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SAN DIEGO  
**Metropolitan**  
UPTOWN EXAMINER & DAILY BUSINESS REPORT

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## Daily Business Report

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### SMALL BUSINESS SURVEY

San Diego small business owners have turned decidedly pessimistic, saying that they plan to cut spending and jobs this year and that they hope government intervention will help them survive 2009, according to **Union Bank's** ninth annual Small Business Survey released Monday. The survey found the highest rate of pessimism, and the lowest rate of optimism, in its history -- in San Diego County and in California.

In San Diego, the percentage of pessimistic owners -- those who anticipate a decline in profits -- more than doubled, rising to 25 percent compared to 11 percent in 2008 and just 5 percent in 2007. While 36 percent of owners say they are optimistic that profits will increase this year, they are far fewer than the 51 percent who were optimistic last year. The trend is the same statewide, where the percentage of pessimistic owners doubled, rising to 24 percent compared to 12 percent last year and just 4 percent in 2007. While 34 percent of owners say they are optimistic that profits will improve this year, they are far fewer than the 52 percent who were optimistic last year, and 67 percent who were in 2007.

San Diego owners stated that their biggest business challenges are the flagging state and national economy and workers' compensation costs.

"I'm not surprised with these results; it's what I'm hearing almost daily from many of our customers as they work to keep their businesses afloat," says **Joseph Benoit**, Union Bank's small business banking executive. "I also see optimism and a thriving entrepreneurial spirit in the small business community. Like everybody, they're reaching for some sort of help and looking perhaps for state and federal assistance to survive."

The federal economic stimulus package, which was being negotiated during the survey, would seem to offer some of the assistance that California small business owners seek. The White House estimates that the American Recovery and Reinvestment Act that was signed into law in mid-February will save or create 369,000 jobs in California. Still, more small business owners say they will reduce their staff and cut their capital expenditures in 2009 than at any time in the survey's history.

While 16 percent of San Diego owners anticipate adding jobs and growing their staffs by an average of 24 percent this year, that is the lowest figure in the survey's history. And 14 percent anticipate job reductions this year -- a figure that is 10 percentage points higher than any year in the survey. They say they will cut their staffs by an average 22 percent. That compares to 20 percent who reported making layoffs last year, although only 4 percent anticipated cuts at the beginning of 2008.

The percentage of San Diego owners planning to cut their capital expenditures in 2009 nearly doubled, reaching 23 percent compared to 14 percent last year. Another 61 percent plan to hold capital expenditures steady, while 17 percent plan an increase -- far below the 26 percent

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who planned increases last year and 30 percent in 2007.

Owners say they will continue with other cost controls: cutting operating costs (59 percent), negotiating lower charges from vendors (37 percent) and reducing debt (35 percent).

"Small businesses in California — and across the nation -- are facing this downturn by controlling their costs that are within their grasp. That's a sound strategy for weathering 2009," says **Aida Alvarez**, the former head of the **Small Business Administration** during the Clinton administration.

The year-over-year data show that 2008 was about accepting the downturn. "Now 2009 is about survival," says Benoit. "Perhaps 2010 will be about cautious expansion."

### MANUFACTURING

**Kyocera** has inaugurated its second manufacturing plant in Tijuana to produce solar photovoltaic modules. Last week's event began with an off-site breakfast attended by Mexican President **Felipe de Jesús Calderón Hinojosa**; officials of the Mexican federal government; the governor of the State of Baja California Norte; mayors of the cities of Tijuana, Mexicali, Tecate, Rosarito and Ensenada; and the presidents of **Kyocera Mexicana, S.A. de C.V.**, **Kyocera America Inc.** and **Kyocera Solar Inc.**

Calderón, Baja Gov. **José Guadalupe Osuna Millán** and Tijuana Mayor **Jorge Ramos** visited the Kyocera facility in the **Tijuana Industrial Park** immediately after the breakfast. Calderón said he would push for a large-scale program of renewable energy in Mexico, which will include Mexican-made solar modules such as those produced at Kyocera. "Kyocera gives us a clear case of how we can transform critical moments into new opportunities using long-term vision," Calderón said.

