FORT COLLINS URA URBAN RENEWAL AUTHORITY

Urban Renewal Authority
222 LaPorte Avenue
PO Box 580
Fort Collins, CO 80522

970.416.4349
970.224.6107 – fax
fcgov.com

AGENDA

URA Finance Committee

March 12, 2021

10:30 am – 11:30 am

1. January 14 Meeting Minutes
2. Prospect South Community Investment Plan Revenue Sharing Options

This meeting will be held digitally via Microsoft Teams. To join this meeting, please use the link below:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZDM4M2ZlOTEtOGY4My00MmIxLWE3YWItM2ZhZjNmNjNhOTZk%40thread.v2/0?context=%7b%22Tid%22%3a%2247fa2f5f-0d0a-4a68-b431-6d1a27b66660%22%2c%22Oid%22%3a%220fa9b750-1577-4182-9bd5-e34aea8d9a3e%22%7d

If you are unable to join the video conference call, you may dial +1 970-628-0892 on your phone. The conference ID is 934 779 842#.

Other business:

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MINUTES

URA Finance Committee
January 14, 2021
3:00 pm – 4:00 pm

Meeting started: 3:00 pm by Chair Troxell

Present: Joe Wise, Christophe Febvre, Wade Troxell, Ross Cunniff, Ken Summers

Staff: Darin Atteberry, Josh Birks, Clay Frickey

Others: None

1. Approval of November 12, 2020 minutes

   Motion: Joe Wise. Second: Christophe Febvre. Passed 5-0

2. North College Community Investment Plan Appropriation Options

   Frickey noted the Urban Renewal Authority adopted a Community Investment Plan for North College in November and this item outlines options for how to invest the remaining tax increment dollars that will be coming to the Urban Renewal Authority for that plan area over the next ten years: one option is to appropriate funds as needed, and the other is to appropriate funds all at once. If funds were to be appropriated as needed, appropriation requests would come before the URA Board as each short-term strategy is ready to be acted upon which would allow the Board to analyze and discuss each item in more detail; however, this would require more Board actions. If funds were to be appropriated all at once, only one Board action would be required.

   Commissioner Wise supported examining each appropriation individually given the uncertain environment and times.

   Commissioner Summers agreed and stated accountability and transparency would be increased by examining each appropriation.

   Vice Chair Cunniff also supported examining each appropriation individually but suggested some bundling could occur if necessary.

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Chair Troxell advocated for a single appropriation given timing but agreed with Vice Chair Cunniff that some items could be bundled and others examined individually.

Frickey stated staff will move forward with individual appropriations and he will ensure there is a clear tracking of what has been appropriated to date.

3. Redevelopment Agreement for the Lyric Cinema Café

Frickey stated the Lyric Cinema Café's redevelopment agreement was entered into in 2017 and noted the theatre industry has been heavily impacted by the COVID pandemic. He stated the bank that holds the construction loan for the Lyric has inquired as to ways to improve cash flow for 2021. He stated there is approximately $217,000 left for reimbursable expenses for the Lyric.

Frickey stated the Board could continue to fulfill the redevelopment agreement as is to remit 50% of the tax increment generated by the Lyric back to the theatre, remit 100% of the tax increment generated during the pandemic rather than 50%, which would result in an additional $17,921 per year at current property valuations, reimburse the Lyric for all eligible costs, which would be the remaining $217,000, or make a one-time acceleration payment. He provided additional details on each option and stated staff's recommendation is to pursue option four for a one-time acceleration payment, assuming the Lyric still has a viable business model.

Chair Troxell commended the Lyric on being a community entertainment partner, but opposed the burning of an effigy of President Trump at a new year's eve bonfire at the theatre stating that action was not within the business framework. He expressed support for option one.

Vice Chair Cunniff stated the purpose of the URA is to generate tax increment for taxing entities, not to provide economic assistance to businesses. He suggested the Lyric could approach the City to determine eligibility for assistance programs and stated being approached by the bank seems odd.

Commissioner Wise agreed option one best fits the URA's charter and questioned whether the $217,000 is a guaranteed amount or maximum amount. Frickey replied it is a maximum amount.

Commissioner Wise questioned the viability of the theatre and expressed concern about making an investment that could not be recuperated. He supported option one as well.

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Commissioner Summers asked if the $17,921 mentioned in option two is already owed to the Lyric under the redevelopment agreement. Frickey replied the current agreement provides 50% of the tax increment generated by the Lyric back to the theatre and option two would essentially give the other half to the Lyric rather than the URA while the theatre is not able to operate at full capacity.

