



MEMORANDUM
COUNTY OF PLACER
Office of Economic Development

175 Fulweiler Avenue, Auburn, CA 95603-2133
(530) 889-4016 • Fax: (530) 889-4095

DATE: August 10, 2010
TO: Honorable Board of Supervisors
FROM: David C. Snyder, Director 
SUBJECT: California Enterprise Development Authority (CEDA) Membership

ACTION REQUESTED

Adopt a Resolution authorizing execution and delivery of an Associate Membership Agreement between the County of Placer and the California Enterprise Development Authority (CEDA).

BACKGROUND

The California Enterprise Development Authority (CEDA) is a joint powers authority (JPA) established by the California Association for Local Economic Development (CALED) whose purpose is to issue tax-exempt and taxable conduit revenue bonds to fund commercial and industrial development projects within member jurisdictions. Federal and State laws provide the ability for cities and counties to join together under cooperative agreements to form joint powers authorities to issue tax exempt and taxable bonds to fund projects that provide a public benefit and serve the needs of residents within the jurisdictions of participating members. All cities and counties in California have the ability to act as an issuer of conduit revenue bonds, but many jurisdictions utilize joint powers authorities primarily for economy of scale, to access specialized transaction knowledge and resources, and to avoid using valuable local staff time on these types of transactions.

CEDA is a joint powers authority created by the cities of Selma, Lancaster and Eureka. There are an additional 28 cities and counties who are associate members of CEDA, including the counties of Alameda, Riverside, Sacramento, San Bernardino, San Diego, Stanislaus, Sonoma, Yolo and Imperial. CEDA's activities are dedicated to providing economic development assistance to member jurisdictions as an extension of the economic development assistance provided by CALED to its members.

The JPA Agreement permits any other local agency in California to join CEDA as an "Associate Member." CEDA's Board of Directors has requested that the County of Placer become an Associate Member of CEDA. Associate membership in CEDA will assist the County as well as for-profit and non-profit organizations located within the County in financing industrial and commercial development projects and other public purpose projects within the County.

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CEDA's Associate Members enjoy nearly all the benefits of regular membership without the concomitant duties or obligations. Associate Members have ample opportunity to provide input on proposed or existing programs. Further, Associate Members are not restricted or inhibited in any way with respect to their independent ability to finance any project in any manner they deem appropriate, which may or may not involve or include CEDA.

In addition, federal law requires a public hearing before the Board of Supervisors prior to any bond issuance by CEDA for projects under the County's jurisdiction. If the Board of Supervisors does not approve the project, CEDA cannot issue bonds.

ENVIRONMENT IMPACT

None

FISCAL IMPACT

None. There is no cost to the County to join CEDA and there is no cost if the County elects to support the issuance of bonds by CEDA for a business enterprise located in the County. In addition, bonds that would be issued by CEDA are a special, limited obligation of CEDA used to pay the principal of and interest on the bonds. The bonds issued by CEDA are not an obligation of the County or any member of CEDA. Neither the faith or credit, nor the taxing power of the County, any member of the Authority, the State or any political subdivision is pledged to the repayment of the obligations.

Attached Resolution

Before the Board of Supervisors County of Placer, State of California

In the matter of: **RESOLUTION APPROVING
ASSOCIATE MEMBERSHIP BY THE COUNTY
OF PLACER IN THE CALIFORNIA
ENTERPRISE DEVELOPMENT
AUTHORITY AND AUTHORIZING
AND DIRECTING THE EXECUTION
OF AN ASSOCIATE MEMBERSHIP
AGREEMENT RELATING TO ASSOCIATE
MEMBERSHIP OF THE COUNTY IN
THE AUTHORITY**

Resol. No: _____

Ord No:

First Reading:

The following **RESOLUTION** was duly passed by the Board of Supervisors of the County of Placer
at a regular meeting held **Tuesday, August 10, 2010** by the following vote on roll call:

Ayes: _____

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Attest:
Clerk of said Board

WHEREAS, the County, upon authorization of the Board of Supervisors, may pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, commencing with Section 6500 (the "JPA Law") enter into a joint exercise of powers agreement with one or more other public agencies pursuant to which such contracting parties may jointly exercise any power common to them; and

WHEREAS, the County and other public agencies wish to jointly participate in economic development financing programs for the benefit of businesses and nonprofit entities within their jurisdictions offered by membership in the California Enterprise Development Authority (the "Authority") pursuant to an associate membership agreement and Joint Exercise of Powers Agreement Relating to the California Enterprise Development Authority (the "Agreement"); and

WHEREAS, under the JPA Law and the Agreement, the Authority is a public entity separate and apart from the parties to the Agreement and the debts, liabilities and obligations of the Authority will not be the debts, liabilities or obligations of the County or the other members of the Authority; and

WHEREAS, the form of Associate Membership Agreement (the "Associate Membership Agreement") between the County and the Authority is attached; and

WHEREAS, the County is willing to become an Associate Member of the Authority subject to the provisions of the Associate Membership Agreement.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors of the County of Placer, hereby finds, determines and declares as follows:

Section 1. The Board of Supervisors hereby specifically finds and declares that the actions authorized hereby constitute public affairs of the County. The Board of Supervisors further finds that the statements, findings and determinations of the County set forth in the preambles above are true and correct.

