

DOWNTOWN DEVELOPMENT AUTHORITY (DDA) RENEWAL OF LINE OF CREDIT WITH FIRSTBANK

TOWN COUNCIL MEETING
DECEMBER 3, 2019



CREATION OF THE DDA AND USE OF THE TIF

- November 2008, Ordinance 2008-39: Voters approved and created the DDA through \$30,000,000 to \$45,000,000 for approved plans of development
- August 2014: DDA board held a work session with Town Council
 - Affirmed and recommended to revitalize and redevelop downtown Castle Rock
- January 6, 2015: Council noted the Downtown TIF Program as a strategic priority for long term planning
- February 17, 2015 and March 3, 2015: Council approved a budget amendment to establish the DDA TIF fund and transferred \$800,000 into the 2015 TIF fund from the general fund

RENEWAL OF THE LINE OF CREDIT WITH FIRSTBANK

- Up to a \$1,000,000 line of credit
- Variable interest rate, WSJ prime rate +1 percent
- Interest rate floor of 5.25 percent and ceiling of 7 percent
- No closing fees
- Amount drawn to be paid off within one year
- DDA TIF cash account held at FirstBank
- Amount drawn on the line is limited to the amount of cash available in the special fund, net of debt coverage required by the term loan, and any other LOC draws outstanding
- Pledge of property and sales tax TIF

PROPOSED MOTION

“I move to approve an Ordinance approving a one million dollar line of credit with FirstBank on behalf of the Castle Rock Downtown Development Authority and in conjunction therewith approving a revolving line of credit promissory note, sales and property tax pledge agreement, and account pledge agreement, on first reading.”



QUESTIONS?

THANK YOU