



THE CITY OF SAN DIEGO

**SMALL BUSINESS ADVISORY BOARD
MEETING MINUTES**

June 28, 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 Scott Cummins Ruben Garcia Judy Preston Warren Simon Richard Sims Spencer Skeen	Kurt Chilcott Chi Tran

CITY STAFF
Steve Bal, Office of Small Business Kelly Broughton, Development Services Department Ron Halbritter, Development Services Department Scott Kessler, Economic Development Division

OTHERS PRESENT
L.R. Soriano Cabais, Low-Roller.com Rick Hernandez, San Diego Gas and Electric Elizabeth Makee, Accion San Diego

Introduction

- Chair Mr. Richard Sims called the meeting to order at 8:27 a.m. A quorum was present.

Approval of Minutes

- The minutes of May 24, 2006 were voted upon and unanimously approved.

Public Comment

- Mr. Rick Hernandez of San Diego Gas and Electric (SDG&E) reported on their on-bill financing program. The on-bill financing program will be targeted towards small business customers defined as any small business on a valid commercial, industrial, and agricultural rate with a monthly demand below 100kW and/or an average monthly natural gas usage below 4,166 therms. The program will also be offered to school districts and local government customers. To be eligible, customers must have had an account with SDG&E for a minimum of two (2) years and received no more than three (3) overdue payment notices. The customer's energy savings will offset the monthly payment for the retrofit. The monthly payment will be billed to the customer's SDG&E bill. The length of financing for local government customers is five (5) years and three (3) years for small businesses. The minimum amount of financing per year is \$5,000 and the maximum amount is \$25,000.
- Mr. Hernandez also spoke on SDG&E's local and statewide partnership programs, created to increase customer awareness and knowledge of energy efficiency. The local partnership is comprised of local government jurisdictions including the City of San Diego and the County of San Diego. The local partnership also includes the San Diego Regional Energy Office (SDREO) and the Energy Coalition. The statewide partnership is comprised of the University of California system, the college districts, and the California Department of Corrections and Rehabilitation. Both SDG&E and SDREO have auditors that will make onsite visits of businesses to conduct energy assessments. For the Small Business Super Saver (SBSS) Program, SDG&E does maintain a list of participating vendors for businesses that are interested in retrofitting existing equipment with high efficiency equipment. SDG&E should be notified of any vendor "not doing the right thing" and recommended that businesses get two (2) to three (3) quotes from their list of participating contractors.
- Dr. Ruben Garcia announced that the U.S. Small Business Administration (SBA) National Ombudsman Mr. Nicholas Owens and members of SBA's Regulatory Fairness Board will be coming to San Diego for a hearing on regulatory fairness. The National Ombudsman reports directly to Congress on regulatory fairness items. The hearing provides an opportunity for small business owners to express their concerns and views on regulatory matters. The event will be held on July 20, 2006. They encourage all small business owners in San Diego to participate.

Administrative Items – Non-Agenda Items

- Mr. Auday Arabo commented that the Tobacco Licensing Ordinance for retailers is coming up soon. He requested that it be placed on the agenda for the July meeting.

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

- The Small Business Code Team Joint Subcommittee Meeting had their first meeting yesterday.

The Subcommittee is comprised of Mr. Auday Arabo, Mr. Scott Kessler, Ms. Judy Preston, Spencer Skeen, Mr. Warren Simon, design professionals, and Mr. Broughton.

- They discussed several issues and ideas, including what projects are subject to conditional use permits (CUPs), criteria for CUPs, time limits for CUPs, and whether adjustments can be made to them, and the Americans with Disabilities Act (ADA). They agreed that there isn't much that they can do pertaining to the ADA, but there are some procedural matters that they may be able to address. When they have their list completed, they will bring it to the Board.
- DSD is undergoing reorganization, which will flatten their organizational structure. There will be three (3) groups within DSD. One group will focus on building permit and grading permit for construction approvals, headed by Mr. Isam Hasenin. Mr. Broughton will head the discretionary review process along with some of the support staff. The third division is Neighborhood Code Compliance (NCC), which used to be under the Police Department.
- Ms. Faith Bautista inquired if DSD could provide a seminar on CUPs. Mr. Broughton commented that Mr. Halbritter could do a seminar, since he is familiar with the requirements and locations for CUPs.
- Mr. Halbritter stated that he has been doing a lot of work lately in City Heights. NCC has been writing notices of violations to businesses and including Mr. Halbritter's contact information in the notices so that the businesses can directly contact him to resolve the violations.
- Mr. Sims commented that he hopes that the lead officials in DSD will use their voice to articulate the importance of making NCC friendlier for users (without compromising code enforcement) to help their customers understand the things they need to do in order to rectify or change their situation to be in compliance, without being aversive.

