CITY OF SAN DIEGO SMALL BUSINESS ADVISORY BOARD MEETING MINUTES

August 6, 2004

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

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

CITY STAFF

Steven Bal, Office of Small Business

Kelly Broughton, Development Services Department

Ron Halbritter, Development Services Department

Lynette Jones, Office of Small Business

Stephen Russell, Councilmember Atkins Office, District Three

Janet Wood, Office of Small Business

OTHERS PRESENT

Badi Badiozamani, Past SBAB Member

Enrique Gandarilla, City Heights Business Association

James Hill, Past SBAB Member

Scott Kessler, Business Improvement District Council

Kathleen McIntosh, San Diego Burglar and Fire Alarm Association

Jimmy Parker, Gaslamp Quarter Association

Gunnar Schalin, San Diego Contracting Opportunities Center

Introduction

• Mr. Chandler called the meeting to order at 8:25 a.m. There was no quorum for this meeting.

Welcome and Introduction of Newly Appointed SBAB Member and Reappointments of Five SBAB Members: George Chandler, Small Business Advisory Board

- Mr. Chandler introduced Mr. Auday Arabo as the newest mayoral appointed and confirmed SBAB member, replacing Mr. Badi Badiozamani. Mr. Arabo currently serves as President and Chief Executive Officer of the California Independent Grocers and Convenience Stores. He previously served as a Deputy District Attorney for the San Diego District Attorney's Office and also served as a Legislative Correspondent for Congressman Brian Bilbray. SBAB members welcomed and congratulated Mr. Arabo on his appointment to the Board.
- SBAB members that were reappointed are: Mr. George Chandler, Mr. Kurt Chilcott, Mr. Warren Simon, Mr. Richard Sims, and Mr. Spencer Skeen.

Recognition of Past SBAB Members Badi Badiozamani and James Hill: George Chandler, Small Business Advisory Board

- Mr. Chandler and the Board commended Mr. Badiozamani and Mr. Hill for their distinguished service to the SBAB and to the small business community. Mr. Chandler awarded Mr. Badiozamani and Mr. Hill with "Certificates of Appreciation" from the Mayor's Office. Mr. Hill was also awarded a resolution from the Mayor and Council, presented by Mr. Stephen Russell of Council District 3. The resolution proclaimed June 30, 2004 to be "James Hill Day" in the city.
- Mr. Hill served on the SBAB for 15 years, having served from 1989 through 2003. During his tenure, Mr. Hill participated in the False Alarm Task Force, Second Hand Dealers Task Force, Transient Occupancy Tax (TOT) Review Panel, and Small Business Enhancement Program (SBEP) Review Panel. Mr. Russell also noted that Mr. Hill and his business served as a foundation for the City Heights Business Association during difficult times.
- Mr. Badiozamani served on the SBAB for 7 years, having served from 1997 through June 2004. During his tenure, Mr. Badiozamani participated in the TOT Review Panel, served as an active proponent for improvement in the Development Services Department (DSD), was supportive of the Low Speed Vehicles mode of transportation initiative in the City, and also served as member of the SBEP Review Panel. He was also a candidate for the Governor of California.
- Mr. Badiozamani expressed thanks to the SBAB members, stating that it was a wonderful 7 years. He noted that he is presently serving on the District Attorney's Advisory Board. He added that he is embarking on an assignment for the State Department. He will be going to Afghanistan for approximately 6 weeks for their presidential election.
- Mr. Hill expressed thanks to the SBAB members, stating that he enjoyed working with them. He
 stated that he will remain involved with the False Alarm Ordinance Task Force and the Second
 Hand Dealers Task Force. He noted that there is pending State legislation that proposes very
 restrictive requirements, that would seriously impact antique and second hand dealers throughout
 California if enacted. He will obtain copies of the proposed legislation for the SBAB members.

He will be asking for their support when they come forth with the recommendations from the Second Hand Dealers Task Force.

Approval of Minutes

• Action to approve the minutes of June 4, 2004 was postponed until the September 3 meeting.

Public Comment

None provided.

