CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: **Office of Economic Development**

AGENDA DATE: **February 19, 2008**

CONTACT PERSON/PHONE: **Kathy Dodson, PhD, Director 541-4670**

DISTRICT(S) AFFECTED: **ALL**

SUBJECT:

Discussion and action on a Resolution to authorize the City Manager or her designee to certify the annual report to the Economic Development Administration of the City/County Joint Revolving Loan Fund for the period ending September 30, 2007.

BACKGROUND/DISCUSSION:

The Economic Development Administration's Revolving Loan Fund Standard Terms and Conditions require certification of the annual report by the governing body. Attached is the report for the program year ending September 30, 2007.

PRIOR COUNCIL ACTION:
Has the Council previously considered this item or a closely related one?
No.

AMOUNT AND SOURCE OF FUNDING:
How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

This item does not require funding.

BOARD/COMMISSION ACTION:
Enter appropriate comments or N/A.
RLF Board has approved the Report for EDA-Funded RLF Grants on November 15, 2007.

CITY CLERK DEPT.
08FEB 12 AM10:15

**********REQUIRED AUTHORIZATION**********

LEGAL: (if required) _____ **FINANCE: (if required)** _____

DEPARTMENT HEAD: Joni Portillo for Kathryn Dodson

(Example: If RCA is initiated by Purchasing, client department should sign also). ***Information copy to appropriate Deputy City Manager***

APPROVED FOR AGENDA:

CITY MANAGER:_____ **DATE:** _____

RESOLUTION

WHEREAS, the City of El Paso, Texas ("the City"), and the County of El Paso, Texas ("the County"), established a Joint Revolving Loan Fund, utilizing funds available under the U.S. Department of Commerce, Economic Development Administration ("EDA") Section 209 Economic Adjustment Program, and as provided by the Texas Department of Housing and Community Affairs ("TDHCA"), respectively; and

WHEREAS, the Joint Revolving Loan Fund was established pursuant to the terms of an Interlocal Agreement, dated May 16, 2000, and thereafter amended, between the City and the County, and a Revolving Loan Fund Program Agreement, dated May 16, 2000, and thereafter amended, among the City, the County, the Program Bank, and additional Program Lenders; and

WHEREAS, the Revolving Loan Fund Plan ("RLF Plan") was described in Exhibit A to the above-referenced Interlocal Agreement and Program Agreement; and

WHEREAS, upon submission to the EDA of the program report for the Joint Revolving Loan Fund for the period ending September 30, 2007, 13 C.F.R. §307.14(b) and Part II, Section J.2 of the EDA's *Revolving Loan Fund Standard Terms and Conditions* require annual certification by the governing board of the grant recipient that the Joint Revolving Loan Fund is being operated in accordance with the RLF Plan; and

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WHEREAS, the City Council is the governing body of the City of El Paso, which is the grant recipient of funds from the EDA; and

WHEREAS, having reviewed the performance of the Joint Revolving Loan Fund for the period ending September 30, 2007, City Council finds that: the RLF Plan is consistent with and supportive of the area's current economic adjustment strategy; the Joint Revolving Loan Fund is

being operated in accordance with the policies and procedures contained in the RLF Plan; and the loan portfolio meets the standards contained therein.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the performance of the Joint Revolving Loan Fund has been reviewed for the period ending September 30, 2007, and that the City Manager or her designee be authorized to certify the following to the Economic Development Administration:

1. The RLF Plan is consistent with and supportive of the area's current economic adjustment strategy; and

2. The Joint Revolving Loan Fund is being operated in accordance with the policies and procedures contained in the RLF Plan, and the loan portfolio meets the standards contained therein.

ADOPTED this _____ day of _____, 2008.

CITY OF EL PASO

_____
John F. Cook
Mayor

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08FEB 11 AM 11:20

ATTEST:

_____
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

_____
Marie A. Taylor
Assistant City Attorney

APPROVED AS TO CONTENT:

_____
Kathryn B. Dodson, Ph.D., Director
Economic Development Department

ECO/RESO/CC RLF Certification 9-30-07
#34265v2/ MTAY
Revolving Loan Fund

RESOLUTION

WHEREAS, the City of El Paso, Texas ("the City"), and the County of El Paso, Texas ("the County"), established a Joint Revolving Loan Fund, utilizing funds available under the U.S. Department of Commerce, Economic Development Administration ("EDA") Section 209 Economic Adjustment Program, and as provided by the Texas Department of Housing and Community Affairs ("TDHCA"), respectively; and

