



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 11/07/2022

Item No.: 5.c

Department Approval

City Manager Approval

Janice Gundlach

Sam Truog

Item Description: Authorize Contracts for Roseville Economic Development Authority Services

BACKGROUND

The Roseville Economic Development Authority (REDA) receives legal, technical, and professional specialty services annually from third party providers. Four contracts are up for renewal:

- A. Financial and Economic Development Consulting Services from Ehlers & Associates, Inc.
- B. Golden Shovel Marketing Services
- C. CEE Home Loan Origination and Home Advisory Services
- D. Metropolitan Consortium of Community Developers (MCCD) Business Loan Program

Below is a status summary of the four contracts slated for renewal:

Financial & Economic Development Consulting Services

The contract for Financial and Economic Development Consulting Services with Ehlers & Associates, Inc., has been in effect for two (2), three (3) year terms totaling six (6) years. In accordance with the current Purchasing Policy, REDA staff requested proposals from at least two companies who provide financial and economic development consulting services, including the current provider Ehlers, and Baker Tilly. Only Ehlers submitted a proposal (Attachment A). The Ehlers proposal consists of a \$5/hour increase per year above their current hourly rate. It's important to note that nearly all services are paid for out of Tax Increment Financing (TIF) administration fees or from project escrows, not REDA operating funds. In fact, the only financial and economic development consulting expenses the REDA operating budget paid for over the last three years totaled \$675.

Golden Shovel

Golden Shovel's contract reflects an increase of \$50 a month for a total of \$1,050 a month. This increase has been accounted for in the preliminary 2023 REDA budget. Staff is unaware of another company to provide the services offered by Golden Shovel, which are integral to the City's economic development brand of Grow Roseville.

CEE

CEE's Home Loan Annual service fee is increasing to \$5,000 from the current rate of \$2,500. This is an annual, one-time fee and is doubling in cost due to the four new loan programs enacted by the REDA this year. This increase was disclosed at the May 16, 2022 REDA meeting and the increase has been accounted for in the preliminary 2023 REDA budget. CEE provides one-stop shopping for Roseville

35 residents so there are no other companies that could process all the various loans offered by the REDA.

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37 MCCD

38 There is no financial changes to the MCCD contract. This contract allows MCCD to process small
39 business loans based on the partnership the REDA and MCCD established in 2021.

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41 All contracts are for three years, consistent with the City's Purchasing Policy. The Golden Shovel, CEE
42 and MCCD contracts can be terminated by either party with a 90-day notice. REDA staff are satisfied
43 with the level of service provided by these parties and would recommend continuing services.

44 **BUDGET IMPLICATION**

45 All cost increases have been included in the preliminary budget for 2023.

46 **STAFF RECOMMENDATION**

47 Approve service contracts for financial, technical and professional specialty services.

48 **REQUESTED REDA ACTION**

49 By motion, authorize the President and Executive Director to execute service contracts for financial,
50 technical and professional specialty services with Ehlers, Golden Shovel, CEE and MCCD.

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Attachment A: Proposal for Financial Services

Attachment B: Ehlers & Associates 2023-2025 Contract

Attachment C: Golden Shovel 2023-2025 Contract

Attachment D: CEE Loan Origination and Home Advisory Services 2023-2025 Contract

Attachment E: MCCD Business Loan Program 2023-2025 Contract