



CITY OF LONG BEACH

DEPARTMENT OF ECONOMIC DEVELOPMENT

C-5

333 West Ocean Boulevard • Long Beach, CA 90802 • (562) 570-6099 • Fax (562) 570 -6380

August 21, 2018

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute an agreement, and any necessary amendments, with the Long Beach Community College District, to provide economic development counseling and educational services through its Small Business Development Center, in an annual amount not to exceed \$110,000 for an initial term from July 1, 2018 through June 30, 2019, with two one-year extensions, at the discretion of the City Manager, and subject to the continued availability of funds. (Citywide)

DISCUSSION

On June 23, 2015, the City Council authorized the execution of an agreement with the Long Beach Community College District, familiarly known as Long Beach City College (LBCC), to provide business counseling services through its regional Small Business Development Center (SBDC) for the period from July 1, 2015 through June 30, 2018, with two one-year extensions. The SBDC program is an eligible Community Development Block Grant (CDBG) activity and CDBG funding in the amount of \$110,000 was utilized to support the SBDC. The SBDC program is the most extensive economic development project of the Small Business Administration (SBA). SBDC Business Advisors offer a wealth of real-world business experience, provide one-on-one counseling, and conduct training sessions, workshops and seminars. In addition, as a result of this continuing CDBG investment, the SBDC will focus services on small businesses, concentrating on low- and moderate-income areas. Pursuant to the agreement, SBDC provides 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
- Supporting student entrepreneurs

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SBDC is required to submit invoices for reimbursement of expenses according to a schedule determined by the City. SBDC must also provide a performance report of its activities including jobs created, and an annual financial report, showing all expenditures made by the SBDC for the programs and services identified in the agreement for the previous 12-month period.

As the current agreement expired on June 30, 2018, a new agreement is proposed to allow the SBDC to continue the services currently provided. The term of the new agreement will be for one year, commencing retroactively on July 1, 2018, and ending June 30, 2019. CDBG funds are available based on the Fiscal Year 2018-2019 Action Plans and will not exceed the sum of \$110,000 per year. The total cost of this program is estimated at \$250,000 per year, the difference of which is funded directly by the SBDC. At the option of the City Manager and SBDC, the new 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 F. Anthony on July 25, 2018 and by Budget Analysis Officer Julissa José-Murray on August 2, 2018.

TIMING CONSIDERATIONS

City Council action is requested on August 21, 2018, to ensure timely implementation of the agreement.

FISCAL IMPACT

The requested action provides a not to exceed contract authority in the sum of \$110,000 per year from CDBG funds. Sufficient appropriation is budgeted in the Community Development Grants Funds (SR 150) in the Development Services Department (DV). This action is expected to create a minimum of 135 full-time local jobs, as required by CDBG regulations.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT



LINDA F. TATUM
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:


PATRICK H. WEST
CITY MANAGER