WHEREAS, the Joint Revolving Loan Fund was established pursuant to the terms of an Interlocal Agreement, dated May 16, 2000, and thereafter amended, between the City and the County, and a Revolving Loan Fund Program Agreement, dated May 16, 2000, and thereafter amended, among the City, the County, the Program Bank, and additional Program Lenders; and

WHEREAS, the Revolving Loan Fund Plan ("RLF Plan") was described in Exhibit A to the above-referenced Interlocal Agreement and Program Agreement; and

WHEREAS, upon submission to the EDA of the program report for the Joint Revolving Loan Fund for the period ending September 30, 2007, 13 C.F.R. §307.14(b) and Part II, Section J.2 of the EDA's *Revolving Loan Fund Standard Terms and Conditions* require annual certification by the RLF loan board ("the RLF Board") and by the governing board of the grant recipient that the Joint Revolving Loan Fund is being operated in accordance with the RLF Plan; and

WHEREAS, having reviewed the performance of the Joint Revolving Loan Fund for the period ending September 30, 2007, the RLF Board finds that: the RLF Plan is consistent with and supportive of the area's current economic adjustment strategy; the Joint Revolving Loan Fund is being operated in accordance with the policies and procedures contained in the RLF Plan; and the loan portfolio meets the standards contained therein; and

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WHEREAS, the RLF Board desires to make its certification with respect to the operation of the Joint Revolving Loan Fund;

NOW THEREFORE, BE IT RESOLVED BY THE REVOLVING LOAN FUND BOARD OF THE CITY AND COUNTY OF EL PASO:

That the performance of the Joint Revolving Loan Fund has been reviewed for the period ending September 30, 2007 and the RLF Board hereby certifies the following to the Economic Development Administration:

1. The RLF Plan is consistent with and supportive of the area's current economic adjustment strategy; and

2. The Joint Revolving Loan Fund is being operated in accordance with the policies and procedures contained in the RLF Plan, and the loan portfolio meets the standards contained therein.

ADOPTED this 15 **day of November, 2007.**

REVOLVING LOAN FUND BOARD

By: _____

Marisa Marquez, Chair

CITY CLERK DEPT.
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APPROVED AS TO FORM:

_____

Marie A. Taylor
Assistant City Attorney

APPROVED AS TO CONTENT:

_____

Kathryn B. Dodson, Ph.D., Director
Economic Development Department

Print Form

Form ED-209S (Rev. 04/06)
OMB Control No. 0610-0095
Expires 04/30/2009

Submitted
Oct 23 07
Littlerock, Arkansas
Workshop

SEMIANNUAL REPORT FOR EDA-FUNDED RLF GRANTS

Grantee Name:	City of El Paso	Period Ending:	April 1-September 30, 2007
Project No.:	08-39-02411	Contact Person:	Leila Melendez
E-Mail:	melendezlh@elpasotexas.gov	Phone:	915-533-4284

PART I: PORTFOLIO STATUS (000's)

A. Status of Direct Loans

	(1) No.	(2) RLF $ Loaned	(3) RLF Principal Outstanding	
1. Total Loans Made	46	$ 1,282,350	$ 767,582	
2. Fully Repaid	7	$ 180,200	$ 0.00	
3. Current	22	$ 711,250	$ 466,691	
4. Delinquent (<60 Days)	4	$ 130,000	$ 88,243	
5. In Default (>60 Days)	13	$ 260,900	$ 212,648	
6. Total Active Loans (Add items 3, 4 & 5)	39	$ 1,102,150	$ 767,582	
7. Total Written Off	0	$ 0	$ 0	$ 0 (Amount Lost)

B. Status of Loan Guarantees:

	No.	RLF Funds Reserved	Total Amount Guaranteed	Current Exposure
1. Total Loans Guaranteed	0	$	$	
2. Fully Repaid		$	$	
3. Current		$	$	$
4. Delinquent (<60 Days)		$	$	$
5. In Default (>60 Days)		$	$	$
6. Total Active Guarantees (Add items 3, 4 & 5)		$	$	$
7. Total Written Off		$	$	$
				$ (Amount Lost)

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PART II: PORTFOLIO SUMMARY

A. Summary of Loan Activities: Provide information below on the Total Loans and the Active Loans closed during the period covered by this report. This section provides an overview of the RLF's progress in meeting programmatic and investment objectives. By comparing the total and active loan portfolios, this section also illustrates trends in lending activity.

