

## **AGENDA**

### **URA Finance Committee**

October 13, 2022

**3:00 pm – 4:00 pm**

1. Meeting minutes – August 11, 2022
2. 2023 URA Budget

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

<https://us02web.zoom.us/j/88211081978?pwd=S2p5b0ZlU21SRXVMOFUrRFpBa3BVZz09>

Meeting ID: 882 1108 1978

Passcode: 374746

One tap mobile

+13462487799,,88211081978#,,,,\*374746# US (Houston)

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Meeting ID: 882 1108 1978

Passcode: 374746

Other business:

## MINUTES

### URA Finance Committee

August 11, 2022

**3:00 pm – 4:00 pm**

Meeting started: 3:04 pm by Vice Chair Wise

Present: Kelly Ohlson, Joe Wise, Tricia Canonico

Absent: Jeni Arndt, Kristin Draper

Staff: Josh Birks, Clay Frickey

#### 1. Meeting Minutes – May 12 and July 14, 2022

Commissioner Ohlson made a motion, seconded by Commissioner Canonico, to approve the minutes of the May 12 and July 14, 2022 meetings. The motion was adopted unanimously.

#### 2. Appropriation to Support North College Property Acquisition

Clay Frickey, Redevelopment Program Manager, discussed the history of the North College Plan Area public outreach which resulted in a common opinion related to the former Albertson's site, which has been vacant for a number of years, that a number of more community-oriented uses would better serve the plan area at that location. Some ideas included a community hub, affordable housing, a potential library branch, and workforce development.

Frickey noted the URA Board has provided approval for staff to begin discussion with the property owners regarding purchase, to discuss funding options with City staff and the Council Finance Committee, and to conduct a commercial real estate appraisal of the Albertson's site and two adjoining buildings. He stated this item is related to an appropriation to move those items forward.

Frickey discussed the ownership history of the three buildings and detailed the real estate investment trust ownership and current lease of the Albertson's building noting the lease rate paid by Albertson's is higher than current market rate which has made finding a sublessee difficult.

Frickey discussed the appropriation which would provide \$16,000 for a full commercial real estate appraisal of the three buildings and funding for the first phase of engagement with legal counsel. He stated there would be a future appropriation for eminent domain legal counsel if litigation occurs.

Vice Chair Wise noted this is a long-existing plan area with an income stream already in place and this appropriation would come from existing funds. He also stated he has discussed the issue with Chair Arndt and she is very much in favor of proceeding with the appropriation.

Commissioner Ohlson asked about the estimate for the appraisal. Frickey replied there was a competitive process to find an on-call appraiser, and this was the only firm that applied. He outlined the scope of work for the appraisal which includes a full site inspection, gathering of lease information, determining comparable sales, and determining income generation potential. He noted the work is quite specialized, particularly in the case of eminent domain.

Commissioner Ohlson commented on the URA essentially putting the Albertson's out of business due to the URA providing funding for the King Soopers project. He requested information on the funding assistance provided to the King Soopers project. Frickey replied he would provide the information as part of a report on all North College URA projects at the end of September.

Commissioners Ohlson and Canonico stated he would support bring the appropriation before the full Board. Vice Chair Wise concurred.

Commissioner Ohlson clarified he is supportive of this step; however, he is far from being supportive of building purchase at this point.

Other business: None.

Meeting ended 3:26 pm.

## **URA FINANCE COMMITTEE AGENDA ITEM SUMMARY**

**Staff:** Clay Frickey, Redevelopment Program Manager

**Date:** October 13, 2022

**SUBJECT FOR DISCUSSION** 2023 Urban Renewal Authority Budget

### **EXECUTIVE SUMMARY**

Staff submitted two budget offers for the Urban Renewal Authority (URA) as part of the City's Budgeting for Outcomes (BFO) process earlier in 2022. One offer covers the costs of performing core functions of the URA. The second offer is for the URA's debt service payments. Combined, the total appropriation for the 2023 URA budget would be \$6,005,369. After these expenses, both the North College and Prospect South plan areas would generate excess revenues. Staff forecasts \$4.6 million in available cash in the North College plan area and \$1.4 million in available cash in the Prospect South plan area by the end of 2023.

### **GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED**

What additional information would be helpful for adoption of the budget?

### **BACKGROUND/DISCUSSION**

The Urban Renewal Authority (URA) participates in the City's biennial Budgeting For Outcomes (BFO) process when establishing its budget. The URA follows a process that incorporates the feedback of all URA Board members while still participating in the BFO process. Staff submitted initial budget offers as part of BFO in April. Staff provided a preview of the budget via memo on September 23. Staff have not received any additional questions from Board members or requests for changes to any of the contents of the budget. At the Urban Renewal Authority Board meeting on October 27, the Authority will conduct a public hearing adopting its 2023 budget. Staff will then take the budget adopted by the URA Board and include it in the final City budget adopted by City Council in November.

