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

DEPARTMENT: **Office of Economic Development**

AGENDA DATE: **October 28, 2008 – Regular Agenda**

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, 2008.

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, 2008.

PRIOR COUNCIL ACTION:
Has the Council previously considered this item or a closely related one?
Yes.- Feb 19, 2008

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?

N.A.

BOARD/COMMISSION ACTION:
Enter appropriate comments or N/A.
RLF Board will consider certifying the EDA Annual Report on October 23, 2008. We will inform Council of their recommendation at the time this item is presented for presentation.

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

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

DEPARTMENT HEAD: Luci Ponticelli for Kathryn Dobson Ph.d., Director Economic Dev.
(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, 2008, 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

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, 2008, 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

CITY CLERK DEPT.
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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, 2008, 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

ATTEST:

_____
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

Marie A. Taylor
Assistant City Attorney

APPROVED AS TO CONTENT:

Luci Ponterelli, Economic Dev. Mgr. for
Kathryn B. Dodson, Ph.D., Director
Economic Development Department

ECO/RESO/08/CC RLF Certification 9-30-08
#43319/ MTAY
Revolving Loan Fund

SEMIANNUAL REPORT FOR EDA-FUNDED RLF GRANTS

GRANTEE NAME:	City of El Paso	PERIOD ENDING:	09/30/2008
PROJECT NUMBER:	08-39-02411	CONTACT PERSON:	Luci Ponticelli
CONTACT EMAIL:	PonticelliLA@elpasotexas.gov	PHONE:	(915) 541-4679

PART I: PORTFOLIO STATUS

A. STATUS OF DIRECT LOANS

	(1)	(2)	(3)	Default Rate: 0%
	NUMBER	RLF $ LOANED	PRINCIPAL OUTSTANDING	
1. TOTAL LOANS MADE:	49	$1,352,210.00	$695,087.33	
2. FULLY REPAID:	8	$195,200.00	$7,236.83	
3. CURRENT:	19	$644,860.00	$352,464.52	
4. DELINQUENT (<60 DAYS):	6	$156,250.00	$51,900.60	
5. IN DEFAULT (>60 DAYS):	0	$0.00	$0.00	
6. TOTAL ACTIVE LOANS:	25	$801,110.00	$404,365.12	
7. TOTAL WRITTEN OFF:	16	$355,900.00	$283,485.38	

B. STATUS OF LOAN GUARANTEES

	NUMBER	RLF $ RESERVED	TOTAL GUARANTEED	CURRENT EXPOSURE
1. TOTAL LOANS GUARANTEED:	0	$0.00	$0.00	
2. FULLY REPAID:	0	$0.00	$0.00	
3. CURRENT:	0	$0.00	$0.00	$0.00
4. DELINQUENT (<60 DAYS):	0	$0.00	$0.00	$0.00
5. IN DEFAULT (>60 DAYS):	0	$0.00	$0.00	$0.00
6. TOTAL ACTIVE GUARANTEES:	0	$0.00	$0.00	$0.00
7. TOTAL WRITTEN OFF:	0	$0.00	$0.00	$0.00

SEMIANNUAL REPORT FOR EDA-FUNDED RLF GRANTS

GRANTEE NAME: City of El Paso	PERIOD ENDING: 09/30/2008

PART II: PORTFOLIO SUMMARY

A. SUMMARY OF LOAN ACTIVITIES	TOTAL LOANS	ACTIVE LOANS
1. # RLF LOANS:	49	25
2. RLF $ LOANED:	$1,352,210.00	$801,110.00
3a. NON-RLF $$ LEVERAGED BY RLF: PRIVATE $$	$7,219,426.00	$3,532,298.00
3b. NON-RLF $$ LEVERAGED BY RLF: OTHER $$	$245,250.00	$236,000.00
3c. NON-RLF $$ LEVERAGED BY RLF: TOTAL LEVERAGED $$	$7,464,676.00	$3,768,298.00
4. TOTAL PROJECT FINANCING	$8,816,886.00	$4,569,408.00
5a. PRIVATE SECTOR JOBS: (ACTUAL)	215	52
5b. PRIVATE SECTOR JOBS: SAVED	97	23
5c. PRIVATE SECTOR JOBS: CREATED + SAVED	312	75
6. RLF $$ LOANED FOR FIXED ASSETS:	$344,800.00	$19,800.00
7. RLF $$ LOANED FOR WORKING CAPITAL:	$920,610.00	$708,310.00
8a. RLF $$ LOANED FOR: START-UP	$817,950.00	$484,050.00
8b. RLF $$ LOANED FOR: EXPANSION	$354,260.00	$217,060.00
8c. RLF $$ LOANED FOR: RETENTION	$180,000.00	$100,000.00
9a. RLF $$ LOANED FOR: INDUSTRIAL	$123,000.00	$23,000.00
9b. RLF $$ LOANED FOR: COMMERCIAL	$270,800.00	$207,000.00
9c. RLF $$ LOANED FOR: SERVICE	$946,410.00	$559,110.00
10. RLF $$ LOANED TO MINORITY BUSINESSES:	$676,810.00	$526,110.00
11. RLF $$ LOANED TO WOMEN-OWNED BUSINESSES:	$637,410.00	$496,110.00
12. OTHER TARGETS (SPECIFY):	$50,000.00	$0.00

