

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 16

DATE: October 16, 2007

STAFF: Chip Steiner

SUBJECT

Items Relating to the 2008 Downtown Development Authority Budget.

RECOMMENDATION

Staff and the Downtown Development Authority Board recommend adoption of the Ordinances on First Reading.

EXECUTIVE SUMMARY

- A. First Reading of Ordinance No. 115, 2007, Appropriating Downtown Development Authority Operating Funds and Fixing the Mill Levy for Fiscal Year 2008.
- B. First Reading of Ordinance No. 116, 2007, Appropriating Revenue in the Downtown Development Authority Debt Service Fund for Payment of Debt Service for the Year 2008.
- C. First Reading of Ordinance No. 117, 2007, Authorizing the Transfer of Appropriations Between Capital Improvements Within the Downtown Development Authority Operations and Maintenance Fund Related to the City of Fort Collins, Colorado, Downtown Development Authority Taxable Subordinate Tax Increment Revenue Bonds, Series 2004A.

The Downtown Development Authority Board of Directors (the "Board") adopted its proposed budget for 2008 totaling \$6,709,104 on September 13, 2007. The Board determined the mill levy necessary to provide for payment of administrative costs incurred by the DDA at its regular meeting of September 13, 2007. Ordinance No. 115, 2007, appropriates the DDA operating funds and sets the mill levy.

Ordinance No. 116, 2007, appropriates funds for 2008 DDA debt service payments from the tax increment received by the City.

Ordinance No. 117, 2007 authorizes the transfer of appropriations of \$1,000,000 from the City of Fort Collins Museum project to the funding of Beet Street for 2008.

BACKGROUND

The Fort Collins Downtown Development Authority (the "DDA") was created in 1981 with the purpose, according to State statute, of planning and implementing projects and programs within the boundaries of the DDA. The DDA and 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 notes and tax increment bonds. The first issuance of tax increment bonds occurred in 1984 and there has been one subsequent issue in 2007.

In addition to the projects financed using the tax increment, the DDA has the ability under State law to assess a mill levy for administration, operations, and maintenance purposes. The mill levy proposed by the Board of Directors for 2008 is five mills. Estimated revenue from the mill levy for 2007 is \$430,000. The total operating budget for 2008 is \$6,709,104.

The DDA is asking Council to appropriate funds from the Downtown Development Authority Debt Service Fund for current debt. The current debt includes outstanding bonds and the 2008 payment for its one-third share of the Civic Center Parking Structure lease. The DDA Board adopted a Resolution on September 13, 2007, for the outstanding bonds and the DDA share of the Civic Center Parking Structure lease.

The DDA also asks Council to reappropriate funds from the Downtown Development Authority Operations and Maintenance 2004A DDA Bond project of the City of Fort Collins Museum to the funding of Beet Street for 2008.

ATTACHMENTS

1. DDA Resolution 2007-04 Approving and Recommending to the Fort Collins City Council the Budget of the Estimated Amounts Required to Pay the Expenses of Conducting the Business of the Downtown Development Authority for the Fiscal Year Ending December 31, 2008.
2. DDA Resolution 2007-05 Recommending to the Fort Collins City Council the Determining and Fixing of the Mill Levy of the Downtown Development Authority for the Fiscal Year Ending December 31, 2008.
3. DDA Resolution 2007-06 Recommending to the Fort Collins City Council the Appropriation of \$3,005,439 from the Downtown Development Authority Debt Service Fund for Payment of Debt Service for the Fiscal Year ending December 31, 2008.
4. DDA Resolution 2007-07 Recommending to the Fort Collins City Council the Transfer of Appropriations of \$1,000,000 related to the City of Fort Collins Downtown Development Authority Taxable Subordinate Tax Increment Revenue Bonds, Series 2004A.

