



AGENDA ITEM SUMMARY

City Council

STAFF

Matt Robenalt, DDA Executive Director
Kristy Klenk, DDA Financial Coordinator
John Duval, Deputy City Attorney
Ryan Malarky, Assistant City Attorney

SUBJECT

Second Reading of Ordinance No. 139, 2023, Approving the Fiscal Year 2024 Budget, and Being the Annual Appropriation Ordinance for the Fort Collins Downtown Development Authority, and Fixing the Mill Levy for the Downtown Development Authority for Property Taxes Payable Fiscal Year 2024.

EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on October 17, 2023, sets the Downtown Development Authority (DDA) Budget.

The following amounts will be appropriated:

DDA Public/Private Investments & Programs	\$6,435,066
DDA Operations & Maintenance	\$1,477,626
Revolving Line of Credit Draws	\$9,000,000
DDA Debt Service Fund	\$9,431,611

The Ordinance sets the 2024 Mill Levy for the Fort Collins DDA at five (5) mills, unchanged since tax year 2002. The approved Budget becomes the Downtown Development Authority's financial plan for 2024.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

BACKGROUND / DISCUSSION

The DDA was created in 1981 with the purpose, according to Colorado state statute, of planning and implementing projects and programs within the boundaries of the DDA. By state statute, the purpose of the ad valorem tax levied on all real and personal property in the downtown development district, not to exceed five (5) mills, shall be for the budgeted operations of the authority. The DDA and the City adopted a Plan of Development that specifies the projects and programs the DDA would undertake. To carry out the purposes of the State statute and the Plan of Development, the City, on behalf of the DDA, has issued various tax increment bonds, which require debt servicing.

The DDA is requesting approval of the DDA Public/Private Investments and Programs budget for fiscal year 2024 in the amount of \$6,435,066 and DDA Operation and Maintenance budget for fiscal year 2024 in the amount of \$1,477,626. It is requesting appropriation of up to \$9,000,000 for the 2024 Line of Credit draws. It is also requesting approval of the DDA debt payment commitments in the amount of \$9,431,611 for 2024 obligations.

The 2024 Public/Private Investments and Program budget is projected as follows:

Uses:

Alley Operations	\$ 94,596
Alley Capital Reserve Replacement	283,218
Alley Construction (Harper Goff, E Myrle, W Olive)	532,652
Alley Design and Construction (E and W Myrtle to Mulberry)	566,722
Alley Trash Enclosure Lease Payments	20,389
Business Marketing and Communications	46,747
Downtown River District Improvements (Willow St)	288,573
Façade Grant Program	527,470
Gateway Entrances	55,000
Land Bank	3,000,000
Nighttime Impact Study	35,000
Oak 140 Project	129,718
Old Town Parking Structure	25,000
Old Town Square Operations	107,232
Old Town Square Capital Reserve Replacement	123,931
Projects and Programs 2023 Reserve	280,911
Tree Canopy Replacement	6,200
Urban Micro-Space Design Plan	113,314
Warehouse Operations	11,255
Other Public/Private Investments & Programs	<u>187,138</u>
Total	\$ 6,435,066

The 2024 Operations and Maintenance budget is projected as follows:

Uses:

Personnel Services	\$1,039,771
Contractual Professional Services	371,416
Purchased Supplies and Commodities	30,400
Other	<u>36,040</u>
Total	\$1,477,626

The 2024 Line of Credit draw, whose debt service payment will be made from the debt service fund, is projected to fund up to \$9,000,000:

Uses:

Old Firehouse Alley Parking Garage IGA Payment	\$ 300,000
Housing Catalyst/FC DDA LLC Loan (Oak140)	121,869
Multi-Year Reimbursement Payments	617,431
Project Management Fees	54,826
Business Marketing and Communications Program	107,000
Capital Asset General Maintenance Obligations	942,589
Capital Asset Replacement Reserve	451,210
Capital Asset Reserve & Replacement Annual Program	189,300
Future Public/Private Investments & Programs	<u>6,215,775</u>
Total	\$9,000,000

The DDA debt service fund is projected to have sufficient revenue to meet the required debt service payments for 2024.

Uses:

Debt Payment: 2024

\$9,431,611

CITY FINANCIAL IMPACTS

Adoption of this Ordinance will have no direct financial impacts on the City and its budget.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

At its September 14, 2023, meeting, the Downtown Development Authority Board of Directors adopted its proposed budget for 2024 totaling \$26,344,303 and determined the mill levy necessary to provide for payment of administrative costs incurred by the DDA. The amount of \$26,344,303 meets the reporting criteria of the City accounting standards but the DDA would like Council to be aware that the total amount does not directly reflect the anticipated revenues from Tax Increment or the 5 mills for 2024. The Public/Private Investments and Programs budget of \$6,435,066 are previously appropriated unspent funds of which 63% is dedicated to the design and construction of two additional alleys, and funding of a land bank for future property acquisition. The repayment of the Line of Credit of \$9,000,000 is reported as part of the Debt Service Payment total and is then reported separately for anticipated uses.

PUBLIC OUTREACH

None.

ATTACHMENTS

First Reading attachments not included.

1. Ordinance for Consideration