THE CITY OF SAN DIEGO

SMALL BUSINESS ADVISORY BOARD
MEETING MINUTES

September 24, 2008
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
Scott Cummins	Auday Arabo
Dr. Ruben Garcia	Faith Bautista
Warren Simon	Kurt Chilcott
Richard Sims	
Spencer Skeen	
Chi Tran	

CITY STAFF
Steve Bal, Office of Small Business
Meredith Dibden Brown, Office of Small Business
Ron Halbritter, Development Services Department
Suzanne Prevost, Office of Small Business

OTHERS PRESENT
Joni Low, Asian Business Association
Joseph Kinard, Diamond Business Improvement District
Gunnar Schalin, San Diego Contracting Opportunities Center

Introduction

- Chair Mr. Richard Sims called the meeting to order at 8:50 a.m. A quorum was present.

Approval of Minutes

- The minutes of June 25, 2008 were voted upon and unanimously approved.

Public Comment

- None provided.

Subcommittee Reports

- Internal: Mr. Warren Simon reported that any revisions to the small business code will be incorporated into the community plan updates for review over the next two years.

- External: The Small Business Roundtable issues and recommendations will be discussed in a separate agenda item.

Economic Development Division/Office of Small Business Report: Meredith Dibden Brown

- The revisions to the Small Business Enhancement Program (SBEP) Policy should be docketed for Council on either October 6 or 7, 2008. (Editor's note: The item was brought forth to the Rules Committee on October 8, where it was unanimously approved and will be forwarded to the full City Council.) The revisions were approved by the Business Improvement District Council the day after the SBAB approved it. The City Attorney's Office had made some very minor language changes prior to going to the Rules Committee.

- Contract processing is going a little slow, since the Purchasing and Contracting Office is requesting more insurance information than what was previously required. Staff will provide a status report next month.

Development Services Department (DSD) Report: Ron Halbritter, DSD

- Reported that design permits and requests are down significantly.

- Mr. Sims stated that the Technical Advisory Committee (TAC) will be looking at internal operations and developing a more structured relationship with the Mayor and City Council. He added that revenue is significantly down and DSD is looking at increasing fees for services to sustain their operations. The issue is how the increase will impact services and how the fees will be distributed.

Reappointments to the Small Business Advisory Board

- Faith Bautista, Scott Cummins, and Chi Tran were reappointed to the Board for two-year terms that are retroactive to July 1, 2007 and expire July 1, 2009. The BID Council designated seat currently occupied by Warren Simon will expire on July 1, 2010.

- Mr. Sims commented that he will be continuing on the Board, until a new person is appointed and confirmed to replace him.

Annual Community Outreach Meeting: Richard Sims

- Reported that the Outreach Meeting was held in a nice facility at the Naval Training Center - Liberty Station. The turnout of attendees was medium. The topics focused upon increasing the number of contracting opportunities for small businesses.

- Mr. Gunnar Schalin of the San Diego Contracting Opportunities Center stated that the thresholds for Purchasing have remained much the same, but the Subcontractor Outreach Program (SCOPe) has ambiguities, i.e. is the program for minority- and women-owned businesses or is it for small minority- and small women-owned businesses. At the City Council meeting on September 22, 2008 Councilmembers looked at a series of recommendations for SCOPe. He commented that he didn't see the word small business enterprise in the report. He asked Councilmembers to lift the burdensome regiment for small businesses in complying with SCOPe, adding that small businesses currently have to go through the same hoops as a large corporation.

- Mr. Joseph Kinard of the Diamond Business Improvement District stated that the City is working with the consultant Mr. Franklin Lee on SCOPe. Mr. Kinard added that there was an issue surrounding the data, in that it may have been inaccurately collected. Overall, the recommendations are to move SCOPe forward.

- Mr. Sims will contact Debra Fischle-Faulk to inform her that the Board is very interested in SCOPe. Staff will also contact the Purchasing and Contracting Office to invite a representative to speak to the Board on SCOPe and other programs, their definition of a small business, and their thresholds for small and disadvantaged businesses.

- For further information on the SCOPe report from the Independent Budget Analyst, please visit www.sandiego.gov/iba/pdf/08_98.pdf.

Small Business Roundtable Recommendations

- Board members discussed each of the issues and recommendations that were compiled and summarized from the Small Business Roundtable meeting held on July 23, 2008. The recommendations will be incorporated into a report on the state of the small business in San Diego that will be presented to the Mayor and City Council.

- Issue 1: Difficulty in getting access to capital, due to current economic and financial market conditions. Dr. Garcia noted that it is a tightening of the credit market, not because of the lack of money.

- Issue 2: Small business technical resource/business development centers. Mr. Sims noted that there is a lot of work going around the technical resource centers, but that there are never enough. Roundtable attendees discussed having more progressive and innovative approaches to assist the centers. There could be a common place or a common website that small business people could visit to obtain information, since currently there is no integration. The Board can assist in facilitating collaboration among the resource centers.

- Issue 3: Changing the Subcontractor Outreach Program (SCOPe). Members stated that SCOPe is important and that it should include small businesses in the contracting process and that the process should be user friendly.

- Issue 4: Having incubators/executive centers in different geographic areas of San Diego, including Southeast San Diego. Ms. Chi Tran suggested that they first need to review the

existing infrastructure. If the existing organizations are performing well, then they could be infused with funds, instead of creating something new. Mr. Sims stated that if there is a need for an incubator/executive center, they would have to look at taking resources that currently exist and direct them to create the new entity, along with determining where it would be located and how it would be structured. BIDs or other non-profit organizations could be utilized as incubators/executive centers.

- Issue 5: Small business owners are facing litigation due to non-compliance with the Americans with Disabilities Act (ADA). Mr. Sims stated that the ADA is a Federal law and that all businesses are required to comply with it, adding that it is a risk management issue. Mr. Halbritter stated that the City is mandated to comply with State Code Title 24. The Board may be unable to make a recommendation, since it is law.

- Issue 6: Restarting the Diverse Emerging Vendors Program (DEVO), a collaborative program between the City of San Diego and the San Diego County Hispanic Chamber of Commerce that is currently nonexistent. Board members also expressed interest in restarting DEVO or a similar program for diverse suppliers. Ms. Tran stated that additional language should be added to the recommendation which is to work with the City regarding outreach opportunities to small businesses.

- The Summary of Issues and Recommendations from the Small Business Roundtable attendees was tabled for further discussion and approval until the next meeting on October 22, 2008.

Next Meeting Date

- The next meeting date will be on December 3, 2008 at 8:45 a.m. Please note that the meeting was moved to this date, since the 4th Wednesday in November falls the day before Thanksgiving. This will be the last Board meeting of the calendar year.

Meeting Adjournment

- The meeting was adjourned at 10:25 a.m.