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WHAT IS A DOWNTOWN DEVELOPMENT AUTHORITY?

It's a legal entity — established by voters who live, own or lease property in the defined area — that sets forth and shepherds a downtown development plan. The DDA is a catalyst for revitalization, stimulating the market by providing financial tools for a variety of new development and redevelopment. This includes projects of all sizes — for commercial properties, residential properties, and non-profit organizations, both small and big, and businesses as well as individuals. The DDA approach has been widely successful in downtowns across the country.

WHY DOES DOWNTOWN COLORADO SPRINGS NEED A DDA?

Recent polls show that people are enjoying downtown but they'd like "more of it" — that we have a good downtown that could become truly great. The community indicates it wants more housing, more retail, more arts and more jobs downtown.

But the fact is that developing downtown is a trickier proposition than typical suburban development. The process is more restricted, takes significantly longer and costs four to five times more. The variables of land acquisition, access, financing, building codes and quality of materials are more complicated.

A DDA, funded by a portion of property taxes, can provide financial assistance to projects to rev up revitalization. Essentially, the DDA levels the financial playing field to enable developers, business owners and residents — small and large — to invest and reinvest in downtown.

WHY SHOULD I SUPPORT THE CREATION OF A DDA?

The DDA will offer a variety of programs for improving existing properties or developing new ones, from renovating older housing, to retrofitting an existing building for new uses, to sprucing up a storefront or building from the ground up.

Even if you don't need to tap DDA resources, as a member of the community you'll benefit from its successes. As downtown prospers, and more people choose to live, work and play here, property values rise, businesses enjoy greater patronage, and the community enjoys a more vibrant city center.

HOW WILL THE DDA BE FUNDED AND WHAT WILL IT COST ME?

The primary source of funding will be a mil levy, capped at 5-mils. For a \$185,000 home, that's approximately \$75 annually. For accurate estimates, you can look up your assessed property value on the County Assessor's record, and multiply the assessed value by .005. That will give you a better estimate of the DDA levy. First year projections suggest revenues of about \$600,000 for DDA programs and operations.

A second source of funding involves capturing a portion of existing property taxes as they naturally grow due to new construction and increases in value due to inflation. It's called Tax Increment Finance or TIF.

TIF is not a new tax or a tax increase! As downtown property values grow (following the establishment of a baseline), a portion of the tax revenue increases thus generated — based on a formula generated by the County Assessor — gets earmarked for the DDA. Those revenues go into a special fund, and as the fund grows, it can be leveraged to purchase bonds to pay for downtown projects. The bonds are repaid out of project income and from the TIF fund. Over the next 30 years, the TIF pool could yield up to \$90 million for downtown investment. That means downtown captures \$90 million in tax money that would otherwise not be re-invested into downtown projects.

HOW IS THE DDA ESTABLISHED AND WHO MANAGES IT?

The DDA is established by a majority vote of those who own, live or lease property in the defined district. This vote will occur by mail on November 7, 2006. Ballots will be mailed from the City Clerk's office in mid-October.

As a quasi-government entity, the DDA will be governed by a Board of Directors appointed by City Council. The Board will be comprised of residents and business and property owners who will serve as directors, taking responsibility for hiring staff, setting policy, developing programs and maintaining financial supervision.

WHAT WILL THE DDA DO?

The DDA will be both proactive and responsive. Its programs will derive from the goals of the Downtown Action Plan, expected to be amended in 2007 by the Imagine Downtown Plan. Key focus areas will be improving and adding retail, housing, the arts and jobs to downtown. Programs may involve grants, low or no-interest loans, and facilitation of partnerships and various cost write-downs.

For example, possibilities include:

- To assist in housing development, a particular project might receive financing for a percentage of construction costs OR a homeowner could receive a low or no-interest loan to rehab his/her property.
- To assist in retail recruitment, the DDA could provide funds to meet tenant finish costs; or to facilitate retail retention, assist the small business operator in sprucing up his/her storefront.
- To attract and support more cultural opportunities, the DDA might make grants to arts organizations to assist them in rental, purchase, construction or rehabilitation of existing properties downtown OR underwrite key musical, performance and other art projects.
- To entice new employers into downtown, the DDA might provide gap financing for a parking facility or other needs.

These are hypothetical examples. The DDA Board and staff will refine actual program development and the framework for expenditures.

AS A TENANT OR OWNER OF PROPERTY IN DOWNTOWN, YOU MAY BE ELIGIBLE TO VOTE IN THE NOVEMBER ELECTION TO ESTABLISH A DOWNTOWN DEVELOPMENT AUTHORITY. FOR MORE INFORMATION, VISIT WWW.DOWNTOWNCS.ORG



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