### **Overview of Budget Offers**

The budget offer consists of two elements: operational costs and debt service. Both elements are ongoing budget offers, meaning they are essential to running the day-to-day operations of the URA. Operational costs cover the costs of staffing, insurance, and retaining legal counsel, amongst other costs. The debt service budget offer covers payments of all outstanding debt for all plan areas. The table below summarizes the amount of money staff seeks for appropriation to fund these budget offers and a comparison to the 2022 budget:

<b>Offer Name</b>	<b>2023 Budget Request</b>	<b>2022 Budget</b>
Offer 66.1 – URA Core Offer	\$665,216	\$575,148
Offer 66.2 – URA Debt Service	\$5,340,153	\$5,224,766
<b>Total</b>	<b>\$6,005,369</b>	<b>\$5,799,914</b>

Attachment 1 contains an itemized list of expenses for each budget offer. The 2023 URA budget contains changes compared to the 2022 budget. Changes in the 2023 URA budget compared to the 2022 budget include:

- North College URA TIF increase of 14% over 2022 budget. Other URAs remain flat to 2022.
- Foothills Mall Sales Tax Increment and associated developer payment budget higher in 2023 based on 2022 actuals.
- Foothills Mall Property Tax Increment and associated developer payment budget lower in 2023 based on updated assessment.
- Interest income increase based on rate hikes.
- Operating expenses budgeted higher in 2023 than 2022 due to increase in personnel costs, increases in consulting and legal services.

Both the North College and Prospect South plan areas will generate excess revenues with the current proposed budget. By the end of 2023, North College is anticipated to have \$4.2 million in cash available while Prospect South will have \$1.2 million in cash available. The Foothills Mall plan area passes TIF revenues to the Foothills Metro District, leaving the URA with no excess revenues to invest in other priorities. (Attachment 2)

<b>Expense Type</b>	<b>North College</b>	<b>Prospect South</b>
Cash Inflows 2023	\$3,061,364	\$700,382
Cash Outflows 2023	(\$1,708,075)	(\$460,294)
Net Change in Cash 2023	\$1,353,289	\$240,088
Projected Ending Cash Balance 2022	\$4,231,976	\$1,530,837
Projected Ending Cash Balance 2023	\$5,585,265	\$1,770,925
Restricted Cash Balance 2023	(\$946,163)	(\$370,194)
<b>Net Available Cash Balance Ending 2023</b>	<b>\$4,639,102</b>	<b>\$1,400,731</b>

## ATTACHMENTS

1. 2023 URA budget details
2. URA budget offers
3. TIF revenue summary year to date

**URBAN RENEWAL AUTHORITY  
NORTH COLLEGE DISTRICT  
2023-2024 BUDGET REQUEST**

	2020 Actual	2021 Actual	2022 Budget	2023 Budget Request	2024 Budget Request	2022-2023 \$ Budget Change	2022-2023 % Change
<b>Revenue:</b>							
Property Tax Increment Collections	\$2,432,071	\$2,601,592	\$2,657,467	\$3,030,000	\$3,121,000	\$372,533	14%
Interest on Investments	33,994	(11,936)	10,951	31,364	32,800	20,413	186%
<b>Total Revenue</b>	<b>\$2,466,065</b>	<b>\$2,589,656</b>	<b>\$2,668,418</b>	<b>\$3,061,364</b>	<b>\$3,153,800</b>	<b>\$392,946</b>	<b>15%</b>
<b>Expenses:</b>							
Operations							
General Operations/Admin	\$249,597	\$231,374	\$312,518	\$356,366	\$367,175	\$43,848	14%
Larimer County Fee	48,641	52,104	53,149	60,600	62,420	7,451	14%
Developer Payment	0	43,650	18,572	18,000	19,000	(572)	-3%
<b>Operational Costs</b>	<b>\$298,238</b>	<b>\$327,128</b>	<b>\$384,239</b>	<b>\$434,966</b>	<b>\$448,595</b>	<b>\$50,727</b>	<b>13%</b>
Debt Service - Bonds							
Principal	\$635,000	\$665,000	\$690,000	\$715,000	\$745,000	\$25,000	4%
Interest	309,363	283,963	257,363	229,763	201,163	(27,600)	-11%
<b>Debt Service Costs</b>	<b>\$944,363</b>	<b>\$948,963</b>	<b>\$947,363</b>	<b>\$944,763</b>	<b>\$946,163</b>	<b>(\$2,600)</b>	<b>0%</b>
Debt Service - RMI2							
Principal	\$273,360	\$288,568	\$295,781	\$311,884	\$319,681	\$16,103	5%
Interest	38,208	31,320	23,856	16,462	8,665	(7,394)	-31%
<b>Debt Service Costs</b>	<b>\$311,568</b>	<b>\$319,888</b>	<b>\$319,637</b>	<b>\$328,346</b>	<b>\$328,346</b>	<b>\$8,709</b>	<b>3%</b>
<b>Total Expense</b>	<b>\$1,554,169</b>	<b>\$1,595,979</b>	<b>\$1,651,239</b>	<b>\$1,708,075</b>	<b>\$1,723,104</b>	<b>\$56,836</b>	<b>3%</b>
<b>Net Change in Fund Balance</b>	<b>\$911,896</b>	<b>\$993,678</b>	<b>\$1,017,180</b>	<b>\$1,353,290</b>	<b>\$1,430,697</b>	<b>\$336,110</b>	<b>33%</b>
Prior Year Fund Balance	\$1,309,223	\$2,221,119	\$3,214,797	\$4,231,976	\$5,585,266		
<b>Current Year Projected Fund Balance</b>	<b>\$2,221,119</b>	<b>\$3,214,797</b>	<b>\$4,231,976</b>	<b>\$5,585,266</b>	<b>\$7,015,962</b>		

