CITY OF SAN DIEGO
SMALL BUSINESS ADVISORY BOARD
MEETING MINUTES

March 5, 2004

World Trade Center, Seminar Room
1250 Sixth Avenue, 10th Floor
San Diego, CA 92101

BOARD MEMBERS PRESENT	BOARD MEMBERS ABSENT
Kurt Chilcott	Badi Badiozamani
Scott Cummins	Faith Bautista
Judy Preston	George Chandler
Warren Simon	Jesse Navarro
Richard Sims	Spencer Skeen
Chi Tran	

CITY STAFF
Steven Bal, Office of Small Business
Todd Hooks, Redevelopment Agency
Lynette Jones, Office of Small Business
Ron Lacey, Councilmember Lewis' Office, District 4
Terry Marshall, Development Services Department
Luis Ojeda, Economic Development Division
Marcia Samuels, Neighborhood Code Compliance
Janet Wood, Office of Small Business

OTHERS PRESENT
Rick Hernandez, San Diego Gas and Electric
Greg Paquette, Mini Cab Company
Gunnar Schalin, San Diego Contracting Opportunities Center

Introductions

- Mr. Sims chaired this meeting in Mr. Chandler's absence. The meeting was called to order at 8:30 a.m. A quorum was present at 8:35 a.m.

Approval of Minutes

- The minutes from the meeting held on February 6, 2004 did not include Ms. Terry Marshall of the Development Services Department on the attendance page. The minutes will be revised to reflect her attendance at the meeting. The minutes of February 6, 2004 were then voted upon and approved as amended.

Public Comment

Mr. Greg Paquette of Mini Cab Co. provided an update on low speed vehicles (LSVs):

- He stated that Metropolitan Transit Development Board's (MTDB) Ordinance 11 specifically states that LSV operators should have their permits and have their vehicles inspected and operating by February 15. Any company that is not fully operational by February 15 would be considered in violation of the Ordinance.

- He expressed concern about the fact that four of the original LSV permit applicants have not complied with the Ordinance. This affects his ability to obtain additional permits because there is currently a restriction on the number of permits available to individual LSV operators.

- His attorney sent a letter to MTDB stating that to his knowledge the four other LSV permit applicants had not met all of the permit requirements. Mr. Paquette received a response from MTDB on February 16, 2004, stating that two of the remaining four applicants had filed for an extension. One of the two extensions was rejected as the applicant received a revocation of permit letter. As of March 3, 2004, Mini Cab Co. is the only LSV operator.

- Mr. Paquette stated that his attorney followed up with a request to MTDB on February 27, 2004 to review all the information within 30 days under the Fair Information Act. The original response they received from MTDB addressed only a small part of their inquiry.

- Mr. Sims asked what Mr. Paquette would like the City and MTDB to do. Mr. Paquette's response was that he wanted MTDB to adhere to its own rules and regulations, and that he wanted MTDB to expand the LSV area of operation. Mr. Sims responded that the SBAB has forwarded a letter to the Mayor and City Council (dated February 6, 2004) that includes increasing the area of operation for LSVs among its recommendations. He stated that he is uncertain of what the SBAB could do with respect to regulatory issues until they have actual facts as to what has transpired. He added that Mr. Paquette should keep the SBAB informed of any changes in information.

- Ms. Judy Preston asked Mr. Paquette if he could apply for the seven permits (available after the revocation of the one application). Mr. Paquette replied that he can apply, but he is uncertain as to when a decision would be made or when the additional permits may become available. He was informed by an MTDB staff member that he could submit a request based upon his

experience as the only existing operator. The statement was retracted later, with MTDB staff stating that they are unsure of what would happen.

Mentor-Protégé Program Report: Gunnar Schalin, Contracting Opportunities Center

Mr. Schalin presented the following information:

- Three new protégés in the Mentor-Protégé (MP) Program were selected by the Interview Subcommittee of the Mentor-Protégé Advisory Board. They are: 1.) Critical Cleaning Services, Inc. (CC Serv), 1760 Palm Avenue, San Diego, CA 92154; 2.) Randall's Backhoe, Inc., 9265 Dowdy Drive, San Diego, CA 92126; and 3.) In-Line Fence and Railing Company, Inc., Ramona, CA 92065.

- With the addition of the three new firms, there are now six protégés in the program. The MP Advisory Board will need to address the length of the process for the protégés. Currently, it is done on an individual basis. They have one protégé that they feel is ready to move on their own.

- The Associated General Contractors are now in the process of selecting the appropriate mentors to work with each of the protégés. The announcement should be made in March 2004.

