



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kim Walesh
Jennifer A. Maguire

SUBJECT: 2016-2017 ANNUAL REPORT

DATE: October 17, 2017

Approved

Date

10/17/17

SUPPLEMENTAL

REASON FOR SUPPLEMENTAL

After the release the 2016-2017 Annual Report, it was determined that a recommended budget action in the General Fund, Google Development Planning, is not yet ready to move forward based on the current status of the project. The funding is now recommended to be placed in a Diridon Planning Earmarked Reserve.

RECOMMENDATION

The following amendments to the 2016-2017 Annual Report Section IV, Recommended Budget Adjustments and Clean-Up Actions, are recommended in the General Fund:

- (a) Eliminate the Google Development Planning City-Wide Expenses appropriation in the amount of \$415,000; and
- (b) Establish a Diridon Planning Earmarked Reserve in the amount of \$415,000.

ANALYSIS

As part of the FY 2016-2017 Annual Report actions, the establishment of a Google Development Planning appropriation in the amount of \$415,000 was included in the General Fund to fund anticipated 2017-2018 costs to support the City's involvement in the potential Google development in the Diridon Area. The first-priority for this major potential project is achieving agreement on the price with the City and County; the project has not yet achieved that milestone. Subsequently, staff recommends placing the General Fund dollars in a Diridon Planning Reserve pending the outcome of negotiations with the company. A spending plan will be brought to the City Council for approval at a later date, as appropriate.

JENNIFER A. MAGUIRE
Senior Deputy City Manager
Budget Director

/s/

KIM WALESH
Deputy City Manager
Director of Economic Development