



THE CITY OF SAN DIEGO

**SMALL BUSINESS ADVISORY BOARD
MEETING MINUTES**

April 26, 2006

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

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

CITY STAFF
Steve Bal, Office of Small Business Rob Barnes, Economic Development Division Kelly Broughton, Development Services Department Meredith Dibden Brown, Office of Small Business Ron Halbritter, Development Services Department Tony Khalil, Neighborhood Code Compliance Melisa Tintocalis, Office of Small Business

OTHERS PRESENT
Michaelangelo Bellusci, EBizMatching, LLC L.R. Soriano Cabais, Low-Roller.com Rick Hernandez, San Diego Gas and Electric Scott Kessler, Business Improvement District Council Joni Low, Asian Business Association Jay Turner, Business Improvement District Council

Welcome and Opening Remarks

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

Approval of Minutes

- The minutes of February 22, 2006 were voted upon and unanimously approved.

Public Comment

- Mr. Michaelangelo Bellusci of EBizMatching stated that their company brings procurement and business opportunities from government agencies and Fortune 500 companies and matches them with small and minority owned businesses. They have over 71,000 members in their network and over \$1 billion in contracts for small businesses. The members in their closed network belong to Chambers and business organizations. They have been working with the State of California, the U.S. Chamber of Commerce and a coalition of Chambers throughout California. They are now establishing their network in southern California. Their website address is www.ebizmatching.com. Mr. Sims asked Mr. Bellusci to keep the SBAB apprised of their progress, adding that the SBAB is interested in facilitating opportunities for small businesses in San Diego.
- Mr. Rob Barnes introduced himself as the new Storefront Improvement Program (SIP) Manager. Mr. Sims stated that the Board has had positive experiences working with SIP, adding that the Board is involved with the administration and distribution of those funds. He then welcomed Mr. Barnes to the team.

Business Improvement District (BID) Council Report: Scott Kessler, BID Council

- The BID Council is moving to the Spreckels Building, effective on May 1, 2006. They decided to move to another location, since Bank of America lost their master lease and also because of skyrocketing rates.
- They have started to reinvigorate their Americans with Disabilities Act (ADA) Task Force. The BID Council is attempting to form a coalition of small business organizations and support organizations to develop a strategy in defending small businesses from nuisance lawsuits. Mr. Kessler acknowledged Mr. Spencer Skeen of the SBAB for providing assistance to the BID Council on the issue.
- The unreinforced masonry (URM) issue is on the Land Use and Housing (LU&H) Council Committee docket today. The issue will focus upon those properties that are non-compliant with the State of California's January 2006 deadline for seismic retrofit of buildings. Mr. Kessler will be providing a report on the program that the BID Council had in partnership with the Development Services Department (DSD) during the past year. They are concerned about historic buildings being destroyed, since it has happened in other cities. Mr. Sims expressed concern about losing historical sites and the adverse impact on small businesses, because frequently small businesses are located in historic buildings. Mr. Jay Turner noted that the State is holding all the municipalities in the State to the January 2006 deadline. The undisclosed issue is what the State of California will impose upon cities that do not comply.
- Mr. Jay Turner is joining the BID Council on a temporary basis. He had recently retired from his position as Executive Director of North Park Main Street. They are happy that he has agreed to

work for the BID Council. Mr. Sims welcomed Mr. Turner, adding that the Board looks forward to working with him.