Commissioner Summers expressed support for option one particularly given there may be other business support that could be provided.

Caitlin Quander, URA Counsel, noted the goal of a redevelopment agreement is to prevent and eliminate blight and increment dollars are only allowed to be expended on eligible items, which are listed in an exhibit of the agreement.

Commissioner Febvre suggested there may be a way to revamp the finances within the legal bounds of the URA while preventing blight.

Commissioner Wise stated that would not change his mind as providing operating funds for a business is a dangerous precedent.

Commissioner Febvre noted the Lyric has improved the property value of not only its own location but also of those around it. He suggested it may be justified to help out the business as it is generating increment.

Frickey clarified the requested funds are to be used to cover debt and property taxes for 2021, not operating expenses.

Chair Troxell agreed with Vice Chair Cunniff that there are a number of other pandemic related financial assistance programs available for businesses.

Vice Chair Cunniff agreed providing financial assistance could set a bad precedent and noted the financial future of not only the Lyric, but also the URA and the City is questionable for the next year. He stated any type of conversation related to URA assistance being provided as a result of the pandemic should happen strategically and not responsively.

Frickey stated he would respond to the bank indicating the Board would like to stay the course with the redevelopment agreement and will let them know of business assistance options.

Commissioner Wise noted the library district has a small business librarian who has a comprehensive set of contacts for a variety of assistance types and encouraged the theatre to contact the library.

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Other business:

Commission Febvre commented on the proposal from the CSU Powerhouse regarding a potential location for the School District's Futures Lab. He noted Councilmember Gorgol is helping the School Board work through whether the Futures Lab resonates with the objectives of the North College Investment Plan.

Executive Director Atteberry commented on conversations he has had regarding the Powerhouse site and noted there will be a meeting next week about possible options and challenges with the Futures Lab and other collaborations. He also commented on the voter-approved innovation center to be located in the southeast part of town.

Meeting ended 3:47 pm by Wade Troxell

URA FINANCE COMMITTEE
AGENDA ITEM SUMMARY

Staff: Clay Frickey, Redevelopment Program Manager

Date: March 12, 2021

SUBJECT FOR DISCUSSION: Prospect South Community Investment Plan Revenue Sharing Options

EXECUTIVE SUMMARY

Prospect South will generate tax increment revenue until 2036. With 15 years remaining in the Prospect South plan area's revenue generation period, staff sought direction from the Urban Renewal Authority (URA) Board and the community on how best to invest in the Prospect South community. In partnership with Institute for the Built Environment (IBE), staff held a series of public workshops, community forums, and a questionnaire on how the URA could best invest in the community over the next 15 years. The Board adopted the findings of this engagement report at their February 25, 2021 meeting.

Staff is currently preparing a community investment plan to provide guidance on how the Board can invest unpledged tax increment revenue to support the findings of the engagement report. Members of the Board requested an option in the community investment plan is to return some or all unpledged revenues back to the taxing entities. Staff proposes three potential courses of action:

1. URA continues to receive all tax increment revenue
2. URA returns all unpledged revenue back to the taxing entities
3. URA returns a portion of unpledged revenue back to the taxing entities

Any of these proposals would meet the obligations of the bonds issued by the URA in late 2019. Staff is confirming this analysis and will present its findings at the URA Board meeting in March.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Which approach do you support related to sharing incremental tax revenues with the taxing entities?

BACKGROUND/DISCUSSION

The Prospect South Urban Renewal Plan Area will generate tax increment revenue until 2036. With 15 years remaining in the Prospect South plan area's revenue generation period, staff sought direction from the Urban Renewal Authority (URA) Board and the community on how best to invest in the Prospect South community. In partnership with Institute for the Built Environment (IBE), staff held a series of public workshops, community forums, and a questionnaire on how the URA could best invest in the community over the next 15 years. IBE produced a report summarizing the findings of these workshops. URA staff presented this report to the Board on February 25, 2021. The Board expressed its appreciation for the findings of the workshop series and gave staff direction to create an investment plan. In developing an investment plan, the Board expressed an interest in seeing options for returning some of the unpledged incremental tax revenue to the taxing entities.

