



THE CITY OF SAN DIEGO

**SMALL BUSINESS ADVISORY BOARD  
MEETING MINUTES**

January 25, 2006

Comerica Bank Building  
600 B Street, Eighth Floor Large Conference Room  
San Diego, CA 92101

<b>BOARD MEMBERS PRESENT</b>	<b>BOARD MEMBERS ABSENT</b>
Faith Bautista Kurt Chilcott Scott Cummins Ruben Garcia Jesse Navarro Warren Simon Richard Sims	Auday Arabo Judy Preston Spencer Skeen Chi Tran

<b>CITY STAFF</b>
Steve Bal, Office of Small Business Sue Blackman, Office of Small Business Kelly Broughton, Development Services Department Meredith Dibden Brown, Office of Small Business Ron Halbritter, Development Services Department Jeff Kavar, Economic Development Division

<b>OTHERS PRESENT</b>
Scott Kessler, Business Improvement District Council L.R. Soriano Cabais, Low-Roller.com

## **Introduction**

- Chair Mr. Richard Sims called the meeting to order at 8:25 a.m.

## **Approval of Minutes**

- The minutes of October 26, 2005 were voted upon and unanimously approved.
- Mr. Warren Simon requested that Ms. Sue Blackman's name be omitted on page 3 under the Business Improvement District Council Report in the minutes of November 23, 2005, because he wasn't referring to the individuals that have served in the position, but to the Business Advocacy and Ombuds Services position. The minutes of November 23, 2005 were then voted upon and unanimously approved as amended.

## **Introduction of New SBAB Member**

- Mr. Sims introduced Mr. Ruben Garcia, Ph.D. as the newest member of the SBAB. Mr. Garcia was recently appointed as the new District Director of the U.S. Small Business Administration (SBA), replacing Mr. George Chandler and his interim replacement Mr. Tony Vigil.
- Mr. Sims stated that Mr. Chandler had provided outstanding service to the small business community in San Diego during his tenure with the SBA and as a member of the SBAB. Mr. Sims added that the Board looks forward to working with Mr. Garcia.
- Mr. Garcia commented that he feels privileged to be in his new position. He added that he is very pleased that Mr. Chandler did such an excellent job.

## **Resignation of SBAB Member**

- Mr. Jesse Navarro announced that today would be his last meeting as an SBAB member. He is resigning from the Board, because he is running for political office in Chula Vista and also due to his responsibilities in his position with the San Diego County District Attorney's Office.
- Mr. Navarro stated that he leaves the SBAB with an incredible amount of satisfaction. He expressed his appreciation to the Board and to City staff. He will continue to support small business and offered his assistance to the Board whenever they may need it.
- Mr. Sims remarked that the Board appreciated Mr. Navarro's input and support during his tenure on the Board. He added that Mr. Navarro's work stands for his record, which is outstanding. Mr. Sims noted that he has a couple of recommendations for the vacancy on the SBAB, which he will pass on to the Mayor's Office.

## **Public Comment**

- Mr. L.R. Soriano Cabais introduced himself, adding that he started a new business in December. He came to the SBAB meeting to meet the Board members and staff.

## **Chair's Meeting with Mayor – Discussion Issues**

Mr. Sims asked the Board for discussion issues for his meeting with Mayor Sanders on February 14.

- Mr. Sims initiated the discussion by stating that he will emphasize the fundamental importance of small business to the overall economic health of San Diego. From his perspective, without small business, the other sectors or industries will be unsuccessful.
- Mr. Chilcott stated that the SBAB has integrated with the services of the BID Council, the Office of Small Business (OSB), the SBA, and other organizations. One of the wonderful accomplishments is the network of services, communication, and information that exists. Mr. Sims observed that he perceives the SBAB as the hub for the small business infrastructure for the City of San Diego. He would like the Board to be officially acknowledged in that role. Mr. Scott Kessler of the BID Council recommended that the Mr. Sims inform the Mayor about the high proportion of small businesses that exist in San Diego and also about the amazing network that exists among the SBAB, OSB, the BID Council, the SBA and the lending community, citing the CDC Small Business Finance Corporation as an example.
- Mr. Sims will also accentuate the past accomplishments of the SBAB and the work the Board intends to carry on the future. Some examples of past accomplishments include:
  - Coordinating a successful partnership between the Police Department, the alarm industry and small businesses to develop new regulations to help reduce the overwhelming number of false alarms that plague the community.
  - Guiding the efforts of the Office of Small Business staff in the development of the Small Business Enhancement Program (SBEP). SBEP funds have provided a broad range of direct assistance programs for San Diego's 75,000 plus small businesses.
  - Reducing, in partnership with the City's Police Department, regulations for reporting requirements and 30-day holds of merchandise for secondhand dealers.
- Mr. Sims requested that OSB staff email him a cheat sheet, which includes a list of several examples of accomplishments. A letter with attachments could be sent to the Mayor in advance of their meeting.
- Mr. Kessler also suggested that Mr. Sims be upfront about SBEP and the SBAB's support for the processing fee for the business tax certificate two years ago. The fee brought in an additional \$2 million. This would convey to the Mayor that the BID Council is partnering with the City in providing for services. Mr. Sims remarked that he intended to discuss it with the Mayor. Historically, the small business community has been more than open and fair and willing to share the responsibility of the costs incurred in providing services to the small business community available through the City. Also, agreements have been made a couple of times in the past to help finance a process at the expense of small business. Mr. Chilcott echoed that it is because of the number of small businesses represented through the network that it has been able to propose solutions, which is a significant political benefit.
- Mr. Simon commented that the main point is to have the Mayor support the work of the SBAB as it moves forward in addressing new issues. The support includes supporting the SBAB's recommendations and having an open door policy to discuss small business issues.
- Mr. Sims stated that the meeting provides an opportunity to have an honest and candid discussion with Mayor Sanders. He also would like the Board to have an ongoing dialogue with the Mayor, perhaps meeting on a quarterly basis.
- Ms. Faith Bautista recommended that she would like the Mayor to support supplier diversity, particularly by minority and disabled owned businesses.

