



THE CITY OF SAN DIEGO

**SMALL BUSINESS ADVISORY BOARD
ANNUAL COMMUNITY OUTREACH MEETING
MEETING MINUTES**

February 22, 2006

Recital Hall in Balboa Park
2130 Pan American Plaza
San Diego, CA 92101

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

CITY STAFF
Steve Bal, Office of Small Business Sue Blackman, Office of Small Business Mike Boyle, Mayor's Office Kelly Broughton, Development Services Department Meredith Dibden Brown, Office of Small Business Ron Halbritter, Development Services Department Joe Harris, Development Services Department Hamid Irranejad, Development Services Department Jeff Kawar, Economic Development Division Trish H. Raber, Economic Development Division Marcia Samuels, Neighborhood Code Compliance Department Jeff Strohminger, Development Services Department

PUBLIC ATTENDANCE IS LOCATED AT THE END.

Welcome and Opening Remarks

- Chair Mr. Richard Sims expressed his appreciation for those attending today's community outreach meeting. He acknowledged the supporters and members of the small business community, adding that the Board appreciates all their efforts in making small business such an important entity in the economic growth and development of San Diego.
- Mr. Sims provided an overview of the Small Business Advisory Board, noting that the members are appointed by the Mayor. The Board serves as an advocate for small businesses, by providing advice and guidance to the Mayor and Council on issues impacting the small business community in San Diego. He encouraged everyone to become actively involved and to use the Board to assist them in resolving issues impacting the small business community.
- Mr. Sims expressed appreciation to Mayor Jerry Sanders for being able to attend today's meeting and to provide the keynote presentation.

Introduction of SBAB Members and Representatives from Small Business Organizations

- Mr. Sims introduced each of the SBAB members and the support staff from the Community and Economic Development Department/Office of Small Business.

Keynote Presentation: Mayor Jerry Sanders

- Prior to the keynote presentation, Mr. Ruben Garcia, District Director of the U.S. Small Business Administration in San Diego and an SBAB member presented a "Certificate of Appreciation" to Mayor Sanders in recognition of his commitment to the small business community in San Diego.
- Mayor Sanders presented the following information during the keynote presentation:
 - Stated that he was honored to be present at today's community outreach meeting. He noted that in San Diego, small businesses are defined as having twelve (12) or fewer employees. Small businesses comprise 93 percent of all businesses registered in the City of San Diego.
 - Worked with many small businesses during his tenure with the United Way, adding that he really appreciated the way small businesses supported the community, through their participation in a wide range of community events and also philanthropically.
 - Sixty-three percent of the business tax revenue comes from small businesses and 20 percent of the sales tax revenue comes from small businesses.
 - Small businesses have done a tremendous job in creating jobs and also engaging the community in training people.
 - A great deal of success in the small business community comes from creativity and ingenuity. Small businesses have to be creative, because they have to do things differently than large businesses.
 - It is important that the City work with small businesses and find ways to work much more closely to ensure that small businesses are allowed to flourish in San Diego.

