

AGENDA

REGULAR CITY COUNCIL MEETING

April 11, 2016

5:30 p.m.

CITY HALL COUNCIL CHAMBER

313 COURT STREET

THE DALLES, OREGON

Item to be Added as Action Item #11-B

11. ACTION ITEMS

- B. Distribution of Initial Enterprise Zone Fee from Design, LLC.

Prepared by/
Izetta Grossman
City Clerk

CITY OF THE DALLES

"By working together, we will provide services that enhance the vitality of The Dalles"



AGENDA STAFF REPORT

AGENDA LOCATION: Action Item #11-B

MEETING DATE: April 11, 2016

TO: Honorable Mayor and City Council

FROM: Julie Krueger, City Manager

ISSUE: Distribution of Initial Enterprise Zone Fee for Design LLC.

BACKGROUND: The third enterprise zone was negotiated last year and included an initial fee to be paid to the City and Wasco County upon finalizing development agreements. The initial fee of \$1.45 million has been paid to Wasco County. When the building goes into operation, the annual fees will commence. The initial fee is proposed to be divided equally between City of The Dalles and Wasco County after setting aside \$250,000 for immediate impact projects in the community. Removing the \$250,000, there is \$1.2 million remaining. The City's share is \$600,000. This revenue will be helpful in maintaining the General Fund beginning balance and contingency levels which have and will continue to be impacted by moving franchise fees and cash to the Street Department operations and City contributions to community programs and events.

When the annual fees begin coming in, County and City representatives will meet with community partners to determine how the funds will be distributed for the greatest benefit to the community.

The initial fee is proposed to be placed into the General Fund and will be included as part of the beginning fund balance for the budget process.

BUDGET IMPLICATIONS: When these funds are received, they will be receipted into the General Fund Enterprise Zone Revenue line item. However, in order to allocate those funds for use in the current fiscal year, a Supplemental Budget would need to be put in place prior to spending any of those funds.

Staff recommends that these funds remain unallocated in the current fiscal year in order to provide an adequate Beginning Fund Balance for the next fiscal year, beginning July 1, 2016.

COUNCIL ALTERNATIVES:

Staff recommendation: Move to accept the initial fee of \$1.45 million from the Design LLC third enterprise zone, setting aside \$250,000 for immediate impact projects and equally dividing the remaining \$1.2 million between Wasco County and City of The Dalles.

The City Council could discuss further and make a different decision on the use of the City's portion of the initial fee.

The City Council could work with the County to determine a different amount to set aside for immediate impact projects in the community.