Legislation Details (With Text)

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Title:	A Resolution approving the amended 2020 Budget for the Colorado Springs Downtown Development Authority in Colorado Springs, Colorado Presenter: Charae McDaniel, Chief Financial Officer				
Sponsors:					
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Attachments:	1. 01_Res to Approve DDA budget_2.25.20 Final, 2. DDA Final 2020 Budget (002) Exh A, 3. 01.27.20 DDA financial high level Exh B, 4. Signed Resolution 14-20.pdf				

Date	Ver.	Action By	Action	Result
2/25/2020	1	City Council	adopted	Pass
2/10/2020	1	Council Work Session	referred	

A Resolution approving the amended 2020 Budget for the Colorado Springs Downtown Development Authority in Colorado Springs, Colorado

Presenter:
Charae McDaniel, Chief Financial Officer

Summary:
The Colorado Springs Downtown Development Authority (DDA) is a legal entity separate from the City of Colorado Springs. However, City Council approval of the annual budget is required by State statute. City Council has previously approved the DDA's 2020 budget, but the DDA has now amended the budget. Thus, the attached resolution approves the amended 2020 budget (Exhibit A) of the Colorado Springs Downtown Development Authority (DDA).

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 Experience Downtown Master Plan, which it has adopted as the basis for its scope of work. Goals include:

- Ensuring Downtown serves as the economic and cultural heart of the region.
- Creating a diverse and inclusive place to live with the amenities supporting residents.
- Celebrating and connecting with outdoor recreation and an exceptional natural setting.
- Providing a place for healthy and active lifestyles.
- Ensuring a walkable and bike-friendly center connected through safe and accessible

multimodal networks.
- Serving as a leader in innovative urban design and sustainability.
- Offering an unforgettable visitor experience.
- Providing a place for inspiration, honoring history and facing the future.

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 Council Member Gaebler.

Attached as Exhibit B is additional information provided by the DDA regarding the 2020 budget. An update on 2019 projects and accomplishments will be provided separately to City Council.

Previous Council Action:
City Council approved creation of the DDA in 2006 and 2007 (Ordinance Nos. 06-135 and 07-15). In 2007 City Council passed a resolution adopting the Imagine Downtown Master Plan as the Plan of Development for the Authority. In 2016 City Council approved Resolution No. 116-16 adopting the Experience Downtown Master Plan and Plan of Development as the revised Plan of Development for the DDA.

On December 5, 2019, City Council approved the original 2020 DDA Budget with Resolution No. 141-19. In December 2019 the DDA Board of Directors amended the 2020 budget to include a minor decrease to revenue, and an increased use of anticipated 2019 ending fund balance to fund increased programmatic expenditures.

Financial Implications:
The proposed mill levy for the DDA in 2020 is 5.000 mills and is the same as was levied in 2019. The mill levy has already been approved by City Council Res. 140-19 on December 5, 2019. 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 2020, which will augment its property tax revenues. These revenues, in combination with a substantial prior year's balance, will result in a total amended expense appropriation in 2020 of over $3.6 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.

City Council Appointed Board/Commission/Committee Recommendation:
At its meeting in December 2019, the DDA Board of Directors approved an amended budget and took 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 2020, and (2) adopt a resolution to approve the DDA budget for 2020.

City Council Budget committee reviewed the amended DDA budget at their January 28, 2020 meeting.

Stakeholder Process:
N/A

Alternatives:
N/A

Proposed Motion:
Move to approve the Resolution approving the amended 2020 Budget for the Colorado Springs Downtown Development Authority in Colorado Springs, Colorado.

N/A