**RESOLUTION 2007-04
OF THE BOARD OF DIRECTORS OF THE FORT COLLINS
DOWNTOWN DEVELOPMENT AUTHORITY
APPROVING AND RECOMMENDING
TO THE FORT COLLINS CITY COUNCIL
THE BUDGET OF THE ESTIMATED AMOUNTS REQUIRED TO PAY
THE EXPENSES OF CONDUCTING THE BUSINESS
OF THE FORT COLLINS DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDING DECEMBER 31, 2008**

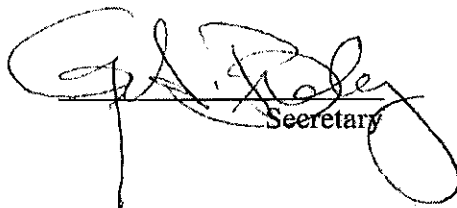
WHEREAS, the Fort Collins Downtown Development Authority has been duly organized in accordance with the Colorado Revised Statutes 31-25-804, 1973 as amended; and,

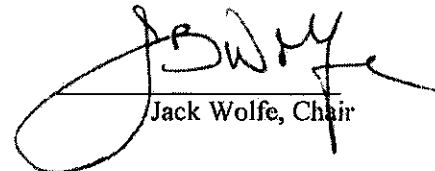
WHEREAS, the Board of Directors of the Downtown Development Authority shall under Colorado Revised Statutes, 31-25-816, 1973 adopt a budget of the estimated revenues and expenditures to be received and incurred during fiscal year ending December 31, 2008.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DOWNTOWN DEVELOPMENT AUTHORITY that the following budget is adopted for the fiscal year ending December 31, 2008 and therefore recommends to the Council of the City of Fort Collins the adoption of this budget.

Revenues:	
Ad Valorem Taxes	\$430,000
Auto Specific Ownership Tax	42,000
Interest Earnings	221,864
Licenses and Permits	1,800
Contributions	60,000
Project Mgmt.	150,540
Bond Proceeds	<u>5,802,900</u>
TOTAL	\$6,709,104
Personal Services	\$332,985
Contractual Services	493,165
Commodities	13,054
Capital Outlay	5,854,900
Other	<u>15,000</u>
TOTAL	\$6,709,104

Passed and adopted at a regular meeting of the Board of Directors of the Fort Collins Downtown Development Authority this 13th day of September, 2007.


Secretary


Jack Wolfe, Chair

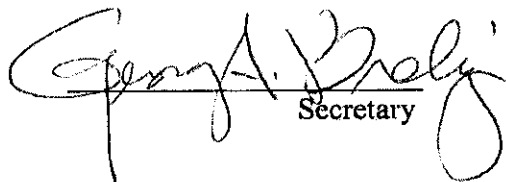
**RESOLUTION 2007-05
OF THE BOARD OF DIRECTORS OF THE FORT COLLINS
DOWNTOWN DEVELOPMENT AUTHORITY
RECOMMENDING TO THE FORT COLLINS CITY COUNCIL
THE DETERMINING AND FIXING OF THE MILL LEVY
OF THE FORT COLLINS DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDING DECEMBER 31, 2008**

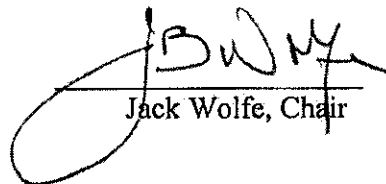
WHEREAS, the Fort Collins Downtown Development Authority has been duly organized in accordance with the Colorado Revised Statutes 31-25-804, 1973 as amended; and,

WHEREAS, the Board of Directors of the Fort Collins Downtown Development Authority finds that a mill levy of five (5) mills to be sufficient to meet the operational and administrative needs of the Authority for fiscal year 2008.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FORT COLLINS DOWNTOWN DEVELOPMENT AUTHORITY, to recommend to the Council of the City of Fort Collins the mill levy rate for taxation upon all the taxable property within the Fort Collins Downtown Development Authority District for the fiscal year ending December 31, 2008 be set at five (5) mills which is sufficient to raise ad valorem revenues for the 2008 Operations and Maintenance Budget as approved by the Fort Collins Downtown Development Authority which levy represents the amount of taxes for the Fort Collins Downtown Development Authority (however, said mill levy is subject to change based on the assessor's calculations which have not been published at this time). Said mill levy shall be distributed to general expense, which levy as so distributed shall be certified by the County Assessor and the Board of the County Commissioners of Larimer County, Colorado by the City Clerk as provided by law.

