

**City of San Diego  
SMALL BUSINESS ADVISORY BOARD  
MEETING MINUTES**

March 7, 2003

World Trade Center, Seminar Room  
1250 Sixth Avenue, 10<sup>th</sup> Floor  
San Diego, CA 92101

<b>BOARD MEMBERS PRESENT</b>	<b>BOARD MEMBERS ABSENT</b>
Badi Badiozamani George Chandler Kurt Chilcott Scott Cummins Jesse Navarro Judy Preston Warren Simon Richard Sims Spencer Skeen	James Hill Chi Tran

<b>CITY STAFF</b>
Steven Bal, Office of Small Business Meredith Dibden Brown, Office of Small Business Connie Chai, Equal Opportunity Contracting Tina Christiansen, Development Services Department Marcela Escobar-Eck, Development Services Department Rudy Gonzalez, Economic Development Division Diana Gray, Economic Development Division Gary Halbert, Development Services Department Isam Hasenin, Development Services Department Michael Jenkins, Community and Economic Development Lynette Jones, Office of Small Business Jeff Kawar, Economic Development Division Don Mullen, Councilmember Zucchet's Office, District Two Luis Ojeda, Economic Development Division John Rivera, Public Safety and Neighborhood Services Committee Consultant Stephen Russell, Councilmember Atkin's Office, District Three Stacey Stevenson, Equal Opportunity Contracting Kevin Sullivan, Planning Department Janet Wood, Office of Small Business/Neighborhood Revitalization

<b>OTHERS PRESENT</b>
Scott Kessler, Business Improvement District Council

## **Introduction**

George Chandler called the meeting to order at 8:20 a.m. The call to order determined that there was a quorum. Introductions were made of the Board members, City staff, and others present at the meeting.

## **Approval of Minutes**

On page 5 of the February 7, 2003 minutes (2<sup>nd</sup> paragraph from the bottom of the page), the sentence should read “. . . would take six months and \$4,000 to \$5,000 in fees to review it.” The minutes were then voted upon and unanimously approved as amended.

## **Public Comment**

No public comment was provided.

## **Business Improvement District Council Report: Warren Simon, Hillcrest Association**

Warren Simon highlighted the activities of the BID Council:

- Seeking a grant to assist small business owners pay for costs associated with unreinforced masonry regulations. They are meeting with the University of California, San Diego to discuss materials that are less costly which can be used to meet seismic code. They are looking for a small business loan program to help the affected small businesses. George Chandler responded that there are at least three micro loan programs available through the CDC Small Business Finance Corp., Bankers CDC, and the SBA.
- Approaching major sponsors to defray costs of special events in the BIDs.
- The Service Corps of Retired Executives (SCORE) is planning to develop workshops to be tailored to the identified needs of the BIDs.
- Working with the City Treasurer's Office and Meredith Dibden Brown to revise a procedure regarding delinquent payments, i.e. the City Treasurer's Office will now cancel a business certificate if it is delinquent after 90 days.
- Finalizing the website which will list 50,000 small businesses within the next couple of months. They are now including the email addresses in the website.
- George Chandler sent a letter to Scott Kessler, CEO of the BID Council requesting the submission of candidates for the Small Business Awards Luncheon, to be held at the San Diego Marriott and Marina on June 10, 2003.

## **Council/Committee Monthly Report: Stephen Russell, Council District Three**

Stephen Russell reported on the following:

- The Strategic Planning Committee in the City Heights BID has finished the first phase of identifying the key issues. Many issues deal with general maintenance. The next phase is to go

block by block in City Heights and bring the ideas to the businesses to obtain their support. The BID Council is supporting their efforts.

- A budget forum is being held in District Three at the Balboa Park Club on March 19, 2003 at 5:00 p.m. Both Councilmember Atkins and City Manager Michael Uberuaga will be attending. The purpose of the forum is to have residents identify to the City Manager what services are essential to them in light of the budgetary constraints.
- Introduced John Rivera as the new Public Safety and Neighborhood Services Committee Consultant.