**Notes**

- 2023 Property Tax based on 2022 assessment dated August 2022
- Interest income increase based on interest rate hikes.
- Operating expenses are budgeted 14% higher in 2023 than 2022 due to 5% increase in personnel costs, increases in consulting and legal services in anticipation of work on Albertson's site.
- In 2022, URA payment due on the Lyric project per the redevelopment agreements was \$9,939. This is expected to be \$18,000 in 2023.
- Outstanding debt at the end of:

	2022	2023	2024
Market Bonds	\$5,660,000	\$4,945,000	\$4,200,000
RMI2 GF Debt	\$658,478	\$246,594	\$26,913

**URBAN RENEWAL AUTHORITY  
PROSPECT SOUTH DISTRICT  
2023-2024 BUDGET REQUEST**

	2020 Actual	2021 Actual	2022 Budget	2023 Budget Request	2024 Budget Request	2022-2023 \$ Budget Change	2022-2023 % Change
<b>Revenue:</b>							
Property Tax Increment Collections	\$729,062	\$723,551	\$740,000	\$691,000	\$704,000	(\$49,000)	-7%
Interest on Investments	11,065	(3,758)	3,583	9,382	9,812	5,799	162%
<b>Total Revenue</b>	<b>\$740,127</b>	<b>\$719,793</b>	<b>\$743,583</b>	<b>\$700,382</b>	<b>\$713,812</b>	<b>(\$43,201)</b>	<b>-6%</b>
<b>Expenses:</b>							
Operations							
General Operations/Admin	\$62,017	\$42,018	\$42,455	\$67,250	\$67,250	\$24,795	58%
Larimer County Fee	14,581	14,471	14,800	14,000	14,500	(800)	-5%
Developer Payment	11,762	11,762	11,762	12,000	12,000	238	2%
<b>Operational Costs</b>	<b>\$88,360</b>	<b>\$68,251</b>	<b>\$69,017</b>	<b>\$93,250</b>	<b>\$93,750</b>	<b>\$24,233</b>	<b>35%</b>
Debt Service - Bonds							
Principal	\$220,000	\$220,000	\$230,000	\$240,000	\$250,000	\$10,000	4%
Interest	149,395	149,544	138,544	127,044	115,044	(11,500)	-8%
<b>Debt Service Costs</b>	<b>\$369,395</b>	<b>\$369,544</b>	<b>\$368,544</b>	<b>\$367,044</b>	<b>\$365,044</b>	<b>(\$1,500)</b>	<b>0%</b>
<b>Total Expense</b>	<b>\$457,755</b>	<b>\$437,795</b>	<b>\$437,561</b>	<b>\$460,294</b>	<b>\$458,794</b>	<b>\$22,733</b>	<b>5%</b>
<b>Net Change in Fund Balance</b>	<b>\$282,372</b>	<b>\$281,998</b>	<b>\$306,022</b>	<b>\$240,088</b>	<b>\$255,018</b>	<b>(\$65,934)</b>	<b>-22%</b>
Prior Year Fund Balance	\$660,445	\$942,817	\$1,224,815	\$1,530,837	\$1,770,925		
<b>Current Year Projected Fund Balance</b>	<b>\$942,817</b>	<b>\$1,224,815</b>	<b>\$1,530,837</b>	<b>\$1,770,925</b>	<b>\$2,025,943</b>		

**Notes**

- 2023 Property Tax based on 2022 assessment dated August 2022
- Interest income increase based on interest rate hikes.
- Operating expenses budgeted 35% higher in 2023 than 2022 due to increased budget for consulting services in anticipation of needs and budget for banking services.
- Outstanding debt at the end of:

