



**SPECIAL CITY COUNCIL MEETING  
MEETING AGENDA  
TUESDAY, FEBRUARY 2, 2016**

**Special Meeting - 5:30 PM**

**City Hall – Beryl P. Robinson, Jr. Conference Room  
317 Broad Street, Nevada City, CA 95959**

**[Alternate Site – Conference Call Only]  
2210 John Scott Trail  
Alpine Meadows, CA 96146**

**MISSION STATEMENT**

*The City of Nevada City is dedicated to preserving and enhancing its small town character and historical architecture while providing quality public services for our current and future residents, businesses and visitors.*

**Jennifer Ray, Mayor**

**Robert Bergman, Council Member  
Terri Andersen, Council Member**

**Evans Phelps, Vice Mayor  
Duane Strawser, Council Member**

---

The City Council welcomes you to its meetings which are scheduled at 6:30 PM on the 2<sup>nd</sup> and 4<sup>th</sup> Wednesdays of each month. Your interest is encouraged and appreciated. This meeting is recorded on DVD and is televised on local public television Channel 17. Other special accommodations may be requested to the City Clerk 72 hours in advance of the meeting. Please turn off all cell phones or similar devices. Action may be taken on any agenda item. Agenda notices are available at City Hall. Materials related to an item on this Agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Hall at 317 Broad Street, Nevada City, CA during normal business hours.

**ANY MEMBER OF THE PUBLIC DESIRING TO ADDRESS THE COUNCIL ON ANY ITEM ON THIS AGENDA:** After receiving recognition from the Mayor, give your name and address, and then your comments or questions. Please direct your remarks to the Councilmembers. In order that all interested parties have an opportunity to speak, please limit your comments to the specific item under discussion. All citizens will be afforded an opportunity to speak, consistent with their Constitutional rights. Time limits shall be at the Mayor's discretion. **IF YOU CHALLENGE** the Council's decision on any matter in court, you will be limited to raising only those issues you or someone else raised at the meeting or Public Hearing described on this agenda, or in written correspondence delivered to the City Council at, or prior to, the meeting or Public Hearing.

**SPECIAL MEETING – 5:30 PM - Call to Order**

**Roll Call:** Andersen, Bergman, Strawser, Vice Mayor Phelps, & Mayor Ray

**A. Subject:** Sierra Digital Media Campus Funding

**Recommendation:** Pass Resolution 2016-XX 1) reaffirming the City Council's prior authorization to utilize \$50,000 from the Nevada City Economic Development Fund toward a \$500,000 U.S. Department of Commerce Economic Development Administration (EDA) Regional Innovation Strategies Grant Application to accelerate the launch of the Sierra Digital Media Campus; and 2) authorizing release of the pledged \$50,000 from the Nevada City Economic Development Fund to the Nevada

County Economic Resource Council (ERC) to accelerate launch of the Sierra Digital Media Campus contingent upon the ERC demonstrating to the satisfaction of the City Manager the campus and tenants will bring a minimum of 10 new full-time jobs to Nevada City.

**Certification of Posting of Agenda**

I, Corey Shaver, Administrative Supervisor for the City of Nevada City, declare that the foregoing agenda for the February 2, 2016 Special Meeting of the Nevada City City Council was posted February 1, 2016 at the office of the City of Nevada City (City Hall) and arranged for the posting of the agenda at the alternate Alpine Meadows, CA site. The agenda is also posted on the City’s website [www.nevadacityca.gov](http://www.nevadacityca.gov).

Signed this February 1, 2016 at Nevada City, California

\_\_\_\_\_, Corey Shaver, Administrative Supervisor

---

**CITY OF NEVADA CITY  
City Council  
Long Range Calendar**

February 10, 2016	Regular City Council Meeting
February 15, 2016	Presidents’ Day Holiday – City Hall Closed
February 24, 2016	Regular City Council Meeting
March 9, 2016	Regular City Council Meeting
March 23, 2016	Regular City Council Meeting
March 31, 2016	Cesar Chavez Day Holiday – City Hall Closed

NOTE: This list is for planning purposes; items may shift depending on timing and capacity of a meeting.

