

# AGENDA ITEM SUMMARY

July 21, 2015

City Council

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## STAFF

Mike Beckstead, Chief Financial Officer  
Jennifer Hensley, Finance Coordinator  
Matt Robenalt, Executive Director

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## SUBJECT

Resolution 2015-069 Approving the 2015 Certification to the Larimer County Assessor Pursuant to C.R.S. Section 31-25-807(3)(a)(IV)(B) for the Downtown Development Authority Property Tax Increment.

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## EXECUTIVE SUMMARY

The purpose of this item is to certify for 2015 to the Larimer County Assessor the percentages of property tax distributions that are to be allocated for the Downtown Development Authority by the Assessor as tax increment from the property taxes of the City and of all other affected taxing entities.

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## STAFF RECOMMENDATION

Staff recommends adoption of the Resolution.

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## BACKGROUND / DISCUSSION

In 2008 the Fort Collins, Colorado Downtown Development Authority (“DDA”) was in the final ten years of its original thirty-year period (“Original TIF Term”) during which a portion of property taxes could be allocated to and, when collected, paid into the DDA’s Tax Increment Fund (“TIF Fund”). Pursuant to C.R.S. §31-25-807(3)(a), in the final ten years of the Original TIF Term, the City Council by ordinance had the authority to extend such term by one additional twenty-year period (the “TIF Extension Period”). Also, under C.R.S. §31-25-807(3)(a), the Council had the authority to allocate more than fifty percent (50%) of property taxes levied by the City to be allocated in accordance with the DDA statutes to be paid into the TIF Fund.

On July 10, 2008, the DDA approved its Resolution 2008-06 recommending to the City Council (i) approval of the TIF Extension Period, and (ii) the allocation of one hundred percent (100%) of the City’s property tax increment into the TIF Fund (the “100% City TIF Allocation”). On September 2, 2008, the City Council adopted Ordinance No. 101, 2008, approving the TIF Extension Period and the 100% City TIF Allocation (“2008 Ordinance”). Also, on February 15, 2010, the City Council, as the ex-officio Board of Directors of General Improvement District No. 1, adopted Ordinance No. 060 allocating one hundred percent (100%) of the tax increment revenue from the Fort Collins General Improvement District No. 1 to the DDA Tax Increment Fund for the TIF Extension Period (“2010 GID Ordinance”).

C.R.S. §31-25-807(3)(a)(IV)(B) requires an annual certification from the City’s governing body to the Larimer County Assessor (“Assessor”), which certification needs to include the allocations of tax increment for that year of all affected taxing entities, including the City. The proposed Resolution constitutes the Council’s reaffirmation of the actions it took in the 2008 Ordinance and the 2010 GID Ordinance and the Council’s annual certification to the Assessor for 2015 property taxes payable in 2016 as required by the statute. This certification must be provided to the Assessor by August 1, 2015.

**CITY FINANCIAL IMPACTS**

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No changes in the financial or economic impacts as they currently exist.

RESOLUTION 2015-069  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
APPROVING THE 2015 CERTIFICATION TO THE LARIMER COUNTY  
ASSESSOR PURSUANT TO C.R.S. SECTION 31-25-807(3)(a)(IV)(B)  
FOR THE DOWNTOWN DEVELOPMENT AUTHORITY  
PROPERTY TAX INCREMENT

WHEREAS, in 2008 the Fort Collins, Colorado Downtown Development Authority (“DDA”) was in the final ten years of its original thirty-year period (“Original TIF Term”) during which a portion of property taxes could be allocated to and, when collected, paid into the DDA’s Tax Increment Fund (“TIF Fund”); and

WHEREAS, pursuant to Colorado Revised Statutes (“C.R.S.”) Section 31-25-807(3)(a), in the final ten years of the Original TIF Term, the City Council of the City of Fort Collins, Colorado (“City”) by ordinance had the authority to extend such term by one additional twenty-year period (the “TIF Extension Period”), provided that (i) on the first day of the TIF Extension Period the established base year for the allocation of property taxes is advanced by ten years, and (ii) upon the completion of the first ten years of the TIF Extension period, the base is advanced by one year for every additional year through the final ten years; and

