

**CITY OF SAN DIEGO
SMALL BUSINESS ADVISORY BOARD
MEETING MINUTES**

April 4, 2003

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

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

CITY STAFF
Steven Bal, Office of Small Business Kelly Broughton, Development Services Department Meredith Dibden Brown, Office of Small Business Tina Christiansen, Development Services Department Lynette Jones, Office of Small Business Jeff Kavar, Economic Development Division Ed Oliva, Development Services Department Elyse Olson, Councilmember Madaffer's Office, District Seven Stephen Russell, Councilmember Atkin's Office, District Three Marcia Samuels, Neighborhood Code Compliance Department Stacey Stevenson, Equal Opportunity Contracting Janet Wood, Office of Small Business/Neighborhood Revitalization

OTHERS PRESENT
Scott Kessler, Business Improvement District Council Elizabeth Leguizamo Rita Perez Jay Turner, North Park Main Street

Introduction

Mr. Chandler called the meeting to order at 8:20 a.m. The call to order determined that there was a quorum.

Approval of Minutes

The minutes were voted upon and unanimously approved.

Public Comment

No public comment was provided.

Approval of Proposal of Small Business Assistance Program Specifically for Construction Contractors in the Bidding and Award Process: Stacey Stevenson, Equal Opportunity Contracting

Ms. Stevenson presented information on the status of the Subcontractor Outreach Program (SCOPE) over an eighteen-month period, from July 2001 through December 2002:

- The purpose of SCOPE is to maximize subcontracting opportunities for all qualified and available firms, and provide equal opportunity for all subcontractors to participate in the performance of City contracts. The program calls for mandatory use of subcontractors through mandatory broad-based outreach in the solicitation of sub-bids by prime contractors. It also requires mandatory submission of outreach documentation by the prime contractor.
- The overall performance was provided for each ethnic group: Disabled Veteran received .2 percent; African American received .1 percent; Caucasian Woman received 3.6 percent; Hispanic Latino received 4.6 percent; Asian American received 7.7 percent; Native American received .9 percent; Non-Certified received 83 percent and Total Certified received 17 percent.
- For Fiscal Year 1996 through 2000, the five-year period prior to SCOPE, the City averaged 14.6 percent DBE participation. The cost of SCOPE is disproportionate to the success of the program.
- The City has incurred more than \$3.9 million additional costs to execute the subcontractor program for a 2.4% increase in participation. The average cost to the contractor is \$3,000 per project.
- The City is proposing to adopt a small business incentive program that would enable contractors to receive a bid assistance of 5 percent if they reach a predetermined level of small business participation on the project.
- SBAB members questioned whether or not the City has utilized existing resources as effectively as possible. They stated that there are several programs and financial resources that could help with the success of the City's efforts.
- Ms. Stevenson said that all the agencies are working with each other and want something that can be shared amongst them.
- **Mr. Chilcott motioned for the SBAB to draft a letter to the City of San Diego Natural Resources and Culture Committee, recommending the following recommendations: 1.) Use existing resources more effectively; 2.) Increase the existing pool of qualified firms; 3.) Continue**

communication and collaborative efforts with other City partners; and 4.) Utilize databases that are available including Pro-Net as a resource for increasing the pool. The motion was voted upon and unanimously approved. Lynette Jones will prepare the letter for Mr. Chandler's review and signature.

Business Improvement District Council Report: Warren Simon, Hillcrest Association

Mr. Simon summarized the activities of the BID Council (BIDC):

- The BIDC is developing a Memorandum of Understanding with the San Ysidro Business Association to assist property owners in San Ysidro.
- The Commercial Encroachment Standards Project is moving through the City approval process. It will be going to the Development Services Department and then to the Planning Commission.
- The Mixed-Use Advisory Group is developing an ordinance that they expect to forward to the Land Use and Housing Committee (LU&H) in June 2003. The ordinance will address noise and other common issues associated with mixed-use.

