

DATE: November 6, 2012
STAFF: Matt Robenalt
Kathy Cardona

AGENDA ITEM SUMMARY
FORT COLLINS CITY COUNCIL

6

SUBJECT

Second Reading of Ordinance No. 107, 2012, Being the Annual Appropriation Ordinance of the Fort Collins Downtown Development Authority Relating to the Annual Appropriations for the Fiscal Year 2013 and Fixing the Mill Levy for the Downtown Development Authority for Fiscal Year 2013.

EXECUTIVE SUMMARY

Ordinance No. 107, 2012, unanimously adopted on First Reading on October 16, 2012, sets the Downtown Development Authority (DDA) 2013 Operations and Maintenance Budget amount of \$769,440 to be appropriated for fiscal year 2013 for the administrative operations budget; appropriates the 2013 Line of Credit Draw in the amount of \$1,000,000; sets the amount of \$3,197,535 for debt service payments to be appropriated for fiscal year 2013; and sets the 2013 Mill Levy for the Fort Collins DDA at five (5) mills, unchanged since tax year 2002. The approved Budget becomes the Downtown Development Authority's financial plan for 2013.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

ATTACHMENTS

1. Copy of First Reading Agenda Item Summary - October 16, 2012
(w/o attachments)

DATE: October 16, 2012
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AGENDA ITEM SUMMARY
 FORT COLLINS CITY COUNCIL

6

SUBJECT

First Reading of Ordinance No. 107, 2012, Being the Annual Appropriation Ordinance of the Fort Collins Downtown Development Authority Relating to the Annual Appropriations for the Fiscal Year 2013 and Fixing the Mill Levy for the Downtown Development Authority for Fiscal Year 2013.

EXECUTIVE SUMMARY

The Annual Appropriation Ordinance is presented for First Reading. Ordinance No. 107, 2012, sets the Downtown Development Authority (DDA) 2013 Operations and Maintenance Budget amount of \$769,440 to be appropriated for fiscal year 2013 for the administrative operations budget; appropriates the 2013 Line of Credit Draw in the amount of \$1,000,000; sets the amount of \$3,197,535 for debt service payments to be appropriated for fiscal year 2013; and sets the 2013 Mill Levy for the Fort Collins DDA at five (5) mills, unchanged since tax year 2002. The approved Budget becomes the Downtown Development Authority's financial plan for 2013.

BACKGROUND / DISCUSSION

The Downtown Development Authority was created in 1981 with the purpose, according to Colorado State Statute, of planning and implementing projects and programs within the boundaries of the DDA. By state statute, the purpose of the ad valorem tax levied on all real and personal property in the downtown development district, not to exceed five (5) mills, shall be for the budgeted operations of the authority. The DDA and the City adopted a Plan of Development that specifies the projects and programs the DDA would undertake. In order to carry out the purposes of the State statute and the Plan of Development, the City, on behalf of the DDA, has issued various tax increment bonds which require debt servicing.

The DDA staff and Budget Committee are very cognizant of the changed revenue environment of the organization and economic conditions, and have made a strong effort to budget conservatively to reflect this climate.

FINANCIAL / ECONOMIC IMPACTS

The Fort Collins Downtown Development Authority is requesting approval of the DDA Operations and Maintenance budget for fiscal year 2013 in the amount of \$769,440. It is requesting appropriation of up to \$1,000,000 for the 2013 Line of Credit draw. It is also requesting approval of the DDA debt payment commitments in the amount of \$3,197,535 for 2013 obligations.

Uses:		
Personnel Services		\$453,727
Contractual Professional Services		271,253
Purchased Supplies and Commodities		25,693
Other		18,767
	Total	<u>\$769,440</u>

The 2013 Line of Credit draw, whose debt service payment will be made from the debt service fund, is projected to fund up to \$1,000,000.

Uses:		
Museum of Discovery – 2013 Payment		\$500,000
Future Facade Public/Private Investments		450,000
Fees: Project Management and Bank		50,000
		<u>\$1,000,000</u>

The DDA debt service fund is projected to have sufficient revenue to meet the required debt service payments for 2013.

Uses:

Debt Payment: 2013

\$3,197,535

STAFF RECOMMENDATION

The Downtown Development Authority Board of Directors and staff recommend adoption of Ordinance No. 107, 2012 on First Reading.

BOARD / COMMISSION RECOMMENDATION

At its October 11, 2012 meeting, the Downtown Development Authority Board of Directors adopted its proposed budget for 2013 totaling \$4,966,975 and determined the mill levy necessary to provide for payment of administrative costs incurred by the DDA.

