

AGENDA ITEM SUMMARY

GENERAL IMPROVEMENT DISTRICT NO. 1

ITEM NUMBER: 3

DATE: October 21, 2008

STAFF: Chuck Seest

SUBJECT

Second Reading of Ordinance No. 055, Determining and Fixing the Mill Levy for the General Improvement District No. 1 for the Fiscal Year 2009; Directing the Secretary of the District to Certify Such Levy to the Board of County Commissioners of Larimer County; and Making the Fiscal Year 2009 Annual Appropriation.

RECOMMENDATION

Staff recommends adoption of this Ordinance on Second Reading.

EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on October 7, 2008, includes the annual appropriation for 2009 at \$230,000. This item also sets the General Improvement District (the "GID") No. 1 mill levy, which will generate about \$209,000 at 4.924 mills for fiscal year 2009. While the mill levy for the GID has been unchanged since 1991, it will be impacted in 2009 by the use of temporary tax credits that will be applied to offset the mill levy in order to comply with the statutory limits. The result of this action will be an effective refund of approximately \$26,628 that would otherwise been collected.

ATTACHMENTS

1. Copy of First Reading Agenda Item Summary - October 7, 2008.
(w/o original attachments)

AGENDA ITEM SUMMARY
GENERAL IMPROVEMENT DISTRICT NO. 1

ITEM NUMBER: 3

DATE: October 7, 2008

STAFF: Chuck Seest

COPY

SUBJECT

First Reading of Ordinance No. 055, Determining and Fixing the Mill Levy for the General Improvement District No. 1 for the Fiscal Year 2009; Directing the Secretary of the District to Certify Such Levy to the Board of County Commissioners of Larimer County; and Making the Fiscal Year 2009 Annual Appropriation.

RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

FINANCIAL IMPACT

COPY

This Ordinance includes the annual appropriation for 2009 at \$230,000. This item also sets the General Improvement District (the "GID") No. 1 mill levy, which will generate about \$209,000 at 4.924 mills for fiscal year 2009. While the mill levy for the GID has been unchanged since 1991, it will be impacted in 2009 by the use of temporary tax credits that will be applied to offset the mill levy in order to comply with the statutory limits. The result of this action will be an effective refund of approximately \$26,628 that would otherwise been collected.

This is the first time in the history of the GID that the State of Colorado has notified the GID that its property tax collections exceeded the 5.5% limit imposed on property tax collections for operating purposes. The State of Colorado will accept the positive outcome from a ballot question to exempt the GID from this requirement in the future. Both the City and the DDA have yielded successful results from similar ballot questions. Staff intends to pursue this option next year for the 2010 mill levy.

EXECUTIVE SUMMARY

COPY

The sum of \$209,000 is anticipated to be collected from the mill levy of 4.924 mills for fiscal year 2009 as adjusted by the temporary tax credits. Additional revenue for the General Improvement District No. 1 (the "GID") from sources like automobile specific ownership taxes, ad valorem taxes, and interest earnings are anticipated to total \$21,000. The total 2009 revenue for GID No. 1 will be \$230,000 and the recommended appropriations for this amount include the following:

- \$138,000 in lease payments to the Fort Collins Capital Leasing Corporation for downtown sidewalk improvements.
- \$56,500 to be used for capital improvements in the downtown area.

Other expenses:

- \$15,500 for the property tax rebate program,
- \$8,000 for maintenance and repairs,
- \$10,500 for the Larimer County Treasurer's fee for collecting the property tax, and
- \$1,500 for estimated electrical costs for downtown lighting.

COPY

ATTACHMENTS

1. Map of the boundaries of General Improvement District No. 1.

COPY

COPY

ORDINANCE NO. 055
OF THE COUNCIL OF THE CITY OF FORT COLLINS, COLORADO
EX-OFFICIO THE BOARD OF DIRECTORS OF GENERAL IMPROVEMENT
DISTRICT NO. 1, DETERMINING AND FIXING THE MILL LEVY FOR THE GENERAL
IMPROVEMENT DISTRICT NO. 1 FOR THE FISCAL YEAR 2009;
DIRECTING THE SECRETARY OF THE DISTRICT TO CERTIFY SUCH LEVY
TO THE BOARD OF COMMISSIONERS OF LARIMER COUNTY;
AND MAKING THE FISCAL YEAR 2009 ANNUAL APPROPRIATION