Passed and adopted at a regular meeting of the Board of Directors of the Fort Collins Downtown Development Authority this 13th day of September, 2007.


Secretary


Jack Wolfe, Chair

**RESOLUTION 2007-06
OF THE BOARD OF DIRECTORS OF THE FORT COLLINS
DOWNTOWN DEVELOPMENT AUTHORITY
RECOMMENDING TO THE FORT COLLINS CITY COUNCIL
THE APPROPRIATION OF \$2,723,360 (TWO MILLION, SEVEN HUNDRED
TWENTY THREE THOUSAND, THREE HUNDRED AND SIXTY DOLLARS)
AND \$282,079 (TWO HUNDRED EIGHTY TWO THOUSAND, SEVENTY NINE
DOLLARS) FROM THE FORT COLLINS DOWNTOWN DEVELOPMENT
AUTHORITY 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, 2008**

WHEREAS, the Fort Collins Downtown Development Authority has been duly organized in accordance with the Colorado Revised Statutes 31-25-804, 1973 as amended; and,


WHEREAS, pursuant to Ordinance No. 15, 1983, the Council of the City of Fort Collins established a special fund consisting of separate accounts for: (1) operation and maintenance expenses of the Fort Collins Downtown Development Authority; (2) tax increment funds received by the Fort Collins Downtown Development Authority; and (3) project funds consisting of proceeds of bonds, loans, and other forms of indebtedness; and,

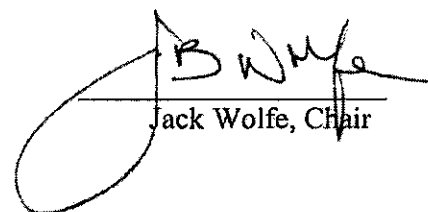
WHEREAS, Section 2 of Ordinance No. 95, 1987 provides the tax increment monies will be pledged to the payment of principal and interest on Bonds; and,

WHEREAS, principal and interest on the bonds is due and payable.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FORT COLLINS DOWNTOWN DEVELOPMENT AUTHORITY, that it recommends to the Council of the City of Fort Collins the appropriation for expenditure in 2008 from the tax increment fund, the sum of \$3,005,439 (Three million, five thousand, four hundred and thirty nine dollars) for payment of debt service on outstanding tax increment and lease certificates of participation bonds authorized by the Council of the City of Fort Collins.

Passed and adopted at a regular meeting of the Board of Directors of the Fort Collins Downtown Development Authority this 13th day of September, 2007.


Secretary


Jack Wolfe, Chair

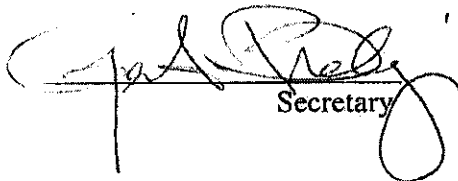
**RESOLUTION 2007-07
OF THE BOARD OF DIRECTORS OF THE FORT COLLINS
DOWNTOWN DEVELOPMENT AUTHORITY
RECOMMENDING TO THE FORT COLLINS CITY COUNCIL
THE TRANSFER OF APPROPRIATIONS OF \$1,000,000 (ONE MILLION
DOLLARS) RELATED TO THE CITY OF FORT COLLINS DOWNTOWN
DEVELOPMENT AUTHORITY TAXABLE SUBORDINATE TAX INCREMENT
REVENUE BONDS, SERIES 2004A.**

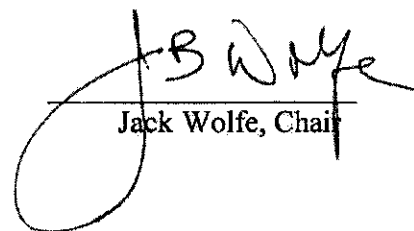
WHEREAS, the Fort Collins Downtown Development Authority has been duly organized in accordance with the Colorado Revised Statutes 31-25-804, 1973 as amended; and,

