



Agenda Date: 8/22/2006
Agenda Placement: 6V

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Karen Gratton for Nancy Watt - County Executive Officer
Community Partnership Program
REPORT BY: Bruce Wilson, Community Partnership Analyst , 259-8679
SUBJECT: Amendment No. 1 to Agreement No 4198-1 with Napa Valley Economic Development Corporation

RECOMMENDATION

County Executive Officer requests approval of and authorization for the Chair to sign Amendment No. 1 to Agreement No. 4198-1 with the Napa Valley Economic Development Corporation (NVEDC) for a maximum of \$35,000 per fiscal year and extending the term through June 30, 2007 for services related to economic and community development.

EXECUTIVE SUMMARY

The Napa Valley Economic Development Corporation (NVEDC) is a private, non-profit organization. Since 1990, the County has contracted with NVEDC to provide general economic development services.

This contractual arrangement has taken various forms, with the proposed action today being the first amendment to a new contract created last year.

FISCAL IMPACT

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| Is there a Fiscal Impact? | Yes |
| Is it currently budgeted? | Yes |
| Where is it budgeted? | County Contributions |
| Is it Mandatory or Discretionary? | Discretionary |
| Discretionary Justification: | It provides critical services at very low cost, by leveraging the County's contribution of \$35,000 to help NVEDC generate several times that in contributions from the private sector. |

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| Is the general fund affected? | No |
| Future fiscal impact: | None. These contracts are annual in nature, subject to reapproval of funding every fiscal year. |
| Consequences if not approved: | Critical information that the County needs to make land use and other strategic decisions would not be available, except at greater cost. At this particular time, given the County's current involvement in updating its General Plan - including the addition of a new Economic Development Element - the partnership with this type of organization is even more necessary. |
| Additional Information: | None |

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

In 1989, the County was awarded a \$300,000 economic development grant from the State Department of Housing and Community Development (HCD) that was used to help fund a local start-up metal fabrication company known as XKT Engineering. Once that loan was repaid, the funds were authorized to be used to capitalize a revolving loan fund (RLF) for small local businesses.

In 1990, the County entered into an agreement with the Napa City/County Development Corporation, a local non-profit agency, to administer this grant - and the ensuing RLF - as well as to provide other economic development services. For ten years, this was accomplished through two separate County agreements, one related to the RLF and the second to other economic development services. During that time, the organization also changed its name to Napa Valley Economic Development Corporation (NVEDC).

In July, 2001, these two agreements were consolidated into one Agreement, which had been amended annually until 2005. In 2005, due to some organizational changes and a mutual desire for a change to the scope, a new agreement was entered into with NVEDC.

Today's proposed action represents the first amendment to agreement No. 4198-1 which was established in 2005. This amendment allocates a maximum of \$35,000 for FY 06-07 from the HCD economic development grant to maximize the utilization of the RLF and to provide economic development information and data that will assist in other County functions including the General Plan Update and workforce development.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Karen Gratton