

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM: 3.17
(ID # 20273)

MEETING DATE:

Tuesday, November 08, 2022

FROM : OFFICE OF ECONOMIC DEVELOPMENT:

SUBJECT: RIVERSIDE COUNTY OFFICE OF ECONOMIC DEVELOPMENT : Approve the Funding Allocation for the Inland Empire Center for Entrepreneurship - Entrepreneurial Resource Center and Veterans Mini-MBA through Fiscal Year 25/26. All Districts. [\$1,854,375 Total Cost - 100% ARPA funds] (CEQA Exempt) (4/5 Vote Required)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the project is exempt under the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Sections 15061(b)(3) and 15301; and,
2. Approve an initial \$1,854,375, from the American Rescue Plan (ARPA) Coronavirus Relief fund for Economic Recovery to support small business assistance through California State University, San Bernardino's Inland Empire Center for Entrepreneurship for the Entrepreneurial Resource Center, and Veterans Entrepreneurship Program – Mini-MBA program; and,
3. Authorize the Director of the Riverside County Office of Economic Development, or designee, to take necessary steps to implement and administer the agreement including executing an agreement with the Inland Empire Center for Entrepreneurship in an amount not to exceed \$1,725,000 through December 31, 2025, and, signing subsequent, necessary, and related documents to implement the agreement, subject to approval as to form by County Counsel; and,
4. Approve and direct the Auditor-Controller to make budget adjustments as shown on Schedule A.

ACTION:4/5 Vote Required

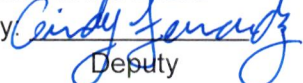

Suzanne Holland, Director of Office of Economic Development 10/24/2022

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Spiegel and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Hewitt, and Perez
Nays: None
Absent: None
Date: November 8, 2022
xc: OED

Kecia R. Harper
Clerk of the Board

By: 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 1,854,375	\$ 0	\$ 1,854,375	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 100% ARPA Funds			Budget Adjustment: Yes	
			For Fiscal Year: 22/23 – 25/26	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (H.R. 1319) into law. The \$1.9 trillion package is intended to combat the COVID-19 pandemic, including the public health and economic impacts. On April 27, 2021, the Executive Office presented the Board of Supervisors with a preliminary ARPA funding allocation then on October 19, 2021, presented a revised funding allocation after the U.S. Treasury released the ARPA interim funding guidelines.

On May 5, 2021, the Board received and filed the Strategic Economic Recovery Framework presented by the Economic Recovery Task Force (ERTF). The framework contained short-term actions to assist business sectors finding it difficult to rebound from the pandemic and state closures, as well as mid to long range areas of focus for future growth and economic resiliency. Keys to the framework were short and long-term action items coordinated for an economic recovery and for the growth of the region whose trajectory includes the principles of equal access to opportunities and addressing barriers for economic equity and inclusion. The mid to long range vision of the framework includes action items of investing in small business innovation, entrepreneurship hubs, and small business development. This proposal aligns with the ERTF framework’s action items.

On January 6, 2022, the U.S. Treasury issued the final funding guidelines. These guidelines further clarify the detailed eligibility criteria for use of these funds. As a result, under the Economic Recovery category allows for the development of programs to assist businesses and industries struggling to rebound from the pandemic as well as focus on strategic investment projects for future economic growth and resiliency. The final guidelines specifically identify business ecosystem support including providing and partnering with organizations that offer technical assistance to new and existing businesses as an eligible use of funds.

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On February 8, 2022, the Board approved \$36 million for Economic Recovery in assisting businesses struggling to rebound from the COVID-19 pandemic and stimulate future economic growth and resiliency. The Office of Economic Development is recommending allocating \$1,725,000 of that funding for California State University, San Bernardino's Inland Empire Center for Entrepreneurship (IECE) and School of Entrepreneurship (SoE), for the Entrepreneurial Resource Center and Veterans Entrepreneurship Program – Mini-MBA program.

