THE CITY OF SAN DIEGO

SMALL BUSINESS ADVISORY BOARD
MEETING MINUTES

September 26, 2007
8:45 a.m.

Civic Center Plaza
1200 Third Avenue, Fourteenth Floor Large Conference Room
San Diego, CA 92101

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

CITY STAFF
Steve Bal, Office of Small Business
Kelly Broughton, Development Services Department
Karen Campos, Purchasing and Contracting Office
Meredith Dibden Brown, Office of Small Business
Ron Halbritter, Development Services Department
Scott Kessler, Economic Development Division
Luis Ojeda, Economic Development Division
Lance Wade, Purchasing and Contracting Office

OTHERS PRESENT
Ralph Achenbach, International Rescue Committee
Ken Clark, Small Business Development and International Trade Center
Rachel Fischer, San Diego Contracting Opportunities Center
Rick Hernandez, San Diego Gas and Electric
Joni Low, Asian Business Association
Bob Mulz, Elite Service Disabled Veteran Owned Business Network
Justin Olsen, Western Marketing and Media
Gunnar Schalin, San Diego Contracting Opportunities Center

Introduction

- Chair Mr. Richard Sims called the meeting to order at 9:00 a.m.

Approval of Minutes

- The minutes from May 23 and July 25 were voted upon separately and both were unanimously approved.

Public Comment

- Mr. Ken Clark of the Small Business Development and International Trade Center (SBDITC) announced that the SBDITC has relocated their offices to 880 National City Boulevard, National City, CA. For information about their open house, please visit http://www.sbditc.org/EventsDetail.asp?EventDate=10/30/2007&EventID=764&Rec=1. For information, please visit their website at http://www.sbditc.org/.

- Mr. Bob Mulz of Elite Service Disabled Veteran Owned Business Network (SDVOB) commented that the organization was formed about 5 years ago in San Diego and is incorporated as a 501(c)19 organization. Since their inception, the organization has grown to having offices in 32 states. Their mission is to assist the service disabled veterans in starting their own small business. He encouraged the Board to become partners, noting that many government agencies attend their meetings. The meetings are held on the first Tuesday of each month at 8:00 a.m. and are held at the TLC Staff/"G" Force conference room, located at 8788 Balboa Avenue, San Diego, CA. Mr. Sims stated that the Board encourages the City to take into consideration service disabled veteran owned businesses for contracting opportunities, recognizing that there is no legal mandate. Ms. Faith Bautista announced that the Supplier Diversity Council recently included service disabled veterans as minority-owned businesses, which will provide significant potential for them to do business with corporate America. For further information, please visit their website at http://www.elitesdvob.org/joomla/.

- Mr. Ralph Achenbach of the International Rescue Committee (IRC) thanked the Board for their letter of support in assisting them to obtain a Federal grant for their Micro-enterprise Program, which enables them to receive funding for another 5 years. They found a supporter to print the Small Business Directory of refugee-owned businesses on a pro bono basis. The Directory will be available in the near future and will be made available to the Board members. The IRC will be hosting a two-session workshop on how to start a food business on October 17 and October 23. For further information, please visit their website at http://www.theirc.org/where/us_san_diego/the_irc_in_san_diego.html.

Administrative Items/Subcommittee Reports

- Mr. Warren Simon reported that Board members from the Internal Standing Committee were meeting on a regular basis with staff from the Development Services Department (DSD) to address small business code issues, including ways to improve the permit process. They had been working on the parking issue in the older urban neighborhoods, when staff was diverted to work on other priorities including condo regulations, mini dorms, etc. Mr. Simon stated that Mr. Scott Kessler, Deputy Director of EDD will be presenting a work program on parking regulations at the next Technical Advisory Committee (TAC) meeting. The TAC meeting will be held on October 10, 2007 (second Wednesday of each month) in the Fourth Floor Training Room of the Development Services Center Building, located at 1222 First Avenue. Mr. Kelly Broughton of DSD stated that the work program should tie all the parking regulations together

across San Diego. Once the TAC has reviewed the work program on parking, DSD will bring it forward to the SBAB. Mr. Simon requested that DSD staff forward the work program document to the SBAB Internal Committee for their review. Mr. Broughton stated that community plan amendments and redevelopment plan areas impact the commercial zones. When the community plan amendments move forward, DSD will insert their proposed code modifications as part of the comprehensive effort. It is anticipated that the other proposed work programs that impact small businesses will be brought to the SBAB next year after TAC has reviewed them.

- Mr. Auday Arabo stated that he had found out a few days prior to the September 10, 2007 Council meeting that the Tobacco Retailer Fee Ordinance was going to be on the Council docket. He noted that the Board was supposed to have been included as one of the stakeholders in the process to assist in drafting the Ordinance after it came out of the Public Safety and Neighborhood Services Council Committee (PS&NS) meeting on July 12, 2006. The City Attorney's Office moved forward on the Ordinance and put it on the Council docket, without any notification to the Board. The second reading was supposed to have been yesterday (Tuesday, September 25, 2007), but it was continued at the Mayor's request to Tuesday, October 16, 2007 to provide an opportunity for more people to address the issue. Mr. Arabo stated that it is another fee ($163) that is being imposed upon small business retailers, adding that retailers already pay a tobacco license fee to the State. Members discussed the issue, emphasizing the fact that they were not included in the stakeholder process. The Board will prepare letters to both Mayor Sanders and the Councilmembers, citing their concern about the exclusion of small business in the tobacco retailer fee stakeholder process.

