



**City of Grass Valley
City Council and Redevelopment Agency
Agenda Action Sheet**

Council Meeting Date: July 28, 2009

Date Prepared: July 22, 2009

Prepared by: Daniel C. Holler, City Administrator

Title: Agreement with the Nevada County Economic Resource Council

Agenda: Administrative

Recommended Motion: Authorize execution of agreement between the Nevada County Economic Resource Council and the City of Gras Valley for Services and support of Broadband grant funding and authorize the Mayor to provide a letter of support for the project.

Background Information: For a number of years, the City Council has authorized annual funding for the Economic Resource Council (ERC) to support their activities relative to business promotion, retention, expansion and recruitment. The ERC is currently pursuing a federal Broadband grant to establish a system within Nevada County. A solid broadband system is currently lacking and is a growing piece of infrastructure expected by expanding and new companies. The Broadband project proposed by the ERC will have the added advantage of creating an ongoing funding source for the ERC. To improve the ERC's grant application a 30% grant match is being requested. The total project is \$10 million requiring a \$3 million match. The ERC has received a \$1 million grant from the State of California, leaving a gap of \$2 million. The ERC is requesting the City to commit three years of annual funding to this effort. The ERC is requesting \$45,000 in funding be committed by the City. This represents three years of City support to the ERC. The funds would only be spent if the ERC is successful in securing the federal grant. The City may commit to the funding but this will require the use of General Fund reserves. Given the potential benefit to the region and the long term benefit to the ERC this is a proposal the City should consider. The attached agreement provides for the funding as requested by the ERC. The ERC is also requesting a letter of commitment from the City to be included as part of their grant application. A letter from the ERC outlining their request is attached.

Funds Available: Yes

Account #: 100-5270-3033/3090

Reviewed by:

_____ City Administrator

Action:

_____ Approved
_____ Denied

_____ Approved with Modifications
_____ Other