

AGENDA ITEM SUMMARY

October 15, 2013

Urban Renewal Authority

STAFF

Tom Leeson, Redevelopment Program Manager

SUBJECT

Resolution No. 062 Adopting the 2014 Budget for the Fort Collins Urban Renewal Authority.

EXECUTIVE SUMMARY

The purpose of this item is to adopt the 2014 budget for the North College Tax Increment Financing District and the Prospect South Tax Increment Financing District. Budget revenues include property tax increment and interest earned on investments, totaling \$1,560,295. Budget expenses include general operations, the new North College Storefront Improvement Program, and debt service payments, totaling \$2,191,746

STAFF RECOMMENDATION

Staff recommends adoption of the Resolution

BACKGROUND / DISCUSSION

This Resolution adopts the 2014 budget for the Fort Collins Urban Renewal Authority (URA).

Revenue for the URA is generated from property tax increment collections, as well as interest earned on investments. Tax increment is determined by the County Assessor's Office; although the URA will not receive the final 2013 tax warrant until January 2014, the 2013 August Certification is used to inform budget preparations. Tax increment sources include the North College Plan Area and the Prospect South Plan Area tax increment financing (TIF) Districts.

North College TIF District

The total tax increment revenue for the North College Plan Area in 2014 is projected to be \$1,137,337. Additional revenue is collected from interest earned on investments, which totals \$92,670. Combined, the 2013 total estimated revenue for the URA is \$1,230,006. This is slightly below the approved budget in the 2013/2014 BFO budget for the URA due to a decrease in the total assessed value of the North College district.

URA expenses are a combination of operating costs and debt service payments. The operations line item includes cost for personnel and on-call consulting services. Operating expenses for the North College TIF District for 2014 include the following:

- | | |
|--|-------------------|
| • Operations | \$ 213,312 |
| • North College Storefront Improvement Program | <u>\$ 50,000</u> |
| Total | \$ 263,312 |

The North College TIF District's annual debt service payments (principal and interest) are from the following outstanding loans:

North College URA

- 2013 Bond Payment \$ 947,663
- Rocky Mountain Innosphere \$ 662,992
- Total** **\$1,610,655**

This is slightly above the approved budget in the 2013/2014 BFO budget for the URA due to a an increase in the debt service payments as a result of the North College TIF District refinancing and associated bond placement.

It should be noted, that the expenses exceed the revenues by \$584,462; this was anticipated and is a result of the first year of debt service payment for the Rocky Mountain Innosphere project. The first year's payment includes \$530,392 of capitalized interest for the last four years. The difference between expenses and revenues is being covered by the approximately \$1.6M in the 2013 North College fund balance.

**North College District
Comparison of 2013/2014 BFO Budget with Current 2014 Budget**

	2013/2014 BFO	2014 Budget	Difference
Revenues	\$ 1,310,383	\$ 1,289,505	\$ (20,878)
Operating Expenses	\$ 263,312	\$ 263,312	\$ -
Debt Service	\$ 1,538,636	\$ 1,610,655	\$ 72,019
	\$ 1,801,948	\$ 1,873,967	\$ 72,019

The Resolution appropriates the operating and debt service budget for the North College TIF District, which totals **\$1,873,967 for 2014**.

Prospect South TIF District

The 2013/2014 BFO did not include any budget for the Prospect South District, as the revenues and expenses were unknown at the time.

The total tax increment revenue for the Prospect South Plan Area in 2014 is projected to be \$83,289. Additional revenue is collected from a City loan in the amount of \$247,000 for the Prospect Station project. Combined, the 2013 total estimated revenue for the Prospect South TIF District is \$330,289.

There are currently no operating expenses associated with the Prospect South TIF District.

The Prospect South TIF District's annual debt service payments (principal and interest) are from the following outstanding loans:

Prospect South URA

- Capstone \$ 58,268
- Prospect Station \$247,000
- Revenue Sharing with City (Capstone) \$ 12,511
- Total** **\$317,779**

**Prospect South District
Comparison of 2013/2014 BFO Budget with Current 2014 Budget**

	2013/2014 BFO	2014 Budget	Difference
Revenues	\$ -	\$ 330,289	\$ 330,289
Operating Expenses	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ 317,779	\$ 317,779

The Resolution appropriates the operating and debt service budget for the Prospect South TIF District, which totals **\$317,779 for 2014**.

FINANCIAL / ECONOMIC IMPACT

This Resolution includes the annual operating appropriation for 2014 at \$2,191,746 for the North College and Prospect South tax increment financing Districts. Any specific appropriations related to URA participation in projects will be presented to the URA Board separately so that the URA funding is approved on a project by project basis.

ATTACHMENTS

1. Powerpoint presentation

Urban Renewal Authority (URA) 2014 Budget

URA Board
October 15, 2013

Tonight's Action

- Resolution to adopt the 2014 budget for the North College Tax Increment Financing District and the Prospect South Tax Increment Financing District.

