approval of Minutes:

- A motion was made by Gary Peterson to approve the February 20, 2015 Minutes. There was a second by Guy Hanford. Yes: 6, No: 0, Absent: 5

### 3. Public Comment:

- Paul Hollenbach, SCORE Counselor, Volunteer and Representative, provided a report on SCORE's 2<sup>nd</sup> quarter progress and performance metrics. SCORE provides workshops (free and low-fee) and free counseling to small businesses and non-profits. Mr. Hollenbach reported that SCORE assisted 595 new clients and provided 520 follow-up

sessions. A total of 1,213 mentoring sessions were provided overall. A report on SCORE San Diego's Performance Metrics was provided to Ms. Gordon-Hosch.

#### **4. Administrative Items:**

- Board member comments on Economic Development & Tourism Support (EDTS) Grant Review Panel participation:
  - Board members Guy Hanford, Antonio Barbosa, and Michelle Gray enjoyed participating in the EDTS Review Panel and were very impressed with the programs and events being offered by local non-profit organizations to increase economic development and tourism in the City.
- City of San Diego Development Services Department/Technical Advisory Committee: Board member Gary Peterson reported that the Committee had not recently met, but reminded everyone that the City's Development Services Department launched its new website: [www.opensd.com](http://www.opensd.com). The website was created to help educate the public and provide more transparency on the City's permitting process.
- Board member Michelle Gray inquired about the status of the discussions on the future use of the former library, and if there is an opportunity for the Board to participate. Ms. Gordon-Hosch stated that City management is in the process of sending out the Request for Proposals to gather ideas on the short, mid-, and long-term use of the former library. Mr. David Graham, Deputy Chief Operating Officer of Neighborhood Services for the City of San Diego, provided an update to the Board in February on the status of the library discussion and soon to be released RFP, and will be invited back to provide an update.

#### **5. San Diego's Innovation Economy Presentation – Gabriella Dow**

- Vice Chair Michelle Gray introduced Gabriella Dow, Vice President of Strategic Initiatives for Startup Circle, and Partner at Plug and Play San Diego.
- Ms. Dow provided a presentation highlighting the:
  - Difference between a "Small Business" and a "Startup" – both start with a great idea, however, they are uniquely different when it comes to scale, funding, and risk. Startups are geared to start and grow to a global scale quickly. Typically, their mission and intent is to disrupt an entire technology on a global scale. Their chance of failure is very high (Example: startup quickly creates a minimal viable product such as an app or social platform). If startup doesn't get enough traction or if it doesn't grow to a certain scale within a limited amount of time, they move onto another product quickly.
  - Startups are seeking funding through venture capitalists, angel investors, and crowd funding platforms (investing/funding opportunity via potential customers of the product, like a pre-order initiative).

- Risk, runway, pivoting, and failing fast – These are terms characteristic of and at the heart of a startup. They are focused on creating new technologies to disrupt industries.
- *Forbes* Article – San Diego was listed as the “Best Place to Launch a Startup” in March 2014. Radius, a data analytics and business marketing company that analyzes billions of data points daily, surveyed and collected data from 27 million businesses throughout the country. Radius analyzed data including percentage of small businesses in cities, percentage of businesses in high growth industries, and percentage of businesses that are active on Social media, accept credit cards, and offer online reviews. Based on the data, San Diego surfaced as the leader in all areas and deserves this ranking for many reasons. Ms. Dow wrote an Op-Ed for the U-T San Diego Newspaper: “San Diego deserves ranking as top city for launching startups” in April 2014.
- Ms. Dow provided a historic overview and timeline of San Diego’s startup community; launch of Plug and Play (an incubator and accelerator program that has raised more than \$3 billion for 300 startups worldwide and has locations in Canada, Moscow, Mexico City, and the United States) in Sunnyvale, California (headquarters) and San Diego (first U.S. satellite); and the very supportive and nurturing environment that San Diego has become to help people start small businesses, develop startups, share resources, and create global solutions.
- Wide variety of organizations now supporting startups in San Diego including: Hera Labs, Qualcomm Labs, EvoNexus, Co-Merge, Geek Girl, Startup Circle, Plug and Play, CONNECT, and Qualcomm Robotics Accelerator powered by TechStars, etc. San Diego is really exploding in terms of potential for startups, and there was a huge increase in the number of startups in San Diego in 2014. Mayor Faulconer participated in Plug and Play San Diego’s pitch event last year, and featured and recognized one of the winning local startups on KUSI Television.
- The region of San Diego and Tijuana is increasingly becoming a major hub, asset, and global attraction for startups and new technologies. Tijuana hosts the Tijuana Innovadora Conference that attracts national and international experts and global attention. In addition, the opportunities in 3-D robotics, drones (Otay Mesa), manufacturing, and near-shoring in Tijuana and City of San Diego are increasing.
- 450 people attended Plug and Play San Diego’s last startup pitch competition at 707 Broadway which is a new technology hub in downtown San Diego. Emmes Asset Management, LLC has purchased four buildings downtown and this particular location is geared toward the innovation economy. The location will feature 30 electric vehicle charging stations. Plug and Play’s program has helped launch startups such as GoPro and Lending Club. The Lending Club was the largest tech IPO in 2014 (raised \$860 million and received valuation of \$9 billion), and the second largest tech IPO was local startup GoPro, an action

sports digital camera company. The Plug and Play program is positively impacting many San Diego startups that are creating massive disruption in the banking and car industries, mobile phones, connectivity, digital currency, and data.

