

# Mayor and Council Communication

**DATE:** 12/12/23

**M&C FILE NUMBER:** M&C 23-1048

**LOG NAME:** 17EDIF POLICY UPDATE

**SUBJECT**

(ALL) Adopt Resolution Supplementing the Economic Development Initiatives Fund Policy to Specify the Utilization of Funds Through Fiscal Year 2028

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**RECOMMENDATION:**

It is recommended that the City Council adopt the attached resolution supplementing the Economic Development Initiatives Fund Policy to specify the utilization of funds through fiscal year 2028.

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**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 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 Tax Increment Financing (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 existed 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.

On March 21, 2023, the City Council adopted a Resolution (M&C 23-0212), approving a policy (Policy) for the establishment, long-term funding, and use of an Economic Development Initiatives Fund (EDIF). The purpose of the EDIF is to create a strong, resilient, and growing local economy and promote the development of the City's commercial and industrial base through the sustained support of targeted programs and strategic investment. The Policy recommends that the EDIF is expressly designed to provide long-term annual funding for economic development projects, programs, and initiatives and their administration. Per the policy, funding for the EDIF would be derived from new revenue derived from Tax Increment Financing zones that are expiring or that have reduced contributions from the City.

The proposed supplement to the Policy outlines, generally, the types of programs and activities that are approved by the revenue from the EDIF, which will be updated and approved annually as part of the annual budget process.

A copy of the Supplement to the EDIF Policy is attached.

The supplement to the Policy will be effective on the date of adoption by the City Council.

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

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that approval of this recommendation will have no material effect on City funds.

**Submitted for City Manager's Office by:** William Johnson 5806

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