**NOTICE:** *As presiding officer, the Mayor has the authority to preserve order at all City Council meetings, to remove or cause the removal of any person from any such meeting for disorderly conduct, or for making personal, impertinent, or slanderous remarks, using profanity, or becoming boisterous, threatening or personally abusive while addressing said Council and to enforce the rules of the Council.*

# REPORT TO CITY COUNCIL

City of Nevada City  
317 Broad Street  
Nevada City, CA 95959  
[www.nevadacityca.gov](http://www.nevadacityca.gov)

February 2, 2016

---

## **TITLE: Sierra Digital Media Campus Funding**

**RECOMMENDATION:** Pass Resolution 2016-XX 1) reaffirming the City Council's prior authorization to utilize \$50,000 from the Nevada City Economic Development Fund toward a \$500,000 U.S. Department of Commerce Economic Development Administration (EDA) Regional Innovation Strategies Grant Application to accelerate the launch of the Sierra Digital Media Campus; and 2) authorizing release of the pledged \$50,000 from the Nevada City Economic Development Fund to the Nevada County Economic Resource Council (ERC) to accelerate launch of the Sierra Digital Media Campus contingent upon the ERC demonstrating to the satisfaction of the City Manager the campus and tenants will bring a minimum of 10 new full-time jobs to Nevada City.

**CONTACT:** Mark Prestwich, City Manager

**BACKGROUND:** On May 22, 2015, the Nevada County Economic Resources Council (ERC) was awarded one of only 12 nationwide Science and Research Park Development Grants by the U.S. Department of Commerce Economic Development Administration (EDA). The \$500,000 grant is funding a feasibility analysis to develop the Sierra Digital Media Campus (SDMC) as a workplace for digital media entrepreneurs. As envisioned, the campus will be a collective set of facility uses (training/education, start-up incubation and co-working space, commercialization lab space, and space for "stage 2" or "anchor" businesses.

On September 17, 2015, the ERC Executive Committee voted to accept a recommendation presented in the Site Selection Committee Report that identified the former Grass Valley Group buildings in the Nevada City Tech Center as the preferred site for the SDMC among the many it evaluated. On September 23, 2015, the City Council authorized \$50,000 from the City's Economic Development Fund as matching funds toward a \$500,000 U.S. Department of Commerce Economic Development Administration (EDA) Regional Innovation Strategies Grant Application to accelerate the launch of the Sierra Digital Media Campus. Grant awards are anticipated to be announced in the coming month.

**DISCUSSION:** Since the application was submitted, the ERC's preferred location for a campus has evolved to an alternate Nevada City 26,000 square foot building that has several advantages over the initial planned campus site. Primary advantages include the fact that the alternate building requires no tenant improvement prior to move in and more attractive lease options. The facility has been vacant for approximately two years.

The ERC Executive Committee has since assembled multiple technology-related companies that have expressed an interest in co-locating with the ERC to the campus facility. One of the prospective tenants desires to co-locate but must make their independent expansion decision by February 15 to this facility or an alternate Nevada County location outside the City. Therefore, for the reasons noted above about the benefits of the alternate site, the ERC Executive Committee is requesting the release of the \$50,000 prior to the grant award to secure the facility and accelerate launch of the SDMC.

Given the prospect of bringing technology-related jobs to Nevada City, activating a large Nevada City-based building that has been vacant for more than two years, and the value of accelerating the creation of the SDMC which will be initially focused on launching a Connected Commercialization Center targeting high growth potential start-up businesses, established local companies seeking to grow, and companies expanding to Nevada County, staff is supportive of the ERC's request but recommends it be contingent on the ERC demonstrating the funding will result in the addition of at least 10 new technology jobs to Nevada City.

**ENVIRONMENTAL CONSIDERATIONS:** None.

**FINANCIAL CONSIDERATIONS:** Addressed in report.

**ATTACHMENTS:**

- ✓ Letter from ERC
- ✓ Resolution 2016-XX

# ERC Nevada County Economic Resource Council

February 1, 2016

To: Mark Prestwich, City Manager, City of Nevada City

Re: Request for Advancing \$50,000 City Commitment for Sierra Digital Media Campus Project

As you know, last September the City of Nevada City approved a \$50,000 commitment as matching funds towards a \$500,000 U.S. Department of Commerce, Economic Development Administration (EDA) grant proposal submitted by the Nevada County ERC Foundation that is focused on implementation funding for the Sierra Digital Media Campus (SDMC) project. As of today, we still do not have an indication that the EDA grant proposal will be funded (or not). That said, EDA's Northern California representative recently expressed positive sentiments about the project to me, and is prepared to help with a subsequent funding proposal to their western regional office (in Seattle) should the current grant proposal under consideration not be approved.

Importantly, in the past 30 days the ERC has learned of an imminent opportunity to launch the SDMC campus at a vacant 26,000 square foot facility within the City of Nevada city limits. The building previously had been occupied over the past 25 years by different local technology companies at various times. Its lay-out and square footage capacity are consistent with the facility needs of the proposed campus. Terms of a lease have been negotiated with the building owner. Moreover, the feasibility study effort undertaken with the previously received EDA grant dollars is nearly complete and has identified a series of programs and activities that could be launched immediately (even without EDA grant dollars).