- The City has been working hard with small businesses, but the City can always be better at the things that they do. In 1982, the SBAB was created, whose mission is to foster economic growth and to offer regulatory relief for small businesses. They also serve as a conduit for the small business community to the Mayor and City Council on issues that are impacting them. He noted that Mr. Sims has already visited his office to discuss increasing ways in which the Board can assist the Mayor in serving the small business community.
- During the 1980's and 1990's, the economy wasn't as strong as it is today. Small businesses continue to grow, develop, and they also continue to employ more people, which is very important to the local economy. He noted that San Diego will probably never become a headquarters location or ever have a significant number of large businesses such as in Los Angeles or San Francisco. San Diego will always need to depend upon small businesses to help them grow out of economic slumps and to continue their economic growth as the City continues to move forward. Excellent examples of creative small business growth are in the software, high-tech, and biomedical industries.
- The SBAB has also played an instrumental role in helping make the City more responsive. It has fostered improvements in the City processes and developed procedures that enable small businesses to navigate the City systems more quickly and efficiently. It also deserves accolades for the number of significant accomplishments including the reduction in the business tax certificate fee for small businesses, working with Development Services Department to create a Small Business Liaison and also helping DSD become more responsive to the needs of small businesses.
- The SBAB serves as a central focal point for the Mayor and Council for the 75,000 small businesses in obtaining information on issues pertaining to the small business community and also responding to those needs.
- The SBAB has been instrumental in the development of a Minor Construction Program, designed to help small contractors compete and succeed in obtaining bids. The City needs to increase the number of small contractors getting bids for projects. This includes providing instruction to small contractors on how to bid and also on how to do the job. They want to increase the pool of small contractors that the City uses, because expansion of the pool will lead to more competition.
- The SBAB has also been a key component of small business assistance network in San Diego. San Diego is very unique among large cities for having such an extensive and well coordinated group of nonprofit, profit, and government providers. Today, San Diego serves as a model for other cities throughout the U.S.
- The City needs to work more closely at the grassroots level. They need to work with new emerging businesses and assist those businesses that have been in existence for sometime to improve. They also need to have a liaison and to have the expertise available to work through the problems that small businesses have. Also, the City needs to build the impact they have on small businesses.
- He cited the incredible work of the 18 business improvement districts in San Diego in promoting their neighborhoods. The Adams Avenue BID located near his home brings vital activity to the area. It also provides a sense of community and encourages the local residents to use their neighborhood businesses. The Little Italy BID is another

example of how a community was transformed with the residents and businesses working together. The opportunity to do something similar throughout all of San Diego not only makes sense, but it is extremely compelling. It is a way that the City could support small businesses and it is something that the City needs to take advantage of. It's also a great way to govern, because it is a grassroots governance method where the communities take responsibility for matters such as land use, parking, and events.

- Stated that he was proud to be their Mayor and also proud of the small businesses in San Diego. He is proud that people can start their own business using their own ingenuity, creativity, and intellectual property. Small businesses are the backbone of San Diego. The SBAB does an incredible job and the staff has done a great job in providing much needed services to the small business community.
- The City is going through a process where they are listening, learning, and changing. Staff can listen more closely to find new ways of leveraging opportunities; learn new ways of working more closely; and then move forward to create new models.
- Thanked everyone present for attending the outreach meeting. He also thanked Mr. Garcia for the "Certificate of Appreciation" that was presented to him. Mayor Sanders also stated that he appreciated the opportunity to be at the meeting.
- Mr. Sims commented that everyone present, including himself really appreciates that Mayor Sanders is a strong supporter of small business. The small business community looks forward to working with him in the future to accomplish his goals.

Public Testimony

- Ms. Margaret Byrne speaking on behalf of the San Diego Regional Chamber of Commerce Small Business Advocacy Committee thanked the City of San Diego for being a very good partner and a very good friend for businesses. They want to continue their positive relationship with the City. Ms. Byrne made four (4) recommendations to further enhance the partnership between the City and the small business community. They are:
 - Maintain adequate funding for small businesses in San Diego. Community development block grants should be allocated toward community and economic development incentives, particularly small businesses.
 - Address the Americans with Disabilities Act (ADA) lawsuit abuse issue. The City of San Diego needs to stand together with the small business community to address the issue. She noted that entire blocks are being papered with lawsuits. They need a grassroots effort by the City with small business, which includes communication to every single business on how to comply with every single aspect of the ADA.
 - City fees for businesses should be restructured. She stated that the fees should be re-evaluated and revised, because currently small businesses are on the end of an inequitable fee structure.
 - The permitting process should be streamlined for all small businesses, whether it's new construction, remodeling or a small modification to a storefront. Currently, small businesses are caught up in an unrealistic and difficult permitting process. The establishment of a small business permit expedition program would easily resolve the problem.

