



**Town of Frederick
Urban Renewal Authority**

Frederick Town Hall
401 Locust Street
Thursday, October 29, 2020

4:00 P.M.

Work Session

1. Urban Renewal 101 – Paul Benedetti
2. 2021 Budget Presentation – Jason Leslie
3. Project Updates – Jennifer Simmons
4. Role of FURA in Economic Development – Matt Hopper and Gabe Santos

Topic: Frederick Urban Renewal Authority Meeting
Time: Oct 29, 2020 04:00 PM Mountain Time (US and Canada)

Join Zoom Meeting

<https://zoom.us/j/95979812838?pwd=VXU5ekdUK0luUGh4blhESm5YVURNdz09>

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BUDGET 2021

FREDERICK URBAN RENEWAL AUTHORITY

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INTRODUCTION

INTRODUCTION

FREDERICK URBAN RENEWAL AUTHORITY BOARD

Tracie Crites	Chair
Dan March	Vice Chair
Adam Mahan	Commissioner
Amory Siscoe	Commissioner
Chad teVelde	Commissioner
Christopher Vigil	Commissioner
Kevin Brown	Commissioner
Mark Lamach	Commissioner
Rusty ONeal	Commissioner
Steve Moreno	Commissioner
Windi Padia	Commissioner

INTRODUCTION

DIRECTORS/STAFF

Bryan Ostler

Executive Director

Meghan Martinez

Secretary

Jason Leslie

Finance Director

INTRODUCTION

GENERAL INFORMATION

HISTORY

The Frederick Urban Renewal Authority (FURA) was established by the Frederick Mayor and Board of Trustees on May 14, 2013, after receiving a petition submitted by qualified voters. The Town of Frederick recognized that there was a need for the Urban Renewal Authority to eliminate blight and serve as an economic development tool. Until 2015, the Urban Renewal Authority was not used for any major purposes and consequently did not incur any costs for operation. That changed substantially in 2016 when a number of services were necessary to create development agreements with various economic development projects in the community that create primary jobs and increase sales tax for the community.

Colorado Revised Statutes 31-25-101, et seq., provides for the creation, organization and operation of an urban renewal authority specifically from which FURA exists. In compliance with HB 15-1348, the FURA Board has increased from seven Board members to 11. In 2021, there are no anticipated new Urban Renewal Areas, but this is subject to change based on development requests and other conditions related to existence of blight on property.

CURRENT URA AREAS

The Frederick Urban Renewal Authority currently has seven defined development areas:

- Eagle Business Park
- Meadowlark Business Park
- Miner's Village
- Schillinger
- Talbert Building
- Tipple/Colorado (Former Public Works Site)
- Wyndham Hill

EMPLOYEES AND BENEFITS

FURA does not have any regular, full-time or part-time employees. The Town of Frederick provides administrative services.

BUDGET PROCESS

The budget has been structured and prepared using the guidelines of the Governmental Finance Officers Association (GFOA). Two sources, Governmental Accounting, Auditing and Financial

INTRODUCTION

Reporting (GAAFR) and the Governmental Accounting Standards Board (GASB) guide the financial reporting and annual budget process. The Frederick Urban Renewal Authority prepares its budget on a calendar-year basis as required by state statute. The budget must be balanced or show a revenue surplus. “Balanced Budget” is defined as a “balance between total estimated expenditures and total anticipated revenues, including surpluses.” This means that the appropriated expenditures cannot exceed the sum of the revenues and beginning fund balance. The Town of Frederick’s definition of a “Balanced Budget” complies with the statutory requirements for the State of Colorado located in C.R.S. 29-1-103 (2).

BUDGET TERM

The budget term begins the first day of January and ends on the last day of December.

BASIS OF BUDGETING

Modified accrual basis is used for all FURA fund operations. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available and expenditures are recorded when a liability is incurred except for debt service. FURA considers the revenue and expenditures if collected or incurred within 60 days of the end of the fiscal period. The basis of accounting used in the budget is the same as the basis of accounting used in the financial statements.

BUDGET PREPARATION

The budget process starts early each year. In June, the Finance Department prepares core data. This data is presented with current period data and revenue projections for both the current year as well as the upcoming year. The worksheets containing this data are then distributed to the Executive Director who reviews the information and decides what should be included in the Proposed Budget. The Proposed Budget document is submitted to the FURA Board no later than October 15, with work sessions as requested and determined necessary by the Board following the submittal.

PUBLIC HEARINGS

The proposed budget is a matter of public record and is open to the public for inspection. At a minimum, one public hearing is held on the proposed budget. Appropriate notice of the time and place of the hearing is placed in a newspaper of general circulation.