In addition, an emerging local technology company has agreed to secure space as an initial anchor tenant of the facility and needs to move by February 15 in order to achieve key near-term business milestones. The company will immediately be bringing 10+ jobs to the campus, and Nevada City. Finally, two additional emerging technology companies have also expressed a high degree of interest in securing space at the facility – each of which have estimated bringing/creating 10-15 jobs within a 2-year time horizon. Other strategic partnering opportunities that would add substantial value to the Sierra Digital Media Campus are currently in discussion, including one that brings unique video broadcast production capabilities and another focused on bringing European and Chilean companies who are seeking a presence in Northern California to the campus.

Via this letter, the ERC is seeking assistance from the City of Nevada City by approving an advance of the original \$50,000 cash match commitment made in September so that collectively we can capitalize on this unique opportunity to launch the Sierra Digital Media Campus at this time. If not for the City's funding participation at this time, this highly-compelling opportunity will be lost. The proposed anchor tenant has another suitable facility option (though the campus facility is their preferred choice) located elsewhere in Nevada County and has informed the ERC it needs to be able to begin moving by February 15 in order to meet its internal deadline associated with key business milestones. No other anchor

tenant prospects are imminent at this time, which is a cornerstone element of our ability to move forward.

I look forward to the prospects of the city partnering with us on this potentially game-changing economic development endeavor for the City of Nevada City.

Regards,

A handwritten signature in black ink, appearing to read "Jon Gregory". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

Jon Gregory, Executive Director  
Nevada County Economic Resource Council

## RESOLUTION NO. 2016-XX

### A RESOLUTION REAFFIRMING CITY MATCHING FUNDS FOR A U.S. DEPARTMENT OF COMMERCE ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) REGIONAL INNOVATION STRATEGIES GRANT APPLICATION AND AUTHORIZING RELEASE TO ACCELERATE LAUNCH OF THE SIERRA DIGITAL MEDIA CAMPUS

**WHEREAS**, on May 22, 2015, the Nevada County Economic Resources Council (ERC) was awarded one of only 12 nationwide Science and Research Park Development Grants by the U.S. Department of Commerce Economic Development Administration (EDA); and

**WHEREAS**, the \$500,000 EDA grant is funding a feasibility analysis to develop the Sierra Digital Media Campus (SDMC) as a workplace for digital media entrepreneurs; and

**WHEREAS**, the EDA's new Regional Innovation Strategies (RIS) \$10 million grant program creates an opportunity to accelerate launch of the SDMC project, including \$2.5 million dedicated to rural areas; and

**WHEREAS**, the EDA grant program includes a 1:1 matching grant requirement; and

**WHEREAS**, the ERC has requested assistance with providing matching funds for the EDA grant proposal; and

**WHEREAS**, the proposed grant presents significant potential long-term economic benefit to Nevada City and is consistent with the City's NCFORWARD Economic Plan; and

**WHEREAS**, on September 23, 2015, the City Council authorized \$50,000 from its Economic Development Fund as matching funds for a \$500,000 RIS application for a SDMC to be located at 400 Providence Mine Road in Nevada City; and

**WHEREAS**, the ERC has identified an alternate, more cost-effective, SDMC location also in Nevada City that is available February 15, 2016 which would facilitate an accelerated launch of the SDMC; and

**WHEREAS**, the ERC has recruited multiple technology-related businesses to co-locate at the alternate SDMC site with the ERC, including one with an imminent business expansion decision need.

**BE IT RESOLVED** by the City Council of Nevada City as follows:

**SECTION 1:** The City Council 1) reaffirms its authorization to utilize \$50,000 from the Nevada City Economic Development Fund toward a \$500,000 U.S. Department of Commerce Economic Development Administration (EDA) Regional Innovation Strategies Grant Application to accelerate the launch of the Sierra Digital Media Campus; and 2) authorizes release of the pledged \$50,000 from the Nevada City Economic Development Fund to the Nevada County Economic Resources Council (ERC) to accelerate launch of the Sierra Digital Media Campus contingent upon the ERC demonstrating to the

satisfaction of the City Manager the campus and tenants will bring a minimum of 10 new full-time jobs to Nevada City.

**PASSED AND ADOPTED** at a Special Meeting of the City Council of the City of Nevada City held on February 2, 2016 by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

---

**Jennifer Ray, Mayor**

**ATTEST:**

---

**Niel Locke, City Clerk**

**STATE OF CALIFORNIA**

City of Nevada City

I, Corey Shaver, Deputy City Clerk of the City of Nevada City, State of California, hereby certify the above and foregoing to be a full, true and correct copy of a resolution adopted by said City Council on this \_\_\_<sup>th</sup> day of February, 2016.

By: \_\_\_\_\_  
Corey Shaver, Deputy Clerk