



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

**Tuesday, September 22, 2020
City Council Chambers, 2820 Clark Avenue, Norco, CA 92860**

PUBLIC ADVISORY: THE CITY COUNCIL CHAMBER WILL NOT BE OPEN TO THE PUBLIC

Pursuant to Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, and to ensure the health and safety of the public and City Staff while limiting human contact that could spread COVID-19, the Council Chamber will not be open for the regular meeting of the Economic Development Advisory Council scheduled for September 22, 2020. The meeting will be live streamed through the City of Norco website at www.vimeo.com/cityofnorco for public view.

The public may participate in public comment by emailing comments to edac@ci.norco.ca.us. Please identify the item you are referencing (e.g., general public comment, 2.B, etc.). Please limit comments to 250 words or less. All comments submitted before the agenda item has closed will be read aloud at the meeting. Any comments received after this deadline and before the meeting is adjourned will be maintained with the minutes of the meeting.

CALL TO ORDER: 8:15 a.m.

ROLL CALL: Patrick Malone, Chair
Diane Collins, Vice Chair
Nicole Hansen, Member
Vicki Leonard, Member
Michael Ryan, Member
Jeff Shyu, Member
Andy Webb, Member
Sigrid Williams, Member
Tara Young, Member

PLEDGE OF ALLEGIANCE: Member Michael Ryan

1. APPROVAL OF MINUTES:

A. EDAC Special Meeting Minutes of August 18, 2020
Recommended Action: Approve the EDAC special meeting minutes.

2. PUBLIC COMMENTS: *This is the time when persons viewing the meeting and wishing to address the Economic Development Advisory Council regarding matters not on the agenda may be heard. Please email edac@ci.norco.ca.us so that you may be recognized. Comments will be read at this time into the record. The Ralph M. Brown Act limits the Advisory Council's ability to respond to comments on non-agendized matters at the time such comments are made. The Economic Development Advisory Council shall not discuss or take action relative to any general public comment.*

3. DISCUSSION / ACTION ITEMS:

A. Small Enterprise Assistance Loan (SEAL) Program Loan Committee
Recommended Action: Provide direction and assign three (3) members for the SEAL Program loan committee.

4. EDAC / CITY MANAGER / STAFF COMMUNICATIONS

ADJOURNMENT



**CITY OF NORCO
ECONOMIC DEVELOPMENT ADVISORY COUNCIL
SPECIAL MEETING MINUTES - DRAFT**

**Tuesday, August 18, 2020
City Council Chambers, 2820 Clark Avenue, Norco, CA 92860**

CALL TO ORDER: 8:18 a.m.

ROLL CALL: Patrick Malone, Chair
Diane Collins, Vice Chair
Nicole Hansen, Member
Vicki Leonard, Member
Michael Ryan, Member
Andy Webb, Member
Sigrid Williams, Member
Tara Young, Member

PLEDGE OF ALLEGIANCE: Member Vicki Leonard

1. APPROVAL OF MINUTES:

A. EDAC Regular Meeting Minutes of July 28, 2020

M/S LEONARD/RYAN to approve the regular meeting minutes of July 28, 2020, as presented.

The motion was carried by the following roll call vote:

AYES: COLLINS, HANSEN, LEONARD, MALONE, RYAN, WEBB, WILLIAMS, YOUNG

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

2. PUBLIC COMMENTS:

No public comments were made.

3. DISCUSSION / ACTION ITEMS:

A. Small Enterprise Assistance Loan (SEAL) Program

Consultant Grody presented the updated framework for the Small Enterprise Assistance Loan (SEAL) Program. The EDAC Members acknowledged that subjective considerations will be made during the review process, but requested the development of standardized forms and more objective criteria (e.g., qualification requirements) in order to assist the loan committee. Consultant Grody explained that the presented framework was intentionally conceptual so that the loan committee could establish the final criteria following the City Council's allocation of funding and approval of the program.

M/S WILLIAMS/LEONARD to forward the Small Enterprise Assistance Loan (SEAL) Program to the City Council for consideration. The motion was carried by the following roll call vote:

AYES: COLLINS, HANSEN, LEONARD, MALONE, RYAN, WEBB, WILLIAMS, YOUNG

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

4. EDAC / CITY MANAGER / STAFF COMMUNICATIONS

City Manager Okoro announced that the Planning Commission is scheduled to consider a 7-Eleven convenience store, gas station and car wash that is proposed at the corner of Fourth Street and Hamner Avenue. Additionally, he announced that, although construction is temporarily paused, the CarMax store in Norco is one of four priority stores across the county and is scheduled to open in 2021.

ADJOURNMENT

Chair Malone adjourned the meeting at 8:42 a.m.

Kelli Newton, Communications Manager

CITY OF NORCO STAFF REPORT

TO: Economic Development Advisory Council (EDAC) Members

FROM: Roger Grody, Economic Development Consultant

DATE: September 22, 2020

SUBJECT: Small Enterprise Assistance Loan (SEAL) Program Loan Committee

RECOMMENDATION: Provide Direction and Assign Three (3) Members for the SEAL Program Loan Committee

At its meeting of September 2, 2020, the Norco City Council followed the recommendation of EDAC and approved the Small Enterprise Assistance Loan (SEAL) Program. The framework of the Program—elements addressing eligibility, interest rates, use of funds, and required documentation—is entirely consistent with the recommendations provided by EDAC in recent meetings. Included among those recommendations, and a critical component of the SEAL Program, is the creation of a Loan Committee comprised of three (3) EDAC Members.

