

AGENDA ITEM SUMMARY

City Council



STAFF

Matt Robenalt, DDA Executive Director
Kristy Klenk, DDA Finance & HR Manager

SUBJECT

First Reading of Ordinance No. 176, 2025, Being the Annual Appropriation Ordinance for the Fort Collins Downtown Development Authority Relating to the Annual Appropriations for the Fiscal Year 2026 and Fixing the Mill Levy for the Downtown Development Authority for Fiscal Year 2026.

EXECUTIVE SUMMARY

The purpose of this item is to set the Downtown Development Authority ("DDA") Budget.

The following amounts will be appropriated:

- DDA Public/Private Investments & Programs: \$14,170,326
- DDA Operations & Maintenance: \$1,659,200
- Revolving Line of Credit Draws: \$11,000,000
- DDA Debt Service Fund: \$11,431,611

The Ordinance sets the 2026 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 2026.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First 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 2026 in the amount of \$14,170,326 and DDA Operation and Maintenance budget for fiscal year 2026 in the amount of \$1,659,200. It is requesting appropriation of up to \$11,000,000 for the 2026 Line of Credit draws. It is also requesting approval of the DDA debt payment commitments in the amount of \$11,431,611 for 2026 obligations.

The 2026 Public/Private Investments and Program budget is projected as follows:

Uses:

Alley Operations	\$ 35,395
Alley Capital Reserve Replacement	451,631
Alley Construction (E Myrtle to Mulberry, Chestnut)	295,211
Alley Design (E Olive to E Magnolia, Whitton Court)	733,000
Alley Trash Enclosure Lease Payments	14,431
Bridge Design at Downtown River Crossings	55,000
Business Marketing and Communications	101,038
DDA Land Bank	3,000,000
Downtown River District Improvements (Willow St)	1,088,468
Façade Grant Program	340,000
Interactive Light Display in Old Town Square	93,000
Mid-block Crossings at Enhanced Alleys	20,000
Multi-Year Reimbursements	151,502
Murals and Public Art	7,000
Nighttime Impact Study	35,000
Oak 140 Operations & Capital Reserve Replacement	130,574
Old Town Parking Structure	640,000
Old Town Square Operations	52,600
Old Town Square Capital Reserve Replacement	113,213
Parking Project (River District Parking)	4,750,000
Parking Implementation Plan Scope 2024	65,000
Projects and Programs 2025 Reserve	1,479,792
Special Utility Vehicles for Maintenance (one-time)	215,000
Tree Canopy Replacement	12,203
Urban Micro-Space Design Plan	113,314
Warehouse Operations	43,414
Other Public/Private Investments & Programs	<u>134,540</u>
Total	\$14,170,326*

** There is a difference between this total \$14,170,326, reflecting Ordinance No. 176, 2025, and the total of \$14,710,326 in DDA Resolution 2025-09 Appropriation of Public-Private Investments & Programs, attached hereto. This difference was from a number transposition which came to light after the DDA Board approved DDA Resolution 2025-09 as its recommended budget for fiscal year 2026 for the Public/Private Investments and Program for the consideration of Council. If approved, Ordinance No. 176, 2025 would be the correct and official appropriation. DDA staff will bring the total from Ordinance No. 176 to the DDA Board Meeting on November 13, 2025 for ratification; and staff will attach that ratification to the AIS for this item for its scheduled second reading before Council on November 18, 2025.*

The 2026 Operations and Maintenance budget is projected as follows:

Uses:

Personnel Services	\$1,168,940
Contractual Professional Services	417,342
Purchased Supplies and Commodities	32,450
Other	<u>40,468</u>
Total	\$1,659,200

The 2026 Line of Credit draw, whose debt service payment will be made from the debt service fund, is projected to fund up to \$11,000,000:

Uses:

Old Firehouse Alley Parking Garage IGA Payment	\$ 300,000
Housing Catalyst/FC DDA LLC Loan (Oak140)	121,869
Multi-Year Reimbursement Payments	614,079
Project Management Fees	100,912
DDA 5 Mill Property Tax TIF Revenue to O&M	441,659
Business Marketing and Communications Program	340,027
Capital Asset General Maintenance Obligations	847,684
Capital Asset Replacement Reserve	434,362
Capital Asset Reserve & Replacement Annual Program	309,300
Future Public/Private Investments & Programs	<u>7,490,108</u>
Total	\$11,000,000

The DDA debt service fund is projected to have sufficient revenue to meet the required debt service payments for 2026.

Uses:

Debt Payment: 2026	\$11,431,611
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CITY FINANCIAL IMPACTS

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

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

At its September 11, 2025, meeting, the Downtown Development Authority Board of Directors adopted its proposed budget for 2026 totaling \$38,261,137 and determined the mill levy necessary to provide for payment of administrative costs incurred by the DDA. The amount of \$38,261,137 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 2026. The Public/Private Investments and Programs budget of \$14,170,326 are previously appropriated unspent funds of which 66% is dedicated to the Downtown River District improvements on Willow Street, Downtown River District parking projects, Old Town Parking Structure capital asset reserve, and funding of a land bank for future property acquisition. The repayment of the Line of Credit of \$11,000,000 is reported as part of the Debt Service Payment total and is then reported separately for anticipated uses.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Boundary Map
2. Copy of DDA Resolution 2025-05, Determining and Fixing the Mill Levy
3. Copy of DDA Resolution 2025-06, Determining and Recommending the 2026 Budget
4. Copy of DDA Resolution 2025-07, Appropriation of the 2026 Line of Credit Draw Service
5. Copy of DDA Resolution 2025-08, Appropriation for Debt Service
6. Copy of DDA Resolution 2025-09, Appropriation of Public-Private Investments & Programs
7. Ordinance No. 176, 2025