

# AGENDA ITEM SUMMARY

## FORT COLLINS CITY COUNCIL

ITEM NUMBER: 10 A-B

DATE: October 7, 2008

STAFF: Chip Steiner

### SUBJECT

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Items Relating to the 2009 Downtown Development Authority Budget.

### RECOMMENDATION

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

### EXECUTIVE SUMMARY

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- A. First Reading of Ordinance No. 114, 2008, Appropriating Downtown Development Authority Operating Funds and Fixing the Mill Levy for Fiscal Year 2009.
- B. First Reading of Ordinance No. 115, 2008, Appropriating Revenue in the Downtown Development Authority Debt Service Fund For Payment of Debt Service for Fiscal Year 2009.

The Downtown Development Authority Board of Directors (the "Board") adopted its proposed budget for 2009 totaling \$48,730,577 on September 11, 2008. The Board determined the mill levy necessary to provide for payment of administrative costs incurred by the DDA at its regular meeting of September 11, 2008. Ordinance No. 114, 2008, appropriates the DDA and Beet Street operating funds for 2009 and sets the mill levy at 5.00 mills, unchanged since 2002 for the 2003 budget.

Ordinance No. 115, 2008, appropriates funds for 2009 DDA debt service payments from the tax increment received by the City.

### BACKGROUND

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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 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 2009 is five mills. Estimated revenue from the mill levy for 2009 is \$567,814. The total operating budget for 2008 is \$48,730,577.

The DDA also asks Council to appropriate funds from the Downtown Development Authority Debt Service Fund for current debt. The current debt includes outstanding bonds and the 2009 payment for its one-third share of the Civic Center Parking Structure. The DDA Board adopted a Resolution on September 11, 2008, for the outstanding bonds and the DDA share of the Civic Center Parking Structure.

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## ATTACHMENTS

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1. DDA Resolution 2008-08 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 and Beet Street for the Fiscal Year Ending December 31, 2009.
2. DDA Resolution 2008-09 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, 2009.
3. DDA Resolution 2008-10 Recommending to the Fort Collins City Council the Appropriation of \$3,009,660 from the Downtown Development Authority Debt Service Fund for Payment of Debt Service for the Fiscal Year ending December 31, 2009.

RESOLUTION 2008-08  
 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, 2009

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, 2009.

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, 2009 and therefore recommends to the Council of the City of Fort Collins the adoption of this budget.

Revenues:


Ad Valorem Taxes	\$567,814
Auto Specific Ownership Tax	42,226
Interest Earnings	160,000
Licenses and Permits	1,800
Contributions and Sponsorships	177,500
Project Mgmt.	1,371,346
Prior Year Carry-forward	197,964
Ticket Sales	216,124
Bond Proceeds	<u>45,985,803</u>


**TOTAL** **\$48,720,577**

Personal Services	\$331,064
Contractual Services	542,079
Commodities	11,280
Beet Street Exp. not covered – Bond Funds	526,588
Capital Outlay	45,997,803
Undesignated Reserves	1,261,763
Other	<u>50,000</u>

**TOTAL** **\$48,720,577**

Passed and adopted at a regular meeting of the Board of Directors of the Fort Collins Downtown  
Development Authority this 11<sup>th</sup> day of September, 2008.

  
George Breilig, Secretary

  
Jack Wolfe, Chair

RESOLUTION 2008-09  
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, 2009

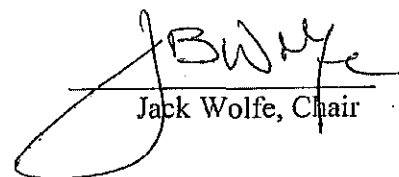
WHEREAS, the Fort Collins Downtown Development Authority has been duly organized in accordance with the Colorado Revised Statutes 31-25-804, 1973 as amended; and,

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 2009.

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, 2009 be set at five (5) mills which is sufficient to raise ad valorem revenues for the 2009 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 11<sup>th</sup> day of September, 2008.

  
George Breilig, Secretary

  
Jack Wolfe, Chair

RESOLUTION 2008-10  
OF THE BOARD OF DIRECTORS OF THE FORT COLLINS  
DOWNTOWN DEVELOPMENT AUTHORITY  
RECOMMENDING TO THE FORT COLLINS CITY COUNCIL  
THE APPROPRIATION OF \$2,724,975 (TWO MILLION, SEVEN HUNDRED  
TWENTY FOUR THOUSAND, NINE HUNDRED AND SEVENTY FIVE DOLLARS)  
AND \$284,685 (TWO HUNDRED EIGHTY FOUR THOUSAND, SIX HUNDRED  
AND EIGHTY FIVE 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, 2009

