

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

TOWN COUNCIL MEETING  
OCTOBER 20, 2020



# 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 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***