### **Economic Development and Tourism Support Update (EDTS): Luis Ojeda, Economic Development Division**

Luis Ojeda provided an update on the EDTS Program, including survey results:

- Twenty-three non-profit organizations have applied for Fiscal Year 2004 funding. They are expecting to receive \$700,000 in Transient Occupancy Tax (TOT) funds for distribution, but the amount could be reduced in light of budgetary constraints.
- Requested one additional member from the SBAB to serve on the review panel, Warren Simon volunteered.
- A survey was conducted by the City's Organization Effectiveness Program. It measured customer satisfaction levels with the Program and served to create an initial benchmark to gauge future surveys. A total of 15 surveys were completed and recorded out of a total of 21 participants from the past 3 years. He summarized the overall favorability compared with unfavorability across the six sections. Website was 60 percent favorable and 8.9 percent unfavorable; Application process was 86.7 percent favorable and 13.3 percent unfavorable; Technical Workshop was 80.0 percent favorable and 0.0 unfavorable; Evaluation Process was 61.7 percent favorable and 11.7 percent unfavorable; Contract was 97.8 percent favorable and 2.2 percent unfavorable; and Customer Service was 78.3 percent favorable and 0.0 percent unfavorable. For further information, please see the report issued at the SBAB meeting.
- Ric Sims, Jeff Kavar and George Chandler acknowledged the efforts of the EDTS staff and the SBAB volunteers who have served on the review panel.

### **Task Force Report on Development Services: Ric Sims, Small Business Advisory Board**

- Ric Sims provided a report on the Task Force meeting held in January 2003. The meeting was in response to information presented to the SBAB in 2002 that identified challenges for small business in terms of code compliance and permitting.
- Task Force reviewed the current process to obtain permits, and the significant impact of the process upon small business owners, noting that there appears to be an unawareness by the City that there is a negative economic impact when the process fails. The negative impact for long term growth and sustainability impacts more than small business.
- The ability to plan is vitally important to the small business owner. Inconsistency in the information provided in terms of costs and time estimates makes it very difficult to plan.

- Considered ways to make the process easier, including having the City implement more user-friendly policies, and having people in place to answer inquiries on the process, timeframe, and costs involved. Currently, there appears to be no map or step-by-step procedures for businesses.
- There appears to be a lack of knowledge among service providers and a lack of information sharing among staff.
- Proposed that research be conducted on the economic impact to the City of San Diego when small businesses are unable to open or expand their operations due to current system policies and regulations.
- Ric recapped the SBAB Outreach Meeting held on 2/7/03 and expressed concerns about the testimony provided by attendees in terms of regulations, retribution and lack of direction.
- Kurt Chilcott said that many of the complaints stated at the outreach meeting were the same as those heard several years ago. He said that historically SBAB has three tiers: individual business needs, process issues, and systemic issues warranting system overhaul. Historically, the SBAB has focused on regulatory issues, now they are looking at all three areas including system reform.
- The information presented indicates systemic problems, primarily with discretionary permits.

<p><b>Development Services Department (DSD) Response to SBAB Outreach Meeting: Tina Christiansen, Development Services Department</b></p>
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Tina Christiansen responded to the issues raised at the SBAB outreach meeting, held on February 7, 2003.

- DSD is concerned about the issues raised and wants to be involved in correcting them. She noted that some of the issues are policy-related and some are service delivery-related.
- Many of these issues identified affect older areas that have required discretionary processes that are expensive. She said that small business has the expectation that DSD staff should be designers for their projects.
- Introduced three recommendations to the SBAB to address issues. 1.) Increase the level of support to small businesses. For the next six months, Ed Oliva, Development Services Manager will have a specific role as a liaison for small businesses. He will be available to the Office of Small Business to assist with regulation interpretation questions. 2.) Increase the level of support to the SBAB. Kelly Broughton, Deputy Director of Land Development Review will be serving as liaison to the SBAB and will be attending future meetings. He was responsible for writing the land development code and manages plan reviewers. 3.) Have a small business owners night similar to homeowners night, with DSD staff available to the small business community, by appointment. The third recommendation is contingent upon budget revenues and would not take affect until after July 2003. Kelly Broughton would work with the Development Services Task Force to develop it. However, Tina said that she wants to make it clear that she is not promising the SBAB anything.
- She said that DSD needs to think about how it will address discretionary permit processes.

