

**CITY OF SAN DIEGO
SMALL BUSINESS ADVISORY BOARD
MEETING MINUTES**

August 1, 2003

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

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

CITY STAFF
Steven Bal, Office of Small Business Meredith Dibden Brown, Office of Small Business Lisa Foster, City Attorney's Office Gary Halbert, Development Services Department Isam Hasenin, Development Services Department Lynette Jones, Office of Small Business Tony Khalil, Neighborhood Code Compliance Department Ed Oliva, Development Services Department

OTHERS PRESENT
James Conrad, Contracting Opportunities Center

Introduction

Mr. Chandler called the meeting to order at 8:20 a.m. The call to order determined that there was no quorum. A quorum was present by 8:25 a.m.

Approval of Minutes

The minutes of May 2, 2003 were voted upon and unanimously approved. For the minutes of June 6, 2003, under the Business Improvement District Council (BIDC) Report, the first sentence should be corrected to state “All of the BID’s and their employees will be eligible to receive the health benefits package.” The minutes of June 6, 2003 were voted upon and unanimously approved as amended.

Public Comment

None provided.

Business Improvement District Council Report: Warren Simon, Hillcrest Association

Mr. Simon summarized the activities of the BID Council (BIDC):

- Effective today, the Sharp health insurance benefits package is now available to all small businesses in the City of San Diego that have at least two employees.
- The flat entry rates begin at \$183 and range up to \$207 per month for those who desire more options in their health plan. The rates will be in effect for one year through August 31, 2004.
- Ms. Dibden Brown stated that there is a \$500 deductible for the low rate plan, which includes hospitalization. For a family, it is three times that amount. For the higher plan with additional options, the plan participants will pay all the premiums, but there are no out of pocket expenses or co-payments on hospitalization.
- Nico, the brokerage company that put the BIDC health plan together is now making the information available to all the brokers in San Diego County.
- Mr. Chandler recommended placing an article on the health insurance package in Business Matters and suggested that Mr. Simon contact Eric Symons, Manager of Business and Community Outreach for the Community and Economic Development Department.
- Mr. Sims suggested that the BIDC speak to their insurance broker about getting a critical mass signed up for the health plan package this year.
- Mr. Simon stated that interested small businesses may contact the BIDC at (619) 239-2437 for further information on the health plan package.

Council Monthly Report: Stephen Russell, Council District Three

Postponed until next month.

Small Business Enhancement Program Recommendations: SBEP Review Panel (Jim Hill, Warren Simon, and Chi Tran)

The review panel summarized the process and recommendations for the Small Business Enhancement Program.

- Eight applications were received from the more than 30 applications that were distributed to various organizations. Mr. Hill stated that he would like to see more outreach to increase the number of SBEP applicants. Ms. Tran suggested increasing our outreach to faith-based non-profit organizations.
- The review panel recommended funding for six applicants. Two applicants were deemed ineligible. Ms. Tran noted that one organization was deemed ineligible, because the funds were to be used for the purchase of trucks, which is expressly prohibited under the funding limitations criteria. The other organization was deemed ineligible, because of their incomplete application, thus resulting in their disqualification.
- The available funding for the SBEP grants is \$128,000 and the recommended total for distribution is \$110,052. The unallocated funds will be rolled into the next Fiscal Year.
- Ms. Tran stated that the review panel had good discussion on the objectives and goals of the proposals. She added that the RFP had clear guidelines, including required documents and ineligible activities.
- Mr. Hill stated that they have tightened up the guidelines, but there are some other areas that need more clarification, including whether the City is eligible to apply for the funding. If eligible, then language could be incorporated within the application guidelines to reflect their eligibility.
- Mr. Hill added that for those organizations that did not receive a high rating, the review panel would provide feedback to them on how they may improve their application for future funding considerations. Each applicant will receive the panel's recommendations.
- **Mr. Sims motioned for the SBAB to accept the recommendations of the review panel for funding organizations for the Small Business Enhancement Program for FY 2004. The motion was voted upon and unanimously approved.**
- Mr. Chandler thanked Mr. Hill, Mr. Simon, and Ms. Tran for their work on the review panel.

Office of Business Advocate Monthly Report: Lynette Jones, Office of Small Business

Ms. Jones reported on the following activities:

- Continuing work with Ed Oliva, Development Services Department (DSD), on a number of individual projects that have more challenging zoning and regulatory issues.
- The Mixed Use Advisory Group (MUAG) met on July 31, 2003. The Police Department and Neighborhood Code Compliance Department have agreed to work collaboratively to go into communities, take sound level samplings to assist with establishing a baseline. This information will be used to assist with revisions to the City's existing noise ordinance and to establish possible new levels of acceptable sound in mixed use communities.

