



May 1, 2024

Councilmember Stephen Whitburn
Council District 3
City of San Diego

Subject: Small Business Enhancement Program (SBEP) Allocation

Honorable Councilmember Whitburn,

We acknowledge the challenges our city faces in funding critical infrastructure needs, expanding affordable housing, and addressing our severe homelessness crisis. We appreciate the difficult decisions that are in front of you as you and your colleagues deliberate the City of San Diego's Fiscal Year 2025 budget. We recognize that balancing the City's budget has come at the sacrifice of many valued programs across City departments. However, the Little Italy Association of San Diego, representing over 670 businesses in your district in the proud neighborhood of Little Italy urges upon you that these sacrifices must not come at the expense of investment in the small businesses that drive our city's economic growth or sustain the majority of our city's employment.

Small businesses employ over 5,700 individuals within the city of San Diego and represent over xx% of the city's business entities. Additionally, in our district alone our City funding helps to support talk about the activities your organization does (ex. servicing 500 trash receptacles to support public cleanliness, 10 events per year that generated \$500,000 on average, a weekly Farmer's Market that receives 300 unique visitors a week)

As a member entity of the BID Alliance and an economic partner in your district we urge you to continue prioritizing investment in the small businesses of this city and the nonprofit partners that foster their growth and development. We respectfully request that you commit to fully funding the Small Business Enhancement Program (SBEP) in your FY2025 City Budget in accordance with City Council Policy 900-15. Your track record as a champion of our community economy makes you a critical ally in the fight in front of us.

Beyond your own support, think of how many of your constituents look forward to, or rely upon us to provide the essential programming we offer. Consider the impact that the absence of the Little Italy Mercatos, Mission Federal ArtWalk, the Taste of Little Italy, the Little Italy Tree Lighting & Christmas Village, and more would have on our community if they went away. Consider the number of local jobs, vital tourism sales tax dollars, community spaces, and independently owned and operated local businesses that would be lost without the revenue and the audiences we bring to San Diego. That is what is at stake is SBEP is not included in the City's proposed budget and sufficiently funded.

We all understand the severity and enormity of the cost-of-living crisis that has burdened our city over the last several years. It weighs on our small businesses, it weighs on their

LITTLE ITALY ASSOCIATION OF SAN DIEGO

customers, and we see it reflected in our own costs providing robust programming to our communities. Think about how providing the necessary funding to the Small Business Enhancement Program could help address these crises.

As stated in Council Policy 900-15 itself *"The purpose of the SBEP is to provide continuing support to small businesses in recognition of their vital economic, employment, service, and cultural roles, and their importance in sustaining and revitalizing older commercial neighborhoods and adjoining residential areas."*

Councilmember Whitburn, we cannot support our cherished Little Italy business community, nor can we help shoulder the burden with the City and tackle our cost of living crisis by providing high quality, living wage local employment if SBEP continues to remain underfunded. If we are going to meet the task before us and partner with you on tackling this crisis head on, we ask that you give us the necessary tools to do so. As part of those tools...

The members of the BID Alliance request that you:

1. Appropriate \$706,000 in grant support specifically to BID management organizations through the City's Small Business Enhancement Program.
2. From the \$706,000 appropriation, we ask that Council stipulate that Economic Development allocate an \$18,000 SBEP base management grant per BID with a \$7 member bonus per BID reflecting EDD's historic bonus calculation.
3. From the \$706,0000 appropriation we ask that Council stipulate restore the SBEP Technical Assistance Grant at \$3,000 per BID.
4. From the \$706,0000 appropriation we ask that the Council stipulate that Economic Development allocate \$5,000 per BID for Bookkeeping Assistance Grants.
5. From the \$706,0000 appropriation we ask that Council stipulate that Economic Development allocate \$10,000 per BID in City Fees & Services Reimbursement.
6. In accordance with Council Policy 900-15, we ask that Council stipulate that Economic Development roll over any unused SBEP dollars appropriated in FY24 to FY25 to support the above appropriations request.

Additionally, the BID Alliance has reviewed the IBA analysis of the Mayor's proposed FY25 budget and the draft breakdown of how the Economic Development Department intends to allocate SBEP for FY25. We are concerned Councilmember that the proposed allocation appears to reflect a decrease in funding to the BIDs, which is why it is imperative that we impress the urgency of this issue with your office.

Our Little Italy businesses as well as the members of the BID Alliance make these requests to reflect accurate costs to our association, adequate investment needed to grow our memberships and reduce storefront vacancies in our community and add additional capacity to our organization to support robust programming and high-quality staff.

In addition to this letter, representatives of the BID Alliance have requested a briefing with you and your team to discuss this letter and the items outlined above. We have also distributed letters addressed to Christina Bibler as Director of Economic Development, Mayor Todd Gloria, and each of your Council colleagues detailing our requests. Our desire is to

come to an amenable solution regarding SBEP funding for FY25 and hear your feedback on how we can work together to support our city's small businesses.

We are here to support you, and we are here to be your partner in our community as we endeavor to make San Diego a safe, enjoyable, and economical place for our fellow citizens to call home. Thank you for your attention to this matter.

Your Partners,

Marco Li Mandri
Chief Executive Administrator
Little Italy Association of San Diego (LIA)

Little Italy Association Board of Directors:

Steven J. Galasso
LIA President
Caffe Italia

Luke Vinci
LIA Vice President
MVP Media Network

Lou Palestini
LIA VP of Cultural Heritage
At-Large Director

Bryan Thompson
Treasurer
Property Director

Annette Casemero
Secretary
ALSCO

Curt Brooker
Business Director
ArtWalk San Diego
& FuseEvents

Joey Busalacchi
Business Director
Nonna, Café Zuccherò,
Barbusa & Lala

Audrey Hermes
Business Director
Frost Me Café & Bakery

Ryan Blum
Property Director
610 W. Ash @ Little Italy

Domenic Brunetto
Property Director
Mona Lisa Italian Foods

Dino Cresci
Property Director

Jim DeSpenza
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Clarissa Estevez
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Kilroy

Lisa Gerson
Property Director
H.G. Fenton Co.

Rich Gustafson
Property Director
CityMark

Pasquale Ioele
Property Director

Jeri Keiller
Property Director

Principal Juan Núñez
Property Director
Washington Elementary School

Jack Pecoraro
Property Director

David Rodger
Property Director
Filippi's Pizza Grotto

Diana Casey
Property Director

Father Joseph Tabigue
Property Director

Jon Zimmerly
Residential Tenant Director

Our Lady of the Rosary

Joe Vecchio
At-Large Director

Catt White
At-Large Director

cc:
Jacob O'Neill, Chief of Staff
Office of Councilmember Stephen Whitburn
Council District 3
City of San Diego

Jordan Latchford, Director of Policy
Office of Councilmember Stephen Whitburn
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Christina Bibler, Director of Economic Development
City of San Diego