

Regular	<u>09-22-20</u>
Item #	<u>RS-20-100</u>
CCM/R	<u>20-101R</u>

CITY COUNCIL MEMORANDUM FOR RESOLUTION

DATE: September 15, 2020

TO: Kent Cagle, City Manager

FROM: Tony D. McIlwain, AICP, CFM, Exec. Dir. of Planning and Dev. Svcs.

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. On September 11, 2018, City Council approved the current economic development agreement that set the annual allocation to a predetermined amount and covered the two-year period of October 1, 2018 to September 30, 2020. The proposed agreement is for a two-year term and provides funding for day-to-day operations, supplies, salaries, office rental, travel expenses and other administrative costs. Funding for this agreement has been included in the proposed budget in an amount of \$725,054. The City determines each year's allocation in consultation with the KEDC and sets out the responsibilities of the City and the KEDC, including provisions for the use of funds and financial reporting requirements.

THE ALTERNATIVES CONSIDERED:

Do not enter into an agreement with the KEDC;

Enter into an agreement with different terms or contribution amount with the KEDC; or

Enter into the submitted agreement with the KEDC.

Which alternative is recommended? Why?

Staff recommends that the City Council enter into the submitted agreement with the Killeen Economic Development Corporation. Economic development remains a high priority for the City and this agreement demonstrates the City's continued commitment to that effort.

CONFORMITY TO CITY POLICY:

This action conforms to Section 3-60, *Economic Development Partners' Roles and Expectation*, of the City's approved Economic Development Policy (Res. 19-007R).

FINANCIAL IMPACT:

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

The amount of the expenditure will be \$725,054 for the upcoming fiscal year. The City will determine each future year's allocation in consultation with the KEDC.

Is this a one-time or recurring expenditure?

Budget allocation for the KEDC is a recurring expenditure.

Is this expenditure budgeted?

The expenditure is allocated in the FY 20-21 budget with \$362,527 in account number 010-9501-491.44-92 and \$362,527 in account number 550-9501-491.44-92.

If not, where will the money come from?

There is no other identified funding source.

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

Yes, upon adoption of the FY 20-21 budget.

RECOMMENDATION:

Staff recommends that the City Council approve the two-year agreement with the KEDC and set the FY 2020-21 budget allocation in the amount of \$725,054.

DEPARTMENTAL CLEARANCES:

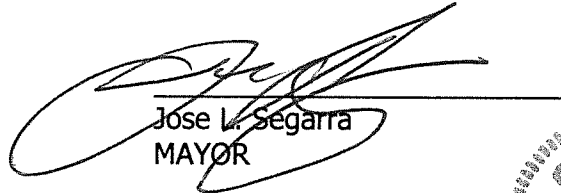
Finance
Legal

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KILLEEN:

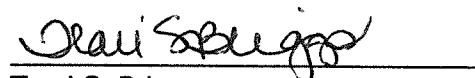
That the above stated recommendation is hereby approved and authorized.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Killeen, Texas, this the 22nd day of September, 2020, at which meeting a quorum was present, held in accordance with the provisions of V.T.C.A., Government Code, § 551.001 *et seq.*

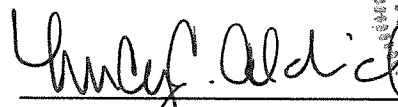
APPROVED


Jose L. Segarra
MAYOR

APPROVED AS TO FORM:


Traci S. Briggs
CITY ATTORNEY

ATTEST:


Lucy C. Aldrich
CITY SECRETARY