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,

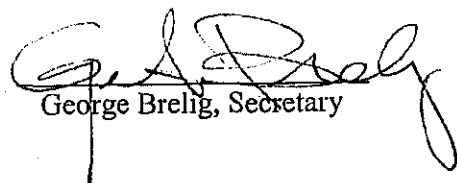
WHEREAS, pursuant to Ordinance No. 15, 1983, the Council of the City of Fort Collins  
established a special fund consisting of separate accounts for: (1) operation and  
maintenance expenses of the Fort Collins Downtown Development Authority; (2) tax  
increment funds received by the Fort Collins Downtown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

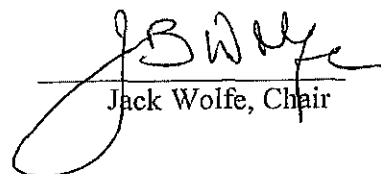
WHEREAS, Section 2 of Ordinance No. 95, 1987 provides the tax increment monies will  
be pledged to the payment of principal and interest on Bonds; and

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 \$3,009,660 (Three million, nine thousand, six hundred  
and sixty 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 11<sup>th</sup> day of September, 2008.

  
George Breilig, Secretary

  
Jack Wolfe, Chair

ORDINANCE NO. 114, 2008  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
APPROPRIATING DOWNTOWN DEVELOPMENT AUTHORITY  
OPERATING FUNDS AND FIXING THE MILL LEVY FOR FISCAL YEAR 2009

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 11, 2008, 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, 2009, and determined the mill levy necessary to provide for payment during fiscal year 2009 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 FORTY EIGHT MILLION, SEVEN HUNDRED TWENTY THOUSAND, FIVE HUNDRED SEVENTY SEVEN DOLLARS (\$48,730,577) in the DDA Operation and Maintenance Fund and Beet Street Fund for the fiscal year beginning January 1, 2009 and ending December 31, 2009, to be used as follows:

DDA Projects from anticipated bond proceeds	\$47,247,566
DDA Operations & Maintenance	946,423
Beet Street revenue and undesignated reserves	526,588

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, 2008.

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 FORTY SIX THOUSAND, FOUR HUNDRED TWENTY THREE DOLLARS (\$946,423), 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 FORTY SEVEN MILLION, TWO HUNDRED FORTY SEVEN THOUSAND, FIVE HUNDRED SIXTY SIX DOLLARS (\$47,247,566), to be raised by bond proceeds anticipated to be issued in 2009.

Section 3. That there is hereby appropriated for expenditure from the Beet Street Fund the sum of FIVE HUNDRED TWENTY SIX THOUSAND, FIVE HUNDRED EIGHTY EIGHT DOLLARS (\$526,588), to be expended for the authorized purposes of Beet Street.

Section 4. That the 2009 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, 2008 shall be 5.0 mills, which levy represents the amount of taxes for the District purposes to provide for payment during the aforementioned fiscal year of all properly authorized expenditures to be incurred by the District, and 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 7th day of October, A.D. 2008, and to be presented for final passage on the 21st day of October, A.D. 2008.

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Mayor

ATTEST:

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Chief Deputy City Clerk

Passed and adopted on final reading on the 21st day of October, A.D. 2008.

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Mayor

ATTEST:

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City Clerk



ORDINANCE NO. 115, 2008  
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 FISCAL YEAR 2009

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., 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 City 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, 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 \$2,724,975 in 2009; and

WHEREAS, by the adoption of Ordinance No. 128, 1998, the City Council has also 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 the Intergovernmental Agreement by and among the City, Larimer County and the DDA, dated August 17, 1998, (the "IGA"), the DDA has agreed to pay one-third of the lease payments attributable to the Parking Structure until 2011; and

WHEREAS, on September 2, 2008, the City Council adopted Ordinance No. 93, 2008, approving an amendment to the IGA whereby the DDA agreed to continue to make its one-third share of the lease payments attributable to the Parking Structure until the Parking Structure debt has been fully paid; and

WHEREAS, the DDA's share of the 2009 lease payments for the Parking Structure is \$284,685; 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 FOUR THOUSAND, NINE HUNDRED SEVENTY FIVE DOLLARS (\$2,724,975) 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 FOUR THOUSAND, SIX HUNDRED EIGHT FIVE DOLLARS (\$284,685), 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 payment on the Civic Center Parking Structure.

Introduced, considered favorably on first reading, and ordered published this 7th day of October, A.D. 2008, and to be presented for final passage on the 21st day of October, A.D. 2008.

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Mayor

ATTEST:

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Chief Deputy City Clerk

Passed and adopted on final reading on the 21st day of October, A.D. 2008.

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Mayor

ATTEST:

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City Clerk