WHEREAS, the Fort Collins Downtown Development Authority has not yet entered into an intergovernmental agreement with the City of Fort Collins for funding of the Fort Collins museum, the board of directors of the Downtown Development Authority wishes to use the funds for funding of Beet Street for the fiscal year ending December 31, 2008 and will fund the Fort Collins museum in its 2008 bond issuance.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FORT COLLINS DOWNTOWN DEVELOPMENT AUTHORITY, that it recommends to the Council of the City of Fort Collins the transfer of appropriation for expenditure in 2008 from the Downtown Development Authority tax increment fund, the sum of \$1,000,000 (One million dollars) for the operation of Beet Street for fiscal year ending December 31, 2008.

Passed and adopted at a regular meeting of the Board of Directors of the Fort Collins Downtown Development Authority this 13th day of September, 2007.


Secretary


Jack Wolfe, Chair

ORDINANCE NO. 115, 2007
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING DOWNTOWN
DEVELOPMENT AUTHORITY OPERATING FUNDS
AND FIXING THE MILL LEVY FOR FISCAL YEAR 2008

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

WHEREAS, on September 13, 2007, the DDA Board of Directors (the "DDA Board"), acting under the provisions of Section 31-25-816, C.R.S., adopted a budget for the fiscal year beginning January 1, 2008, and determined the mill levy necessary to provide for payment during fiscal year 2008 of all properly authorized expenditures to be incurred by the DDA; and

WHEREAS, it is the desire of the Council to appropriate the sum of SIX MILLION, SEVEN HUNDRED NINE THOUSAND, ONE HUNDRED FOUR DOLLARS (\$6,709,104) in the DDA Operation and Maintenance Fund for the fiscal year beginning January 1, 2008 and ending December 31, 2008, to be used as follows:

DDA Projects from anticipated bond proceeds	\$5,802,900
DDA Operations & Maintenance	906,204

WHEREAS, the DDA Board has recommended to the Council a mill levy of 5.0 mills upon each dollar of assessed valuation of 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 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 of each year.

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 NINE HUNDRED SIX THOUSAND TWO HUNDRED FOUR DOLLARS (\$906,204), to be expended for the authorized purposes of the DDA.

Section 2. That there is hereby appropriated for expenditure from the Downtown Development Authority Operations and Maintenance Fund the sum of FIVE MILLION EIGHT HUNDRED TWO THOUSAND NINE HUNDRED DOLLARS (\$5,802,900), to be raised by bond proceeds anticipated to be issued in 2008.

Section 3. That the 2008 mill levy rate for the taxation upon each dollar of the assessed valuation of all taxable property within the boundaries of the DDA as of December 31, 2007 shall be 5.0 mills, which levy represents the amount of taxes for DDA purposes to provide for payment during the aforementioned fiscal year of all 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. 2007, and to be presented for final passage on the 20th day of November, A.D. 2007.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 20th day of November, A.D. 2007.

Mayor

ATTEST:

City Clerk

ORDINANCE NO. 116, 2007
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING REVENUE IN THE
DOWNTOWN DEVELOPMENT AUTHORITY DEBT SERVICE FUND
FOR PAYMENT OF DEBT SERVICE FOR THE YEAR 2008

WHEREAS, the Fort Collins Downtown Development Authority (the "DDA") is a body corporate duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Downtown Development Authorities Act of the State of Colorado, Section 31-25-801, C.R.S. et seq. (the "Act"), and the powers of the DDA Board of Directors include the power to borrow money and to finance public improvements within the boundaries of the DDA; and

WHEREAS, the Council, in Ordinance No. 088, 2004, authorized the issuance of \$6,235,000 of Subordinate Tax Increment Revenue Bond, Series 2004A, dated June 14, 2004; and

WHEREAS, the Council, in Ordinance No. 016, 2007, authorized the issuance of \$5,700,000 of Subordinate Tax Increment Revenue Bond, Series 2007A, dated February 20, 2007; and

WHEREAS, the DDA's payment for principal, interest, and debt service requirements on the total outstanding bonds will be \$2,723,360 in 2008; and