Financial Overview

The Prospect South plan area is generating surplus tax increment revenue every year. After servicing debt and contributing to overhead costs, the Prospect South plan area will generate around $300,000 up to $513,000 in annual proceeds from 2021 until 2036. Staff forecast $7,379,630 in available unpledged incremental tax revenue by 2036. Currently, Prospect South has $1,131,344 in net available cash.

Options for sharing unpledged revenues

Per the Board's request, staff have prepared three approaches to sharing unpledged revenue with the taxing entities. What follows is a description of each approach with pros and cons for each.

Option 1: URA receives all the tax increment

The simplest approach would honor the existing approach where the URA retains 100% of the tax increment generated in the plan area. The Prospect South plan area existed prior to House Bill 1348 requiring Authorities to negotiate agreements on sharing tax increment revenues with each of the taxing entities. Maintaining the status quo would honor that approach. The status quo would also maximize funding for implementing the forthcoming community investment plan for Prospect South. This approach is consistent with the intent of urban renewal statutes at the time of plan adoption and minimizes any potential legal issues.

This approach would not honor the desire of some Board members to return some excess tax increment revenue back to the taxing entities.

Pros:	**Cons:**
• Honors original intent of the plan area	• Does not honor desire of some Board members to return excess revenue back to taxing entities
• Maximizes financial resources to implement community investment plan	
• Honors intent of urban renewal statutes at time when plan was adopted	

Option 2: Return all unpledged revenues back to taxing entities

This approach would return all unpledged revenues back to the taxing entities. This would honor the requests of some members of the Authority Board. This is a gesture that could also send a signal to taxing entities of the Authority's willingness to consider their interests as part of the urban renewal process.

Returning all unpledged revenues back to the taxing entities would not honor the intent of the plan area and urban renewal statutes. This approach could also establish a precedent where the taxing entities expect similar share backs in the future. Other Authorities might also receive similar requests from their taxing entities as well, creating a complicated urban renewal landscape beyond the borders of Fort Collins. This share back would also not honor the recent community engagement staff conducted for the plan area.

Pros:
- Honors request of some Board members
- Gesture of cooperation with taxing entities

Cons:
- Does not honor intent of urban renewal statutes
- Could influence negotiations and landscape of urban renewal beyond Fort Collins
- Does not honor recent community engagement for the plan area

Option 3: Return a portion of unpledged revenues to taxing entities

This approach represents a hybrid of the two approaches. This approach would retain some funds to fund the community investment plan based on our engagement series for the plan area. Sharing a portion of unpledged revenues would provide a sign of good will to the taxing entities while retaining financial flexibility for the URA to meet the objectives of the community in the community investment plan.

This approach retains the same potential pitfalls as sharing back all unpledged revenues.

Pros:
- Honors request of some Board members
- Gesture of cooperation with taxing entities
- Retains some revenues to achieve objectives in community investment plan

Cons:
- Does not honor intent of urban renewal statutes
- Could influence negotiations and landscape of urban renewal beyond Fort Collins
- Does not honor recent community engagement for the plan area

<u>Alignment with Prospect South Bond Issuance</u>

Staff have reviewed the bond documents for its bond issuance for the Prospect South plan area. The Indenture of Trust requires the URA set aside enough revenue for the following activities on a yearly basis:

- Adequate funds to meet annual interest payments in an Interest Account
- Adequate funds to meet annual principal payments in a Principal Account
- Establish a reserve fund equal to the least of the following:
    - 10% of the stated principal amount of the Series 2019 Bonds and any Additional Bonds that are secured by the Reserve Fund
    - The Maximum Annual Debt Service Requirements on the Outstanding Series 2019 Bonds and any Additional Bonds that are secured by the Reserve Fund, or
    - 125% of the Average Annual Debt Service Requirements on the Outstanding Series 2019 Bonds and any Additional Bonds that are secured by the Reserve Fund.

The Trustee ensures that the Authority maintains an appropriate fund balance for each account and fund outlined above. After meeting these obligations, the Trustee transfers the funds to the Authority to use for any lawful purpose. It is staff's interpretation that all the options presented in this Agenda Item Summary are lawful purposes of using the Authority's revenue and would satisfy the requirements of the bonds. Staff will provide this information or any clarifications if this interpretation is in error to the Board when they consider adopting the community investment plan.

NEXT STEPS

The URA Board will consider the final investment plan at its regular meeting in March. The final investment plan will contain recommended financial allocations by timeframe, metrics/indicators, and guidance on remitting unpledged revenues to the taxing entities based on the Finance Committee's direction.