- Mr. Chandler stated that it should be required that realtors incorporate noise levels into their disclosure statement.
- On September 16, 2003, there will be an ABC's to Starting, Growing, and Financing Your Small Business" seminar at the Central Library. This particular seminar has been presented in each of the Council Districts. This seminar will now be offered on a quarterly basis.
- A new Small Business Panel workshop series will begin in November 2003. Mr. Spencer Skeen will speak on legal structures, Ms. Dee Sanford will focus on marketing tips for small business, and Ms. Terry Marshall will share information on City permit, zoning, and signage requirements/regulations. Ms. Jones will serve as the moderator. The above listed topics were selected, based upon comments received from attendees at prior ABCs seminars.
- Mr. Chandler asked if there would be an opportunity for the U.S. Small Business Administration (SBA) or Service Corps of Retired Executives (SCORE) to be involved. Ms. Jones replied that there would be an opportunity for them to become involved.
- Ms. Tran commented that non-profits are also interested in these topics. Ms. Jones replied that she has already identified presenters from the San Diego Foundation and Non-Profit Management Solutions to speak at a future seminar for non-profit organizations.
- Mr. Sims stated that the California Association of Non-Profits is scheduled to have a one-day conference on August 13, 2003 at UCSD to address the issue of workers compensation. They have thought about canceling it, since they haven't received many responses. He added that if Ms. Jones is interested, they could reschedule it and include it as one of the panel discussion topics.
- Ms. Tran stated that she could help Mr. Sims with the outreach effort. Mr. Sims stated that they could reschedule it for another date. They would like to have 40 to 50 people to attend to make it feasible.
- Mr. Chandler suggested that they publicize the training event in Business Matters as the non-profits that are registered with the City of San Diego will receive the publication. It was noted that non-profit organizations are not compelled to register with the City, but they can do so voluntarily (they will not be assessed a business tax certificate fee).

Unreinforced Masonry (URM) Building Status Report: Meredith Dibden Brown, Office of Small Business and Isam Hasenin, Development Services Department (DSD)

Ms. Dibden Brown and Mr. Hasenin provided a report on URM buildings:

- The City of San Diego has an ordinance requiring all URM buildings to be in compliance by January 2006. DSD is identifying the buildings, the size and structure of those buildings, and the types of treatments they will require to bring them in compliance with the building code. They have been looking at new technologies, including those developed as part of a private/public partnership at UCSD.
- DSD has worked with a number of persons including structural engineers, architects, Fire Department, owners of the affected class of buildings, and other interested parties to identify ways to resolve this matter. They agreed on a basic upgrade requirement for the buildings that were less restrictive than the model ordinance passed by the State. Change in building use also has triggered scopes of work in regards to how much seismic retrofit work has to be done.

- The basic upgrade requirements need to be done within 5 years, such as tying the parapets and projections, etc., but nothing in terms of seismically upgrading the building. All buildings need to meet the basic requirements, as there is no differentiation of use.
- The BIDC is providing leadership through coordination, pooling resources together, putting together the requirements together, providing a list of names of engineers and contractors, and serving as a conduit to get the work done.
- The City is legally unable to recommend engineers and contractors, but is providing assistance with the technical requirements, including putting together guidelines and developing a system to streamline the process. They are currently trying to identify the database of names.
- Mr. Hill asked if the historical buildings group is working with Mr. Hasenin. Mr. Hasenin stated that they have not had any dealings with them, but that they will probably need to contact them.
- Mr. Sims inquired if DSD has a contingency plan for outside assistance. Mr. Hasenin stated that the BID's have identified contractors from the Los Angeles region. They will come to San Diego if there is enough work to be done here. Mr. Sims stated that a number of certified contractors in San Diego could also perform the work. Mr. Hasenin suggested that DSD could have meetings with local contractor groups to inform them of the upgrade work that needs to be done. Mr. Hasenin will bring up the suggestion to Mr. Scott Kessler, Executive Director of the BIDC.
- Mr. Chandler stated that there should be a program similar to the Storefront Improvement Program, whereby the City and business owner can share the upgrade costs, especially for buildings that affect public safety. Mr. Tony Khalil commented that public funds cannot be used to improve private property. Ms. Dibden Brown stated that City general funds are used for storefront revitalization as part of the economic development strategy for revitalizing older neighborhoods.
- Ms. Preston suggested that the City have a set permit fee for these project(s). Mr. Hasenin stated that the fees will be based upon the scope of work and how much time it will take to spend on the project(s). Mr. Hill noted that the BIDC is working with financial institutions to develop affordable loans.
- Ms. Jones observed that there is only one City staff person assigned to the URM building workload. Mr. Hasenin stated that with the approved budget, they are proposing to add staff to the program.
- Mr. Chandler requested that Mr. Hasenin provide periodic reports on the URM building issue.

