

RESCINDED BY  
MOTION OF CITY COUNCIL  
MINUTES OF 10/27/89

RESOLUTION NO. 1900

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLEDAD  
AUTHORIZING THE EXECUTION OF A JOINT POWERS AGREEMENT  
BY AND BETWEEN THE CITY OF SOLEDAD, THE CITIES OF  
GREENFIELD AND KING, AND THE COUNTY OF  
MONTEREY, IN CONNECTION WITH THE  
IMPLEMENTATION OF THE MONTEREY  
COUNTY BUSINESS DEVELOPMENT  
REVOLVING LOAN FUND


BE IT HEREBY RESOLVED by the City Council of the City  
of Soledad that the Mayor and City Clerk, be and they are  
hereby authorized and directed for and in behalf of the City of  
Soledad to execute and deliver a Joint Powers Agreement with  
the Cities of Greenfield and King, and the County of Monterey,  
for the implementation of the Monterey County Business  
Development Revolving Loan Fund.

PASSED AND ADOPTED by the City Council of the City of  
Soledad at a regular meeting duly held on the 14th day of  
February, 1989, by the following vote:

AYES, and in favor thereof, Councilmembers: Campos,  
Holguin, Ledesma, Mayor Pro Tem Untalon, Mayor Ortiz

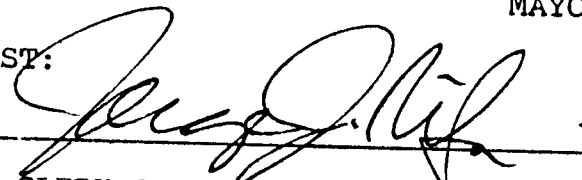
NOES, Councilmembers: None

ABSENT, Councilmembers: None



MAYOR OF THE CITY OF SOLEDAD

ATTEST:

  
CITY CLERK OF THE CITY OF SOLEDAD

JOINT POWERS  
AGREEMENT

THIS AGREEMENT, made and entered into the day set forth below by and between the COUNTY OF MONTEREY, a political subdivision of the State of California, its Board of Supervisors being authorized to act upon the matters embraced in this instrument, hereinafter designated as "County," and the cities of Greenfield, King City, and Soledad, their councils being authorized to act upon the matters embraced in this instrument, hereinafter designated as "Cities."

WHEREAS, the parties hereto, acting under powers conferred upon them by law to expend funds for the purposes of providing below market rate financing to small businesses and thereby encouraging the balanced economic growth of Monterey County, including the coordination of the actions of local governments and organizations, do hereby, pursuant to the Joint Exercise of Powers Act (Government Code Sections 6500-6513), enter into a joint exercise of powers.

NOW, THEREFORE, IT IS HEREBY MUTUALLY COVENANTED AND AGREED AS FOLLOWS:

1. That County and Cities shall participate in a program to be known as the Monterey County Business Development Revolving Loan Fund, hereinafter to be called the "Fund," which entity shall be composed of a membership which shall function in the manner described in this Agreement and in the attached Revolving Loan Fund Administrative Plan, or as the same may be hereinafter amended.

2. That the objectives of the Fund shall be to support the expansion, retention and attraction of industry, commerce and agriculture located in areas of high unemployment and economic distress within Monterey County and encourage balanced economic growth through the provision of below market rate financing. Within the County the Fund is established to accomplish the following objectives:

a. Expand, revitalize, and encourage business development within the County of Monterey,

b. Increase employment opportunities for unemployed persons within the County of Monterey, and

c. Meet the financing gaps of the Monterey County business community.

3. The role of the Economic Development Corporation of Monterey County, Inc. (EDC), will be to staff and administer, on a day-to-day basis, the Monterey County Business Revolving Loan Program, and its capital fund, make service agreements with the participating bank, and provide coordinating assistance to all contributing parties.

The primary purpose of the agreement will be to provide local match funds to enable use of a U.S. Economic Development Administration grant to fund, approve and make loans in the designated areas of Monterey County, specifically the cities of Greenfield, King City and Soledad and the unincorporated areas of Monterey County located south of the City of Salinas, as well as, Pajaro, Moss Landing and Castroville.