**Saul Garcia**, president of Kyocera Mexicana, S.A. de C.V, recognized the group of several hundred Kyocera employees and thanked them for their efforts to increase solar module production.

Kyocera Solar President **Steve Hill** compared the current economic recession with the downturn of 1973, which had been caused by the world's first energy crisis and global dependence on fossil fuels. That recession ended with at least one favorable development, Hill noted. "It was in 1973 that Kyocera's founder, Dr. **Kazuo Inamori**, began researching solar energy," he said. "Today, solar energy products represent Kyocera's fastest-growing business worldwide."

Kyocera's new, two-story manufacturing plant in Tijuana encompasses 223,000 square feet of production space plus an additional 28,000-square-foot facility connecting the new factory to a pre-existing Kyocera plant. At its maximum annual production capacity of 150 megawatts, the plant will produce enough solar modules to equip 42,600 homes each year with 3.5-kilowatt solar electric generating systems.

### ARCHITECTURE AWARD

**The San Diego Architectural Foundation** and the county announced Monday that nominations for the 2009 Community Vision Award are being accepted. The award recognizes and promotes the execution of smart growth, collaborative, green and sustainable building practices in revitalizing urban areas of the county. The nomination deadline is April 10.

Neighborhood organizations and community planning groups are urged to submit a qualifying project in their area for consideration of the \$25,000 award, to be used for further enhancement of the community. Specific submission guidelines and nomination forms are available on the SDAF Website: [www.sdachitecture.org](http://www.sdachitecture.org). The winning project and community will be announced at a reception in mid-May.

The community group **North Park Main Street**, recipient of the 2008 Community Vision Award, is using the funds to purchase and plant trees and install tree gates. The project on which the award was based is the **Allard Jansen**-designed and developed **Hamilton Row** homes. Other finalists included **City Heights Metro Center, MXD830** in Golden Hill and Fox Canyon's **Auburn Park Apartme**

### **SMART GROWTH AWARDS**

The **Urban Land Institute San Diego/Tijuana District Council** is seeking entries for its fifth annual Smart Growth Awards program to be held May 14 at 5:30 p.m. at the **Wonderhaus by Blokhaus** in Downtown San Diego. Award entries are free and due by April 10. Entries can be submitted online through [www.ulisd.org](http://www.ulisd.org). The Smart Growth Awards recognize outstanding and innovative projects, plans and people from the San Diego/Tijuana region that advance the application of smart growth and sustainability principles in land use and promote significant new ideas and perspectives into the region and the general real estate industry. Award categories include Smart Growth Project, Smart Growth Plan/Policy and Smart Growth Visionary.

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### MARITIME

**N**ASSCO launched the Navy's newest supply ship, **USNS Wally Schirra (T-AKE 8)**, on Sunday during a christening ceremony at the shipyard. The ship is named in honor of the fifth American launched into space, Navy Capt. **Walter M. "Wally" Schirra Jr. Josephine Schirra**, the widow of Mr. Schirra and the ship's sponsor, christened the ship by breaking the traditional bottle of champagne against the bow before the 689-foot-long ship slid into San Diego Bay. **General Dynamics** Chairman and CEO **Nicholas D. Chabraja** also spoke at the ceremony. About 1,500 people attended the ceremony, including former astronauts **Bill Anders, Scott Carpenter, Jim Lovell** and **Tom Stafford**.

Schirra (1923-2007), was the only person to fly in America's first three space programs: Mercury, Gemini and Apollo. He retired from the Navy and resigned from NASA in July 1969, and he later lived in retirement in San Diego.

### DEFENSE

**SAIC** has been awarded a contract by the **U.S. Strategic Command (USSTRATCOM)** to provide technical assistance and selected support services. The contract has a one-year base period of performance, four one-year options and a ceiling value of \$900 million for all awardees. Under the contract, SAIC will provide technical analysis and studies for programs and strategies for USSTRATCOM.

### HOSPITALITY

**T**he all new **L'Auberge Del Mar**, managed by **Destination Hotels & Resorts**, completed the final phase of its comprehensive property renovation last week and opened its doors to guests. L'Auberge Del Mar launched the large-scale overhaul of the resort in November 2007