Legislation Text

File #: 17-0025, **Version:** 1

ITEM TITLE:
Approval of Contract with UAA Small Business Development Center for Business Workshop Training (Reconsideration Requested by Council Member McCune)

SUBMITTED BY: Lisa Von Bargen, CED Director

FISCAL NOTES:

Expenditure Required: $25,000 + travel
Unencumbered Balance: $180,000
Funding Source: 001-5400-43400 ED Contractual Services

RECOMMENDATION:

Approve contract with UAA Small Business Development Center for Business Workshop Training.

SUMMARY STATEMENT:

During the January 3, 2017 regular City Council meeting, approval of this agenda item failed following a 3-1-3 vote. Council Member McCune requested reconsideration of this item, a process authorized under Valdez City Council policies.

In November the ED Commission hosted Julie Nolan from the UAA Small Business Development Center (SBDC) for the monthly business luncheon. She gave an introduction to one of the many business development workshops SBDC provides to upcoming and current business owners. It was clear from those that attended that business education workshops (especially among young would-be entrepreneurs) would be most welcome and are much needed in the community. Lamar Cotten (ED Contract staff) began a dialogue with the SBDC about bringing this service to Valdez.

The SBDC provides both loan subsidies and technical advice to new and existing businesses. The program (<https://aksbdc.org>) involves a series of practical steps to evaluate establishing or expanding a business.
The SBDC seeks to develop a strategic partnership with communities and local organizations. After a series of discussions the SBDC has offered the following for work in Valdez. SBDC will:

- Provide (for residents) free confidential one-on-one business advising services beginning in January;
- Visit once or twice a month, for 1-3 days per trip, not to exceed 18 trips during the course of the year;

- Offer a combination of 1:1 advising sessions for small groups and small business workshops;
- Provide the highest impact for Valdez and to schedule advising sessions based on community needs;
- Russ Talvi with the Fairbanks SBDC office will be the lead advisor for the program.

Both parties agree that the basis for the program's success is for the EDC and the SBDC to work closely on tasks such as community outreach and scheduling. The actual class topics, timing and instructors will be based primarily on community interest and commitment. EDC/City staff will develop a public outreach effort to insure local benefit from this program.

To maximize local benefit EDC/City staff is developing a survey that will be disseminated to the business community (and budding entrepreneurs) to determine the education needs. The results of the survey will be used to help determine the schedule of workshops and advising sessions.

The cost of this program is $25,000 plus travel. Additional funding for advertising will and outreach will also be necessary. This program was not specifically outlined in the 2017 Budget. However, there is room to accommodate it in the ED Contractual Services and Travel Budgets.

The ED Commission approved a recommendation on November 16, 2016 to include the SBDC program in the Commission's 2017 Program of Work. That recommendation was affirmed at the December 21, 2016 meeting when a final scope of work was provided by the SBDC. A copy of the engagement letter from the SBDC has been attached to this agenda statement for reference.

The Commission sees this effort as a way to grow the local economy by investing in the local business community. The workshops are designed to be free to local businesses as the City is underwriting the costs. However, the SBDC staff has advised Valdez that usually when there is no cost associated with training like this the incentive to book ahead and actually show up is often diminished. The Commission is looking at a couple of alternative to help address this issue. One idea is to charge a small registration fee which is refunded upon attending the workshop. Another idea is to charge a small registration fee. The fees are put "in the pot" and a drawing is held at the end of each workshop. The lucky winner receives the pot of "seed money" toward their business endeavor. This small detail is still under consideration.

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