

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 9

DATE: November 4, 2003

STAFF: Alan Krmarik

SUBJECT

Second Reading of Ordinance No. 142, 2003, Authorizing the Issuance of City of Fort Collins, Colorado, Downtown Development Authority Taxable Subordinate Tax Increment Revenue Bonds, Series 2003, Dated Their Delivery Date, in the Aggregate Principal Amount of \$1,000,000 for the Purpose of Financing Certain Capital Improvements and Capital Projects; and Providing for the Pledge of Certain Incremental Ad Valorem Tax Revenues to Pay the Principal of, Interest on and Any Premium Due in Connection with the Redemption of the Bonds.

RECOMMENDATION

The DDA Board of Directors and staff recommend adoption of the Ordinance on Second Reading.

EXECUTIVE SUMMARY

The City of Fort Collins created the Downtown Development Authority to make desired improvements in the downtown area. Through tax increment financing, the DDA has made significant contributions to the redevelopment and improvement of the downtown area. This Ordinance, which was unanimously adopted on First Reading on October 21, 2004, provides funding from unreserved fund balance in the DDA Debt Service Fund to make additional improvements in the downtown area. This Ordinance also authorizes the issuance of \$1 million of short term bonds for the projects which will be paid from the tax increment revenue.

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 17

DATE: October 21, 2003

STAFF: Alan Krcmarik

SUBJECT

First Reading of Ordinance No. 142, 2003, Authorizing the Issuance of City of Fort Collins, Colorado, Downtown Development Authority Taxable Subordinate Tax Increment Revenue Bonds, Series 2003, Dated Their Delivery Date, in the Aggregate Principal Amount of \$1,000,000 for the Purpose of Financing Certain Capital Improvements and Capital Projects; and Providing for the Pledge of Certain Incremental Ad-Valorem Tax Revenues to Pay the Principal of, Interest on and Any Premium Due in Connection with the Redemption of the Bonds.

RECOMMENDATION

The DDA Board of Directors and staff recommend adoption of the Ordinance on First Reading.

FINANCIAL IMPACT

At the end of 2002, the Downtown Development Authority Debt Service Fund held approximately \$1,371,000 of unreserved fund balance. According to the revised budget at the end of 2003, the unreserved fund balance is projected to be approximately \$542,000 after the issuance of these bonds. The DDA Board and staff recommend using a portion of the unreserved fund balance to make capital improvements and projects in the downtown area consistent with the mission of the Authority. Based on updated projections of tax increment revenue, the DDA debt service fund has sufficient revenue to meet all required debt service payments and reserve requirements for 2003 through 2006.

EXECUTIVE SUMMARY

The City of Fort Collins created the Downtown Development Authority to make desired improvements in the downtown area. Through tax increment financing, the DDA has made significant contributions to the redevelopment and improvement of the downtown area. This Ordinance provides funding from unreserved fund balance in the DDA Debt Service Fund to make additional improvements in the downtown area. The Ordinance authorizes the issuance of \$1 million of short term bonds for the projects which will be paid from the tax increment revenue.

BACKGROUND:

The projects include the following:

Armstrong Hotel Renovation	\$137,200
First National Bank Façade Improvements	133,000
Downtown Information Center & Public Restrooms	150,000
Austin's Restaurant Improvements	55,790
National Association for Interpretation Project	200,000
Parking Agreement with City of Fort Collins	125,000
Downtown Christmas Lighting (DDA Share)	11,500
Project Blue Stream	120,000
Available for Other Projects	17,510
Estimate Costs of Issuance	<u>20,000</u>
Total	\$1,000,000

The source of funding for the projects will be the DDA's tax increment reserves held in the DDA Debt Service Fund.

All of these projects have been reviewed and recommended by the Board of Directors of the DDA.

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