- She cited that San Diego regulates more than other communities, noting that there are up to 100 overlays. She stated that to repeal regulations, one needs to be strategic and tactical as there are constituents in every area. They do have constrained resources for code changes.
- SBAB members expressed concerns about business owners who felt intimidated by the process and did not want to speak, because they were fearful of retribution. Tina stated that regulators are often viewed in a negative way, and that perception and reality of retribution are two different things. The customer may think retribution is occurring when it is not. For example, if a business is told that their review process will take three weeks, and the business calls to check on the status, they may find out that their project has been transferred to another staff person and it is going to take four weeks.
- Scott Kessler, BIDC Executive Director reiterated that the perception of retribution is pervasive in the small business community. Several business owners do believe that their projects will suffer if they speak out about the lack of service they receive from DSD. Others have said that they definitely suffered for speaking out.
- Stephen Russell thanked Tina for coming to the meeting, adding that she committed to attending this meeting immediately after last month's SBAB Outreach meeting. He stated that DSD needs to have consistency with customer service, information accuracy, and accountability and predictability. The steps recommended by DSD will heighten awareness of the issues, which is a beginning. They are processes to get us there. They are not solutions.
- Kurt Chilcott stated that DSD needs to have outreach information available on the processes and fees, and for staff to have knowledge of them. They may need bulletins on 1.) Change in use and 2.) How to find permits and zoning on property. Also, problems need to be sorted out in the system. OSB and the BIDC can assist with distributing basic information to the small business community.
- George Chandler recommended using the internet more and automating the permitting system, noting that San Jose, California is a leader in that area. Tina stated that they plan to build upon the website and that they have a foundation to implement a permit tracking system. She said that she would like to show the SBAB a demo on the website and project tracking. George said that there are several software companies willing to provide software programs free of charge and offered to provide Tina with additional information.
- Kurt Chilcott suggested the DSD investigate the option of developing "soft codes" for use in the city's older business districts.
- Spencer Skeen stated that information sharing and service delivery issues can be immediately addressed. He cited that several of the issues heard during public testimony from the 2/7/03 SBAB Outreach meeting were from customers who had received inaccurate and inconsistent information. Tina stated that the issues with information sharing should improve with restructuring and the utilization of the Geographic Information System. They can also work to improve the phrasing of the questions and information they provide to customers.
- Mike Jenkins said that he would work with Lynette Jones, and Ed Oliva to discuss the issues. He stated that Ed could differentiate between the process and policy issues and they could come up with some recommendations. Tina stated that the role would be for Kelly Broughton. Mike added that it might help Ed to know what some of the issues are, and Tina agreed.

- Badi Badiozamani asked that Tina and her managerial staff make a commitment to change the culture of DSD, which can be done without changing policy.
- Jesse Navarro asked DSD to look into the possibilities of streamlining the layers of beurocracy that Tina mentioned earlier.
- Lynette Jones stated that she and Meredith Dibden-Brown met with Kelly Broughton on March 3<sup>rd</sup> and discussed ways to assist with distribution of information. OSB staff offered to work with the Department's PIO staff regarding information for small businesses on the web. The SLA between Economic Development Division and DSD will be used to conduct early assistance meetings to help small business owners better understand process, timeframes and associated costs for permits.
- Tina stated that they have instituted a Guaranteed Second Opinion within DSD. She also distributed her business cards and DSD information cards for distribution to small businesses and staff.
- Members thanked Tina for coming to the meeting and responding to the issues.

### **Approval of Proposal of Small Business Assistance Program Specifically for Construction Contractors in the Bidding and Award Process**

Stacey Stevenson, Deputy Director, Equal Opportunity Contracting and Connie Chai, Equal Opportunity Outreach Officer, were present at the meeting; however, their presentation was postponed due to time constraints. They distributed informational packets for review/discussion at the next SBAB meeting.

### **New Business**

No new business was mentioned.

### **Adjournment**

The meeting was adjourned at 10:05 a.m.