



TO: Elizabeth Pauli, City Manager
FROM: Jeff Robinson, Director, Community and Economic Development Department
Linda L. Womack, Supervisor, CEDD (Program Director MBDA-Tacoma Business Center)
COPY: City Council and City Clerk's Office
Tadd Wille, Deputy City Manager
SUBJECT: Resolution to accept CARES ACT Supplemental funding from the U.S. Department of
Commerce-Minority Business Development Agency Cooperative Agreement – July 28, 2020
DATE: July 14, 2020

SUMMARY AND PURPOSE:

The purpose of this memo is to seek Council resolution to accept the MBDA (Minority Business Development Agency)-Tacoma Business Center CARES ACT funding in the amount of \$518,521.00 and to allocate staff to support the required workplan. The grant/Cooperative agreement must be expended and implemented between June 1, 2020-May 31st 2021.

On May 7th 2020, the MBDA-Tacoma Business Center submitted a proposal outlining the need to support underrepresented Minority-owned business enterprises and other small businesses in Tacoma and the region for recovery from the devastating effects of the COVID-19 pandemic to their business disruption. The proposal was accepted and fully funded. Appropriation of the funding will also require a budget amendment which is included in this resolution.

COUNCIL SPONSORS:

NA

BACKGROUND:

This Department's Recommendation is Based On:

On March 27, 2020, the United States Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act in response to the outbreak of coronavirus disease 2019 (COVID-19) and its resulting impact on the economy and public health across the nation. The COVID-19 pandemic has impacted all lines of businesses but particularly small and minority-owned businesses which have historically experienced discrimination in lending practices. The COVID-19 pandemic has highlighted and exposed this inequity. Therefore, Congress acted to address a specific need by appropriating funds to the Minority Business Development Agency (MBDA) of the U.S. Department of Commerce to award grants to minority business centers and minority chambers of commerce for the purpose of educating, training, and advising minority business enterprises.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

The MBDA-Tacoma Business Center will build on the programs and collaboration it currently has with strategic regional partners to develop market-driven practices to help address the preparedness, prevention and responsiveness to the COVID-19 Pandemic for the business operations of underrepresented businesses in Tacoma and the region.



PROJECT DELIVERY METHODOLOGY:

Under Business Resiliency, we will design programs so that small business owners gain the skills and knowledge to successfully pivot from their current business model by strengthening strategic thinking, building systems thinking, increasing the effectiveness of marketing strategies and providing a variety of tips and tools that lead to greater profitability post COVID-19. The courses and workshops will primarily be offered through a virtual classroom setting.

Under COVID-19 Health Prevention Communicable disease prevention and transmission, we will design programs and workshops in a virtual format to focus on safely and rapidly re-opening the economy based on current conditions. The workshops will take into account CDC and State-mandated safety guidelines for individuals and businesses on COVID-19 related regulations, recommendations and best practices.

Equity and Accessibility: *(Mandatory)*

Initial Outreach will consist of campaigns via internet (MBDA-Tacoma and City of Tacoma website, City of Tacoma networks, videos, blogs, and podcasts), email, social media, webinars and by telephone.

The community strategic partners identified will work with the Tacoma Business Center to collaborate and jointly develop market driven practices to sufficiently address the preparedness, prevention and responsiveness to the COVID-19 Pandemic in the daily lives and business operations.

We have identified a diverse roster of strategic partners to potentially provide direct business assistance or in group workshops to address the COVID-19 pandemic in the areas of education, training and advisory services to small- and minority-owned businesses.

Tacoma 2025 strategic goals:

- Economic Vibrancy and Employment
- Education and Learning
- Government Performance

In addition, the series offered will further several action items contained in the City's Economic Development Strategic Plan:

- 1 A.4 Collaborate with partners on periodic business events
- 1B.3 Identify and conduct outreach to businesses
- 1D.2 Actively participate and strategically pursue projects with regional partners
- 2 A.1 Expand the City's retention, expansion, and attraction efforts
- 2A.2 Enhance education and outreach to existing businesses
- 2B.1 Facilitate providing additional assistance to businesses in the City
- 2C.2 Engage in one-on-one conversations with businesses in Tacoma
- 7 F.1 Referring to City resources and providing assistance to businesses to facilitate development

Economy/Workforce: *Equity Index Score: Very High Opportunity*

Increase the availability of industry-specific education programs to support identified growth sectors.
Increase positive public perception related to the Tacoma economy.