INTRODUCTION

ADOPTION OF BUDGET AND APPROPRIATION OF FUNDS

In accordance with state statutes, on or before the fifteenth (15th) day of December, the FURA Board shall adopt a balanced budget by ordinance for the ensuing year. The Board appropriates sums of money, as it deems necessary, to defray all expenditures.

BUDGET AMENDMENTS

The Adopted Budget can be amended during the year by presenting the FURA Board with a Resolution for approval. Generally, budget amendments are used for one-time items such as project related grants, or other one-time expenses that could not have been reasonably predicted during the budget process.

BUDGET OVERVIEW

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BUDGET OVERVIEW - REVENUES AND EXPENDITURES

REVENUES

The majority of funding for FURA comes from tax increment financing (TIF), which is the increased amount of property tax or municipal sales tax revenue collected within the URA after a project begins.

EXPENSES

Expenses for FURA are limited to reimbursements for the intergovernmental sharing agreements, bond pass through costs, legal services, debt service and improvements to defined areas within the URA.

PERSONNEL SERVICES

This category is not currently in use as FURA does not have any employees.

CONTRACT SERVICES

The contract services category includes all expenses that FURA incurs with businesses or individuals on a regular basis. Examples of such expenses include consulting services, legal services, economic development, auditing, etc.

COMMODITY

This category includes all items purchased in the normal course of business and includes items such as computers and software, general supplies, office supplies, etc.

OTHER CHARGES

This category includes items that are one-time or miscellaneous expenses including bonding fund reimbursements, general liability insurance, professional memberships, etc.

CAPITAL OUTLAY

Items expensed in this category must meet the requirements of a capital purchase. To qualify, the item must have a purchase price that is \$5,000 or greater and must have a life expectancy of more than one year.

DEBT SERVICE

Debt service items are costs associated with approved debt issuances for FURA. The debt can be the result of a bond issuance, lease purchase or other contractual obligation.

BUDGET – DEBT AND FINANCIAL OBLIGATIONS

DEBT SERVICE AND FINANCIAL OBLIGATIONS

All of FURA's debt service and financial obligations are appropriated each budget year.

SERIES 2018 BOND – MEADOWLARK BUSINESS PARK URA

In 2018, FURA issued Bonds to assist in the development of the Meadowlark Business Park Plan Area. The Bonds are revenue bonds and require that pledged revenues collected from the Meadowlark Business Park Plan Area be placed into a mandatory sinking fund as follows:

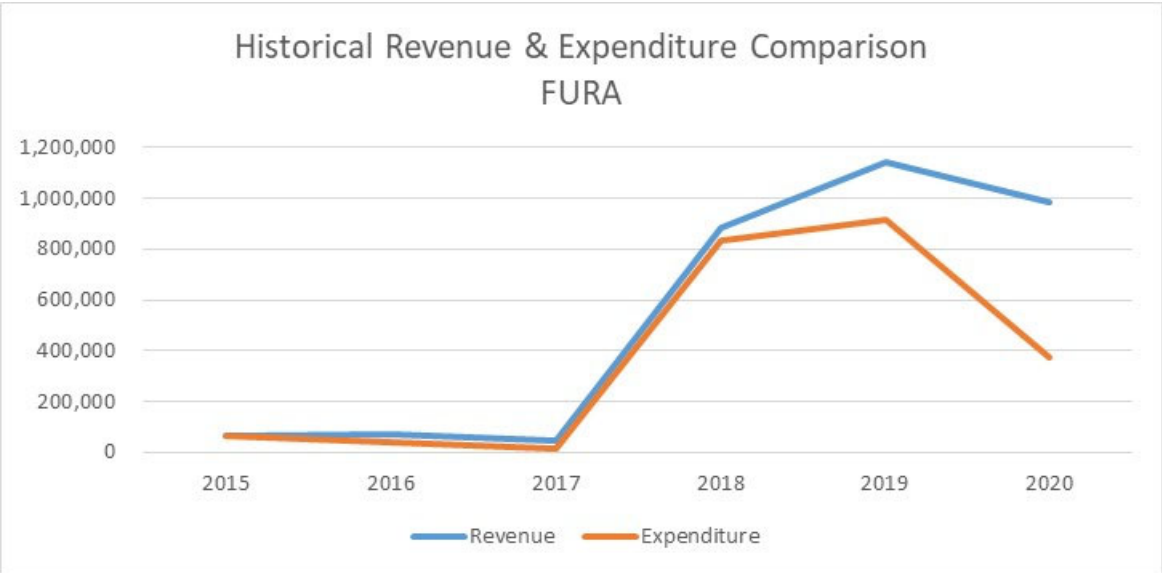
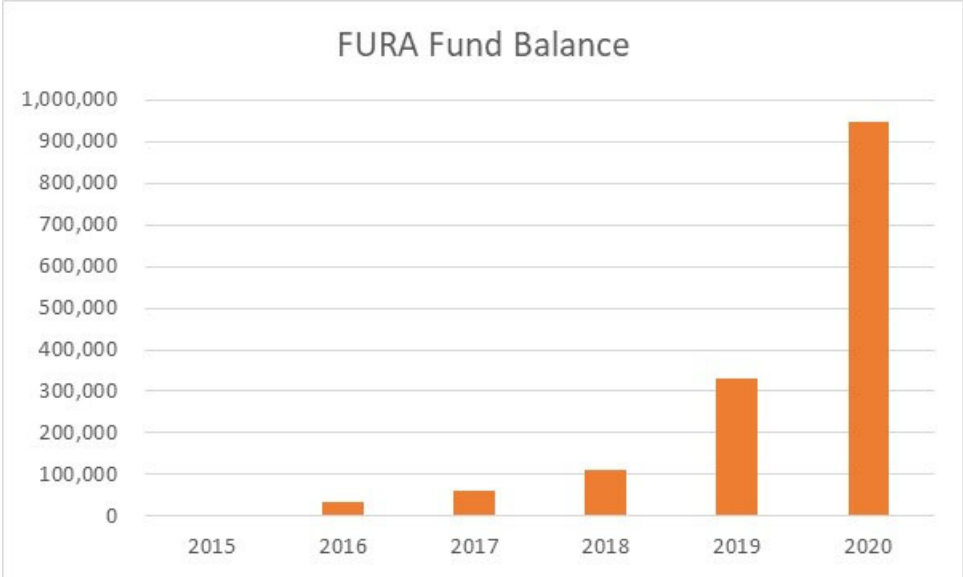
Series 2018 Bond

