

**TIMNATH DEVELOPMENT AUTHORITY
TIMNATH COLORADO**

RESOLUTION NO. TDA-01, SERIES 2021

A RESOLUTION OF THE TIMNATH DEVELOPMENT AUTHORITY SUMMARIZING EXPENDITURES AND REVENUES AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2022, AND ENDING ON THE LAST DAY OF DECEMBER, 2022.

WHEREAS, the Timnath Development Authority's Finance Manager, has been designated to prepare the annual budget for the Timnath Development Authority, and has prepared said budget and submitted it to the Board of Commissioners; and

WHEREAS, the Board of Commissioners has considered all relevant factors concerning the budget and made all adjustments to the budget deemed appropriate and proper; and

WHEREAS, the Timnath Development Authority has made provision therein for revenues and fund balances in an amount equal to or greater than the total proposed expenditures as set forth in the said budget; and

WHEREAS, the Board of Commissioners is familiar with the budget and finds it to be in the best interest of the Town, its residents, and the general public.

WHEREAS, it is not only required by law, but also necessary to appropriate the expenditures provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the Timnath Development Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE TIMNATH DEVELOPMENT AUTHORITY OF COLORADO AS FOLLOW:

Section 1. Approval

The budget for the Timnath Development Authority, Colorado, for the fiscal year beginning January 1, 2022, and ending December 31, 2022, as attached, hereby is adopted and approved as the budget and a total of \$20,358,068 is hereby appropriated for spending during fiscal year 2022.

INTRODUCED, MOVED, AND ADOPTED BY THE BOARD OF COMMISSIONERS OF THE TIMNATH DEVELOPMENT AUTHORITY ON DECEMBER 14, 2021.

TIMNATH DEVELOPMENT AUTHORITY



Mark J. Soukup, Chairperson

ATTEST:



Secretary

**TIMNATH DEVELOPMENT AUTHORITY
2022 BUDGET
WITH 2020 ACTUALS and 2021 ESTIMATED**

| | 2020 ACTUAL | 2021 BUDGET | 2021 ESTIMATED | 2022 BUDGET |
|---|----------------------|---------------------|---------------------|---------------------|
| BEGINNING FUND BALANCE | \$ 15,486,419 | \$ 10,633,628 | \$ 10,820,030 | \$ 4,730,083 |
| REVENUES | | | | |
| TIF - property taxes | 7,397,017 | 7,681,726 | 7,593,072 | 8,752,985 |
| TIF - sales taxes | 6,754,246 | 7,330,000 | 7,632,298 | 8,400,000 |
| Net investment income | 33,252 | 25,000 | 9,720 | 5,000 |
| Total revenues | <u>14,184,515</u> | <u>15,036,726</u> | <u>15,235,090</u> | <u>17,157,985</u> |
| Total funds available | <u>29,670,934</u> | <u>25,670,354</u> | <u>26,055,120</u> | <u>21,888,068</u> |
| EXPENDITURES | | | | |
| Loan interest (2015 Loan) | 1,810,556 | 1,663,816 | 1,663,816 | 1,510,084 |
| Loan interest (2018 Loan) | 1,001,729 | 976,446 | 976,446 | 933,442 |
| Loan principal (2015 Loan) | 3,260,000 | 3,415,000 | 3,415,000 | 3,570,000 |
| Loan principal (2018 Loan) | 500,000 | 850,000 | 850,000 | 1,450,000 |
| Miscellaneous | 223,995 | 273,000 | 273,000 | 295,000 |
| Capital outlay | | | | |
| Road, Utilities, Other (Transfer to Town) | 4,661,669 | 9,113,628 | 5,965,000 | 3,205,083 |
| Boxelder - BBRSA IGA | 271,561 | 920,000 | 370,000 | 950,000 |
| Developer shareback incentive | 352,504 | - | - | - |
| Transfer to Town - general | 6,768,890 | 6,933,464 | 7,811,775 | 8,444,459 |
| Total expenditures requiring appropriation | <u>18,850,904</u> | <u>24,145,354</u> | <u>21,325,037</u> | <u>20,358,068</u> |
| ENDING FUND BALANCE | <u>\$ 10,820,030</u> | <u>\$ 1,525,000</u> | <u>\$ 4,730,083</u> | <u>\$ 1,530,000</u> |
| RESERVES | | | | |
| Required debt service reserve and pledged revenue | \$ 1,649,947 | \$ 1,525,000 | \$ 1,525,000 | \$ 1,530,000 |
| Restricted for capital projects | 9,170,083 | - | 3,205,083 | - |
| Total reserves | <u>\$ 10,820,030</u> | <u>\$ 1,525,000</u> | <u>\$ 4,730,083</u> | <u>\$ 1,530,000</u> |

The financial information should be read only in connection with the accompanying summary of significant assumptions.

**TIMNATH DEVELOPMENT AUTHORITY
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

On November 10, 2004, the Town of Timnath (the Town) formed an Urban Renewal Authority to be known as the Timnath Development Authority (TDA). On December 15, 2004, the Town approved the Urban Renewal Plan (the Plan) which was prepared pursuant to the provisions of the Urban Renewal Law of the State of Colorado, Par 1 of Article 25 of Title 31, C.R.S., as amended. The Plan was amended in March 2007. The general objective of the Plan was to facilitate the planning, construction, and funding of public infrastructure necessary to serve the residents of the Town so as to promote development within the Town to ensure the Town's long-term financial viability.

The TDA's budget is prepared using the modified accrual basis of accounting.

Revenues

Tax Increment Financing (TIF)

The Urban Renewal Law allows the Town to include within its Urban Renewal Plan a provision that a portion of the incremental property taxes and sales taxes collected within the Plan Area can be utilized to pay financial obligations of the TDA. Such tax incremental revenues may be used for a period not to exceed the statutory requirement, which is presently twenty-five years after the effective date of the adoption of the Plan.

TIF property taxes represent the portion of property taxes which are produced by the levy at the rate fixed each year by or for each public body upon the valuation of assessment of taxable property in the Plan Area in excess of the amount certified on or before November 15, 2004. This amount is allocated to and, when collected, paid to the TDA to pay the principal and interest in connection with any loans or bonds of the TDA.

TIF sales taxes represent 82% of the sales taxes collected within the boundaries of the Plan Area that are in excess of the amount collected in the twelve-month period ending on February 28, 2007. Any TIF sales taxes not needed for annual principal and interest payments are transferred to the Town pursuant to Cooperation Agreement between the Town and the TDA which was amended and restated on February 25, 2014.

Net Investment Income

Interest earned on the TDA's available funds has been estimated based on historical rates.

Expenditures

Debt Service

On September 29, 2015, the TDA refinanced its 2014 Loan with Compass Mortgage Corporation (the 2015 Loan). The 2015 Loan has a principal amount of \$50,000,000 with a fixed interest rate of 4.44% paid semi-annually on June 1st and December 1st. The 2015 Loan matures on December 1, 2029. The purposes of the 2015 Loan were as follows: (a) refunding of prior loan; (b) funding of TDA capital projects; (c) funding of Debt Reserve; and (d) paying costs of issuance.

**TIMNATH DEVELOPMENT AUTHORITY
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (continued)

On November 20, 2018 the TDA issued a \$20,000,000 loan with Compass Mortgage Corporation (the 2018 Loan). The 2018 Loan has a fixed interest rate of 4.99% paid semi-annually on June 1st and December 1st. The 2018 Loan matures on December 1, 2029. The purposes of the 2018 Loan were as follows: (a) funding of TDA capital projects: and (b) paying costs of issuance.

Capital Outlay

It is anticipated that the TDA will transfer approximately \$3.1M to the Town of Timnath for various TDA capital projects that will be constructed by the Town in 2022 including Parkway Improvements, Weitzel Street Extension to CR 5, Timnath Community Park, and TROC Trail. The \$3.1M is the remaining debt issuance of the 2018 TDA loan.

Boxelder – BBRSA IGA

The TDA has entered into various intergovernmental agreements with the Boxelder Basin Regional Stormwater Authority (BBRSA) together with Larimer County, the City of Fort Collins, and the Town of Wellington, for the purpose of collectively participating in the construction of certain regional stormwater improvements. The TDA's financial share of these improvements in 2022 is estimated to total \$400,000.

Transfer to Town - General

TIF property and sales taxes in excess of the amount necessary for the annual payment of principal and interest and other contractually obligated amounts, including but not limited to the replenishment of the reserve funds, are transferred to the Town.

Debt and Leases

Principal and interest payments are provided based on the debt amortization schedule from the 2015 and 2018 Loans.

The TDA has no operating or capital leases.

Reserve Funds

Debt Service Reserve

The TDA is required to maintain a debt service reserve of \$1,500,000 under the 2018 Loan Agreement.

TIMNATH DEVELOPMENT AUTHORITY
DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2021

\$50,000,000 Note Payable
Refunding and Improvement Loan
Dated September 29, 2015
Interest Rate - 4.44%
Interest Payable June 1 and December 1
Principal Due December 1

| Year Ended December 31, | Principal | Interest | Total |
|-------------------------------|----------------------|---------------------|----------------------|
| 2022 | 3,570,000 | 1,510,084 | 5,080,084 |
| 2023 | 3,735,000 | 1,349,375 | 5,084,375 |
| 2024 | 3,900,000 | 1,187,710 | 5,087,710 |
| 2025 | 4,080,000 | 1,002,917 | 5,082,917 |
| 2026 | 4,265,000 | 822,004 | 5,087,004 |
| 2027 | 4,460,000 | 630,008 | 5,090,008 |
| 2028 | 4,660,000 | 430,410 | 5,090,410 |
| 2029 | 4,875,000 | 220,659 | 5,095,659 |
| | <u>\$ 33,545,000</u> | <u>\$ 7,153,167</u> | <u>\$ 40,698,167</u> |

\$20,000,000 Note Payable
Improvement Loan
Dated November 20, 2018
Interest Rate - 4.99%
Interest Payable June 1 and December 1
Principal Due December 1

| Year Ended December 31, | Principal | Interest | Total |
|-------------------------------|----------------------|---------------------|----------------------|
| 2022 | 1,450,000 | 933,442 | 2,383,442 |
| 2023 | 2,045,000 | 860,082 | 2,905,082 |
| 2024 | 2,165,000 | 760,765 | 2,925,765 |
| 2025 | 2,285,000 | 645,312 | 2,930,312 |
| 2026 | 2,405,000 | 531,480 | 2,936,480 |
| 2027 | 2,540,000 | 409,804 | 2,949,804 |
| 2028 | 2,710,000 | 282,068 | 2,992,068 |
| 2029 | 2,850,000 | 144,980 | 2,994,980 |
| | <u>\$ 18,450,000</u> | <u>\$ 4,567,933</u> | <u>\$ 23,017,933</u> |