



THE CITY OF SAN DIEGO

## SMALL BUSINESS ADVISORY BOARD (SBAB) MEETING MINUTES

June 19, 2015

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

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

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

| OTHERS PRESENT                     |
|------------------------------------|
| See June 19, 2015 Attendance Sheet |

### 1. Call to Order & Introductions:

- Chair Ruben Garcia called the meeting to order at 8:45 a.m.

### 2. Approval of Minutes:

- A motion was made by Joseph Fox to approve the April 17, 2015 Minutes. There was a second by Warren Simon. Yes: 6, No: 0, Abstain: 2 (Robert Glick and Catherine Arambula due to absence at April 17, 2015 Board meeting), Absent: 3

### 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.) – None
- c. Development Services Department Technical Advisory Committee – None
- d. Economic Development Division/Office of Small Business:
  - Ms. Gordon-Hosch announced name change affecting the Office of Small Business and division within the Economic Development Department. The new name is “Business Development Division.” She also announced that Economic Development Department Director Erik Caldwell will be invited to a future board meeting.
- e. Equal Opportunity Contracting/Purchasing & Contracting – None

#### **5. Information Item: City of San Diego Business Regulation & Taxation Consolidation Project**

- Ricardo Ramos, Business Tax Manager and John Zurita, Senior Management Analyst provided an overview of the Business Tax section of the City Treasurer’s Office and highlighted the city’s new Business Regulation & Taxation Consolidation Project.
- The Business Tax section of the City Treasurer’s Office oversees collection of the Business Tax and application process. Currently, 110,000 businesses are registered within the database including home-based businesses, independent contractors, and storefront businesses. The Business Tax Division also collects rental unit business tax, and processes citywide payments including water, TOT, and parking payments.
- City of San Diego Business Regulation & Taxation Consolidation Project was created to respond to concerns raised by police regulated businesses, streamline application and permit processes, and create a one-stop shop for businesses.
- Police regulated businesses currently have a cumbersome process to obtain their Business Tax Certificate (BTC) and permits issued by the police department. There are 44 different types of police regulated businesses including arcades, holistic health, massage therapists, and entertainment venues.
- Current process requires that a police regulated business obtain a Business Tax Certificate through the City Treasurer’s Office, then go to the downtown location of the police department to apply for a special permit, and submit two different payments to the City. This has created some confusion with renewal dates for the Business Tax Certificate and police permit, and creates situation where a Business Tax Certificate is expired, but a police permit is still active or vice versa.
- Beginning July 1, centralization of the Business Tax Certificate registration and police regulated business permit process will be available as a one-stop shop and process through the City Treasurer’s Office. The Police Department will continue to be responsible for regulation of businesses, but City Treasurer’s Office will combine

- application processes and intake for both the Business Tax Certificate and police regulated business permits, and process all payments.
  - City Treasurer’s office will coordinate with and forward application data to Police Department for background checks, and issue police regulated business permits on behalf of the Police Department.
  - Renewal dates of BTC and police regulated business permit will be in sync going forward.
  - This new process will impact 3,000 police regulated businesses (largest group consists of bars, entertainment venues, and adult entertainers)
  - Benefits of providing this new and consolidated process include:
    - One-stop shop for registration and payments
    - A reduction in the number of PD permit applications from 33 to three applications
    - Alignment of expiration dates for regulatory permits and Business Tax Certificates
    - Consolidation of billing statements
    - Timely invoicing of regulatory fees (helps reduce number of late renewals)
    - Accurate tracking and timely posting of permitting revenue (City Treasurer posts revenue to general fund)
    - Reduction in printing and postage expenses
    - Additional payment options for regulatory permit customers
    - Online renewal of regulatory permits (except those requiring annual photo ID requirement/need to come to office)
    - Allows police officers to continue focus on regulatory/public safety
  
- Board members asked questions regarding casino nights for non-profit fundraisers, independent contractors, launch date for online renewal process for police regulated businesses, home-based businesses and home occupancy regulations, independent contractors that have their business tax certificate paid by corporate entities not located in San Diego (i.e. Avon, Mary Kay, Silpada); Rental Unit Business Tax; Transient Occupancy Tax (TOT), and compliance efforts for the Business Tax Certificate.
  
- Regarding compliance efforts, Mr. Ramos stated that City Treasurer’s Office receives State Franchise Tax Board data reflecting business entities in San Diego that report business income to the IRS or state and compares data to BTC database. This has increased BTC revenue by \$2 million over the last five years. BTC fee is relatively low: \$34 for business with 12 or fewer employees, and \$125 plus \$5 for each additional employee for fee for mid to large-sized business with 13 or more employees; Late fees is \$25. The City Treasurer’s Office also reviews data from the State Board of Equalization and County Fictitious Business Name data.
  
