



Legislation Text

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CITY of ALBUQUERQUE
TWENTIETH COUNCIL

COUNCIL BILL NO. R-12-117 ENACTMENT NO. _____

SPONSORED BY: Dan Lewis, Trudy E. Jones and Rey Garduño, by request

RESOLUTION

**Establishing The Economic Development Action Account (EDAct Account);
Establishing The Economic Development Action Council; And Appropriating Funds For
Economic Development (Lewis, Jones, Garduño, by request)**

**ESTABLISHING THE ECONOMIC DEVELOPMENT ACTION ACCOUNT (EDAct Account);
ESTABLISHING THE ECONOMIC DEVELOPMENT ACTION COUNCIL; AND
APPROPRIATING FUNDS FOR ECONOMIC DEVELOPMENT.**

WHEREAS, the national economic recession has had a serious effect on the economy of Central New Mexico and the Albuquerque metropolitan area, with the loss of more than 28,000 jobs in the past four years; and

WHEREAS, potential Federal budget cuts could have a significant negative effect on New Mexico and the Albuquerque region, with the potential loss of numerous Federal jobs as well as substantial Federal contract funding; and

WHEREAS, the competition for quality job creation projects is very intense on both the national and international levels; and

WHEREAS, the City recognizes that economic base companies, which export the majority of their goods or services out of the region or state (thereby bringing additional money into the community), provide the economic foundation for the entire area economy; and that the viability of all other businesses in the community, small and large, depends on the success and growth of economic base companies, through new locations and

relocations of such companies into the Albuquerque region, expansions of existing companies, and new start-ups; and

WHEREAS, the lack of resources at the regional and state level over recent years has made it difficult to effectively market the area and compete for economic development projects; and

WHEREAS, the City recognizes that the retention and expansion of existing area economic base companies, and the growth of new entrepreneurial ventures, also are vital to the economic future of our region; and

WHEREAS, the Council desires to appropriate certain funds to be used to promote economic development in the Albuquerque area; and

WHEREAS, the City has collected \$5,521,686 in termination payments in FY 2013 from companies that had received City incentives to locate in the community (the “2013 Termination Payments”); and

WHEREAS, the Council desires to establish an “Economic Development Action Account” (the “EDAct Account”) to enhance the development of economic base companies in expansion and relocation decisions, and to increase the incidence of high quality economic expansion in the Albuquerque metropolitan area of Central New Mexico, and to fund the EDAct Account with the 2013 Termination Payments; and

WHEREAS, the appropriation of the 2013 Termination Payments to the City must be approved by the City Council; and

WHEREAS, the City Council desires to establish an Economic Development Action Council (“EDAct Council”), and finds that this EDAct Council is the most appropriate entity to review and recommend the use of such funds received by the City, including funding for particular economic development initiatives.

BE IT RESOLVED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF ALBUQUERQUE:

Section 1. That the EDAct Account is created in Fund 305 to enhance the development of economic base companies in expansion and relocation projects, and to increase the incidence of high quality economic expansion in the Albuquerque metropolitan area of Central New Mexico.

Section 2. That the EDAct Account shall be funded with the 2013 Termination

Payments.

Section 3. That EDAct Council is hereby created to review and recommend to the Economic Development Department the use and disbursement of funds appropriated to the EDAct Account.

A. Membership

- i. The EDAct Council shall consist of the Mayor or designee; two City Councilors chosen by the President of the Albuquerque City Council; and two members of the public, appointed by the Mayor, who have expertise in economic development programs. A representative from the City's Economic Development Department shall serve as a non-voting technical advisor to the EDAct Council. Membership of the Mayor shall change with any change in the Mayor's position, and membership of the City Councilors may change with any change in the President of the City Council or the make-up of the City Council.**

B. Responsibilities, Powers and Duties

- i. The EDAct Council shall act as the review entity for the disbursement of funds appropriated by the Albuquerque City Council to the EDAct Account, as specified in Section 3. The EDAct Council is charged with:**
- ii. Reviewing and prioritizing proposed expenditures from the EDAct Account;**
- iii. Recommending to the Economic Development Department expenditures from the EDAct Account.**

C. The EDAct Council's recommendations regarding the disbursement of funds shall be guided by the following four key areas:

- i. First: an expanded marketing program promoting the Albuquerque area as a positive business location;**
- ii. Second: a closing fund to assist significant economic development**

projects through the Local Economic Development Act;

- iii. Third: expand the community's programs for the retention and expansion of existing economic base companies, and the growth and development of technology-based entrepreneurs; and
- iv. Fourth: support for workforce development programs.

D. The EDAct Council shall remain in existence until all funds have been expended.

Section 4. That the City's Economic Development Department, with consultation from the EDAct Council, shall approve expenditures for the EDAct Account. The Economic Development Department shall act as staff to the EDAct Council and shall be responsible for administering any contracts or programs arising out of the EDAct Council's recommendations, except where otherwise specified. The Economic Development Department shall report to the Albuquerque City Council not less than annually regarding the expenditures and results of activities and programs supported with these funds.

Section 5. That the amount of \$5,521,686 received from the 2013 Termination Payments along with any future interest earnings shall be used in accordance with Section 3.C., and herewith is appropriated in the Capital Acquisition Fund 305 as follows:

| Department/Fund | Source | Amount |
|--|----------|-------------|
| <u>Economic Development/ Fund 305</u> | | |
| Economic Development Programs/Projects | Fund 820 | \$5,260,060 |
| Economic Development Programs/Projects | Fund 110 | \$ 261,626 |

The scope of the project is as follows: to plan, design, build, acquire, and construct projects in support of new company locations and the retention and expansion of existing companies; to market and promote Albuquerque as a business location; to support programs for the retention and expansion of existing economic base companies, and the growth and development of entrepreneurs; to support workforce development programs; and to contract and/or procure services needed in support of the above items. Of the above funds, \$350,000 is designated for the Economic Development Department to administer these programs and projects.

Section 6. That the following amount of Local Economic Development Act (LEDA) Termination Payments deposited in the General Fund is hereby appropriated to the following program strategy for operating City government during Fiscal Year 2013:

General Fund - 110

City Support Functions

Transfer to Other Funds:

| | |
|-------------------------------------|-------------------|
| Capital Acquisition Fund 305 | \$ 261,626 |
|-------------------------------------|-------------------|

Section 7. Severability. If any provision of this Resolution is held invalid, the invalidity of such provision shall not affect the validity of any other provision of this Resolution.

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