



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: JUNE 22, 2021

DEPARTMENT: COMMUNITY DEVELOPMENT

FROM: MEGAN HUNTER, DIRECTOR

BY: CRYSTAL CASILLAS, COMMUNITY DEVELOPMENT ANALYST

THROUGH: LISA BRINTON, PLANNING MANAGER

TITLE: AGREEMENTS WITH EL PAJARO COMMUNITY DEVELOPMENT CORPORATION TO PROVIDE SMALL BUSINESS SUPPORT SERVICES

RECOMMENDED MOTION:

A motion to approve a resolution directing the City Manager, or designee to finalize, and the Mayor to execute:

- 1) Amendment No. 1 to the Master Agreement for Professional Services dated July 3, 2018, with EPCDC increasing the not to exceed compensation amount to One Hundred and Sixty-five Thousand Dollars (\$165,000); and
- 2) A new three-year Master Agreement for Professional Services with EPCDC in an amount not to exceed One Hundred and Fifty Thousand Dollars (\$150,000) to continue to provide small business support services.

RECOMMENDATION:

It is recommended that the City Council approve a resolution directing the City Manager, or designee to finalize, and the Mayor to execute:

- 1) Amendment No. 1 to the Master Agreement for Professional Services dated July 3, 2018, with EPCDC increasing the not to exceed compensation amount to One Hundred and Sixty-five Thousand Dollars (\$165,000); and
- 2) A new three-year Master Agreement for Professional Services with EPCDC in an amount not to exceed One Hundred and Fifty Thousand Dollars (\$150,000) to continue to provide small business support services.

EXECUTIVE SUMMARY:

El Pájaro Community Development Corporation (EPCDC) has been assisting the Community Development Department since June 2016 by providing the Salinas' small business community with bilingual technical assistance and programming. In 2018, the City and EPCDC entered into a three-year Master Agreement for Professional Services to provide staff with the flexibility to continue to provide small business support services and to adapt the scope of work to meet small business needs. Annually, detailed scopes of work and line item budgets are prepared for the various program components and economic development support services. The not to exceed compensation amount is \$150,000.

In addition to the approved scope of work, EPCDC also acted as the City's "boots on the ground" disaster relief assistance provider to support impacted businesses with virtual one on one technical assistance and support accessing local, state and federal relief programs. In April 2020, the City Council approved funding EPCDC an additional \$15,000 to account for the services provided due to the increased volume of request for assistance. Amendment No. 1 to the Master Agreement is needed to account for the increase in total compensation granted at that time.

In order to continue implementing EDE and AVP actions related to small business support services and COVID-19 economic recovery, the City will need to continue its reliance on consultant technical support and services. Therefore, staff proposes entering a new three-year Master Agreement (2021-2024) with EPCDC with a not to exceed compensation amount of \$150,000 to provide small business services.

BACKGROUND:

Economic Development Element ED-EBG 2.2.1 calls for the City to provide or support incentives and services including, but not limited to, technical assistance and access to small business loans. To implement this action, the City entered into a three-year Master Agreement with EPCDC to provide support services to Salinas small businesses for an amount not to exceed \$150,000 (July 2018). EPCDC has a successful track record of providing bilingual and culturally competent technical assistance in our region for over 10 years, and has extensive experience delivering effective programs to support Salinas' entrepreneurial community. Services provided include, but are not limited to, small business/micro-enterprise and finance management workshops, one-on-one counseling support, and execution of two El Dia Del Empresario Latino one-day technical assistance workshop.

The Alisal Vibrancy Plan (AVP, 2019) Goals ED 2.1 and 2.2 call for the identification and expansion of small business support resources and increasing access to educational, technical assistance and financial resources. EPCDC participated in AVP Economic Development Working Group and provides expertise as to best practices in providing small business support services to achieve these goals.

The COVID-19 pandemic resulted in sudden and dramatic impacts to local small businesses as many have been forced to reduce operations or close their doors. On April 14, 2020 the City Council approved increasing El Pájaro Community Development Corporation's 2019-2020 annual

budget amount by \$15,000 to provide services for the overwhelming volume of requests for COVID-19 related assistance. EPCDC acted as the City's "boots on the ground" disaster relief assistance provider to support impacted businesses with virtual one on one technical assistance and support accessing local, state and federal relief programs.

In order to continue implementing EDE and AVP actions related to small business support services and COVID-19 economic recovery, the City will need to continue its reliance on consultant technical support and services.

DISCUSSION:

A new three-year Master Agreement with EPCDC is proposed to continue to small business support services and to adapt the scope of work to meet small business needs. The general scope of this Master Agreement is the provision of entrepreneur and small business support services including, but not limited to,

- technical assistance (business plans, managing finances, and marketing),
- business classes, webinars and an annual conference on diverse topics related to business development and management,
- marketing and facilitating access to capital resources,
- support navigating regulatory requirements and processes, and
- business and economic development assistance supporting the planning and implementation of commercial kitchen development activities and supporting the implementation of the Chinatown and Alisal Vibrancy Plans.

Annually, detailed scopes of work and line item budgets will be prepared for the various program components and economic development support services. Compensation will be based on the hourly rates provided in Exhibit "B" of the Master Agreement and will not exceed \$150,000 over the three-year period. The Fiscal and Sustainability Impact section below details the Master Agreement funding sources and appropriation process.

CEQA CONSIDERATION:

The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

STRATEGIC PLAN INITIATIVE:

This Master Agreement aligns closely with the City Council's goals (2021-2023) of Investment Strategies/Risk Management and New Revenue by providing small businesses access to the educational, technical assistance and financial resources they need to prosper and expand.

DEPARTMENTAL COORDINATION:

Community Development Department staff (Advanced Planning and Plan and Project Implementation) prepared this item in coordination with EPCDC using approved agreement templates. Should the City Council approve the Amendment No. 1 to the current Master Agreement and authorize entering into a new three-year Master Agreement, the Community Development Department will work with the City Attorney, the City Manager, and Mayor to finalize and execute the aforementioned documents.

FISCAL AND SUSTAINABILITY IMPACT:

The funding source for the increase in compensation under the current Master Agreement amount of \$15,000 is Economic Development Element Implementation (CIP 9136) was approved by the City Council in April 2020. However, the Master Agreement was not amended to reflect this increase for additional services at that time. Amendment No. 1 effectuates the Council's action.

The funding appropriation and source for the new Master Agreement in FY 2021-22 is \$50,000 from the Community Development Advanced Planning and Project Implementation Division's General Fund budget for Outside Professional Services (100-30-3111-63.5010) The appropriation of the remaining \$100,000 would occur as part of future annual and mid-year budget cycles. Purchase Order limits will be capped at the amount of appropriated funds with a total not to exceed amount of \$150,000 for the three-year term.

ATTACHMENTS:

1. City Council Resolution
2. Draft Amendment No. 1 to 2018 Master Agreement
3. Draft 2021 Master Agreement
4. EPCDC Achieved Outcomes