- They are still proceeding with developing a joint venture with the Corky McMillin Company for the San Ysidro pilot village mixed use project. They had a great meeting yesterday and Mr. Kessler anticipates that they will come to terms within the next month.
- Mr. Kessler asked the Board to consider supporting a recommendation to the Mayor's Office that they restore last year's funding levels to three BIDs that were just ranked down to 0 in the funding recommendations made by the Commission for Arts and Culture. The three events that will be negatively impacted are: Gaslamp's Mardi Gras, Hillcrest's CityFest, and Adams Avenue's Street Fair. There is about a \$40,000 funding gap between last year's funding level and the recommendations for FY 2007. He noted that the combined attendance at these three events is well over 200,000 and the sales tax revenue is in excess of \$1.5 million dollars.
- Mr. Sims remarked that the Board would be able to support Mr. Kessler's request, based upon consideration of the economic impact. He added that they don't want to "fiddle" with the right of the Commission Arts and Culture to distribute their funds to arts and culture organizations as they see fit. However, if the nature of allocation of funds at the City level undermines the economic impact of potential funding to small businesses and their communities, such as for community festivals, then the SBAB needs to address the matter. Mr. Skeen stated that he doesn't believe that the SBAB is "fiddling", if their letter is in support of small business.
- **Mr. Skeen motioned for the SBAB to send a letter to the Mayor, requesting that his staff review the funding recommendations from the Commission for Arts and Culture, taking into consideration the positive economic impacts of the three events and to request that the Mayor restore the funding levels to the previous year's amounts. The motion was voted upon and approved with 7 votes in favor. Mr. Simon excused himself from voting, because he serves as the BID Council representative on the SBAB which represents all 18 BIDs.**

Selection of Vice-Chair: SBAB

- Mr. Auday Arabo and Dr. Ruben Garcia had both expressed interest in the Vice-Chair position.
- Ms. Judy Preston requested that Mr. Simon be considered as a candidate for the position, because he brings his professionalism, longevity and continuity to the SBAB.
- Mr. Arabo requested that his name be withdrawn from consideration for Vice-Chair.
- Paper ballots were then distributed to the eight members in attendance at the meeting. The two candidates were Mr. Simon and Dr. Garcia. The ballots were then collected by OSB staff. The counting of the ballots revealed that there was a tie, since each candidate had received four votes.
- Due to the tie, members requested that OSB staff electronically poll all members, including those that were unable to attend the meeting. A decision will be made at the next meeting on May 24.

SBAB Ordinance: Ms. Meredith Dibden Brown, Office of Small Business (OSB)

- Ms. Meredith Dibden Brown reported that Ms. Aundene Hugg of the Mayor's Office has informed them that they are still in the process of reviewing boards and commissions throughout the City. Currently, they are looking at regulatory boards and commissions and once that is

completed, they will begin reviewing advisory boards and commissions. In the interim, members may continue to serve on the Board until such time they make any changes.

- There may be a standardization of some Ordinance language for all boards and commissions. There has been no clarification on term limits. All members have expressed that they are interested in serving another term on the Board. OSB staff will notify the Board when they receive further clarification.

Reappointment and Board Member Responsibility: Mr. Richard Sims, SBAB

- Mr. Sims stated that the SBAB needs to evaluate their efforts in ensuring that there is always a quorum for meetings. The City Attorney's Office has opined that no meetings may be conducted if there is no quorum, based upon Roberts Rules of Order, which the City adheres to. This places a responsibility on each member to attend every meeting, noting that there are occasions when they are unable to attend. As time progresses, the Board will need to address the attendance issue and have a discussion on a day and time that is best for all members to attend.
- It is important that as they move forward in the process, it is important that all members educate themselves on the variety of tasks that the Board is doing so that everyone is fully aware of their roles. This will enable members to serve as community representatives of the Board and small business, so when members go out in the community, they can talk about the programs in a meaningful and educated way. OSB staff can assist members in educating them on the small business programs that are available.

Consideration of New Candidates for the Board: SBAB

- The following three individuals were submitted as potential Board candidates: Ms. Michelle Gerald Gray, Mr. Tom Woolway, and Mr. Ernest J. Reyes. Mr. Sims submitted the names of Ms. Gray and Mr. Woolway, while Dr. Garcia submitted Mr. Reyes as a potential candidate.
- There currently is one vacant slot open on the Board, due to the resignation of Mr. Jesse Navarro in January 2006.
- Dr. Garcia expressed concern that the Board doesn't reflect the representation of the business community. There is no Hispanic representative on the Board, noting that his position as the District Director of the U.S. Small Business Administration (SBA) is a designated seat for the SBA (stated in the Ordinance). He also remarked that there is no one of color on the Board, other than Mr. Sims. He added that he has spoken to the Mayor about the lack of diversity.
- Dr. Garcia also commented that the Board needs to be proactive and not reactive. In the future when members are asked to submit names of candidates, he hopes they will go out into the business community and find individuals that are interested in serving on the Board.
- Ms. Judy Preston remarked that Mr. Jesse Navarro was a member of the SBAB, but had stepped down in January 2006. Dr. Garcia replied that he doesn't see anyone currently on the Board representing the Hispanic community.
- Mr. Sims stated that diversity also resides in thoughts and ideas, and in creativity and in the ability to express them. He hopes that will be reflective of the Board, regardless of its ethnic and racial background.

