



THE CITY OF SAN DIEGO

**SMALL BUSINESS ADVISORY BOARD
MEETING MINUTES**

September 27, 2006

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

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

CITY STAFF
Steve Bal, Office of Small Business Meredith Dibden Brown, Office of Small Business Ron Halbritter, Development Services Department Scott Kessler, Economic Development Division

OTHERS PRESENT
Rick Hernandez, San Diego Gas and Electric Gunnar Schalin, San Diego Contracting Opportunities Center

Introduction

- Chair Mr. Richard Sims called the meeting to order at 8:43 a.m. A quorum was present.

Approval of Minutes

- The minutes of July 26, 2006 were voted upon and unanimously approved.

Public Comment

- Mr. Gunnar Schalin of the San Diego Contracting Opportunities Center announced that the San Diego County Water Authority's "Eighth Annual Paths to Partnerships Networking Forum", will be held on November 2nd from 1:00 p.m. to 6:00 p.m. at the Manchester Grand Hyatt at One Market Place in San Diego. Interested attendees may register and also submit potential questions to be addressed during the discussion forum via the online registration page available at www.pathsreg.org. They would like the City of San Diego to participate in the event.

Economic Development Division (EDD) Report: Scott Kessler, Economic Development Division

- The Large Retail Ordinance item was heard by the City Council on September 18. The City Council unanimously approved Mayor Sanders' recommendations on items 3, 4, and 6 of the City Manager's Report 05-136, which would impose permitting processes and landscape and design regulations on large retail establishments. The City Council also voted in favor by a 5 to 3 margin to direct the City Attorney's Office to prepare a Stock Keeping Unit (SKU) Ordinance. The item will be brought back to Council on either October 23 or 24.
- Mr. Kessler stated that part of the Mayor's proposal works with in conjunction with the General Plan update, which calls for an economic impact study report for any large retail establishment over 120,000 square feet. This allows each "Supercenter" to be studied on a case by case basis.
- There were representatives from the small business community who provided public testimony, including Mr. Jay Turner, interim executive director of the BID Council and Mr. Warren Simon, representing the SBAB.
- Mr. Simon stated that his testimony was based upon the SBAB's letter to the Land Use and Housing Committee, dated February 17, 2005. The letter expresses the SBAB's concern with the negative impact of "Supercenters" upon the City's business districts and small businesses and that it would negate the City's vision for developing a City of Villages. The letter goes on to state that the Board concurs with the BID Council's position supporting a City Ordinance precluding development of superstores within San Diego, with a superstore defined as a store 1.) Over 90,000 square feet; 2.) Over 30,000 SKU's; and 3.) Selling over 10 percent non-taxable items. If the City decides to have a "Supercenter" within City limits and any of the above three (3) criteria is exceeded, an economic impact study would be prepared by consultants approved by the City, and paid for, but not conducted by, the Big Box developer. The report would project how many businesses would be lost and how many jobs would be created as a result of the proposed "Supercenter" store.
- Mr. Sims commented that one of the critical issues is the analysis area of the economic impact study. He noted that a large retail establishment could be placed in an existing commercial area such as Mission Valley, however, it would have an adverse impact upon Hillcrest, North Park, and other Main Street business districts. Shoppers that would typically visit those business

districts would then be more inclined to go to the large retail store to shop. Mr. Simon stated that Mr. Turner of the BID Council highlighted those points in his testimony.

- Mr. Kessler remarked that if the economic impact report requirement passes with the General Plan and the SKU doesn't pass, everyone understands that the study area would have to be more than a few adjacent blocks away. Large retail establishments/big box stores have a 5 mile impact radius whereas "Supercenters" have a 10 mile impact radius.
- Mr. Sims stated that the SBAB needs to ensure that they are not misrepresented as a Board that is trying to keep big business out of San Diego. They want to ensure that San Diego understands the implications on the broader economic scale, adding that a lot of time, money and energy have gone into the City of Villages process, including mixed use developments and housing.

Development Services Department Report: Ron Halbritter, DSD

- Announced that Marcela Escobar-Eck has been hired as the new Department Director of DSD. She had previously worked in DSD, but left when she was hired as Planning Director for the City of Carlsbad.
- The Neighborhood Service Center (NSC) in Scripps Ranch closed last Friday and the three (3) staff members have now returned to working at DSD.
- Distributed the parking ratio matrix for eating and drinking establishments. Individuals should contact him when they have questions, because it is difficult to understand. He noted that one block on El Cajon Boulevard has six (6) zones. He explained the ratio numbers in each column. Individuals reviewing the matrix will find that there is no consistency in the parking ratios. The parking issue can be considered as one of the items for regulatory relief.
- Mr. Sims inquired as to what is a parking area. Mr. Halbritter responded that it is defined as 8 feet x 20 feet and is located on the property of the business, covered by 2 inches of paved asphalt. The dimensions are delineated in the parking regulations. Parking is an important issue to consider when creating a new restaurant.
- Mr. Simon inquired if shared parking agreements can resolve some of the parking issues. Mr. Halbritter replied that some of the parking issues can be solved, but it is very difficult to do. To have a successful shared parking agreement, the business owner needs to find a location that is close and that has extra parking spaces available.
- There was some discussion on utilizing a valet or shuttle service in the centre urban communities such as Hillcrest to mitigate the parking challenge for restaurant patrons. Mr. Halbritter stated that the shared parking agreement doesn't mention valet or shuttles at all, adding that he isn't aware where shuttles are allowed. The Centre City Development Corporation (CCDC) does allow for valet service in the downtown area. He mentioned that it is a topic that is worth further discussion. Mr. Sims recommended that issue be referred to the External Committee, which Mr. Simon could lead. Mr. Kessler stated that the topic of shuttle and valet service to meet parking requirements should be brought forward to Mr. Kelly Broughton for discussion at the next Small Business Code Team meeting in October. Mr. Kessler added that the issue could also be placed on the next agenda of the Parking Advisory Board (PAB) which meets on a monthly basis. Mr. Simon serves as a representative on the PAB.

- Mr. Sims stated that a sampling survey of restaurant patron traffic could assist staff in creating parking ratio guidelines. He added that the community input should be weighed against the facts, because people sometimes have misconceptions.
- Mr. Sims requested that DSD provide a status report on the Small Business Action Plan. Mr. Halbritter will forward the request to Mr. Broughton. Mr. Kessler acknowledged Mr. Halbritter for his service to the SBAB and to the small business community. Mr. Sims requested that Office of Small Business staff email the most recent Small Business Action Plan to Board members.

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

- The new BID Council Executive Director will be announced at tomorrow's BID Council meeting.
- Separate audit committees have been established for the BID Council and also for the BID Council Foundation. The BID Council Foundation is a 501(c)3 organization that is responsible for handling the bookkeeping for December Nights and other types of activities.

Small Business Enhancement Program (SBEP) Funding Recommendations for FY 2007: Rick Sims, SBAB and Meredith Dibden Brown, Economic Development/Office of Small Business (OSB)

- The Board had voted to approve funding for SBEP applicant organizations at the July 26, 2006 meeting. Since then, OSB received a response from the City Attorney's Office requesting that Board members re-vote for each SBEP applicant organization on a separate basis, whether approved for funding or not. Board members with a financial interest in a particular organization should recuse themselves from that vote. Those Board members serving in an unpaid volunteer or advisory capacity with a particular organization should declare the nature of the relationship prior to voting, but are permitted to take part in the vote.
- The votes for the FY 2007 SBEP applicant organizations are based upon the Review Panel's recommendations and are listed below.
 - **Able-Disabled Advocacy \$11,875 (Approved by a 7-0 vote, with Warren Simon declaring that he is an unpaid volunteer).**
 - **Southwestern Community College District - San Diego Contracting Opportunities Center \$22,800 (Approved by a 7-0 vote).**
 - **Southwestern Community College Foundation – Small Business Development & International Trade Center \$22,800 (Approved by a 7-0 vote).**
 - **ACCION San Diego \$15,785 (Approved by a 7-0 vote).**
 - **Union of Pan Asian Communities \$16,800 (Approved by a 7-0 vote, with Chi Tran declaring that she is an unpaid volunteer).**
 - **Women's Business Center of California \$14,350 (Approved by a 7-0 vote).**
 - **Alliance for African Assistance \$6,480 (Approved by a 7-0 vote).**

- **Asian Business Association \$5,400 (Approved by a 7-0 vote, with Faith Bautista and Chi Tran declaring that they are unpaid volunteers).**
- **Access \$0 (Approved by a 7-0 vote)**
- **Greater San Diego Business Association \$0 (Approved by a 7-0 vote, with Warren Simon declaring that he is an unpaid volunteer).**
- **San Diego Business Education Foundation – CONNECT \$0 (Approved by a 7-0 vote).**
- **BIOCOM \$0 (Approved by a 7-0 vote).**
- **Food and Beverage Association of San Diego County \$0 (Approved by a 7-0 vote)**
- **Mabuhay Alliance* \$4,050 (Approved by a 8-0 vote, with Chi Tran declaring that she is an unpaid volunteer).**

***Proxy Ballot, since only seven (7) Board members were in attendance at the meeting and two (2) of the members had to recuse themselves, due to financial conflicts of interest. This left only five (5) members eligible for the re-vote. Since six (6) votes are required to either approve or disapprove the Review Panel’s recommendations, the members requested that a proxy ballot be sent to all members. The results are based upon eight (8) out of ten (10) members voting, with Faith Bautista and Rick Sims recusing themselves, because of financial conflicts of interest.**

Tobacco Licensing Ordinance: Spencer Skeen, SBAB

- Mr. Skeen stated that the Public Safety and Neighborhood Services (PS&NS) Committee had directed that a new stakeholders group be created to address the issues that were raised at the meeting and that the City Attorney’s Office would be responsible for the coordination. To date, the City Attorney’s Office hasn’t followed up with the stakeholders.
- The proposed Ordinance was also to go to the Independent Budget Analyst for analysis, i.e. to determine whether the anticipated revenue (approximately \$130,000) would fund the enforcement mechanism costs. The representative from the San Diego Police Department has stated that it would be insufficient to cover enforcement costs.
- Mr. Sims commented that the Internal Committee can keep the Board apprised of any legislation.

New Business

- Mr. Simon stated that he will set up another meeting of the Small Business Code Team in October with the representatives from the SBAB and Kelly Broughton of DSD.
- Ms. Bautista informed OSB staff that Mabuhay Alliance assists new and existing small businesses by providing technical assistance to them. She noted that they recently received a commitment from Verizon Wireless to provide funding to their organization.
- The Internal and External Committees will meet for one hour after the October SBAB meeting.

Meeting Adjournment

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