

**STAFF REPORT**  
**Lancaster Redevelopment Agency**

RCC 8
8/11/09
MVB

DATE: August 11, 2009

TO: Chairman Parris and Agency Members

FROM: Vern Lawson, Jr. Economic Development/Redevelopment Director

SUBJECT: **Partnership with the Small Business Development Center (SBDC) to provide small business training and counseling in Lancaster.**

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**Recommendation:**

Authorize an agreement with the Small Business Development Center (SBDC) and Santa Clarita Community College District to provide counseling and small business-related training to new and existing Lancaster-based businesses.

**Fiscal Impact:**

The Economic Development/Redevelopment Department will allocate \$10,000 in FY 2009-10 to cover the cost for services detailed in the agreement. The Redevelopment Agency currently receives a grant of approximately \$10,000 each year from Wells Fargo Bank which it plans to use to fund this program.

**Background:**

In 2006, the City of Lancaster forged a new partnership with Wells Fargo Bank to provide small business training and counseling for new and existing businesses. In essence, the City would organize and host a series of business workshops for the community and in turn Wells Fargo would provide a grant to help off-set some of the program costs. The inaugural program sponsored by the City was a free, three hour seminar titled *Business Building Blocks: Steps towards a Successful Business*. This seminar was designed to help prospective entrepreneurs develop their promising idea into a well-designed strategy and successful business operation. The event was considered a huge success as it attracted over 175 participants from the Antelope, Santa Clarita and San Fernando Valleys.

After the success of the one day program, the City introduced a more in-depth business training program titled *Lancaster's Entrepreneur Training Program (ETP)*, an eight week course that provided participants with an overview of the critical first steps associated with starting a business. Topics included identifying strengths and weaknesses, developing a business and marketing niche and small business lending just to name a few. The primary goal of the program was to help participants formulate their business ideas and turn them into a comprehensive business plan that they could use to start up their own business. During the following two years more than 100 participants graduated from the program. Of those graduates, more than a dozen new businesses were formed creating more than 40 new jobs for the community.

In addition to the ETP, the City was able to provide additional business tools to young entrepreneurs. The City has launched the Tools for Business Success website in partnership with the California Association of Local Economic Developers (CALED), created *The Entrepreneur's Almanac* business resource guide and created the *Survival Guide for Start-ups*. In addition, the City continues to operate its 30,000 square foot Small Business Incubator to provide start-up space for emerging new businesses.

While the current economic environment continues to make it difficult for businesses to survive, the City is committed to finding new ways to continue to help the local business community. Towards that end, the City of Lancaster is looking to create a new partnership with the Small Business Development Center (SBDC). The SBDC is an organization, sponsored by the United States Small Business Administration (SBA) that offers counseling, workshops, and financial assistance to individuals that are interested in operating a small business and to existing business owners. The SBDC has a long history of providing top-notch instructors who are experts in a wide array of areas including business finance, marketing, strategic planning, human resources and much more.

As part of this new partnership, the SBDC will provide professional one-on-one counseling to qualifying small businesses and training to new and existing business owners. SBDC professionals can provide participants with assistance on business plans, marketing plans, store appearance and layout, personnel management, financial systems, ways to secure additional funding, loan packaging assistance and other areas relevant to small business success. As part of the agreement, SBDC counselors will in Lancaster at least twice a month to provide one-on-one business counseling sessions. The Antelope Valley Board of Trade has already committed to providing free meeting space out of their office in Downtown Lancaster to host these sessions.

In addition, the SBDC will also host a series of workshops covering different business topics in Lancaster. A minimum of one workshop will be offered per month. The SBDC staff will work with the City and the business community to provide training designed to address the specific needs of Lancaster's business community. SBDC staff will handle the marketing of their services through press releases, news articles, website announcements, marketing materials, personal marketing calls to relevant agencies, distributions to its data base of companies, and other outreach efforts. The SBDC will contact, and work with the City, Chamber of Commerce and any other organization identified by City to enhance the visibility of the SBDC office.

While the City is committing \$10,000 to bring these services to Lancaster, the SBDC will match the City's funding with a like amount from the District's SBDC grant sub-award program. This will allow the SBDC to provide additional business services to our community at no additional cost to the City. If the Mayor and Council approve this agreement at the August 11<sup>th</sup> City Council Meeting, staff anticipates that services will begin before the end of August.

To assure that the business services are being utilized, quarterly progress reports will be provided to city staff showing counseling hours performed and the attendance records for the various workshops. The duration of this agreement is for a period of one year. Immediately following the completion of that year, the City will be presented with a final status report. At that time staff will have the opportunity to evaluate the report and decide whether to renew the agreement for another year or chose to terminate the partnership.

**Summary:**

The City of Lancaster has a unique opportunity to contract with the SBDC to provide top-notch business development services to the local businesses. Now more than ever, local businesses need access to business assistance programs to help them survive through this tough economic time. Through this new agreement, the SBDC will establish a presence in Lancaster to offer one-on-one business counseling, host workshops and provide on-going business assistance in Lancaster. The City's funds will be matched with a like amount from the District's SBDC grant sub-award program. This will allow the SBDC to provide additional business services to our community at no additional cost to the City. This provides a great deal of value for the City's initial investment. In addition, these programs will help support existing businesses and will create opportunities for new small businesses to emerge in Lancaster.

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**Attachment:**

Agreement