

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 12

DATE: January 20, 2009

STAFF: Matt Robenalt

SUBJECT

First Reading of Ordinance No. 007, 2009, Appropriating Revenue in the Downtown Development Authority Debt Service Fund for Payment of Debt Service on Bond Series 2008A for the Year 2009.

RECOMMENDATION

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

FINANCIAL IMPACT

The City of Fort Collins purchased the 2008A Taxable Subordinate Tax Increment Revenue Bonds from the City of Fort Collins Downtown Development Authority on December 29, 2008. The Downtown Development Authority is requesting approval to appropriate \$3,604,813 for the 2009 debt payment to the City of Fort Collins.

EXECUTIVE SUMMARY

This Ordinance will appropriate the tax increment revenue in the Downtown Development Authority Debt Service Fund for the payment of debt service for the year 2009 to the City of Fort Collins for the 2008A Taxable Subordinate Tax Increment Revenue Bonds.

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 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. On December 16, 2008, the City of Fort Collins City Council authorized the issuance of the City of Fort Collins, Colorado Downtown Development Authority Taxable Subordinate Tax Increment Revenue Bonds, Series 2008A, in the aggregate principal amount of \$10,488,000. The purpose of the bonds is to finance certain capital improvements, capital projects, and development projects within the DDA area. Incremental ad valorem tax revenues received by the DDA and held in the DDA Debt Service Fund are pledged to pay the principal and interest on the bonds.

The DDA asks the Council to appropriate funds from the Downtown Development Authority Debt Service Fund for the 2008A Taxable Subordinate Tax Increment Revenue Bonds debt payment.

ATTACHMENTS

1. DDA Resolution 2009-01 Recommending to the Fort Collins City Council the Appropriation of \$3,604,813 from the Downtown Development Authority Debt Service Fund for Payment of the 2008A Taxable Subordinate Tax Increment Revenue Bonds Debt Service for the Fiscal Year ending December 31, 2009.

RESOLUTION 2009-01

OF THE BOARD OF DIRECTORS OF THE FORT COLLINS DOWNTOWN DEVELOPMENT AUTHORITY RECOMMENDING TO THE FORT COLLINS CITY COUNCIL THE APPROPRIATION OF \$3,604,813 (THREE MILLION, SIX HUNDRED FOUR THOUSAND, EIGHT HUNDRED AND THIRTEEN DOLLARS) FROM THE FORT COLLINS DOWNTOWN DEVELOPMENT AUTHORITY DEBT SERVICE FUND FOR THE ADDITIONAL PAYMENT OF DEBT SERVICE 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,

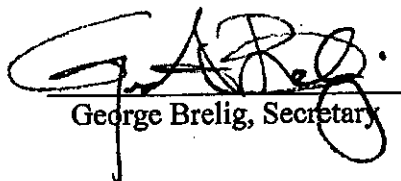
WHEREAS, pursuant to Ordinance No. 15, 1983, the Council of the City of Fort Collins established a special fund consisting of separate accounts for: (1) operation and maintenance expenses of the Fort Collins Downtown Development Authority; (2) tax increment funds received by the Fort Collins Downtown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

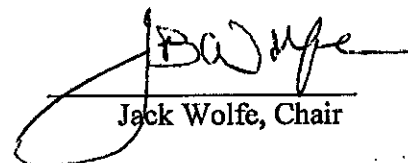
WHEREAS, Section 2 of Ordinance No. 95, 1987 provides the tax increment monies will be pledged to the payment of principal and interest on Bonds; and

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 2009 from the tax increment fund, the sum of \$3,604,813 (Three million, six hundred four thousand, eight hundred and thirteen dollars) for payment of debt service on the 2008 outstanding tax increment bond 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 8th day of January, 2009.


George Brelig, Secretary


Jack Wolfe, Chair

ORDINANCE NO. 007, 2009
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING REVENUE IN THE
DOWNTOWN DEVELOPMENT AUTHORITY DEBT SERVICE FUND
FOR PAYMENT OF DEBT SERVICE ON BOND SERIES 2008A FOR THE YEAR 2009

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, 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. 147, 2008, authorized the issuance of \$10,488,000 of Subordinate Tax Increment Revenue Bonds, Series 2008A, dated December 16, 2008 and

WHEREAS, the DDA's payment for principal and interest debt service requirements on the 2008A bonds will be \$3,604,813 in 2009; 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 that there is hereby appropriated for expenditure from the Downtown Development Authority Debt Service Fund the sum of THREE MILLION SIX HUNDRED FOUR THOUSAND, EIGHT HUNDRED AND THIRTEEN DOLLARS (\$3,604,813) for payment of debt service on the 2008A Taxable Subordinate Tax Increment Revenue Bonds.

Introduced, considered favorably on first reading, and ordered published this 20th day of January, A.D. 2009, and to be presented for final passage on the 3rd day of February, A.D. 2009.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 3rd day of February, A.D. 2009.

Mayor

ATTEST:

City Clerk