ATTACHMENTS (numbered Attachment 1, 2, 3,…)

1. Prospect South Financial Forecast

Urban Renewal Authority / Midtown Plan Area
Prospect South TIF District
Base year 2011 TIF Rev through 2037
Financial Forecast

	TIF Growth		316%	31%	8%	10%	14%	21%		2%		2%		2%	
Revenue is recd year following assessment		2013 TIF	2014 TIF	2015 TIF	2016 TIF	2017 TIF	2018 TIF	2019 TIF	2020 TIF	2021 TIF	2022 TIF	2023 TIF	2024 TIF	2025 TIF	2026 TIF
TIF revenue year		3	4	5	6	7	8	9	10	11	12	13	14	15	16
		ACT	**ACT**	**ACT**	**ACT**	**ACT**	**ACT**	**ACT**							
Cash Inflows	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**
Property Tax Increment (cash basis)		81,492	339,120	445,852	480,883	529,741	603,023	729,062	724,942	739,441	739,441	754,230	754,230	769,314	769,314
TOTAL Property Tax Increment		**81,492**	**339,120**	**445,852**	**480,883**	**529,741**	**603,023**	**729,062**	**724,942**	**739,441**	**739,441**	**754,230**	**754,230**	**769,314**	**769,314**
Other Revenue															
Interest on Investments	(111)	9,596	9,900	5,689	3,743	18,833	24,297	9,968	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Intra-City Loan Proceeds															
from General Fund for:															
Loan 1 - Capstone (General Fund)	5,000,000														
from Water Fund for:															
Loan 2 - Prospect Station (Water Fund)		247,000													
Total Intra-City Loans	5,000,000	247,000	-	-	-	-	-	-	-	-	-	-	-	-	-
2019 Bonds - Refinancing															
Bond proceeds							5,328,863								
Total Cash Inflows	**4,999,889**	**338,088**	**349,020**	**451,541**	**484,626**	**548,574**	**5,956,183**	**739,030**	**744,942**	**759,441**	**759,441**	**774,230**	**774,230**	**789,314**	**789,314**

		3	4	5	6	7	8	9	10	11	12	13	14	15	16
		ACT	**ACT**	**ACT**	**ACT**	**ACT**	**ACT**								
Cash Outflows	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**
Operating															
Admin Charge (pd by N College and reimbursed - 3	-	-	-	-	-		(226,139)	(43,764)	(44,639)	(45,532)	(46,443)	(47,372)	(48,319)	(49,285)	(50,271)
Goods & Services	-	-	-	-	-	-	-	(702)	-	-	-	-	-	-	-
Debt Service Banking Fee								(3,250)							
County Fee		(1,630)	(6,782)	(8,917)	(9,618)	(10,595)	(12,060)	(14,581)	(14,499)	(14,789)	(14,789)	(15,085)	(15,085)	(15,386)	(15,386)
Total Operating	**-**	**(1,630)**	**(6,782)**	**(8,917)**	**(9,618)**	**(10,595)**	**(238,199)**	**(62,297)**	**(59,138)**	**(60,321)**	**(61,232)**	**(62,456)**	**(63,404)**	**(64,672)**	**(65,657)**
Developer Project Costs (funds released to projects)															
Project 1 - Capstone	(4,273,719)		(100,000)	(598,281)											