Report on the Mentor-Protégé Program and the Performance of the Contracting Opportunities Center: Gunnar Schalin, Contracting Opportunities Center (COC)

Mr. Schalin reported on the following activities:

- There is no change in the Mentor-Protégé Program from last month. They are actively pursuing a third mentor.
- After the third mentor is selected, there will be six active mentor-protégé relationships. Three of them have been in existence for three years. The other three relationships began this year. He stated that protégé firm Accurate Engineering may be graduating soon.
- The San Diego COC began operations in 1995. It is one of approximately 250 Procurement Technical Assistance Centers (PTAC) throughout the U.S. that serve small businesses seeking government contracting and procurement assistance. Their PTAC model is one that never charges for their services to small businesses.
- Used the analogy of deciphering hieroglyphics to illustrate how businesses view the government contracting and procurement process.
- COC provides government (federal, state, and local) contracting and procurement assistance to small and emerging businesses. Their services are focused and specialized and do not duplicate the general services provided by the Small Business Development Centers (SBDC's), Service Corps of Retired Employees (SCORE), and the Women's Business Center.
- Provides three basic services: 1.) one-on-one technical assistance, 2.) workshops and training opportunities, and 3.) bid opportunity services for construction and non-construction small businesses. All counselors have extensive government contracting experience.
- Primary metrics are contract dollars awarded to small business clients as a result of services provided. The other metrics are jobs and first time client awards. For calendar year 2003, clients attributed \$38.5 million in contract awards to COC assistance. The awards equated to over 900 jobs. During the same period, more than 50 small businesses reported their first awards since beginning COC services. The cost of jobs produced for local sponsors was \$180 per job. Since inception, clients attributed more than \$145 million in awards and 3400 jobs to COC services.
- Clients are 25 percent woman-owned, 25 percent disadvantaged-owned, and 6 percent disabled veteran-owned businesses. The largest category of businesses is micro-business, having 5 or

fewer employees. COC has served over 3000 small businesses, of which 500 are now active clients. Approximately 50 percent of their clients are located in the City of San Diego.

- COC clients complete an annual satisfaction survey. About 66 percent of their clients do
 participate in the survey. For the past three years, client satisfaction has held steady at 98
 percent.
- Mr. Schalin requested continued and increased support from the SBAB. Their ability to provide assistance is in proportion to the investment made by sponsors.
- To recruit clients, the COC participates in many citywide outreach events and having guest speakers which are publicized via the internet. They do not have an advertising budget for marketing their services.
- SBAB members commended Mr. Schalin and his staff for the services they provide. They also commended Mr. Schalin for his precise informative report.

Business Improvement District (BID) Council Report: Scott Kessler, BID Council

Mr. Kessler highlighted the following BID Council activities:

- Reiterated the concern expressed earlier by Mr. Hill, pertaining to the State legislation (Senate Bill 1893) on antique and second hand dealers, which is sponsored by the Pawnbrokers and Collateral Loan Associations. The BID Council is closely following the legislation.
- On the local level, the Task Force had successfully concluded negotiations on the General Divisions/Second Hand Dealers Ordinance about two years ago. The representative from the City Attorney's Office that served on the Task Force took an extended leave of absence shortly after the last Task Force meeting on which they had agreed on specific changes to the Ordinance, pertaining to second hand dealers. The representative recently sent an email to the BID Council which rearranged what was earlier agreed upon and stated that it was going to City Council. The BID Council responded back, stating that the new Ordinance was unacceptable and that it needed to go back to the Task Force. They also inquired as to why changes were made to the Ordinance.
- He requested that Mr. Russell contact the City Attorney's Office to set up another Task Force meeting to address the Ordinance.
- Mr. Kessler stated that they would appreciate receiving support from the SBAB on their recommendations and to have the City Attorney's Office accept what was previously negotiated. The issue will be placed as an action item on the SBAB agenda for the September 3, 2004 meeting. Staff will provide information on what was earlier agreed upon. Mr. Kessler will provide an analysis of the new proposal. Also, a copy of the proposed State legislation will be provided.
- Marketing the Small Business Association's Community Express Loan Program.
- Introduced Mr. Jimmy Parker as the new Executive Director of the Gaslamp Quarter Association.

- Mr. Russell announced that the Mayor and Council approved the Maintenance Assessment
 District for City Heights in July, which will provide direct services to the University Avenue
 corridor. Services include graffiti abatement, litter abatement, a security component, and some
 core funding for the City Heights Business Association.
- Mr. Russell introduced Mr. Enrique Gandarilla as the new Executive Director of the City Heights Business Association. He is a graduate of the John F. Kennedy School of Government at Harvard University.
- Mr. Russell thanked the BID Council and the SBAB for their support of the City Heights Business Association.

