

ORDINANCE NO. 066, 2018
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING THE ESTABLISHMENT OF A REVOLVING LINE OF CREDIT
TO BE PAID SOLELY WITH DOWNTOWN DEVELOPMENT AUTHORITY
TAX INCREMENT FUNDS FOR A SIX YEAR PERIOD IN THE AMOUNT
OF UP TO FIVE MILLION DOLLARS PER DRAW TO FINANCE DOWNTOWN
DEVELOPMENT AUTHORITY PROJECTS AND PROGRAMS IN ACCORDANCE
WITH THE DOWNTOWN DEVELOPMENT AUTHORITY PLAN OF
DEVELOPMENT AND APPROVING RELATED DOCUMENTS

WHEREAS, on April 21, 1981, the City Council adopted Ordinance No. 046, 1981, establishing the Fort Collins, Colorado, Downtown Development Authority (“DDA”); and

WHEREAS, C.R.S. 31-25-807 (3) (a) (II) provides that DDA tax increment funds may only be used to pay some form of indebtedness incurred by the City; and

WHEREAS, the establishment of a line of credit with a banking institution would qualify as debt within the meaning of C.R.S. 31-25-807 (3) (a) (II); and

WHEREAS, at the November 7, 2006, general election, a City-initiated measure to authorize the issuance of bonds for DDA projects through debt of up to \$150,000,000, with a repayment cost of up to \$250,000,000, was approved by the qualified electors as provided in C.R.S. Title 31, Article 25, Part 8; and

WHEREAS, in 2012, the Board of Directors of the DDA recommended to the City Council through the adoption of Resolution 2012-02, the establishment of a revolving line of credit for a six-year period in the amount of one million dollars annually to finance DDA projects and programs in accordance with its approved Plan of Development, the Downtown Plan and the Downtown Strategic Plan; and

WHEREAS, in 2012, the City Council adopted Resolution 2012-081, approving an intergovernmental agreement between the City and the DDA to govern the use of the DDA line of credit, and Ordinance No. 089, 2012, authorizing the establishment of a revolving line of credit, as described above; and

WHEREAS, the City and the DDA entered into that intergovernmental agreement, and implemented its terms, and the line of credit arrangement established in 2012 is scheduled to expire at the end of 2018; and

WHEREAS, in order to renew and update the line of credit arrangement, staff of the City and the DDA have negotiated a new instrument and related documents that would renew the line of credit for a six-year period, and increase the limit on the line of credit limit to a maximum draw of five million dollars to reduce the number of draws required to support DDA activities, thus reducing the inefficiencies in the original arrangement; and

WHEREAS, the Board of Directors of the DDA has recommended to the City Council through the adoption of Resolution 2018-02, the establishment of a revolving line of credit for a six-year period in the maximum amount of five million dollars per draw (“Line of Credit”), with

such other terms and conditions as are set forth in the financing documents, a copy of which are on file in the office of the City Clerk and available for public inspection (the "LOC Documents"), to finance DDA projects and programs in accordance with its approved Plan of Development, the Downtown Plan and the Downtown Strategic Plan; and

WHEREAS, the establishment of the Line of Credit for such purpose would be financially beneficial for the downtown business area and for properties in the DDA area; and

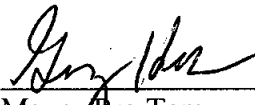
WHEREAS, the City Council has also adopted Resolution 2018-046, approving an intergovernmental agreement between the City and the DDA to govern the use of the Line of Credit.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

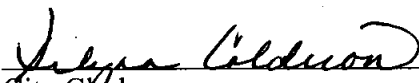
Section 2. That the City Manager is hereby authorized to establish the Line of Credit as described in this Ordinance and to execute the LOC Documents therefor in substantially the forms on file in the office of the City Clerk, together with such additional terms and conditions as the City Manager, in consultation with the Chief Financial Officer and the City Attorney, deem necessary and appropriate to protect the interests of the City or effectuate the purpose of this Ordinance.

Introduced, considered favorably on first reading, and ordered published this 15th day of May, A.D. 2018, and to be presented for final passage on the 5th day of June, A.D. 2018.



Mayor Pro Tem

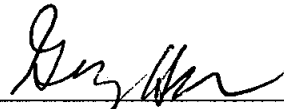
ATTEST:



City Clerk



Passed and adopted on final reading on the 5th day of June, A.D. 2018.



Mayor Pro Tem

ATTEST:



City Clerk

