



THE CITY OF SAN DIEGO

**SMALL BUSINESS ADVISORY BOARD  
MEETING MINUTES**

July 26, 2006

Comerica Bank Building  
600 B Street, Eighth Floor Large Conference Room  
San Diego, CA 92101

<b>BOARD MEMBERS PRESENT</b>	<b>BOARD MEMBERS ABSENT</b>
Auday Arabo Kurt Chilcott Ruben Garcia Judy Preston Warren Simon Richard Sims Spencer Skeen Chi Tran	Faith Bautista Scott Cummins

<b>CITY STAFF</b>
Steve Bal, Office of Small Business Meredith Dibden Brown, Office of Small Business Ron Halbritter, Development Services Department Scott Kessler, Economic Development Division

<b>OTHERS PRESENT</b>
Ken Clark, Small Business Development and International Trade Center Joni Low, Asian Business Association Elizabeth Makee, Accion San Diego Gunnar Schalin, San Diego Contracting Opportunities Center Emily Yanushka, San Diego County Water Authority

## **Introduction**

- Chair Mr. Richard Sims called the meeting to order at 8:25 a.m. A quorum was present.

## **Approval of Minutes**

- The minutes of June 28, 2006 were voted upon and unanimously approved.

## **Public Comment**

- None provided.

## **Administrative Items – Non-Agenda Items**

- Mr. Warren Simon stated that the Small Business Code Team held their second meeting yesterday. They are interested in streamlining the process, so it will be easier for small businesses to obtain permits. There was concern expressed that the Vice Unit of the San Diego Police Department (SDPD) is denying many Conditional Use Permits (CUPs), because they are receiving many calls for service. Mr. Spencer Skeen added that the CUPs being denied are alcohol sales related. There have been numerous inconsistent results from various stages of the process. They are looking for clarification of the process, consistent application of the criteria, and a better description of the criteria. One of the criteria for granting or denying a CUP as it relates to alcohol is the crime ratio in the area and how it might impact crime. It was suggested that an analysis of the calls for service be conducted, because many calls might be attributed to noise complaints or extraneous issues. The analysis should separate complaints from the crimes that were actually committed. Mr. Sims commented that the policy of basing decisions upon the number of service calls as opposed to the actual number of crimes occurring has ominous implications for small businesses. He is interested in knowing whether it is an unwritten policy or if it is something that has just emerged. Mr. Kurt Chilcott remarked that the SDPD needs to create a nexus. Board members concurred that they have no problem if the SDPD has valid evidence that if the CUP moves forward, that criminal behavior will increase in a specific area.
- Mr. Simon also reported that DSD will be bringing to the Board a matrix listing of the different project permits and the administrative levels of approval for them. Furthermore, DSD will bring to the Board a parking requirements matrix, particularly involving restaurants in the older urban neighborhoods. At the meeting, Ms. Judy Preston requested that DSD project managers email updates to project applicants on the status of their projects. Mr. Sims remarked that online project updates were one of the items that were listed on the Small Business Action Plan. Mr. Ron Halbritter of DSD responded that it is still a high priority item. The service is currently available only in the building where DSD is located.
- The Conflict of Interest Declarations topic is an ongoing monthly agenda item that provides an opportunity for Board members to announce when they have a potential conflict of interest.

## **Economic Development Division (EDD) Report: Scott Kessler, Economic Development Division**

- Reported that Initiative for a Competitive Inner City Inc. (ICIC) is accepting nominations of businesses for their 2007 Inner City 100. The annual list showcases businesses that are thriving in urban areas across the country. The nomination forms were distributed to Board members.

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

- The BID Council has approved their balanced annual budget for \$1,502,602.
- The premiums for City Care Benefits (health insurance program for small businesses) have increased by 63 percent.
- The BID Council has relocated their office from Bank of America to the Spreckels Building. The annual rent has increased from \$6,000 to \$16,000 per year, but parking has decreased from \$5,000 to 0 (since there is no parking available).
- The Americans with Disabilities Act (ADA) Committee has been meeting, along with Mr. Skeen. Recommendations from the meeting are: 1.) Businesses are encouraged not to settle out of court; 2.) Businesses should spend funds on ADA compliance; and 3.) Businesses should have a compliance plan.
- Funding recommendations for Micro Districts will be brought before the BID Council meeting tomorrow.
- The Public Right of Way (PROW) Program for the City Heights and (Promote) La Jolla BIDs was approved by the Planning Commission.
- The Community Emergency Response Team (CERT) training sessions for BID Council members are scheduled for September 26, October 3, and October 10. Each CERT training session is 8 hours.
- DSD has sent out letters to property/business owners that haven't retrofitted their unreinforced masonry (URM) buildings.
- The budgets for the 18 BIDs were approved at last week's Council meeting.
- Mr. Skeen stated that the recommendation to not settle out of court was not a legal opinion. Businesses need to make the changes so they are in compliance with the law. Mr. Sims observed that although a business owner may settle in one situation, it doesn't preclude them from being liable in another situation later on. The Board needs to make small business owners aware of ADA compliance and then provide assistance as much as they possibly can. Mr. Skeen stated that for older businesses, the owners need to make readily achievable changes to barriers. The readily achievable standard takes into account their financial resources. He noted that the workshops are helpful, because they cover hot button issues such as signage, kick plates, etc. However, each business actually needs to have a consultant make an onsite visit to their business location to conduct an analysis of the access issues to know what needs to be done to be in compliance.
- Mr. Halbritter stated that the City website ([www.sandiego.gov](http://www.sandiego.gov)) does have a guidebook for small businesses at <http://www.sandiego.gov/development-services/industry/pdf/smallbusaccess.pdf>. He added that the City follows the State of California's Title 24 law, but that doesn't necessarily mean that a business is in compliance with the ADA (Federal law). Federal tax credits and tax deductions are available to assist businesses to come into compliance. Another source of funds is the Storefront Improvement Program.