	2022	2023	2024
Market Bonds	\$4,320,000	\$4,080,000	\$3,830,000

**URBAN RENEWAL AUTHORITY  
FOOTHILLS MALL DISTRICT  
2023-2024 BUDGET REQUEST**

	2020 Actual	2021 Actual	2022 Budget	2023 Budget Request	2024 Budget Request	2022-2023 \$ Budget Change	2022-2023 % Change
<b>Revenue:</b>							
Property Tax Increment Collections	\$2,858,801	\$3,880,085	\$3,888,922	\$3,321,000	\$3,387,000	(\$567,922)	-15%
Sales Tax Increment	421,281	(5,394)	200,000	400,000	400,000	200,000	100%
Interest on Investments	10,470	2,917	0	0	0	0	
<b>Total Revenue for the URA</b>	<b>\$3,290,552</b>	<b>\$3,877,608</b>	<b>\$4,088,922</b>	<b>\$3,721,000</b>	<b>\$3,787,000</b>	<b>(\$367,922)</b>	<b>-9%</b>
<b>Expenses:</b>							
Operations							
General Operations/Admin	\$45,910	\$58,201	\$51,649	\$70,000	\$72,000	\$18,351	36%
Larimer County Fee	67,132	77,602	70,243	67,000	68,000	(3,243)	-5%
<b>Operational Costs</b>	<b>\$113,042</b>	<b>\$135,803</b>	<b>\$121,892</b>	<b>\$137,000</b>	<b>\$140,000</b>	<b>\$15,108</b>	
<b>Developer Payment</b>	<b>\$3,172,600</b>	<b>\$3,745,969</b>	<b>\$3,952,810</b>	<b>\$3,700,000</b>	<b>\$3,800,000</b>	<b>(\$252,810)</b>	<b>-6%</b>
<b>Total Expense</b>	<b>\$3,285,642</b>	<b>\$3,881,772</b>	<b>\$4,074,702</b>	<b>\$3,837,000</b>	<b>\$3,940,000</b>	<b>(\$237,702)</b>	<b>-6%</b>
<b>Net Change in Fund Balance</b>	<b>\$4,910</b>	<b>(\$4,164)</b>	<b>\$14,220</b>	<b>(\$116,000)</b>	<b>(\$153,000)</b>	<b>(\$130,220)</b>	
Prior Year Fund Balance	\$1,693	\$6,603	\$2,439	\$16,659	(\$99,341)	(\$252,341)	
Current Year Projected Fund Balance	\$6,603	\$2,439	\$16,659	(\$99,341)	(\$252,341)	(\$382,561)	

**Notes**

- 2023 Property Tax based on 2022 assessment dated August 2022
- 2023 Sales Tax increment based on estimate of average collection over the last few years
- Operating expenses budgeted slightly higher in 2023 than 2022 to cover possibility of increased Sales Tax increment based on 2022 actual (was too late in budget process to change revenue).



Economic Health



***Offer 34.1: Urban Renewal Authority***

***Offer Type: Ongoing***

2023: \$665,216 and 1.90 FTE (excluding hourly staffing)

2024: \$682,345 and 1.90 FTE (excluding hourly staffing)

**Offer Summary**

This offer funds Urban Renewal Authority (URA) administration and operations. The URA brings together local tax-collecting organizations to collaborate and remediate blight to create a better community for everyone. The URA currently has four active tax increment financing (TIF) districts.

The URA program makes important contributions to the City's vibrancy with an emphasis on triple bottom-line benefits and placemaking. URA's revitalization objectives include:

- Create vibrant neighborhoods
- Support projects that achieve objectives outlined in Community Investment Plans
- Catalyze projects and accelerate investments that would not otherwise happen, thereby creating improvements with lasting value
- Encourage development projects that enhance local character, culture, economy and quality of life
- Improve public infrastructure (streets, storm drainage, sewer, utilities, etc.) in areas where deficiencies exist
- Incentivize high efficiency buildings and development projects in support of Our Climate Future
- Retain, expand and attract businesses for the purpose of improving the City's economic base as demonstrated by projects that retain/create jobs, increase the manufacturing base, etc.
- Create destination locations, including mixed use projects, that will capture additional revenue to the area
- Support a spectrum of housing affordability options
- Protect natural habitats and features
- Remove impediments to desired development
- Encourage development that is consistent with City Plan, subarea plans and approved Urban Renewal Plans
- Create, accelerate and enhance projects that meet broader community objectives including those of taxing entities

The URA is not dependent on the General Fund; funding comes from incremental property and sales tax revenues resulting from new activity enabled and catalyzed by URA investments.



## **Offer 34.1: Urban Renewal Authority**

### **Offer Type: Ongoing**

This Offer supports the following Strategic Objectives (*the primary objective is marked with a ✓*):

- ✓ ECON 3.1 - Collaborate with local and regional partners to achieve economic resilience in Northern Colorado.
- ECON 3.4 - Utilize tools and partnerships to leverage infill and redevelopment opportunities to achieve development consistent with City Plan and supporting the City's broader strategic objectives.

### **Additional Information**

- Existing Areas: (1) North College - centered on College Avenue from Vine Drive north to the City boundary and 1/4 mile either side of College; (2) Prospect South - centered on College Avenue from Prospect Road south to just north of Whole Foods and east/west to encompass the commercial development; (3) Foothills - Encompasses the mall property and some public right-of-way
- Existing Areas, continued: (4) College and Drake – contains Spradley Barr Mazda and former Kmart sites along with the intersections of College and Drake, Drake and railroad tracks, and Drake and Redwing.
- We use GARE's equitable development framework as a way to assess and frame the URA's investments. This helps us ensure we invest in projects and programs that further our goals around equity and inclusion within our plan areas. We are building a data dashboard that will track demographics, investment, property values, and other indicators to help us ensure our actions yield more equitable outcomes
- For the North College plan area, we have been working with the Latino/Latinx community on developing a community hub that would provide resources to the whole community but with a particular emphasis on the Latino/Latinx community. Spanish is the default language in these meetings rather than English. Our communications are also in Spanish by default.

