

RESOLUTION 84-92
OF THE COUNCIL OF THE CITY OF FORT COLLINS
ADOPTING INDUSTRIAL DEVELOPMENT REVENUE BOND
POLICIES AND CRITERIA

WHEREAS, the City Council and City Manager have reviewed various policies and criteria in conjunction with the City issuing Industrial Development Revenue Bonds; and

WHEREAS, the City of Fort Collins is committed to industrial and economic development in and around the City coupled with sound financial planning and direction; and

WHEREAS, these policies and criteria form the basis for various decisions affecting the issuance of Industrial Development Revenue Bonds; and

WHEREAS, City Council wishes to formally adopt these Industrial Development Revenue Bond Policies and Criteria.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT COLLINS that the following Industrial Development Revenue Bond Policies and Criteria be, and the same hereby are adopted:

I. Policy:

- A. General. The City of Fort Collins encourages a reasonable level of economic growth and development in the City and within the boundaries of its urban growth area and desires to maintain a diverse economic base that includes large and small businesses engaged in industrial and commercial enterprises.
- B. Endorsement of the Use of Industrial Development Revenue Bonds. The City of Fort Collins endorses the concept of positive local governmental action to stimulate balanced economic development in close cooperation with private institutions. This will include the discriminate use of Industrial Development Revenue Bonds pursuant to County and Municipality Development Bond Act Title 29, Article 3 of C.R.S. as one means available to the City of Fort Collins to achieve these purposes.
- C. Discriminate Use. The City of Fort Collins will utilize its authority to issue tax-exempt debt for private industry based on its judgment of the value of the benefits accruing to the community that result from the project.

- D. Specific Endorsements. All facilities and programs that may be financed under the Colorado Statutes will be eligible for consideration by the City. The City of Fort Collins will encourage the submission of proposals that provide for downtown revitalization, historic preservation and energy conservation.

II. Criteria

- A. General. Each application will be considered on its individual merits and reviewed against the criteria set forth herein.
- B. Benefits to the City. Generally, an IDR B proposal should demonstrate one or more of the following economic benefits to the City.

1. Creation of additional jobs within Fort Collins and within the boundaries of its urban growth area.

Specific data elements used to evaluate this criteria will include:

- a. Number of jobs created
- b. Types of jobs created
- c. Job market that will be used to fill jobs
- d. Annual payroll

2. Increase of tax base resulting in a net fiscal benefit to the community.

Specific data elements that will be used to evaluate this criteria will include:

- a. Assessed value of completed project.
- b. Gross sales subject to City sales tax.

3. Stimulation of additional business investment.

Specific data elements that will be used to evaluate this criteria will include:

- a. Construction value of project
- b. Export sales
- c. Domestic operating expenditures

4. Provide facilities or benefits to Fort Collins citizens in a manner that compliments the community's existing programs or facilities.

Factors that will be used to evaluate this criteria will include:

- a. How the project compliments existing community programs or facilities.
- b. How the project reduces existing or future local community program responsibility.

- C. Financial Responsibility. Applicants for IDRb issues must clearly demonstrate financial responsibility sufficient to retire the proposed bond issue. Current financial statements of the applicant shall be made available to the city for inspection. In addition pro forma operating statements for the proposed project and its operation should be made available.

Specific data elements that will be used to evaluate this criteria include:

1. Net worth.
2. Debt coverage ratio
3. Guarantees against default

- III. Other Considerations. IDRb proposals should be consistent with stated official policies, goals and objectives of the City of Fort Collins. It is the responsibility of the applicant to obtain such information from the City administration and to demonstrate to the City how the project complies. The project must have preliminary Planning and Zoning Board approval, if applicable, prior to consideration by City Council for an inducement resolution. The application should include a letter from a recognized bond counsel stating the project's consistency with state statutes.

- IV. Application Fee. An application fee of \$1,000.00 is required at the time of submission of an application for an inducement resolution. The purpose of the application fee is to offset the staff cost and other incidental cost associated with the review of the application. In addition the applicant will be required to reimburse the city for any other cost that may be required in the review such as special bond counsel review or such consultants as the city may employ to assist in the evaluation. The city will not employ special consultants without the approval of the applicant.

V. Fees Charged by the City for the Issuance of Industrial Development Revenue Bonds. If the proposed project is approved by the City of Fort Collins and Industrial Development Revenue Bonds are issued, a fee will be paid to the City by the applicant. The amount of said fee shall be the present value of the amount to be derived from applying 1/16 of 1% to the unpaid principal amount of the bonds at the end of each bond year. This fee will be in addition to the reimbursement of any and all expenses incurred by the City. Notwithstanding any provision contained herein, this fee shall not exceed federal arbitrage regulations. The fee will be paid to the City at the time of official closing on the sale of the bonds.

VI. Monies Collected. The monies collected as a result of the provisions of Section III, paragraphs 4 and 5 above are to be used for the encouragement of economic development within the City limits of the City of Fort Collins and including any other area allowable under applicable laws and regulations.

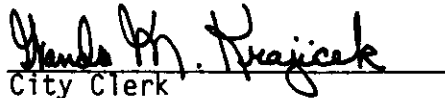
VII. Resolution 82-25, adopted February 2, 1982, is hereby repealed.

Passed and adopted at a regular meeting of the Council of the City of Fort Collins this 5th of June, 1984.



Mayor

ATTEST:



City Clerk