

AGENDA ITEM SUMMARY

November 20, 2018

City Council

STAFF

Matt Robenalt, Executive Director
Kristy Klenk, Financial Coordinator
John Duval, Legal

SUBJECT

Second Reading of Ordinance No. 137, 2018, Being the Annual Appropriation Ordinance for the Fort Collins Downtown Development Authority Relating to the Annual Appropriations for the Fiscal Year 2019 and Fixing Mill Levy for the Downtown Development Authority for Fiscal Year 2019.

EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on November 6, 2018, sets the Downtown Development Authority ("DDA") Budget.

The following amounts will be appropriated:

DDA Public/Private Investments & Programs	\$3,470,849
DDA Operations & Maintenance	\$ 809,787
Revolving Line of Credit Draws	\$4,000,000
DDA Debt Service Fund	\$6,225,522

The Ordinance sets the 2019 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 2019. Ordinance No. 127, 2018 was numbered incorrectly on First Reading. The number has been corrected for Second Reading.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

ATTACHMENTS

1. First Reading of Agenda Item Summary, November 6, 2018 (w/o attachments) (PDF)

AGENDA ITEM SUMMARY

City Council

November 6, 2018

STAFF

Matt Robenalt, Executive Director
Kristy Klenk, Financial Coordinator
John Duval, Legal

SUBJECT

First Reading of Ordinance No. 127, 2018, Being the Annual Appropriation Ordinance for the Fort Collins Downtown Development Authority Relating to the Annual Appropriations for the Fiscal Year 2019 and Fixing Mill Levy for the Downtown Development Authority for Fiscal Year 2019.

EXECUTIVE SUMMARY

The purpose of this item is to set the Downtown Development Authority ("DDA") Budget.

The following amounts will be appropriated:

DDA Public/Private Investments & Programs	\$3,470,849
DDA Operations & Maintenance	\$ 809,787
Revolving Line of Credit Draws	\$4,000,000
DDA Debt Service Fund	\$6,225,522

The Ordinance sets the 2019 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 2019.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

The Downtown Development Authority (DDA) 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 DDA's approved plan of development, the City, on behalf of the DDA, has issued various tax increment bonds, which require debt servicing.

CITY FINANCIAL IMPACTS

The DDA is requesting approval of the DDA Public/Private Investments and Programs budget for fiscal year 2019 in the amount of \$3,470,849 and DDA Operation and Maintenance budget for fiscal year 2019 in the amount of \$809,787. It is requesting appropriation of up to \$4,000,000 for the 2019 Line of Credit draws. It is also requesting approval of the DDA debt payment commitments in the amount of \$6,225,522 for 2019 obligations.

The 2019 Public/Private Investments and Programs budget is projected as follows:

Uses:		
Alley Operations	\$	263,871
Alley Enhancement/Construction/Design		1,523,433
Warehouse Operations		23,142
Façade Grant Program		165,518
Old Town Square Operations		251,924
Downtown River District Improvements - Jefferson St		435,000
Whitewater Park		27,300
Elks Lot Concept Study & Pre-Development		540,982
Gateway Entrances		75,000
Jack Benny Handprint Restoration		14,409
Other Public/Private Investments & Programs		<u>150,270</u>
Total		\$3,470,849

The 2019 Operations and Maintenance budget is projected as follows:

Uses:		
Personnel Services	\$	516,441
Contractual Professional Services		244,519
Purchased Supplies and Commodities		29,076
Other		<u>19,751</u>
Total		\$809,787

The 2019 Line of Credit draws, whose debt service payment will be made from the debt service fund, is projected to fund up to \$4,000,000.

Uses:		
Old Firehouse Alley Parking Garage IGA Payment	\$	300,000
Multi-Year Reimbursement Payments		531,656
Capital Asset Replacement Reserve		188,700
Capital Asset Maintenance Obligations		504,730
Future Public/Private Investments & Programs		<u>2,474,914</u>
Total		\$4,000,000

The DDA debt service fund is projected to have sufficient revenue to meet the required debt service payments for 2019.

Uses:		
Debt Payment: 2019		\$6,225,522

BOARD / COMMISSION RECOMMENDATION

At its September 13, 2018, meeting, the Downtown Development Authority Board of Directors adopted its proposed budget for 2019 totaling \$14,506,158 and determined the mill levy necessary to provide for payment of administrative costs incurred by the DDA.