WHEREAS, City of Fort Collins General Improvement District No. 1 (the "GID") in Fort Collins, Colorado, has been duly organized in accordance with the ordinances of the City and the statutes of the State of Colorado; and

WHEREAS, the GID Board of Directors has considered and determined the amount of money to be raised by a levy on the taxable property in the GID and has determined that a levy of 4.924 mills upon each dollar of the assessed valuation of all taxable property within the limits of the GID is required during 2009 to pay the cost of operating the GID; and

WHEREAS, as a result of the 2007 reappraisal process by the Larimer County Assessor's Office, the GID experienced an increase in property tax collections, net of new construction, of over 15%; and

WHEREAS, Section 29-1-301, C.R.S., imposes a statutory limit on the property tax revenues that may be levied by district such as the GID, which amount may not exceed the total of the revenue levied in the prior year plus 5.5%; and

WHEREAS, Sections 29-1-301(6) and 39-1-111.5, C.R.S. allow for a local government to approve and certify a temporary mill levy rate reduction to effect a refund of tax revenue; and

WHEREAS, pursuant to 39-1-111.5, C.R.S. , the GID may certify a refund in the form of a temporary mill levy rate reduction by submitting the certification of its levy to the Board of County Commissioners and including in that certification the gross mill levy, the temporary mill levy rate reduction in mill levy equivalents, and the net mill levy; and

WHEREAS, the gross mill levy of 4.924 mills, less a temporary mill levy reduction of .532 mills, will bring the effective mill levy to 4.392 mills (4.924 mills - .532 mills) and effect a temporary tax refund in accordance with Section 20 of Article X of the State Constitution; and

WHEREAS, the amount of this proposed original mill levy is the same as it was in 2008, so that prior voter approval of the levy is not required under Article X, Section 20 of the State Constitution; 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; and

WHEREAS, additional revenue is collected by the GID from such sources as the automobile ownership tax, ad valorem taxes, and interest earnings and that revenue for 2009 is anticipated to be \$21,000; and

WHEREAS, it is the desire of the City Council, acting as the ex-officio Board of Directors of the GID, to determine and fix the mill levy for fiscal year 2009 and direct the Secretary of the GID to certify that levy to the Board of County Commissions and to appropriate the necessary funds for operating costs and capital improvements of the GID for the fiscal year beginning January 1, 2009, and ending December 31, 2009.

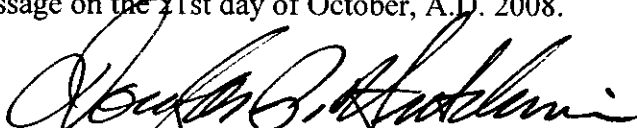
NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS, Ex-Officio the Board of Directors of City of Fort Collins General Improvement District No. 1, as follows:

Section 1. That, for the purpose of providing the necessary funds to meet the expenses to be incurred in the GID in 2009, 4.924 mills is hereby levied upon each dollar of the assessed valuation of all taxable property within the GID; provided, however, that, for the purpose of effecting a tax refund in compliance with Sections 29-1-301 and 39-1-111.5, C.R.S., a temporary mill levy reduction of .532 mills upon each dollar of the assessed valuation of all taxable property within the GID is hereby certified and approved.

Section 2. That, accordingly, the Secretary of the GID is hereby authorized and directed to certify a net levy rate of 4.392 mills to the Board of County Commissioners of Larimer County as provided by law.

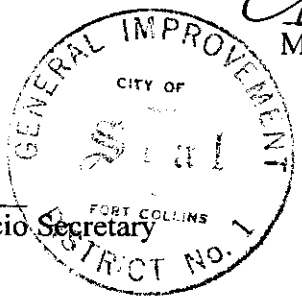
Section 3. That the City Council, acting ex-officio as the Board of Directors of City of Fort Collins General Improvement District No. 1, hereby appropriates out of the revenues of General Improvement District No. 1 for the fiscal year beginning January 1, 2009 and ending December 31, 2009 the sum of TWO HUNDRED AND THIRTY THOUSAND DOLLARS (\$230,000) to be raised by taxation and additional revenue to be expended for the authorized purposes of the GID.

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.


Mayor, Ex Officio President

ATTEST:


Chief Deputy City Clerk, Ex Officio Secretary



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

Mayor, Ex Officio President

ATTEST:

City Clerk, Ex Officio Secretary