Office of Small Business Report: Lynette Jones, Office of Small Business (OSB)

Ms. Jones reported the following information:

- They had 80 attendees at the ABCs Seminar held at the Malcolm X Branch Library on July 26.
- The Expert Insights Seminar will be held on September 15 at the Mission Valley Branch Library and will include the following topics and speakers: Stacey Stevenson on "Small Business City Contracting Opportunities," Stephen Robinson on "How to Protect Your Small Business from Economic Fraud," and Vincent Mudd on "What You Need to Know About the State of California Workers Compensation Laws."
- Recognized Ron Halbritter of DSD for his collaborative efforts with Ms. Jones in assisting small businesses. She noted that their relationship has been very smooth and things have been working well.
- Copies of DSD's Permit Press were provided to SBAB members. Ms. Jones is providing DSD with copies of program materials from OSB.
- Provided an update on the Small Business "A" Assistance Team, which is a public/private partnership. The "A" Team consists of representatives from the BID Council, DSD, San Diego Regional Chamber of Commerce, San Diego Gas and Electric, San Diego Workforce Partnership, the Small Business Development and International Trade Center, and a representative from each of the Council Districts. 180 letters are being mailed to small businesses from each Council District as part of the Early Assistance Team. Businesses will have an opportunity to meet with "A" Team Members to get help with their business needs.
- Assisting the City Heights Business Association and the El Cajon Boulevard Business Improvement Association on their employment committee activities.

Status of False Alarm Ordinance: James Hill, Past Small Business Advisory Board Member

Mr. Hill provided the following information:

• Commented that Mr. Hal Lewis of the San Diego Burglar and Fire Alarm Association (BFAA) has done a great job on the False Alarm Task Force, since its inception.

- The Task Force should meet again to address several issues of concern. They include:
 - o The majority of false alarms are caused by the residential sector. However, businesses pay more than residents at a rate of \$95 for businesses and \$55 for residents. They would like a compromise of \$75 across the board for both businesses and residents.
 - o There is no data for permit exempt users such as banks, schools, and government offices, since the San Diego Police Department (SDPD) doesn't track them. However, the response and time are built into the SDPD's overall costs. It was suggested that exempt users could receive one free grace response per month.
 - o The point of purchase for the alarm system was another issue of concern. There should be a standard 15-day grace period for obtaining a permit for all alarm buyers. Ms. Kathleen McIntosh of the BFAA commented that their position is to be fair across the board, whether it is fees or fines, etc.
- Mr. Hill noted that the BFAA showed a great deal of responsibility in requiring signatures on the alarm user permit application by both the alarm installing company and the alarm subscriber.
- The majority of the problems are being caused by those selling alarm units through mail order, swap meets and places like Home Depot, since they are not being held accountable for improperly working alarms. Mr. Hill stated that if the consumer buys an inexpensive alarm unit at a retail store like Home Depot, the store would be required to provide a permit application and pertinent information to the consumer.
- Mr. Sims commented that he would not support a law that encourages a person to spend money on a service to the benefit of one group of business owners as opposed to another group of business owners. Mr. Russell stated that the inherent bias is currently towards the irresponsible operators. The bottom line is to control the level of resources that are used in responding to false alarms, particularly those sold off-the-shelf.
- The Task Force and the SBAB would like to receive a copy of the final proposed ordinance, prior to taking any action. The issue will be placed on either the September or October agenda.

New Business

Mr. Kelly Broughton of DSD reported the following information:

- Ms. Tina Christiansen is no longer the Department Director of DSD, since she has left the City to accept a position with the City of Irvine. A national search is being conducted to fill the position. The search will also include San Diego. In the interim, Mr. Gary Halbert will serve as DSD's acting Department Director.
- The Public Safety and Neighborhood Services Committee (PS&NS) will be having the item on the on premises alcohol beverage outlets on their meeting docket next week. PS&NS may be considering a conditional use permit (CUP) for on-sale premises. DSD and the SDPD are not recommending a CUP right now, since they don't feel adding another permit addresses the issues that they're trying to solve. The item will be placed on next month's SBAB agenda.

Meeting Adjournment

• The meeting was adjourned at 9:45 a.m.