2013 Highlights

Loan Agreements:

- Capstone
 - \$5,000,000

Redevelopment Agreements:

- Aspen Heights
- Foothills Mall (Pending)
- Prospect Station (Pending)

North College Refinancing of Debt

- \$11M Bond Placement

North College District 2014 Budget

<u>Revenues</u>	\$1,230,006
• Property Tax Increment Collection	
• Interest Earned on Investments	
 <u>Expenses</u>	
Operations	\$263,312
• Storefront Improvement Program	
Debt Service	<u>\$1,610,655</u>
Total	\$1,873,967*

*Difference to be covered by 2013 fund balance

North College Debt Service

2014 Bond Payment	\$947,663
Rocky Mountain Innosphere	<u>\$662,992*</u>
Total	\$1,610,655

*Includes 4 years of capitalized interest (\$530,392)

North College 2013/2014 BFO

North College District Comparison of 2013/2014 BFO Budget with Current 2014 Budget

	2013/2014 BFO	2014 Budget	Difference
Revenues	\$ 1,310,383	\$ 1,289,505	\$ (20,878)
Operating Expenses	\$ 263,312	\$ 263,312	\$ -
Debt Service	\$ 1,538,636	\$ 1,610,655	\$ 72,019
	\$ 1,801,948	\$ 1,873,967	\$ 72,019

North College 2014 Budget

The Resolution would appropriate the operating and debt service budget for the North College District, which totals **\$1,873,967** for 2014.

Prospect South District 2014 Budget

Revenues **\$330,289**

- Property Tax Increment Collection
- City Loan (Prospect Station)

Expenses

Operations \$0

Debt Service \$317,779

Total **\$317,779**

Prospect South Debt Service

Capstone	\$58,268
Prospect Station	\$247,000
Revenue Sharing with City (Capstone)	<u>\$12,511</u>
Total	\$317,779

Prospect South 2013/2014 BFO

Prospect South District Comparison of 2013/2014 BFO Budget with Current 2014 Budget

	2013/2014 BFO	2014 Budget	Difference
Revenues	\$ -	\$ 330,289	\$ 330,289
Operating Expenses	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ 317,779	\$ 317,779

Prospect South 2014 Budget

The Resolution would appropriate the operating and debt service budget for the Prospect South District, which totals **\$317,779** for 2014.

Staff Recommendation

- Adoption of the Resolution

RESOLUTION NO. 062
OF THE BOARD OF COMMISSIONERS OF THE
FORT COLLINS URBAN RENEWAL AUTHORITY
ADOPTING A 2014 BUDGET FOR THE FORT COLLINS
URBAN RENEWAL AUTHORITY

WHEREAS, on June 6, 1978, the City Council adopted Resolution 1978-049, adopting findings and establishing the Fort Collins Urban Renewal Authority (the "Authority") as an urban renewal authority pursuant to Colorado Revised Statutes, Part 1 of Title 31, Article 25, as amended (the "Act"); and

WHEREAS, the Authority operates to eliminate blight and prevent the spread of blight within the urban renewal area in accordance with the Urban Renewal Law of Colorado, Section 31-25-101; and

WHEREAS, the Authority has considered a proposed budget for fiscal year 2014 and wishes to adopt the 2014 URA budget as described herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE FORT COLLINS URBAN RENEWAL AUTHORITY as follows:

Section 1. That the budget shown on Exhibit "A," attached hereto and incorporated herein by this reference, is hereby approved and the amounts stated therein are appropriated for fiscal year 2014.

Section 2. That the City of Fort Collins' Financial Officer is directed to file a certified copy of the attached budget with the office of the Division of Local Government, Department of Local Affairs, State of Colorado.

Passed and adopted at a regular meeting of the Board of Commissioners of the Fort Collins Urban Renewal Authority this 15th day of October, A.D. 2013.

Chairperson

ATTEST:

Secretary

**URBAN RENEWAL AUTHORITY
NORTH COLLEGE DISTRICT
2014 BUDGET**

North College Urban Renewal Plan Area**Estimated Revenue:**

Tax Increment Collections	\$ 1,137,337
Interest on Investments	\$ 12,005
Interest from Rocky Moountain Innosphere Loan	<u>\$ 80,664</u>
Total estimated Revenue for the URA	<u>\$ 1,230,006</u>

Expenses:

Operations	\$ 213,312
Project Storefront	\$ 50,000
Total Operational Costs	<u>\$ 263,312</u>
Annual Debt Service Payments	
2013 Bond Payment	\$ 947,663
Rocky Mountain Innosphere	\$ 662,992
Total Debt Service Payments	<u>\$ 1,610,655</u>
<u>Fund 800 2014 Budget</u>	<u>\$ 1,873,967</u>

**URBAN RENEWAL AUTHORITY
PROSPECT SOUTH DISTRICT
2014 BUDGET**

Midtown Urban Renewal Plan Area (Prospect South TIF District)

Estimated Revenue:

Tax Increment Collections	\$ 83,289	
Loan from City (Prospect Station)	\$247,000	
Interest on Investments	\$ -	
Total estimated Revenue for the URA		<u>\$ 330,289</u>

Expenses:

Operations	\$ -	
Project Storefront	\$ -	
Total Operational Costs		\$ -
Annual Debt Service Payments		
Capstone	\$ 58,268	
Prospect Station	\$247,000	
Revenue Sharing with City (Capstone)	\$ 12,511	
Total Debt Service Payments		<u>\$ 317,779</u>
<u>Fund 801 2014 Budget</u>		<u>\$ 317,779</u>

**North College District
Comparison of 2013/2014 BFO Budget with Current 2014 Budget**

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**Prospect South District
Comparison of 2013/2014 BFO Budget with Current 2014 Budget**

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Debt Service	\$ -	\$ 317,779	\$ 317,779