

Mayor and Council Communication

DATE: 03/21/23

M&C FILE NUMBER: M&C 23-0212

LOG NAME: 17EDIFPOLICY

SUBJECT

(ALL) Adopt Resolution Establishing a Policy for the Economic Development Initiatives Fund

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution establishing a policy for the Economic Development Initiatives Fund.

DISCUSSION:

On February 22, 2022, City Council accepted an update to the Fort Worth Economic Development Strategic Plan (Plan) (M&C G-19192) that, among other updates and revisions, called for establishment within the City budget of a dedicated cash fund for the purposes of supporting economic development in the city. The strategic recommendation was made in response to both the need for more flexible resources for incentivizing certain projects and to the heightened level of competition seen in the market and the emergence of new funds created in other communities within the region for promoting economic development. In response to the recommendation, City staff has worked with City Council to evaluate the proposed establishment of such a fund through a dedicated portion of the City's property tax rate and through the use of City TIF contributions upon their termination. While a special revenue fund was established as part of the fiscal year 2022 and fiscal year 2023 city budgets, no policy exists recommending such a dedicated fund or one that guides the long-term funding and use of such a fund for the purpose of supporting economic development.

Therefore, staff is recommending that the City Council adopt a policy (Policy) for the establishment, long-term funding, and use of an Economic Development Initiatives Fund (EDIF). The EDIF Policy specifies the intended sources of funding that are to be directed to the EDIF and provides general guidance on the use of EDIF funds. More specifically, the EDIF Policy categorizes allowable use of funds by those that are programmatic in nature (i.e. costs relating to the annual or multi-year support of programs, initiatives, and administration of economic development efforts) and by those that are to be reserved for use in incentivizing future projects. Final and official approval of annual funding and use of the EDIF will be established each year by way of approval of the City budget for the applicable fiscal year.

A copy of the proposed EDIF Policy is attached.

Once adopted, the amended Policy will be effective on March 21, 2023.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of this Policy will have no material effect on the Fiscal Year 2023 Budget, and any effect on expenditures and revenues will be budgeted in future fiscal years and included in the long term forecast.

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Expedited