WHEREAS, the Council, in Ordinance No. 128, 1998, authorized the issuance of Lease Certificates of Participation Series 1998 in the amount of \$17,210,000 of which \$6,920,000 is attributable to the Civic Center Parking Structure (the "Parking Structure"); and

WHEREAS, pursuant to its intergovernmental agreement with the City and Larimer County, the DDA has agreed to pay one-third of the lease payments attributable to the Parking Structure each year through 2011; and

WHEREAS, the DDA's share of the 2007 lease payments for the Parking Structure is \$282,079; and

WHEREAS, pursuant to Section 31-25-816, C.R.S., the appropriation of DDA debt service is subject to approval by the City Council.

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 Debt Service Fund the sum of TWO MILLION SEVEN HUNDRED TWENTY THREE THOUSAND THREE HUNDRED SIXTY DOLLARS (\$2,723,360) for payment of debt service on previously issued and outstanding bonds.

Section 2. That there is hereby appropriated for expenditure from the Downtown Development Authority Debt Service Fund the sum of TWO HUNDRED EIGHTY TWO THOUSAND SEVENTY NINE DOLLARS (\$282,079), which amount is hereby authorized for transfer to the City of Fort Collins Capital Leasing Corporation Fund to be used to cover the DDA's one-third share of the lease payment on the Civic Center Parking Structure.

Introduced, considered favorably on first reading, and ordered published this 16th day of October, A.D. 2007, and to be presented for final passage on the 20th day of November, A.D. 2007.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 20th day of November, A.D. 2007

Mayor

ATTEST:

City Clerk

ORDINANCE NO. 117, 2007
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING THE TRANSFER OF APPROPRIATIONS
BETWEEN CAPITAL IMPROVEMENTS WITHIN THE DOWNTOWN
DEVELOPMENT AUTHORITY OPERATIONS AND MAINTENANCE
FUND RELATED TO THE CITY OF FORT COLLINS, COLORADO,
DOWNTOWN DEVELOPMENT AUTHORITY TAXABLE SUBORDINATE
TAX INCREMENT REVENUE BONDS, SERIES 2004A

WHEREAS, on April 21, 1981, the City of Fort Collins, Colorado, adopted Ordinance 46, 1981, establishing the Fort Collins Downtown Development Authority (the "DDA"); and

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

WHEREAS, on November 7, 2006, an election was held and electors approved the issuance by the City of up to \$150,000,000 in tax increment obligations to finance the costs of development projects of the DDA; and

WHEREAS, through the adoption of Ordinance No. 088, 2004, the Council appropriated proceeds from the issuance of the City of Fort Collins, Colorado, Downtown Development Authority Taxable Subordinate Tax Increment Revenue Bonds, Series 2004A (the "Bonds"), for expenditure on certain capital improvements in the amount of \$6,235,000; and

WHEREAS, the DDA requested, and Council appropriated, \$1,100,000 for the Fort Collins Museum in Ordinance No. 089, 2004; and

WHEREAS, the DDA wishes to fund the Beet Street Cultural Program with \$1,000,000 of the Fort Collins Museum funds pending an IGA for the Museum; and

WHEREAS, Article V, Section 10, of the Charter of the City of Fort Collins authorizes the City Council to transfer by ordinance any unexpended and unencumbered amount or portion thereof from one fund or capital project to another fund or capital project provided that the purpose for which the funds no longer exist; and

WHEREAS, the Board of Directors of the DDA have voted its approval of the aforementioned transfer.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS that the unexpended appropriated amount of ONE MILLION DOLLARS (\$1,000,000) is hereby authorized for transfer from the Downtown Development Authority Operations and

Maintenance 2004A DDA Bond Project (Fort Collins Museum) for the operation of Beet Street for fiscal year ending December 31, 2008, knowing that the Fort Collins Museum transfer will be funded in the 2008 bond issuance.

Introduced, considered favorably on first reading, and ordered published this 16th day of October, A.D. 2007, and to be presented for final passage on the 20th day of November, A.D. 2007.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 20th day of November, A.D. 2007.

Mayor

ATTEST:

City Clerk