

RESOLUTION NO. 2018-20

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
ADOPTING ECONOMIC DEVELOPMENT
OPPORTUNITY FUND POLICY**

THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY
RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. That certain document entitled, “Economic Development Opportunity Fund Policy” is hereby adopted as the official economic development opportunity fund policy for the City of Merced.

SECTION 2. The City Manager and Finance Officer are hereby authorized and directed to comply with the Economic Development Opportunity Fund Policy effective immediately.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the 2 day of April 2018, by the following vote:

AYES: 7 Council Members: BELLUOMINI, BLAKE, MARTINEZ,
MCLEOD, MURPHY, PEDROZO, SERRATTO

NOES: 0 Council Members: NONE

ABSENT: 0 Council Members: NONE

ABSTAIN: 0 Council Members: NONE

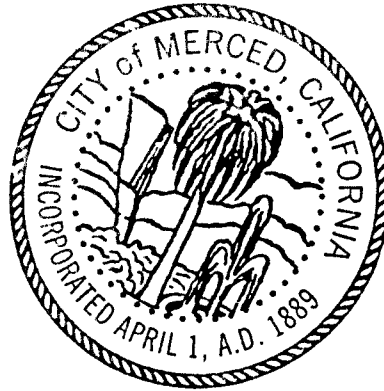
APPROVED:


Mayor

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____

Assistant/Deputy City Clerk



(SEAL)

APPROVED AS TO FORM:

Valentina 3/23/18
City Attorney Date

Economic Development Opportunity Fund

Name of fund.

There is created and established within the budget of the City of Merced a fund to be known as the "Economic Development Opportunity Fund."

Purpose of fund.

The purpose of the Economic Development Opportunity Fund is to support extraordinary economic development opportunities that create and retain employment as well as create significant capital investments. The resources in the Economic Development Opportunity Fund shall accumulate from year to year until available reserves equal \$5,000,000.

Sources of resources.

- (1) All money appropriated or allocated for inclusion in the fund, from whatever source.
- (2) Subject to any pledge, contract or other obligation, all interest or other gains from investment of money from the fund.
- (3) Any other money available and directed to be paid into the fund.
- (4) The budget submission for each year shall include a recommendation for a General Fund contribution, which is calculated as 20% of the 75% excess of prior year audited unreserved General Fund balance over the Government Finance Officers Association (GFOA) recommended minimum.

Example:

Fiscal Year 15-16 Audited unreserved fund balance at June 30	\$8,659,009
Fiscal Year 17-18 GFOA Recommended minimum	<u>6,681,022</u>
Excess over GFOA Minimum	1,977,987

Amount Rounded	1,900,000
	<u>75%</u>
75% of Excess	1,425,000
	<u>20%</u>
20% to Revenue Stabilization	\$ <u>285,000</u>

Use of fund.

- (1) Expenditures from this fund shall be used only for the following purposes:
 - a. To retain and/or expand existing businesses located in the City
 - b. To retain local jobs and/or increase the number and diversity of jobs that offer stable employment
 - c. To diversify the local economy, encourage economic and commercial activity, including the range of goods and services available

- d. To provide significant economic impact by attracting other businesses, jobs, or investment
- e. To increase the tax base
- f. To facilitate the development process and to achieve development on sites which would not otherwise be developed or that would be under developed without assistance
- g. To offset increased costs of development (i.e. contaminated site clean-up) over and above the costs normally incurred in development
- h. To fully utilize existing real estate, real property, existing or planned infrastructure, facility or capital improvements
- i. To contribute to the implementation of other identifiable goals of the City

(2) All expenditures from this fund shall require prior city council approval, unless previously specifically authorized by the city council for expenditure in the annual budget.

Fund Manager.

The Director of Economic Development or designee shall administer the Economic Development Opportunity Fund within the financial management system, and shall serve as the fund manager.