



Council Agenda Report

From: Thomas Frutchey, City Manager

Subject: Agreement with Catalyst Consulting for the Business Success Center

Date: July 16, 2019

Facts

1. There are four primary focus areas in the city's current economic development strategy: business attraction; business development and retention; workforce development; and city ecosystem/ infrastructure.
2. The City is pursuing these four focus areas in partnership with such entities as the Chamber of Commerce, Travel Paso, Wine Country Alliance, the Events Center, Cuesta College, and the Hispanic Business Association at the local level, and with the other cities, the County, Project Hourglass, Visit SLO CAL, the EVC, Cal Poly's Center for Innovation and Excellence, the Small Business Development Center (SBDC), and others at the regional level.
3. The Business Success Center (BSC) is the City's primary initiative in business development (see Attachment 1). The Success Center will provide coworking space, training, seminars, individualized mentoring, pitch contests, and other resources that will lead to business attraction, expansion, incubation, acceleration, and development. Additionally, it will be a hub for collaboration and community building, and unique events.
4. Dale Magee, of Catalyst Consulting, developed the concept for the Business Success Center and has been the project manager and driving force for the project. Dale's contract with the City to undertake this effort has expired.
5. On May 21, 2019 the proposed lease for 1345 Park Street was on the Council's agenda for approval. Unfortunately, due to a delay in response from the landlord, the item had to be postponed. That was the projected end of the prior agreement with Catalyst Consulting. The City Manager asked Dale Magee to see the project through to completion, even though there was not an existing contract. Ms. Magee agreed to do so.
6. On June 18, the City Council approved the lease of 1345 Park Street, and the sub-lease with Sandbox/Kaldera Collective to develop and operate an innovative coworking and entrepreneurial space in downtown Paso Robles.
7. Kyle Ashby, the co-founder of Sandbox/Kaldera Collective, as the sub-lessee, will be primarily responsible for developing the co-working space and ancillary functions.
8. However, there needs to be someone taking the lead from the City's perspective, to assist and to ensure the City's overall goals are met.
9. Dale Magee has the expertise, the project knowledge, and the commitment to see this project through to successful completion, and in a cost-effective manner. Dale will work with City staff, such as Public Works Director Dick McKinley and Chief Building Official Brian Cowen, to ensure that

coordination between the City and Sandbox/Kaldera Collective is seamless and achieves a successful project. She will work with business development partners, such as Cal Poly's CIE, Cuesta's Entrepreneurial Center, and County Office of Education's apprenticeship program, to begin programming at the BSC.

10. Key deliverables for the effort, as detailed in Attachment 1, include:
 - a) Securing operating and funding partners.
 - b) Connecting existing business development programs to the BSC.
 - c) Overseeing the 1345 Park Street space through acquisition and build out, to opening.
 - d) Serving as City's point of contact through the opening of the business success center.

Options

1. Take no action;
2. Direct the City Manager to contract with Catalyst Consulting for this effort;
3. Provide alternative direction.

Analysis and Conclusions

In order for the project to be successful, continued investment of time and expertise by the City will be necessary. There is no one on City staff with the available time and expertise to pick up and continue this effort. Dale Magee has initiated and overseen the entire effort to date, and is best able to see it through to success. The contract is based on a 26-week period, which is projected to be through opening day of the co-working space.

Fiscal Impact

Maximum costs of this effort are \$33,150. Adequate funds were anticipated and appropriated in this year's budget as part of the City's overall economic development efforts.

Recommendation

Direct the City Manager to execute an agreement with Dale Magee, Principal of Catalyst Consulting, to provide the necessary services in support of the Business Success Center.

Attachments

1. Overview of Business Success Center
2. Scope of Work for Catalyst Consulting

PASO ROBLES BUSINESS SUCCESS CENTER

Overview

DRIVERS

To become a sustainable regional economic hub, Paso Robles needs a BUSINESS SUCCESS CENTER (BSC) in the downtown to help start, build, and attract diverse businesses.

The City needs to facilitate the creation and operation of the BSC.

PROPOSED COMPONENTS OF THE BUSINESS SUCCESS CENTER

- Chamber of Commerce – co-located
- Official partner of Cal Poly's Center for Innovation and Entrepreneurship (CIE)
- Coworking Space – monthly work space rentals
- Small Business Development Center – intensive consulting and mentorship to local businesses
- Public Workshops – hosted by Cal Poly, Cuesta College, SBDC, others
 - Topics such as business startup, legal and financial issues, marketing, web optimization
- Mentorship – any stage business matched with a successful business person partner with Cuesta College's Business Mentorship Certification program
 - Can also provide open office hours for drop-ins
- Apprenticeship Programs – partnership with County Office of Education
 - Focused on Industrial Trades and Technology jobs
- Accelerator and Incubator programs – focused on startup and "next stage" companies
 - Special focus on manufacturing, ag tech, or Hispanic-owned
 - Partner with Cal Poly's Center for Innovation & Entrepreneurship
- Entrepreneur and Retraining Programs – for career-change or displaced workers (i.e. Diablo Canyon employees)
- Private meeting space – available to coworking members and public

FUNDING

Revenue Generating Activities

Co-located entities – rent
Coworking members – monthly fee
Workshop fees
Meeting space rental

Sponsorships / Partnerships

City of Paso Robles
County of San Luis Obispo (currently supporting Cal Poly's HotHouse)
Private businesses
Cal Poly & Cuesta College – subsidize Accelerator, Incubator, and workshops
"Strong Workforce" funding - State
Angel Investors – create a Paso Robles-focused venture capital group

Capital Campaign for Center Start Up

Private businesses
Citizens
City of Paso Robles
County of San Luis Obispo

Community Investment Activities

(long-term return for Paso Robles)
Building Trades and Industrial Arts
Apprenticeship Program - job creation and workforce development
Accelerator and Incubator programs - start up and early stage business development
Business consultation

TIMELINE

Phase One, 2018-9

- Secure and prepare space
- Launch Coworking Space, SBDC operates 1 day/week, workshops, business consulting and mentoring, support building trades apprentice program
- Chamber of Commerce co-locates

Phase Two, 2019-20

- Add Accelerator and/or Incubator program
- Increase workshops, consulting, and mentoring

Catalyst Consulting
Leadership and Organizational Development Services

PROPOSAL FOR SERVICES

Client: City of Paso Robles

Project: Paso Robles Business Success Center

Start Date: May 22, 2019

End Date: On or before January 16, 2019
End date determined by project sponsor based on build-out progress

Services Provided by Consultant:

Under direction of City Manager (“Sponsor”), Dale Magee (“Consultant”) will serve as project manager to develop a business success center (BSC) at 1345 Park St, or comparable space.

Deliverables:

- Secure operating and funding partner(s).
- Connect business development programs to the BSC.
- Oversee the 1345 Park Street space through acquisition and build out, to opening.
- Serve as City’s point of contact through the opening of the business success center, as operations are being contracted out.

Activities include, but not limited to:

1. Secure lead operating and support partners. Ensure necessary service agreements are executed.
2. Assist operator in marketing and sales effort for office space tenants, and coworking members.
3. Track operator’s progress to ensure alignment with City’s objectives and readiness for success at opening (business development programming, secured tenants, coworking memberships, operating policies, coordination with the City, etc.).
4. Assist with space design and tenant improvements.
5. Work with Paso Robles Chamber of Commerce, Travel Paso, Wine Country Alliance, Cal Poly CIE, Cuesta College, the SBDC, County Office of Education, and other economic development resources to develop and commit to programming at the business success center. Ensure programming is line up for when doors open.
6. Pursue funding partners for the project.
7. Conduct internal and external communications campaign regarding business success center concept and progress. Conduct business partner and community-at-large outreach.
8. Hold regular progress meetings with Sponsor and key stakeholders.
9. Other implementation activities as needed.
10. Represent the City in other economic development activities as requested by Sponsor.

Fees and Processing:

- \$85/hour, plus expenses beyond usual supplies & materials.
- Not to exceed 390 hours without Council's authorization and revised Service Agreement.
- Mileage to City offices is included. Mileage to other locations will be charged at \$0.58/mile.
- Invoice will be submitted at the beginning of month for hours incurred the previous month.
- Final invoice to be submitted after project concludes.