



**UNIVERSITY HILL GENERAL IMPROVEMENT DISTRICT
BOARD OF DIRECTORS AGENDA ITEM**

MEETING DATE: October 19, 2023

AGENDA TITLE: Consideration of a motion to adopt the following resolutions pertaining to the 2024 budget of the University Hill Commercial District Fund (formally known as the University Hill General Improvement District (UHGID) Fund:

1. Resolution 224, adopting a budget for the fiscal year beginning January 1, 2024; and
2. Resolution 225, establishing 2023 Property Tax Mill Levy; and
3. Resolution 226, appropriating money to defray the expenses and liabilities for the 2024 budget; and

Consideration of a motion to adjourn from the UHGID Board of Directors and convene as the Boulder Municipal Property Authority Board of Directors.

PRESENTERS

Nuria Rivera-Vandermyde, City Manager
Chris Meschuk, Deputy City Manager
Kara Skinner, Chief Financial Officer
Mark Woulf, Budget Officer

EXECUTIVE SUMMARY

The purpose of this item is to adopt and appropriate the 2024 budget for the UHGID Fund as well as set the 2023 UHGID property tax mill levy.

To comply with Article X, Section 20 of the Colorado Constitution, commonly known as TABOR, a mill levy credit of 3.300 mills is necessary. Staff is recommending the following mill levy:

| | |
|------------------------|------------------|
| Base Mill Levy | 4.984 |
| Less: Mill Levy Credit | (<u>3.300</u>) |
| Net Mill Levy | 1.684 |

STAFF RECOMMENDATION

Suggested Motion Language

Staff requests council consideration of this matter and action in the form of the following motion:

Motion to adopt the following resolutions pertaining to the 2024 budget of the University Hill Commercial District Fund (formally known as the University Hill General Improvement District (UHGID) Fund:

- 1. Resolution 224, adopting a budget for the fiscal year beginning January 1, 2024; and
- 2. Resolution 225, establishing 2023 Property Tax Mill Levy; and
- 3. Resolution 226, appropriating money to defray the expenses and liabilities for the 2024 budget; and

Consideration of a motion to adjourn from the UHGID Board of Directors and convene as the Boulder Municipal Property Authority Board of Directors.

These resolutions (**Attachments A-C**) adopt the 2024 budget, establish the 2023 property tax mill levy and appropriate funding as presented to council in the City Manager's 2024 Recommended Budget for the UHGID Fund, and were reviewed by council during the 2024 budget process.

The 2024 Recommended Budget for UHGID was prepared to positively affect economic, environmental and social sustainability by providing funding to a variety of citywide projects and services.

OTHER IMPACTS

- Fiscal - The 2024 budget for the UHGID Fund is \$526,737.

- Staff time - Staff time for this process is allocated in the Budget Division’s annual work plan and in the Community Vitality Department’s annual work plan.

ADDITIONAL INFORMATION ON REVENUE LIMITS

In past years, council has asked for additional information related to UHGID revenue limitations.

There are two State laws limiting revenue collections in Colorado. They include state statute 29-1-301, C.R.S., known as the “5.5%” revenue limit and Article X, Section 20 of the Colorado Constitution, commonly known as the “Taxpayer Bill of Rights” or TABOR. Voters in local municipalities and districts can remove these limits, by majority approval of a ballot issue in a November election. Entities doing so can remove both limits with a single ballot measure. No ballot measures have been introduced to remove either limitation.

TABOR includes two limitations on the amount of property taxes that UHGID can collect. The first sets a cap on the amount of mills levied at the prior year amount unless increased by voter approval. The second limits revenues to prior year revenue collection levels plus inflation and growth. Each entity (including GIDs separately from the city) must meet both requirements (the “nesting” effect of TABOR). When assessed values increase so that the revenues UHGID collects exceed the combination of growth and inflation in the district, the mill levy must be adjusted downward to ensure revenue collections stay within TABOR limits. In so doing, the new mill levy cannot be increased to the previous number without voter approval (this is called the “ratchet down” effect of TABOR). To avoid this, a mill levy credit, rather than a permanent reduction, may be applied. The credit is considered temporary so has the effect of reducing revenue collections by applying a lower mill levy for the next year, without permanently reducing the cap on the amount of mills levied. As shown above, this credit is calculated annually when setting the mill levy for UHGID, in order to ensure compliance with TABOR.

BOARD AND COMMISSION FEEDBACK

The University Hill Commercial Area Management Commission recommended approval of the 2024 Community Vitality Recommended Budget, including the 2024-2029 Capital Improvement Plan, at their August 1, 2023 meeting.

PUBLIC FEEDBACK

A public hearing will be held on the 2024 budget, appropriations, and mill levy on October 19.

ATTACHMENTS

- A. Proposed resolution adopting a budget for the UHGID Fund for 2024
- B. Proposed resolution establishing the UHGID Property Tax Mill Levy for 2023 to be collected in 2024

- C. Proposed resolution appropriating money to defray expenses and liabilities for the UHGID Fund for 2024

RESOLUTION 224

A RESOLUTION CONCERNING THE CITY OF BOULDER UNIVERSITY HILL COMMERCIAL DISTRICT FUND (FORMERLY KNOWN AS THE UNIVERSITY HILL GENERAL IMPROVEMENT DISTRICT FUND), ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2024; AND SETTING FORTH RELATED DETAILS

THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO, ACTING AS THE BOARD OF DIRECTORS OF THE CITY OF BOULDER UNIVERSITY HILL COMMERCIAL DISTRICT (FORMERLY KNOWN AS THE UNIVERSITY HILL GENERAL IMPROVEMENT DISTRICT), HEREBY FINDS AND RECITES THAT:

A. WHEREAS, Title 8, Chapter 4 of the Revised Code of the City of Boulder requires that the Board annually determine the amount of money necessary to be raised for the district by an ad valorem tax levy on the taxable property in the district; and

B. WHEREAS, said chapter provides that prior to the start of proceedings for said levy of taxes, the Board shall prepare and adopt a budget; and

C. WHEREAS, all requirements of said chapter pertaining to the giving of public notice have been accomplished.

BASED ON THE FINDINGS MADE IN THIS RESOLUTION, ABOVE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO, ACTING AS THE BOARD OF DIRECTORS OF THE CITY OF BOULDER UNIVERSITY HILL COMMERCIAL DISTRICT (FORMERLY KNOWN AS THE UNIVERSITY HILL GENERAL IMPROVEMENT DISTRICT), THAT:

Section 1. Estimated expenditures for fiscal year 2024 are as follows:

| | |
|-------------------|------------------|
| Capital | \$15,000.00 |
| Internal Services | 33,085.00 |
| Operating | 183,924.00 |
| Personnel | 240,228.00 |
| Transfers | <u>54,500.00</u> |
| Total | \$526,737.00 |

Section 2. Estimated revenues for fiscal year 2024 to fund the above expenditures

are as follows:

| | |
|----------------------------|-------------------|
| Investment Earnings | \$48,320.00 |
| Parking Revenues | 79,060.00 |
| Property Tax | 35,880.00 |
| Ownership Tax | 1,410.00 |
| Transfer from General Fund | <u>270,000.00</u> |
| Total | \$434,670.00 |

Section 3. The proposed budget as submitted and hereinabove summarized be adopted as the budget of the City of Boulder University Hill Commercial District (formerly known as the University Hill General Improvement District) for the 2024 fiscal year.

ADOPTED this 19th day of October 2023.

Chair

Attest:

Secretary

RESOLUTION 225

A RESOLUTION ESTABLISHING THE 2023 CITY OF BOULDER UNIVERSITY HILL COMMERCIAL DISTRICT FUND (FORMERLY KNOWN AS THE UNIVERSITY HILL GENERAL IMPROVEMENT DISTRICT FUND), PROPERTY TAX MILL LEVY FOR PAYMENT OF EXPENDITURES, IN PART, OF THE DISTRICT DURING THE FISCAL YEAR 2023, BEGINNING JANUARY 1, 2024; AND SETTING FORTH RELATED DETAILS

THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO, ACTING AS THE BOARD OF DIRECTORS OF THE CITY OF BOULDER UNIVERSITY HILL COMMERCIAL DISTRICT (FORMERLY KNOWN AS THE UNIVERSITY HILL GENERAL IMPROVEMENT DISTRICT), HEREBY FINDS AND RECITES THAT:

A. WHEREAS, the Board has prepared and adopted a budget for the district for the 2024 fiscal year; and

B. WHEREAS, the Board has reviewed the projected expenditures of the district for 2024; and

C. WHEREAS, the Board has considered all sources of revenue of the district; and

D. WHEREAS, the Board has determined that there will not be sufficient revenues produced by the facilities operated by the district along with income from investment to cover expenses of operation and debt service and that a tax levy of 1.684 mills should therefore be imposed; and

E. WHEREAS, the preliminary assessed valuation information received from the county under Article X, Section 20 of the Colorado Constitution indicates that the growth limit in the City of Boulder University Hill General Improvement District for 2023 property taxes is 3.434%, and

F. WHEREAS, in order to conform with the county information, a mill levy credit of 3.340 mills is necessary for a total of 1.684 mills to be assessed upon each dollar of assessed valuation of all taxable property with the city.

BASED ON THE FINDINGS MADE IN THIS RESOLUTION, ABOVE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO, ACTING AS THE BOARD OF DIRECTORS OF THE CITY OF BOULDER UNIVERSITY HILL COMMERCIAL DISTRICT (FORMERLY KNOWN AS THE UNIVERSITY HILL GENERAL IMPROVEMENT DISTRICT), THAT:

Section 1. Effective at 12:00 Midnight at the end of December 31, 2023 there is hereby levied for the year of 2023, to be collected in 2024 a tax of 1.684 mills upon each dollar of the total assessed valuation of all taxable property within the area of the City of Boulder University Hill Commercial District. The levy includes the following components:

| | |
|----------------------------|----------------|
| General Operating and Debt | 4.984 |
| Less: Mill Levy Credit | <u>(3.300)</u> |
| Net Mill Levy | 1.684 |

Section 2. The secretary of the district is directed to certify the within levy to the County Assessor, Boulder County, Colorado.

ADOPTED this 19th day of October 2023.

Chair

Attest:

Secretary

RESOLUTION 226

A RESOLUTION APPROPRIATING MONEY TO DEFRAY THE EXPENSES AND LIABILITIES OF THE CITY OF BOULDER UNIVERSITY HILL COMMERCIAL DISTRICT FUND (FORMERLY KNOWN AS THE UNIVERSITY HILL GENERAL IMPROVEMENT DISTRICT FUND), FOR THE 2024 FISCAL YEAR BEGINNING JANUARY 1, 2024; AND SETTING FORTH RELATED DETAILS

THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO, ACTING AS THE BOARD OF DIRECTORS OF THE CITY OF BOULDER UNIVERSITY HILL COMMERCIAL DISTRICT (FORMERLY KNOWN AS THE UNIVERSITY HILL GENERAL IMPROVEMENT DISTRICT), HEREBY FINDS AND RECITES THAT:

A. WHEREAS, the City Council, acting as the Board of Directors of the City of Boulder University Hill Commercial District Fund (formerly known as the University Hill General Improvement District Fund), has taken final action approving the revenues and expenditures of the budget for 2024; and

B. WHEREAS, the Board desires to make appropriations for the ensuing fiscal year.

BASED ON THE FINDINGS MADE IN THIS RESOLUTION, ABOVE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO, ACTING AS THE BOARD OF DIRECTORS OF THE CITY OF BOULDER UNIVERSITY HILL COMMERCIAL DISTRICT (FORMERLY KNOWN AS THE UNIVERSITY HILL GENERAL IMPROVEMENT DISTRICT), THAT:

Section 1. The following appropriations are hereby made for City of Boulder University Hill Commercial District's (formerly known as the University Hill General Improvement District)

fiscal year commencing January 1, 2024, and ending December 31, 2024, from the funds of the district for the payment of the District's Operating Expenses, and Debt Service payments:

| | |
|-------------------|------------------|
| Capital | \$15,000.00 |
| Internal Services | 33,085.00 |
| Operating | 183,924.00 |
| Personnel | 240,228.00 |
| Transfers | <u>54,500.00</u> |
| Total | \$526,737.00 |

Section 2. Appropriations for individual capital projects or encumbrances in the above mentioned fund for fiscal year 2024 shall not lapse at year end but continue until the project is completed or cancelled.

ADOPTED this 19th day of October 2023.

Chair

Attest:

Secretary