- Mr. Skeen commented that he has a problem with the Board being involved in the process of reviewing and recommending potential candidates. He stated that the Board shouldn't be arguing about whom to recommend, because A.) It is an appointed position, B.) The Mayor should appoint who he wants, and C.) No one on the Board should be in favor for or against candidates that may replace current members.
- Mr. Sims responded that it was not in his interest to vote in favor of or against a potential candidate, but to get feedback from the Board on recommendations from the community. The recommendations would then be forwarded to the Mayor for vetting and decisionmaking. The agenda item was solely for the purpose of obtaining information from Board members on any concerns or issues they may have with any of the candidates.
- Mr. Skeen stated that each member can individually recommend potential candidates to the Mayor, adding that the Board should not rubber stamp a group of applicants for consideration, because he doesn't feel it is the Board's job.
- Ms. Chi Tran observed that Councilmembers have traditionally provided the names of interested candidates for boards and commissions directly to the Mayors Office.
- Mr. Sims will forward the resumes/biographies of the three candidates to the Mayor along with a letter stating "In follow-up to your request, these are the recommendations that I would like to put forth for your consideration."

Scheduling of Date and Time for Board Plenary Session: SBAB

- Ms. Dibden Brown explained that the City Attorney's Office has initially ruled that for an ad hoc subcommittee meeting where there is no quorum present, the meeting can be held without public notice and it can be closed. However, if a quorum is sought for the meeting, then it would have to be publicly noticed, because of the Brown Act and the meeting would have to be open for people to attend. The City Attorney's Office is researching the issue.
- Members agreed to schedule the Plenary Session for Wednesday, May 31 from 8:30 a.m. to 10:30 a.m. The session will be held in the 4th floor large conference room, located in the Comerica Bank Building at 600 B Street. The meeting will be publicly noticed.
- Mr. Sims commented that the Board could provide a summary report to the Mayor, based upon what their agenda is for FY 2007.

Approval of Economic Development and Tourism Support Review Panel's Funding Recommendations for FY 2007: Luis Ojeda, Economic Development Division

- Thanked the SBAB members that served on the Review Panel (Mr. Auday Arabo, Mr. Warren Simon, Mr. Spencer Skeen, and Ms. Chi Tran) and the entire SBAB for their ongoing support and participation in the Program. A representative from the restaurant industry and four general managers from the hotel industry also served on the Review Panel.
- The ED&TS Program provides Transient Occupancy Tax (TOT) funds to nonprofit, tax-exempt organizations that produce regionally significant services, programs and events that improve the San Diego economy by boosting tourism, attracting new businesses, and increasing jobs.