### **Links to Further Details:**

- Not applicable

### **Linkage to Strategic Objectives**

(*the primary objective is marked with a ✓*)

- ✓ ECON 3.1 - Collaborate with local and regional partners to achieve economic resilience in Northern Colorado.: The URA works with other governmental partners to support development projects that create housing and economic opportunities, leading to improved economic resilience in Northern Colorado.
- ECON 3.4 - Utilize tools and partnerships to leverage infill and redevelopment opportunities to achieve development consistent with City Plan and supporting the City's broader strategic objectives.: The URA works with other governmental partners, community groups and developers to leverage infill and development opportunities.



## ***Offer 34.1: Urban Renewal Authority***

***Offer Type: Ongoing***

### **Improvements & Efficiencies**

- The URA has worked with the Stormwater and Engineering Departments to identify a unified approach to managing stormwater detention and water quality on the west side of College Avenue in the North College Plan Area with an outfall into the Poudre River. These stormwater facilities will be integrated with an ultimate alignment and design for Mason Street from Willox to Alpine.
- The URA Board has adopted investment plans for the North College and Prospect South plan areas. These plans provide greater clarity on the types of projects the Authority intends to support. These investment plans utilize the GARE Equitable Development Framework as their basis supported by a series of metrics and indicators. This will help ensure the URA advances equity for all, leading with race.
- The URA adopted its first Strategic Plan in 2020. The Strategic Plan establishes how the Urban Renewal Authority supports redevelopment while also supporting the communities in which it operates. The Strategic Plan has a series of guiding principles and tactics that keep ensure the Urban Renewal Authority acts to build community through redevelopment.

### **Performance Metrics**

- ECON 60. Survey - Percent of businesses rating a positive performance of economic health initiatives  
<https://publish.clearpointstrategy.com/594/Measures/scorecardId=6280&object=measure&objectId=558078.html>

Performance Measure Reason: Tax Increment Financing (TIF) provides an incentive for developers to invest in property and create development that would otherwise be infeasible

### **Differences from Prior Budget Cycles**

- N/A

### **Explanation of Any Adjustments to Personnel Costs using object 519999**

- Pay differential for Deputy Director position

### **Offer Profile**

Offer Owner: RRogers

Financial Lead: wbricher

Lead Department: Urban Renewal Authority



### 34.1: Urban Renewal Authority

*Offer Type: Ongoing*

#### Ongoing Programs and Services

	2023 Projected Budget	2024 Projected Budget	2023 to 2024 Change	
Full Time Equivalent (FTE) Staffing	1.90	1.90	- %	
Expenses				
511000 - Salaries & Wages	195,929	204,747	4.5%	
512000 - Benefits	54,412	56,852	4.5%	
519000 - Other Personnel Costs	(6,225)	(6,674)	7.2%	
510000 - Personnel Services	244,116	254,925	4.4%	
521000 - Professional & Technical	339,600	342,920	1.0%	
529000 - Other Prof & Tech Services	15,000	17,000	13.3%	
520000 - Purchased Prof & Tech Services	354,600	359,920	1.5%	
535000 - Construction Services	30,000	31,000	3.3%	
530000 - Purchased Property Services	30,000	31,000	3.3%	
541000 - Insurance	25,000	25,000	- %	
542000 - Communication Services	1,500	1,500	- %	
544000 - Employee Travel	2,000	2,000	- %	
549000 - Other Purchased Services	3,000	3,000	- %	
540000 - Other Purchased Services	31,500	31,500	- %	
555000 - Office & Related Supplies	3,000	3,000	- %	
559000 - Other Supplies	2,000	2,000	- %	
550000 - Supplies	5,000	5,000	- %	
Total Expenses	665,216	682,345	2.6%	
Funding Sources				
800-URA N. College District: Ongoing Revenue	Ongoing Restricted	665,216	682,345	2.6%
Funding Source Total	665,216	682,345	2.6%	



## Offer 34.2: Urban Renewal Authority Debt Service

### Offer Type: Ongoing

2023: \$5,340,153 and 0.00 FTE (excluding hourly staffing)

2024: \$5,439,553 and 0.00 FTE (excluding hourly staffing)

### Offer Summary

This offer funds the payment of Urban Renewal Authority (URA) debt and obligation payments across three tax increment financing (TIF) districts. The College and Drake URA does not have obligation payments since it was established in 2020. These debts and obligations include bond payments (North College and Foothills Mall), Redevelopment/Project Agreements, and City loan agreements.

The URAs issue debt to help finance various development projects in the URA districts, such as the King Sooper Marketplace and The Lyric in the North College URA. The debt service expense is paid for by the tax increment revenue collected by the URA districts over the life of the URA (30 years). The URA uses tax increment funding for all debt and obligation payments; the URA is not dependent on the General Fund.

This Offer supports the following Strategic Objectives (*the primary objective is marked with a ✓*):

- ✓ ECON 3.1 - Collaborate with local and regional partners to achieve economic resilience in Northern Colorado.
- ECON 3.4 - Utilize tools and partnerships to leverage infill and redevelopment opportunities to achieve development consistent with City Plan and supporting the City's broader strategic objectives.

### Additional Information

- This offer allows the URA to service debt and is, therefore, linked to the ongoing operations of the URA in terms of addressing equity. Please see the ongoing offer for the URA for more information about how the URA has adjusted its operations to better address equity.

