

## RESOLUTION NO 130-01

### **A RESOLUTION ESTABLISHING THE CITY OF GRAND JUNCTION POLICY RELATIVE TO THE USE OF BOND AND LOAN PROCEEDS FROM THE TAX INCREMENT FINANCED DEBT ISSUED BY THE CITY OF GRAND JUNCTION**

#### **Recitals:**

During the recent budget presentation to the City Council by the DDA Board of Directors represented by their Chairperson and Vice Chair, several issues were raised and discussion took place as to the appropriate use of Tax Increment Financed (TIF) loan or bond proceeds. The City Council at the conclusion of that meeting on November 19, 2001 directed staff to develop a policy statement including some alternatives for the consideration of the City Council. They believed a policy statement was needed to clearly direct the DDA board and City staff on what the appropriate use of borrowed proceeds will be in the City of Grand Junction, Tax Increment District. The City has issued bonds four different times over the past twenty years to provide capital improvement resources to the district and deposited into the DDA/TIF Capital Fund. The monies in the capital fund have been used for various capital improvements and a portion has been transferred to the DDA operating fund for administrative costs of those funded capital projects. From time to time the amount transferred for administration has been based on a flat percentage of the bonds proceeds or submitted costs of specific project administration or some combination of the two. It has varied from 5%, 10% or actual documented costs over this period.

The original ballot question approved by the voters on August 3, 1982 authorized the creation of the TIF and issuance of debt...”for the purpose of providing public improvements designed to improve traffic and pedestrian circulation within the downtown area, including, but not limited to, property acquisition for off-street parking, off-street surface and structure parking development, right-of-way acquisition, alleyway improvements, channelization, paving, curb and gutter improvements, landscaping, and traffic signal and control facilities...”. Each of the four bond issues over the past twenty years identified specific projects to be built with the bond proceeds from that issue, in keeping with the purpose authorized by the voters.

#### **NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION, that:**

- a. All bond and loan proceeds from Tax Increment Financing from time to time shall be used for capital improvement projects as authorized by the bond documents or City Council, in accordance with City policies and practices (including the direct administrative costs of those projects).
  
- b. The above bond and loan proceeds can only be spent on those administrative costs directly attributable to each capital improvement project, in accordance with

City policies and practices attached as Exhibit A. {These project administrative costs are eligible for reimbursement from capital funds to the DDA Operating fund as periodically documented by the DDA staff and submitted to the City.}

**Adopted by the City Council this 5<sup>th</sup> day of December, 2001**

/s/: Cindy Enos-Martinez  
President of the Council

ATTEST:

/s/: Stephanie Tuin  
City Clerk

## CITY OF GRAND JUNCTION

### POLICIES AND PRACTICES ON ALLOWED CAPITAL PROJECTS ADMINISTRATIVE COSTS

(December 5, 2001)

#### **Expenditures Not Included:**

The cost of a capital project should not include the costs of operation or maintenance of a facility; including streets, parks, plants, buildings, pump stations, fountains, parking lots, pools, ball fields etc. It is also a City policy to not charge to any capital project any organizational overhead within a division, department or fund; such as staff time in budgeting, accounting, purchasing, legal advice, employee hiring and administration costs (HR), manager and supervisor time over direct project workers, etc.

#### **Expenditures That Are Included:**

All project direct costs of labor, equipment use and materials that become a part of the completed capital project are included in the costs of a project. All equipment and fixtures that become a permanent part of the facility, and furniture and equipment specifically budgeted as part of the capital project. All engineering, inspection and testing costs are included regardless of whether they are accomplished through contracts or in house employee labor. All contracts that are associated with the project are eligible including design, testing, project management, drafting, engineering, land acquisition, environmental testing, demolition, and new construction. On site utilities utilized by construction crews are an eligible project cost. Costs of a project manager directly assigned to the project (either contracted or in house employee) that supervises the work of others through employees and/or subcontractors. Costs associated with bidding and contract awarding such as: duplicating bid specifications, contracts, blue prints, drawings, postage etc., but not the staff time if handled through the City's central purchasing staff.

Transportation costs associated with bringing materials and equipment to the job site, whether or not done by contract, common carrier or in house equipment and labor.