- Mr. Ramos provided copy of letter that was sent to all police regulated business permit holders regarding launch of new consolidated process and “one-stop-shop” at the City Treasurer’s Office.

## 6. Discussion on FY 2016 Small Business Enhancement Program Application & Process

- Ms. Gordon-Hosch introduced a discussion on the FY 2016 Small Business Enhancement Program Grant Application and Process, and announced that no changes are proposed to the application itself, however changes are being proposed to the grant period/ “cycle” and documents required for the application process. \$120,000 in grant funding is available for FY 2016.
  - SBEP Grant Cycle: Current grant cycle is October 1 – September 30. To better align the SBEP grant cycle with the City’s budgeting and fiscal year process the SBEP Grant cycle will be from July 1 – June 30 beginning in FY 2017.
  - To prepare for aligning with the City’s FY schedule, the 2016 SBEP Grant Cycle will be a 10-month period of September 1, 2015 – June 30, 2016.
  - Required Documents: Ms. Gordon-Hosch provided a draft of FY 2016 SBEP Grant Application to Board Members to share language added to the Application Guide to specify new grant cycle and changes:
    - Page 6 of Application Guide – Language in “Agreement, Scope, & Budget” section specifies that funding allocations will be determined by August 21, 2015 (Deadline date to notify non-profit organizations of grant awards) and that agreement will be effective from September 1, 2015 through June 30, 2016.”
    - Organizations receiving grants will have a little quicker turnaround time to submit required documents for contracting process as listed on page 6 of the Application Guide. Deadline to submit supporting contract documents is August 28, 2015. Extended time will be given for processing of Board Resolution, if requested.
    - Workforce Report is no longer required.
    - Printout of Non-Profit Status from the Department of Justice website (Charity Research Tool) is now required.
  - Alicia Martinez-Higgs discussed compliance and enforcement of the City’s insurance requirements (City’s Primary Non-Contributory Endorsement) and ensuring that non-profit organizations provide current W-9 forms.
- Ms. Gordon-Hosch responded to questions from the Board regarding the Printout of Non-Profit Status from Department of Justice website, and list of documents required with the application.
- **A motion was made by Guy Hanford to accept and approve updates and changes to the FY 2016 SBEP Grant Application & Guide. There was a second by Warren Simon. Yes: 8, No: 0, Abstention: 0, Absent: 3**
- Ms. Gordon-Hosch asked for volunteers to serve on the FY 2016 SBEP Grant Panel. Catherine Arambula, Edward Barbat, Antonio Barbosa, and Guy Hanford volunteered to serve on the FY 2016 SBEP Grant Panel. Ms. Gordon-Hosch will also extend an invitation to serve as fifth Panelist to Board Members that were absent from meeting.

## 7. Annual Small Business Advisory Board Community Outreach Event

- Ms. Gordon-Hosch provided an overview of last year’s Annual Community Outreach Meeting held on Friday, October 17, 2014 at the War Memorial Building that featured a welcoming address by Mayor Kevin Faulconer, Keynote Speaker presentation, Small Business Resource Fair with 10 resource partners, and a brainstorming session on how the City can better support small businesses. The event was well attended. Copies of the 2014 Annual Community Outreach Meeting Agenda and Flier were provided to Board Members.
- Ms. Gordon-Hosch stated that this year’s Community Outreach Meeting will be held on Friday, October 16, 2015 at a new location, the Downtown Library in the Shiley Special Events Suite.
- Ms. Gordon-Hosch asked for the Board’s ideas and suggested topics for this year’s event:
  - Board member Barbat recommended a “track” featuring startups and the organizations involved in supporting the startup community. This may be a good way to attract and involve students at the universities and support the startup dialogue and community. Board member Fox also recommended Gabriela Dow, who presented to the Board in April, for possible participation. Attendee Juan Carlos Hernandez of ACCION San Diego mentioned that access to capital and financing is critical to the startup community.
  - Board member Barbosa suggested including microbreweries/microbrewery business as a topic. Possibly invite the Brewer’s Guild or Presidents of Ballast Point or Stone Brewing Company to participate.
  - Board member Barbat also suggested inviting staffs/students from university entrepreneur clinics to participate (i.e. New Media Rights, Thomas Jefferson School of Law, SDSU Consulting Center, and USD Entrepreneurship Clinic)

## 8. BID Council Report – Report on Current Activities of the BID Council

- Board Member and BID Council Representative Warren Simon reported that the BID Council is currently in the budget approval process for the new fiscal year, continuing its work on creating profiles to highlight Business Improvement Districts, and is looking forward to having the City’s Business Regulation & Taxation Consolidation Project presentation at their meeting in June.

## 9. Next Meeting Date:

- **Next Meeting Date and Location – August 21, 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 Chair Ruben Garcia without objection at 9:45 a.m.