

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM: 3.62
(ID # 20883)**

MEETING DATE:
Tuesday, June 27, 2023

FROM : OFFICE OF ECONOMIC DEVELOPMENT:

SUBJECT: OFFICE OF ECONOMIC DEVELOPMENT : Approve the Funding Allocation for the Impact Riverside County - Murrieta Innovation Center through Fiscal Year 25/26. All Districts. [\$2,560,580 Total Cost - 100% American Rescue Plan Act (ARPA) funds] (CEQA Exempt) (4/5 Vote Required)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the project is exempt under the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Sections 15061(b)(3) and 15301; and
2. Approve an initial \$2,560,580, from the American Rescue Plan (ARPA) Coronavirus Relief fund for Economic Recovery to support small business assistance through Impact Riverside County's Murrieta Innovation Center; and
3. Approve the attached Agreement in an amount not to exceed \$2,486,000 through June 30, 2026, with Impact Riverside County, and authorize the Chair of the Board of Supervisors to sign the Agreement on behalf of the County; and
4. Authorize the Director of the Riverside County Office of Economic Development, or designee, to take necessary steps to implement and administer the agreement including signing subsequent, necessary, and related documents to implement the agreement, subject to approval as to form by County Counsel; and,
5. Approve and direct the Auditor-Controller to make budget adjustments as shown on Schedule A.

ACTION:4/5 Vote Required


Suzanne Holland, Director of Office of Economic Development 5/23/2023

MINUTES OF THE BOARD OF SUPERVISORS

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 1,548,000	\$ 2,560,580	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 100% ARPA Funds			Budget Adjustment: Yes	
			For Fiscal Year: 23/24 – 25/26	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (H.R. 1319) into law. The \$1.9 trillion package is intended to combat the COVID-19 pandemic, including the public health and economic impacts. On April 27, 2021, the Executive Office presented the Board of Supervisors with a preliminary ARPA funding allocation then on October 19, 2021, presented a revised funding allocation after the U.S. Treasury released the ARPA interim funding guidelines.

On May 5, 2021, the Board received and filed the Strategic Economic Recovery Framework presented by the Economic Recovery Task Force (ERTF). The framework contained short-term actions to assist business sectors finding it difficult to rebound from the pandemic and state closures, as well as mid to long range areas of focus for future growth and economic resiliency. Keys to the framework were short and long-term action items coordinated for an economic recovery and for the growth of the region whose trajectory includes the principles of equal access to opportunities and addressing barriers for economic equity and inclusion. The mid to long range vision of the framework includes action items of investing in small business innovation, entrepreneurship hubs, and small business development. This proposal aligns with the ERTF framework’s action items.

On January 6, 2022, the U.S. Treasury issued the final funding guidelines. These guidelines further clarify the detailed eligibility criteria for use of these funds. As a result, under the Economic Recovery category allows for the development of programs to assist businesses and industries struggling to rebound from the pandemic as well as focus on strategic investment projects for future economic growth and resiliency. The final guidelines specifically identify business ecosystem support including providing and partnering with organizations that offer technical assistance to new and existing businesses as an eligible use of funds.

On February 8, 2022, the Board approved \$36 million for Economic Recovery in assisting businesses struggling to rebound from the COVID-19 pandemic and stimulate future economic growth and resiliency. The Office of Economic Development is recommending

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allocating \$2,486,000 of that funding for Impact Riverside County's Murrieta Innovation Center (MIC).

Impact Riverside County is a 501(c)3 organization focused on positively impacting Riverside County through education, resources and programs that elevate all businesses and residents. Impact Riverside County's vision is a vibrant and inclusive region built by education, collaboration, and innovation. The proposed ARPA funding will help foster positive innovation in Riverside County utilizing the Murrieta Innovation Center while continuing to grow the Biotech/Med-Tech/Health-Tech ecosystem that is flowing out of the Innovation Center. Strategic efforts for this work have aligned many regional partners including UC Riverside, Riverside Community College District and Mt. San Jacinto College. The proposed funding for the Murrieta Innovation Center (MIC) will be delivered over three years.

Facility Technical Upgrades/ Equipment and Technical Assistance

The MIC will use funding for technical upgrades that will help the center support Riverside County businesses to start and stay on the path to success. The upgrades will help create a modern space to compliment the wet and dry lab sections of the facility. Upgrades include updated video, audio, smart equipment, etc., to accommodate virtual presentations and meetings that will also assist with outreach and collaboration with international businesses. Funding will provide additional equipment, maintenance, and management to assist the Life Science and Health-Tech companies that are growing and relocating to Riverside County.

Technical assistance programming is designed to assist high growth companies with marketing, financial, and strategic business advice. With access to this program, mentorship can be accessible and productive for local entrepreneurs. Both mentor and companies agree to a series of goals and milestones, culminating in a "graduation ceremony" during which the company will make a presentation to a group of investors and stakeholders. Innovation outreach is an ongoing effort to showcase the incredible innovation that is happening in Riverside County with a coordinated approach to marketing this message with the Riverside County Office of Economic Development. Life science grants to existing and future tenants in good standing will be tied to metrics such as completion of the specific technical assistance programming. The expectation for most startups is that by year three they have graduated out of the Murrieta Innovation Center and started a fully functioning and self-sustaining business within the community.

Impact on Residents and Businesses

The proposed funding is expected to have a positive impact on the entire County, including its businesses and residents. Local businesses penetrate every sector of the economy and contribute to sales tax revenues, jobs, and income.

Additional Fiscal Information

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The proposed services will be funded entirely by ARPA funding from the United States Department of Treasury funds and will not impact the County's General Fund. A budget adjustment in the amount of \$2,560,580 is recommended to increase revenues and appropriate ARPA funding for contract costs through the end of fiscal year 25/26, and can be found in attached Schedule A. The total amount includes \$74,580 for admin overhead costs for the Office of Economic Development.

ATTACHMENTS:

- Schedule A Budget Adjustment
- IECE Entrepreneurial Development Services Proposal


Scott Bruzner 6/20/2023


Stephanie Peck, Principal Management Analyst 6/21/2023


Aaron Gettis, Deputy County Counsel 5/24/2023