- Provided a summary of the Contracting Operation Center's (COC) accomplishments in the annual report. He commented that last year was a very good year, which could not have been done without the support of the City. Please see the handout that was distributed at the meeting.

- There was discussion on whether there was collaboration between the San Diego Regional Chamber of Commerce and the COC. Mr. Schalin stated that the COC had a relationship with Ms. Oreda Chin, but the relationship dissolved earlier last year and they've had no contact with the Chamber since.

- Would like to present the efforts of the COC to the SBAB at a future meeting.

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

Mr. Simon highlighted information presented at the BIDC meeting on February 26, 2004. They heard presentations on the following issues:

- Presentation on the Americans with Disabilities Act (ADA) by the Access Center. They described the services they provided, including one free walk-through service to provide a cursory analysis of compliance or shortcomings with respect to the State's ADA standards. There are several attorneys visiting the business improvement districts (BIDs) to look at the recent relevant project contracts that have been completed. They follow up to see if the businesses included ADA in their actual work.

- The second presentation was on the proposed Living Wage Ordinance that will be on the City Council docket later this month. The proposed Ordinance would impact those organizations that have contract(s) or receive funds from the City. The proposed Living Wage Ordinance would require organizations to pay their employees a minimum of approximately $11.00 per hour. If the contractor does not have health care benefits for their employees, then the organization would have to provide a minimum wage of approximately $13.00. Mr. Mitch Mitchell of the

Chamber conducted a study on the impact of the proposed Ordinance, but the results were inconclusive. They did receive a report on how it would impact the City and its wage and employment structure.

- The third presentation was a summary report on the City Manager's Parking Task Force. One of the central issues is whether or not the City will declare itself a parking authority, which will allow for the process of eminent domain. He will have more details on the issue next month as the report was just recently distributed.

- The fourth presentation was from Ms. Terry Marshall of the Development Services Department (DSD) who informed them of three seminars coming up for BID executive directors and business owners. A signage seminar will be held on March 26; an ADA seminar will be held on April 15; and a stormwater prevention seminar will be held on May 19.

- Mr. Chilcott requested that the proposed Living Wage Ordinance be placed on the SBAB agenda to the extent that the City continues to push for providing contract opportunities for small businesses and whether there is an issue between the requirement and the ability for small businesses to compete for a contract.

- Mr. Sims stated that when looking at the actual contract process, the bidding process will have to reflect the living wage(s) in any bid that was made and questioned whether it creates a disadvantage for small businesses. The costs are usually passed on to whoever the customer is. Mr. Chilcott stated that if everyone has to comply, then it may level the playing field. It may come back to the ability of small businesses to access affordable health care benefits.

- Ms. Marcia Samuels of Neighborhood Code Compliance Department (NCCD) reported that San Francisco enacted their Living Wage Ordinance this past week. She heard that the reason why the Chamber study was inconclusive was because it was difficult to tell who had contracts with the City. It only impacts those businesses that have contracts with the City. She added that although each City department maintains their own contracts, the Purchasing Office would be a central location for obtaining all contracts.

- Members requested that Mr. Simon send them copies of all the materials he has received on the proposed Living Wage Ordinance. Ms. Chi Tran requested that Mr. Mitchell from the Chamber also be invited to attend to speak on the survey results. It was also requested that a senior staff member from the Purchasing Office also be invited to address the issue.

- Mr. Sims expressed interest in the issue of the City becoming a parking authority. He stated that parking is an issue that needs to be addressed, particularly in its strategy of becoming a City of Villages.

- Mr. Chilcott observed that the BIDs were set up as assessment districts and the original intent was to finance parking, so the commercial districts had a means to bond for parking purposes.

- Mr. Sims also stated that he would like to have on the agenda for future discussion, the issue of opportunities for existing small business owners to have access to retail/commercial space in the City of Villages.

Economic Development and Tourism Support (EDTS) Review Panel for FY 2004: Luis Ojeda, Economic Development Division

Mr. Ojeda provided information on the EDTS Program:

- The Program was initiated in 1998 and is one of the fee-initiated Transient Occupancy Tax (TOT) programs. This year, they are expecting to receive approximately $700,000 in funding. They fund an average of twenty to twenty-three organizations each year.

- Currently have four representatives from the SBAB on the Review Panel: They are: Ms. Chi Tran, Mr. Warren Simon, Mr. Jesse Navarro, and Dr. Badi Badiozamani. Ms. Judy Preston volunteered to serve as the fifth representative from the SBAB. There are also four representatives from the tourism industry that serve on the Review Panel.

- A technical workshop was held on February 2, 2004 for applicants. The application deadline was February 13, 2004 and they received 20 qualified applications.

