



*City of Arts & Innovation*

# Economic Development, Placemaking and Branding/Marketing Committee

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**TO: ECONOMIC DEVELOPMENT, PLACEMAKING AND BRANDING/MARKETING COMMITTEE**      **DATE: NOVEMBER 17, 2022**

**FROM: COMMUNITY & ECONOMIC DEVELOPMENT**      **WARDS: ALL**

**SUBJECT: UPDATE ON THE PROPOSED FIRST AMENDMENT TO THE PROFESSIONAL CONSULTANT SERVICES AGREEMENT BETWEEN THE UNIVERSITY ENTERPRISES CORPORATION AT CALIFORNIA STATE UNIVERSITY SAN BERNARDINO ON BEHALF OF THE INLAND EMPIRE SMALL BUSINESS DEVELOPMENT CENTER AND THE CITY OF RIVERSIDE FOR AN ADDITIONAL TWO-YEARS THROUGH FISCAL YEARS 2023-2024 IN THE TOTAL AMOUNT OF \$100,000.**

## **ISSUE:**

Receive an update on the proposed First Amendment to the Professional Consultant Services Agreement between University Enterprises Corporation at California State University San Bernardino on behalf of the Inland Empire Small Business Development Center, a California Corporation, and the City of Riverside for an additional two years through Fiscal Years 2023-2024, in the total amount of \$100,000, to provide comprehensive technical assistance to businesses in the City of Riverside.

## **RECOMMENDATION:**

That the Economic Development and Branding/Marketing Committee receive an update on the proposed First Amendment to the Professional Consultant Services Agreement between University Enterprises Corporation at California State University San Bernardino on behalf of the Inland Empire Small Business Development Center, a California Corporation, and the City of Riverside.

## **BACKGROUND:**

The Inland Empire Small Business Development Center (IESBDC) has served the City of Riverside (City) and surrounding communities for over 24 years, providing the business community with affordable access to comprehensive technical business assistance. On March 23, 2004, City Council approved grant funding for the IESBDC in the amount of \$35,000 to support this work.

Through the years, the partnership has grown, and the scope of services has changed to meet

the evolving needs of the local business community, strengthen the partnership, assure equity and diversity in programming, and match the financial commitment of the City to the demands of the changing economy.

On August 18, 2020, five months into the COVID-19 pandemic, the value of maintaining quality support for new and existing local businesses became evident. City Council approved a funding commitment for Fiscal Years 2020/2021 and 2021/2022 for the IESBDC, in the total amount of \$100,000 that was paid in two installments of \$50,000 annually. The City's partnership with the IESBDC ensured access to needed guidance, resources, grant and loan application support and recovery education during the COVID-19 pandemic and beyond. The IESBDC team also worked with the City to promote the Riverside CARES Small Business Grant in 2020.

## **DISCUSSION:**

Extending the City's agreement with the IESBDC will assure a continuation of the longstanding partnership that has served the small business community in the Riverside area for more than 24 years through recessions, economic booms, and a pandemic. The services provided by the IESBDC have expanded since 2004 and include one-on-one consultations for small businesses with multi-lingual support, a variety of workshops, and a greater breadth of industry-specific training programs, both virtual and in-person held throughout the City, to ensure inclusivity and accessibility. The IESBDC supports the business community in areas of business planning, marketing education, funding and financial consulting, business management education, expansion strategies, and business and succession planning. Moving forward, the IESBDC will be instrumental in helping promote the ARPA Small and Micro-Business Grant programs in 2023 and 2024.

The IESBDC is a partnership-driven organization, principally funded through a grant from the United States Small Business Administration (SBA). As a condition of funding, the IESBDC is required to raise 54% of its SBA grant amount from private and public entities such as the City of Riverside. The current partnership between the City and IESBDC is structured to maintain accountability and support the City's strategic goals through quarterly progress reporting, regular partnership meetings, capturing marketing and cross-referral opportunities, and by providing collaborative presentations as appropriate.

The IESBDC's services are unique. No other organization in the City or region offers the comprehensive depth of services, breadth of industry expertise and capacity to serve such a large number and variety of businesses. Because the program is managed by the California State University of San Bernardino the contract falls within Purchasing Resolution 23914, Section 702(g) which allows for an exception to competitive procurement "Where payment for Services is to be made to a Federal, State, and/or other public entity."

The Purchasing Manager concurs that the recommendation is in compliance with Purchasing Resolution 23914.

## **STRATEGIC PLAN ALIGNMENT:**

Providing a grant to the IESBDC to support business services contributes to **Strategic Priority 3 – Economic Opportunity** and the following Goals:

**Goal 3.1** – Facilitate partnerships and programs to develop, attract, and retain innovative business

sectors.

**Goal 3.3** – Cultivate a business climate that welcomes innovation, entrepreneurship and investment.

**Goal 3.4** – Collaborate with key partners to implement policies and programs that promote local business growth and ensure equitable opportunities for all.

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The local business community, including home business operations, has come to rely on partnerships such as the IESBDC for support. Community trust is developed and maintained through regular outreach regarding the City's partnership with the IESBDC including newsletters, social media, public presentations and by bringing the contract before a public forum at regular intervals to share the services and details of the agreement.
2. **Equity** – Partnering with the IESBDC creates equity by ensuring that affordable services are available to all with multi-lingual support and greater accessibility through both virtual and local in person options.
3. **Fiscal Responsibility** – Supporting local business growth by partnering with the IESBDC benefits the entire community by creating local jobs and promoting sales tax growth and business to business commerce that can keep dollars circulating locally.
4. **Innovation** – Partnering with the IESBDC is an innovative way to increase support for local businesses beyond what City staff can accomplish alone, maximizing benefits to the community that can improve quality of life and place for local citizens.
5. **Sustainability & Resiliency** – Partnering with the IESBDC creates accessible support to build stronger, more resilient businesses that put down local roots and are prepared to survive economic difficulties. It also stimulates local job growth with the potential to reduce commuting and encourage a cleaner, greener environment for all.

### **FISCAL IMPACT:**

The total fiscal impact of this action is \$100,000 for Fiscal Years 2022/23 & 2023/24. Sufficient funds in the amount of \$50,000 annually are budgeted and available in the General Fund, Economic Development, Small Business Development Center account 2815001-453101.

Prepared by: Chris Christopoulos, Acting Community & Economic Development Director

Certified as to availability of funds: Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer

Approved by: Rafael Guzman, Assistant City Manager

Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. SBDC Scope of Services
2. Presentation