

ORDINANCE NO. 040, 2025
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROVING AN INTERGOVERNMENTAL AGREEMENT
BETWEEN THE CITY OF FORT COLLINS AND THE FORT
COLLINS, COLORADO, DOWNTOWN DEVELOPMENT
AUTHORITY GOVERNING THE USE OF A LINE OF CREDIT FOR
THE FINANCING OF DOWNTOWN DEVELOPMENT AUTHORITY
PROJECTS AND PROGRAMS AND DELEGATING TO THE
DOWNTOWN DEVELOPMENT AUTHORITY THEREUNDER THE
POWER TO INCUR DEBT IN RELATION THERETO AS
AUTHORIZED BY STATE LAW

A. On April 21, 1981, City Council approved Ordinance No. 046, 1981 to establish the Fort Collins, Colorado, Downtown Development Authority (“DDA”), pursuant to the provisions of Title 31, Article 25, part 8, Colorado Revised Statutes and Chapter 2, Article IV, Division 1 of the City Code (the “DDA Statute”).

B. The DDA Statute requires 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; 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.

C. The primary means of financing DDA projects and programs is through a property tax increment collected within the DDA boundaries, and C.R.S. § 31-25-807(3)(a)(II) requires that the City or DDA must incur some form of debt in order to finance such projects and programs of the DDA using property tax increment revenues collected within the DDA boundaries.

D. The property tax revenues of the DDA, once distributed to the City by Larimer County, Colorado, are deposited into an account held by the City (the “DDA Debt Service Fund”).

E. On October 15, 2012, the City and the DDA entered into an intergovernmental agreement to establish a line of credit drawn from the account in which property tax increment revenues were deposited in order to finance DDA projects and programs with a six-year term (the “2012 IGA”).

F. On September 19, 2018, the City and the DDA entered into a second intergovernmental agreement to extend agreement for another six-year term and to increase the per-draw line of credit to \$5,000,000 (the “2018 IGA”).

G. Effective August 7, 2023, C.R.S. § 31-25-807(3)(a)(II) was amended by Senate Bill 23-175 to provide that a city, pursuant to an intergovernmental agreement

with a downtown development authority and approved by city ordinance, may delegate to a downtown development authority the power to incur loans or indebtedness or obtain advances and to pledge tax increment money for the payment of any loans, advances, or indebtedness.

H. The City desires to delegate to the DDA the power to incur such indebtedness by establishing a line of credit with First National Bank of Omaha on the same general terms as the City under the 2012 IGA and 2018 IGA (the “DDA Line of Credit”), as authorized by C.R.S § 31-25-807(a)(3)(II), as amended, which will allow for the shifting of certain administrative burdens related to the financing of DDA projects and programs from the City to the DDA, which is beneficial to the City and which the DDA is willing and able to perform.

I. In order to update and replace the line of credit arrangement established in the 2018 IGA, and to shift the administrative burden related to the financing of DDA operations from the City to the DDA, staff of the City and the DDA have negotiated a new intergovernmental agreement regarding the financing of DDA projects and programs using the DDA Line of Credit, in the form attached hereto as Exhibit “A” (the “2025 IGA”), which has a term of six years and provides for a maximum per-draw limit of five million dollars.

J. The Board of Directors of the DDA, through the adoption of Resolution 2025-02, has expressed its willingness to perform the administrative burdens of financing its operations, as described in the 2025 IGA, and recommends to the City Council approval of the 2025 IGA.

K. A line of credit established by the DDA with a financial institution, as authorized by the City under the 2025 IGA, meets the requirements of C.R.S. § 31-25-807(3)(a)(II), as amended, and the costs and interest associated with such a line of credit are much lower than would be the case with other types of financing.

L. A line of credit does not create a multi-fiscal year direct or indirect debt or financial obligation on the part of the City or the DDA within the meaning of Colorado Constitution Article X, Section 20 or any other constitutional or statutory provision.

M. It is in the best interests of both the City and the DDA to reduce financing costs of DDA project and programs to preserve the maximum amount of property tax increment revenues for DDA projects and programs within its boundaries.

N. The City is authorized to enter into intergovernmental agreements to provide any function, service, or facility under Article II, Section 16 of the Charter of the City of Fort Collins and C.R.S. § 29-1-203, and the City desires to enter into the 2025 IGA.

In light of the foregoing recitals, which the Council hereby makes and adopts as determinations and findings, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF

FORT COLLINS that the Mayor is hereby authorized to execute the 2025 IGA on behalf of the City in substantially the form attached hereto as Exhibit "A", and incorporated in by this reference with such modifications as the City Manager, in consultation with the City Attorney, determines to be necessary and appropriate to protect the interests of the City or effectuate the purposes of this Ordinance.

Introduced, considered favorably on first reading on March 4, 2025, and approved on second reading for final passage on March 18, 2025.

Mayor

ATTEST:

City Clerk

Effective Date: March 28, 2025
Approving Attorney: Dianne Criswell