- Mr. Kurt Chilcott observed that the Board is comprised of appointees, therefore the Board serves at the pleasure of the Mayor. He suggested listening to the Mayor as to what he would like to accomplish and how small business will fit in. This would allow Mr. Sims to gain insight on the Mayor's philosophy and then Mr. Sims would be prepared to respond to the Mayor, depending on the direction it goes. Mr. Sims commented that he agrees with that type of approach, adding that the SBAB is an advisory board to the Mayor on issues affecting small business. They need to discern what the Mayor's agenda is. If the agenda is not what the SBAB perceives it to be, Mr. Sims could provide information for the Mayor's consideration. Mr. Chilcott commented that the Mayor may look to the SBAB for assistance with crafting his agenda.
- Mr. Chilcott remarked that the Board needs to anticipate the process that the City is going through and the challenges that might come. There may be questions about the duplication of services or about the funding of services or if OSB is a core service.
- Mr. Jeff Kavar of the Economic Development Division suggested that the Board can convey to the Mayor that the SBAB is a hub of the small business network, adding that they can inform the Mayor what they are doing and solicit input as to what the Mayor would like to do. He added that the Mayor values volunteerism.
- Mr. Scott Cummins noted that the SBAB is an ear to the small business community and can vet proposed legislation. If the Mayor has a proposal, it can be brought forth to the SBAB first.
- Mr. Garcia stated that it is very important to communicate effectively, adding that the SBA will be conducting a marketing campaign to inform business owners about the SBA and the services they have to offer. He suggested the Board incorporate a similar marketing campaign to inform the small business community about the SBAB and what they can accomplish for them. Mr. Sims stated that it would also support the Mayor, because currently many small business owners feel that they are being neglected in favor of certain chosen industries and groups.
- Mr. Sims remarked that internal and external communication is essential, noting that the City's website needs to be current and upgraded. He also would like the Board to have a plenary session this spring to work out their specific goals and objectives.
- Mr. Kavar informed the Board that the Mayor has appointed Mr. Jim Waring as Deputy Chief Operating Officer for Land Use and Economic Development, which is comprised of Community and Economic Development, Development Services, Planning, and Real Estate Assets. He suggested that the Board may want to invite Mr. Waring to a future meeting.
- Mr. Kavar commented that with respect to resources, the City makes a relatively small investment in small business with SBEP funds at \$1.2 million in relation to the General Fund which is approximately \$800 million.
- Mr. Sims emphasized that it is very important to have greater attendance at the Board meetings and the need for direct input. There should be a more diverse group of people coming to the meetings for public comment, including representatives from the various chambers and business organizations throughout the City of San Diego. Mr. Navarro echoed that the Board needs to have an ongoing consistent outreach to those organizations for all monthly meetings.
- Board members may email their suggestions to Mr. Sims for his discussion with the Mayor.

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

Mr. Simon deferred to Mr. Kessler to highlight their BID Council activities:

- There are eleven BIDs participating in the Public Right of Way Program (PROW). The issue will be heard by the Planning Commission in March 2006. PROW originally was a pilot program located in North Park, Adams Avenue, and Ocean Beach. The goal of PROW is to increase pedestrian traffic in the small neighborhoods.
- Negotiations with McMillin Company are still proceeding to develop a pilot village in San Ysidro. They hope to complete the partnership by the end of the month.
- There is about \$6.5 million of annualized premiums for their City Care Benefits Health Insurance Program (Sharp Healthcare is the provider). They have decided to cut off the composite rate, which is what they started the Program with. Small business owners still have two more months to join under the composite rate. The elimination of the composite rate will mean that all small business owners will have the same rate.
- Tomorrow at their regular monthly BID Council Board meeting, they will announce and push the SBAB's Community Outreach Meeting at the Recital Hall in Balboa Park on February 22, 2006. They will also electronically distribute the flyer in pdf and Word format to all the BIDs.
- Mr. Sims commented that over the years, the City has emerged into the concept of a "City of Villages", which has been anchored around small business to a great extent. He also noted that the SBAB has been working with the BID Council on the PROW Program for a number of years. Mr. Sims commended Mr. Kessler and his staff for the work that they have accomplished.

