

RESOLUTION NO. 109
OF THE BOARD OF COMMISSIONERS OF
THE FORT COLLINS URBAN RENEWAL AUTHORITY
ADOPTING THE 2021 BUDGET FOR THE
FORT COLLINS URBAN RENEWAL AUTHORITY

WHEREAS, the Fort Collins Urban Renewal Authority (the “URA”) was created on January 5, 1982, by City Council’s adoption of Resolution 1982-010, which resolution designated the City Council as the URA’s Board of Commissioners (“Board”); and

WHEREAS, the URA operates to eliminate blight and prevent the spread of blight within urban renewal areas in accordance with the Colorado Urban Renewal Law, C.R.S. Section 31-25-101, et seq.; and

WHEREAS, the URA currently has four approved urban renewal plan areas that collect tax increment revenues and have annual expenditures, and these are known as the North College Area, the Prospect South Area, the Foothills Area, and College and Drake Area (collectively, the “Areas”); and

WHEREAS, the Board has considered a proposed budget for fiscal year 2021 for each of the Areas and it wishes to adopt them as the URA’s fiscal year 2021 budget in accordance with the Local Government Budget Law of Colorado, C.R.S. Section 29-1-101, et seq. (the “Budget Law”); and

WHEREAS, attached as Exhibit “A” and incorporated herein is the URA’s fiscal year 2021 budget message for the URA and the Areas as required by the Budget Law (the “Budget Message”); and

WHEREAS, attached as Exhibit “B” and incorporated herein are the North College Area’s 2021 budget statement showing anticipated revenues and proposed expenditures and its comparative budget statement showing beginning and ending fund balances (jointly, the “North College Area Budget”); and

WHEREAS, attached as Exhibit “C” and incorporated herein are the Prospect South Area’s 2021 budget statement showing anticipated revenues and proposed expenditures and its comparative budget statement showing beginning and ending fund balances (jointly, the “Prospect South Area Budget”); and

WHEREAS, attached as Exhibit “D” and incorporated herein are the Foothills Area’s 2021 budget statement showing anticipated revenues and proposed expenditures and its comparative budget statement showing beginning and ending fund balances (jointly, the “Foothills Area Budget”); and

WHEREAS, attached as Exhibit “E” and incorporated herein are the College and Drake Area’s 2021 budget statement showing anticipated revenues and proposed expenditures and its comparative budget statement showing beginning and ending fund balances (jointly, the “College and Drake Area Budget”); and

WHEREAS, the Budget Message, the North College Area Budget, the Prospect South Area Budget, the Foothills Area Budget, and the College and Drake Area Budget shall be collectively referred to as the "2021 URA Budget."

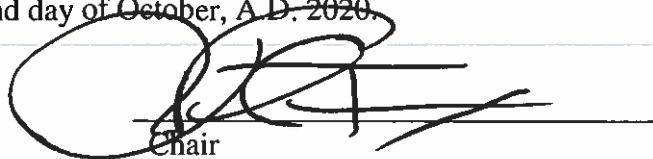
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE FORT COLLINS URBAN RENEWAL AUTHORITY AS FOLLOWS:

Section 1. That the Board hereby makes and adopts the determinations and findings contained in the recitals set forth above.


Section 2. That the 2021 URA Budget is hereby approved and the revenue amounts stated therein are appropriated for expenditure as stated in the 2021 URA Budget.

Section 3. That the Chief Financial Officer of the City, ex officio the Financial Officer of the URA, is hereby directed to file a certified copy of the 2021 URA Budget with the office of the Division of Local Government, Department of Local Affairs, State of Colorado as required by the Budget Law.

Passed and adopted at a regular meeting of the Board of Commissioners of the City of Fort Collins Urban Renewal Authority this 22nd day of October, A.D. 2020.


Chair

ATTEST:


Acting Secretary



**Fort Collins Urban Renewal Authority (URA) Budget Message
Fiscal Year 2021 Budget****Budget Features**

The URA's 2021 budget is comprised of the budgets for the URA's current plan areas, known as the North College Area, the Prospect South Area, the Foothills Area, and College and Drake Area. The budget revenues include property and sales tax increment, and interest earned on investments and budget expenses include general operations, project obligations and debt service payments.