WHEREAS, pursuant to C.R.S. Section 31-25-807(3)(a), the City Council also had the authority to allocate more than fifty percent (50%) of property taxes levied by the City to be allocated in accordance with the DDA’s statutes and to be paid into the TIF Fund; and

WHEREAS, on July 10, 2008, the DDA approved its Resolution 2008-06 (the “DDA Resolution”) recommending to the City Council (i) approval of the TIF Extension Period, and (ii) the allocation of one hundred percent (100%) of the City’s property tax increment into the TIF Fund (the “100% City TIF Allocation”); and

WHEREAS, on September 2, 2008, the City Council adopted Ordinance No. 101, 2008 (the “2008 Ordinance”) approving the TIF Extension Period and, consistent with the August 19, 2008 Agenda Item Summary accompanying such ordinance and the DDA Resolution, approved the 100% City TIF Allocation; and

WHEREAS, on February 15, 2011, the City Council, as the ex-officio Board of Directors of General Improvement District No. 1 (“GID Board”), adopted Ordinance No. 060 (“2011 GID Ordinance”) allocating one hundred percent (100%) of the tax increment revenue from the Fort Collins General Improvement District No. 1 to the DDA Tax Increment Fund for the TIF Extension Period, with the seventh recital of the 2010 GID Ordinance confirming that the 2008 Ordinance had approved the 100% City TIF Allocation; and

WHEREAS, pursuant to C.R.S. Section 31-25-807(3)(a)(IV)(B), an annual certification to the Larimer County Assessor (“Assessor”) is required, which certification needs to include the allocations of tax increment for that year of all affected taxing entities, including the City; and

WHEREAS, the purposes of this Resolution are to reaffirm the Council's previous actions in the 2008 Ordinance to acknowledge the actions it took as the GID Board in the 2011 GID Ordinance, and to provide the Assessor with the City Council's 2015 certification pursuant to C.R.S. Section 31-25-807(3)(a)(IV)(B).

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT COLLINS that the City Council hereby reaffirms its previous actions in the 2008 Ordinance, acknowledges the actions it took as the GID Board in the 2011 GID Ordinance, and certifies to the Assessor, pursuant to C.R.S. Section 31-25-807(3)(a)(IV)(B), that for 2015 property taxes payable in 2016, the City and the Fort Collins General Improvement District No. 1 continue to allocate 100% of their available property tax increment from their mill levies to the DDA tax increment fund, but that all other affected taxing entities are only allocating 50% of their property tax increment.

Passed and adopted at an adjourned meeting of the Council of the City of Fort Collins this 21st day of July, A.D. 2015.

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Mayor

ATTEST:

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City Clerk

RESOLUTION 2008-06  
OF THE BOARD OF DIRECTORS  
OF THE FORT COLLINS, COLORADO DOWNTOWN  
DEVELOPMENT AUTHORITY  
RECOMMENDING TO THE FORT COLLINS, COLORADO  
CITY COUNCIL THE EXTENSION FOR TWENTY YEARS OF THE PERIOD  
DURING WHICH A PORTION OF PROPERTY TAXES MAY BE ALLOCATED  
AND, WHEN COLLECTED, PAID INTO THE DOWNTOWN DEVELOPMENT  
AUTHORITY TAX INCREMENT FUND

WHEREAS, the Fort Collins, Colorado Downtown Development Authority ("DDA") has been duly organized in accordance with C.R.S. §31-25-801 et seq. (the "DDA Statute"); and

WHEREAS, the DDA Statute has declared that the organization of downtown development authorities will serve a public use; promote the health, safety, prosperity, security, and general welfare of the inhabitants thereof and of the people of this state; will halt or prevent deterioration of property values or structures within central business districts; halt or prevent the growth of blighted areas within such districts, and assist municipalities in the development and redevelopment of downtowns and in the overall planning to restore or provide for the continuance of the health thereof; and

WHEREAS, the DDA Statute provides for the use of tax increment financing by downtown development authorities for financing or refinancing, in whole or in part, a development project within the boundaries of the plan of development area; and

