

CITY OF BILOXI  
AGENDA ITEM  
FACT SHEET

Item No.: 5 *N*

Council Meeting Date: September 01, 2015

ITEM TITLE: RESOLUTION  
INTRODUCED BY: Mayor Andrew "FoFo" Gilich *AG/mw*  
CONTACT PERSON: David Nichols, *DN* CAO  
Gerald Blessey, City Attorney

SUMMARY EXPLANATION: Resolution establishing a Perpetual Economic Development Security Fund and a Perpetual Economic Development Revolving Loan Fund in the municipal budget and providing for their purposes.

Resolution  Ordinance  Public Hearing  Routine Agenda

Exhibits for Review

Contract  Minutes  Plans/Maps  Deed  Lease

Other (Specify):

Submittal Authorization: Council President  Mayor

STAFF RECOMMENDATION:

Staff recommends approval

COUNCIL ACTION: Motion By: \_\_\_\_\_ Second By: \_\_\_\_\_

Vote: Councilmember Yes No Other Councilmember Yes No Other

Lawrence \_\_\_\_\_  
Gines \_\_\_\_\_  
Newman \_\_\_\_\_  
Deming \_\_\_\_\_

Tisdale \_\_\_\_\_  
Glavan \_\_\_\_\_  
Fayard \_\_\_\_\_

ACTION TAKEN:

GB/mw 090115bleg

Resolution No.

**RESOLUTION ESTABLISHING A PERPETUAL ECONOMIC DEVELOPMENT  
SECURITY FUND AND A PERPETUAL ECONOMIC DEVELOPMENT  
REVOLVING LOAN FUND IN THE MUNICIPAL BUDGET  
AND PROVIDING FOR THEIR PURPOSES**

WHEREAS, it is the declared policy of the State of Mississippi, as expressed in the Mississippi Business Investment Act, Section 57-61-3, MCA, to promote business and economic development in the State of Mississippi through job producing programs and by providing loans to assist in securing strategic investments and/or investments in small communities by private companies locating or expanding in the state; and,

WHEREAS, the encouragement of business and economic development in the City of Biloxi is a public function relating to the City's municipal affairs, and its property and finances within the meaning of Section 21-17-5, MCA (the "Home Rule Statute"); and

WHEREAS, the City of Biloxi is empowered pursuant to Section 21-17-1(8), MCA, to expend matching funds to match any state, federal or private funding for any program administered by the State of Mississippi, the United States government or any 501(c) (3) nonprofit organization, and pursuant to Section 21-19-65, MCA, to expend matching funds for social and community service programs; and,

WHEREAS, pursuant to Section 57-61-9, MCA, the City of Biloxi is authorized to lend funds obtained from the Mississippi Development Authority to a private enterprise pursuant to the Mississippi Business Investment Act and in accordance with a project and an agreement which must be approved by the Mississippi Development Authority; and,

WHEREAS, in order to secure the funds for this purpose from the Mississippi

Development Authority it is necessary to demonstrate the City's ability to repay those funds; and,

WHEREAS, it is in the best economic interest of the City of Biloxi that a special fund in the City's municipal budget be established for economic development purposes to be called the Economic Development Security Fund, which fund will be comprised of the initial funding by the City and any subsequent funding from any lawful revenue source; and,

WHEREAS, it is also in the best economic interest of the City of Biloxi that a special fund in the City's municipal budget be established to receive grants and loans from the Mississippi Development Authority, which shall then be disbursed therefrom for approved private economic development project loans pursuant to the Mississippi Business Investment Act, the repayment of which shall be used to either fund other economic development project loans or to repay the original Mississippi Development Authority loans; and

WHEREAS, it is the intent and purpose of the Mayor and City Council that the Economic Development Security Fund and the Economic Development Revolving Loan Fund created by this Resolution be perpetual funds to the extent permitted by applicable law;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BILOXI, MISSISSIPPI, AS FOLLOWS:

Section 1: The findings, statements, and conclusions contained in the preamble of this resolution are hereby approved, ratified, and adopted.