### Links to Further Details:

- Not applicable

### Linkage to Strategic Objectives

(*the primary objective is marked with a ✓*)

- ✓ ECON 3.1 - Collaborate with local and regional partners to achieve economic resilience in Northern Colorado.: The URA pledges TIF to pay for debt it issues. The success of the URA's debt service offer is, therefore, linked to the effectiveness of TIF as an incentive for development.



## ***Offer 34.2: Urban Renewal Authority Debt Service***

### ***Offer Type: Ongoing***

- ECON 3.4 - Utilize tools and partnerships to leverage infill and redevelopment opportunities to achieve development consistent with City Plan and supporting the City's broader strategic objectives.: The URA utilizes borrowing when needed to leverage infill and redevelopment opportunities to achieve development consistent with City Plan and supporting the City's broader strategic objectives.

### **Improvements & Efficiencies**

- N/A

### **Performance Metrics**

- ECON 60. Survey - Percent of businesses rating a positive performance of economic health initiatives  
<https://publish.clearpointstrategy.com/594/Measures/scorecardId=6280&object=measure&objectId=558078.html>

Performance Measure Reason: The URA pledges TIF to pay for debt it issues. The success of the URA's debt service offer is, therefore, linked to the effectiveness of TIF as an incentive for development.

### **Differences from Prior Budget Cycles**

- Not applicable

### **Explanation of Any Adjustments to Personnel Costs using object 519999**

- N/A

### **Offer Profile**

Offer Owner: RRogers

Financial Lead: wbricher

Lead Department: Urban Renewal Authority



## 34.2: Urban Renewal Authority Debt Service

*Offer Type: Ongoing*

### Ongoing Programs and Services

	2023 Projected Budget	2024 Projected Budget	2023 to 2024 Change
<b>Full Time Equivalent (FTE) Staffing</b>	-	-	- %

### Expenses

535000 - Construction Services	3,700,000	3,800,000	2.7%
<b>530000 - Purchased Property Services</b>	<b>3,700,000</b>	<b>3,800,000</b>	<b>2.7%</b>
581000 - Debt Service	1,640,153	1,639,553	- %
<b>580000 - Debt &amp; Other Uses</b>	<b>1,640,153</b>	<b>1,639,553</b>	<b>- %</b>
<b>Total Expenses</b>	<b>5,340,153</b>	<b>5,439,553</b>	<b>1.9%</b>

### Funding Sources

800-URA N. College District: Ongoing Revenue	Ongoing Restricted	5,340,153	5,439,553	1.9%
	<b>Funding Source Total</b>	<b>5,340,153</b>	<b>5,439,553</b>	<b>1.9%</b>

## TIF Revenue

### North College URA

Tax District	LTD 2006-2022		Forecast 2023-2030 (8 years)	TOTAL
	Total TIF	% of Total		
Poudre R-1 School District	\$12,394,932	58.1%	\$16,429,118	\$28,824,049
Larimer County	\$5,186,943	24.3%	\$6,875,140	\$12,062,083
City of Fort Collins	\$2,277,077	10.7%	\$3,018,198	\$5,295,275
Health District of N. Lar Co.	\$503,667	2.4%	\$667,596	\$1,171,263
Lar Co. Pest Control	\$30,226	0.1%	\$40,063	\$70,289
Poudre River Public Library District	\$699,195	3.3%	\$926,762	\$1,625,957
N CO Water Conservancy District	\$232,426	1.1%	\$308,074	\$540,500
<b>Total</b>	<b>\$21,324,465</b>		<b>\$28,264,951</b>	<b>\$49,589,416</b>

### Prospect South URA

Tax District	LTD (2013-2022)		Forecast 2023-2037 (15 years)	TOTAL
	Total TIF	% of Total		
Poudre R-1 School District	\$2,699,356	58.4%	\$6,675,228	\$9,374,584
Larimer County	\$1,117,478	24.2%	\$2,763,408	\$3,880,886
City of Fort Collins	\$491,859	10.6%	\$1,216,317	\$1,708,176
Health District of N. Lar Co.	\$108,794	2.4%	\$269,037	\$377,832
Lar Co. Pest Control	\$6,619	0.1%	\$16,369	\$22,988
Poudre River Public Library District	\$151,092	3.3%	\$373,634	\$524,726
N CO Water Conservancy District	\$50,205	1.1%	\$124,152	\$174,357
<b>Total</b>	<b>\$4,625,404</b>		<b>\$11,438,145</b>	<b>\$16,063,549</b>



# 2023 URA Budget



Budgeting for Outcome (BFO) process went back to a two-year process for 2023-2024

## BFO Milestones



## URA Milestones



## Ongoing Programs and Services

Expense Type	Budget
Personnel	\$244,116
Prof. and Tech. Svcs.	354,600
Insurance	25,000
Property Svcs.	30,000
Office Expenses	11,500
<b>Total</b>	<b>\$665,216</b>

## Funding Source

URA	Budget
North College	\$434,966
Prospect South	93,250
Foothills Mall	137,000
<b>Total</b>	<b>\$665,216</b>



## Debt Service Payments

Expense Type	Budget
Developer Payments	\$3,700,000
Debt Service	1,640,153
<b>Total</b>	<b>\$5,340,153</b>

## Funding Source

URA	Budget
North College	\$1,273,109
Prospect South	367,044
Foothills Mall	3,700,000
<b>Total</b>	<b>\$5,340,153</b>



### North College URA

- ***Developer Repayments***

- *The Lyric* - 2021 Actual includes repayment of ROW obligation to City from Lyric TIF funds (\$43,650). 2023 Budget includes repayments to the Lyric based on their agreement (about \$18k in 2023).

