



## COUNTY OF HUMBOLDT

For the meeting of: January 16, 2018

Date: December 18, 2017

To: Board of Supervisors

From: Amy S. Nilsen, County Administrative Officer *AS for AN*

Subject: Headwaters Fund Board's Recommended 2017-18 Grant Fund Awards for the November 1, 2017 Grant Round.

RECOMMENDATION(S):

That the Board of Supervisors:

- 1) Approve the slate of Grant Fund Competitive Awards recommended for approval by the Headwaters Fund Board (HFB) (Attachment 1; Attachment 2; Attachment 3); and,
- 2) Authorize the Chair of the Board to sign the grant contracts when completed, after review and approval by County Counsel and Risk Management.

SOURCE OF FUNDING:

Headwaters Grant Fund 3848

DISCUSSION:Prepared by Karen Meynell, Headwaters Fund Board Director CAO Approval *[Signature]*

## REVIEW:

Auditor \_\_\_\_\_ County Counsel *JN* Human Resources \_\_\_\_\_ Other \_\_\_\_\_

## TYPE OF ITEM:

☒ Consent

☐ Departmental

☐ Public Hearing

☐ Other \_\_\_\_\_

## PREVIOUS ACTION/REFERRAL:

Board Order No: \_\_\_\_\_

Meeting of: \_\_\_\_\_

## BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor *Bass* Seconded by Supervisor *Fennell*

Ayes *Bass, Fennell, Sundberg, Bohn, Wilson*

Nays \_\_\_\_\_

Abstain \_\_\_\_\_

Absent \_\_\_\_\_

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: *1/16/18*

By: \_\_\_\_\_

Kathy Hayes, Clerk of the Board *[Signature]*

## Background

On July 15, 2003, your Board approved the Headwaters Grant Fund Manual that details the process for awarding Competitive Awards as follows:

- The HFB will recommend a slate of grants to be funded for your Board's approval. The HFB's decisions on grants cannot be appealed by applicants [Grant Fund Manual section 11.b.iii].
- Your Board will use a majority vote to approve the entire slate presented by the HFB. Your Board may not add projects to the slate being approved, but may recommend additional review of individual projects. Upon majority vote, your Board may pull one or more projects from the slate and approve the remaining slate of projects. Your Board would refer pulled projects back to the HFB and staff with questions and comments. Staff and HFB would respond to your Board's comments on any pulled projects. After your Board receives the response, your Board would approve or deny individually pulled projects according to a majority vote. Your Board's decisions on grants cannot be appealed by applicants [Grant Fund Manual section 11.c.i].

The HFB and staff conducted a financial analysis of the Grant Fund to determine an allocation for the 2017-18 fiscal year. The HFB determined that \$75,000 would be an appropriate amount for the 2017-18 Grant Fund allocation. The HFB set a grant round deadline for the 2017-18 fiscal year for November 1.

## Recommended Slate

There were three applications received in the November 1, 2017 round and staff recommends your Board approve the HFB's recommended slate of three projects (Attachment 1). The slate totals \$74,557 and is shown on the table below.

Projects Recommended for Funding		
Applicant	Project	Funding
1. Sequoia Park Zoo Foundation	<b>Native Predator Zone &amp; Redwood Canopy Walk</b> The HFB recommends an allocation of \$25,000 to support a funding feasibility study for the Native Predator Zone & Redwood Canopy Walk project. The conclusions of this study will guide the phasing and timeline for project implementation. The HFB recommends an additional \$5,000 to support marketing and video production efforts to be used in donor recruitment. This fits with the Headwaters Fund purpose of advancing industry clusters (tourism) and enhancing the quality of life through environmental projects that promote healthy communities and protect and enhance the natural environment.	Award Amount: \$30,000 Request Amount: \$50,000 Total Project Cost: \$1.125M
2. Norcal Procurement Technical Assistance Center	<b>Government Procurement Expo for Small Businesses</b> Grant funds to be used for a government procurement expo and accompanying preparatory workshop series for small businesses. The workshops and procurement expo will provide small business owners technical assistance and face-to-face contact with government agencies who must buy a portion of their commodities from small businesses. This fits into the Headwaters Funds goal of providing access to external markets and growing existing businesses.	Award Amount: \$19,625 Request Amount: \$21,784 Total Project Cost: \$43,568

3. North Coast Small Business Development Center	<b>Business Succession Program</b> Grant award to provide technical assistance in support of business owners who need help preparing an exit strategy. The goal of the project is to retain mature, viable and locally-owned enterprises by providing guidance through this complex and lengthy process. This fits with the Headwaters Fund purpose of advancing economic development by retaining and growing existing businesses.	Award Amount: \$24,932 Request Amount: \$29,918 Total Project Cost: \$60,518
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The “Award Amount” represents the funding level recommended by the HFB. The “Request Amount” represents the amount requested by the applicant, while the “Total Project Cost” represents the cost of the entire project that the Headwaters Fund will partially fund.

### Review Process

The HFB’s application review process consisted of individual review and over 5 hours of group deliberation. The minutes from the November 2017 and December 2017 HFB meetings are attached (Attachment 2).

Applications were reviewed as follows:

- At the November 2017 meeting, the HFB conducted an initial review of the three applications. The HFB wanted additional information and had several questions for each grant proposal. Representatives from the Sequoia Park Zoo Foundation, Norcal Procurement Technical Assistance Center (PTAC) and North Coast Small Business Development Center (SBDC) were invited to attend the December 2017 meeting to answer project questions.
- At the December 2017 meeting, following a question and answer session with each applicant, projects were evaluated according to the approved Project Rating Criteria. The HFB voted to recommend partial funding for all three projects. A total of \$30,000 was recommended for the Sequoia Park Zoo Foundation project to support the funding feasibility study and marketing materials to recruit donations. The HFB recommended \$19,625 for the Norcal PTAC project and \$24,932 for the North Coast SBDC application. The HFB did not support funding overhead/indirect costs associated with the PTAC and SBDC projects. The rating sheets for the three projects which were considered for funding are attached (Attachment 3).

### Next Steps

If your Board approves the Grant Fund Competitive Awards grants, staff will contact applicants and prepare a grant contract for each successful applicant. County Counsel and Risk Management will review and approve all contracts. Grant contracts will state, among other things, the scope of the project and applicant responsibilities. All applicants will be required to report on project progress and submit project evaluations. The preferred mechanism for fund disbursement will be periodic expense reimbursement.

### FINANCIAL IMPACT:

There is no financial impact to the General Fund. Financial costs are borne by the Headwaters Fund and included in the current budget of the Headwaters Fund.

Approval of HFB recommendations support the Board's Strategic Framework to encourage new local enterprise and support business, workforce development and creation of private-sector jobs.

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board could decide not to approve the slate of recommended awards. Your Board may pull one or more projects from the slate and approve the remaining slate of projects or request for further review of one or more projects. This alternative is not recommended as the HFB diligently reviewed and evaluated each proposal in accordance with the stated Headwaters funding priorities. The slate of recommended awards will support base industries in Humboldt County, providing economic and environmental advantages at no cost to the County. These monies are unavailable for other use and would be otherwise unspent.

ATTACHMENTS:

Attachment 1: Grant Fund Applications

Attachment 2: Headwaters Fund Board Minutes from November and December 2017

Attachment 3: Headwaters Grant Fund Project Ranking Criteria Summary and Rating Sheets