

DEPARTMENT OF ECONOMIC DEVELOPMENT

SUMMARY FOR THE LEGISLATIVE FILE

ORDINANCE NO: 562-2019

SUMMARY OF ORDINANCE

This ordinance authorizes the transfer of \$3,000,000 from the General Fund for the use of the Department of Economic Development for the making of loans and grants under \$250,000.

JUSTIFICATION

The Ordinance provides for funding from the general fund to support the programmatic efforts of the Department of Economic Development. Historically, the Department has relied on two flexible funding sources for the making of loans and grants, repayments from UDAG Loans made in the 1980s and 1990s and repayments from loans made through an allocation of unrestricted NDIF funds in the 1990s. These resources are very flexible, but the repayment streams are beginning to slow.

Historically, the Department commits \$3,000,000 annually for various development uses from these resources. This commitment from the general fund should be sufficient to cover the Department's regular business needs for this year and strengthen the Department's financial position in future years. In addition, this commitment can lengthen the lifespan of the Department's existing highly flexible repayment streams and provides flexibility to drive investments in new directions. This ordinance and its companion pieces provide for the transfer of \$3,000,000 to fund various Economic Development programs traditionally funded through these resources.

Funds authorized under this ordinance will be used to fund loans and forgivable loans made out of the Vacant Property Initiative as well as traditional economic development loans and grants.

PROGRAMMATIC HISTORY

LOANS & GRANTS UNDER \$250,000

YEAR	# OF LOANS	CITY FUND	TOTAL PROJECT	JOBS CREATED	JOBS RETAINED
2013	19	\$1,899,967	\$105,999,699	315	138
2014	10	\$1,021,920	\$5,743,170	102	48
2015	18	\$2,005,000	\$12,082,277	261	183
2016	17	\$2,762,444	\$55,020,948	409	561
2017	13	\$1,519,197	\$30,313,394	300	41
2018	16	\$1,453,885	\$10,143,862	304	327

The above chart does not include loans or grants under \$250,000 provided under an existing program such as the NRAP, NDP, or JCIP programs, or using non-City resources, such as EDA funds.