

**TOWN OF NEDERLAND
Boulder County, Colorado**

RESOLUTION 2015 – 06

**A RESOLUTION OF THE TOWN OF NEDERLAND'S BOARD OF TRUSTEES
AUTHORIZING A LOAN FROM FUND BALANCE IN THE TOWN'S SEWER 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 a Master Plan Update; and

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 \$13,050; and

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

WHEREAS, at an election held on April 2, 2012, the voters authorized the Town to borrow up to \$913,589, 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, \$560,589 has been issued, leaving remaining authorization of \$353,000; and

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

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

WHEREAS, the Town Board of Trustees has therefore determined that it is to the benefit of the Town and the DDA to loan a portion of the fund balance in the Town's Sewer Fund to the DDA Fund, the loans bearing interest at the WSJ's published prime rate with a minimum interest of \$50.00.

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 Sewer Fund in the amount of \$13,000 to the DDA Fund, which loan shall bear interest at the WSJ's current prime rate not to exceed 7% and not fall below 2.5%, with a minimum amount of \$50.00 for the purposes of financing the DDA's Master Plan update.

Section 2. The Town Treasurer shall repay this loan in one installment over a one month period, with accrued interest, from the DDA Tax Increment Financing receipts to the Sewer Fund by March 31, 2015.

RESOLVED, APPROVED and ADOPTED this 2nd day of February, 2015.

TOWN OF NEDERLAND

By: _____

Joe Gierlach, Mayor

ATTEST:

Laura Jane Baur, Town Clerk