Project 2 - Prospect Station		(247,000)		(11,762)	(11,762)	(11,762)	(11,762)	(11,762)	(11,762)	(11,762)	(11,762)	(11,762)	(11,762)	(11,762)	(11,762)
Total Developer Project Costs	**(4,273,719)**	**(247,000)**	**(100,000)**	**(610,043)**	**(11,762)**	**(11,762)**	**(11,762)**	**(11,762)**	**(11,762)**	**(11,762)**	**(11,762)**	**(11,762)**	**(11,762)**	**(11,762)**	**(11,762)**
Principal and Interest from Loans															
Debt 1 Principal Capstone			(132,916)	(141,858)	(145,659)	(155,049)	(4,500,250)								
Debt 1 Interest		(58,268)	(136,030)	(132,467)	(128,666)	(124,762)	(118,932)								
Debt 2 Principal (Prospect Station)			(6,344)	(6,629)	(6,927)	(7,239)	(219,861)								
Debt 2 Interest			(11,115)	(10,830)	(10,531)	(10,220)	(9,756)								
Total Principal and Interest Expense	**-**	**(58,268)**	**(286,405)**	**(291,784)**	**(291,784)**	**(297,270)**	**(4,848,798)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Revenue Sharing (Capstone)															
Sharing Actual/Calc		(14,335)	(26,357)	(85,763)	(103,279)	(124,965)	(321,358)								
Sharing Cap		(1,768,077)	(1,768,077)	(1,768,077)	(1,768,077)	(1,768,077)	(1,768,077)								
Remaining		(1,753,742)	(1,727,385)	(1,641,622)	(1,538,343)	(1,413,379)	(1,092,020)								
2019 Refinancing															
Principal								(220,000)	(220,000)	(230,000)	(240,000)	(250,000)	(265,000)	(280,000)	(290,000)
Interest								(149,395)	(149,544)	(138,544)	(127,044)	(115,044)	(102,544)	(89,294)	(75,294)
Total Principal and Interest Expense								(369,395)	(369,544)	(368,544)	(367,044)	(365,044)	(367,544)	(369,294)	(365,294)
Total Cash Outflows	**(4,273,719)**	**(321,232)**	**(419,544)**	**(996,507)**	**(416,443)**	**(444,592)**	**(5,420,118)**	**(443,454)**	**(440,444)**	**(440,627)**	**(440,037)**	**(439,262)**	**(442,709)**	**(445,727)**	**(442,713)**
Net Change in Cash	***726,170***	***16,856***	***(70,524)***	***(544,966)***	***68,183***	***103,982***	***536,065***	***295,577***	***304,498***	***318,814***	***319,404***	***334,968***	***331,520***	***343,587***	***346,601***
Ending Cash & Investments	**726,170**	**743,026**	**672,502**	**127,536**	**195,720**	**299,702**	**835,767**	**1,131,344**	**1,435,842**	**1,754,656**	**2,074,059**	**2,409,027**	**2,740,547**	**3,084,134**	**3,430,735**
Restricted Cash	(72,602)	(312,762)	(377,547)	(395,063)	(422,235)		-	-	-	-	-	-	-	-	-
Net Available Cash	**653,568**	**430,264**	**294,955**	**(267,526)**	**(226,515)**	**299,702**	**835,767**	**1,131,344**	**1,435,842**	**1,754,656**	**2,074,059**	**2,409,027**	**2,740,547**	**3,084,134**	**3,430,735**