- Provided an overview of the process: 1.) Applications were mailed in early January 2006, 2.) Applications were to be returned by January 30, 2006, 3.) Fourteen applications were submitted that met the criteria, 4.) The Review Panel was then formed to review and rank the applications, 5.) A panel review meeting was held which was publicly noticed and open to the public.
- There were enough funds to provide funding to all fourteen organizations. The rankings for FY 2007 ranged from a perfect 4 (100 percent funded) to 3- (60 percent funded). He noted that the Program had been getting cut by 10 percent the past few years, but the Mayor stated that there would be no cuts this year. Therefore, they were at the same funding level as in FY 2006.
- Mr. Arabo expressed his appreciation to Mr. Ojeda for his time and effort in making it a smooth process. He noted that there were no appeals this year (the first time in six years). The applicants had shown the Review Panel a return investment on what they were asking.
- Ms. Tran asked Mr. Ojeda about their outreach efforts. Mr. Ojeda responded that their department's public information officer and team had prepared a press release that went out to all the organizations on their media list. The information was also posted on the City's website. Mr. Ojeda also mailed out information to organizations that had directly contacted him.
- Mr. Sims commented that he would like to have some of the applicants come to a SBAB meeting in the future, so the Board will get to know the organizations and the types of activities that are being funded. Members requested that Mr. Ojeda provide a report of each applicant's final outcomes to the SBAB.
- Mr. Sims noted that a certain group of organizations constantly participate, while other ones are either unaware or may not feel that they are competitive.
- Ms. Dibden Brown noted that some of the smaller organizations/agencies do not want to conform to the City's insurance requirements, which are much more onerous than they were in the past. Some of them do not have the capacity to meet the City's requirements to contract. Mr. Sims stated that the SBAB could put forth a recommendation where there would be a fair and balanced way at looking at the insurance requirements, so they can obtain greater participation.
- **Ms. Tran motioned for the SBAB to accept the Economic Development and Tourism Support Review Panel's funding recommendations for FY 2007 and to move it forward to the Mayor and Council. The motion was voted upon and unanimously approved.**
- Mr. Sims thanked Mr. Ojeda for doing a great job.

Office of Small Business Report: Meredith Dibden Brown, Office of Small Business (OSB)

- Introduced Ms. Melisa Tintocalis as the new Community Parking District Administrator. Ms. Dibden Brown gave a synopsis of the parking program and some of the pertinent issues.
- There is no information yet on replacing the position of Small Business Advocate in the Office of Small Business.
- There isn't much detail yet on the budget for FY 2007. There may be a supplemental budget available next month.

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

- Mr. Broughton reported that he forwarded the updated Small Business Action Plan, which he acknowledged as becoming somewhat outdated. The vast majority of items listed under task or issue have been completed.
- An area that remains to be addressed is in providing standard cost estimates for going through the review process for small business projects. It has been placed on the back burner, because Mr. Ron Halbritter, the Small Business Liaison has been providing the cost estimates and timelines for small business customers.
- Another area they haven't received much specific input on is in the regulatory arena, i.e. the kind of changes they can make to the Municipal Code that would benefit small businesses.
- With the Mayor's perspective on regulations, DSD staff is now going back towards a philosophy of prioritizing regulatory changes that make the process, regulations, and outcomes more predictable. There are opportunities to put forward changes to the Municipal Code that would benefit small businesses. He will put some of them in with his sixth update, which will focus specifically upon uses that currently trigger a permit type, which DSD feels that it doesn't necessarily have to trigger that type of permit.
- Both Mayor Sanders and Mr. James Waring, Deputy Chief of Land Use and Economic Development have asked DSD to look at the Planned District Ordinances (PDOs). The PDOs put a lot of permit process upon many development projects. Staff is strategizing on the various alternatives on how to approach the issue, since there will be community opposition.
- A staff report will be available for a City Council meeting sometime in July or July. It will include a work program and some alternatives for addressing the PDOs. Once they get some of the details together, they will be seeking input and support from the SBAB.
- Mr. Scott Kessler of the BID Council suggested that a joint subcommittee be formed to assist DSD with their efforts during the next couple of months. The committee will be comprised of SBAB members and several representatives from the BIDs. The following SBAB members volunteered to serve on the subcommittee: Mr. Arabo, Ms. Preston, Mr. Simon, and Mr. Skeen. Mr. Broughton suggested bringing in two or three business professionals who provide service to the small business community. He will work with Mr. Kessler on identifying professionals to serve on the subcommittee. Mr. Sims requested that the volunteers connect with Mr. Kessler and to keep the Board apprised of their progress.
- Ms. Judy Preston expressed her appreciation to Mr. Halbritter for his professionalism and service to the small business community. Ms. Faith Bautista echoed similar comments. Ms. Preston stated that DSD should publicize the position of Small Business Liaison.

New Business

- None provided.

Meeting Adjournment

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