

AGENDA ITEM SUMMARY

City Council



STAFF

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

SUBJECT

First Reading of Ordinance No. 154, 2024, Approving the Fiscal Year 2025 Budget, and Being the Annual Appropriation Ordinance for the Fort Collins Downtown Development Authority Relating to the Annual Appropriations for Fiscal Year 2025, and Fixing the Mill Levy for the Downtown Development Authority for Property Taxes Payable Fiscal Year 2025.

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	\$11,634,753
DDA Operations & Maintenance	\$1,556,393
Revolving Line of Credit Draws	\$9,000,000
DDA Debt Service Fund	\$9,431,611

The Ordinance sets the 2025 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 2025.

STAFF RECOMMENDATION

Staff recommend 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 2025 in the amount of \$11,634,753 and DDA Operation and Maintenance budget for fiscal year 2025

in the amount of \$1,556,393. It is requesting appropriation of up to \$9,000,000 for the 2025 Line of Credit draws. It is also requesting approval of the DDA debt payment commitments in the amount of \$9,431,611 for 2025 obligations.

The 2025 Public/Private Investments and Program budget is projected as follows:

Uses:

Alley Operations	\$ 45,739
Alley Capital Reserve Replacement	384,351
Alley Construction (Harper Goff, E Myrtle, W Olive)	95,641
Alley Design and Construction (E Myrtle to Mulberry, Chestnut)	3,144,715
Alley Trash Enclosure Lease Payments	18,170
Business Marketing and Communications	114,920
DDA Land Bank	3,000,000
Downtown River District Improvements (Willow St)	162,220
Façade Grant Program	340,001
Gateway Entrances	55,000
Nighttime Impact Study	35,000
Oak 140 Operations	117,106
Old Town Parking Structure	175,000
Old Town Square Operations	66,149
Old Town Square Capital Reserve Replacement	134,613
Parking Implementation Plan Scope 2024	65,000
Projects and Programs 2024 Reserve	3,043,610
Special Utility Vehicles for Maintenance (one-time)	215,000
Tree Canopy Replacement	8,203
Urban Micro-Space Design Plan	113,314
Warehouse Operations	73,649
Other Public/Private Investments & Programs	<u>227,352</u>
Total	\$11,634,753

The 2025 Operations and Maintenance budget is projected as follows:

Uses:

Personnel Services	\$1,094,370
Contractual Professional Services	393,962
Purchased Supplies and Commodities	30,100
Other	<u>37,961</u>
Total	\$1,556,393

The 2025 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	665,760
Project Management Fees	134,411
DDA 5 Mill Property Tax TIF Revenue to O&M	400,030
Business Marketing and Communications Program	328,305
Capital Asset General Maintenance Obligations	802,086
Capital Asset Replacement Reserve	395,571
Capital Asset Reserve & Replacement Annual Program	211,200
Future Public/Private Investments & Programs	<u>5,640,768</u>
Total	\$9,000,000

The DDA debt service fund is projected to have sufficient revenue to meet the required debt service payments for 2025.

Uses:

Debt Payment: 2025	\$9,431,611
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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 5, 2024, meeting, the Downtown Development Authority Board of Directors adopted its proposed budget for 2025 totaling \$31,622,757 and determined the mill levy necessary to provide for payment of administrative costs incurred by the DDA. The amount of \$31,622,757 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 2025. The Public/Private Investments and Programs budget of \$11,634,753 are previously appropriated unspent funds of which 53% 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

1. Ordinance for Consideration
2. Boundary Map
3. DDA Resolution 2024-04 Mill Levy
4. DDA Resolution 2024-05 2025 Budget
5. DDA Resolution 2024-06 Line of Credit Draw Service
6. DDA Resolution 2024-07 Debt Service
7. DDA Resolution 2024-08 Projects & Programs