

## Legislation Text

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**File #:** 20-277, **Version:** 2

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Presenter/Contact

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**SUBJECT:**

Discuss and consider approval of a resolution by the New Braunfels Economic Development Corporation amending the contract with the Spark Small Business Center to provide up to \$60,000 in additional funding for augmented business counseling services necessary due to the State of Local Disaster during the COVID-19 pandemic.

**BACKGROUND / RATIONALE:**

Spark Small Business Center ("SPARK") is a volunteer organization that works to support and further develop the entrepreneurial and small business environment. SPARK primarily focuses on counseling sessions, expanding access to capital, contracting and procurement opportunities and exporting initiatives. In 2011, SPARK (then named the Center for Entrepreneurship) joined with the Small Business Development Center (SBDC) of University of Texas at San Antonio's Institute for Economic Development to establish the Small Business Development satellite center in New Braunfels. The satellite center is staffed by a manager and administrative assistant and offers integrated services to meet the needs of experienced small business owners as well as individuals interested in starting a business.

Since 2011, the NBEDC, along with Seguin Economic Development Corporation, has partially funded the satellite center. At its meeting on November 21, 2019, the NBEDC board met and approved an expenditure of up to \$140,000 for New Braunfels' portion to operate the SBDC satellite center through the 2019-2020 fiscal year. Section 505.102 of the Texas Local Government Code authorizes the NBEDC to make this expenditure, which City Council approved in January 2020.

If approved, this Amendment would provide up to \$60,000 (\$200,000 total) to provide for additional counseling services at the SBDC Satellite Center for an interim period (6 months). Recent passage of disaster relief through the CARES act has expanded funding for existing disaster recovery loan programs, as well as created new programs and incentives to assist businesses during the economic downturn and eventual recovery. The SBDC's existing counselor is overwhelmed with the requests for assistance from businesses looking to navigate and prepare assistance requests, and the NBEDC believes this step to be important as part of a larger economic assistance effort.

**ADDRESSES A NEED/ISSUE IN A CITY PLAN OR COUNCIL PRIORITY:**

|                                     |     |                                    |   |
|-------------------------------------|-----|------------------------------------|---|
| <input checked="" type="checkbox"/> | Yes | <b>City Plan/Council Priority:</b> | <b>Strategic Priorities:</b> 12 - Work with existing entities to ensure balanced economic development |
|-------------------------------------|-----|------------------------------------|---|

**FISCAL IMPACT:**

The proposed amendment allows for up to \$60,000 be allocated to support additional counselors at the Small Business Development Center Satellite Office in New Braunfels. While the proposals have not been finalized, it is anticipated that each additional counselor will be hired on an interim, contract basis for around 6 months for approximately 24 hours per week. At the time of this publication, Spark had received a commitment for one counselor at a cost of \$26,400 so the amount proposed would allow a second counselor to be hired at or near the same levels of commitment. Given the importance of bringing these resources to local businesses as quickly as possible, Spark, the City and its partners were still in negotiations and discussion with UTSA, the SBDC and potential staff at the time of this writing.

**COMMITTEE RECOMMENDATION:**

At the time the agenda was posted, the NBEDC had not yet acted on this amendment. They were to consider the item at a special called meeting on Thursday, April 9, 2020.

**STAFF RECOMMENDATION:**

Staff recommends approval of the resolution.