The URA aims to deliver services which achieve those objectives specified by the individual urban renewal plans for the North College Area, Prospect South Area, Foothills Area, and College and Drake Area. These include:

- To facilitate redevelopment and new development by private enterprise through cooperation among developers and public agencies to plan, design, and build needed improvements
- To address and remedy conditions in the area that impair or arrest the sound growth of the City
- To implement the City's Comprehensive Plan and its related elements
- To redevelop and rehabilitate the plan area in a manner which is compatible with and complementary to unique circumstances in the area
- To effectively utilize undeveloped and underdeveloped land
- To improve pedestrian, bicycle, and vehicular circulation and safety
- To ultimately contribute to increased revenues for all taxing entities
- To encourage the voluntary rehabilitation of buildings, improvements and conditions
- To facilitate the enforcement of the laws and regulations applicable to the plan area
- To watch for market and/or project opportunities to eliminate blight, and when such opportunities exist, to act within the financial, legal and political limits of the URA to acquire land, demolish and remove structures, provide relocation benefits, and pursue redevelopment, improvement and rehabilitation projects.

Summary of the Adopted 2021 URA Budgets

- North College URA
 - 1) Tax Increment Collections is based on the August 2019 certification of the 2019 property tax that will be collected in 2019. Since 2020 is not a reassessment year, we projected a 2% increase in TIF revenue for 2021.
 - 2) The General Operations expense includes the credits for the reimbursement of expenses from the other URAs.
 - 3) The Larimer County Fee is based on Tax Increment Collections and also increased 2%.
 - 4) There are no budgeted capital contributions in the 2021 at this time.

EXHIBIT A

- Prospect South URA
 - 1) Tax Increment Collections is based on the August 2019 certification of the 2019 property tax that will be collected in 2020. Since 2020 is not a reassessment year, we projected a 2% increase in TIF revenue for 2021.
 - 2) The Larimer County Fee is based on Tax Increment Collections and also increased 2%.
 - 3) The Prospect South General Operations expense is an estimate of staff time and other expenses attributable to the URA which will be reimbursed to the North College URA annually.

- Foothills Mall URA
 - 1) Property Tax Increment Collections is based on the August 2019 certification of the 2019 property tax that will be collected in 2020. Since 2020 is not a reassessment year, we projected a 2% increase in TIF revenue for 2021.
 - 2) Sales Tax Increment Collections are estimated to be 13% lower than 2020 based on decreased sales tax collections at the Foothills Mall due to COVID in 2020.
 - 3) The City keeps 1.5% of the Property Tax increment for administrative costs which will be reimbursed to the North College URA annually.
 - 4) Higher Property Tax and Sales Tax increments will increase the repayment to the developer for debt service.

- College and Drake URA
 - 1) 2020 is the base assessment year for this plan area.
 - 2) As such, no revenues or expenses will accrue for this plan area in 2021.
 - 3) The first revenues for this plan area should occur in 2022 after collecting incremental revenues generated in 2021.

Budgetary Basis of Accounting

The URA budget and fund financial statements are prepared on the modified accrual basis of accounting.