Year	Principal
2021	124,251
2022	124,251
2023	106,501
2024	115,376
2025	124,251
2026	142,001
2027	142,001
2028	168,626
2029	177,501
2030	195,251
2031	195,251
2032	195,251
2033	199,172
2034	199,172
2035	199,172
2036	218,776
2037	218,776
2038	213,001
2039	213,001
2040	209,059
Total	\$3,480,641

BUDGET – DETAILED ANALYSIS

FURA - FUND BALANCE AND FUND SUMMARY

While FURA was officially established in 2013, there was no financial activity until 2015 as shown below.



BUDGET – DETAILED ANALYSIS

The 2021 Budget for the Frederick Urban Renewal Authority includes revenues of \$2,174,500 which is relatively flat from the 2020 budgeted amount of \$2,165,000. The increases in revenue projections for the 2021 budget are directly related to increased property tax increments and sales tax increments as a result of recent development of the renewal authority areas. In 2021, expenses are also expected to increase as a result of revenue sharing agreements and debt service payments.

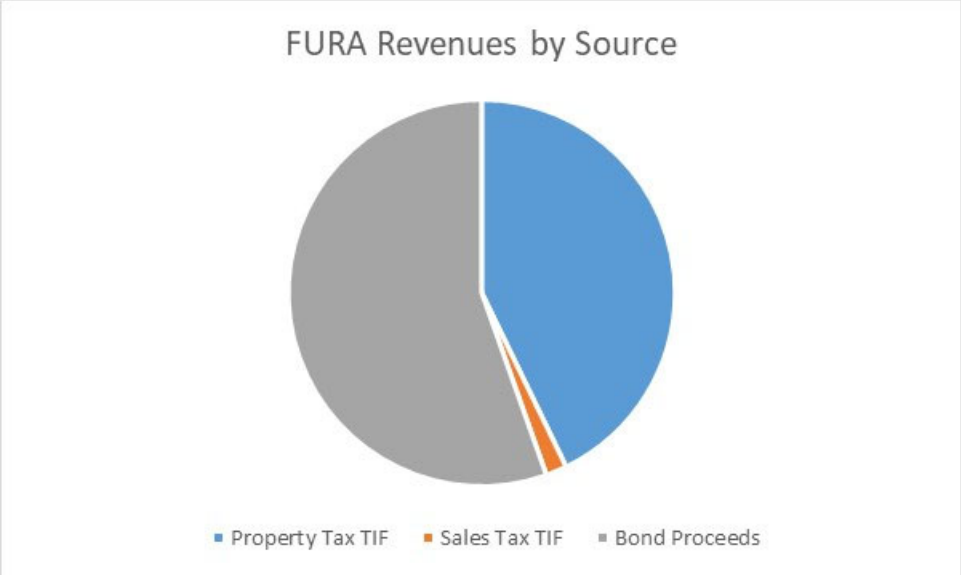
FREDERICK URBAN RENEWAL AUTHORITY BUDGET