SEMIANNUAL REPORT FOR EDA-FUNDED RLF GRANTS

GRANTEE NAME: City of El Paso	PERIOD ENDING: 09/30/2008

B. COMPARISON OF RLF PORTFOLIO TO RLF PLAN

	RLF PLAN	TOTAL LOANS	ACTIVE LOANS
1. COST PER JOB:	$25,000.00	$4,334.01	$10,681.47
2. NON-RLF LEVERAGE RATIOS:			
a. PRIVATE:	2.0 to 1	5.3 to 1	4.4 to 1
b. OTHER PRIVATE:	2.0 to 1	5.5 to 1	4.7 to 1
3. % WORKING CAPITAL LOANS	50.00%	68.08%	88.42%
4. % LOANS IN ELIGIBLE TARGET AREA	100.00%	100.00%	100.00%
5. RLF PORTFOLIO TARGETING			
a. % START-UPS	40.00%	60.49%	60.42%
b. % INDUSTRIAL	20.00%	9.10%	2.87%
c. % MINORITY-OWNED	25.00%	50.05%	65.67%
d. % WOMEN-OWNED	0.00%	47.14%	61.93%
e. % OTHER	0.00%	3.70%	0.00%

PART III: PORTFOLIO FINANCIAL STATUS

A. RLF FUNDING SOURCES

1. EDA:	$586,000.00
2. GRANTEE:	$167,000.00
3. OTHER - SPECIFY:	$0.00
4. TOTAL RLF FUNDING:	$753,000.00
5. DE-OBLIGATED EDA FUNDS:	$0.00
6. DE-OBLIGATED GRANTEE FUNDS:	$0.00

SEMIANNUAL REPORT FOR EDA-FUNDED RLF GRANTS

GRANTEE NAME: City of El Paso	PERIOD ENDING: 09/30/2008

B. PROGRAM INCOME EARNED TO DATE		
7. INTEREST EARNED ON LOANS:		$102,827.04
8. EARNINGS FROM ACCOUNTS:		$100,887.79
9. FEES CHARGED:		$30.32
10. TOTAL PROGRAM INCOME:		$203,745.15
11. HOW MUCH OF ABOVE IS USED TO COVER ADMIN COSTS:		$6,465.47
12. HOW MUCH HAS BEEN ADDED TO THE RLF FOR LENDING:		$197,279.68

C. STATUS OF RLF CAPITAL		
13. TOTAL RLF FUNDING (WITHOUT DE OBLIGATED FUNDS):		$753,000.00
14. DE-OBLIGATED FUNDS:		$0.00
15. PROGRAM INCOME ADDED TO RLF FOR LENDING:		$197,279.68
16. LOSSES ON LOANS AND GUARANTEES:		$283,485.38
17. CURRENT LEVEL OF RLF BASED CAPITAL		$666,794.30

D. CURRENT BALANCE AVAILABLE FOR NEW LOANS:		
18. RLF PRINCIPAL OUTSTANDING ON LOANS:		$404,365.12
19. RLF $$ RESERVED FOR LOAN GUARANTEES:		$0.00
20. RLF $$ COMMITTED BUT NOT DISBURSED:		$50,000.00
21. SEQUESTERED FUNDS:		$0.00
22. CURRENT BALANCE AVAILABLE: % OF RLF BASE | $	31.86%	$212,429.18
23. EXCESS CASH: % OF RLF BASE | $	6.86%	$45,730.61
24. PREVIOUS REPORT EXCESS CASH % OF RLF BASE:	0.00%	

SEMIANNUAL REPORT FOR EDA-FUNDED RLF GRANTS

GRANTEE NAME: City of El Paso	PERIOD ENDING: 09/30/2008

E. SEQUESTERED FUNDS:	
25. SEQUESTERED FUNDS:	$0.00
26. EDA SHARE OF SEQUESTERED FUNDS:	$0.00
27. GRANTEE SHARE OF SEQUESTERED FUNDS:	$0.00
28. INTEREST EARNED ON SEQUESTERED FUNDS:	$0.00
29. EDA SHARE OF INTEREST EARNED ON SEQUESTERED FUNDS:	$0.00
30. GRANTEE SHARE OF INTEREST EARNED ON SEQUESTERED FUND	$0.00

FUNDING INFORMATION

DATE	AWARD NUMBER	EDA	GRANTEE	OTHER	
03/31/2004		$586,000.00	$167,000.00	$0.00	