

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 17 A-B

DATE: August 19, 2003

STAFF: Krcmarik/Steiner

SUBJECT:

Items Relating to Appropriating Prior Year Reserves in the Downtown Development Authority Operations and Maintenance Fund.

RECOMMENDATION:

Staff recommends adoption of the Ordinances on First Reading.

FINANCIAL IMPACT:

The Downtown Development Authority (DDA) has made financial commitments to various projects, programs, and studies; the amount of the commitments total \$1.85 million. Ordinance No. 108, 2003, appropriates \$1 million of bond proceeds to be transferred to the DDA Operations and Maintenance Fund. Ordinance No. 109, 2003, appropriates the \$1 million of transferred money from the bond issue and another \$850,000 from the DDA Operations and Maintenance Fund prior year reserves.

EXECUTIVE SUMMARY:

- A. First Reading of Ordinance No. 108, 2003, Appropriating Funds from City of Fort Collins, Colorado, Downtown Development Authority Debt Service Fund for Transfer to the Downtown Development Authority Operations and Maintenance Fund for the Purpose of Making Certain Capital Improvements in the Downtown Area of Fort Collins.
- B. First Reading of Ordinance No. 109, 2003, Appropriating the Transfer from the Downtown Development Authority Debt Service Fund for Projects in the Downtown Development Authority Operations and Maintenance Fund, for the Purpose of Making Certain Capital Improvements in the Downtown Area of Fort Collins and Appropriating Prior Year Reserves Designated for Capital Improvements

The purpose of the Downtown Development Authority (DDA) is economic improvement of the downtown area. Funding for the projects comes from tax increment revenue and an operating mill levy. Over the past few years, the DDA has completed three debt issuances to access monies generated from tax increment. In 1999, the total bond issue was \$750,000, in 2000 it was \$608,000, and in 2002, it was \$1,065,000.

The DDA has unspent monies from each of these bond issues, \$87,400 from the 1999 deal, \$201,427 from 2000, and \$ 819,897 from the 2002 issue which was completed in late December. At the end of 2002, unencumbered funds lapsed into the fund balance and need to be appropriated in 2003. The DDA also plans a debt issue of \$1,000,000 in 2003 to assist in the financing of projects that it has made commitments to. The total amount of appropriations in the DDA Operations & Maintenance Fund is \$1,850,000.

BACKGROUND:

On behalf of the Downtown Development Authority, the City of Fort Collins has completed three recent bond issues to provide funding for DDA participation in redevelopment and capital improvements in the downtown area. Since the bond issues were completed, some projects were not completed or were not as costly as first estimated. Below, staff has provided a listing of the funds available and the projects for which the funds will be used.

1999 Unused Bond Proceeds (Total = \$87,400)

\$ 10,000	Linden Street
13,039	Repayment to the City of Fort Collins
64,361	Baptist Church

2000 Unused Bond Proceeds (Total = \$201,427)

\$147,863	Part of the \$240,000 to the Armstrong Hotel
13,791	401 West Mountain, Trolley Station
39,773	Walnut Street

2002 Unused Bond Proceeds (Total = \$819,897)

\$50,000	231 North College
(34,348)	Savings from the Chamber of Commerce Project
17,652	Mulberry-Lemay
251,000	Mason Street North
12,000	Old Town Square Play area
25,000	Fort Collins Museum
250,000	Linden Street Plan (now to be used for Performing Arts Center)
85,250	Mulberry Lemay Intersection
67,093	Linden Street Improvements Loan repayment
6,250	Downtown Strategic Plan
90,000	300 East Mountain

Prepayments of obligations to the City of Fort Collins (Total = \$489,500)

290,750	Mulberry Lemay Intersection
45,000	River Design
175,000	Downtown Strategic Plan

Current Year Commitments (Total = \$133,000)

 \$133,000 First National Bank

 \$1,731,224 Total Uses

 118,776 Remaining Balance for other projects.

If adopted, these Ordinances would:

- Appropriate \$1,000,000 from the Downtown Development Authority Debt Service Fund for Transfer to the Downtown Development Authority Operations & Maintenance Fund;
- Appropriate the \$1,000,000 transfer from the Debt Service Fund for projects in 2003 in the DDA Operations & Maintenance fund; and
- Appropriate \$850,000 of prior year reserves in the DDA Operations & Maintenance Fund for participation in projects.

SUMMARY

Staff recommends adoption of the Ordinances. This series of appropriations will allow the DDA to meet its commitments to the various projects that the Board has favorably reviewed and maintain a balanced budget. It also allows the DDA to consolidate a series of future payments to the City (for the Mulberry-Lemay project, the Downtown Strategic Plan and the River beautification project) into one lump sum payment, thus adding \$489,500 to the City's budget in 2003. The actual bond issue will take place later this year. The DDA and staff expect that similar bond issues will occur in 2004 and 2005.

