



TO: Elizabeth Pauli, City Manager
FROM: Jeff Robinson, Director, Community and Economic Development
Linda Womack, CED Supervisor, MBDA –WA Business Center
COPY: City Council and City Clerk’s Office
Tadd Wille, Deputy City Manager
SUBJECT: Resolution to accept \$2,000,000 U.S. Department of Commerce Grant to operate the MBDA-Business Center in Tacoma as a Cooperative Agreement from July 1, 2021 through June 30, 2026
DATE: August 17, 2021

SUMMARY AND PURPOSE:

The purpose of this memo is to seek Council resolution to accept a \$2,000,000.00 U.S. Department of Commerce Minority Business Development Agency (MBDA) competitive grant to operate the MBDA (Washington) – Tacoma Business Center as a Cooperative Agreement. This grant addresses one of the City’s economic development priorities of enabling the business community – specifically minority-owned and or BIPOC entities—to receive the capacity building engagement and technical assistance to become more competitive in the region. The grant funds are awarded at \$400,000 annually to start July 1, 2021 for a term of five years and must be expended by June 30, 2026.

On July 7th 2021, CED/MBDA Division received confirmation of the \$2,000,000 award in response to a competitive application with the U.S. Department of Commerce MBDA Agency to operate the MBDA-WA Business Center with the City of Tacoma, WA to deliver on the mission of the grant of serving MBEs with revenue growth and capacity building engagements. The proposal was approved, fully funded and awarded to the City. The administration of the grant will be performed by the MBDA Division with in-kind support from the Department of Community & Economic Development and related departments.

COUNCIL SPONSORS: NA

BACKGROUND:

On March 1, 2021, in accordance with Executive Order 11625 and 15 U.S.C. § 1512, MBDA solicited competitive applications from eligible organizations for the operation of MBDA Minority Business Development Centers as a business development organization. The Minority Business Development Agency (MBDA), a bureau of the U.S. Department of Commerce, released a NOFO to provide Federal assistance to support innovative projects seeking to promote and ensure the growth of minority enterprises. The MBDA Business Center Program provides technical assistance and business development services to minority business enterprises (MBEs). The City of Tacoma has successfully operated the MBDA-Tacoma Business Center as a regional office since April 1, 2016.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

The City of Tacoma, as the second-largest municipality in the region, also houses multiple initiatives, programs, and projects, which mirror the diverse populations served by the City and the region. We leverage our strategic partner’s skills, capabilities, capacity/bandwidth, workforce, and community support to ensure we deliver on the program objectives. The City of Tacoma and its committed partners for the MBDA Tacoma Business Center grant will continue to provide innovative programs and initiatives. The City of Tacoma has and continues to successfully execute its many programs and initiatives. Some of these include the following:



- **SBE (Small Business Enterprise)/EIC (Equity in Contracting Initiative):** program is to facilitate substantial procurement opportunities to promote an equitable participation from historically underutilized businesses in public works and services contracts to include MBE-friendly lending programs.
- **Ascend – Seattle** program with over 48 participants is affiliated with and modeled after the University of Washington, Foster School of Business’ Ascend Cities program, with the goal of providing access to money, management, and markets. The main goal is to create multiple pathways to new opportunities to minority and underserved populations.
- **CBMP (Capacity Building Mentorship Program)** Large Prime Construction firms partnered with protégés (sub-tier contractors).
- **Capacity Building:** provides technical assistance, business coaching, and business development resources, webinars and best practice videos, and timely resources to develop effective pivot/new strategies for small and minority owned businesses located in Washington.
- **EDB –Economic Development Board of Tacoma-Pierce County.**
- **Tacoma and Seattle Urban League**

PROJECT DELIVERY METHODOLOGY:

The purpose of the MBDA Washington (Tacoma) Business Center is to provide strategic and innovative advanced consulting tools, technical assistance, training, resources, business development tools, customized guidance and resources to MBEs, to support and advance their growth. We will address the program priorities of business development and capacity building by employing state-of-the-art tools, subject matter experts and our own expertise to help alleviate the unique challenges of minority business enterprises; reduce barriers, and overcome existing challenges; provide referrals; assist in securing new opportunities; thereby increasing their ability to generate more revenues; increase their internal efficiencies to support growth and stability; increase global competitiveness; and ensure client satisfaction and financial resources and stability. Staff will utilize the Request for Proposals (RFP) and Request for Information (RFI) process to solicit and select technical assistance and SME providers.

Equity and Accessibility: (Mandatory)

Initial mass direct e-mail and social media outreach will be conducted to retain and attract new MBEs through community-based organizations and/or other individuals with cultural competency in working with minority owned businesses and/or small businesses located in areas of low economic opportunity as identified in the City of Tacoma Equity Index.

The City of Tacoma, as operators of the MBDA Tacoma Business Center, has developed expansive community partnerships over the past five years in Washington State. Having operated a successful MBDA Center at the City of Tacoma, we have been able to leverage the relationships to help the Center meet business development needs. All of our efforts/initiatives will be aligned with MBDA’s priorities and focus on helping MBEs achieve size and scale, increase profits, and accelerate job creation. The MBDA will have the support of University of Washington Foster School of Business to design and deliver management consulting level education to our MBEs. The Economic Development Board of Tacoma-Pierce County will commit to working with us as the on-the-ground experts for business recruitment and retention strategies to create and retain jobs in the region. For export-related training, we will work with the City of Tacoma Sister Cities Program, which is collaborating with its sister city Boca del Rio, Mexico on trade development. To provide workshops and training, we will collaborate with the U.S. Export Assistance Center; SCORE, U.S. DOT, SBTRC the SBA, the Washington State Microenterprise Association (WSMA), Procurement Technical Assistance (PTAC), and Washington Economic Development Association (WEDA) that will



act as our outreach support to get the message out about our Business Center throughout the State of Washington's regional economic development entities.

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

ALTERNATIVES:

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

If the Council rejects the recommendations to approve funding, staff and program objectives, the CARES ACT recovery efforts through the current MBDA Tacoma Business Center operations and model would not be implemented, thereby foregoing the grant proceeds of \$2,000,000 that would otherwise be available to serve the BIPOC community in the region.

MBDA staff will adhere to the MBDA U.S. Department of Commerce Grant approved in 2021 as part of the award acceptance process. Staff will evaluate and report on our performance in accordance with the approved Administrative Plan through the lifecycle of the grant.

STAFF RECOMMENDATION:

Staff recommends the adoption of the Resolution and the acceptance of the MBDA-Washington Business Center to continue to operate the Tacoma business center under a cooperative agreement with the City of Tacoma.

FISCAL IMPACT:

By adopting the motion to formally accept the grant, the Council will be committing to the implementation of the MBDA Competitive Grant and approved Administration Plan. Funds used to support the continued operations of the MBDA- WA Business Center Program activities will be paid directly from the grant. This amounts to \$400,000 per grant year for a total of five years = \$2,000,000. Staff will request mid-year budget modifications for 2021-2022 as needed.



Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
MBDA Business Center Program (Washington) – Tacoma Business Center MB210BD8050186	TBD	various	\$2,000,000
TOTAL			\$2,000,000

What Funding is being used to support the expense?

Federal funding from U.S. Department of Commerce/ MBDA

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

NO, PLEASE EXPLAIN BELOW

This is a recent U.S. Department of Commerce Grant and was not planned in the 2021-2022 biennial budgeting processes. Staff will request mid-year budget adjustments for 2021 as needed.

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?

No

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ATTACHMENTS:

CD-450 Tacoma Business Center