**Small Business Enhancement Program Funding Recommendations for FY 2007: Meredith Diben Brown, Office of Small Business and Warren Simon, Hillcrest Association**

- Reported that fourteen (14) applications were received from organizations. The Review Panel focused upon the direct benefits for small business in reviewing the grant applications.
- There is a minimum of \$85,000 available in SBEP funds for FY 2007. Staff is working with the Auditor's Office to locate the additional funds, which could bring the total amount of SBEP funding to approximately \$107,000.
- Mr. Simon announced that SBEP Review Panel members recused themselves from reviewing a particular grant applicant whenever they had a conflict of interest.
- There were four (4) possible funding methods developed by the Review Panel and OSB staff for the Board to choose from.
- Ms. Chi Tran asked that of those organizations that will be awarded grant funds, which of them received funding last year and did they report the outcomes of what they achieved with last year's funding. Mr. Simon responded that organizations with a track record of receiving funds from the City must demonstrate successful outcomes in line with the funded scope(s).
- **Mr. Auday Arabo motioned that the SBAB follow "Funding Method A" in which organizations receiving a ranking of 3.165 to 3.33 would receive funding at 27 percent of their request, organizations receiving a ranking of 3.833 to 3.887 would receive funding at 70 percent of their request, and organizations receiving a ranking of 4 would receive funding at 95 percent of their request. The motion was voted upon and approved 7 – 0, with Mr. Sims recusing himself, due to a conflict of interest.**
- Mr. Sims stated that the External Committee can make an effort to ensure that all SBEP participants receive feedback on what happened with their application, including why it was rated the way it was.
- Mr. Sims recommended that the External Committee or a separate adhoc committee be formed to develop specific structured criteria about follow-up for the grant programs that the Board is responsible for. Other policy issues that will need to be addressed are decisions for allocation of funds and what to do with organizations whose status is unclear. There was also discussion on crafting a policy to address issues pertaining to organizations that have been awarded grant funds in the previous year, but have not expended their funds for one reason or another.
- Mr. Chilcott remarked that the External Committee can craft numerous recommendations, but if there is going to be an overall review and revamp of the funding sources, he would like to be made aware of it.
- Mr. Simon thanked the Board members that served on this year's SBEP Review Panel.

**Tobacco Licensing Ordinance: Auday Arabo, SBAB and Spencer Skeen, SBAB**

- The Tobacco Licensing Ordinance was heard by the Public Safety and Neighborhood Services (PS&NS) Committee. The Committee members commented that they did not like the proposed Ordinance as it was written and they didn't address the specifics of it. The Committee moved to forward the item to the full City Council without a recommendation, subject to analysis from

both the Independent Budget Analyst and the City Attorney's Office, and to create a new stakeholders group (which the City Attorney's Office will coordinate) to address the issues raised. Mr. Arabo, Mr. Simon and Mr. Skeen have volunteered to serve as representatives on the stakeholders group.

#### **Big Box Ordinance: Richard Sims, SBAB and Scott Kessler, Economic Development Division**

- Mr. Sims commented that the Planning Commission recently held a workshop on the draft Economic Prosperity Element.
- One of the issues that arose was the economic impact statement for Big Box retail stores over 120,000 square feet.
- Mr. Kessler, Deputy Director of the Economic Development Division stated that the Planning Commission generally supported the recommendation.
- Mr. Kessler stated that Economic Development staff drafted the recommendations for Mayor Sanders' consideration. The report will be emailed to the Board members when it becomes available for distribution.
- The Big Box Ordinance issue will be going forward to the City Council in September 2006. The SBAB's Internal Committee will stay on top of the issue.

#### **Development Services Department Report: Ron Halbritter, DSD**

- Announced that Mr. Gary Halbert, Department Director of DSD is leaving the City of San Diego.

#### **New Business – Impact Issues**

- Mr. Arabo announced that Sharp HealthCare is canceling association health plans.

#### **Meeting Adjournment**

- The meeting was adjourned at 9:57 a.m.