ORDINANCE NO. 108, 2003
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING FUNDS FROM CITY OF FORT COLLINS,
COLORADO, DOWNTOWN DEVELOPMENT AUTHORITY DEBT SERVICE
FUND FOR TRANSFER TO THE DOWNTOWN DEVELOPMENT AUTHORITY
OPERATIONS AND MAINTENANCE FUND FOR THE PURPOSE OF MAKING CERTAIN
CAPITAL IMPROVEMENTS IN THE DOWNTOWN AREA OF FORT COLLINS

WHEREAS, on April 21, 1981, the City of Fort Collins, Colorado, adopted Ordinance No. 46, 1981, establishing the Fort Collins, Colorado, Downtown Development Authority; and

WHEREAS, the Downtown Development Authority's Plan of Development was approved by the City on September 8, 1981 which established the purpose of the Authority and the types of projects in which the Authority would participate; and

WHEREAS, on June 1, 1982, a special election was held pursuant to Section 31-25-807(b) of the Colorado Revised Statutes approving the issuance by the City of up to \$25,000,000 in tax increment obligations to finance certain projects of the Downtown Development Authority; and

WHEREAS, there is sufficient remaining bonding authorization available to fund additional projects in the downtown area, and there is sufficient tax increment revenue available in 2003 to pay the debt service on the anticipated bonds issued; and

WHEREAS, the transfer of funds to the DDA Operations and Maintenance Fund from the DDA Debt Service Fund, and the appropriation of the funds, are necessary to complete the construction of certain improvements in the downtown area of the City; and

WHEREAS, Article V, Section 9, of the Charter of the City of Fort Collins (the "Charter") permits the City Council to make supplemental appropriations, in conjunction with all previous appropriations for that fiscal year, provided that the total amount of such supplemental appropriations, in combination with all previous appropriations for that fiscal year, does not exceed the current estimate of actual and anticipated revenues to be received during the fiscal year; and

WHEREAS, Article V, Section 9, of the Charter permits the Council to appropriate by ordinance at any time during the fiscal year such funds for expenditure as may be available from reserves accumulated in prior years, notwithstanding that such reserves were not previously appropriated.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS that there is hereby appropriated from prior year reserves for transfer from the Downtown Development Authority Debt Service Fund to the Downtown Development Authority Operations and Maintenance Fund a sum of ONE MILLION DOLLARS (\$1,000,000) to be used for the capital projects in the downtown area.

Introduced and considered favorably on first reading and ordered published this 19th day of August, A.D. 2003, and to be presented for final passage on the 2nd day of September, A.D. 2003.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading this 2nd day of September, A.D. 2003.

Mayor

ATTEST:

City Clerk

ORDINANCE NO. 109, 2003
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING THE TRANSFER FROM THE DOWNTOWN DEVELOPMENT
AUTHORITY DEBT SERVICE FUND FOR PROJECTS IN THE DOWNTOWN
DEVELOPMENT AUTHORITY OPERATIONS AND MAINTENANCE FUND, FOR THE
PURPOSE OF MAKING CERTAIN CAPITAL IMPROVEMENTS IN THE DOWNTOWN
AREA OF FORT COLLINS AND APPROPRIATING PRIOR YEAR RESERVES
DESIGNATED FOR CAPITAL IMPROVEMENTS

WHEREAS, on April 21, 1981, the City of Fort Collins, Colorado, adopted Ordinance No. 46, 1981, establishing the Fort Collins, Colorado, Downtown Development Authority; and

WHEREAS, the Downtown Development Authority's Plan of Development was approved by the City on September 8, 1981 which established the purpose of the Authority and the types of projects in which the Authority would participate; and

WHEREAS, on June 1, 1982, a special election was held pursuant to Section 31-25-807(b) of the Colorado Revised Statutes approving the issuance by the City of up to \$25,000,000 in tax increment obligations to finance certain projects of the Downtown Development Authority; and

WHEREAS, pursuant to Ordinance No. , 2003, as approved by the City Council this same date, of the Council of the City of Fort Collins has approved the transfer of \$1,000,000 from the Downtown Development Authority Debt Service Fund to the Downtown Development Authority Operations and Maintenance Fund; and

WHEREAS, the appropriation of the funds thereof, are necessary to complete the construction of certain improvements in the downtown area of the City; and

WHEREAS, Article V, Section 9, of the Charter of the City of Fort Collins (the "Charter") permits the City Council to make supplemental appropriations, in conjunction with all previous appropriations for that fiscal year, provided that the total amount of such supplemental appropriations, in combination with all previous appropriations for that fiscal year, does not exceed the current estimate of actual and anticipated revenues to be received during the fiscal year; and

WHEREAS, Article V, Section 9, of the Charter permits the Council to appropriate by ordinance at any time during the fiscal year such funds for expenditure as may be available from reserves accumulated in prior years, notwithstanding that such reserves were not previously appropriated; and

WHEREAS, it is the desire of the Council to appropriate the sum of \$850,000 from prior year reserves designated for certain improvements in the downtown area of the City in the Downtown Development Authority Operations and Maintenance Fund.

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 the sum of ONE MILLION DOLLARS (\$1,000,000), in the form of a transfer from the Downtown Development Authority Debt Service Fund, to be used for capital improvements in the downtown area.

Section 2. That there is hereby appropriated for expenditure funds the sum of EIGHT HUNDRED FIFTY THOUSAND DOLLARS (\$850,000), from prior year reserves in the Downtown Development Authority Operations and Maintenance Fund, to be used for capital improvements in the downtown area.

Introduced and considered favorably on first reading and ordered published this 19th day of August, A.D. 2003, and to be presented for final passage on the 2nd day of September, A.D. 2003.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading this 2nd day of September, A.D. 2003.

Mayor

ATTEST:

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