Urban Renewal Authority / Midtown Plan Area
Prospect South TIF District
Base year 2011 TIF Rev through 2037
Financial Forecast

	2%		2%		2%		2%		2%		
Revenue is recd year following assessment	2027 TIF	2028 TIF	2029 TIF	2030 TIF	2031 TIF	2032 TIF	2033 TIF	2034 TIF	2035 TIF	2036 TIF	
TIF revenue year	17	18	19	20	21	22	23	24	25		Cumulative
Cash Inflows	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**Total**
Property Tax Increment (cash basis)	784,701	784,701	800,395	800,395	816,402	816,402	832,730	832,730	849,385	566,257	16,344,183
TOTAL Property Tax Increment	**784,701**	**784,701**	**800,395**	**800,395**	**816,402**	**816,402**	**832,730**	**832,730**	**849,385**	**566,257**	**16,344,183**
Other Revenue											
Interest on Investments	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	421,915
Intra-City Loan Proceeds											-
from General Fund for:											
Loan 1 - Capstone (General Fund)											5,000,000
from Water Fund for:											
Loan 2 - Prospect Station (Water Fund)											247,000
											-
Total Intra-City Loans	-	-	-	-	-	-	-	-	-	-	5,247,000
2019 Bonds - Refinancing											
Bond proceeds											
Total Cash Inflows	**804,701**	**804,701**	**820,395**	**820,395**	**836,402**	**836,402**	**852,730**	**852,730**	**869,385**	**586,257**	**22,013,098**
	17	18	19	20	21	22	23	24	25		Cumulative
Cash Outflows	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	Total
Operating											
Admin Charge (pd by N College and reimbursed - 3	(51,277)	(52,302)	(53,348)	(54,415)	(55,503)	(56,613)	(57,746)	(58,901)	(60,079)	(61,280)	(1,163,227)
Goods & Services	-	-									(702)
Debt Service Banking Fee											
County Fee	(15,694)	(15,694)	(16,008)	(16,008)	(16,328)	(16,328)	(16,655)	(16,655)	(16,988)	(11,325)	(326,883)
Total Operating	**(66,971)**	**(67,996)**	**(69,356)**	**(70,423)**	**(71,831)**	**(72,941)**	**(74,400)**	**(75,555)**	**(77,066)**	**(72,605)**	**(1,490,813)**
Developer Project Costs (funds released to projects)											
Project 1 - Capstone											(4,972,000)
Project 2 - Prospect Station	(11,762)	(11,762)	(11,762)	(11,762)	(11,762)	(11,762)	(11,762)	(11,762)	(11,762)	-	(494,002)
Total Developer Project Costs	**(11,762)**	**(11,762)**	**(11,762)**	**(11,762)**	**(11,762)**	**(11,762)**	**(11,762)**	**(11,762)**	**(11,762)**	**-**	**(5,466,002)**
Principal and Interest from Loans											
Debt 1 Principal Capstone											(5,075,732)
Debt 1 Interest											(699,124)
Debt 2 Principal (Prospect Station)											(247,000)
Debt 2 Interest											(52,452)
Total Principal and Interest Expense	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(6,074,308)**
Revenue Sharing (Capstone)											
Sharing Actual/Calc											(676,057)
Sharing Cap											
Remaining			-	-	-	-	-	-	-	-	
2019 Refinancing											
Principal	(305,000)	(315,000)	(320,000)	(325,000)	(330,000)	(340,000)	(345,000)	(355,000)	(360,000)		(4,990,000)
Interest	(60,794)	(54,694)	(48,394)	(41,994)	(35,494)	(28,894)	(22,094)	(15,194)	(7,650)		(1,261,901)
Total Principal and Interest Expense	(365,794)	(369,694)	(368,394)	(366,994)	(365,494)	(368,894)	(367,094)	(370,194)	(367,650)		(6,251,901)
Total Cash Outflows	**(444,526)**	**(449,452)**	**(449,512)**	**(449,179)**	**(449,087)**	**(453,597)**	**(453,256)**	**(457,511)**	**(456,478)**	**(72,605)**	**(13,707,180)**
Net Change in Cash	***360,174***	***355,249***	***370,883***	***371,216***	***387,315***	***382,805***	***399,474***	***395,220***	***412,907***	***513,651***	***8,305,918***
Ending Cash & Investments	**3,790,910**	**4,146,158**	**4,517,041**	**4,888,257**	**5,275,572**	**5,658,378**	**6,057,852**	**6,453,072**	**6,865,978**	**7,379,630**	
Restricted Cash	-	-	-	-	-	-	-	-	-		
Net Available Cash	**3,790,910**	**4,146,158**	**4,517,041**	**4,888,257**	**5,275,572**	**5,658,378**	**6,057,852**	**6,453,072**	**6,865,978**	**7,379,630**	

March 12, 2021

Prospect South Community Investment Plan Revenue Sharing Options

FORT COLLINS URA URBAN RENEWAL AUTHORITY

Community Investment Plan Process and Timeline

November 2020	February 25, 2021	March 11, 2021	March 25, 2021	TBD
Began engagement series	Board adopted Prospect South engagement report	Discuss revenue sharing options	Consider adoption of Community Investment Plan	Consider adoption of budget appropriation for short term outcomes

Financial Snapshot

Current available cash - $1,131,344

Annual unpledged revenues - $300,000 to $513,651

Expected final cash balance - $7,379,630

Option 1: URA receives 100% of the tax increment

Pros:	Cons:
Honors original intent of the plan area	Does not honor desire of some Board members to return excess revenue back to taxing entities
Maximizes financial resources to implement community investment plan	
Honors intent of urban renewal statutes at time when plan was adopted	

Option 2: Return all unpledged revenues back to taxing entities

Pros:	Cons:
Honors request of some Board members	Does not honor intent of urban renewal statutes
Gesture of cooperating with taxing entities	Could influence negotiations and landscape of urban renewal beyond Fort Collins
	Does not honor recent community engagement for the plan area

Option 3: Return a portion of unpledged revenues to taxing entities

Pros:	Cons:
Honors request of some Board members	Does not honor intent of urban renewal statutes
Gesture of cooperating with taxing entities	Could influence negotiations and landscape of urban renewal beyond Fort Collins
Retains some revenues to achieve objectives in community investment plan	Does not honor recent community engagement for the plan area

Review of Prospect South bonds

- All options presented feasible
  - Will provide confirmation at March Board meeting

Questions for Finance Committee

Which approach do you support related to sharing incremental tax revenues with the taxing entities?