



**CITY OF NORCO
ECONOMIC DEVELOPMENT ADVISORY COUNCIL
REGULAR MEETING MINUTES**

**Tuesday, July 28, 2020
City Council Chambers, 2820 Clark Avenue, Norco, CA 92860**

CALL TO ORDER: 8:15 a.m.

ROLL CALL:

Present:	Patrick Malone, Chair Diane Collins, Vice Chair Vicki Leonard, Member Michael Ryan, Member <i>(Arrived at 8:19 a.m.)</i> Andy Webb, Member Sigrid Williams, Member
Absent:	Nicole Hansen, Member Michael Kayl, Member Tara Young, Member

PLEDGE OF ALLEGIANCE: Chair Patrick Malone

1. ELECTION OF CHAIR AND VICE CHAIR

M/S LEONARD/WILLIAMS to nominate Patrick Malone as EDAC Chair. The motion was carried by the following roll call vote:

AYES: COLLINS, LEONARD, MALONE, WEBB, WILLIAMS
NOES: NONE
ABSENT: HANSEN, KAYL, RYAN, YOUNG
ABSTAIN: NONE

M/S MALONE/WILLIAMS to nominate Diane Collins as EDAC Vice Chair. The motion was carried by the following roll call vote:

AYES: COLLINS, LEONARD, MALONE, WEBB, WILLIAMS
NOES: NONE
ABSENT: HANSEN, KAYL, RYAN, YOUNG
ABSTAIN: NONE

2. APPROVAL OF MINUTES:

A. EDAC Regular Meeting Minutes of June 23, 2020

M/S COLLINS/LEONARD to approve the regular meeting minutes of June 23, 2020, as presented. The motion was carried by the following roll call vote:

AYES: COLLINS, LEONARD, MALONE, WEBB, WILLIAMS
NOES: NONE
ABSENT: HANSEN, KAYL, RYAN, YOUNG
ABSTAIN: NONE

3. PUBLIC COMMENTS:

No public comments were made.

4. DISCUSSION / ACTION ITEMS:

A. Sales Tax Update, 1st Quarter 2020

Consultant Grody presented the 1st Quarter 2020 Sales Tax Update. He explained that future sales tax reports will be negatively affected by the COVID-19 Pandemic. City Manager Okoro explained that the current numbers are down relative to previous years, however they appear higher than originally projected. Following discussion and without formal motion, the EDAC Members received and filed the report on Sales Tax Update, 1st Quarter 2020.

B. Small Enterprise Assistance Loan (SEAL) Program

Consultant Grody presented the staff report on the proposed Small Enterprise Assistance Loan (SEAL) Program that could be used for operating expenses and capital improvements. Through this program, the City would have an opportunity to support, assist and improve its relationship with the business community on an ongoing basis, not exclusively during crises. The EDAC Members provided input for staff consideration.

Member Leonard recommended that the loan amount be increased to \$20,000.

Member Williams expressed concerns regarding eligible operating expenses, specifically payroll and rent/mortgage. She explained that the City needs assurances from program applicants and should not support businesses that cannot sustain themselves.

Member Leonard supported payroll and rent/mortgage as eligible operating expenses during special circumstances, including crises and pandemics.

City Manager Okoro explained that the purpose of the loan program is for solvent businesses and should be used to cover working capital, such as gaps in cash flow, and/or capital improvements. He acknowledged the inherent risk of nonrepayment that could result from any unsecured loan.

Member Williams agreed that capital improvements should be an eligible expense. She requested clarification regarding the two-year eligibility requirement of a business versus a business owner being "in business" (i.e., operating) in the City of Norco.

Members Collins and Leonard recommended that the Loan Committee decide what is allowable on a case-by-case basis.

Member Collins inquired about the starting fund amount. City Manager Okoro recommended allocating \$150,000 to start and explained that the City Council has the ability to appropriate more funds if needed.

Member Collins inquired about the processing time period. Consultant Grody stated that the review period should not exceed 30 business days and will be dependent on the applicant submitting correct information.

Consultant Grody noted that he would use the EDAC Members' recommendations to update the proposed framework and would make a final presentation at the next EDAC Meeting before the program is recommended to the City Council for ultimate approval.

5. EDAC / CITY MANAGER / STAFF COMMUNICATIONS

City Manager Okoro explained that City Hall is open to assist the public, however public meetings are closed and may be viewed via livestream.

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Chair Malone requested updates on hotel construction and proposed developments. Consultant Grody reported that the approved Tru Hotel is in the permitting process and the proposed development at Sixth Street and Hamner Avenue is still being explored. He also reported that the City Council approved the proposed development on the former Egg Ranch property. The developer is currently working with staff and the City Council to finalize the development agreement. Consultant Grody explained that despite the current economic challenges, staff continues to receive interest for new developments.

City Manager Okoro reported that Better Nutritionals, which currently produces the product line for Vitamin Friends and Goli, the trendsetting Apple Cider Vinegar gummies sold online and at major retailers, has signed a long-term lease with CapRock Partners to occupy approximately 425,000 square feet of industrial space and create a Norco campus at the new Saddle Ranch Business Park, located at the southwest corner of Horseless Carriage Drive and Fifth Street.

ADJOURNMENT

Chair Malone adjourned the meeting at 9:06 a.m.

Kelli Newton, Communications Manager