## **Annual Community Outreach Meeting**

Board members and staff discussed how the community outreach meeting should be coordinated:

- Ms. Blackman stated that the Mayor's Office has indicated that the Mayor would likely be able to be at the outreach meeting around 8:45 a.m. and will be there for about ½ hour.
- Mr. Sims remarked that he would like to have structure for the event. Speaker slips will be used to create order and structure the process. The slips will request contact information and the issue of concern. One minute will be allotted for each speaker to summarize what their issue is.
- When the Mayor arrives, he will be acknowledged and then the podium will be offered to him for comments. There should also be some time allotted for responses from the attendees.
- Mr. Kavar suggested that after the Mayor makes his presentation, to turn the meeting back over to the Chair (Mr. Sims). Mr. Chilcott recommended that the Board and staff should be the Mayor's representatives to answer any questions from the attendees.
- Mr. Scott Cummins commented that if the speaker(s) has more of a personal issue, such as a red zone painted in front of their business, they should be encouraged to call staff or attend an SBAB meeting. The outreach meeting is for those who have issues with City policies impacting small businesses in general. Ms. Diben Brown remarked that the speaker slips can be used to filter out the personal issues from the policy issues.

- Mr. Kessler suggested that the leaders of the different chambers and business associations be introduced during the Mayor’s presence.
- Mr. Kavar stated that with the time constraints, the attendees with issues of concern could be referred to staff to assist them or to invite them to an SBAB meeting to have their concerns fully heard and addressed.
- The Recital Hall in Balboa Park holds approximately 250 attendees. The SBAB will be seated behind tables located on the stage. Also, the podium will be located on the stage.
- The meeting will begin with introductions of the SBAB members and describe the role of the Board. They will also list some of their accomplishments (a handout could also be available listing the role of the SBAB and their accomplishments). They also will announce the small business leaders and dignitaries that are in the room, which will lead into the time when the Mayor should arrive at the meeting. The Chair will acknowledge the arrival of the Mayor and introduce him and invite him to the podium for his presentation. After the Mayor makes his presentation, the Chair will thank the Mayor for coming on behalf of the Board. Public comment will be taken after the Mayor has finished speaking.

**Office of Small Business Report: Sue Blackman, Office of Small Business (OSB)**

- Ms. Sue Blackman reported that she is working on the annual outreach community meeting.
- Mr. Kavar informed the Board that they have recently received authorization to fill the vacancies of the Storefront Improvement Program Manager and the Community Parking District Program Administrator. They hope to fill the positions within the next couple of weeks.

**Development Services Department Report: Kelly Broughton and Ron Halbritter, Development Services Department (DSD)**

Mr. Broughton reported the following information:

- DSD has been working on enhancing their web information services. They are preparing to open up to the general public their “Roadmap Project”. They will offer a presentation to the SBAB at a future meeting. It is their attempt to organize information that will be easier to understand.
- They have had some “hiccups” in a couple of the BIDs for the PROW Program. The Program will move forward to the Planning Commission and it will stop there, unless it is appealed to the City Council.
- Noted that there may be some organizational changes within DSD. In the press release announcing the appointment of Mr. Waring, it was noted that clean-up of the Real Estate Assets Department and the streamlining of the construction permitting process were among his top priorities.
- The City Council adopted regulations for condominium conversion. The new regulations require more notice and more disclosure to potential buyers. He noted that there were no pipeline provisions in the new regulations. The regulations will probably create a slow down in the condo conversion boom.

- Over the past couple of months, they have had numerous staff leaving DSD. They are hoping to receive authorization to fill the vacant positions.
- Mr. Simon volunteered to serve as the SBAB representative on the Code Project Update Committee.
- They received a legal opinion from the City Attorney's Office that the Technical Advisory Committee and the Code Monitoring Team are subject to the Brown Act, which means that there will be a more formalized process, such as noticing requirements, public comment, and meeting minutes.

#### **Selection of 1<sup>st</sup> Vice-Chair**

- The item was postponed until the March 22, 2006 meeting.

#### **New Business**

- It was requested that the Ordinance pertaining to the SBAB be placed on the March agenda. Staff will provide a copy of the Ordinance to the Board. The Board will revisit the meeting schedule and time. It was requested that a plenary session be scheduled for April.

#### **Meeting Adjournment**

- The meeting was adjourned at 10:03 a.m.