



SUMMARY REPORT

Agenda Date: 8/9/2022

To: Board of Supervisors
Department or Agency Name(s): Economic Development Board
Staff Name and Phone Number: Ethan Brown 707-565-7170
Vote Requirement: Majority
Supervisorial District(s): Countywide

Title:

Sonoma Mendocino Economic Development District Amendment to Joint Powers Agreement

Recommended Action:

Adopt a resolution amending the existing Joint Powers Agreement (JPA) agreement with the Sonoma-Mendocino Economic Development District (SMEDD). The amendment would provide that SMEDD could appoint its own treasurer or auditor and relieve Sonoma County of those obligations. The amendment requires approval by Sonoma and Mendocino Counties. ☐ Authorize the Interim Director of the Economic Development Board to execute an amendment to the JPA in accordance with the terms set forth in the resolution.

Executive Summary:

The Board of the Sonoma-Mendocino Economic Development District (SMEDD or "District") seeks a minor amendment to the 2015 Joint Powers Agreement (JPA) that governs its operation through an agreement between Sonoma and Mendocino Counties. The amendment concerns Section 9 of the attached agreement, wherein currently the County of Sonoma is designated as custodian of funds and serves as the financial agent for the District.

The amendment would allow SMEDD to appoint its own treasurer and auditor to perform required financial duties. This change is being sought in accordance with a request from the United States Economic Development Administration (EDA), which oversees the operation of such regional districts, to allow the District more direct management of its funds.

Mendocino County has indicated it will bring the amendment to the JPA before its board by August 16, 2022. The amendment will go into effect upon approval by both counties.

Discussion:

SMEDD is a two-county partnership, created through a Joint Powers Agreement (JPA) approved separately by the Sonoma and Mendocino Boards of Supervisors in 2015. The District is recognized by the United States Economic Development Administration (EDA) and engages in regional economic planning through the creation of a Comprehensive Economic Development Strategy (CEDS) as required every five years by the EDA.

In addition to the planning role required by the EDA, SMEDD also serves as a conduit to help local organizations access federal funding to launch economic projects. Two recent examples of this include an \$8.1 million grant received by the Santa Rosa Junior College for its Construction Training Center, and an \$800,000

grant received by the Economic Development Board to capitalize a revolving loan fund for small businesses. Each of these planned projects leveraged local dollars to secure additional grant funding.

In 2015, when SMEDD was created, the nascent organization did not have sufficient resources to undertake the responsibilities associated with financial accounting, grant reporting or contracting. As such, since that time, the Economic Development Board (EDB) has provided these services, while the Auditor-Controller-Treasurer-Tax Collector (ACTTC) has acted as the custodian of funds. Over the past year, EDB staff have worked with the SMEDD Board of Directors to create processes that will allow the organization to contract these financial services to a qualified vendor, and act as its own custodian of funds, as provided by statute in Government Code 6505.

Per the amended JPA, Sonoma County would no longer serve as the treasurer or auditor for SMEDD, once the JPA appoints its own officer or employee to perform those functions, which are set forth in Government Code §§ 6505 and 6505.5.

Mendocino County has indicated it will bring the amendment to the JPA before its board by August 16, 2022. The amendment will go into effect upon approval by both counties.

Strategic Plan:

N/A

Prior Board Actions:

10/13/2020 - Sonoma Mendocino Economic Development District Board Appointments

12/13/2016 - Adopted a resolution accepting the Sonoma-Mendocino Comprehensive Economic Development Strategy (CEDS) and endorsing and application to the Economic Development Administration for Economic Development District (EDD) designation.

FISCAL SUMMARY

Narrative Explanation of Fiscal Impacts:

N/A

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

Resolution of the Board of Supervisors

Sonoma-Mendocino Economic Development District Joint Powers Agreement

Related Items “On File” with the Clerk of the Board:

N/A