



Economic Development Tools

*Steve Glueck, Executive Director of Golden
Downtown Development Authority (DDA), and
Golden Urban Renewal Authority*

Transitioning from a URA to a DDA

- GURA - 1989 – 2014
- Golden DDA - Vote, November 2013,
Operational 2014

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Keeping A Great Thing Going

- GURA's downtown project will end soon and so will the revenue source that has funded so many great changes over the decades.
- Council charged the Downtown Development Task Force (DDTF) to evaluate and promote a Downtown Development Authority (DDA) to continue supporting downtown.

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Purposes of Downtown Development Task Force

- a) Evaluate the kinds of projects and programs currently underway downtown and make recommendations regarding whether and how they should be continued;
- b) Evaluate the sources and uses of funds that a DDA would make available, and make recommendations regarding them;
- c) Evaluate and make recommendations on the boundary and organizational structure of the DDA; and
- d) Communicate and promote the above to City Council, the citizens of Golden, and the potential electors of the DDA via public meetings, web-based discussions, and other means.

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Can't we just stick with GURA?

- **State law limits urban renewal revenue to 25 years.**
 - We are in year 24.
- **Urban renewal is based on preventing and remediating "blight."**
 - Not much blight left, so we can't "re-up" even if we had more time.

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What is a DDA?

- A DDA is a separate legal entity which can finance economic development and redevelopment projects by utilizing tax dollars generated **by** Downtown **for** Downtown.
- Creating a DDA requires a vote of the residents, merchants, property owners, and lessees within the DDA boundary area. This vote will occur on November 5, 2013.

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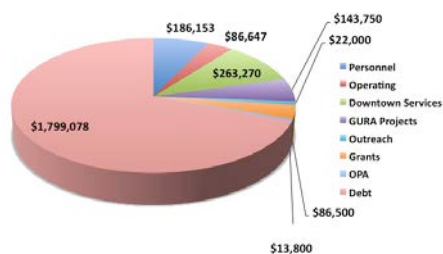
Why should we support a DDA?

1. In a small town like Golden, we are all in it together.
2. So that downtown has a dedicated organization funded well enough to make the same kinds of positive impacts in the future that GURA has made to date.
3. Without a DDA, it is very possible that downtown's resurgence could slow, fade, and eventually, reverse.
4. A DDA offers the only way to provide meaningful economic and redevelopment assistance.

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Current GURA Programming

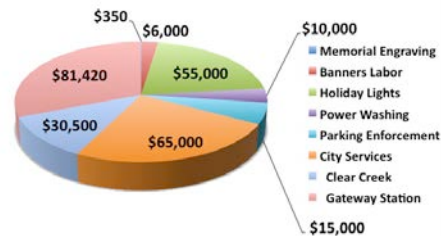
Expenses = \$2,601,198



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Current GURA Downtown Services

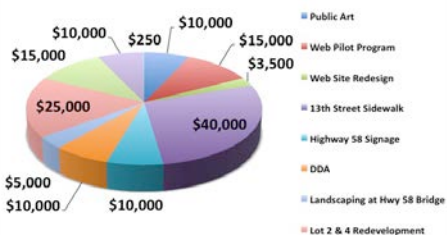
Downtown Services = \$206,350



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Current GURA Projects

GURA Projects = \$143,750



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Past GURA Projects

- Public Art
- Welcome and Speed Signs
- Baby Arch
- Garage lighting retrofit
- DDA
- Lot 2 & 4 Redevelopment
- Cinema
- Recycling/Side Street Signage
- East Downtown Urban Design Study
- Foss Mural
- USA Pro Challenge
- Coors Video
- Sidewalk Extension Pilot
- Street Fair
- Buy Local
- Hot Zone
- Loveland Gardens
- Jackson Court
- Gateway Station
- Light Pole Banners
- Central Neighborhood URA
- West Colfax URA

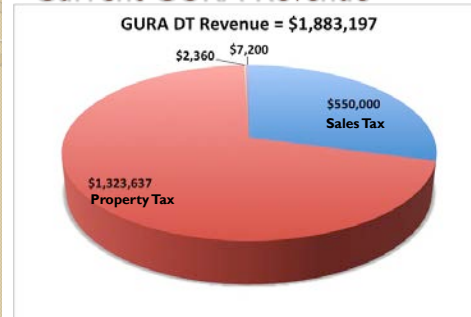
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Sources of Revenue

- GURA
 - \$600,000-\$800,000 surplus
- City of Golden
 - \$200,000 GURA Property Tax Increment
 - \$600,000 GURA Sales Tax Increment
- DDA Property/Sales Tax Increment
- Mill Levy up to 5%
- Bonds

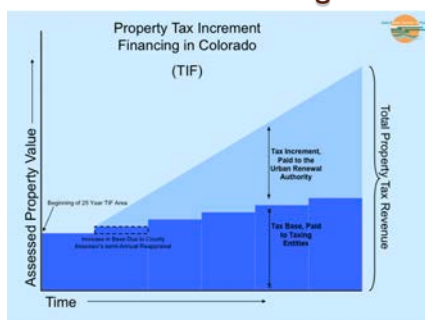
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Current GURA Revenue



