

**ANNUAL REPORT  
JULY 2010 – JUNE 2011**



**PREPARED BY  
PIMA COUNTY SMALL BUSINESS COMMISSION  
JULY 2011**

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## **PIMA COUNTY SMALL BUSINESS COMMISSION**

**Tom Ward, Chair  
IsaiahOne, Inc.  
District 4**

**John Peters  
Pak Mail  
District 1**

**Ken Goodman, Vice Chair  
Environmental Strategies  
District 5**

**Gerald Long  
Tucson Safety & Medical  
District 3**

**Pat Brown  
Machine Concepts, Inc.  
District 2**

**Dabney Philabaum  
Philabaum Glass Studio and Gallery  
District 2**

**Lyra Done  
Lyra Done Realty  
District 1**

**Joy Soler  
Revolutionary Grounds  
District 5**

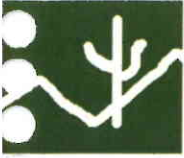
**Edie Lake  
Gasoline Alley  
District 4**

**Pat Taviss  
Pat Taviss Consulting  
District 3**

**Lea Marquez-Peterson  
TucsonBiz for Sale  
At-Large**

## **COUNTY LIAISON**

**Tom Moulton, Director  
Pima County Economic Development and Tourism**



# PIMA COUNTY

Small Business Commission



July, 2011

The Honorable Chairman and Members  
Pima County Board of Supervisors  
130 W. Congress Street  
Tucson, AZ 85701

**Re: Pima County Small Business Commission Annual Report**

Dear Chairman Valadez and Members of the Board:

In accordance with Board Resolution No. 2009-260, it is my pleasure to transmit to you the 2010-2011 Annual Report of the Pima County Small Business Commission.

As I am sure you are aware from the various reports and memoranda the Commission and the County Administrator have provided you during the last fiscal year, you have a very hard-working, pro-active and dedicated Commission. This Annual Report briefly summarizes five accomplishments of the last year and five projects that the Commission will undertake during the 2011-2012 fiscal year.

The Commission is most appreciative of the support the Board and the Administration have provided during the last year. You may rest assured that the Commission will work hard during the coming year to represent the interests of small business in Pima County, and to provide the Board with the necessary information to help make Pima County a friendly environment for small business.

Yours sincerely,

Tom Ward, Chairman



## **REPORT DISTRIBUTION**

The Honorable Chairman and Members,  
Pima County Board of Supervisors

Clerk of the Board

C.H. Huckelberry, County Administrator

John Bernal, Deputy County Administrator for Public Works

Hank Atha, Deputy County Administrator for Community and Economic Development

Priscilla Cornelio, Director, Transportation Department

George Widugiris, Director, Procurement Department

Tom Moulton, Director, Economic Development and Tourism Department



## **BACKGROUND**

The Pima County Small Business Commission was created by a Resolution of the Board of Supervisors on March 18, 2003 (Resolution No. 2003-52). The Resolution was amended on October 13, 2009 (Resolution No. 2009-260), at the request of the Commission, to allow for informational public hearings and the submission to the Board of an Annual Report. The Resolution calls for the Annual Report to briefly outline the activities of the past year and the projects for the coming year.

The purpose of the Commission is to facilitate communication between Pima County and small business; to evaluate County policies and regulations for their impact on small business; and to help maintain a healthy environment in which small businesses and their employees can prosper.

The Commission is composed of 11 members, two appointed by each County Supervisor and one at-large member appointed by the Commission. The Commission selects its own chair and vice chair.

Every Commissioner must be the owner or manager of a small business located in Pima County. The business must have no more than 100 employees.

The present Commission represents a broad spectrum of business activity including automotive repair; medical sales; machine tool design; real estate sales and development; restaurant operation; economic development, public policy and human resources consulting, as well as other small business ventures.

The Commission has had another very active year as the following list of accomplishments indicates.

## ACCOMPLISHMENTS 2010-2011

1. In June of 2010, the Board of Supervisors authorized the Commission to create an ad hoc Committee to Review State Procurement Statutes (CRSPS). The purpose of the Committee is to review state statutes with regard to procurement practices for the professional services community. In Pima County, nearly all of the architectural and engineering firms, i.e. professional services firms, qualify as small businesses.

After careful review of the qualifications and make-up of the more than 30 firms that testified at the Commission's February 2010 hearing, the Commission selected four firms to serve on the Committee. The firms included two members from local firms headquartered in Pima County and two members from national firms, with local offices. This group joined five members of the Commission to comprise the Committee. In addition, the Committee has a representative from the Southern Arizona Chapter of the American Institute of Architects and the Arizona Chapter of the American Council of Engineering Companies as *ex officio* members.

The Committee was officially convened in January 2011, and has met on a monthly basis. It is in the process of preparing an omnibus bill as an addition to A.R.S. Title 34 to enhance the small business procurement opportunities for professional services firms.

