

AGENDA ITEM SUMMARY

URBAN RENEWAL AUTHORITY

ITEM NUMBER: 3

DATE: January 17, 2006

STAFF: Joe Frank
Chuck Seest

SUBJECT

Resolution No. 002 Adopting a Budget for the Fort Collins Urban Renewal Authority.

RECOMMENDATION

Staff recommends adoption of the Resolution.

FINANCIAL IMPACT

Budget Summary:

General Administration of the Urban Renewal Authority	\$ 132,000	
Administration Specific to North College	<u>28,000</u>	
Total Administration		\$160,000
Existing North College Plan Area Project Commitments:		
Valley Steel Sewer Line (Resolution No.1 approved 9/20/05)	\$ 150,000	
Anticipated 2006 Commitments:	<u>350,000</u>	
Total Project Commitments		<u>\$500,000</u>
Total 2006 Urban Renewal Authority Budget		<u>\$ 660,000</u>

EXECUTIVE SUMMARY

This Resolution formally establishes a budget for the Urban Renewal Authority ("URA"). Later this month, the manner of funding the URA budget will be determined through either third party financing or a loan from the City. This Resolution does not appropriate funds.

Staff estimates the URA will require an overall budget of \$660,000 to address the URA activities in 2006. Of this amount, \$500,000 is for URA projects in the North College Plan Area, and the remaining \$160,000 covers administrative expenses (including planning, research, public outreach,

support for advisory groups, and financial management) for the URA. Within the administrative expenses, \$132,000 is designated for general administration and \$28,000 relates to specific administration of the projects in the North College Plan Area.

The most viable funding option for 2006 URA participation of \$500,000 in the North College Plan Area appears to be authorization of a loan from an external bank or from the City. This will be the subject of discussion at Council's Work Session on January 24, 2006.

Funding for the administrative expenses of \$160,000 in 2006 will be covered by the City's Advanced Planning Department budget (General Fund). These funds were approved by City Council with the adoption of the City Budget for 2006. In order to properly identify the true operation costs of the URA, these funds have been specifically set out in the 2006 budget. The URA will not appropriate funds for administrative expenses in 2006.

The total tax increment revenue for the North College Plan Area in 2006 is projected to be \$10,000. By 2007, total tax increment revenue is anticipated to be \$200,000. The debt incurred by the URA in 2006 will be structured with repayment beginning in 2007 as tax increment revenue will then be sufficient to service the debt. The 2007 Budget will include an appropriation ordinance to address debt service.

BACKGROUND

Through action of City Council, the City of Fort Collins activated a URA North College Plan Area in 2004. The purpose of the URA is to plan and implement improvements within its boundaries.

Excerpts from the *North College Avenue Urban Renewal Plan* provide some context relevant to this appropriations request:

Preface and Intent:

The driving interest in the establishment of this Plan is to begin offering tax increment financing as a tool to stimulate and leverage both public and private sector development (including redevelopment), to help eliminate blight and prevent the spread of blight. It is the intent of this Plan for any development projects and other implementation actions to be done in a responsive manner, with full consideration for interests and concerns of property owners in the area.

Objectives:

This Plan is intended to stimulate private sector development in and around the Renewal Area. A combination of private investment, Authority financing, and public investment will assist progress toward the following additional objectives:

- To facilitate redevelopment and new development by private enterprise through cooperation among developers and public agencies to plan, design, and build needed improvements;
- To address and remedy conditions in the area that impair or arrest the sound growth of the city;

- To implement the Comprehensive Plan and its related elements;
- To redevelop and rehabilitate the area in a manner which is compatible with and complementary to unique circumstances in the area;
- To effectively utilize undeveloped and underdeveloped land;
- To improve pedestrian, bicycle, and vehicular circulation and safety;
- To ultimately contribute to increased revenues for all taxing entities;
- To encourage the voluntary rehabilitation of buildings, improvements and conditions;
- To facilitate the enforcement of the laws and regulations applicable to the Renewal Area;
- To watch for market and/or project opportunities to eliminate blight, and when such opportunities exist, to take action within the financial, legal and political limits of the Authority to acquire land, demolish and remove structures, provide relocation benefits, and pursue redevelopment, improvement and rehabilitation projects.

RESOLUTION 2006-002
OF THE BOARD OF DIRECTORS
OF THE FORT COLLINS URBAN RENEWAL AUTHORITY
ADOPTING A BUDGET FOR THE
FORT COLLINS URBAN RENEWAL AUTHORITY

WHEREAS, the Fort Collins Urban Renewal Authority (the "Authority") was created by on January 5, 1982 by City Council Resolution 1982-010, and the City Council was designated as the Board of Directors of the Authority; and

WHEREAS, the Authority operates to eliminate blight and prevent the spread of blight within the urban renewal area in accordance with the Urban Renewal Law of Colorado, Section 31-25-101; and

WHEREAS, the Authority has considered a proposed Budget for the budget year 2006 and wishes to adopt the same.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FORT COLLINS URBAN RENEWAL AUTHORITY as follows:

Section 1. That the 2006 Budget for the Fort Collins Urban Renewal Authority, attached hereto and incorporated herein by this reference as Exhibit "A," is hereby adopted and approved.

Section 2. That staff is hereby directed to file the approved budget with the Division of Local Government in conformance with the Local Government Budget Law at Section 29-1-101.

Passed and adopted at a regular meeting of the Board of Directors of the Fort Collins Urban Renewal Authority this 17th day of January, A.D. 2006.

President

ATTEST:

Secretary

URBAN RENEWAL AUTHORITY**2006 BUDGET**

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