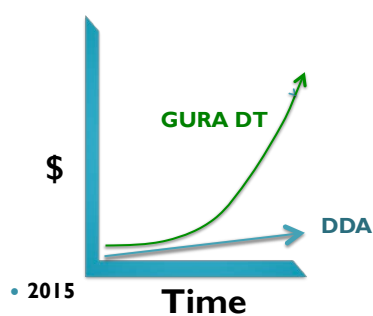
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Tax Increment Financing



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GURA v DDA Revenue Growth



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DDTF Recommendations

DDA Priorities

1. The Golden DDA would focus on projects which provide tangible benefits for residents, merchants and property owners:
2. Redevelopment
3. Public infrastructure and maintenance
4. Business attraction and retention through area-wide support

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Reasons For A DDA

- A DDA ensures Downtown continues to thrive and remain the heart of Golden for residents, businesses and visitors. Without a DDA, it is very possible that Downtown's resurgence could slow, fade, and eventually deteriorate.
- Due to a Charter amendment, the City of Golden is prohibited from providing meaningful development incentives. A DDA is the only way to apply property and sales tax increment financing to help maintain Downtown Golden's vitality.

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Benefits to Property Owners

- Redevelopment assistance;
- Façade rehabilitation and other building improvements;
- Historic preservation;
- Beautification such as sidewalk and streetscape improvements;
- Marketing and business attraction/retention efforts; and
- Vitality that attracts residents willing to build, purchase, or rent space.

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Benefits to Merchants

- Marketing support to attract customers from outside and inside city limits;
- Energy efficiency assistance to reduce utility expenses;
- Website and mobile phone marketing grants to;
- Support for really nice public spaces, dynamic businesses, and residential neighbors within walking distance that create and sustain an attractive business district; and
- Event support

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Benefits to Residents

Some residents might feel that a DDA mostly benefits commercial stakeholders and that therefore it is not reasonable to ask residents to agree to a tax increase.

We ask that you answer this question:
Why did you move to downtown Golden?

A DDA would help maintain and improve your answer, whatever it might be.

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The DDA Boundary



- Most of the commercial property in downtown Golden.
- Residential property on the periphery of downtown is out.
- Residential property within downtown is in.

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Preliminary Budget

Budget Comparison	GURA 2013	DDA 2015
REVENUE		
Sales Tax Increment	630,000	20,157
Property Tax Increment	1,335,639	-
5 Mill Levy	-	154,287
GURA Grant	-	100,000
City Sales Tax	-	100,000
City Loan	-	100,000
Other Revenues	10,287	5,249
Total Revenue	1,975,926	479,693
EXPENDITURES		
Infrastructure	245,842	143,140
Business Support	647,250	110,500
TIF Agreements	19,000	40,000
Administration	266,177	60,000
Total Expenditures	1,178,269	353,640
Net Revenue/(Loss)	797,657	126,053

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Expenditures Budget Rationale

- Task Force, GURA, and City Council reviewed GURA's projects over the years and ranked them.
- Only the projects ranked highest survived.
- The survivors were budgeted using GURA 2013 budget.
- Additional funds were budgeted to allow the DDA to build a redevelopment fund.
- Staff initially budgeted at \$60,000/yr = 1/4 of current level.

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Revenue Budget Rational

- Revenue to fulfill targeted expenditures, not just because money was laying around.
- GURA has committed to \$500,000-\$1,000,000 in the first 5-10 years of the DDA.
- City of Golden has committed to \$1-2 Million in the first 5-10 years, scaling back as the DDA ramps up.
- Proposed 5 Mill Levy would generate about \$150,000 per year
- **2:1 Public to Private ratio for first 5-10 years.**

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Why a tax increase?

- GURA's projects and budget evolved "pain free" and organically.
- GURA had to wait a decade for increment to build.
- GURA funding is ending in a year.
- DDA budget is only ¼ of GURA budget, with a 2:1 Public:Private match.
- We want to kickstart the DDA so it does not have to wait a decade.

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5 Mill Levy Impact

- | | |
|--|---|
| <ul style="list-style-type: none"> • Commercial <ul style="list-style-type: none"> ◦ Each \$100,000 increment of commercial property value would contribute an additional \$12.08 per month (\$145.00 per year). ◦ A \$500,000 commercial property would be assessed \$60.40 per month (\$725.00 per year). | <ul style="list-style-type: none"> • Residential <ul style="list-style-type: none"> ◦ Each \$100,000 increment of residential property value would contribute an additional \$3.33 per month (\$40.00 per year). ◦ A \$500,000 residential property would be assessed \$16.60 per month (\$199.00 per year). |
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Who Gets to Vote?

Within the DDA Boundary :

- Any full-time resident (owner or renter)
- Any property owner
- Any merchant
- Each legal entity will have just one vote, regardless of the number of properties owned by that entity or how much those properties might be worth.