- Mr. Rick Hernandez from San Diego Gas and Electric commented that they are working with over seventy-five (75) organizations that are committed to making San Diego a great place for small business. He cited in particular the efforts of the City's Office of Small Business and the Business Improvement District Council, which includes the eighteen (18) BIDs and eight (8) Micro Districts.
- Mr. Gunnar Schalin of the San Diego Contracting Opportunities Center wanted to publicly thank the City and the SBAB for the work that they have done for small businesses. He noted that much of the City's activities take place in the BIDs. There is another aspect that the SBAB has faithfully supported through the Small Business Enhancement Program (SBEP) called the San Diego Contracting Opportunities Center. Their role is to support small businesses by facilitating the ability of small businesses to move into the government contracting sector. He echoed Mayor Sander's point that by having more small contractors, the City will benefit by increased competition. Also, many dollars that come from the State and Federal government for government contracts are pumped into the local economy which also helps the City.
- Ms. Wendy Hope of the City Heights Community Development Corporation expressed her gratitude to the SBAB for their efforts for bringing small business issues to the attention of the City. She encouraged the SBAB to support organizations and programs that address problems that small businesses with language and cultural barriers are facing. They face similar problems as other small businesses, but they are exacerbated due to language and cultural barriers.
- Ms Judy Moore of the Adams Avenue Business Association expressed concern about the unfilled City staff positions which are impacting the Adams Avenue BID, adding that they are funded positions. One position is the Storefront Improvement Program Manager position. The Development Services Department also has unfilled staff positions. She asked for the SBAB's support in filling the positions. She noted that the Public Right of Way Program has proven to be very successful in the Adams Avenue corridor, citing the efforts of Mr. Ron Halbritter of the Development Services Department and Mr. Scott Kessler of the Business Improvement District Council in creating this forward thinking model program.
- Mr. Chris Christensen, owner of CondoConversions.com stated that the City Council yesterday continued the housing state of emergency in San Diego. Mr. Christensen sees revitalization of inner city neighborhoods as a critical part of redevelopment. They are concerned about pending municipal code changes affecting condo conversions. They are asking the business community, the Mayor and Council to continue to support condo conversions as the only market driven source for affordable homes. The support is needed to help encourage and stimulate more homeownership, particularly in the inner city and mid city neighborhoods. He noted that President Bush has placed homeownership as a national priority. Mr. Christensen stated that homeownership rate in San Diego is about 50 percent compared to about 75 percent nationally. They have some upcoming legislation coming before the City Council and they asked for the support of the BIDs, business community group leaders and decision makers to allow condo conversions to continue to go forward in San Diego.
- Ms. Michelle Butler of the Women's Business Center of California (WBCC) stated that she wanted to create awareness of the programs and services that they provide. They are an SBA funded program and supported by National University that provides many low cost programs and services, including seminars and free counseling. They assist emerging businesses and those businesses that want to expand. They are dependent upon funding from the City and from other community sources for their small business development programs. She asked for the SBAB's continued support of the WBCC.

- Ms. Ginny Ollis of the Mission Hills Business Improvement District requested that the most important thing that the City can do for their small business constituents is to communicate with them on what services and programs are available. She suggested that information could be printed on take away cards that could be included with water and sewer bills or other City bills. She suggested this method of communication so that small business owners can read the information while they are doing activities such as being parked in a car or waiting for an appointment. She remarked that many small business owners do not have enough time to be on the computer to check information on websites.
- Mr. Brad Barnum of Associated General Contractors (AGC) noted that Mayor Sanders mentioned the success of the Minor Construction Program in his comments. Mr. Barnum also wanted to inform individuals of the City's Mentor-Protégé (M-P) Advisory Program. The Mentor-Protégé Program was created by the City in cooperation with the AGC and a number of other groups to increase the number of qualified contractors for construction projects. He noted that Mr. Schalin of the San Diego Contracting Opportunities Center is one of the individuals on the M-P Advisory Committee. The M-P Program is trying to build from the bottom up and trying to get contractors to be successful and survive in the business. Small contractors that are interested may call the City at (619) 236-6218.
- Mr. Sims responded to some of the concerns that were raised during public testimony. He noted that the Development Services Department is really trying to make improvements. They are getting some results, but it will take time.
- Mr. Sims remarked that support in terms of small business is just like support for services throughout the City, i.e. some things are currently on hold. They are looking toward the role that small business will play in the future.
- Mr. Sims encouraged everyone to become actively involved, which includes attending the SBAB monthly meetings, which are posted on the City's website at www.sandiego.gov/ced . He noted that the most important thing to understand is that it takes a very special type of person to become a small business owner. If they can continue to grow the infrastructure that is necessary to make small businesses successful, then they will create an environment that gives more people the opportunity to succeed. They need to accomplish three (3) things: 1.) Keep the door open for everyone that wants an opportunity; 2.) What do they have to achieve in order to create infrastructure; and 3.) Recognize that things do change and that they have to maintain their flexibility.