Frederick Urban Renewal Authority	2018 Actuals	2019 Actuals	2020 Actuals Jan - Oct	2020 Adopted Budget	2020 Year-End Estimates	2021 Proposed Budget
Beginning Fund Balance	62,218	109,574	332,015	332,015	332,015	735,456
Revenues:						
Taxes & Fees	4,768	498,563	985,594	955,000	955,000	965,000
Earnings on Investment	2,696	2,008	-	2,500	2,500	2,000
Proceeds from Bond Issuance	859,788	633,736	-	1,200,000	1,200,000	1,200,000
Miscellaneous Revenue	15,139	6,300	-	7,500	7,500	7,500
<i>Transfers In</i>	-	-	-	-	-	-
Total Operating Revenues	882,391	1,140,607	985,594	2,165,000	2,165,000	2,174,500
Expenditures:						
Operations and Maintenance	27,291	874,842	219,734	492,200	492,200	492,200
Capital Outlay	705,019	-	100,000	1,200,000	1,200,000	1,200,000
Debt Service	102,725	43,325	50,994	69,359	69,359	124,251
<i>Transfers Out</i>	-	-	-	-	-	-
Total Expenditures	835,035	918,166	370,729	1,761,559	1,761,559	1,816,451
Excess (Deficiency) of Revenues over Expenditures	47,356	222,441	614,865	403,441	403,441	358,049
Ending Fund Balance	109,574	332,015	946,880	735,456	735,456	1,093,505

BUDGET – DETAILED ANALYSIS

FREDERICK URBAN RENEWAL AUTHORITY REVENUES

Revenues for this fund come from taxes, interest, bond proceeds, transfers and miscellaneous.



The FURA Revenue Sources table below lists the revenue sources, as well as the amounts that are projected for 2021.

FURA Revenue Sources		
Source	Amount	% of Total
Property Tax TIF	926,800	43%
Sales Tax TIF	38,200	2%
Bond Proceeds	1,200,000	55%
Miscellaneous	7,500	0%
Interest	2,500	0%

BUDGET – DETAILED ANALYSIS

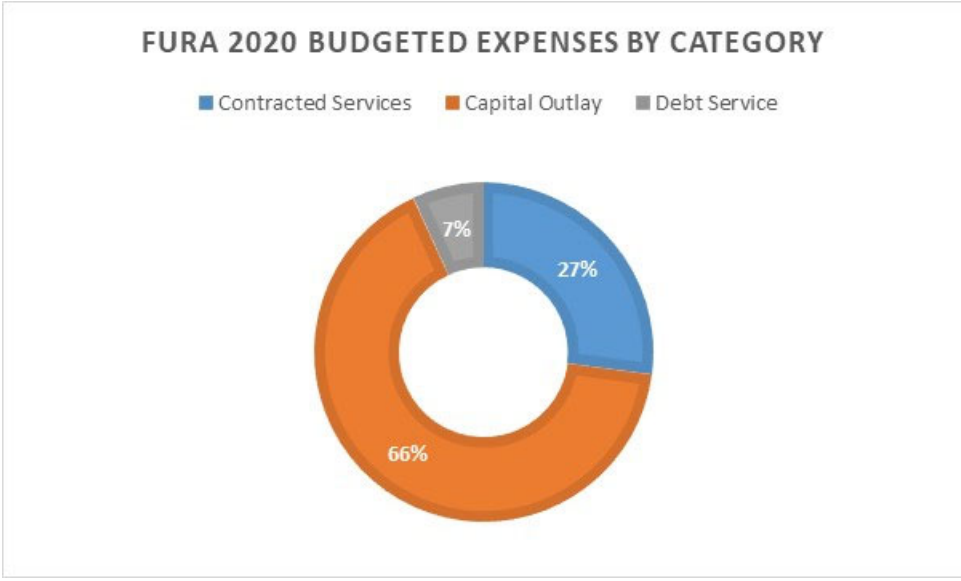
FREDERICK URBAN RENEWAL AUTHORITY EXPENDITURES

Expenditures in this fund are primarily reimbursements and bond proceed drawdowns/pass through and debt service.

FURA EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Building	0	492,200	0	0	492,200	1,200,000	124,251	1,816,451
Totals	\$0	\$492,200	\$0	\$0	\$492,200	\$1,200,000	\$124,251	\$1,816,451
Total Cash Available								\$ 2,909,956
Ending Fund Balance								1,093,505
% of Total Budget	0.00%	27.10%	0.00%	0.00%	27.10%	66.06%	6.84%	100.00%

The chart below details the expenditures for FURA by category.



GOALS AND OBJECTIVES

FREDERICK URBAN RENEWAL AUTHORITY GOALS

The Frederick Urban Renewal Authority was created to accomplish the following goals:

- Direct private sector investment to blighted areas
- Revitalize the local economy
- Stabilize property values
- Create new jobs
- Improve the overall quality of life