

**TOWN OF NEDERLAND
Boulder County, Colorado**

RESOLUTION 2016 – 20

**A RESOLUTION OF THE TOWN OF NEDERLAND'S BOARD OF TRUSTEES
AUTHORIZING A LOAN FROM FUND BALANCE IN THE TOWN'S WATER FUND
TO THE DOWNTOWN DEVELOPMENT AUTHORITY (DDA) FUND, AND
PROVIDING FOR REPAYMENT OF THE LOAN FROM THE DDA'S TAX
INCREMENT FINANCING RECEIPTS**

WHEREAS, the Board of the Nederland Downtown Development Authority (“DDA”) has determined that, in order to support future projects associated with its approved Plan of Development, the DDA should finance the construction phase of the NEDPEDS pathway and storm water project, which shall include the matching portion for the DRCOG/CDOT Transportation Improvement Program and Transportation Advancement Program grants, as well as funds allocated to cover the cost of a project Owner’s Representative.

WHEREAS, pursuant to C.R.S. § 31-25-808(1)(g), the DDA is authorized to receive contributions, loans and other rights and privileges from the municipality or county in which it is located; and

WHEREAS, the net cost of the loan payable from a special fund of the Town of Nederland (“Town”) for the payment of principal and interest on such advances or loans is expected to be approximately \$347,876; and

WHEREAS, the DDA Fund must receive an advance or loan of money to accomplish the project financing, and

WHEREAS, at an election held on April 2, 2012, the voters authorized the Town to borrow up to \$913,589 (with total repayment costs of no more than \$1,325,000), repayable only from tax increment revenues collected within the DDA and revenues derived by the Town pursuant to the DDA plan of development; and

WHEREAS, of that authorized amount, \$573,589 has been issued (with repayment costs of \$653,191), leaving remaining authorization of \$340,000; and

WHEREAS, a loan from the Town Water Fund could be accomplished at less administrative and financing cost to the DDA than a publicly financed debt; and

WHEREAS, the Town Water Fund balance can provide the necessary funding without hampering the operations or replacement schedules of the Water Fund; and

WHEREAS, the Town Board of Trustees has therefore determined that it is in the best interest of the Town to loan a portion of the fund balance in the Town’s Water Fund to the DDA Fund, the loans bearing interest at a discounted rate related to the WSJ’s published prime rate.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF NEDERLAND, COLORADO:

Section 1. The Board of Trustees of the Town of Nederland hereby authorizes a loan from the fund balance in the Town's Water Fund in the amount of \$340,000 to the DDA Fund, which loan shall bear interest at a fixed rate of 3%, discounted from the WSJ's current prime rate of 3.5%, for the purposes of financing the construction phase of the NEDPEDS pathway and storm water project, which shall include the matching portion for the DRCOG/CDOT Transportation Improvement Program and Transportation Advancement Program grants, as well as funds allocated to cover the cost of a project Owner's Representative.

Section 2. The Town Treasurer shall repay this loan in monthly installments over a two-year period, with accrued interest, from the DDA Tax Increment Financing receipts to the Water Fund by December 31, 2017.

RESOLVED, APPROVED and ADOPTED this 7th day of June, 2016.

TOWN OF NEDERLAND

By: 
Kristopher Larsen, Mayor

ATTEST:


LauraJane Baur, Town Clerk

