



## STAFF REPORT

**DATE:** September 4, 2018  
**TO:** Ronald L. Olson, City Manager  
**FROM:** Jonathan Locke, Executive Director of Finance  
**SUBJECT:** Killeen Economic Development Corporation Agreement

### **BACKGROUND AND FINDINGS:**

On November 30, 1990, the City of Killeen entered into an agreement with the Killeen Economic Development Corporation (KEDC) providing for economic development services. Since 1990, the City of Killeen has continued this collaboration which includes an annual appropriation to the KEDC.

The City Council has authorized an allocation in the past of no less than the equivalent to two cents (2¢) of the net ad valorem tax collections each fiscal year.

Funding for this agreement has been included in the proposed budget in an amount of \$386,354. The City will determine each year's allocation in consultation with the KEDC. The attached agreement describes the responsibilities of the City and the KEDC and includes provisions for the use of funds and financial reporting requirements.

### **THE ALTERNATIVES CONSIDERED:**

1. To not enter into an agreement with the Killeen Economic Development Corporation.
2. To enter into an agreement with the Killeen Economic Development Corporation.

### **Which alternative is recommended? Why?**

Staff recommends option 2.

### **CONFORMITY TO CITY POLICY:**

This action supports City of Killeen Vision 2030 Goal 1: Quality Community Development and Revitalization and Goal 8: Targeted Economic Development.

### **FINANCIAL IMPACT:**

#### **What is the amount of the expenditure in the current fiscal year? For future years?**

\$386,354

**Is this a one-time or recurring expenditure?**

Recurring

**Is this expenditure budgeted?**

Yes

**If not, where will the money come from?**

N/A

**Is there a sufficient amount in the budgeted line-item for this expenditure?**

Yes, upon adoption of the FY 2019 Budget.

**RECOMMENDATION:**

Staff recommends that the City Council authorize the City Manager or designee to execute the attached agreement with KEDC and set the FY 2019 allocation for KEDC at \$386,354.

**DEPARTMENTAL CLEARANCES:**

Purchasing  
Legal

**ATTACHED SUPPORTING DOCUMENTS:**

Agreement