

AGENDA ITEM SUMMARY

Urban Renewal Authority



STAFF

Andy Smith, Redevelopment Manager
Josh Birks, Acting Executive Director

SUBJECT

Resolution No. 136 Adopting the 2025 Budget for the Fort Collins Urban Renewal Authority.

EXECUTIVE SUMMARY

The purpose of this item is to consider adoption of the 2025 budget for the Fort Collins Urban Renewal Authority. Staff submitted two budget offers for the Urban Renewal Authority (URA) as part of the City's Budgeting for Outcomes (BFO) process earlier in 2024. The first offer covers the costs of performing core functions of the URA. The second offer is for the URA's debt service payments. Combined, the total original appropriation for the 2025 URA budget would be \$4,796,676. After these expenses, both the North College and Prospect South plan areas would generate excess revenues. Staff forecasts \$10.7 million in available cash in the North College plan area and \$1.6 million in available cash in the Prospect South plan area by the end of 2025.

STAFF RECOMMENDATION

Staff recommend adoption of the Resolution.

BACKGROUND / DISCUSSION

The Urban Renewal Authority (URA) participates in the City's biennial Budgeting for Outcomes (BFO) process when establishing its budget, even though it is technically a separate legal entity. The URA follows a process that incorporates the feedback of all URA Board members while participating in the BFO process.

The budget offer consists of two elements: operational costs and debt service. Both elements are ongoing budget offers, meaning they are essential to running the day-to-day operations of the URA. Operational costs cover the costs of staffing, insurance, and retaining legal counsel, amongst other costs. The debt service budget offer covers payments of all outstanding debt for all plan areas.

The URA budget, as adopted by its Board, will be incorporated into the City's budget when it goes up for adoption by City Council in November 2025.

The table below summarizes the amount of money staff seeks for appropriation to fund these budget offers and a comparison to the 2024 budget:

Offer Name	2024 Budget Request	2025 Budget Request
Offer 45.1 - URA Core Offer	682,345	978,152
Offer 45.2 - URA Debt Service	\$5,834,404	\$4,206,944
TOTAL	6,516,749	5,185,096

Changes in the 2025 URA budget compared to the 2024 budget include:

- Reduced property tax TIF revenue and developer repayment for Foothills Mall based on preliminary December 2023 report.
- Included additional personnel support and small incremental increases for personnel and anticipated inflationary costs. In addition, includes a one-time supplemental appropriation of \$260k for the technical services approved for the physical due diligence/engineering, planning, architecture and owners' rep expenses as approved by the board in April, 2024.

Both the North College and Prospect South plan areas will generate excess revenues with the current proposed budget. By the end of 2025, North College is anticipated to have nearly \$10.4 million in cash available while Prospect South will have close to \$1.7 million in cash available. The Foothills Mall plan area passes TIF revenues to the Foothills Metro District, leaving the URA with no excess revenues to invest in other priorities.

Expense Type	North College	Prospect South
Cash Inflows 2025	\$4,176,041	\$846,738
Cash Outflows 2025	(\$1,683,462)	(\$529,716)
Net Change in Cash 2025	\$2,492,579	\$317,022
Projected Ending Cash Balance 2024	\$8,942,372	\$1,753,518
Projected Ending Cash Balance 2025	\$11,434,951	\$2,070,540
Restricted Cash Balance 2025	(\$945,363)	(\$356,500)
Net Available Cash Balance Ending 2025	\$10,489,588	\$1,714,040

Collections of TIF revenue are on track with estimates for 2024. With the County Assessor reassessing property values in 2021 and the URA collecting property taxes a year in arrears, staff expect stable revenues through 2024.

AUTHORITY FINANCIAL IMPACTS

See proposed budget, discussion (above), and attachments.

COMMITTEE RECOMMENDATION

Staff presented the draft budget to the URA Finance Committee on September 12, 2024, and the Finance Committee supported the budget as presented.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Resolution for Consideration
2. Exhibit A to Resolution
3. Exhibit B to Resolution
4. URA Budget Offers from BART
5. 2025 Revenue Forecast
6. Tax Increment Financing Revenue Year to Date
7. Presentation