2. In June 2011, the Commission convened a forum composed of representatives from all nine chambers of commerce in Pima County to discuss the means by which they could mutually promote the interests of small business. Seven of the chambers sent their presidents; one, the GLBT Chamber sent its immediate past president, who is chairman of the Southern Arizona Chamber of Commerce Alliance (SACCA); the Tucson Metropolitan Chamber sent its government affairs representative. Not since TREO was formed more than five years ago, has such a chamber gathering taken place that included every Pima County chamber and the Commission.

Every chamber made a brief presentation on its activities, particularly as they affect small business. It was unanimously agreed that an ad hoc committee be formed to discuss next steps, including a follow-up meeting in the fall of 2011. The committee will be chaired by the chairman of the Commission.

3. The Commission worked with the Development Services Department and monitored its stakeholder meetings to review the permit fee increases put into effect in July of 2010. The fee increases, while necessary to protect the



viability of the Department's mission, placed an added burden on the construction trades – primarily made up of small businesses.

After an exhaustive review by the Development Services Department's stakeholder group, the Department, strongly supported by the Commission, made a recommendation to modify and reduce many permit fees. The Board of Supervisors approved this recommendation on April 19, 2011.

4. With more than 22,000 people working in the tourism industry in Pima County – and most of those people working for small businesses – the Commission is vitally concerned with the health and prosperity of tourism. In January, the County Administrator appointed the Commission's chairman to an eight-member committee to conduct a performance audit of the Metropolitan Tucson Convention and Visitors Bureau (MTCVB) – the primary engine for tourism development in the County.

The result of this audit was a report with 24 recommendations to greatly increase tourism activity and income in Pima County. The performance audit committee has now become an Oversight and Compliance Committee approved by the Board of Supervisors on July 12, 2011. This new Committee will work to see that the 24 recommendations are implemented. The Commission will closely monitor the Committee activities to insure that the County's small business tourism community has the opportunity to grow and prosper.

5. In April, the Commission awarded its second "Small Business of the Year" Award in a ceremony at the April 12, 2011 Board of Supervisors meeting. The Award went to Gasoline Alley, an automobile repair and restoration business in Green Valley. Gasoline Alley, founded in 2001, has annual sales of nearly \$1,000,000. It has an annual payroll in excess of \$350,000. It services more than 4,000 vehicles per year. The company's \$500,000 plus expansion has more than doubled its annual Pima County property tax payment. The Award was designed and built by students in the J-TED program at Flowing Wells High School.

## PROJECTS 2011-2012

1. Creation of a small business revolving loan fund. One of the most vexing problems small business faces is access to capital. In our discussions with small businesses of every type, this problem arises; the need is for both capital improvement funds and short-term operating funds, such as lines of credit.

During the coming year, the Commission will explore the possibility of creating a mechanism for a County revolving loan fund to be operated as a public-private partnership. The Commission will investigate similar partnerships in Arizona, with particular interest in loan criteria and the due diligence process. We will call on the assistance of the federal Small Business Administration with which we have a good relationship at both the local and state levels.

While some other such revolving loan funds utilize CDBG funds to sustain their loan pools, the Commission does not believe this would be necessary in Pima County. We have had very preliminary conversations with two local financial institutions who have both expressed interest in this project.

We will have a report on the results of our efforts for the Board of Supervisors in the spring of 2012.

2. Completion of CRSPS activities. CRSPS will complete its draft of an omnibus bill to enhance the small business procurement opportunities for professional services firms in September 2011.

The Committee will prepare final recommendations for legislative action at the 2012 Legislative Session. The Commission will hold a public hearing in September to learn the sentiments of the professional services community with regard to the ad hoc Committee's recommendations.

The final report will be made to the Board of Supervisors in October 2011 so that the Board can send the recommendations to the State Legislature in January 2012, if it so desires.

3. Participation on the MTCVB Oversight and Compliance Committee. The presence of the Commission's chairman on this Committee will help to insure a voice for small business, as the MTCVB is reinvigorated with the execution of the 24 recommendations previously made by the County's performance audit committee.



Of particular interest to the Commission is the encouragement of film and video production in Pima County. This is both a tourist attraction and a small business job generator.

4. Preparation for the Commission's Third Annual "Small Business of the Year" Award for 2012. The Commission's criteria allow for both for-profit businesses and nonprofit organizations that assist small business to be eligible for the award.
5. Standing Committee for Legislative Education. While the Commission has been reasonably successful in educating the State Legislature on issues important to the Pima County small business community, our activities have mostly been of the "put out the fire" variety i.e. trying to stop legislation that was harmful to small business interests. Because all the Commission members have access to various reports outlining possible legislation that could affect their individual businesses, the Commission will create a standing committee, headed by the vice chairman, to monitor the Legislature's actions. In this manner, the Commission hopes to be even more effective in its legislative educating process.