4. The Fund shall be managed by the Loan Administration Board (hereafter referred to as LAB). The LAB shall have final authority of approval on all loans and will be responsible for all loan and policy decision of the fund.

The LAB shall consist of seven (7) voting members selected by the County of Monterey from nominees provided by the EDC and the participating jurisdictions. The Board of Directors of the Economic Development Corporation of Monterey County shall provide nominees for three positions on the LAB and each of the four participating jurisdictions shall provide nominee for one position. LAB membership shall be representatives of a cross section of the community including to the extent possible, minorities, women and members with financing experience. At least one voting member must have commercial lending experience.

5. To provide funds for the purposes of the Agreement, each of the Cities and the County shall contribute Twenty-Five Thousand and No/100 Dollars (\$25,000 00), for a total of One Hundred Thousand and No/100 Dollars (\$100,000 00), and shall pay the amount to the Treasurer of the County, who shall deposit said funds into a bank account established by the County of Monterey and managed by the Loan Administration Board in conformance with paragraph 7 of the Agreement. Said funds are to be used to qualify Monterey County for a tandem U S Economic Development Administration (EDA) grant of up to Three Hundred Thousand and No/100 Dollars (\$300,000.00). Funds shall be drawn down from the (EDA) grant on a loan-by-loan basis following approval by the Loan Administration Board. The County will utilize the U.S. EDA's wire transfer system to draw grant funds. Said funds shall be deposited into the bank designated by the County and will be under the direction of the Loan Administration Board. When EDA funds are drawn they must be disbursed to the loan applicant within three (3) working days or they must be returned to the EDA for subsequent draws. The local match funds will be disbursed on at least a pro rata basis with EDA funds.

6. Application for loans from the fund shall be submitted to the participating jurisdiction in which the loan project is located or to the EDC. If the application is submitted to a participating jurisdiction, the jurisdiction will review the application for completeness and conformance with program objectives before forwarding the application to the EDC for review. All loan application forwarded to the EDC by the participating jurisdictions will be reviewed by the LAB.

7. All interest earned on program funds will be deposited in the bank account established by the County of Monterey. Funds in this account will be used in furtherance of the fund's objectives including new loans, loan packaging expenses, and related administrative costs of the Economic Development Corporation. In addition to interest and other proceeds earned on the initial \$100,000 capitalization, all principal repayments, interest income and fees will be deposited to this account.

8. No expenditure shall be made from the Fund until the locally capitalized portion of the budget of One Hundred Thousand and No/100 Dollars (\$100,000.00) has been secured. It is understood that the parties are, by this Agreement, empowering the Fund's Loan Administration Board to provide loan financing services specified in said budget which are determined to be for expansion, retention, and attraction of businesses located in the designated areas of Monterey County and that expenditures shall be only such as are permissible under the laws of the State of California and U S. EDA regulations. All expenditures shall be approved by the Loan Administration Board and shall be within the appropriations in the approved budget.

9. The power jointly to be exercised under this Agreement shall be subject to the restrictions of the County upon the manner of exercising the power and the County is hereby so designated under Section 6509 of the Government Code. The powers of the Program and its Fund shall be restricted in the following manner.

a. Capitalization of the local match of One Hundred Thousand and No/100 Dollars (\$100,000.00) and the EDA grant of up to Three Hundred Thousand and No/100 Dollars (\$300,000.00) will establish an initial capitalization of the Fund.