Presentation on Smart Codes: Isam Hasenin, Development Services Department

Mr. Hasenin provided information on smart codes:

- Provided an overview, stating that the Building Standards Commission decides what national codes San Diego can use and allows two State agencies; the Fire Marshall and Division of State Architect to change the code. The Division of State Architect is responsible for developing disabled access regulations.
- Smart codes is a code specifically done for existing buildings and it cannot be treated as a new building.

- Ms. Jones provided some background on why this information was being presented. She stated that the issue of smart codes first came about when the task force was formed with representatives of the SBAB, Community and Economic Development Department and DSD. Ms. Jones conducted some research and found that the U.S. Department of Housing and Urban Development (HUD) had developed “smart codes” for use in older urban communities on the East coast. These codes were not as restrictive, and had set criteria that triggered their use for housing rehabilitation. She added that she wondered if DSD could develop a similar set of “smart codes” to assist small businesses located in San Diego’s older urban communities.
- Mr. Gary Halbert stated that the International Code is a little bit different than the one used by HUD, adding that smart codes means both building codes as well as land development codes. Much of what HUD is recommending is that if a project meets certain criteria, then you wouldn’t have to go through the discretionary process. DSD is also looking at those same codes.
- Mr. Sims stated that the City needs to look at things that are locally controlled and perhaps identify ways to create an overlay for certain targeted areas. Mr. Hasenin has already started looking at policies on the building code side.
- Mr. Hasenin raised the issue of disabled access, adding that the disabled access requirements are increasing and that cities must meet these requirements.
- Mr. Chandler requested that Mr. Hasenin keep the SBAB periodically informed of the code issue.

Development Services Department Liaison Report: Gary Halbert, Development Services Department

Mr. Halbert provided a monthly update on DSD activities for the past month:

- They are working with the Technical Advisory Committee (TAC) on performance measures. They hope to have some of the performance measures out within the next month or two. They have been looking at performance measures from a balanced scorecard approach from 4 perspectives: 1.) Customer perspective, 2.) Internal perspective, 3.) Continuing improvement perspective, and the 4.) Financial perspective. They realized that there hasn’t been much emphasis on customer service and tailoring services to individual customers.
- They begin rolling out customer service dialogue (training) this month. It will be oriented toward general customer service. They had a session with supervisors showing videotapes displaying customer service on the floor.
- They also had a customer panel comprised of 4 persons, including 2 representing small businesses - Janay Krueger and Paul Faulk (recommended by Scott Kessler of BIDC). Mr. Ed Oliva spoke on their perspective of customer service within DSD, sharing stories and improvements they would like to see.

Breakout sessions were held with a group of supervisors that went very well and received positive feedback. They now look forward to rolling it out to all DSD staff. Their real interest is to develop an ongoing customer service training over the next several months.

- DSD is shifting their over-the-counter permits into their budget tracking system at the same time they are implementing their new fee structure. They cannot charge their new fees on the old tracking system, because the old system based fees, on valuation. The new fee structure is based upon square footage.

- The projects that will be hit the most with the new fee structure are small individual projects, for example, fees will now be doubled for a new gas service.
- Ms. Jones asked if DSD would be doing more outreach to small business to make them aware of the fee increases as well as the services that DSD hopes to improve, which she felt was very important. Mr. Halbert replied that they are getting the fee information and the basis for the fee information out through the Internet, community service centers, and DSD public information displays within their building. They haven't really provided information on the connection between the fees and services as much, but are emphasizing getting information out on what services are available. Mr. Halbert will provide DSD's informational newsletters to Ms. Jones.
- Mr. Chandler suggested that DSD have an article in Business Matters on the fee structure, including the reductions. The article can also provide information about their customer service training program and their striving to become more user friendly.
- Ms. Tran requested a packet of information from DSD since she works with many small businesses.
- Mr. Oliva stated that they hope to have their publication "Permit Tips for Small Business" out next week. It should be distributed to the BID's next week.

New Business

Mr. Chandler announced that the SBA is celebrating their 50th anniversary activities beginning this weekend.

Adjournment

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