Education: *Equity Index Score:* Low Opportunity

Demonstrate community support for education by increasing support for school levies and bonds; volunteering and mentoring youth.

Civic Engagement: *Equity Index Score:* Very High Opportunity

Representation at public meetings will reflect the diversity of the Tacoma community

Livability: *Equity Index Score:* High Opportunity

Improve access and proximity by residents to diverse income levels and race/ethnicity to community facilities, services, infrastructure, and employment.

Explain how your legislation will affect the selected indicator(s).

The MBDA CARES Act funding will allow additional, more broadly-based and intensive support to assist small businesses in bridging the financial gap, narrowing the digital divide, and delivering culturally relevant technical assistance to help navigate the intricate web of public and private resources now available regionally. It will also allow these supported businesses to better position themselves during and post the COVID-19 business recovery and resiliency efforts. The MBDA-Tacoma Business Center will focus these efforts on historically underserved communities—especially those enterprises owned or led by women, minorities and veterans, as well as other small businesses which often lack ready access to affordable capital and technical assistance.

The CARES Act funded staff will collaborate with the current MBDA-Tacoma Business Center staff to design and deploy projects specifically outlined in the Executive Order 11625 and the Coronavirus Aid, Relief and Economic Security Act (CARES) Act (P.L. 116-136; March 27, 2020)

To expeditiously and efficiently execute and implement the CARES Act Program, the City of Tacoma will dedicate a separate staff and will dedicate 100% of their time to coordinate this program as well as perform any and all reporting requirements for compliance during the award period. An additional staff will be assigned at 50% of full time hours to support the project coordinator. Staff hours 100% (2,080) and staff hours 50% (1040); respectively.

The staff paid directly from grant funding will include: (1) Program management staff, (2) Program assistant. Both positions will be considered project specific employees with the full range of City of Tacoma fringe benefit options available to them for the period of the grant. The implementation plan utilizes current CEDD staff in time-limited General Fund-supported project positions.

ALTERNATIVES:

The resources used to fund the MBDA CARES ACT Program are derived from a U.S. Department of Commerce grant. Council could decide to not authorize the allocation of staff and its activities projected to occur.

If the Council rejects the recommendations to allocate staff and program objectives, the CARES ACT recovery efforts through the current MBDA Business Center operations and model would not be implemented thereby



foregoing the grant proceeds of \$518,521 that would otherwise be available for COVID-19 business recovery and resilience activities for small, women and minority business enterprises in the region.

EVALUATION AND FOLLOW UP:

The benchmarks outlined have been approved by the U.S. Department of Commerce servicing the region:

Total number of businesses assisted for SBA EIDL/ Payroll Protection Program	Min 30+ all businesses served
Total number of new MBEs served	Min 55+ (separate from current center clients)
Total number of small businesses served	Min 500+ businesses - all businesses/ rural
Total number of virtual training participants (Business and Covid-19 health and safety	Min 500+ businesses – all businesses/rural
Total number of participants attending financial training workshop	Min 500+ businesses – all businesses/ rural
Total number of assessments and advisory services	Min 80+ businesses – all businesses/rural
Total number of non-profits served	25

STAFF RECOMMENDATION:

Staff recommends the adoption of the Resolution and the acceptance of the MBDA CARES Act funding amendment.

FISCAL IMPACT:

By adopting the motion to formally accept the grant, the Council will be committing to the implementation of the MBDA CARES ACT Program through the MBDA-Tacoma Business Center model. Funds used to support staff and their Program activities will be paid directly from the grant. This amounts to \$518,521 grant funds over one year. There is no fiscal impact to the 2020 and 2021 budget.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1. MBDA Business Center CARES Act Program - Tacoma Business Center MB200BD8050135	752500	various	\$518,521
TOTAL			\$518,521



City of Tacoma

City Council Action Memorandum

What Funding is being used to support the expense?

Federal funding from U.S Department of Commerce/Minority Business Development Agency

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

NO, PLEASE EXPLAIN BELOW

Supplemental Congressional CARES ACT Funding from June 1, 2020 through May 31, 2021

Are there financial costs or other impacts of not implementing the legislation?

No

Will the legislation have an ongoing/recurring fiscal impact?

No

Will the legislation change the City's FTE/personnel counts?

YES, PLEASE EXPLAIN BELOW

Support up to two FTEs

ATTACHMENTS:

None