The Inland Empire Center for Entrepreneurship (IECE) at California State University San Bernardino will provide resources and support for entrepreneurs and small business owners located in Riverside County. The goal is to aid aspiring and existing small business owners through business counseling and specialized business assistance programs to help them recover from the pandemic and build sustainable resilience to navigate and survive future economic challenges. The proposed activities and services will be delivered by IECE's premier programs – the Inland Empire Small Business Development Center (SBDC), Women's Business Center (WBC) and State Trade Expansion Program (STEP) – and in addition to providing new services and programs, will leverage IECE's existing infrastructure, staff, faculty, and funding support.

Entrepreneurial Resource Center (ERC)

The ERC will provide a centrally located and easily accessible hub for small business training and technical assistance. The ERC will bring together a wide range of entrepreneurial support organizations to provide a complete set of training, technical assistance, and access to resources for small business owners and entrepreneurs in the general service area of the location. It will improve access to resources for all aspiring and existing entrepreneurs, increase the rate of business creation, and foster greater success and long-term sustainability for local small businesses. The ERC will be anchored by the IECE - one of the largest university-based Centers for Entrepreneurship in the world and the most experienced and comprehensive entrepreneurial technical assistance provider in the Inland Empire - and the globally recognized SoE, which remains the first and only school of its kind in the state. The extensive array of entrepreneurial support programs offered by the IECE and SoE encompasses every stage of company formation and growth. Together the IECE and SoE will work with partner entrepreneurial support organizations to set clear objectives, develop programming, and deliver services with tangible results. The main goals of the programs are to:

- Ensure that all current and aspiring small business owners have consistent access to the resources they need to start and grow their businesses.
- Provide long-term small business support that ensures sustainable success.

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- Address disparities in small business ownership and entrepreneurship through a deliberate focus on Latinos and others from underrepresented groups.
- Increase coordination and collaboration among entrepreneurial support organizations working within the region to establish a clear and easy-to-access continuum of support for entrepreneurs and small business owners.

The proposed location for the ERC is the City of Temecula's Temecula Valley Entrepreneur's Exchange (formerly Temecula City Hall) which is approximately 10,000 square feet. The City of Temecula will consider allocating the space to this program at minimal cost to IECE and no cost to the County.

Veterans Entrepreneurship Program - Mini-MBA for Veteran Entrepreneurs: An Apprenticed- based Program for Entrepreneurship Warriors

The second component of IECE's small business support proposal is the Veterans Entrepreneurship Program (VEP) - Mini-MBA for Veteran Entrepreneurs. The VEP is an Apprenticed-based Program and provides one of the most flexible options for veterans, military service members, and their families to effectively transition from the military environment to civilian life. Via self-employment, veterans, service members, and military spouses are empowered to create their own working environment, which can be significantly easier transition than adapting to the American Corporate culture – something they often have limited experience with. Entrepreneurship studies also have shown that veterans, service members, and military spouses are much better business owners as compared to the general population. Nevertheless, the veteran/military entrepreneurship rate remains low, as this group of entrepreneurs, or potential entrepreneurs, face a set of unique challenges such as the lack of business skills, knowledge and education, resources, and business networks. Most importantly, being heavily cultivated in the order-based military culture, veteran/military entrepreneurs struggle to adjust to the entrepreneurial mindset.

Upon completion of the VEP, participants will receive a Certificate of Completion from the CSUSB Inland Empire Center for Entrepreneurship.

Impact on Residents and Businesses

The proposed funding is expected to have a positive impact on the entire County, including its businesses and residents. Local businesses penetrate every sector of the economy and contribute to sales tax revenues, jobs, and income.

Additional Fiscal Information

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The proposed services will be funded entirely by ARPA funding from the United States Department of Treasury funds and will not impact the County's General Fund. A budget adjustment in the amount of \$1,854,375 is recommended to increase revenues and appropriate ARPA funding for contract costs through the end of fiscal year 25/26, and can be found in attached Schedule A. The total amount includes \$129,375 for overhead costs for the Office of Economic Development.

ATTACHMENTS:

- Schedule A Budget Adjustment
- IECE Entrepreneurial Development Services Proposal


Scott Bruckner 11/3/2022


Aaron Gettis, Deputy County Counsel 10/27/2022