The role of the Loan Committee will be to review and evaluate applications, request additional information as reasonably necessary, and make a recommendation to the City Manager as to whether or not each requested loan should be funded. Sitting on the Loan Committee is a serious responsibility as its recommendations will have significant consequences to SEAL Program applicants. Before approving the SEAL Program, the City Council sought assurances from staff that the Loan Committee would provide prudent direction, protect the financial interests of the City of Norco and handle confidential information in a discrete and professional manner. Loan Committee Members will be signing confidentiality agreements and must be prepared to recuse themselves in cases that present a conflict of interest.

The Committee will be assisted by the City Manager, Economic Development Consultant and staff from other departments on an as-needed basis. EDAC Members who volunteer to sit on the Loan Committee should expect a significant commitment of time and should have a command of basic financial principals. At its first meeting, the Loan Committee will review the adopted Program Guidelines (Attachment “A”) and establish specific procedures for the consistent administration of each SEAL Loan application.

FISCAL IMPACT: No fiscal impact.

RECOMMENDATION: Provide direction and assign three (3) EDAC Members to the SEAL Program Loan Committee.

Attachment “A”: Approved SEAL Program Guidelines

ATTACHMENT "A"



**CITY OF
NORCO**

HORSETOWN USA

SMALL ENTERPRISE ASSISTANCE LOAN (SEAL) APPROVED PROGRAM GUIDELINES

OVERVIEW

The City of Norco is offering financial assistance to small businesses through its Small Enterprise Assistance Loan (SEAL) Program. The program provides low-interest loans from \$5,000 to \$20,000 to eligible small businesses and non-profit organizations in the City of Norco to assist with physical improvements or serve as working capital. SEAL Program loans can help businesses weather challenging times or expand operations in more favorable economic conditions. The SEAL Program is funded by the City of Norco and lending is subject to availability of funds, offered on a first-come/first-serve basis.

BUSINESS ELIGIBILITY

A business must meet the following requirements to be eligible for the Program:

- Maintain operations within the City of Norco
- Possess an active City of Norco business license
- Have been in continuing operation as a for-profit or non-profit enterprise in Norco for at least two (2) years prior to date of application (this requirement may be waived by the Loan Committee based on special circumstances)
- Employ no more than 25 employees

FINANCIAL CONSIDERATIONS

The following factors will be addressed by the Loan Committee when evaluating an application for a loan:

- Applicant must demonstrate an ability to repay the requested loan
- To protect the City's interests, all loans are to be personally guaranteed
- Participation in other county, state or federal loan programs is not a disqualification, but the Loan Committee may consider the applicant's existing debt service and degree of need in making a determination for funding

TERMS AND INTEREST RATES

Loan terms are flexible:

- 18 months to 5 years (60 months)
- No prepayment penalty

A graduated interest rate is applied:

- First 18 months: interest-free (0%)
- Months 19-36: 2% simple interest
- Months 37-60: 3% simple interest

REQUIRED DOCUMENTATION

For an application to be considered, the following documents must be submitted:

- Completed and signed Application Form
- Copy of valid California driver's license or state-issued identification card
- Copy of valid City of Norco Business License
- Copy of Profit & Loss Statement and/or business tax return from the previous two (2) years
- Business bank statement from previous 12 months
- Documentation (e.g. corporate bylaws, partnership agreement) specifying what person(s) in a corporation or partnership are authorized to sign documents and assume debt on behalf of the business
- Proof of business liability insurance
- Proof of workers compensation insurance, if applicable
- Any additional documentation reasonably requested by the Loan Committee

INELIGIBLE BUSINESSES

The following businesses are not eligible for funding:

- Any business or activity that is not currently in compliance with applicable local, state or federal ordinances or laws
- Any national chain that is not locally franchised

ELIGIBLE USE OF FUNDS

Funds under this program may be used to pay for either:

- Physical improvements (e.g. façade, tenant improvements)
- Working capital

The specific uses of the funds will be considered by the Loan Committee

EXECUTED DOCUMENTS

Approved borrowers will execute the following documents:

- Loan Agreement
- Promissory Note
- All loans will be personally guaranteed by the enterprise owner

APPLICATION

The Application Form can be downloaded from the City of Norco's website at:
<http://www.norco.ca.us/SEAL>

SUBMITTAL

Applications, with all required attachments, must be submitted in one of the following ways:

- In person, during regular business hours, at Norco City Hall (address below)
- Via email at SEAL@ci.norco.ca.us

**City of Norco
2870 Clark Ave.
Norco, CA 92860
ATTN: City Clerk**

PROCESSING

Applications will be processed in the order they are submitted. No administrative fees or processing charges are imposed. Applications will be reviewed by the Loan Committee within 21 business days. An email/letter will be provided to the applicant regarding the eligibility status. Successful applicants will receive funding within 45 days of approval.

LOAN COMMITTEE

The Loan Committee is comprised of three Members of the Economic Development Advisory Council (EDAC), an advisory board charged with recommending policies that enhance the City of Norco's business community. The Loan Committee provides lending recommendations to the City Manager, who finalizes loan approvals.