Exhibit B - North College Area 2021 Budget Statement

URBAN RENEWAL AUTHORITY NORTH COLLEGE AREA - FUND 800 2021-2022 BUDGET

	2019 Actual	2020 Budget	2021 Budget	2022 Forecast	2020-2021 % Change	2021-2022 % Change
Revenue:						
Property Tax Increment Collections	\$1,989,781	\$2,420,433	\$2,443,842	\$2,492,719	1%	2%
Interest on Investments	62,701	22,662	21,079	18,444	-7%	-13%
Total Revenue for the URA	\$2,052,482	\$2,443,095	\$2,464,921	\$2,511,163	1%	2%
Expenses:						
Operations						
General Operations/Admin	\$133,365	\$336,974	\$321,257	\$324,595	-5%	1%
Reimbursement from other URAs						
Larimer County Fee	39,796	48,409	48,877	49,854	1%	2%
Developer Payment	0	182,352	182,352	174,844		
Operational Costs	\$173,161	\$567,735	\$552,486	\$549,293	-3%	-1%
Transfers (to Stormwater)	300,000					
Debt Service - Bonds						
Principal	\$615,000	\$635,000	\$665,000	\$690,000	5%	4%
Interest	333,963	309,363	283,963	257,363	-8%	-9%
Debt Service Costs	\$948,963	\$944,363	\$948,963	\$947,363	0%	0%
Debt Service - RMI2						
Principal	\$266,692	\$273,360	\$288,567	\$295,781	6%	2%
Interest	44,929	37,905	31,071	23,856	-18%	-23%
Debt Service Costs	\$311,621	\$311,265	\$319,638	\$319,637	3%	0%
Total Expense	\$1,733,744	\$1,823,363	\$1,821,086	\$1,816,293	0%	0%
Net Change in Fund Balance	\$318,738	\$619,733	\$643,835	\$694,870	4%	8%
Prior Year Fund Balance	\$1,054,889	\$1,373,627	\$1,993,359	\$2,637,194	45%	32%
Current Year Projected Fund Balance	\$1,373,627	\$1,993,359	\$2,637,194	\$3,332,064		
Restricted Cash	(\$944,363)	(\$948,963)	(\$947,363)	(\$944,763)		
Available Cash Balance	\$429,264	\$1,044,397	\$1,689,831	\$2,387,301		

Notes

- 2020 Property Tax based on Initial Larimer County Assessors Office 2019 TIF Warrant.
- 2021 Property Tax based on Final Larimer County Assessors Office 2019 TIF Warrant.
- 2022 Property Tax based on 2% increase on 2019 assessment (bi-annual assessment).
- In 2019 General Operations/Admin was trued-up for administrative expenses owed to the North College URA Fund through 2018. 2020 includes true-up for 2019 expenses.
- 2020 and out include insurance costs of \$25k. 2019 was prorated at \$37.5k
- Developer Payments are currently under review.
- Outstanding debt at the end of 2022 is:
 - Market Bonds: \$5.66M
 - RMI2 GF Debt: \$658,478

Exhibit C - Prospect South Area 2021 Budget Statement

**URBAN RENEWAL AUTHORITY
PROSPECT SOUTH AREA - FUND 801
2021-2022 BUDGET**

	2019 Actual	2020 Budget	2021 Budget	2022 Forecast	2020-2021 % Change	2021-2022 % Change
Revenue:						
Property Tax Increment Collections	\$603,023	\$726,802	\$748,110	\$763,072	3%	2%
Interest on Investments	22,542	10,200	6,092	5,331	-40%	-12%
Total Revenue for the URA	\$625,565	\$737,002	\$754,202	\$768,403	2%	2%
Proceeds from Revenue Bonds	5,328,863					
Total Revenue	\$5,954,428	\$737,002	\$754,202	\$768,403	2%	2%
Expenses:						
Operations						
General Operations/Admin	\$226,139	\$40,807	\$41,623	\$42,456	2%	2%
Larimer County Fee	12,060	14,962	14,962	15,261	0%	2%
Financial Consulting Services	173,567					
Developer Payment	11,762	11,762	11,762	11,762	0%	0%
Operational Costs	\$423,528	\$67,531	\$68,347	\$69,479	1%	2%
Debt Service - Bonds						
Principal	\$4,720,111	\$220,000	\$220,000	\$230,000	0%	5%
Interest	450,046	149,395	149,544	138,544	0%	-7%
Debt Service Costs	\$5,170,157	\$369,395	\$369,544	\$368,544	0%	0%
Total Expense	\$5,593,685	\$436,926	\$437,891	\$438,023	0%	0%
Net Change in Fund Balance	\$360,743	\$300,076	\$316,311	\$330,380		
Prior Year Fund Balance	\$299,702	\$660,445	\$960,521	\$1,276,832		
Current Year Projected Fund Balance	\$660,445	\$960,521	\$1,276,832	\$1,607,212		
Restricted Cash	\$0	(\$369,544)	(\$368,544)	(\$367,044)		
Available Cash Balance	\$660,445	\$590,977	\$908,288	\$1,240,168		

