



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 Coronavirus Response and Relief Act funding from the U.S. Department of Commerce-Minority Business Development Agency Cooperative Agreement – July 1, 2021 – June 30, 2022
DATE: August 17, 2021

SUMMARY AND PURPOSE:

The purpose of this memo is to seek Council resolution to accept the second round of the Minority Business Development Agency (MBDA)-Tacoma Business Center Coronavirus Response and Relief Act funding in the amount of \$520,347.00 and to allocate staff to support the required workplan. The grant/Cooperative Agreement must be implemented and expended between July 1, 2021 to June 30, 2022.

In May of 2021, the MBDA-Tacoma Business Center, upon invitation of the U.S. Department of Commerce submitted a second round, non-competitive grant 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. The proposal was accepted and fully funded. Appropriation of the funding will also require a budget amendment/modification which is included in this resolution.

COUNCIL SPONSORS:

NA

BACKGROUND:

On June 1, 2020, the City of Tacoma received Federal CARES Act funding from the MBDA. As operators of the MBDA Washington (Tacoma) Business Center, the City of Tacoma used the funding to launch the MBDA-Tacoma CARES Act Assistance Program providing specialized assistance and training to over 2400 small and minority-owned businesses.

In collaboration with various state-wide community-based organizations and educational institutions, the MBDA Washington (Tacoma) Business Center provided small and minority-owned businesses training and technical assistance on identification of funding, compliance with Paycheck Protection Program rules, health and safety, cybersecurity and strategies to pivot and rebound from the COVID-19 pandemic.

In continuation of our business resiliency efforts, the CARES Act Coronavirus Response and Relief funding will allow us to expand and continue to serve and provide more comprehensive relief services to minority-owned businesses in bridging the financial gap, narrowing the digital divide, and delivering culturally relevant technical assistance to help navigate the intricate web of available local, regional, statewide and federal public and private resources.



COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

With this second round of funding, the MBDA-Tacoma Business Center will build on the programs and collaborations 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. We will continue to fulfill the purpose of the Coronavirus Response and Relief Program grant by addressing its priorities and responding to the increasing demand of minority businesses as they better position themselves during and post the COVID-19 Pandemic. Our plan is to provide more comprehensive relief programs and strategies to MBEs to prevent, prepare for, and respond to the COVID-19-induced pandemic challenges. The deployment of services will include a combination of technical assistance, training, education, and subject matter expert (SMEs) one-on-one advisory services. The MBDA Washington (Tacoma) Business Center will continue to focus its efforts on historically underserved communities, which often lack ready access to affordable capital and technical assistance.

PROJECT DELIVERY METHODOLOGY:

In collaboration with our partners identified below, including the potential of a leveraged partnership with Pierce County economic development, we will market, promote and deliver the CARES Act Coronavirus Response and Relief Business Roadmap to Recovery Program and be responsible for reporting requirements to MBDA headquarters. With our collective experience, knowledge, expertise, and geographic reach, we have developed market-driven and proven practices to guide minority-owned businesses from COVID-19 prevention, to COVID-19 preparedness, leading to COVID-19 effective responsiveness and recovery.

Our collective major focus is on reaching and serving minority-owned businesses in underserved communities and rural areas of the state utilizing our wealth of resources and extensive network of local, state and federal agencies who share the same goals to serve and assist the minority business community in Washington. In addition to our network, Business Development Support Consultants, Subject Matter Experts (Consulting and Management Professionals, Legal, Accounting and CPA for Financial Assessment, Business Operations Assessments) and technical advisors (Legal, Bid Estimating, Capabilities Statement, Export Training Services) will support our clients and deliver business development activities and capacity building engagements that generate revenues for MBEs.

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, and webinars and by telephone.

The community strategic partners identified will work with the MBDA 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 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 execute and implement the CARES Act Coronavirus Response and Relief Program, the City of Tacoma will assign staff who will dedicate 100% of their time to coordinate these activities- 2 FTE Staff hours @ 100% (2,080 Hours).



The dedicated staff will be paid directly from grant funding which will include: (1) Program Management/Lead staff, plus (1) Program Assistant/Technician. Both positions will be considered two-year 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 CED staff in time-limited General Fund-supported project positions.

ALTERNATIVES:

The resources used to fund the MBDA Coronavirus Response and Relief Act 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 this second round of supplemental funding with the current MBDA Business Center operations and model would not be implemented, thereby foregoing the grant proceeds of \$520,347.00 that would otherwise be available for COVID-19 business recovery 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:

Projected Goals for Coronavirus Response and Relief Grant (2021-2022)		
1	Total number of MBE's affected by COVID-19 that are assisted by the Business Center	Min 500 + (separate from current center clients)
2	Total number of MBEs informed and/or referred by the Business Center to COVID-related local, state, and Federal government assistance programs	Min 500+ (separate from current center clients)
3	Total number of MBE applications submitted to local, state, and Federal government assistance programs as a result of Business Center assistance	Min 75+ (separate from current center clients)
4	Total number of awards issued by local, state, and Federal programs to MBEs assisted by the Business Center	Min 50+ (separate from current center clients)
5	Total number and type (eg. small, medium, large, etc.) of MBEs affected by COVID-19, in economically distressed areas, assisted by the Business Center	Min 75 + businesses – all businesses/ economically distressed areas
6	Total Number and type (eg. small, medium, large, etc.) of MBEs affected by COVID-19, in rural areas, assisted by the business center	Min 50+ businesses – all businesses/rural

STAFF RECOMMENDATION:

Staff recommends the adoption of the Resolution and the acceptance of the U.S Department of Commerce MBDA Coronavirus Response and Relief 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 \$520,347.00 grant funds over one year for a total of two years. There is no fiscal impact to the 2021 and 2022 budget. 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 Coronavirus Response and Relief Fund - MB2100BD8050169	GRT-00538	various	\$520,347.00
TOTAL			\$520,347.00

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

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?

YES, PLEASE EXPLAIN BELOW

Two (2) full-time FTEs fully paid by grant funding.

ATTACHMENTS:

CD-450 Coronavirus Response and Relief Act