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

Mr. Russell reported on the following:

- City Council is going through the budget process trying to determine what cuts can be made as well as what needs to be protected from cuts. The City Manager's report will be presented on May 5, 2003. The Small Business Enhancement Program (SBEP) is a protected category and they are trying to keep the same levels of support for other small business programs. State cuts could affect this budget year.
- The San Diego County Taxpayers Association has stated that fees need to be raised, due to current City budgetary constraints. These fees could affect services in fire, police, street repairs, etc.
- Mr. Chilcott cited that the business tax is on the City Manager's list of initial revenue enhancement recommendations. Members requested that Mr. Russell invite a representative from the City Manager's office to address possible fee increases that affect businesses at the next SBAB meeting.
- The SBAB is taking a strong position to keep the business tax certificate fee at \$34.00.
- The efforts to improve business representation in City heights are moving forward. Meetings are currently being held with business owners.

Development Services Department (DSD) Liaison to SBAB: Kelly Broughton, Deputy Director of Land Development

- Lynette Jones introduced Mr. Broughton as the DSD liaison to the SBAB and said that she has met with him to discuss the initial SBAB recommendations, and other small business issues.
- Mr. Broughton stated that he supervises the efforts of Land Development Codes and manages a large group of plan reviewers. He also mentioned some of the changes already being implemented in DSD on issues previously identified.

- Mr. Broughton stated this is an opportune time to have small business identify issues and work with DSD to implement changes to benefit the small business community. DSD is identifying short-term and long-term strategies for on-going improvements to systems and customer services.
- Ms. Christiansen introduced Ed Oliva, Development Services Manager. Mr. Oliva will be involved in outreach efforts with the Business Improvement Districts (BIDs). Mr. Oliva will work with Terry Marshall who will focus on early assistance intake efforts. Ms. Christiansen stated that the LU&H Committee asked DSD to specifically: Restructure the current systems that affect small business; utilize the SBAB as the focal point for review of DSD's proposed strategies.
- Mr. Sims volunteered to serve as a representative from the SBAB on DSD's Technical Advisory Committee (TAC). Scott Kessler will serve as a representative from the BID Council on the Committee. The TAC was set up by LU&H and is focused on making process predictable, lowering costs, streamlining, etc. TAC goes to LU&H on a quarterly basis with feedback on how things are progressing.
- Ms. Christiansen stated that DSD needs to increase their outreach efforts, including having representation at the Hospitality Resource Panel meetings. Additional efforts can be made including having a checklist of steps for small businesses entering the system, and having more public information bulletins available. DSD is working on specific information bulletins for coffee shops, beauty salons, and restaurants.
- Mr. Chilcott suggested educating the constituency to expand DSD's effectiveness, and that DSD work with other City departments, the Community Service Centers, etc. to assist with information dissemination. Mr. Chilcott said that both Neighborhood Code Compliance Department and San Diego Police Department have community volunteers, and that DSD should explore this option.

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

Mr. Sims provided an overview of the DSD/CED meeting held on March 21, 2003.

- The following major items were identified for review by the task force: Customer service, systems processes, and policies/regulations.
- Customer Service: Develop skills of employees through training and education and effective information delivery systems that utilize the internet, community outreach, and allied organizations and agencies.
- Systems Processes: Establish specialized small business intake process; guarantee access to the same plan checkers/reviewers; guarantee access to the same inspector who will only inspect to the approved plan and not introduce new requirements; determine a fixed cost estimate for the entire permit process that cannot be exceeded and explain what services will be provided for the fee; outline a realistic time frame for the permit approval process.
- Policy/Regulations: Recommend City Council adopt a policy to have seats designated to included business representatives of the community on community planning groups; Encourage small business members to participate on local community planning groups through the BIDs and BID Council; Create a Small Business Smart Code Overlay Zone for small business economic enhancement projects, which would supersede all local existing codes.
- Jay Turner stated that there is an automated project tracking system to be rolled out the end of summer and he would like to have it memorialized into the system.

- Mr. Skeen requested having someone assigned. Ms. Christiansen reported that Ms. Marshall will be assigned to new intake cases and Mr. Oliva will handle the existing intake cases.
- Mr. Sims suggested DSD work with the Task Force to identify concerns and have competent staff create solutions. Members recommended that DSD have no more than 10 to 12 measurables per systems. DSD should identify measurables for plan review times, inspection times and intake. Members also recommended DSD take a sampling of customer's opinions on the intake/review process.
- Mr. Chandler thanked the Task Force and DSD staff for their efforts in addressing the issues.

New Business

Mr. Hill reported that the TOT funding review process was complete, and that a full report will be provided after it goes to City Council. Mr. Sims asked that the proposal review process and decisions for funding be respected.

Adjournment

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