

AGENDA ITEM SUMMARY

July 2, 2019

City Council

STAFF

Mike Beckstead, Chief Financial Officer
Matt Robenalt, Executive Director
Kristy Klenk, Financial Coordinator
John Duval, Legal

SUBJECT

Resolution 2019-075 Approving the 2019 Certification to the Larimer County Assessor Pursuant to Colorado Revised Statutes Section 31-25-807(3)(a)(IV)(B) for the Downtown Development Authority Property Tax Increment.

EXECUTIVE SUMMARY

The purpose of this item is to certify 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 2019 property taxes payable in 2020 to the City and to all other affected taxing entities.

STAFF RECOMMENDATION

Staff recommends adoption of the Resolution.

BACKGROUND / DISCUSSION

In 2008, the Fort Collins, Colorado Downtown Development Authority (DDA) was in the final ten years of its original 30-year period (Original TIF Term) during which property tax increment funds (TIF) could be allocated to and, when collected, paid to the City of Fort Collins (City) for deposit into a special fund to be used for DDA projects as provided in Colorado Revised Statutes (C.R.S.) Section 31-25-807(3)(a)(II) (TIF Fund). Pursuant to C.R.S. Section 31-25-807(3)(a)(IV), in the final ten years of the Original TIF Term, the Fort Collins City Council had the authority to extend by ordinance such term by one additional 20-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. Also, under C.R.S. Section 31-25-807(3)(a)(IV)(B), the City Council had the authority to allocate more than 50% of property taxes levied by the City to be allocated and paid into the TIF Fund.

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 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, (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. Also, 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 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 2011 GID Ordinance confirming that the 2008 Ordinance had approved the 100% City TIF Allocation.

Pursuant to C.R.S. Section 31-25-807(3)(a)(IV)(B), an annual certification to the Larimer County Assessor is required by August 1 of each calendar year, which certification needs to include the allocations of tax increment for that year of all affected taxing entities, including the City. The proposed Resolution reaffirms 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 2019 certification pursuant to C.R.S. Section 31-25-807(3)(a)(IV)(B). It also directs the City's Financial Officer to provide this certification to the Assessor by August 1, 2019.

CITY FINANCIAL IMPACTS

There are no changes in the financial or economic impacts as they currently exist.

RESOLUTION 2019-075
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROVING THE 2019 CERTIFICATION TO THE LARIMER COUNTY
ASSESSOR PURSUANT TO COLORADO REVISED STATUTES
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 30-year period (“Original TIF Term”) during which property tax increment funds (“TIF”) could be allocated to and, when collected, paid to the City of Fort Collins (“City”) for deposit into a special fund to be used for DDA projects, as provided in Colorado Revised Statutes (“C.R.S.”) Section 31-25-807(3)(a)(II) (“TIF Fund”); and

WHEREAS, pursuant to C.R.S. Section 31-25-807(3)(a)(IV), in the final ten years of the Original TIF Term, the Fort Collins City Council had the authority to extend by ordinance such term by one additional 20-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)(IV)(B), the City Council also had and has the authority to commit more than 50% of the property taxes levied by the City to be allocated and 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 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 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 2011 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 by August 1 of each calendar year, 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 2019 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 as follows:

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. 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 2019 property taxes payable in 2020, 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 allocating only 50% of their property tax increment, and directs the City's Financial Officer to provide this certification to the Assessor by August 1, 2019.

Passed and adopted at a regular meeting of the Council of the City of Fort Collins this 2nd day of July, A.D. 2019.

Mayor

ATTEST:

City Clerk