b. The primary goal of this Agreement will be to find, approve, and make loans in the designated areas of Monterey County, specifically the areas of Greenfield, King City and Soledad, as well as those other areas of Monterey County including Pajaro, Moss Landing and Castroville as well as communities located south of the City of Salinas and in south Monterey County. During the first eighteen (18) months of the Program, beginning with the date of acceptance of the proposed EDA grant, each party to this Agreement will be allocated a pro rata share of the grant based on the match contribution of each party. Following the end of the 18 month period, funds will be available on a first come basis in the designated areas as determined by the LAB. Pursuant to EDA regulations, each party to this Agreement agrees to cooperate in meeting EDA's disbursement schedule for the entire fund which is: 1) to disburse fifty percent (50%) of the Fund within eighteen (18) months following grant acceptance, 2) to disburse eighty percent (80%) within twenty-four (24) months and 3) to disburse one hundred percent (100%) by the end of thirty-six (36) months. No funds may be withdrawn from the Fund by any party unless substitute funds are provided subsequent to or concurrent with the withdrawal: for buyout situations.

c. In the event of delinquency, the participating bank shall be responsible for the collection of all loan funds. In the loan servicing and collection agreement between the Bank and the County, Bank will notify County and the Loan Administration Board in writing of all delinquent payments within twenty (20) days and will take appropriate actions to collect loan funds in delinquency

10. Said local funds referred to in section 5 shall be deposited into the County Treasury, to be disbursed to a trustee account in the participating Bank as established by the County of Monterey under the direction of the Loan Administration Board. Pursuant to Government Code No. 6504, all expenditures from the trustee account shall be made for the purposes set forth in the Agreement. All such expenditures shall be made in accordance with lawful procedures. Loan proceeds will be disbursed from the trustee account. Principal and interest payments, fees and other earnings will be deposited into the trustee account. Representatives of the County of Monterey and the EDC are authorized to disburse funds from the trustee account in accordance with the decisions of the Lab.

11 The EDC shall maintain accurate books, records, and accounts in connection with all operations of the Fund. The parties shall at all times have access to said books, records, and accounts for purposes of auditing.

a. The EDC shall strictly account for Program funds and provide monthly reports of all receipts and disbursements to the County, and to the Cities.

b. Quarterly reports of the work and accomplishments of the Fund in reference to the adopted objectives and program of the Fund shall be rendered to the participating parties and to such other persons or agencies as the Fund may deem suitable.

c. The EDC will provide a quarterly financial report to the Loan Administration Board and to the parties to this Agreement. An annual financial report will also be furnished to the parties. Annually, on or before May 1, the Economic Development Corporation shall prepare and submit to each of the governing bodies of the parties to this Agreement an accounting report of loans made from the Program. This report shall state in detail the

uses and purposes for which loans were made from the funds specified in paragraph 5

12. Boundaries of the Fund's jurisdiction are The San Luis Obispo County line to the south; from the eastern face of the Santa Lucia mountains to the west to the southern limits of the City of Salinas to the north; eastward to the western boundary of San Benito County, southerly along said boundary and southerly along the western boundaries of Fresno and King counties to the point of beginning, and the areas of Pajaro, Castroville and Moss Landing as they are portrayed on maps referenced within Exhibit A of the Agreement.

13. It is provided and agreed that, in accordance with Section 6512 of the Government Code, after the completion of the purpose of this Agreement, any surplus money on hand and any capital equipment not being used for the purposes of this Agreement shall be returned to the parties in proportion to the contributions made.

14. The terms of this Agreement shall remain in force as long as there are funds in the Program available to further the purposes of this Agreement.

15 Guidelines to be used by the Program and the Loan Administration Board in managing the Fund are the Monterey County Revolving Loan Fund Administration Plan attached as Exhibit A to this Agreement, said document being incorporated by reference as though fully set forth herein.

IN WITNESS WHEREOF, COUNTY and CITIES have caused this Agreement to be executed this \_\_\_\_\_ day of \_\_\_\_\_, 1988.

APPROVED AS TO FORM:

COUNTY OF MONTEREY

\_\_\_\_\_  
County Counsel

By \_\_\_\_\_  
Chair, Board of Supervisors

CITY OF GREENFIELD

By \_\_\_\_\_  
Mayor

CITY OF KING

By Brend E. Peters  
Mayor

CITY OF SOLEDAD

By Richard [Signature]  
Mayor

CR sm1  
(3of3)AGREE.RLF)  
Revised 11/22/88  
Attachment: Exhibit A