- Mr. Sims stated that at the August TAC meeting, there was discussion about increasing DSD fees for permits and services. He objected to the proposal of a disproportionate increase to small business customers, because of the unique nature of small business projects. There was a clear understanding that the revenue that was collected in the last fee increase was to be used to purchase service improvements. TAC has requested an audit of what was purchased with the revenue collected from the last fee increase. If there is another fee increase, it has to be fair and equitable. Mr. Broughton stated that whether the change in fees will affect small business is speculation at this point. They are working with an outside fee consultant to review the fees throughout DSD, taking into account that they went through a business process reengineering effort to increase their efficiency. They need to look at the possibility of a fee increase, since their overhead costs have increased. Also, business has dropped off by 20 percent in many of their segments over the past year. The fees need to be adjusted, so they can continue to provide services. Staff was laid off last fiscal year and they may have to do so again this fiscal year. They are looking at outsourcing, so there may be opportunities for small businesses that provide plan check and consulting services. DSD is also discussing the possibility of moving some overhead functions to the General Fund, such as the records section and public information counter. The fee report proposal is anticipated to be completed within the next couple of months. Then, it will be brought to the industry groups before it goes to the City Council.

- Mr. Sims stated that he met with Mr. Ruben Barrales, President of the San Diego Regional Chamber of Commerce and representatives from other small business organizations in San Diego. There is a desire to look at issues from a global perspective as to what small business needs in the way of infrastructure support. He would like to create a general understanding so that when impact issues arise, small business organizations can mobilize to address them. He discussed with Mr. Barrales the formation of a group that would work around planning and strategy for small businesses in a roundtable format. Ms. Bautista commented that she supports collaborating with small business organizations, particularly those that focus upon economic development. Mr. Arabo suggested that the group be comprised of leaders from small business organizations. The Board and staff would need to create an encompassing list and then invite the selected leaders to a meeting within the next couple of months. Board members will email their

contact information list to staff. **Mr. Arabo motioned: To form a small business roundtable committee, comprised of selected leaders from small business organizations to meet on a quarterly basis to discuss strategy on issues impacting the small business community. The motion was voted upon and unanimously approved.** Mr. Arabo stated that he would like the committee to listen and learn from one another before getting into strategic planning. Mr. Arabo, Mr. Spencer Skeen, and Ms. Chi Tran volunteered to assist. Staff will select a meeting site and send out the meeting invitation to the selected representatives.

- Mr. Arabo provided an update on the Large Retail Ordinance. He noted that it was approved by the City Council and then vetoed by the Mayor. The Ordinance was then brought back to Council, but there weren't enough votes to support it.

Economic Development Division (EDD) Report: Meredith Dibden Brown, EDD/Office of Small Business/OSB

- Reported that they did receive some concessions in the agreements from the City Attorney's Office on the insurance requirements for FY 2008. The essential requirements haven't been changed, but there is some more flexibility for procuring and submitting documents for getting agreements signed.

- Interviews are scheduled next week to fill an Administrative Aide position to assist with small business start-up information, trade shows, reimbursement requests, providing support on contract processing and management, etc.

- Board members requested that staff provide them with an excel spreadsheet of the contracts that have and have not been executed for the next Board meeting.

Development Services Department (EDD) Report: Mr. Kelly Broughton, DSD

- The interim acting Department Director of DSD is Ms. Patti Boekamp and Mr. Bill Anderson has been appointed as the new Deputy Chief Operating Officer for Land Use and Economic Development.

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

- Thanked Mr. Luis Ojeda for expediting the Maintenance Assessment District (MAD) contract process for FY 2008 and for expediting the reimbursement process.

Small Business Enhancement Program (SBEP) Funding Recommendations for FY 2008: Meredith Dibden Brown, EDD/OSB

- Reported that nine (9) applications were received for FY 2008.

- Approximately $135,000 was available in SBEP funds for allocations, which included $110,000 for FY 2008, plus $25,000 in funds awarded in previous fiscal years, but not expended, because the applicants could not come up with a reasonable scope and budget in time.

- Dr. Ruben Garcia, Mr. Skeen, and Mr. Simon served on the FY 2008 Review Panel.

- **Mr. Arabo motioned for the SBAB to accept the SBEP funding recommendations of the Review Panel for FY 2008, with the exception of Mabuhay Alliance, to be voted upon separately, due to conflicts of interest. The motion was voted upon and approved 8 – 0.**

- **Mr. Arabo motioned to accept the SBEP funding recommendation for Mabuhay Alliance for FY 2008. The motion was voted upon and approved 6 – 0, with Ms. Bautista and Mr. Sims recusing themselves from the vote, because of a conflict of interest.**

Pilot Program for Increasing Small Business Participation in City Contracts: Karen Campos and Lance Wade, Purchasing and Contracting Office/Equal Opportunity Contracting Program (EOCP) and Scott Kessler, EDD

- Mr. Kessler introduced the issue, stating that the issue was heard at Rules Committee on August 1, 2007. At the meeting, Committee members expressed concern with the lack of statistics available to track the performance of EOC, the level of outreach efforts, and not awarding enough contracts to small and disadvantaged business owners. Since the Rules Committee meeting, Mr. Kessler and Ms. Dibden Brown have been meeting with Ms. Campos and Mr. Wade.

- Ms. Campos stated that EOCP has two goals: 1.) Ensure that the City complies with all the laws and regulations at the local, State, and Federal level and 2.) Ensure that everyone in the contracting process has equal access to those dollars.

- In the PowerPoint presentation, statistical data for FY 2007 and plans to strengthen and improve tracking performance and outreach were provided. For information on the presentation, please see http://docs.sandiego.gov/councilcomm_agendas_attach/2007/Rules%2520070801-1.2.pdf.

Meeting Adjournment

- The meeting was adjourned at 10:30 a.m.