Section 2: There is hereby created two special enterprise funds in the municipal

budget, the Economic Development Security Fund and the Economic Development Revolving Loan Fund. These funds shall be subject to the following restrictions and conditions upon their uses:

1. The ECONOMIC DEVELOPMENT SECURITY FUND shall be initially funded by net proceeds of the City of Biloxi's settlement with the BP Entities in the Deepwater Horizon Oil Spill matter and may be used for the following purposes, subject to appropriation and approval of specific projects and activities by the City Council: (a) to pledge funds to provide security for grants and loans from the Mississippi Development Authority, the Mississippi Department of Transportation, the Federal Highway Administration, the Community Development Block Grants, the South Mississippi Planning and Development District, the Gulf Regional Planning Commission, any other county, state, or federal governmental agency, any private foundation, or any private for-profit or private non-profit entity which requires such security, either as matching funds or as funds pledged for repayment or as funds to provide advance cash for funding implementation or construction of improvements, acquisitions or activities subject to reimbursement by a grant or loan committed for such improvement, acquisition or activity; (b) to provide a source of interim financing for municipal capital projects and temporarily for cash flow for municipal operating expenses, provided a source (whether budgeted tax revenue, grant, user fees or other source) for repayment to the fund of the amount so used be identified and pledged for repayment (for a term not to exceed the remaining term of municipal officers in the case of budgeted tax revenue); (c) to provide a source of matching funds or loan for any economic development, urban renewal, New Market Tax Credits, or tax increment financing

project with respect to which the City of Biloxi is authorized (now or hereafter) to expend matching funds or make loans; (d) to advertise the opportunities, possibilities and resources of the City of Biloxi to prospective project sponsors to the extent permitted by Section 17-3-1 et seq., MCA; (e) to make donations to, or contracts with, museums and other organizations within the City of Biloxi that contribute to economic development to the extent such donation or contract is permitted by applicable law; (f) to assist in funding community promotions and special events for which the City reasonably expects to receive revenue sufficient to repay the Fund to the extent such promotions and events are permitted by applicable law; (g) to contract with non-profit and for profit entities to carry out any of the purposes of this Fund to the extent such contracts are permitted by applicable law; (f) to create incentives for new and expanded businesses through equity and loan incentives to the extent such incentives, equity investments and loans are permitted by applicable law; and (g) to provide funds for City investment in public utilities to serve the City, its businesses and residents, including, but not limited to, a public utility for ubiquitous and affordable, ultra-high-speed broadband Internet service. If amounts in the Economic Development Security Fund are used to provide security as described in (a) above, the fund, together with any other fund or account to which such amounts may be transferred and held, shall maintain at all times a minimum aggregate balance comprised of the aggregate of the amounts required to be pledged as security for all such outstanding state and federal grants and loans. Regardless of the purpose, amounts in the Economic Development Security Fund may only be expended upon the condition that a source (whether budgeted tax revenue, grant, user fees or other source) for repayment to the fund of the amount so used be identified and

pledged for repayment (for a term not to exceed the remaining term of municipal officers in the case of budgeted tax revenue).

2. The ECONOMIC DEVELOPMENT REVOLVING LOAN FUND shall be comprised of funds obtained from the Mississippi Development Authority through the Mississippi Business Investment Act for the specific purpose of lending to private economic development projects pursuant to Section 57-61-9(11), MCA, and from funds obtained from any other federal, state, county, for-profit entity, or non-profit entity for the purposes of this Fund. Repayment of loans made from this fund shall be redeposited in it and shall provide a source for additional loans for the same purposes, being a revolving loan fund for purposes of implementing the policy goals of the Mississippi Business Investment Act, unless otherwise required by the terms of the loan as set by the Mississippi Development Authority or other funding agency.

Section 3: The Mayor, Municipal Clerk and Chief Administrative Officer are hereby authorized to establish interest-bearing bank accounts at an approved bank depository for the two funds created by this Resolution and to transfer funds as authorized in Section Two of this Resolution.

Section 4: This Resolution shall take effect and be in force from and after October 1, 2015. If any part of this Resolution shall be held to be invalid by a court of competent jurisdiction, the remainder of this Resolution shall remain in effect.