Notes

- 2020 Property Tax based on Initial Larimer County Assessors Office 2019 TIF Warrant.
- 2021 Property Tax based on Final Larimer County Assessors Office 2019 TIF Warrant.
- 2022 Property Tax based on 2% increase on 2019 assessment (bi-annual assessment).
- In 2019 General Operations/Admin was trued-up for administrative expenses owed to the North College URA Fund through 2018. 2020 includes true-up for 2019 expenses.
- Debt Service is from the refinancing schedule
- Outstanding debt at the end of 2022 is:
Market Bonds: \$4.32M

Exhibit D - Foothills Area 2021 Budget Statement

**URBAN RENEWAL AUTHORITY
FOOTHILLS AREA - FUND 803
2021-2022 BUDGET**

	2019 Actual	2020 Budget	2021 Budget	2022 Forecast	2020-2021 % Change	2021-2022 % Change
Revenue:						
Property Tax Increment Collections	\$3,060,698	\$3,688,601	\$3,951,570	\$4,030,602	7%	2%
Sales Tax Increment	476,928	572,313	496,196	506,120	-13%	2%
Interest on Investments	10,083	5,368	4,814	4,212	-10%	-13%
Total Revenue for the URA	\$3,547,709	\$4,266,282	\$4,452,580	\$4,540,934	4%	2%
Expenses:						
Operations						
General Operations/Admin	\$83,878	\$47,604	\$59,274	\$60,459	25%	2%
Larimer County Fee	61,614	73,772	79,031	80,612	7%	2%
Developer Payment	3,455,652	4,131,813	4,309,461	4,395,651	4%	2%
Total Operational Costs	\$3,601,144	\$4,253,189	\$4,447,766	\$4,536,722	5%	2%
Total Expense	\$3,601,144	\$4,253,189	\$4,447,766	\$4,536,722	5%	2%
Net Change in Fund Balance	(\$53,436)	\$13,093	\$4,814	\$4,212		
Prior Year Fund Balance	\$55,129	\$1,693	\$14,787	\$19,601		
Current Year Projected Fund Balance	\$1,693	\$14,787	\$19,601	\$23,813		

Notes

- 2020 Property Tax based on Larimer County Assessors Office 2019 TIF Warrant.
- 2022 Property Tax based on 2% increase on 2019 assessment (bi-annual assessment).
- 2020-2022 Sales Tax Increment is 2% higher year over year based on 2019 actual and store closures.
- In 2019 General Operations/Admin was true-up for administrative expenses owed to the North College URA Fund through 2018. 2020 includes true-up for 2019 expenses.
- The 2022 ending fund balance is the result of cumulative interest earnings on balances in the fund and payment of admin charges one year in arrears.

Exhibit E - College and Drake Area 2021 Budget Statement

**URBAN RENEWAL AUTHORITY
FOOTHILLS AREA - FUND 803
2021-2022 BUDGET**

	2019 Actual	2020 Budget	2021 Budget	2022 Forecast	2020-2021 % Change	2021-2022 % Change
Revenue:						
Property Tax Increment Collections	\$0	\$0	\$0	\$0	0%	0%
Sales Tax Increment	0	0	0	0	0%	0%
Interest on Investments	0	0	0	0	0%	0%
Total Revenue for the URA	\$0	\$0	\$0	\$0	0%	0%
Expenses:						
Operations						
General Operations/Admin	\$0	\$0	\$0	\$0	0%	0%
Larimer County Fee	0	0	0	0	0%	0%
Developer Payment	0	0	0	0	0%	0%
Total Operational Costs	\$0	\$0	\$0	\$0	0%	0%
Total Expense	\$0	\$0	\$0	\$0	0%	0%
Net Change in Fund Balance	\$0	\$0	\$0	\$0		
Prior Year Fund Balance	\$0	\$0	\$0	\$0		
Current Year Projected Fund Balance	\$0	\$0	\$0	\$0		

Notes

- 2020 is the base assessment year for this plan area.
- As such, no revenues or expenses will accrue for this plan area in 2021.
- The first revenues for this plan area should occur in 2022 after collecting incremental revenues generated in 2021.