	Total Loans	Active Loans
1. Number of RLF Loans:	46	39
2. RLF $$ Loaned:	$ 1,282,350	$ 1,102,150
3. Non-RLF $$ Leveraged by RLF:		
a. Private	$ 5,961,048	$ 5,578,798
b. Other	$ 1,428,038	$ 1,175,538
c. Total Leveraged $$ (a + b)	$ 7,389,086	$ 6,754,336
4. Total Project Financing (2 + 3c)	$ 8,671,436	$ 7,856,486
5. Private Sector Jobs:		
a. Created (Actual)	294	260
b. Saved	161	148
c. Actual + Saved (a + b)	455	408
6. RLF $$ Loaned for Fixed Assets:	$ 434,900	$ 359,900
7. RLF $$ Loaned for Working Capital:	$ 847,450	$ 742,250
8. RLF $$ Loaned for:		
a. Start-up	$ 849,150	$ 736,150
b. Expansion	$ 253,200	$ 216,000
c. Retention	$ 180,000.00	$ 150.00
9. RLF $$ Loaned for:		
a. Industrial	$ 173,000	$ 173,000
b. Commercial	$ 454,700	$ 411,000
c. Service	$ 654,650	$ 518,150
10. Other Targets (Specify):	$ 50,000.00	$ 50,000.00
	$	$
	$	$

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B. Comparison of RLF Portfolio to RLF Plan: In column one below, fill-in the spaces by providing information from the "Portfolio Standards and Targets" section of the RLF Plan. If an item is not included in the RLF Plan, and therefore not applicable, indicate this by placing N/A in column one. In columns two and three, use the figures obtained in Part II.A. above to compute the ratios and percentages for Total Loans and Active Loans, respectively. Formulas for the computations are indicated in the brackets next to each item. Attach a narrative discussing any significant deviations between columns one and two.

	RLF Plan	Total Loans	Active Loans
1. Cost per Job (A2/A5c)	$ 30,000.00	$ 2,818	$ 2,701
2. Non-RLF Leverage Ratios:			
a. Private (A3a/A2)	2 : 1	4 : 1	5 : 1
b. Private & Other (A3c/A2)		5 : 1	6 : 1
3. % Working Capital Loans (A7/A2)	50 %	66 %	67 %
4. % Loans in Eligible Target Area	100 %	100 %	100 %
5. RLF Portfolio Targeting			
a. % Start-ups (A8a/A2)	25 %	66 %	67 %
b. % Industrial (A9a/A2)	25 %	13 %	16 %
c. % Other (A10/A2)	25 %	4 %	5 %
	%	%	%
	%	%	%

PART III: PORTFOLIO FINANCIAL STATUS

A. RLF Funding Sources

1. EDA	$	586,000.00
2. Grantee	$	0.00
3. Other sources - Specify: County of El Paso	$	167,000.00
4. Total RLF funding (sum of 1-3)	$	753,000.00

B. RLF Income Earned to Date

5. Interest Earned on Loans:	$	74,515.21
6. Earnings from Accounts:	$	11,529.70
7. Fees Earned:	$	0.00
8. Total RLF Income (sum lines of 5-7)	$	86,044.91
9. How much of total RLF Income (line 8) has been used to cover administration costs to date?	$	0.00
10. How much of total RLF Income has been added to the RLF Capital Base for lending (line 8 minus line 9)?	$	86,044.91

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C. Status of RLF Capital		
11. Total RLF Funding Sources (line 4):	$	753,000.00
12. RLF Income added to RLF Capital Base for lending (line 10):	$	86,044.91
13. Losses on Loans & Guarantees (amount lost from lines I.A.7 and I.B.7):	$	0.00
14. Current level of RLF Capital Base (sum of lines 11 & 12, less line 13):	$	839,044.91
D. Current Balance Available for New Loans		
15. RLF Principal Outstanding on Loans (from line I.A.6):	$	767,582
16. RLF $$ reserved for Loan Guarantees (from line I.B.6):	$	0.00
17. Current Balance Available (deduct amounts shown on lines 15 & 16 from the current RLF Capital Base (line 14)):	$	71,463
18. RLF $$ committed but not disbursed:	$	0.00
19. Current balance available (deduct amount on line 18 from line 17):	$	71,463
20. Current balance available (line 19) as a percent of RLF Capital Base (line 14) applies only to fully disbursed RLFs, otherwise enter N/A:		9 %
21. Same calculation as in line 20 above, but for preceding six month period (see prior Semiannual Report):		52 %

Note: If lines 20 and 21 both exceed 25%, see instructions.