Section 2. The Associate Membership Agreement presented to this meeting and on file with the Clerk of the Board of Supervisors is hereby approved. The Chair of the Board, the Vice Chair of the Board, the Clerk of the Board and other officers or officials of the County are each hereby authorized and directed, for and on behalf of the County, to execute and deliver the Associate Membership Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The officers and officials of the County are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate, carry out, give effect to and comply with the terms and intent of this resolution and the Associate Membership Agreement. All such actions heretofore taken by such officers and officials are hereby confirmed, ratified and approved.

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ASSOCIATE MEMBERSHIP AGREEMENT

by and between the

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

and the

COUNTY OF PLACER, CALIFORNIA

THIS ASSOCIATE MEMBERSHIP AGREEMENT (this "Associate Membership Agreement"), dated as of August __, 2010 by and between CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY (the "Authority") and the COUNTY OF PLACER, CALIFORNIA, a political subdivision, duly organized and existing under the laws of the State of California (the "County");

WITNESSETH:

WHEREAS, the Cities of Selma, Lancaster and Eureka (individually, a "Member" and collectively, the "Members"), have entered into a Joint Powers Agreement, dated as of June 1, 2006 (the "Agreement"), establishing the Authority and prescribing its purposes and powers; and

WHEREAS, the Agreement designates the Executive Committee of the Board of Directors and the President of the California Association for Local Economic Development as the initial Board of Directors of the Authority; and

WHEREAS, the Authority has been formed for the purpose, among others, to assist for profit and nonprofit corporations and other entities to obtain financing for projects and purposes serving the public interest; and

WHEREAS, the Agreement permits any other local agency in the State of California to join the Authority as an associate member (an "Associate Member"); and

WHEREAS, the County desires to become an Associate Member of the Authority;

WHEREAS, Board of Supervisors of the County has adopted a resolution approving the Associate Membership Agreement and the execution and delivery thereof;

WHEREAS, the Board of Directors of the Authority has determined that the County should become an Associate Member of the Authority;

NOW, THEREFORE, in consideration of the above premises and of the mutual promises herein contained, the Authority and the County do hereby agree as follows:

Section 1. Associate Member Status. The County is hereby made an Associate Member of the Authority for all purposes of the Agreement and the Bylaws of the Authority, the provisions of which are hereby incorporated herein by reference. From and after the date of execution and delivery of this Associate Membership Agreement by the County and the Authority, the County shall be and remain an Associate Member of the Authority.

Section 2. Restrictions and Rights of Associate Members. The County shall not have the right, as an Associate Member of the Authority, to vote on any action taken by the Board of Directors or by the Voting Members of the Authority. In addition, no officer, employee or representative of the County shall have any right to become an officer or director of the Authority by virtue of the County being an Associate Member of the Authority.

Section 3. Effect of Prior Authority Actions. The County hereby agrees to be subject to and bound by all actions previously taken by the Members and the Board of Directors of the Authority to the same extent as the Members of the Authority are subject to and bound by such actions.

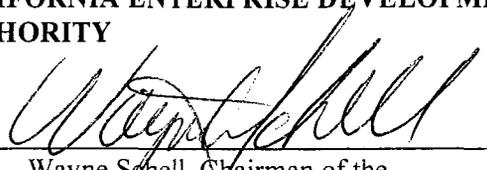
Section 4. No Obligations of Associate Members. The debts, liabilities and obligations of the Authority shall not be the debts, liabilities and obligations of the County.

Section 5. Execution of the Agreement. Execution of this Associate Membership Agreement and the Agreement shall satisfy the requirements of the Agreement and Article XII of the Bylaws of the Authority for participation by the County in all programs and other undertakings of the Authority.

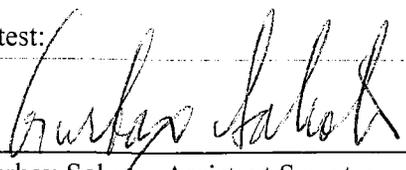
IN WITNESS WHEREOF, the parties hereto have caused this Associate Membership Agreement to be executed and attested by their proper officers thereunto duly authorized, on the day and year first set forth above.

**CALIFORNIA ENTERPRISE DEVELOPMENT
AUTHORITY**

By: _____


Wayne Schell, Chairman of the
Board of Directors

Attest: _____


Gurbax Sahota, Assistant Secretary

COUNTY OF PLACER, CALIFORNIA

By: _____

Kirk Uhler, Chair
Board of Supervisors

Attest: _____

Approved as to form:

By: _____

Gerald O. Carden, Chief Deputy County Counsel

Ann Holman
Clerk of the Board of Supervisors