WHEREAS, City Council of the City of Fort Collins, Colorado (the "City Council") approved the DDA Plan of Development by Resolution 81-129, September 8, 1981 (the "DDA Plan"), which plan approved the use of tax increment financing in accordance with the DDA Statute; and

WHEREAS, the DDA is in the final ten years of its original thirty-year period during which a portion of property taxes may be allocated to and, when collected, paid into the DDA's Tax Increment Fund ("Original TIF Term"); and

WHEREAS, pursuant to C.R.S. §31-25-807(3)(a), in the final ten years of the Original TIF Term, the City Council by ordinance may extend the Original TIF Term by one additional twenty-year period (the "TIF Extension Period"), provided that (i) on the first day of the TIF Extension Period the established base year for the allocation of property taxes is advanced by ten years and (ii) upon the completion of the first ten years of the TIF Extension Period, the base is advanced by one year for every additional year through the final ten years; and

WHEREAS, pursuant to C.R.S. §31-25-807(3)(a), the City Council may authorize more than fifty percent (50%) of property taxes levied by the City of Fort

Collins, Colorado, to be allocated in accordance with the DDA Statute and to be paid into the DDA Tax Increment Fund; and

WHEREAS, the DDA finds that great strides have been made in public infrastructure improvements and redevelopment within the DDA Plan area (the "District") but that certain objectives and purposes of the DDA Plan have not been completed and require further work including the following:

1. To maintain the District as a regional center for commercial, financial, governmental, social, recreational and cultural activities;
2. Making adequate utilities and facilities available for private development;
3. Integrating a mass transit system with pedestrian traffic patterns so as to prevent hazardous conditions;
4. Increasing, equal to the need, the net supply of off-street parking spaces within the District;
5. To encourage private restoration, rehabilitation and development within the District through public improvements and assistance so as to prevent deterioration of existing structures and property values;
6. To encourage the preservation or reuse of historically or architecturally significant buildings in the District;
7. To work toward adjustments in zoning, building codes, fire regulations and administrative policies, consistent with public safety, to encourage rehabilitation and reuse of existing buildings;
8. To encourage the development of new and rehabilitated buildings for uses as needed to achieve a balanced mix of products and services within the District;
9. To improve the visual attractiveness of the District including, but not limited to, improving public streets and alleys;
10. To promote a diversity of activities in the District; and

WHEREAS, the DDA finds that many projects and programs in the DDA Plan have been achieved and have had positive effect on the downtown economy, but that additional effort is necessary in the following areas:

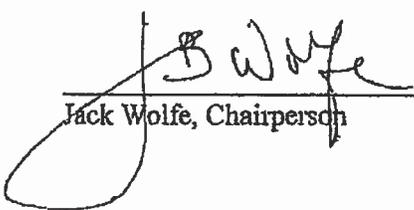
1. Signage;
2. Landscaping;
3. Lighting;
4. Bikeways;

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5. Office development;
  6. Shuttle system;
  7. Park and ride lots;
  8. Convention/exhibition facility;
  9. Hotels;
  10. Information and directory centers;
  11. Housing;
  12. Relief from railroad conflicts;
  13. Entry beautification;
  14. Planning and developing public facilities that will enhance and encourage the development of privately sponsored projects; and

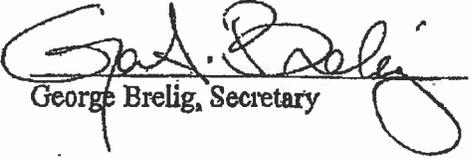
WHEREAS, the DDA finds that in order to more fully achieve the objectives, purposes, projects and programs of the DDA Plan, it is necessary to continue the use of tax increment financing beyond the Original TIF Term as provided by the DDA Statute.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DDA that it recommends to the City Council approval of an ordinance authorizing the extension of the Original TIF Term for an additional 20-year period in accordance with the provisions of C.R.S. §31-25-807(3)(a) and the approval of the allocation of one hundred percent (100%) of the City's property tax increment to be paid into the DDA's Tax Increment Fund during the TIF Extension Period.

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

  
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Jack Wolfe, Chairperson

ATTEST:

  
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George Breilig, Secretary