

CITY COUNCIL MEMORANDUM

AGENDA ITEM

**Agreement with Killeen Economic
Development Corporation**

ORIGINATING DEPARTMENT

City Manager

BACKGROUND INFORMATION

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.

DISCUSSION/CONCLUSION

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 up to \$772,708. A consensus among City Council members was reached at the September 6, 2016 workshop to reduce the FY 2017 KEDC allocation by 50% which equates to \$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.

RECOMMENDATION

That the City Council authorize the Interim City Manager to execute the attached agreement on behalf of the City and set the FY 2017 allocation for KEDC at \$386,354.