- ***Other Expense***

- Operating expenses budgeted slightly higher in 2023 than 2022 due to increase in personnel costs, increases in consulting and legal services.



### **Prospect South URA**

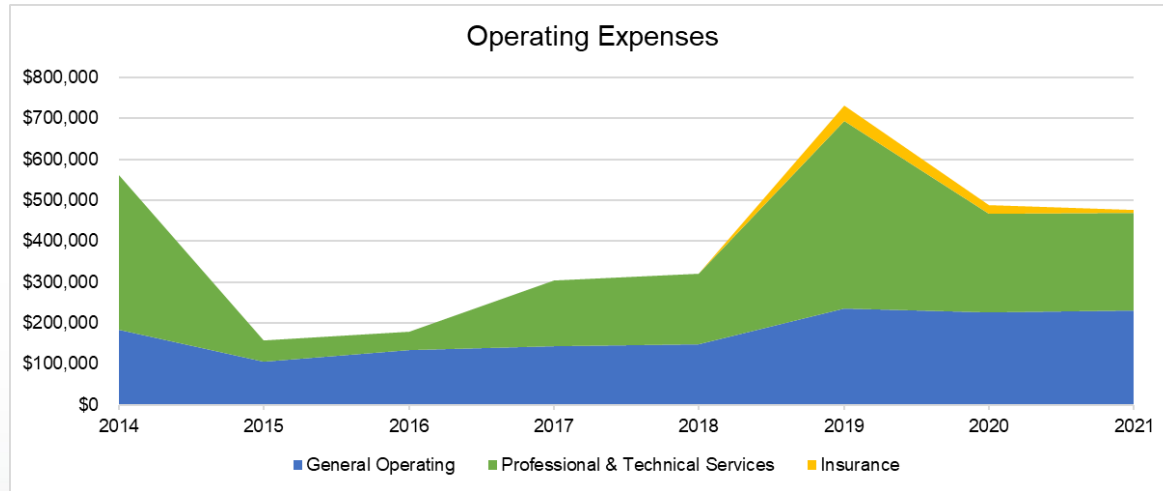
- No significant expense changes in 2022.

### **Foothills Mall URA**

- Reduction in Developer Repayment due to decreased Property Tax TIF to be collected.



## URA Operating Expense History



### General Operating Expenses:

- Salaries & Benefits
- Office-related expenses

### Professional & Technical Services Expenses:

- Banking Fees
- Consulting Services
- Larimer County Fees
- Legal Services

- **2014** – Foothills Mall URA reimbursable expenses paid to developer.
- **2017-2019** – EPS consulting services for Drake & College URA analysis.
- **2017 forward** – Increase in Larimer County fees as Foothills Mall URA starts generating TIF.
- **2019** – Consulting, legal and banking fees related to Prospect South URA refinancing.
- **2019 forward** – Utilization of non-City legal representation for URA.
- **2019 forward** – Purchase of non-City liability insurance for the URA.
- **2020** – North College URA outreach and visioning expenses.
- **2021** – North College URA reimbursement to PDT for ROW from Lyric.

## 2023 Cashflow Forecast

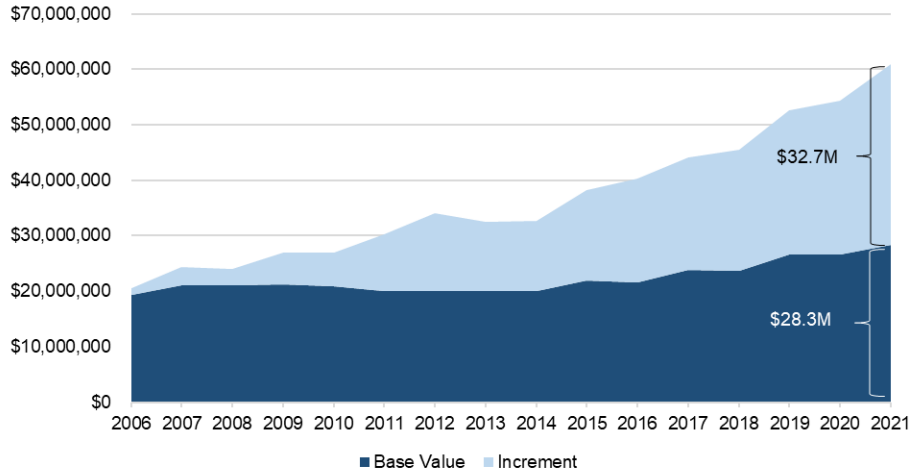
Expense Type	North College	Prospect South
Cash Inflows 2023	\$3,061,364	\$700,382
Cash Outflows 2023	(\$1,708,075)	(\$460,294)
Net Change in Cash 2023	\$1,353,289	\$240,088
Projected Ending Cash Balance 2022	\$4,231,976	\$1,530,837
Projected Ending Cash Balance 2023	\$5,585,265	\$1,770,925
Restricted Cash Balance 2023	(\$946,163)	(\$370,194)
<b>Net Available Cash Balance Ending 2023</b>	<b>\$4,639,102</b>	<b>\$1,400,731</b>