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Ballot Questions

It is important to note that all ballot questions must pass in order for the DDA to be as effective as it can be.

Also, if the mill levy fails, then the public funding through the City and GURA will also likely not go forward. Thus, it is critical that the mill levy passes.

This is a true public private partnership.

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Ballot Questions

- This question would essential ratify City Council's ordinances establishing the Downtown Development Authority and the boundary.
- This question would authorize the collection of an additional 5 mill property tax assessment.

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Ballot Questions

- This question would authorize the City of Golden, on behalf of the DDA, to borrow as much as \$4.5 million against the DDA's projected tax increment and mill levy revenue over its lifetime. This would be a maximum amount, not a requirement, and it would not be a liability to the City of Golden. All borrowed funds would be spent on downtown projects according to the downtown Development Plan, which will be approved by City Council, the Planning Commission, and the DDA.

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Ballot Questions

- This question would "De-Bruce" the DDA, meaning that the DDA would not be subject to TABOR and could therefore retain revenue in excess of inflation and make multi-year obligations, both of which are essential to making long-term tax increment finance agreements.

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Likeliest Potential Outcomes

All questions fail

It is important to note that an outcome where all questions fail is not so different from an outcome where the DDA plan is approved but the financing questions are defeated. A DDA without the funding and the ability to leverage that funding over a long term is not of much use. In this eventuality, GURA would either expend its surplus to further the downtown urban renewal plan (without being capable of using those funds to provide development incentives beyond the charter restrictions)

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Likeliest Potential Outcomes

The DDA plan and boundary are approved, but the other four questions fail

The DDA would have no independent revenue and could not enter into the kinds of multi-year obligations that tax increment redevelopment financing requires, and the City and/ or GURA would be called upon to entirely fund the DDA. GURA's ability to support the DDA is finite and the City's capacity to fund the DDA would be determined by overall general fund considerations that may take priority over the DDA. This vote outcome would not achieve the community goals of creating an independently governed and funded downtown entity capable of programming similar to GURA.

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Likeliest Potential Outcomes

The DDA plan and boundary are approved, but the mill levy is rejected

In this eventuality, the DDA would not be much better positioned than in the scenario above since the mill levy will not support a full range of DDA activity. Perhaps more importantly, the City of Golden's contribution is linked to the mill levy passage, so a vote against the mill levy will also sacrifice the City of Golden's even more substantial support. This vote outcome would not achieve the community goals of creating an independently governed and funded downtown entity capable of programming similar to GURA.

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Likeliest Potential Outcomes

The DDA is established as well as the mill levy and "De-Bruce," but the debt question fails

- In this case, the DDA should be able to function, although it will be constrained in cases where the type of assistance needed is funding "up-front" rather than over time through annual tax increment payments. Since a DDA will be operating for 30-50 years, it should have all the tools available at its disposal so it can be flexible and responsive.

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Likeliest Potential Outcomes

The DDA plan and boundary are approved as well as the increment and mill levy, but the “de-brucing” question fails

The DDA would again be very limited due to its inability to pledge long-term increment revenue towards a redevelopment project. Again, adequate redevelopment financing requires both a revenue stream and the ability to make long term agreements based on that revenue stream. However, even without the to catalyze redevelopment projects, the DDA would be able to use the mill levy to help fund business attraction/ retention programs, and maintenance and beautification projects on an annual basis, which could alleviate the pressure on the City and/ or GURA to fund such projects. This vote outcome would partly achieve the community goals of creating an independently governed and funded downtown entity capable of continuing programming similar to GURA.

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Governance

- **A DDA would be controlled by volunteer citizens appointed by City Council. The DDA statute allows between 5 to 11 board members, although it is more likely that City Council will appoint seven to the DDA Board. All DDA board members must be electors of the DDA district, except one City Councilor may be appointed to the DDA board who is not an elector.**

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Other DDAs in Colorado

- **there are at least fourteen Colorado cities with DDAs:**
- **Longmont Greeley**
- **Nederland Longmont**
- **Colorado Spring Mt. Crested Butte**
- **Brighton Rifle**
- **Fort Collins Woodland Park**
- **Glenwood Springs Montrose**
- **Grand Junction Windsor**

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Schedule Vote on Nov. 5

- Feb 2013 – July 2013
 - Meet JeffCo and other taxing entities
 - Peer-to-Peer meetings
 - Public meetings
 - Draft ordinances
 - Public hearings
- August 2013 – November 2013
CAMPAIGN CAMPAIGN CAMPAIGN !!!!

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How Can I Help

- **Peer-to-peer communication will be the most effective strategy to ensure a successful election. Please become well informed and then talk to your neighbors.**

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More Information

- **Ask a Task Force member**
- **Visit www.downtowngolden.net**
- **Ask GURA Executive Director Mark Heller at mark@gura.com**
- **Ask Planning and Community Development Director Steve Glueck at sglueck@cityofgolden.net**

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