ATTACHMENTS

1. Fort Collins Downtown Development Authority Board Resolution 2012-04 Recommending to Council the Determining and Fixing of the Mill Levy of the DDA for the Fiscal Year Ending December 31, 2013
2. Fort Collins Downtown Development Authority Board Resolution 2012-05 Recommending to Council the Budget of the Estimated Amounts Required to Pay the Expenses of Conducting the Business of the DDA for the Fiscal Year Ending December 31, 2013
3. Fort Collins Downtown Development Authority Board Resolution 2012-06 Recommending to Council the appropriation of the 2013 Line of Credit Draw
4. Fort Collins Downtown Development Authority Board Resolution 2012-07 Recommending to Council the Appropriation of \$2,914,885 and \$282,650 from the DDA Debt Service Fund for Payment of Debt Service and the DDA's Obligation for the Civic Center Parking Structure for the Fiscal Year Ending December 31, 2013
5. Downtown Development Authority Boundary Map

COPY

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ORDINANCE NO. 107, 2012
OF THE COUNCIL OF THE CITY OF FORT COLLINS
BEING THE ANNUAL APPROPRIATION ORDINANCE OF THE FORT COLLINS
DOWNTOWN DEVELOPMENT AUTHORITY RELATING TO THE ANNUAL
APPROPRIATIONS FOR THE FISCAL YEAR 2013 AND FIXING THE MILL LEVY FOR
THE DOWNTOWN DEVELOPMENT AUTHORITY FOR FISCAL YEAR 2013

WHEREAS, the Fort Collins Downtown Development Authority (the “DDA”) has been duly organized in accordance with the Colorado Revised Statutes (C.R.S) 31-25-804, 1973 as amended; and

WHEREAS, on October 11, 2012, the DDA Board of Directors (the “DDA Board”), acting under the provisions of C.R.S. 31-25-816, 1973, as amended, adopted a budget for the fiscal year beginning January 1, 2013 which included appropriation of funding for the 2013 Line of Credit , and determined the mill levy necessary to provide for payment during fiscal year 2013 of properly authorized operational and maintenance expenditures to be incurred by the DDA; and

WHEREAS, it is the desire of the City Council to appropriate the sum of FOUR MILLION, NINE HUNDRED SIXTY SIX THOUSAND, NINE HUNDRED SEVENTY FIVE DOLLARS (\$4,966,975) in the DDA Operation and Maintenance Fund and the Debt Service Fund for the fiscal year beginning January 1, 2013 and ending December 31, 2013, to be used as follows:

DDA Operations & Maintenance	\$ 769,440
2013 Revolving Line of Credit	1,000,000
DDA Debt Service Fund	<u>3,197,535</u>
	\$4,966,975

WHEREAS, the DDA Board has recommended to the City Council a mill levy of five mills upon each dollar of assessed valuation on all taxable property within the DDA District, such levy representing the amount of taxes for DDA purposes necessary to provide for payment during the ensuing fiscal year for all properly authorized operational and maintenance expenditures to be incurred by the DDA; and

WHEREAS, Section 39-5-128(1), C.R.S., requires certification of any tax levy to the Board of County Commissioners no later than December 15, 2012.

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

Section 1. That there is hereby appropriated for expenditure from the Downtown Development Authority Operations and Maintenance Fund the sum of SEVEN HUNDRED SIXTY NINE THOUSAND, FOUR HUNDRED AND FORTY DOLLARS (\$769,440), to be expended for the authorized purposes of the DDA.

Section 2. That there is hereby appropriated for expenditure from draws upon the Downtown Development Authority 2013 Line of Credit the sum of up to ONE MILLION DOLLARS (\$1,000,000), to be used as specified in the attached Exhibit A.

Section 3. That there is hereby appropriated for expenditure from the Downtown Development Authority Debt Service Fund the sum of THREE MILLION, ONE HUNDRED NINETY SEVEN THOUSAND, FIVE HUNDRED AND THIRTY FIVE DOLLARS (\$3,197,535), for payment of debt service on previously issued and outstanding bonds, to pay the City's investment service charge, for payment on the 2013 Line of Credit draw, and to be used to cover the DDA's one-third share of payment on the Civic Center Parking Structure.

Section 4. That the 2013 mill levy rate for the taxation upon each dollar of the assessed valuation of all taxable property within the DDA District as of December 31, 2012 shall be five (5) mills, which levy represents the amount of taxes for the District purposes to provide for payment during the aforementioned fiscal year of properly authorized expenditures to be incurred by the DDA. Said mill levy shall be certified to the County Assessor and the Board of County Commissioners of Larimer County, Colorado, by the City Clerk as provided by law.

Introduced, considered favorably on first reading, and ordered published this 16th day of October, A.D. 2012, and to be presented for final passage on the 6th day of November, A.D. 2012.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 6th day of November, A.D. 2012.

Mayor

ATTEST:

City Clerk

2013 Line of Credit Draw

Project/Program to be Funded	
Museum of Discovery - 2013 Payment	\$500,000.00
Future Façade Public/Private Investments **	\$450,000.00
Project Management Fee	\$49,250.00
Annual Fee	\$500.00
Cost of Financing	\$250.00
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	\$1,000,000.00

**Release of funds in 2013 is contingent upon owner submission of all DDA requirements for project reimbursement