PART IV: PORTFOLIO LOAN LIST

Provide the following information for each RLF Closed Loan (as defined in 13 C.F.R. §307.8):

Loan Recipient	Loan Type & Description	Financing By Source (Specify)
1. Borrower Name 2. Location (include city, county & state) 3. SIC Code - 4 Digit	1. Direct/Guaranty 2. Fixed Asset/Working Capital 3. Start-up, Expansion or Retention	1. RLF $ 2. Other Public $ 3. Private $ 4. New Equity $ 5. Total $ 6. Amount Guaranteed $
Closing Date & Loan Terms	**Loan Status**	**Repayment Status**
1. Date Closed 2. Term: Years 3. Interest Rate 4. Total Fees	1. Fully Repaid: Date 2. Current as of: Date 3. Delinquent: Days 4. Default: Days 5. Write-Off: Date	1. Principal Repaid 2. Interest Paid 3. Amount Delinquent 4. Amount Default 5. Amount Written-Off
Job Impact		
1. Pre-Loan Jobs 2. Jobs Created 3. Jobs Saved		

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PART V: MISCELLANEOUS INFORMATION & CERTIFICATION

A. Recent Loan Activity (Last 12 Months Only)

1. Number of Applications Received:	5
2. Number of Loans closed:	5

B. Capital Utilization (13 C.F.R. §307.17(c))

	Complete as appropriate	
	YES	NO
5. If the percentages calculated in both III.D.20 and III.D.21 are greater than 25%, is an explanation attached discussing proposed actions (including target dates and goals) to reduce the amount of excess funds on hand?	☒	☐
6. If both III.D.20 and III.D.21 are greater than 25%, list the amount of excess funds subject to sequestration.	$ 0	
7. List the amount in line 6 that is sequestered in a separate account.	$ 0	

C. RLF Income and Expenses (13 C.F.R. §307.14(c))

	Complete as appropriate		
8. Enter the month and day of the accounting period which has been selected for reporting RLF Income and Expenses.	09-30-07		
9. Enter the amount of RLF Income earned during the most recent 12-month period, which was designated in line 8.	$ 86,044.91		
10. Enter the amount of RLF Income that was used for administrative costs during the most recent 12-month period, which was designated in line 8.	$ 0		
11. Divide the administrative costs reported in line 10 by the RLF Income reported in line 9 and enter the percentage figure.	0 %		
12. If the percentage in line 11 is 50% or greater, or the amount in line 10 is greater than $100,000, was an Income and Expense Statement (Form ED-209I) submitted to EDA as required by 13 C.F.R. § 307.14 (c)(1). (If applicable and not sent, submit an Income and Expense Statement with this report.)	YES	NO	N/A
	☐	☑	☐

D. Administration

	Complete as appropriate	
13. Has there been any key staff Turnover in the last 12 months? List position(s):	YES	NO
KATHRYN DOBSON is the New Director AS OF NOV 15 06	☒	☐
14. Enter the ending date of the most recent independent audit covering the recipient and indicate type of audit, (*i.e.*, "single" or "program-specific").	9-30-06 City OF EL PASO	

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	YES	NO
15. Attach the audit referenced in line 14 if it was not previously submitted to EDA. Has Form SF-SAC been submitted to the Federal Audit Clearinghouse at www.harvester.census.gov?	☐	☑
16. If the audit referenced in line 14 did not cover either the most recent or prior fiscal year end period, is an explanation attached?	☐	☐
E. SEMIANNUAL RLF PLAN CERTIFICATION (See 13 C.F.R. §307.14(b))		
17. Is the required Semiannual RLF Plan Certification attached? If "no," indicate the date it will be submitted: Nov. 1, 2007	☐	☑
F. COMPLIANCE WITH IMPLEMENTATION SCHEDULE (To be completed only if grant is not fully disbursed)		
18. Is the actual grant implementation/disbursement progress in accordance with the schedule set forth by the Implementation Special Condition (or an EDA approved amendment thereto) required as a part of this grant award? If "no," attach explanation.	☐	☐

NA

CERTIFICATION: I hereby certify on this ☐ day of ☐ 20 ☐ that the information provided in this Semiannual Report (Form ED-209S) is true and correct to the best of my knowledge.

Luci Ponticelli
Signature of Authorized Official

Date Oct. 23 2007

Luci Ponticelli
Name of Authorized Official

Economic Dev Mgr.
Title of Authorized Official

Check Attachments Submitted:

- ☐ Portfolio to Plan Comparison (Deviation) (Part II.B)
- ☐ Capital Utilization (Part V.B., line 5)
- ☐ Copy of Audit (Part V.D., line 15)
- ☐ Audit Explanation (Part V.D., line 16)
- ☐ Semiannual RLF Plan Certification (Part V.E., line 17)
- ☐ Compliance with Implementation Schedule (Part V.F., line 18)