



# County of Monterey

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

## Board Report

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**File #: 16-1309, Version: 1**

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- a. Approve Amendment No. 1 to the Agreement with California Coastal Rural Development Corporation to manage the day-to-day operation of the County's Small Business Revolving Loan Fund in order to extend the term from the existing end date of December 31, 2016 to June 30, 2017; and,
- b. Authorize the Director of the Economic Development Department to execute the Amendment.

### **RECOMMENDATION:**

It is recommended that the Board of Supervisors:

- a. Approve Amendment Number 1 to the Agreement with California Coastal Rural Development Corporation to manage the day-to-day operation of the County's Small Business Revolving Loan Fund in order to extend the term from the existing end date of December 31, 2016 to June 30, 2017; and,
- b. Authorize the Director of the Economic Development Department to execute the Amendment.

### **SUMMARY:**

The recommended action is necessary to provide uninterrupted management of the County's Small Business Revolving Loan Fund (SBRLF). The County's Agreement with CCRDC to provide day-to-day management of the SBRLF will expire on December 31, 2016. The recommended Amendment will extend the Agreement long enough for the County to engage in competitive selection of a SBRLF Program Administrator. At the conclusion of the competitive selection process, the Board will be asked to approve a three-year agreement with the selected Program Administrator. A copy of the original Agreement and proposed amendment are on file with the Clerk of the Board.

### **DISCUSSION:**

The County, through various Program Administrators, has operated the SBRLF since 1990. The SBRLF was capitalized with grants from the U.S. Department of Commerce, Economic Development Administration, the County and the cities of Greenfield and King. Since the time the County funded its first loan, the SBRLF has provided more than \$9,666,000 in financing to more than 135 small businesses and supported the creation or retention of almost 1,100 jobs. As of September 30, 2016, the SBRLF had capital totaling approximately \$1,627,000, of which approximately \$658,000 was available to loan. The remaining capital is in the form of principal outstanding to 15 borrowers.

Since 2000, day-to-day management and operation of the County's SBRLF has been the responsibility of California Coastal Rural Development Corporation (CCRDC). The current contract began in January 2010, after the last competitive selection process was completed. Due to requirements imposed by EDA, the County is required to issue a Request for Proposals every three years to identify all interested and qualified firms that could manage the SBRLF. The recommended Amendment allows the County to provide uninterrupted program management while the selection process is completed. Staff anticipates returning to the Board of Supervisors with a recommendation for a three year agreement before April 30, 2017. The current Agreement allows CCRDC to earn up to \$150,000 per fiscal year for its services. Through the first quarter of this fiscal year CCRDC has earned approximately \$10,000, leaving sufficient appropriations authority that increasing the maximum compensation limit is not necessary with the term extension.

### **OTHER AGENCY INVOLVEMENT:**

County Counsel has reviewed the Amendment as to form.

**FINANCING:**

There is no impact on the General Fund. The SBRLF is self supporting with administrative costs being paid with interest earned on outstanding principal and fees. Loan repayments are deposited in and expended from Fund 011 (Economic Development) Organizational Unit 8044. SBRLF income cannot be used for any purpose besides continuing the program.

Prepared by: \_\_\_\_\_  
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Approved by: \_\_\_\_\_  
David L. Spaur, CEcD, EDFP, Economic Development Director, Ext. 5387

Attachments:  
Amendment #1 to Agreement #A-12614  
(Attachments are on file with the Clerk of the Board)