ATTACHMENTS

1. Boundary Map (PDF)
2. Resolution 2018-03 Determining and Fixing the Mill Levy (PDF)
3. Resolution 2018-04 Determining and Recommending the 2019 Budget (PDF)
4. Resolution 2018-05 Appropriation of the 2019 Line of Credit Draw Service (PDF)
5. Resolution 2018-06 Appropriation for Debt Service (PDF)
6. Resolution 2018-07 Appropriation of Public-Private Investments & Programs (PDF)

ORDINANCE NO. ~~127~~137, 2018
OF THE COUNCIL OF THE CITY OF FORT COLLINS
(FORMERLY NUMBERED ORDINANCE NO. 127, 2018 IN ERROR)
BEING THE ANNUAL APPROPRIATION ORDINANCE FOR THE FORT COLLINS
DOWNTOWN DEVELOPMENT AUTHORITY RELATING TO THE ANNUAL
APPROPRIATIONS FOR THE FISCAL YEAR 2019 AND FIXING THE
MILL LEVY FOR THE DOWNTOWN DEVELOPMENT AUTHORITY
FOR FISCAL YEAR 2019

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

WHEREAS, on September 13, 2018, DDA Board of Directors (the “DDA Board”), acting under the provisions of Colorado Revised Statutes (“C.R.S.”) Section 31-25-816, adopted a proposed and recommended DDA budget for the fiscal year beginning January 1, 2019, as reflected in DDA Board Resolutions 2018-04, 2018-05, 2018-06 and 2018-07, (the “Budget”) and determined the mill levy necessary to provide for payment during fiscal year 2019 of properly authorized operational and maintenance expenditures to be incurred by the DDA; and

WHEREAS, it is the desire of the Council of the City of Fort Collins (the “City Council”) to appropriate the sum of FOURTEEN MILLION, FIVE HUNDRED SIX THOUSAND, ONE HUNDRED FIFTY-EIGHT DOLLARS (\$14,506,158) from the DDA Operation and Maintenance Fund and the DDA Debt Service Fund for the fiscal year beginning January 1, 2019 and ending December 31, 2019, to be used as follows;

DDA Public/Private Investments & Programs (O&M Fund)	\$3,470,849
DDA Operations & Maintenance (O&M Fund)	809,787
2019 Revolving Line of Credit Draws	4,000,000
DDA Debt Service Fund	6,225,522
Total	\$14,506,158

WHEREAS, the DDA Board, as reflected in DDA Board Resolution 2018-03, has recommended to the City Council that pursuant to C.R.S. Section 31-25-817 the City Council set a mill levy of five (5) mills upon each dollar of assessed valuation on all taxable property within the DDA District, such levy representing the amount of taxes necessary to provide for payment during the 2019 fiscal year for all properly authorized operational and maintenance expenditures to be incurred by the DDA; and

WHEREAS, C.R.S. Section 39-5-128(1) requires certification of this mill levy to the Larimer County Board of County Commissioners no later than December 15, 2018; and

WHEREAS, a scrivener’s error in the numbering of this Ordinance has been corrected since this Ordinance was adopted on First Reading, and this Ordinance has now been published by correct number and title prior to adoption on Second Reading.

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 Council hereby approves the Budget as provided in C.R.S. Section 31-25-816(1).

Section 3. That there is hereby appropriated for fiscal year 2019 for expenditure from the DDA Operation and Maintenance Fund for the Downtown Development Authority Public/Private Investments and Programs the sum of THREE MILLION, FOUR HUNDRED SEVENTY THOUSAND, EIGHT HUNDRED FORTY-NINE DOLLARS (\$3,470,849), to be expended to fund the payment of the DDA-related obligations that have been entered into or will be entered into in furtherance of the DDA's approved plan of development.

Section 4. That there is also hereby appropriated for fiscal year 2019 for expenditure from the DDA Operation and Maintenance Fund for the Downtown Development Authority Operation and Maintenance the sum of EIGHT HUNDRED NINE THOUSAND, SEVEN HUNDRED EIGHTY-SEVEN DOLLARS (\$809,787), to be expended for the authorized purposes of the DDA.

Section 5. That there is hereby appropriated for fiscal year 2019 for expenditure from the Downtown Development Authority 2019 Line of Credit draws the sum of up to FOUR MILLION DOLLARS (\$4,000,000), to be used to finance DDA projects or programs in accordance with the DDA approved plan of development including the multi-year reimbursement payments, and capital asset maintenance obligations.

Section 6. That there is hereby appropriated for the fiscal year 2019 for expenditure from the Downtown Development Authority Debt Service Fund the sum of SIX MILLION, TWO HUNDRED TWENTY-FIVE THOUSAND, FIVE HUNDRED TWENTY-TWO DOLLARS (\$6,225,522), for payment of debt service on previously issued and outstanding bonds, to pay the City's investment service charge, and for payment on the 2019 Line of Credit draws.

Section 7. That the DDA's mill levy rate for the taxation upon each dollar of the assessed valuation of all taxable property within the DDA District shall be five (5) mills to be imposed on the assessed value of such property as set by state law for property taxes payable in 2019, which levy represents the amount of taxes necessary to provide for payment during fiscal year 2019 of all properly authorized operational and maintenance expenditures to be incurred by the DDA, as appropriated herein. The City Clerk shall certify said mill levy to the County Assessor and the Board of County Commissioners of Larimer County, Colorado, no later than December 15, 2018.

Introduced, considered favorably on first reading, and ordered published this 6th day of November, A.D. 2018, and to be presented for final passage on the 20th day of November, A.D. 2018.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 20th day of November, A.D. 2018.

Mayor

ATTEST:

City Clerk