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Title: A Resolution Fixing and Certifying the 2023 Tax Levy for Taxes Payable in 2024 at 5.000 Mills for the Colorado Springs Downtown Development Authority in Colorado Springs, Colorado

Presenter:
Charae McDaniel, Chief Financial Officer

Sponsors:

Indexes:

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Attachments: 1. 01_Res to Fix Mill Levy for DDA_11 13 23, 2. 11.13.2023 DDA & BID City Council, 3. Signed Resolution No. 198-23.pdf

Date	Ver.	Action By	Action	Result
11/28/2023	1	City Council	adopted	Pass
11/13/2023	1	Council Work Session	referred	

A Resolution Fixing and Certifying the 2023 Tax Levy for Taxes Payable in 2024 at 5.000 Mills 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, as required by State statute it is necessary for City Council to pass a resolution to fix and certify the mill levy for 2023 at 5.000 mills for taxes payable in the 2024 budget year. The 2023 levy of 5.000 mills is unchanged from the prior year mill levy.

The 2024 budget provides a total appropriation of \$6,117,917 for programs, grant agreements, operations and overhead, professional services, and other expenditures. The estimated ending fund balance is projected to be \$1,022,792.

Background:

The 11-member DDA board is appointed by City Council and includes representatives from a broad range of Downtown business types and property owners, along with a Council member. Currently, that member is Council Member Talarico. The 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.

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 2015 City Council approved Ordinance No. 15-20 to include additional property. 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. In August 2021 City Council approved Ordinance No. 21-64 redescribing the boundaries of the DDA to include certain additional property.

Financial Implications:

The proposed 2023 mill levy for the DDA for taxes payable in 2024 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 2023, which will augment its property tax revenues. These revenues, in combination with the prior year's balance will result in a total amount available for appropriation in 2024 of \$7.1 million.

The 2024 expenditure budget totals over \$6.1 million, 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, although 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.

The majority of the budgeted expenditures are allocated to Tax Increment Financing (TIF) agreements. A significant share of the budget is also allocated to program expenses which are determined throughout the year under the direction of the DDA board. In the event all of the program dollars are not expended, the remaining monies are retained as fund balance and would be available for the following year's budget.

The 2024 budget includes \$2.3 million in estimated TIF revenues and an estimated carryover of TIF revenue from 2023 of approximately \$1.2 million for a total TIF expenditure budget in 2024 of \$3.5M, which is anticipated to be expended as follows:

- \$600,000 budgeted for Reimbursement Agreements with seven different projects (Blue Dot Place, ECO 333, Bijou Lots, Trolley Building, Casa Mundi, The Mae on Cascade, Kinship Landing)
- \$265,594 in obligated reimbursements to School District 11
- \$33,683 Treasurer's Collection Fee
- \$100,000 in existing grant commitments and job incentives
- \$2,450,000 in unobligated funds remaining for grant programs and other economic development initiatives

City Council Appointed Board/Commission/Committee Recommendation:

At its meetings in November/December 2023, 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 2024, and (2) adopt a resolution to approve the DDA budget for 2024.

Stakeholder Process:

N/A

Alternatives:

N/A

Proposed Motion:

Move to approve the attached resolution to fix and certify the 2023 tax levy for taxes payable in 2024 at 5.000 mills for the Colorado Springs Downtown Development Authority.

N/A