

October 3, 2023

C-15

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute an agreement and all documents necessary, including any subsequent amendments, with the United States Small Business Administration, to accept and expend grant funds for the Long Beach Accelerator for the period of August 1, 2023 through March 31, 2026; and,

Increase appropriations in the Community Development Grants Fund Group in the Economic Development Department by \$1,000,000, offset by grant revenue (Citywide).

DISCUSSION

The Long Beach Accelerator (LBA) is a partnership between the City of Long Beach (City), California State University Long Beach (CSULB), and the Sunstone Private Equity Fund to assist local entrepreneurs with a goal of growing the technology industry in the region. Borne from the City's Economic Blueprint released in 2015, LBA provides early stage startups access to a variety of opportunities through mentorship and coaching, office and collaborative meeting space, investment opportunities and technical resources to create and grow an innovative technology ecosystem within the Long Beach.

In the Consolidated Appropriations Act of 2023 (Act), the United States Congress made grants available for initiatives related to small business development and entrepreneurship, consistent with LBA and its goals. In spring 2022, the City had an opportunity to submit priority project requests to the legislative delegation for consideration in the Fiscal Year 2023 State and federal budgets. Senator Feinstein requested and secured \$1,000,000 in Congressionally Directed Spending for the City to support the City's partnership with the LBA through the Act (Grant Number SBAHQ23I0125). Funding received will be used to assist in renting and renovating a facility to house the LBA in downtown Long Beach, including any tenant improvements needed such as office and workspaces, conference rooms, classroom and meeting areas, technology needs (IT networks and audiovisual requirements), kitchens, restrooms, furniture, security systems and permit fees.

Following the federal appropriations for this project, the United States Small Business Administration (SBA) was assigned to administer the funds for the Project. City Council action is required to execute the grant agreement between the City and SBA and appropriate the funds. The City's Economic Development Department will be responsible for administration of the funding with the LBA to ensure compliance with the terms and conditions of the grant agreement. A separate funding agreement with LBA will be brought forth for City Council consideration in the coming months.

The recommended action is aligned with the City's Economic Blueprint 2.0, specifically the goal to support the expansion of public-private partnerships that accelerate economic growth in the City and provide innovative solutions to regional and national economic challenges. Renting and renovating a facility for the Long Beach Accelerator is an important step towards creating a citywide innovation ecosystem.

This matter was reviewed by Principal Deputy City Attorney Richard F. Anthony on August 30, 2023 and by Budget Management Officer Nader Kaamoush on September 13, 2023.

TIMING CONSIDERATIONS

City Council action is requested on October 3, 2023, to facilitate execution of the grant agreement.

FISCAL IMPACT

The City will receive an advance grant payment in an amount of \$1,000,000 for the period August 1, 2023 through March 31, 2026 to assist in renting and renovating a facility to house the Long Beach Accelerator in downtown Long Beach, including any tenant improvements needed such as office and workspaces, conference rooms, classroom and meeting areas, technology needs (IT networks and audiovisual requirements), kitchens, restrooms, furniture, security systems and permit fees. There is no match or in-kind services required with this grant. An appropriation increase is requested in the amount of \$1,000,000 in the Community Development Grants Fund Group in the Economic Development Department, offset by grant revenues. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION

Approve recommendation.

Respectfully submitted,



BO MARTINEZ
DIRECTOR
ECONOMIC DEVELOPMENT

APPROVED:



THOMAS B. MODICA
CITY MANAGER