- Provided a listing of accomplishments achieved by the EDTS Program during FY03. The combined total amount of the twenty contract agreements was $750,380. The return on the investment was $4.4 million in TOT revenue generated. Please see the handout that was distributed at the meeting.

- Mr. Sims suggested that after the process is completed, three of the funding recipients could make a presentation to the SBAB about what they are doing with their programs.

- Mr. Sims commented that Mr. Ojeda and the staff that administer the TOT program have done an outstanding job.

Follow-Up on Issues Raised at the SBAB Annual Outreach Meeting and Status of Past Issues Addressed by the SBAB: Mr. Todd Hooks, Redevelopment Division and Ms. Terry Marshall, DSD

- Ms. Jones stated that comments made at the outreach meeting held last month demonstrate that a connection needs to be in place between the Redevelopment Agency and her office as Business Advocate/Ombuds Services. She spoke with Mr. Todd Hooks, Deputy Director of the Redevelopment Agency and invited him to attend today's meeting. Ms. Jones will be attending one of the Redevelopment Division's staff meetings to introduce herself and to ensure that staff understands her role as it relates to small business and how they can interact more closely on redevelopment activities.

- Mr. Hooks used a map to illustrate the locations of the redevelopment project areas in the City. In addition to the Redevelopment Division, the Redevelopment Agency is also comprised of the Centre City Development Corporation (CCDC) and the Southeastern Economic Development Corporation (SEDC). The Redevelopment Division is responsible for ten project areas in the City, with another one under possible adoption. There are 25 professional staff in Redevelopment, which includes four project coordinators and five project managers.

- Redevelopment in San Diego is largely involved with infill activities, which involves close cooperation between community planning groups, town councils, associations, maintenance

assessment districts (MADs), and BIDs. They try to piggyback on community efforts to revitalize former commercial corridors to conserve housing, develop infrastructure, landscape areas and for public facility improvements. He noted the City Heights Urban Village was a very large undertaking and has generated spin-off development in adjacent locations.

- The Redevelopment Agency is in the housing business and they have formed the Affordable Housing Collaborative, which includes the San Diego Housing Commission. They have made available over $55 million in a three to five year commitment to develop affordable housing. They have been fairly successful in the first two years of the project. The Housing Rehabilitation Program and the First Time Homebuyer Program have been very successful.

- In the Morena Vista area of the North Bay project area, Redevelopment has initiated a project in conjunction with the Storefront Improvement Program where they are putting redevelopment funds into rehabilitating business storefronts. It supplements the City's ongoing grant program to partner with small business owners in improving their facilities. They will be expanding the program into City Heights and other areas of the City.

- They have been successful with other programs such as the Business Expansion and Retention Program with regards to permitting. One of the gaps in Redevelopment is the lack of a direct partnership with small business assistance programs. He stated that redevelopment needs to put together improvement loans so that businesses will have more than a facade improvement.

- Mr. Chilcott remarked that he was taken aback at the outreach meeting when he learned that the Redevelopment Agency had not been participating in Ms. Jones efforts to assist small businesses in the redevelopment project areas. Businesses indicated they were unaware of the Redevelopment Agency. Mr. Chilcott stated that Redevelopment staff should be assisting Ms. Jones in her small business advocacy efforts, since they have the staff resources to do so. Small businesses are doing improvement projects in the project areas, which provide tax increments to the Redevelopment Agency.

- Mr. Chilcott added that Redevelopment staff should be out in the community and know about every expansion project that is going on, citing the World Food Market and the Urban Body Gym as significant projects that the staff should have been involved with. Mr. Hooks responded that there have been activities in project areas that Redevelopment had no role in or was unaware of them. Mr. Chilcott stated that Redevelopment is missing out on opportunities to provide economic stimulation.

- At the outreach meeting, members discussed having a process to address the small business projects, including having a pre-project planning meeting, comprised of staff from DSD, Economic Development and Redevelopment to discuss support and implications of the project. Mr. Sims stated that projects could be red flagged by DSD to the extent that they could inform Redevelopment of small business projects taking place in project areas and they could also do a backtrack of existing projects.

- Mr. Hooks stated that knowing the potential project is being discussed by an applicant and then meeting with the business owner to understand what the project is and assist them in making a decision, i.e. does it make sense to get involved with Redevelopment or is the business owner doing something differently. Some projects may be appropriate for Redevelopment activity. One of the factors that could be weighed is the level of activity in terms of dollar amount and how it can be justified in terms of statutory requirements in using Redevelopment funds.

