



CITY OF DEL REY OAKS

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DATE: December 19, 2023

TO: Honorable Mayor and City Council

FROM: John Guertin, City Manager

SUBJECT: Consider a Contribution of \$2,500 to the Monterey County Business Council as Part of a Regional Local Match for the MCBC to Host the Small Business Development Center

CEQA: This is not a project for the purposes of the California Environmental Quality Act (CEQA) and has no potential for resulting in either a direct or indirect impact on the environment.

Recommended Action

It is recommended that the City Council consider approving a partnership with the Monterey County Business Council (MCBC) through a local match contribution of \$2,500 and authorizing the City Manager to execute said agreement on behalf of the City if MCBC's application for the Small Business Development Center (SBDC) is awarded.

Background

The Small Business Development Center (SBDC) is a federal, Small Business Administration (SBA) funded program to assist small businesses with resources necessary to be successful. This includes creating business plans, assistance with human resources, access to capital to ensure business owners are creating a solid foundation for their company, and more. Cal Coastal through U.C. Merced (UCM) currently operates the SBDC in the City of Salinas and over the last 12 months assisted 839 local businesses in Monterey County. No businesses located in Del Rey Oaks took advantage of their services in this time period. The location of its offices only in Salinas may have served as an impediment for local business to fully tap into SBDC's services. However, if MCBC is successful in its application to host the SBDC, the City of Monterey has committed to hosting a satellite office.

UCM, who manages multiple SBDC's for the Small Business Administration throughout California was notified in October that Cal Coastal is not opting to renew their agreement with UCM for the SBDC designation. Without a local agency willing to step in to host the SBDC, Monterey County stands to lose this valuable resource. Fortunately, MCBC has agreed to step up as the local host, but the turnaround time to apply is tight with a deadline to apply by December 15, 2023. MCBC is currently the only local agency applying for the designation.

Discussion

MCBC is requesting a local match from the City of \$2,5000 towards the total match requirement of \$120,000. This match is needed to secure \$400,000 for the federal Small Business Administration (SBA) Small Business Development Center (SBDC) program. In addition to Del Rey Oaks, MCBC is requesting funding from all cities throughout Monterey County. Most other cities have committed to contributing \$5,000 to \$10,000 with the County committed to contributing the rest to reach the \$120,000 total.

MCBC plans to apply for CA GoBiz (Technical Assistance Program) funding in 2024 that would defray the need for future contributions from the City. The local match from Del Rey Oaks would only be needed if MCBC is awarded the designation.

Fiscal Impacts

It is recommended that the City commit \$2,500 for the first year of the grant toward the local match requirement of the Small Business Development Center (SBDC) program. Funding would come from General Fund fund balance. This funding is contingent on MCBC securing the SBDC designation and will not be granted to the MCBC if the application is unsuccessful.

Attachments

- Monterey County Business Council Partnership Request

Respectfully Submitted,

John Guertin
City Manager



Overview

The Small Business Development Center (SBDC) is a federal, Small Business Administration (SBA) funded program to assist small businesses with resources necessary to be successful. This includes creating business plans, assistance with human resources, access to capital to ensure business owners are creating a solid foundation for their company, and more. Over the last 12 months, SBDC has assisted 839 local businesses in Monterey County.

The SBDC is currently hosted by Cal Coastal (a financial institution) through U.C. Merced (UCM), who manages multiple SBDC's for the Small Business Administration throughout California. Cal Coastal notified U.C. Merced in October that they are opting not to renew their agreement with UCM for the SBDC designation. The Request for Proposals to host the SBDC was released at the end of October, with a tight deadline to apply by December 15th, 2023.

The current SBDC and Monterey County Business Council (MCBC) have worked collaboratively for years, referring business owners back and forth to each other based on the needs of the companies. MCBC has been working in partnership with the County of Monterey to assist businesses recover from the pandemic - the entirely bilingual staff at MCBC is active in all areas of the county, both in seminars and on foot, engaging businesses. The opportunity to expand those SBDC services to MCBC is a seamless progression for MCBC.

Plan

If selected as the host, Monterey County Business Council plans to run the SBDC a little differently than its current setup---requesting partnerships with the City of Soledad and City of Monterey for satellite offices in South County and Monterey Peninsula, in addition to the home base office in Salinas. This allows business owners to have access to the SBDC services in their area without traveling to Salinas, which is currently the only location. There is also a plan to expand outreach to South County and Monterey Peninsula, to ensure the assistance to those areas increases dramatically.

MCBC currently has bilingual staff, expertly trained in outreach and assistance to businesses – the progression of working as the SBDC is a natural fit.

Funding

MCBC is currently the only local agency applying for the designation. MCBC recognizes the need for the SBDC, and understands if no one applies, Monterey County loses the Small Business

Development Center entirely. There is a local match requirement of \$120,000 for the \$400K federal SBA Small Business Development Center (SBDC) program. There is CA GoBiz (Technical Assistance Program) funding available that MCBC plans to apply for in 2024 (the current SBDC has it), but with one month to submit the RFP, MCBC is unable to secure it from the state for the RFP application. The requirement for funding is promissory for the RFP – the local match would only be required if MCBC is awarded the designation.

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MCBC has secured \$10,000 from the City of Monterey and a satellite location in Monterey and is currently asking for financial commitments from multiple cities. We have confirmation of the following:

County of Monterey - \$64,000 – confirmed

Monterey - \$10K and satellite office - confirmed

Carmel - \$5K - confirmed

King City - \$5K - confirmed

Gonzales- \$5K – confirmed

Marina - \$5K – confirmed

Seaside - \$5K confirmed

Soledad - \$10K and satellite office (going to council for approval on 12/5)

Greenfield - \$5K (going to council for approval on 12/12)

We are contacting and sending a template staff report with the funding request to:

Sand City - \$5K (requested to add to next council meeting)

Pacific Grove- \$5K (requested to add to next meeting)

Del Rey Oaks - \$5K

Request

MCBC is respectfully requesting \$5,000 from the City of Del Rey Oaks towards the local match requirement. We also recognize the variance in size of cities and their respective budgets in Monterey County, so we understand if DRO cannot meet the \$5K amount---but would ask for participation at some level to show the commitment from all cities. The match would be contingent upon the SBA grant being awarded to Monterey County Business Council.
