

RESOLUTION NO. 2014-0151

Adopted by Sacramento City Council

May 27, 2014

ADOPT ECONOMIC DEVELOPMENT FUND POLICY

BACKGROUND

- A. The dissolution of Redevelopment in 2011 resulted in the loss of an important source of funding for economic development projects within the city of Sacramento.
- B. In recognition of the critical nature of these projects to job creation and private investment, on June 11, 2013 by Council Resolution 2013-0198, the City Council established the Economic Development Fund (ED Fund, Fund 2031) to be funded with property tax revenues received as a result of the dissolution of Redevelopment.
- C. Additional unobligated revenues such as proceeds from land sales, lease revenues, loan repayments and interest income would supplement the ED Fund for economic development purposes.
- D. The Council resolution directed staff to return to City Council for approval of the policies and guidelines governing the ED Fund.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The above findings are true and correct.
- Section 2. The Economic Development Fund Policy is hereby approved, with Guidelines, and Process and Procedures, to be brought back to City Council for approval.
- Section 3. The City Manager or the City Manager's designee is hereby authorized to take such necessary administrative actions and develop such necessary procedures to implement the ED Fund Policy.
- Section 4. The repayment of the \$303,070 loan from the 1012-1022 K Street property will be deposited to the ED Fund, Fund 2031.

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Exhibit A: Economic Development Fund Policy

Adopted by the City of Sacramento City Council on May 27, 2014, by the following vote:

Ayes: Members Ashby, Cohn, Fong, Hansen, McCarty, Pannell, Schenirer, Warren,
and Mayor Johnson.

Noes: None

Abstain: None

Absent: None

Attest:

Shirley A. Concolino

Digitally signed by Shirley A. Concolino
DN: cn=Shirley A. Concolino, o=City of Sacramento, ou=City
Clerk, email=sconcolino@cityofsacramento.org, c=US
Date: 2014.06.02 13:37:02 -07'00'

Shirley Concolino, City Clerk

**CITY OF SACRAMENTO
ECONOMIC DEVELOPMENT FUND
Policy**

Background and Fund Goals

As part of the City of Sacramento's Fiscal Year (FY) 2013/14 budget (Resolution 2013-0198), the City Council authorized establishment of the Economic Development Fund (ED Fund) to be funded with net property tax revenues received by the City as a result of the dissolution of Redevelopment. The Economic Development Fund (Fund 2031) will further the City's Economic Development Strategy by making investments in Economic Development Projects (ED Projects) using former Redevelopment area funds as well as unobligated revenues from sources such as land sales, lease revenues, loan repayments and interest income. The ED Fund will be managed and administered by the Economic Development Department. The ED Fund will allow the City to leverage resources with other private and public investment to achieve key development projects. By leveraging resources, this fund will encourage strategic investments that lead to furthering initiatives and goals outlined in the City's Economic Development Strategy. This Fund will also provide a long term source of revenue for City priority projects focused on economic development and job growth in Sacramento. The ED Fund goals are to advance economic development projects that result in achieving **all** of the following:

- 1) Create or retain private sector jobs,
- 2) Leverage other private or public funds,
- 3) Increase revenues to the City,
- 4) Catalyze commercial development, and
- 5) Result in a completed project.

Funds will be awarded in accordance with the ED Fund Guidelines, Process, and Procedures, as approved by City Council.

Eligible Uses

To be eligible, funding must meet the economic development goals listed above and fall into one of the following categories.

- Provide grant match for construction projects,
- Fill a funding gap or shortfall for public infrastructure improvements,
- Fill a funding gap or shortfall for a City/private partnership development project,
- Provide funding to support debt service for a City/private partnership construction project, or
- Loans for private development projects.

Ineligible Uses

- Land acquisitions,
- Environmental remediation,
- Pre-application and pre-development costs,
- Program, staffing or operating costs (except for debt service).