- Mr. Hooks stated that in redevelopment project agreements, they have built more of a focus on retention and re-entry rights of local businesses. They have discovered that the revitalization effort works better if they can identify and work with the existing businesses, including assisting them in stabilization efforts. The pilot villages presents a tremendous opportunity as it enables them to take a comprehensive approach to redevelopment activities.

- Mr. Sims stated that he would like to see a Strategic Plan that articulates an overt strategy to address the opportunities and which identifies the challenges and then determine what actions need to be taken. It would be for leveraging opportunity for small businesses. Recommended that a letter be sent to Mayor and Council that would articulate the need for having a small business taskforce, comprised of several representatives form the SBAB, BIDs, small business owners, and appropriate staff. Issues to be addressed would include: 1.) How to support businesses when they want to do economic development activity, including how to educate them about the opportunity and challenges of doing that and 2.) How to facilitate the process of existing businesses surviving when there is new development that provides for new commercial space and how it could be financed.

- Ms. Jones stated that she will set up a meeting with Redevelopment staff. Then she can coordinate something with Redevelopment and DSD. She stated that OSB can draft the SBAB letter to Mayor and Council to inform them of the efforts they're taking and what actions they would like to see place.

Development Services Department Liaison Report: Terry Marshall, DSD

Ms. Marshall, substituting for Mr. Kelly Broughton who was unable to attend, provided an update on DSD activities:

- Had several DSD staff at the SBAB meeting on February 6, 2004. She appreciated the comments received from the customers, which were quite enlightening.

- The seminars have been very good as it has provided information that people hadn't thought of on their projects.

- A new service that DSD is offering is the pre-construction meeting, which is a free service for any small business who has received a permit. A senior inspector will go out and meet with the individual to discuss what to expect during the process.

- The preliminary review is for small businesses that are looking at the possibility of remodeling or moving into a new space. Small business owners should contact DSD before they start or invest anything. Most of the services can be handled by a call to Ms. Marshall, who noted that she has been receiving more calls from individuals as of late.

- DSD is continuing their ongoing training on customer service. They are on a mission to enlighten all staff throughout the entire Department, which encompasses all disciplines.

- About two weeks ago, she spoke at the Hospitality Orientation. The information which used to be available in book format is now available in CD format. The CD is a good resource on where to obtain additional information related to the hospitality industry.

- Contacted World Food Market by phone the day after they received their permit to inform them that they need to schedule their pre-construction meeting. As of this morning they haven't done so. She commented that she doesn't know what to do to help them out. Ms. Janet Wood noted that shortly after the outreach meeting, Ms. Marshall and Ms. Jones met face-to-face with the individuals from the World Food Market. Ms. Jones stated that World Food Market is on a tickler, since she received an email from them last week stating that they received their permits and that they are ready to go. Mr. Sims stated that DSD can't make people use services that are available to them, but they can make services available to them that creates an opportunity to eliminate the problems. When a system is in place, they can ask individuals if they had their pre-construction meeting.

- The City Treasurer's Office, on a monthly basis will perform a run on their computer database of all the licensed businesses in the BIDs that are not home-based. After they have done that, Ms. Marshall will mail a letter to those businesses requesting that they contact her if they plan on doing any construction.

- Ms. Tran asked if a system was in place which mails a list of available services from DSD, so that the small business owners would then have it in front of them. Ms. Marshall replied that it is part of the process in which she is working with the City Treasurer's Office. Mr. Sims stated that there needs to be a system in place and not have it based upon one person. A written notice can serve as a checklist for the small business owner and provide a tracking mechanism for DSD. Ms. Judy Preston suggested that the BID executive director should be notified to contact the business to follow-up on the matter. Mr. Sims stated that is why Redevelopment should be involved because they can assist in moving the project along.

- Ms. Jones suggested that another avenue to use for outreach is the City Access Channel to provide information on new services that are being provided by DSD. She states that she receives many calls from people who have seen the advertisement for the Small Business Advocate.

- Mr. Sims suggested that DSD provide a general public presentation at the next SBAB meeting with a running scorecard that illustrates what DSD has accomplished, what they are currently working on, and what is next on the list. It can also mention whether the actions are working or not and also provide information on the lessons learned.

- Ms. Marshall stated that some of the things they have accomplished in DSD is that specific staff have now been assigned for small business at Land Development Review, Building Development Review, the Project Management Division, and the Inspection Division. She added that Building Development Review Division and Inspection Division have been restructured into the Building and Safety Division which has the plan checkers and the inspectors. Mr. Isam Hasenin, is the Chief Deputy in charge of the two areas and within those two areas, there is a supervisor over the plan checker and inspector for each of the specialties.

Meeting Adjournment

- The meeting was adjourned at 10:00 a.m.