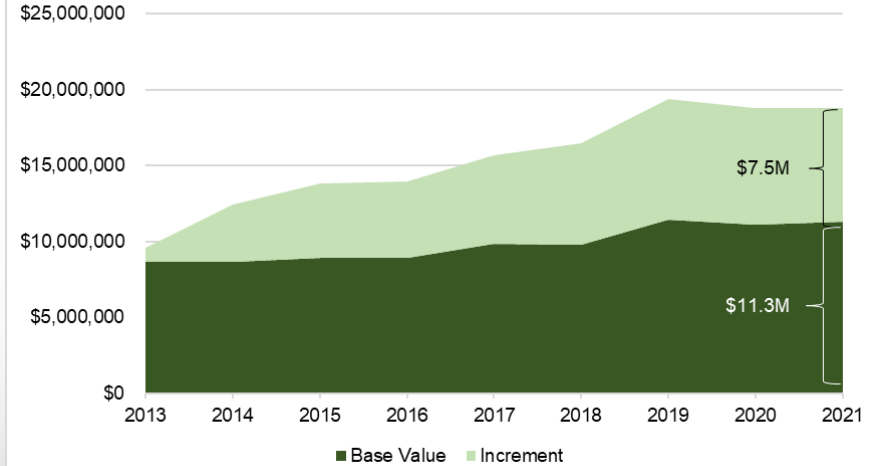


# Property Assessment Increment Through 2021 Assessments

North College URA Property Assessment Values  
2006-2021

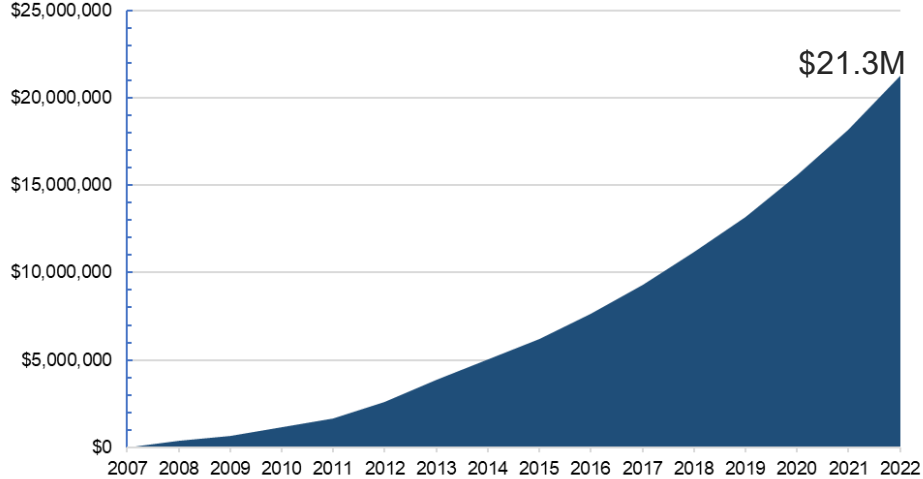


Prospect South URA Property Assessment Values  
2013-2021

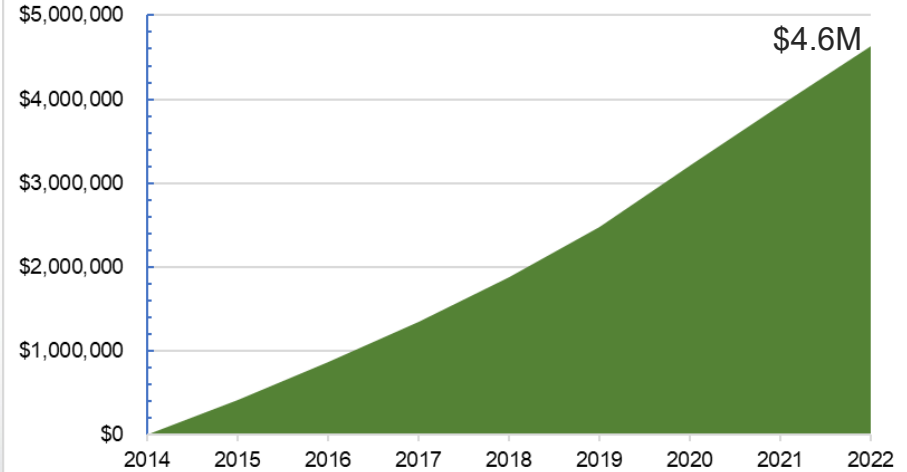


## Tax Increment Collections Through 2021

North College URA Cumulative TIF Collections



Prospect South URA Cumulative TIF Collections



**What additional information would be helpful prior to adoption of the budget?**