Approval of Minutes

- The minutes of January 25, 2006 were voted upon and unanimously approved.

Closing Remarks

- Mr. Sims thanked everyone in attendance for coming to the outreach meeting. The next SBAB meeting is scheduled for Wednesday, March 22 at 8:15 a.m. The meeting will be held in the 8th floor large conference room of the Comerica Bank Building, located at 600 B Street.

Meeting Adjournment

- The meeting was adjourned at 9:30 a.m.

OTHERS PRESENT

Mike Akey, Mission Hills Business Improvement District
Scott Allgaier, Ocean Beach Main Street
Lois Bach, Classic Rows Inc.
Brad Barnum, Associated General Contractors
Michelle Butler, Women's Business Center of California
Margaret Byrne, San Diego Regional Chamber of Commerce
L.R. Soriano Cabais, Low-Roller.com
Jackie Carmona, San Diego County Water Authority
Chris Christensen, Condo Conversions.com
Jennifer Crawford, North Park Main Street
Adrian Crown
Genoa Dickson, Ocean Beach Main Street
Carole Eklund, Small Business Development & International Trade Center
Judy Elliot, San Ysidro Business Association
Enrique Gandarilla, City Heights Business Association
Luis Garcia, Chuey's
Gary Gilmore, Ocean Beach Main Street
Greg Gohde, Classic Rows Inc.
Deanneka Goodwin, Congresswoman Susan Davis
Richard Graziani, The Palliative Arts Center
Gustavo Guerrero, Small Business Development & International Trade Center
Andrew Hapke, Accion San Diego
Rick Hernandez, San Diego Gas and Electric
Wendy Hope, City Heights Community Development Corporation
Marcia Hughes, U.S. Small Business Administration
Scott Kessler, Business Improvement District Council
Christina Kish, College Area Business District
Denny Knox, Ocean Beach Main Street
Karel Kramer, Southwest Strategies
Richard Kurylo, Business Improvement District Council
Cindy Lennon, Able-Disabled Advocacy
Joni Low, Asian Business Association
Elizabeth Makee, Accion San Diego
Joe Mannino, North Bay Association
Joyce Marieb, Greater San Diego Business Association
John McDermott, McDermMedia
John Stewart McGaughy, GNPCPC/North Park Main Street
Penney McGuire, San Diego Gas and Electric
Cordelia Mendoza, Ocean Beach Main Street
Judy Moore, Adams Avenue Business Association
Mike Nagy, San Diego Regional Chamber of Commerce
Jesse Navarro, County of San Diego, District Attorney's Office
Ben Nicholls, Discover Pacific Beach
Robin Newman, Lafayette Hotel
Ginny Ollins, Mission Hills Business Improvement District
Steve Otto, San Ysidro Business Association
Gary Pacheco, U.S. Small Business Administration
Jimmy Parker, Gaslamp Quarter Association
Lynne Pelzek, San Diego Gas and Electric
Jennifer Pesqueira, Mission Hills Business Improvement District
J. Anthony Porras, Citibank

OTHERS PRESENT

Jay Powell, City Heights Community Development Corporation
Sundi Sage, Timeless Collectibles/Adams Avenue Business Association
Gunnar Schalin, San Diego Contracting Opportunities Center
Tiffany Sherer, Promote La Jolla
Laurie Smith, TBA
Alejandra Sotelo-Sais, Lori Sandana, Assemblymember
Shane Stahl, Grater San Diego Business Association
Richard Stegner, Old Town San Diego Chamber of Commerce
Chris Stokes, Mission Hills Business Improvement District
Gerrie Trussell, Business Improvement District Council
Bonnie Valentine, U.S. Small Business Administration
Carlos Vasquez, San Ysidro Business Association
Tim Warren, San Diego Contracting Opportunities Center
Gary Weber, El Cajon Boulevard Business Improvement Association
John Weinstein, Smith Barney