

# AGENDA ITEM SUMMARY

## FORT COLLINS CITY COUNCIL

ITEM NUMBER: 14

DATE: February 5, 2008

STAFF: Chip Steiner

### SUBJECT

First Reading of Ordinance No. 009, 2008, Appropriating Prior Years Reserves in the Downtown Development Authority Fund for Expenditure on Projects in Accordance with the Downtown Plan of Development.

### RECOMMENDATION

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

### FINANCIAL IMPACT

The DDA Board has authorized expenditure on the following projects or programs which will be funded with this appropriation:

Mason Street Transportation Corridor Contribution	\$600,000
Funding for Beet Street for 2008	300,000
Opera Galleria Atrium Door Project	117,300
Funding for News Racks	100,000
Alley Master Plan	46,000
Funding for the Downtown Ice Rink 2007-2008	40,000
Miscellaneous Projects approved or pending DDA Board approval	<u>264,741</u>
	\$1,468,041

### EXECUTIVE SUMMARY

This Ordinance will appropriate unanticipated revenue from interest earnings in the amount of \$754,374 and reappropriate \$713,667 from project savings from prior years appropriations. The DDA board has authorized the expenditure on various projects and programs.

### BACKGROUND

The 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 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 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 with one subsequent issue in 2007.

Over the past few years, proceeds from DDA TIF revenues that have not been spent have accumulated interest earnings. These funds, as well as the project savings, need to be appropriated for expenditure. The amount of interest earnings is currently \$754,374 and project savings is \$713,667.

Staff has provided a summary for each project or program. All the projects/programs listed for funding through this appropriation have either been approved or are pending approval by the DDA Board of Directors. All approvals by the DDA Board are made contingent upon City Council appropriation of these funds to fulfill the Authority's commitment to the projects. With the exception of those projects or programs which are purely public in nature, no DDA expenditures are to be made until projects are completed and have received certificates of occupancy from the City.

**1. Mason Street Transportation Corridor Contribution**

The City has received a large grant from the State to construct the downtown portion of the proposed Mason Street multi-modal transit corridor. The City has asked the DDA to contribute \$600,000 toward the local match needed to receive the state grant for the completion of the transit corridor from Cherry Street to Laurel Street.

**2. Beet Street**

The total commitment to Beet Street is \$3 million. During 2007, the DDA contributed \$737,753. Funding for 2008 is estimated at \$1.3 million with \$1 million coming from a prior DDA appropriation in 2007.

**3. Opera Galleria Atrium Door**

\$117,300 commitment to fund improvements to the rear entrance of the Opera Galleria.

**4. News Racks**

\$100,000 commitment to fund the purchase of news rack condominiums contingent upon Council's approval to support condominiums and the City's contribution of \$25,000.

**5. Alley Master Plan**

\$46,000 commitment to hire a consultant team of Russell + Mills Studios to create the DDA's Master Plan for Downtown Alleys and Integrated Walkways.

**6. Downtown Ice Rink 2007-2008**

\$40,000 commitment to reimburse the City of Fort Collins for installation and removal of the ice rink in Old Town Square.

7. **Miscellaneous**

\$264,741 for approved small dollar expenses or future capital and program expenses.

**ATTACHMENTS**

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1. DDA Resolution 2008-01 Approving and Recommending to the Fort Collins City Council the Appropriation of \$1,468,041 of Interest Earnings and Project Savings from Bond Proceeds in the Fort Collins Downtown Development Authority Fund for Expenditure on Projects in Accordance with the Downtown Plan of Development .
1. Background and minutes from the related DDA Board Meeting where each of the above projects and programs were approved.

**RESOLUTION 2008-01  
OF THE BOARD OF DIRECTORS OF THE FORT COLLINS  
DOWNTOWN DEVELOPMENT AUTHORITY  
RECOMMENDING TO THE FORT COLLINS CITY COUNCIL  
THE APPROPRIATION OF \$1,468,041 (ONE MILLION, FOUR SIXTY EIGHT  
THOUSAND, FORTY ONE DOLLARS) INTEREST EARNINGS AND PROJECT  
SAVINGS FROM BOND PROCEEDS IN THE FORT COLLINS DOWNTOWN  
DEVELOPMENT AUTHORITY FUND FOR EXPENDITURE ON PROJECTS IN  
ACCORDANCE WITH THE DOWNTOWN PLAN OF DEVELOPMENT**

