

AGENDA ITEM SUMMARY

Urban Renewal Authority



STAFF

Josh Birks, Acting Executive Director

SUBJECT

Public Hearing and Resolution No. 146 Adopting a Supplemental 2025 Budget Resolution for the Payment of Tax Increment to Larimer County.

EXECUTIVE SUMMARY

The purpose of this item is to consider a Resolution authorizing funding a payment to Larimer County (the "County") per the terms of the Redevelopment and Reimbursement Agreement (the "Redevelopment Agreement") between the Fort Collins Urban Renewal Authority (the "Authority"), Walton Foothills Holdings VI, L.L.C., the City of Fort Collins (the "City") and the Foothills Metropolitan District (the "District"). This payment will fund payment of an annual payment of \$60,000 from the Pledged Property Tax Increment Revenue since 2015 – the first year of substantial Pledged Property Tax Increment Revenue – which has not been paid. The total payment will be \$600,000.

STAFF RECOMMENDATION

Staff recommends adoption of the Resolution.

BACKGROUND/DISCUSSION

The Redevelopment Agreement defines Pledged Property Tax Increment Revenue as:

"100% of the annual ad valorem property tax revenue received by the Authority from the Larimer County Treasurer in excess of the amount produced by the levy of those taxing bodies that levy property taxes against the Property Tax Base Amount in the TIF Area in accordance Colorado law, **but not including**, (a) the District Operating Revenue, (b) the District Debt Service Mill Levy Revenue, (c) the Authority Administrative Fee, (d) mill levy override payments approved by the electors of Poudre School District in 2012 and subsequent years, (e) any offsets collected by the Larimer County Treasurer for return of overpayments or any reserve funds retained by the Authority for such purposes in accordance with Sections 31-25-107(9)(a)(III) and (b) of the Act, and **(f) \$60,000 each year of such annual revenues.**" (emphasis added)

As a result, the Authority has been remitting funds that should not have been remitted to the District since 2015. The total payment is \$600,000 for the period between 2015 and 2024. The fund necessary to make this payment were withheld from the property tax increment remitted to the District in 2024. However, they were not included in the 2025 budget. This resolution authorizes the funding necessary to make the payment.

AUTHORITY FINANCIAL IMPACTS

The proposed action has no impact on the Authority's finances. All tax increment within the Foothills Tax Increment District, less the one and a half percent (1.5%) administrative fee are remitted to the Foothills Metropolitan District. Given, the \$600,000 was withheld from the 2024 increment remittances the payment to the County reduces the increment received by the District rather than the Authority. It's a matter of honoring the Redevelopment Agreement and remitting the incremental funds to the correct recipient.

ATTACHMENTS

1. Resolution No. 146 – County Tax Increment
2. County Tax Increment Presentation