- Startups are currently focused on creating solutions in the following industries and categories:
  - Finance (banking/currency)
  - Mobile Health (disrupting fitness, life style, and health care industries and impacting embedded technologies, data collection, and accessibility of electronic records)
  - Internet of Things (sensor recording data to measure activity/performance)
  - Big Data/Analytics (gathering metrics, interpreting and analyzing data)
  - Infrastructure/Water (water innovation – recycling waste water/ creating new technologies to measure water quality and discharge, modernizing water treatment plants; and introducing new technologies for water purification and desalination)
  - BioTech (significant venture capital investment in San Diego)
- Ms. Dow also discussed new advancements in scanning, digitization, and 3-D printing. A new technology is liquid printing that is 125 times faster than 3-D printing.
- San Diego is now recognized as one of the World’s Smartest Cities. A soon-to-be released documentary will feature San Diego as one of the most innovative cities in the world. This documentary will shine a light on San Diego as an innovation and technology hub from a global perspective.
- Ms. Dow issued a challenge to the Board to “get out there,” explore, and learn more about what is going on in the startup community in San Diego. Get on Twitter (Suggested hash tags/organizations to follow are: #gosandiego, #sdtech #pnpsd - Plug and Play San Diego) and other Social Media, and attend events, hack-a-thons, Plug and Play presentations, and events at 707 Broadway. She concluded her presentation by saying that the startup community is open to everyone and needs diverse participation to innovate and create new technologies and solutions.

## **6. Disabled Veteran Business Alliance/San Diego Chapter Presentation**

- Alex Galicia, President, provided a presentation on the mission and efforts of the Disabled Veteran Business Alliance (DVBA)/San Diego Chapter, an organization that empowers veteran-owned businesses and provides an entrepreneurial edge through mentoring, connections, and advocacy. Mr. Galicia is also a Navy veteran, disabled veteran, and small business owner.

- Mr. Galicia’s presentation highlighted the history and success of the non-profit organization and featured the following topics:
  - Image of disabled veterans, previous generations of veterans
  - DVBA has been helping and advocating for thousands of veterans for more than 20 years
  - Assistance that DVBA provides includes:
    - Mentoring (business plan assistance)
    - Connections that might become prospects
    - Advocacy that ensures veterans get the opportunities they deserve (Sacramento and Washington, D.C.)
    - Assistance with California Department of General Services’ (DGS) Small Business Enterprise (SBE) and Disabled Veteran Business Enterprise (DVBE) certification process
  
- DVBA Membership:
  - Certified Disabled Veteran Business Enterprise (DVBEs)
  - Federally self-certified Service Disabled Veteran Owned Businesses (SDVOBs)
  - VA Certified Veteran Enterprises (CVEs)
  - Federally self-certified Veteran Owned Businesses
  - Corporate Supporters
  - Political Supporters
  
- DVBA/San Diego Chapter’s corporate alliances and strategic partners include the California Department of Veterans Affairs, California National Guard, and Small Business Development Centers. They recently signed a Strategic Alliance Memorandum with the Small Business Administration/San Diego.
  
- Criteria and explanation of different types of certifications, and federal and state requirement that SDVOB and DVBE businesses must be 51% owned and controlled by a disabled veteran.
  
- State Executive Order S-02-06 signed in 1989: State agencies must award 25% of annual contracting dollars to certified Small Business Enterprises (SBEs), and agencies must award at least 3% to certified DVBEs. Any municipality in the state can also implement their own similar program.
  
- Benefit of being certified as a SBE or DVBE is receiving 5% bid preference in state contracting opportunities.
  
- City of San Diego has its own certification, the Small Local Business Enterprise (SLBE) Program, that recognizes and certifies DVBEs regardless of revenue or size.
  
- California is setting the standard for recognizing DVBEs and VOBs and providing “set aside” contracting opportunities.

- Upcoming events include the DVBA National Conference in May, and DVBA San Diego Chapter Meeting at the San Diego Regional Airport Authority on Thursday, July 9, 2015. Mr. Galicia invited everyone to attend the San Diego meeting.

#### **7. BID Council Report – Report on Current Activities of the BID Council**

- Board Member and BID Council Representative Warren Simon reported that Sarah Berns, Executive Director of Discover Pacific Beach, was elected President of the Business Improvement District Council last month. The BID Council is also in the process of preparing a two-page profile highlighting the 17 Business Improvement Districts and featuring their missions, accomplishments, and goals.

#### **8. Next Meeting Date:**

- **Next Meeting Date and Location – June 19, 2015 at the Downtown Central Library: Mary Hollis Clark Conference Room** located at 330 Park Blvd., San Diego, CA 92101 <http://www.sandiego.gov/public-library/about-the-library/projects/newcentral.shtml>
- Location/Parking:  
The Central Library is located in Downtown San Diego's East Village on Park Blvd. at 11th Avenue, near Petco Park. Underground parking is available and **parking is free for two hours with validation**. Parking Validation is available in the 1<sup>st</sup> Floor Lobby. Thereafter, parking fee is \$3.75 per hour on a **cash only** basis.

Parking information: <http://www.sandiego.gov/public-library/locations/centralparking.shtml>

#### **10. Meeting Adjournment**

- The meeting was adjourned by Vice Chair Michelle Gray without objection at 9:53 a.m.