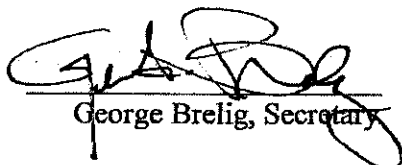
**WHEREAS**, the Fort Collins Downtown Development Authority has been duly organized in accordance with the Colorado Revised Statutes 31-25-804, 1973 as amended; and,

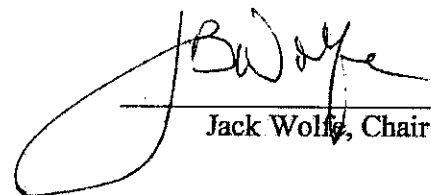
**WHEREAS**, tax increment bond proceeds from 1999 through 2007 have accrued interest earnings of \$754,374 and project savings of \$713,667; and

**WHEREAS**, said interest earnings and project savings must be appropriated by the Fort Collins City Council for expenditure on downtown projects in accordance with the Downtown Plan of Development adopted by City Council by Resolution 81-129, September 8, 1981,

**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 appropriation for expenditure from the tax increment fund in accordance with the Downtown Plan of Development, interest earnings in the amount of \$754,374 (Seven Hundred Fifty Four Thousand, Three Hundred and Seventy Four Dollars) and project savings in the amount of \$713,667 (Seven Hundred, Thirteen Thousand, Six Hundred and Sixty Seven Dollars).

Passed and adopted at a regular meeting of the Board of Directors of the Fort Collins Downtown Development Authority this 10<sup>th</sup> day of January, 2008.

  
George Brelig, Secretary

  
Jack Wolfe, Chair

**Background and Planned Use of the Appropriation of Interest Earnings and Project Savings**

1. Mason Street Transportation Corridor Contribution, \$600,000 The City of Fort Collins has received a grant from the State to construct the downtown portion of the proposed Mason Street multi-modal transit corridor. The DDA has committed \$600,000 toward the local match needed to receive the state grant for the completion of the transit corridor from Cherry St to Laurel St.

MINUTES of February 1, 2007

REGULAR MEETING

**MASON STREET CORRIDOR**

The City has received a large grant (more than \$4 million) from the State to construct the downtown portion of the proposed Mason Street multi-modal transit corridor. The grant is subject to a \$1—\$1.2 million local match. The City is asking the DDA to match half of the required amount up to \$600,000 for the completion of the transit corridor from Cherry St. to Laurel St. If state and local funding is secured, the City should receive approximately \$60 million from the Federal Government to complete the corridor. Mr. Steiner strongly recommended that the Board support the request contingent upon the Board's approval of the design concepts, maintaining left turns, and that there are no barriers constructed on Mason Street.

Kathleen Bracke, Senior Transportation Planner for the City of Fort Collins presented the latest designs for the Mason Street Corridor. The plan includes converting both Mason and Howes Streets back to two way traffic to expedite transit and accessibility downtown. Bus Rapid Transit (BRT) is a key element of the design with infill and redevelopment centered around the stations, with streetscape enhancements and improved pedestrian and bikeways. The plan also attempts to converge with CDOT plans for regional transportation.

Mr. Hewitt moved to commit up to \$600,000 in matching funds to the project, with the hope that CSU might participate financially. Following further discussion, Mr. Atteberry stated that he had been in discussion with CSU President Larry Penley about the project and, while he felt CSU was excited about the project, a financial contribution had not been discussed.

**Moved by Mr. Hewitt, seconded by Ms. Jordan: to commit an equal match of funds with the City of Fort Collins up to \$600,000. The motion passed unanimously.**

2. Beet Street, \$300,000 This program proposal has been in the works since 2003. It entails the eventual establishment of 24 themed events inspired by Chautauqua Institution in New York. The program will become a significant economic engine for Fort Collins. The total commitment to Beet Street is \$3 million. During 2007 the DDA contributed \$737,753. Funding for 2008 is estimated at 1.3 million with 1 million coming from Ordinance 117, 2007. The preliminary budget for 2008 was presented to the board September 13, 2007.

3. Opera Galleria Atrium Door, \$117,300 Fund improvements to the rear entrance of the Opera Galleria and linking it directly to Tenny Court.

MINUTES of June 14, 2007

REGULAR MEETING

**OPERA GALLERIA**

Patty Spencer recused herself for this discussion.

The Opera Galleria has submitted renderings of both the façade work and the new entry at the rear of the building. Dan Eckles of Realtec and Dawn Oglesby, designer, presented drawings of the proposed entryway. The façade improvements are already underway with 17 new windows installed and stucco has been repaired. Brick work will be completed soon. The total cost of remodeling the entry, which will be a purely public entrance to the building, is approximately \$117,000. The Board expressed approval of the new design, emphasizing that it is an important connection to the parking garage and also serves as another improvement to the alley. Improved access to the atrium will also enhance an existing DDA asset. Board then expressed a desire that the owners get bids on the construction, to be reviewed by Chip and the Board.

**Moved by Mr. Wolfe, seconded by Mr. Sears: That the DDA fund the improvements to the rear entrance of the Opera Galleria subject to competitive bidding up to the amount of \$117,300, and selection of the contractor subject to approval by one (1) DDA board member, the DDA board City Council representative, and the DDA Executive Director. The motion passed unanimously.**

4. News Racks, \$100,000 Commitment to fund the purchase of news rack condominiums contingent upon Council's approval to support condominiums and the City's contribution of \$25,000.

MINUTES of December 13, 2007

REGULAR MEETING

**NEWS RACKS**

Matt Robenalt recommended that the board increase the amount of funding for news rack condominiums because prices have gone up since the proposal was first approved. He is asking for the Board to increase funding from the original amount of \$75,000 to \$90,000, which with the City's contribution of \$25,000 brings the total to \$115,000. An alternative proposal has been presented by a group of publishers that involves the construction of corrals around existing news distribution boxes and for the establishment of a voluntary policing program that would be run by the publications themselves. Both proposals will be discussed at a City Council work session on January 8, 2008.

The issues for downtown are the unsightly appearance of, the random organization of, and the propensity for trash to collect around the existing distribution boxes. Staff points out that the Downtown Business Association, an organization representing 120 private businesses in the central business district, strongly supports the condominium approach over the publisher's proposal. A recent survey resulted in 80 votes to support the condominiums to three that voted nay.

Christine Chin, President and Publisher of *The Coloradoan*, speaking for the publishers group addressed the issue of safety concerns around existing news racks. The publishers' proposal includes the creation of a rapid response team to help maintain the racks. Their design would use local craftsmen to build the corrals, which would be designed to fit in with downtown. She asked that the board postpone any decision until after the January 8<sup>th</sup> City Council work session.

David Short commented that the DBA passed a resolution at their December board meeting in support of the condominium racks. He noted that there are constant complaints about the appearance of existing news racks and that in 2000 the publishers had agreed to self-policing, now there were many more racks on the streets. In response to Ms. Chin's position that the publishers would lose their ability to be distinctive, Ms. Bennis noted that each publication has their front page to make distinctive within the condo unit.

Darin Atteberry clarified that it is not only the issue of aesthetics that is of concern. There are also concerns about maintenance and safety. The City allowed the publishers time to prepare a proposal but there are flaws in that proposal such as there is not standard for limiting the number of racks; it does not address those who choose not to participate in the voluntary agreement; and, the growing numbers of publications. If this is a good fit for other communities across Colorado and the rest of the country, why would it not be a good fit for Fort Collins? The condominium proposal does not limit free speech. The Board did not feel it was appropriate to delay action until after the Council work session.

**Moved by Mr. Taylor; seconded by Ms. Jordan: To approve DDA participation of up to \$100,000, contingent upon the City's contribution of \$25,000, for a total of \$125,000 to purchase and install modular news racks in nine (9) locations in the Downtown and in connection with the proposal presented by the DBA/DDA/City staff in March 2007. The motion passed unanimously.**

5. Alley Master Plan, \$46,000 Consulting services to develop a Master Plan for Downtown Alleys and Integrated Walkways. Russell + Mills Studios have been selected as the planning firm through the City's standard purchasing procedure.

TO: DDA Board of Directors  
FROM: Matt Robenalt, Project Manager  
DATE: January 10, 2008

**RE: Contract for DDA Master Plan for Downtown Alleys and Integrated Walkways**

The selection process to hire a consultant team to create the DDA's Master Plan for Downtown Alleys and Integrated Walkways concluded in December with the selection of Russell + Mills Studios. City staff, DDA staff, and Steve Taylor conducted the interviews leading to this selection.

Russell+Mills Studios is based in Old Town, and its principals were extensively involved in the development of the Trimble and Tenney Court alley enhancement project. They have teamed with Aller-Lingle Architects and TST Engineering to develop this guidance document for the DDA. The cost of the contract is \$46,000.

The purpose of this project is to advance the DDA's future investments in downtown alley and integrated walkway enhancements by identifying the logical pedestrian pathways in the Old Town area, River District, and north CSU campus area. This plan will also provide a public process with stakeholders, and will address the unique issues associated with conversion of traditional alleys into an enhanced civic space. Such issues include trash/recycling storage and pickup, delivery vehicle circulation, private parking access, and sensitivity to historic resources. The final scope of work is attached.

Staff recommends Board authorization to enter into a professional services agreement with Russell+Mills Studios in the amount of \$46,000.

## ATTACHMENT 2

Although the minutes are not yet available from the January 10<sup>th</sup> 2008 meeting this request was passed unanimously

### 6. Downtown Ice Rink 2007-2008 \$40,000 commitment to reimburse the City of Fort Collins for installation and removal of the ice rink in Old Town Square

TO: DDA Board of Directors  
FROM: Kathy Cardona  
DATE: January 10, 2008

#### **RE: Funding for the Ice Rink: 2007- 2008 Season**

Staff would like board approval to reimburse the City of Fort Collins up to \$40,000 for the cost of the installation and take-down of the Old Town Square Ice Rink. The City and the DDA are still considering methods to install the rink permanently. Research done so far does show that installation of some of the features to make the rink permanent would require considerable capital investment exponentially greater than the current annual expenses. The outcome of the legislative amendment will determine what next steps are taken.

Although the minutes are not yet available from the January 10<sup>th</sup> 2008 meeting this request was passed unanimously.

### 7. Miscellaneous \$264,741 for approved small dollar or future capital and program expenses.



ORDINANCE NO. 009, 2008  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
APPROPRIATING PRIOR YEAR RESERVES IN THE  
DOWNTOWN DEVELOPMENT AUTHORITY FUND  
FOR EXPENDITURE ON PROJECTS IN ACCORDANCE  
WITH THE DOWNTOWN PLAN OF DEVELOPMENT

WHEREAS, on April 21, 1981, the City Council adopted Ordinance No. 046, 1981, establishing the Fort Collins, Colorado, Downtown Development Authority (the "Authority"); and

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

WHEREAS, bond proceeds from 1999 through 2007 have accrued interest earnings in the amount of \$754,374, and

WHEREAS, staff has identified project savings of \$713,667 that are currently in prior year reserves; and

WHEREAS, Article V, Section 10, of the Charter 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 the purpose for which the transferred funds are to be expended remains unchanged; and

WHEREAS, the Board of Directors of the Authority recommend to the Council of the City of Fort Collins these expenditures on projects, passed and adopted at the regular meeting of the Board of Directors of the Fort Collins Downtown Development Authority on the 10th day of January, 2008; and

WHEREAS, it is the desire of the Council to appropriate the sum of ONE MILLION FOUR HUNDRED SIXTY EIGHT THOUSAND FORTY ONE DOLLARS (\$1,468,041) from prior year reserves for certain projects in the downtown area.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS that there is hereby appropriated for expenditure from prior year reserves in the Downtown Development Authority Fund the sum of ONE MILLION FOUR HUNDRED SIXTY EIGHT THOUSAND FORTY ONE DOLLARS (\$1,468,041) to be used for the projects stated below:

Mason Street Transportation Corridor Contribution	\$600,000
Funding for Beet Street 2008	300,000
Opera Galleria Atrium Door Project	117,300
Funding for News Rack Condominiums	100,000

Alley Master Plan	46,000
Funding for Downtown Ice Rink 2007 - 2008	40,000
Miscellaneous DDA Board Approved Projects	<u>264,741</u>
Total Projects	\$1,468,041

Introduced, considered favorably on first reading, and ordered published this 5th day of February, A.D. 2008, and to be presented for final passage on the 19th day of February, A.D. 2008.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

Passed and adopted on final reading on the 19th day of February, A.D. 2008.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk