

RESOLUTION NO. 2015-

**A RESOLUTION APPROVING AN AMENDMENT TO THE CASTLE ROCK
DOWNTOWN DEVELOPMENT AUTHORITY PLAN OF DEVELOPMENT**

WHEREAS, by Resolution No. 2008-116, the Town Council approved the Castle Rock Downtown Development Authority Plan of Development ("Plan"), and

WHEREAS, it has been determined that it is necessary to amend the Plan to clarify the use of sales tax increment.

**NOW, THEREFORE BE IT RESOLVED BY THE TOWN COUNCIL OF THE
TOWN OF CASTLE ROCK, COLORADO AS FOLLOWS:**

Section 1. Amendment. The Tax Increment Financing section of the Plan (pages 44-45) is amended in its entirety to read as follows:

Tax Increment Financing

A primary method of financing for development projects shall be the use of property and sales tax increment financing (TIF) as provided in §31-25-807(3), C.R.S. TIF is not a tax increase, but a way to use *future growth* in tax revenues for Downtown improvements. Current property taxes continue to be allocated to the county, schools, library, cemetery, and the Town, and current sales taxes continue to be allocated to the Town. Future growth in tax revenues in each entity's property taxes and a portion of the Town's sales taxes levied Downtown are "increments" that must be reinvested in Downtown improvements for the next 30 years. After 30 years, the entity levying the tax will receive all revenue associated with the tax.

For the purposes hereof, the term "sales tax" or "municipal sales taxes" shall mean the sales tax imposed by the Town at a rate of 3.6% on the sales of goods and services that are subject to municipal sales taxes pursuant to the Castle Rock Municipal Code (as it may exist from time to time) but not including remote sales as specified in Section 39-26-104(2), C.R.S. . Any Town sales tax in excess of 3.6% shall not be subject to allocation to the special fund as described in (ii) below.

After the effective date of approval of the Plan of Development by the Town Council, all taxes levied upon taxable property within the boundaries of the Plan of Development area each year and municipal

sales taxes collected within such area, by or for the benefit of any public body shall be divided for a period of thirty years as follows:

- i. That portion of the taxes which are produced by the levy at the rate fixed each year by or for each such public body upon the valuation for assessment of taxable property within boundaries of the plan of development area last certified prior to the effective date of approval by the Town Council of the Plan of Development, or, as to an area later added to the boundaries of the plan of development area, the effective date of the modification of the Plan of Development, and that portion of municipal sales taxes collected within the boundaries of said development area in the twelve-month period ending on the last day of the month prior to the effective date of approval of said plan, shall both be paid into the funds of each such public body as are all other taxes collected for said public body. Council approval of the plan of development on November 20, 2008, creates the property tax base value based on the August 2008 certification of property values. The sales tax base value is the total sales tax collected within the DDA district over the twelve months beginning November 1, 2007 and ending October 31 2008.
- ii. That portion of said property taxes in excess of the amount described in paragraph (i) shall be allocated to and, when collected, paid into a special fund of the Town of Castle Rock for the payment of the principal of, the interest on, and any premiums due in connection with the bonds of, loans or advances to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, the Town of Castle Rock for financing or refinancing, in whole or in part, a development project within the boundaries of the Plan of Development area. That portion of said municipal sales taxes in excess of the amount described in paragraph (i) shall be allocated to and, when collected, paid into a special fund of the Town of Castle Rock for the payment of the principal of, the interest on, and any premiums due in connection with the bonds of, loans or advances to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, the Town of Castle Rock for financing or refinancing, in whole or in part, a development project within the boundaries of the Plan of Development area; provided that the maximum amount of municipal sales taxes which shall be allocated to and paid into the special fund in each year shall be equal to the following:

The sum of (1) the total amount required to pay the amount due in the such year the principal of, interest on, and any premiums due in connection with the bonds of, loans or advances to, or indebtedness incurred by the Town (the

“Debt”) to finance or refinance a development project in the Plan of Development Area plus (2) the replenishment of any reserves required by the documents authorizing the issuance of such Debt (the “Documents”) plus (3) any coverage of annual debt service required by the Documents minus (4) the amount of property tax increment allocated and paid into the special fund in such year.

Any excess municipal sales tax collection not allocated pursuant to the special fund shall be paid into the funds of the Town of Castle Rock. Unless, and until the total valuation for assessment of the taxable property within the boundaries of the Plan of Development area according to the adopted and approved boundary map, exceeds the base valuation for assessment of the taxable property within such boundaries, all such sales tax collections shall be paid into the funds of the Town of Castle Rock. When such bonds, loans, advances, and indebtedness, if any, including interest thereon and any premiums due in connection therewith, and including any refunding securities therefore, have been paid, all taxes upon the taxable property and the total municipal sales tax collection in such boundary area shall both be paid into the funds of the respective public bodies.

- iii. As used herein, "taxes: shall include, but not be limited to, all levies authorized to be made on an ad valorem basis upon real and personal property; but nothing herein shall be construed to require any public body to levy taxes.
- iv. Unless, and until the total property tax collections in the Plan of Development area exceed the base year property tax collections within the Plan of Development area as approved by Town Council, all such property tax collections shall be paid into the funds of the appropriate public body.
- v. The DDA and the Town or other public body may, by agreement, provide for the method, amounts, and other procedures by which increments, shall be allocated and paid to the DDA pursuant to the provision of the Plan of Development.
- vi. The adoption of this Plan of Development shall be deemed an adoption of a provision that taxes, if any, levied after the effective date of the approval of this Plan of Development upon property in the Plan of Development area, shall be divided among the DDA and the various taxing entities for a period of thirty years thereafter as set forth in herein [and subject to any agreements between the DDA

and Douglas County, the Douglas County RE-1 School District, or other public body.]

- vii. In the event of any conflict between the provisions hereof, and Section 31-25-807(3), C.R.S., Section 31-25-807(3), C.R.S. controls.

PASSED, APPROVED AND ADOPTED this 7th day of July, 2015 by the Town Council of the Town of Castle Rock, Colorado, on first and final reading by a vote of ____ for and ____ against.

ATTEST:

TOWN OF CASTLE ROCK

Sally A. Misare, Town Clerk

Paul Donahue, Mayor

Approved as to form:

Robert J. Slentz, Town Attorney