Economic Development Division (EDD) Report: Steve Bal and Scott Kessler, Economic Development Division

- Mr. Bal reported that the Small Business Enhancement Program (SBEP) grant applications for Fiscal Year 2007 will be distributed this week through email (as pdf attachments) and U.S. mail to the organizations requesting applications. It will also be posted on the City's website.
- The applications will be due back to the City on July 20, 2006.
- The following SBAB members volunteered to serve on the Review Panel: Mr. Auday Arabo, Mr. Scott Cummins, Mr. Spencer Skeen, and Mr. Warren Simon.
- OSB staff will distribute copies to the Review Panel on July 21. The Review Panel will then meet on July 24 to provide their funding recommendations. The full Board will then vote on the Review Panel's funding recommendations at the July 26 Board meeting.
- \$100,000 in SBEP funds is available to allocate each Fiscal Year. The funds are used to support organizations that provide specialized technical assistance to small businesses citywide.
- Several members inquired on the marketing and outreach efforts. The EDD does have a Public Information Officer that works on issuing press releases to the media. Mr. Kessler requested that Board members provide names of eligible organizations to staff.

- Mr. Sims stated that one of the External Committee’s responsibilities will be to increase marketing and outreach efforts to the small business community.
- Ms. Faith Bautista asked about the short turnaround time between the grant application distribution and the application submission deadline. Staff responded that they have to wait until the Fiscal Year budget has been approved, prior to initiating the grant application process each year. Mr. Sims stated that three weeks is more than adequate time to complete the applications. Mr. Kessler added that the funds have to be expended by the end of each Fiscal Year, so they want to maximize the amount of time that organizations have to expend their allocated funds.
- Mr. Kessler noted that the City Planning and Community Investment (CP&CI) Department is going through a process to create new interdisciplinary work teams between the divisions of Economic Development, Planning, and Redevelopment. He stated that Mr. Bill Anderson, Department Director of CP&CI is interested in having work teams organized around goals, rather than managing projects. A new management structure will be in place by the middle of July. He added that there is still an emphasis on providing services to small businesses. Mr. Sims stated that the Board is very interested in filling the vacant position of Small Business Advocate/Ombuds Services in the Office of Small Business.

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

- The BID Council approved their budget for Fiscal Year 2007.
- The search for an Executive Director to replace Mr. Kessler is underway.
- Twelve (12) BIDs are participating in the Public Right-of-Way (PROW) Program.
- The Community Emergency Response Team (CERT) training schedule has been moved to September 2006. They hope to get members from each of the BIDs to participate in CERT.
- They have a meeting scheduled in July to discuss planning for December Nights.
- The ADA task force is also holding ongoing meetings.

Plenary Session Discussion: Rick Sims, SBAB

- The Board held their Plenary Session on May 31, 2006. During the discussion, they reviewed the specifics of their agenda for Fiscal Year 2007. They also put some focus on specific goals that they want to achieve with the SBAB. They want to adhere as closely as possible to some of the mandates outlined in the Ordinance that established the SBAB.
- Two standing committees were formed – one committee to address internal issues and another committee to focus upon external issues. An adhoc committee was also formed to produce an annual report to the Mayor and Council.
- Members noted that staff needs to get clarification in writing from the City Attorney’s Office on the Brown Act pertaining to issues of public notification and the decision-making process.
- Mr. Kessler stated that the standing committees can still meet together. He added that Mr. Bal can post the agendas at the City Administration Building.

- Mr. Sims stated that he would like to see the standing committees put together an issues agenda.
- Dr. Garcia requested that staff email them the Newsrack Ordinance as stated in the Plenary Session meeting notes. Staff will email the document when it is available.

New Business

- Mr. Arabo reported that there is a new vice lieutenant (Lt. Kendrick) in the San Diego Police Department. The Board would like to encourage the new vice lieutenant to attend a future SBAB meeting.
- Mr. Arabo noted that the Big Box Ordinance is coming before the City Council in August. Members requested that staff email the Board the letters that were distributed to Mayor and Council last year. Mr. Simon volunteered to represent the SBAB at the Council meeting to summarize the Board's recommendations contained in the letters. It was added that there should be much more representation from the small business community present at the meeting.
- Members remarked that they would like staff to request a copy of the draft Tobacco Ordinance from the City Attorney's Office. Members also requested that staff email them the past recommendation letters and attachments pertaining to the Tobacco Licensing Ordinance issue. The current draft Ordinance imposes a fee upon retailers without mandating any enforcement.
- Mr. Kessler spoke on the linkage fee (San Diego Affordable Housing Trust Fund), which is a means to mitigate the increased need for more affordable housing due to employment growth by levying a tax on employers who provide low paying jobs. There is a new menu for proposed linkage fees. Hotels and retail would pay the highest rate and prime industrial users would pay the lowest rate. Mr. Arabo indicated that the fees have recently changed, since retailers would now have to pay \$5.63 per square foot and hotels pay \$4.74 per square foot. Members stated that the fees would be passed on from the developer and would adversely impact small business. The amount is too great and they need to mitigate the increase and the amount. Mr. Kessler commented that he will check on the fee structure. He noted that there is a waiver of the retail linkage fee, if the percentage of the ground floor retail space comes under a certain percentage of the entire development. Mr. Sims remarked that the linkage fee could preclude a lot of potential retail space from being utilized in mixed use developments. If there is a waiver, how large does the project need to be in order for the waiver to be in place. The linkage issue will be referred to the Internal Committee.

Meeting Adjournment

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