



Legislation Text

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A Resolution Setting and Certifying the 2016 Tax Levy for Taxes Payable in 2017 at 5.000 Mills for the Colorado Springs Downtown Development Authority in Colorado Springs, Colorado

Presenter:

Kara Skinner, Chief Financial Officer

Summary:

The Colorado Springs Downtown Development Authority (DDA) is a legal entity separate from the City of Colorado Springs. However, as required by State statute, at its Regular meeting on October 25, 2016, City Council approved the DDA's 2017 budget. The same statute requires City Council to pass resolutions to set and certify the mill levy for 2016 with taxes due and payable in the 2017 budget year, and to appropriate sums of money for the 2017 budget year. The Board of Directors of the DDA will take action on the attached resolution (Exhibit A) requesting City Council approval of the appropriation resolution and mill levy certification resolution.

The 2017 budget provides a total appropriation of \$3,786,755 for programs, operations and overhead, professional services, and other expenditures and an ending balance of \$96,893.

Previous Council Action:

City Council approved creation of the DDA in 2006 and 2007 (Ordinance Nos. 06-135 and 07-15). City Council passed a resolution adopting the Imagine Downtown Master Plan as the Plan of Development for the Authority. City Council approved the 2017 DDA Budget on October 25, 2016.

Background:

The DDA board intends to utilize a portion of the voter-approved property tax revenues to create and implement incentive and grant programs to support the goals of the Imagine Downtown Plan, which it has adopted as the basis for its scope of work. Initiatives include:

- Residential growth and variety of housing;
- Retail growth;
- Job retention and employment growth;
- Arts, culture and entertainment activities;
- Urban design and environmental improvements;
- Technology, sustainability components;
- Parking supply and management improvements;
- Better utilization of public spaces such as alleys and parks; and
- Transportation options and pedestrian-orientation.

The ordinances creating the DDA stipulate a specific mix of representation on its City Council-appointed board, to include one member of City Council. Currently, that member is Councilwoman

Gaebler.

Financial Implications:

The proposed 2016 mill levy for the DDA for taxes payable in 2017 is 5.000 mills, which is unchanged from last year. As a separate legal entity, the financial activities of the DDA are separate from those of the City. The DDA has a tax increment financing (TIF) agreement in place, and anticipates substantial TIF revenues in 2017, which will augment its property tax revenues. These revenues, in combination with a substantial prior year's balance, will result in a substantial programmatic appropriation for 2017 (over \$3.5 million). This approach maximizes budgetary flexibility. However, full expenditure of this amount may not occur and would be subject to careful evaluation of program needs by the board. The DDA has the authority to issue debt. However, none has been issued to date, and if this were to occur in the future, such debt would be issued in close coordination with and subject to approval by the City.

Board/Commission Recommendation:

At its meeting in November 2016, the DDA Board of Directors will take action on a Resolution requesting that City Council (1) certify a mill levy of five (5.000) mills on real and personal property within the boundaries of the DDA for taxes payable in 2017, and (2) adopt a resolution to appropriate funds for the benefit of the DDA for 2017.

Stakeholder Process:

N/A

Alternatives:

N/A

Proposed Motion:

Move to approve the attached resolution to set and certify the 2016 tax levy for taxes payable in 2017 at 5.000 mills for the Colorado Springs Downtown Development Authority.

N/A