



COUNTY OF NEVADA COUNTY EXECUTIVE OFFICE

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NEVADA COUNTY BOARD OF SUPERVISORS Board Agenda Memo

MEETING DATE: May 11th, 2021

TO: Board of Supervisors

FROM: Martin Polt, Deputy County Executive Officer

SUBJECT: Resolution authorizing execution of a Loan Agreement between the County of Nevada and the Oak Tree Park and Recreation District for an essential park and recreation capital improvement project for the period from May 11th, 2021 through June 30th 2022, and authorizing the County Executive Officer to enter into and execute this and related loan agreements with Bear River Park and Recreation District and Western Gateway Park and Recreation District.

RECOMMENDATION: Adopt the Resolution.

FUNDING: Funding is short-term to support cash flow for the districts until completion of the Per Capita Grant Program project, by which time funds shall be paid back to County. Once grant funds are received from the State, the County will be reimbursed in full. If funds are not paid back in full within one-year of the end of the term of the Agreement, interest will accrue on the balance of the loan until paid in full. The loan will include cash from the General Fund to be paid out of the Sources and Uses budget, account 522090, with repayments to occur in account 461700. A budget amendment will be submitted through a consolidated budget amendment if needed.

ATTACHMENTS:

1. Resolution authorizing execution of a Loan Agreement between the County of Nevada and the Oak Tree Park and Recreation District for an essential park and recreation capital improvement project for the period from May 11th, 2021 through June 30th 2022 and authorizing the County Executive Officer to enter into and execute this and related loan agreements with Bear River Park and Recreation District and Western Gateway Park and Recreation District.
2. Advance request letter from the Oak Tree Park District
3. Loan Agreement

BACKGROUND:

In 2020 the California Department of Parks and Recreation announced nearly 200 million dollars available for more than 700 agencies under the Proposition 68 Per Capita Grant Program, which provides non-competitive grant funding to support the rehabilitation, creation and improvement of local parks and to address deficiencies in neighborhoods lacking access to outdoor recreation facilities.

Each city/town and local park district within Nevada County was allocated the minimum amount of \$177,952. Nevada County itself was allocated \$400,000. The Board of Supervisors, during their December 15th 2020 meeting (Res 20-537) directed that \$160,000 of the County's \$400,000 be assigned to the Veteran's Building Floor Replacement Project with the remaining \$240,000 being distributed to eligible recipients through an RFP processes overseen by the Board of Supervisors Parks and Recreation ad hoc subcommittee, which process is currently underway and the results of the RFP will be brought to the Board on April 27th, 2021.

Community Impact

The opportunity for Parks and Recreation districts within Nevada County to enhance their facilities through the use of Per Capita Grant funds is serves as a public benefit that is a high priority to our community as "Natural Environment" ranked as one of the top three contributing factors to quality of life within Nevada County in the 2017 NCS National Citizens Survey. Support for the improvement of recreation open space infrastructure within Nevada County was discussed in the January 2021 Board Workshop as being a key strategy related to the Board of Supervisors Economic Development Objective for 2021.

Funding Process and Cash Flow Challenge

Oak Tree Park and Recreation District ("District") has completed their State of California Per Capita Grant application with grant writing assistance from the County, and their project to hire professionals to install a new playground has been approved. The funding process for approved projects is that the District will pay for an eligible expense, submit a reimbursement request to the State, and the reimbursement from the State is expected to take six to eight weeks to be processed and hit the district bank account. In addition, 20% of the project amount will be retained by the State until the project has received final approval from the State. The District will use its own funds to the extent possible and will apply to the State for advance funds as allowed in the Per Capita program. Even with those resources, the District needs further assistance to ensure that enough cash is available to pay contractors and other expenses prior to receiving State reimbursement, and to keep the District in a stable financial position.

Loan Agreements

To make each district's project successful and meet their cash flow needs, the County will consider entering into a Loan Agreement with the following conditions and requirements:

1. The district will submit a letter of request to the Nevada County Executive Office for an advance stating amount of funds needed, identifying a project manager, and outlining their proposed project.

2. The Loan Agreement will be executed only upon proof of a fully executed State Per Capita grant contract and completed application for advance funding from the State.
3. If approved, the loan will be required to be repaid out of the district's Per Capita grant revenue on or before the closing of the project and receipt of final grant funds from the State. The district receives its revenue into a fund within the County Treasury, so upon notification from the district that State grant funds have been received, the Auditor-Controller will transfer the grant funds to the County general fund to satisfy repayment of the advance.
4. If the loan is not paid in full within one year of the end of the term of the loan agreement, the district will pay interest on the balance until the loan is paid in full.

We request that you authorize the County Executive Office to enter into and execute the attached Lone Agreement based on the above conditions. The County Executive Office anticipates receiving similar requests from Bear River Parks and Recreation District and Western Gateway Park and Recreation District who also have limited cash flow. We therefore also request authorization for the County Executive Officer to enter into and execute additional similar agreements, amounts not exceeding \$177,952 each, with the same conditions and requirements.

It is recommended that the Board of Supervisors approve this Resolution to enhance the Park Districts efforts and improve the quality of recreational services in the North San Juan Community and County of Nevada.

Item Initiated by: Martin Polt, Deputy County Executive Officer
Approved by: Alison Lehman, County Executive Officer

Submittal Date:

Revision Date: