

# AGENDA ITEM SUMMARY

## FORT COLLINS CITY COUNCIL

**ITEM NUMBER:** 32 A-B

**DATE:** November 2, 1999

**STAFF:** John F. Fischbach/  
Alan Krcmarik

### SUBJECT:

Items Relating to the 2000 Downtown Development Authority Budget.

### RECOMMENDATION:

Staff recommends adoption of the Ordinances on First Reading. The Downtown Development Authority Board of Directors recommends adoption of Ordinance No. 172, 1999 on First Reading, and recommended adoption of a debt service budget for 2000 that has been modified by staff as described in Ordinance No. 173, 1999.

### FINANCIAL IMPACT:

These Ordinances represent the annual appropriation for 2000 of \$281,163, and approve the Downtown Development Authority Operating Budget for 2000. They also set the DDA mill levy at 4.05 mills and appropriate the Downtown Development Authority Debt Service funds for 2000 in the amount of \$1,650,949.

### EXECUTIVE SUMMARY:

- A. First Reading of Ordinance No. 172, 1999, Appropriating Operating Funds and Approving the Budget of the Downtown Development Authority for the Fiscal Year Beginning January 1, 2000, and Fixing the Mill Levy for the Downtown Development Authority for Fiscal Year 2000.

The Downtown Development Authority (the "DDA") adopted the proposed DDA budget for 2000, totaling \$281,163, and determined the mill levy necessary to provide for payment of all properly authorized expenditures incurred by the District, at its regular meeting of October 20, 1999.

- B. First Reading of Ordinance No.173, 1999, Appropriating Revenue in the Downtown Development Authority Debt Service Fund for Payment of Debt Service for the Year 2000.

This Ordinance appropriates funds for the payment of debt service related to DDA projects for 2000, as approved by the DDA Board on October 7, 1999. Included in this Ordinance is a recommended appropriation of \$100,000 to be used for debt service obligations incurred by the City for the acquisition and renovation of facades, construction and installation of public improvements and acquisitions of property interest. City staff is recommending the Council appropriate \$282,129, in the DDA Debt Service Fund budget approved by the DDA Board. This appropriation represents the

DDA's share of the annual payment on the certificates of participation used to finance the Civic Center Parking Structure. According to agreements between the City, the County, and the DDA, each party will be responsible for one-third of the lease payments attributable to the parking structure for the period 1999 - 2006. After 2006, when the DDA tax increment sunsets, the City and County will equally share in the DDA's commitment through 2016.

On May 17, 1988, Council adopted Ordinance No. 95, 1987 authorizing the issuance of tax increment bonds, pledging tax increment revenues to debt retirement, and requiring payment toward that debt retirement on a scheduled basis over the life of the bonds. The Charter requires that all funds which pass through City accounts be appropriated by Council. The tax increment revenue to be appropriated flows directly into the debt service account.

In April of 1992, the City issued \$11,380,000 of Downtown Development Authority Tax Increment Revenue and Refunding Bonds. In accordance with the applicable Colorado law, only the City may issue long-term debt on behalf of the Authority. The primary purpose of this bond issue was to invoke an early call provision on the City's 1988 Downtown Development Authority Tax Increment Revenue Refunding and Improvement Bonds. Since no Downtown Development Authority projects were pending, a majority of the remaining proceeds, held in the Downtown Development Authority Capital Projects Fund were no longer needed and the related bonds were called. In addition, the remainder of the bond issue was refunded due to favorable interest rates. The new bonds mature through December 1, 2007, with coupons ranging from 5.00% to 7.75%.

ORDINANCE NO. 172, 1999  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
APPROPRIATING OPERATING FUNDS AND APPROVING  
THE BUDGET OF THE DOWNTOWN DEVELOPMENT AUTHORITY  
FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2000, AND FIXING  
THE MILL LEVY FOR THE DOWNTOWN DEVELOPMENT AUTHORITY  
FOR FISCAL YEAR 2000

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 October 20, 1999, the Board of Directors of the DDA, under the provisions of Section 31-25-816, C.R.S., adopted a budget for the fiscal year beginning January 1, 2000, and determined the mill levy necessary to provide for payment during fiscal year 2000 of all properly authorized expenditures to be incurred by the DDA; and

WHEREAS, it is the desire of the Council to approve said budget of the DDA and to appropriate the sum of TWO HUNDRED EIGHTY-ONE THOUSAND ONE HUNDRED SIXTY-THREE DOLLARS (\$281,163) for operation and maintenance of the DDA for the fiscal year beginning January 1, 2000 and ending December 31, 2000; and

WHEREAS, the Board of the DDA has recommended to the Council a mill levy of 4.05 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, 1999.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the Council has reviewed the DDA's 2000 Recommended Budget, as adopted by the Board of Directors of the DDA, and approves said budget, which is on file in the Office of the City Clerk.

Section 2. That there be, and hereby is, appropriated out of the revenues of the DDA for the fiscal year beginning January 1, 2000 and ending December 31, 2000, the sum of TWO HUNDRED EIGHTY-ONE THOUSAND ONE HUNDRED SIXTY-THREE DOLLARS (\$281,163), to be raised by taxation and otherwise, to be expended for the authorized purposes of the DDA.

Section 3. That the 2000 mill levy rate for the taxation upon each dollar of the assessed valuation of all taxable property within the DDA District as of December 31, 1999, shall be 4.05 mills, which levy represents the amount of taxes for the District purposes to provide for payment

during the aforementioned budget year of all properly authorized expenditures to be incurred by the District. 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 2nd day of November, A.D. 1999, and to be presented for final passage on the 16th day of November, A.D. 1999.

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Mayor

ATTEST:

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City Clerk

Passed and adopted on final reading this 16th day of November, A.D. 1999.

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Mayor

ATTEST:

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City Clerk

ORDINANCE NO. 173, 1999  
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 2000

WHEREAS, the Council of the City of Fort Collins, in Ordinance No. 149, 1984, authorized the issuance of Tax Increment Refunded Bonds, Series 1984, dated October 1, 1984, in the aggregate principal amount of EIGHT MILLION TWO HUNDRED THOUSAND DOLLARS (\$8,200,000); which bonds were subsequently refunded in 1985, 1988, and 1992; and

WHEREAS, through the adoption of Ordinance No. 36, 1992, the City Council most recently authorized the issuance of new Tax Increment Revenue and Refunding Bonds (the "1992 Bonds"), in order to invoke an early call provision on the City's 1988 Downtown Development Authority Tax Increment Revenue Refunding and Improvement Bonds, in the aggregate principal amount of ELEVEN MILLION THREE HUNDRED EIGHTY THOUSAND DOLLARS (\$11,380,000); and

WHEREAS, interest on the 1992 Bonds is due and payable annually; and

WHEREAS, the 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 et. seq (the "Act"), and the powers of the authority include the power to borrow money and to finance public improvements within the boundaries of the DDA; and

WHEREAS, Ordinance No. 36, 1992, also allows Council to appropriate tax increment funds for purposes of debt service payments for obligations other than those of the 1992 Bonds; and

WHEREAS, on October 7, 1999, the Board of the DDA adopted a 2000 Budget that provided for the payment of debt service on the 1992 Bonds; and

WHEREAS, in addition, the Board of the DDA is continuing its program to assist and encourage downtown renovation and revitalization by providing funding to pay debt service incurred for the acquisition and renovation of facades, construction and installation of public improvement, acquisitions of property interests and any other purpose authorized under CRS 31-25-801 et sec., and the funds received for this purpose must be transferred from the Downtown Development Authority Debt Service Fund to the Downtown Development Authority Operations and Maintenance Fund; and

WHEREAS, the Council of the City of Fort Collins, in Ordinance No. 128, 1998 authorized the issuance of Tax Increment Revenue Refunding and Lease Certificates of Participation Series 1998, dated August 1, 1998 in the aggregate amount of SEVENTEEN MILLION TWO HUNDRED TEN THOUSAND DOLLARS (\$17,210,000) of which SIX MILLION NINE HUNDRED TWENTY THOUSAND DOLLARS (\$6,920,000) is applicable to the Parking Structure; and

WHEREAS, the Downtown Development Authority will participate in the financing of the Civic Center Parking Structure; and

WHEREAS, the Downtown Development Authority's share of the 2000 payments for the Parking Structure is \$282,129; and

WHEREAS, pursuant to Section 31-25-816, the DDA budget is subject to approval by the 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 ONE MILLION TWO HUNDRED SIXTY-EIGHT THOUSAND EIGHT HUNDRED TWENTY DOLLARS (\$1,268,820) for payment of debt service in 2000 on the 1992 Bonds authorized by Council in Ordinance No. 36, 1992.

Section 2. That there is hereby appropriated for expenditure from the Downtown Development Authority Debt Service Fund the sum of ONE HUNDRED THOUSAND DOLLARS (\$100,000) and authorized for transfer to the Downtown Development Authority Operations and Maintenance Fund to be used for purposes of debt service payments incurred for facade acquisitions and sidewalk improvements.

Section 3. That there is hereby appropriated for expenditure from the Downtown Development Authority Debt Service Fund the sum of TWO HUNDRED EIGHTY-TWO THOUSAND ONE HUNDRED TWENTY-NINE DOLLARS (\$282,129) and authorized for transfer to the City of Fort Collins General Fund to be used to cover the Downtown Development Authority's one-third share of the debt service payment on the Civic Center Parking Structure.

Introduced and considered favorably on first reading and ordered published this 2nd day of November, A.D. 1999, and to be presented for final passage on the 16th day of November, A.D. 1999.

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Mayor

ATTEST:

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City Clerk

Passed and adopted on final reading this 16th day of November, A.D. 1999.

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Mayor

ATTEST:

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City Clerk