

## Legislation Details (With Text)

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**Title:** RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH THE SAN PABLO ECONOMIC DEVELOPMENT CORPORATION FOR FY 2019/20 IN THE AMOUNT OF \$562,500 AND APPROPRIATING \$562,500 FROM GENERAL FUND DESIGNATED RESERVES/SPEDC OPERATING SUBSIDY TO FUND THE CONTRACT

**Sponsors:**

**Indexes:**

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**Attachments:** 1. RES 2020-026 AGR EDC FY20 approp fr GRDR, 2. AGR SPEDC FY19-20 022420, 3. AGR Scope SPEDC FY19-20 022420

Date	Ver.	Action By	Action	Result
3/3/2020	1	City Council	adopted	Pass

**PREPARED BY:** REINA SCHWARTZ

**DATE OF MEETING:** 03/02/20

### **SUBJECT:**

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH THE SAN PABLO ECONOMIC DEVELOPMENT CORPORATION FOR FY 2019/20 IN THE AMOUNT OF \$562,500 AND APPROPRIATING \$562,500 FROM GENERAL FUND DESIGNATED RESERVES/SPEDC OPERATING SUBSIDY TO FUND THE CONTRACT

### **CITY MANAGER RECOMMENDATION**

Adopt Resolution

### **COMPLIANCE STATEMENTS**

#### **FY 2019-21 City Council Priority Workplan Compliance Statement**

*Support for the San Pablo Economic Development Corporation (SPEDC)* is a policy priority in the FY2019-21 City Council Priority Work Plan, effective March 1, 2019

#### **CEQA Compliance Statement**

This is not a project as defined by CEQA.

### **BACKGROUND**

In February 2011, the San Pablo Economic Development Corporation Board of Directors held its first meeting, elected officers, approved Articles of Incorporation, and adopted Bylaws. Since that time, the San Pablo City Council and the SPEDC have enjoyed a relationship of mutual support and trust based on the common goals and objectives of enhancing job creation and training and facilitating business growth and opportunity.

In recognition of these mutual goals and objectives in the economic development arena, the City Council has provided financial support to the SPEDC in the past to help ensure its success, and hence the stability of the local economy. This report recommends entering into a professional services agreement with the SPEDC for services outlined in the attached scope of work for FY 2019/20 in the amount of \$562,500. With an effective date of July 1, 2019, the contract terminates on June 30, 2020.

On January 21, 2020, City Council approved the FY 2019/20 General Fund Designated Reserves (GFDR) with an earmark of \$562,500 for an SPEDC FY 2019/20 Operating Subsidy. Currently, the funding still sits in the General Fund Designated Reserves and needs to be appropriated into a spendable account, in this case the professional services account of the FY 2019/20 City Council budget (100-1110-43600).

The City of San Pablo is legally obligated to ensure the continuation of the SPEDC due to financial requirements of the New Markets Tax Credit financing associated with development of the Rumrill Sports Park project.

For full disclosure, Councilmember Rich Kinney is an uncompensated member of the Board of Directors for the SPEDC. Given the SPEDC's role in supporting job creation and business opportunities policy priorities of the City Council, one can argue that the Councilmember is not legally required to disqualify himself from this action and vote as long as his interest in the SPEDC is publicly disclosed (see Cal. Gov't Code section 1091.5(a)(8)). This staff report functions as that disclosure. In an abundance of caution, Councilmember Kinney may choose to recuse himself from voting on this item, which has been the practice of former Council Members who also served on the SPEDC.

In addition, at its last meeting, the City Council nominated Patricia Ponce to the EDC Board of Directors. Ms. Ponce also serves as the City Clerk for San Pablo. If Ms. Ponce is also seated as an EDC Board Member, this staff report also functions as disclosure under Government Code section 1091.5(a)(8).

### **FISCAL IMPACT**

The proposed resolution would appropriate funding in the amount of \$562,500 to the FY 2019/20 City Council budget (100-1110-43600) to support FY 2019/20 SPEDC activities as defined in the Scope of Work. Funding in this amount is available in fund balance of the General Fund Designated Reserve/SPEDC Operating Subsidy approved by City Council on January 21, 2020.

### **Attachments:**

Professional Services Agreement with San Pablo Economic Development Corporation  
Scope of Work - FY2019/20