



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 21-225

Board Meeting Date: 3/23/2021

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Michael Callagy, County Manager
Peggy Jensen, Deputy County Manager

Subject: MOU with City of South San Francisco for Pilot Program for the Establishment and Operation of a North County Small Business and Entrepreneurship Resource Center

RECOMMENDATION:

Adopt a resolution authorizing the County Manager, or designee(s), to execute a Memorandum of Understanding with the City of South San Francisco for the contribution of \$200,000 towards a one-year pilot program for the establishment and operation of a North County Small Business and Entrepreneurship Resource Center.

BACKGROUND:

Early in 2021, the City Council in South San Francisco ("City") directed City staff to establish a small business resource center. City staff issued a Request for Qualifications ("RFQ") on February 3, 2021, seeking to identify service providers with proven experience assisting small businesses and entrepreneurs with targeted technical assistance, accessing capital and overall support with post-COVID-19 business recovery and long-term sustainability. The City received multiple submittals responding to the RFQ and has since selected the Renaissance Center as the service provider to be awarded the contract for the establishment and operation of a Small Business and Entrepreneurship ("SBE") Resource Center ("Service Provider"), subject to approval from City Council at its March 24, 2021 meeting.

In the meantime, at the March 9, 2021 meeting, the Board of Supervisors accepted the County Strategic Plan for Workforce Recovery in the Post-Pandemic Economy ("Plan"). The Plan includes three phases. The first phase, which would be immediately implemented, includes three measures to prevent permanent closures of small businesses and to encourage emerging entrepreneurs. The Board requested additional information on two of these measures; specifically, the development of a Shop Local application and associated incentive program, and a Digital Tools and Training Grant Program. The Board also approved the contribution of \$200,000 toward the establishment and first-

year operating expenses of an SBE Resource Center in North County. In addition, pursuant to Section 2.83.050(e) of the San Mateo County Ordinance Code, the Board approved the waiver of the request for proposals process for the services related to the establishment and operation of the SBE Resource Center in North County.

Recognizing their common goal of assisting small businesses in the northern portion of the County, City and County staff have combined efforts to establish the SBE Resource Center. The proposed SBE Resource Center would assist business owners and businesses located in the Cities of Colma, Daly City, Millbrae, Pacifica, San Bruno and South San Francisco with legal, human resources, business planning and financial matters, technology, group purchasing, and other needs.

DISCUSSION:

To this end, City and County staff have negotiated a Memorandum of Understanding (“MOU”) that includes the following material terms:

- The County will contribute \$200,000 toward the cost of establishing and operating the SBE Resource Center, including real property rental expenses, during the one-year pilot period. The City will contribute a total amount at least equal to the County’s contribution toward the operation and establishment of the SBE Resource Center, including real property rental expenses, during the one-year pilot period.
- The City will contract with the SBE Resource Center Service Provider, and the County will participate in the Service Provider selection process.
- The City will also serve as the contracting agency for the lease of commercial property related to operation and establishment of the SBE Resource Center.
- The Service Provider will deliver monthly reports and hold monthly meetings with the City and the County to provide key performance data and program updates and to review any issues. In particular, the Service Provider will be required to track, and provide written reports regarding, all Target Businesses served to ensure that the County’s contribution is properly applied as set forth above and the Parties further agree to meet and confer to accomplish that purpose.
- The SBE Resource Center will focus on assisting “Target Businesses” which are defined in the MOU as small businesses (i) with the equivalent of 50 or fewer full time employees **or** less than \$5 million in annual revenues, with the amount of County funding reserved to serve small businesses with the equivalent of 10 or fewer full time employees **or** less than \$2.5 million in annual revenues; and (ii) that have a primary office, storefront, or business space located in North County or are owned by a resident of North County.
- Nothing in the MOU will prevent the City and the County from potentially expanding the definition of Target Businesses if SBE Resource Center programs are undersubscribed.
- To the extent that businesses that have a current business license from a local

jurisdiction within San Mateo County, or that are owned by a resident of San Mateo County seek to participate in SBE Resource Center programs, but they do not fall within the definition of a Target Business, they will be referred to other programs in the County that may be able to provide similar assistance and support.

- In addition to operating the SBE Resource Center for the benefit of Target Businesses, the Service Provider will design, offer, and promote programs attractive to “hard to reach” businesses, which include without limitation: (i) Target Businesses owned by or offering products or services to people whose primary language is not English; and (ii) Target Businesses owned by people with limited access to technology and who are unlikely to be reached through standard online marketing.
- Target Businesses located in or owned by a resident of the City shall be given an opportunity to pre-enroll for events, trainings, and/or resources provided at the SBE Resource Center. In the event that SBE Resource Center programs are oversubscribed, the Parties will meet and confer to determine how to ensure that Target Businesses located in or owned by a resident of the City are able to access those programs.
- The Service Provider will begin offering “rapid response” assistance to Target Businesses as soon as possible after the City enters into a contract with the Selected Provider. This will include, at a minimum, assistance with identifying and applying for economic relief and recovery financing programs at the federal, state, regional and local levels; understanding, fluctuating real estate costs, and taking advantage of real estate opportunities; receiving targeted technical assistance to updates to business plans; and maintaining or expanding an online presence, and expanding to ecommerce. These services may be provided virtually or offsite, although when possible, the Service Provider shall utilize community spaces in the City for in-person support.
- In addition to providing initial rapid response services, the Service Provider will work with City and County staff to develop a longer term program to assist Target Businesses to stabilize and successfully emerge from the pandemic.

The MOU has been reviewed by County Counsel and by the City Attorney. It will be presented to the City Council for its approval on March 24, 2021. At that same meeting, the City Council will also consider awarding a contract to Renaissance Center as the Service Provider for the SBE Resource Center. If the Service Provider contract is awarded, post-COVID-19 business recovery and assistance programs may be available for Target Businesses in the near future.

FISCAL IMPACT:

The \$200,000 in funding for the SBE Resource Center will be initially funded with County General Fund monies, subject to the application of and potential reimbursement from state and/or federal funds that may be made available in connection with the County's response to the COVID-19 pandemic.