

## POUDRE RIVER PUBLIC LIBRARY DISTRICT AGENDA ITEM SUMMARY

Name of Requestor: Finance Committee  
Appearance Date: October 14, 2013  
Time Required: 20 minutes  
Date Decision Needed: October 14, 2013

**Agenda Item:**  
**VI. UNFINISHED BUSINESS**  
  
C. Tax Increment Financing –  
Approval of Letter of Position

**Objective:** Review and discuss a letter drafted by the Finance Committee stating the Library District's recognition of the need for economic growth and the impact tax increment financing has on the operations of the District due to decrease property tax revenue.

**Situation:** Much of the major development or redevelopment occurring within the Library District has a component of financial assistance in the way of Tax Increment Financing (TIF). This financing mechanism provides that when a property is improved, the taxing authorities continue to receive the same level of property taxes as before (a base period) and the additional taxes generated are given to an Urban Renewal Authority and used to assist in the financing of new development.

Currently, the Library District losses approximately \$200, 000 of property taxes to TIF arrangements. For 2013, 25% of the value of new construction will not result in additional tax revenue to the Library District because of TIF. Even though the Library District is impacted by TIF arrangements, it is not part of the discussion or approval process of these projects.

The Library District desires to be included in future discussions concerning TIF projects and, to that end, wants to begin that involvement by sending a letter to the City of Fort Collins stating our position

**Advantages:** Issuance of a letter to the City would make the City aware of the Library District's concerns and enable us to open the dialogue of the impacts future TIF projects would have on the District and enable us to negotiate our inclusion in the projects.

**Disadvantages:** The District has a good working relationship with the City and does not want to jeopardize that by being seen as fighting future development. The letter has been drafted with this in mind and is meant to be factual and persuasive of the District's position.

**Requested Action:** Issuance of letter of position to the City of Fort Collins on Tax Increment Financing by Urban Renewal Authorities within the Library District.

**Potentially Affected Interest:** City administrative and economic development staff, property developers, library patrons.

**Level of Public Interest and Participation:** Moderate

The Poudre River Public Library District believes in the importance of insuring the economic vitality of our community. We understand that new development benefits us all. We believe that a stellar library system plays a strong role in attracting new business and new residents to Fort Collins. We spend considerable resources working with small businesses and being a resource for job seekers.

Since our creation after the 2006 election, the Library District has enjoyed a cordial and productive relationship with the City. During that time we grew from two libraries to three, completed a refresh of our Harmony/Front Range library, acquired the Webster House Administration Center, and underwent a major renovation and expansion of Old Town Library. We are very proud of the fact that we accomplished these changes without asking the taxpayers for more money. We are currently working on enhancing Library Park – which has been made possible by a generous donation from the City and by the hard work of our Library Trust in raising money from community donors.

We have been careful and prudent stewards of our public moneys. Our budgets for the last several years have actually been slightly smaller than in previous years. Our director and staff are continually looking for ways to improve efficiencies and provide flexibility in operations.

Like many organizations, we do have financial challenges.

- The Building on Basics money, used for library technology, will end after 2015. That \$740,000 has comprised approximately 9% of our budget each year.
- Impact fees from new construction earmarked for library expansion were discontinued in 2010. As you know, it was impact fee money that built Council Tree Library and helped to pay for renovation and expansion of Old Town Library. These fees provided a mechanism for growth to pay its own way.

Consequently we do have concerns about how Tax Increment Financing by the Urban Renewal Authority within new growth areas affects our budget and revenues. These fees have cost the District almost \$1.4 million since 2007 and will cost the District close to \$200,000 a year for the next 25 years – nearly \$5 million over a very long term indeed.

Although the Special Interest Districts are a small part of the overall county property tax revenues, the fact that this process occurs with little input or discussion with the affected entities is troublesome. We have already heard from some of our supporters that they resent the fact that they voted money specifically to benefit the Library District and it is being used in other ways.

We would like to respectfully suggest that future URA discussions include a meeting with us and with representatives of other special taxing districts for discussion and input. We know the City is always willing to talk about issues with us, and what we are proposing is a change in process to be more inclusive of those organizations whose budgets are being directly affected by these projects.

We look forward to participating with you in continuing to build a world-class community.