



# CITY OF LONG BEACH

# R-17

DEPARTMENT OF DEVELOPMENT SERVICES

333 West Ocean Blvd., 4<sup>th</sup> Floor Long Beach, CA 90802 (562) 570-5237 Fax: (562) 570-6205

June 12, 2012

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Authorize the City Manager to execute any and all documents with Long Beach Community College District to provide economic development counseling and educational services through its Small Business Development Center with an estimated total funding amount not to exceed \$115,000 per year for an initial term from July 1, 2012 through June 30, 2013, with two one-year extensions thereafter, at the option of the City Manager and the continued availability of funds. (District 1)

## DISCUSSION

In support of revitalization of commercial sites and to improve commercial corridors throughout Long Beach, on May 17, 2010, the former Long Beach Redevelopment Agency (Agency) approved the lease of a vacant Agency-owned commercial property located at 309 Pine Avenue (Attachment – Site Map) to the Long Beach Community College District, familiarly known as Long Beach City College (LBCC). The lease was for an initial term of two years, ending on June 30, 2012. An option provision allows LBCC to extend the lease for an additional year, to June 30, 2013. Rent is \$1 per year, and LBCC pays all utility, maintenance, and liability insurance costs.

LBCC uses the site as a satellite for its regional Small Business Development Center (SBDC) program. Business counseling is a core service of the SBDC. The SBDC program is the most extensive economic development program of the Small Business Administration (SBA). SBDC Business Advisors offer a wealth of real-world business experience, provide one-on-one counsel and conduct training sessions, workshops and seminars.

In addition to leasing space to SBDC, the Agency also entered into a service delivery partnership with LBCC for the period from July 1, 2010 to June 30, 2012, with an option to renew for an additional year. Many businesses need advice and counseling about best management practices, and SBDC's presence at 309 Pine Avenue has helped activate the

North Pine area and provides convenient service to all businesses because of its Downtown location.

Pursuant to the consulting contract, SBDC has provided the following services:

- Business advice and assistance
- Workshops
- Business matchmaking and procurement events
- Access to capital programs
- Business networking and peer mentoring programs
- Marketing, outreach and business engagement
- Young Entrepreneurs Project

Redevelopment funds are no longer available to fund this valuable program after June 30, 2012; however, staff has determined that the SBDC program is an eligible Community Development Block Grant (CDBG) activity and recommends that the program be continued using \$115,000 of CDBG funding for the next year in lieu of the former Redevelopment funds. The total cost of this program is \$251,000 per year, and SBDC will provide the remaining funds as leverage. CDBG funding will be determined on an annual basis based on availability of funding. If approved, this activity can be carried out under CDBG through the small business outreach designation as described in the City's Fiscal Year 2012-2013 Action Plan, which was approved by the City Council on July 19, 2011, and by the U.S. Department of Housing and Urban Development (HUD) on October 1, 2011.

As a condition of the proposed agreement, the SBDC shall submit invoices for reimbursement of expenses according to a schedule determined by the City of Long Beach (City). The SBDC will further provide a performance report of its activities. The SBDC shall prepare and file an annual financial report with the City, showing in detail all expenditures made by the SBDC for the programs and services identified in the agreement for the previous twelve-month period.

The proposed term of the agreement is one year, commencing on July 1, 2012, and ending on June 30, 2013. The agreement only governs services provided to City of Long Beach for technical assistance provided to businesses in the City. City funding shall not exceed the sum of \$115,000 per year. At the option of the City Manager and SBDC, the agreement may be extended on the same terms and conditions for two consecutive periods of one year each, upon satisfactory performance and continued availability of funds.

This matter was reviewed by Deputy City Attorney Richard Anthony on May 21, 2012 and Budget Management Officer Victoria Bell on May 23, 2012.

#### TIMING CONSIDERATIONS

City Council action on this matter is requested on June 12, 2012, to avoid lapse of service and ensure timely implementation of the agreement.

HONORABLE MAYOR AND CITY COUNCIL

June 12, 2012

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FISCAL IMPACT

Sufficient funds are currently budgeted in the Community Development Grants Fund (SR 150) in the Development Services Department (DV). There is no impact to the General Fund. This action is expected to create or retain a minimum of 3.28 full time local jobs, as required by CDBG regulations.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



AMY J. BODEK, AICP  
DIRECTOR OF DEVELOPMENT SERVICES

AJB:RMZ:bc

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Attachment: Site Map

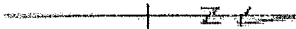
APPROVED:

  
\_\_\_\_\_  
PATRICK H. WEST  
CITY MANAGER

# SITE MAP

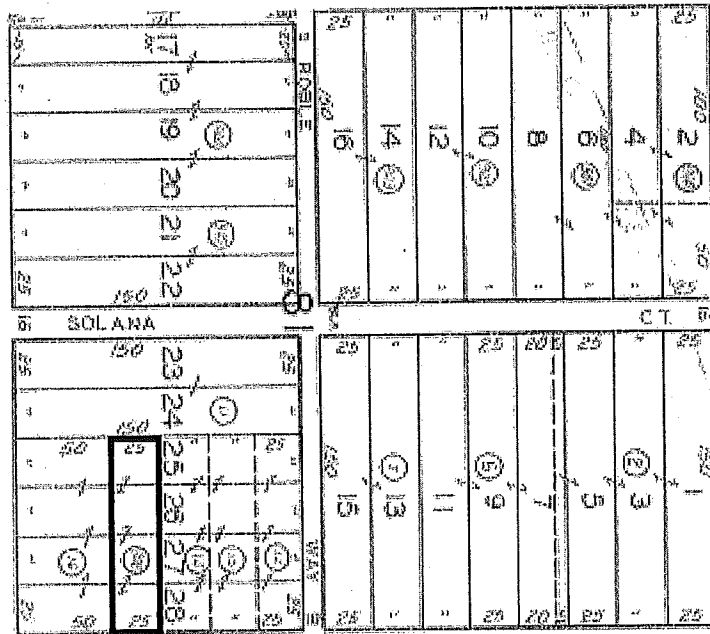
7260 16  
SCALE 1" = 60'

2008



PACIFIC AVE.

100 100 100 100



Subject Property

PINE

ST.

4TH

ST.

CODE  
52-12

FOR FROM: JESANT, SEE  
TEXT - 12

TOWNSITE OF LONG BEACH

M.R. 19-91-96

All 999 series parcels on this page are  
referred to Redevelopment Agency of the  
City of Long Beach, unless otherwise noted.

ASSISTANT COUNTY CLERK  
COUNTY OF LOS ANGELES, CALIF.

19-91-96  
REDEVELOPMENT AGENCY  
CITY OF LONG BEACH  
12500 BEACH BLVD.  
LONG BEACH, CALIF. 90801