



September 13, 2022

Carl Schueler
Comprehensive Planning Manager
City of Colorado Springs
30 S. Nevada Ave, Suite 502
Colorado Springs, CO 80903

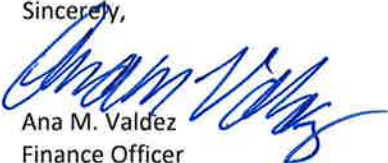
Dear Mr. Schueler,

Please find attached the Preliminary 2023 Budget for the Colorado Springs Downtown Development Authority (CSDDA) as approved by the Board of Directors at their September 13, 2022, Public Hearing.

On November 8, 2016, City Council passed a resolution adopting the Experience Downtown Masterplan and Plan of Development as the Plan of Development for the Authority. The Plan of Development is the Operating Plan for the DDA; however, a Scope of Work is adopted annually by the Board in order to identify specific goals and programs for the budget year; that Scope is attached. The DDA Board will continue to create assistance programs to support the goals of the Experience Downtown Plan.

As is the established practice, upon receipt from the County of the final certification of assessed property valuation in November, the CSDDA Board will approve and submit a final budget to the City. Please call with any questions you may have.

Sincerely,



Ana M. Valdez
Finance Officer

Enclosures:

2023 Scope of Work
2023 General Fund Worksheet
DDA Boundary Map

2023 SCOPE OF WORK FOR THE COLORADO SPRINGS DOWNTOWN DEVELOPMENT AUTHORITY

PURPOSE AND SCOPE OF THIS DISTRICT

In November 2006 voters approved the creation of the Colorado Springs Downtown Development Authority (DDA). Following the vote, Ordinance 07-15 establishing the DDA and its organizational aspects was adopted on January 23, 2007. On February 7, 2007, City Council approved Resolution No. 56-07 adopting the Imagine Downtown Plan as the Plan of Development for the DDA. On November 8, 2016, City Council approved Resolution No. 116-16 adopting the Experience Downtown Master Plan and Plan of Development as the revised Plan of Development for the DDA.

Purpose: DDAs facilitate partnerships, joining businesses, property owners, government and others to provide focus and financing to support downtown improvements. DDA works to support and incentivize the goals of the Experience Downtown Plan, to include:

- Ensuring Downtown serves as the economic and cultural heart of the region.
- Creating a diverse and inclusive place to live with the amenities supporting residents.
- Celebrating and connecting with outdoor recreation and an exceptional natural setting.
- Providing a place for healthy and active lifestyles.
- Ensuring a walkable and bike-friendly center connected through safe and accessible multimodal networks.
- Serving as a leader in innovative urban design and sustainability.
- Offering an unforgettable visitor experience.
- Providing a place for inspiration, honoring history and facing the future.

Mission: To build public and private investment partnerships that promote the physical and economic growth of Downtown Colorado Springs.

Contracts and agreements: DDA contracts with Downtown Partnership of Colorado Springs for day-to-day administrative, financial and management services. Contact: Susan Edmondson, President & CEO, Downtown Partnership, 111 S. Tejon St., Ste. 703, Colorado Springs, CO 80903; 719-886-0088.

Governance: The DDA is governed by an appointed board of 11, to include one representative from City Council and the remainder representing property owners and at least one leasee in the district. Director and other pertinent contact information is provided in Exhibit A.

Term limits: Directors may serve a maximum of two, full, consecutive four-year terms.

BOUNDARIES, INCLUSIONS AND EXCLUSIONS

The District currently includes approximately 1.1 square miles with boundaries as depicted in Exhibit B; district boundaries were expanded in 2015 by a vote of City Council. An additional boundary expansion was approved by City Council in August 2021.

FINANCIAL PLAN AND BUDGET

Budget: The 2023 Draft Budget for the DDA is attached as Exhibit C.

Changes: No significant changes are anticipated in the budget.

Funding: The DDA is funded through a 5 mill levy on property taxes within the district to support operations. Additionally the DDA receives tax increment financing (TIF) funds generated by the increase in property taxes in the district.

Debt: DDA does not currently have debt obligations.

Condemnation: DDAs do not have power of eminent domain.

Audit: DDA submits an audit to the City Finance Department by March 1 annually. Current auditors are Erickson, Brown & Kloster, 4565 Hilton Parkway, Colorado Springs, CO 80907.

Ownership of property and major assets: DDA holds a note with Cottonwood Center for the Arts, a cultural center enhancing Downtown by providing 80 artist studios, gallery spaces with monthly receptions, art classes and meeting space to enhance the economic vitality of downtown; that note is anticipated to be paid off by Dec. 31, 2022. DDA owns property at 315 E. Costilla St.; that property is anticipated to be sold prior to Dec. 31, 2022, for purpose of developing affordable housing.

Capital investment reserves: The DDA maintains an operating reserve representing six months of ordinary operating expenses.

MAJOR ACTIVITIES

Grant programs

DDA provides competitive grants through an application process open to businesses and nonprofits. Grants are primarily categorized as **Building Enhancement Grants** are designed to improve the viability of businesses and stimulate economic vitality within the DDA. Grants provide funding to owners or tenants of new businesses moving into the DDA; existing businesses expanding within the DDA; or businesses making significant enhancements within the DDA. Examples of recent grants include façade improvements for Trainwrec, the dual-branded Marriott, Ola Juice Bar and Dos Dos. **Retail Incentive Grants** attract and support new consumer offerings to provide a more robust Downtown experience for consumers. Current example includes Mary's Mountain Cookies.

Self-directed programs

DDA funds initiatives that enhance the economic and physical development of Downtown by improving public spaces and drawing more people Downtown. These initiatives are usually led and managed directly by DDA's contract with Downtown Partnership and include the Alleyway Improvement Plan, Downtown Gateways Initiative, Holiday Pop Up Shop Program and others. A major part of the Alleyway Improvement Plan is the current AdAmAn Alley project. DDA also funds maintenance of the DowntownCSDevelopment.com website as well as providing ongoing economic development support such as assisting small business through the entitlement process, helping property owners to identify tenant prospects, providing data and market research to help business prospects make sound decisions,

and working with City staff on urban planning initiatives that ensure a more connected and walkable urban core. Through DDA's contract with Downtown Partnership, contracted staff also support initiatives related to leveraging Downtown's status as a Federal Opportunity Zone. Of particular note, the State of Downtown Report produced annually each spring provides essential data and context used by brokers, investors and others in making sound business decisions.

Brand awareness

DDA supports brand awareness of Downtown through funding for advertising campaigns, print promotions, radio broadcast, social media and more. While the Greater Downtown Business Improvement District incurs some costs for some of the labor and management for marketing and brand awareness, DDA supports direct marketing costs for the aforementioned activities and others.

TIF

DDA enters into tax increment finance agreements on projects that meet the goals of the Experience Downtown Masterplan and Plan of Development in a catalytic manner. DDA has approved 15 TIF Reimbursement Agreements to date, of which seven are completed and thus receiving TIF reimbursement. Another four applications are in various stages of submittal and review.

Contractual support

DDA contracts with Downtown Partnership for administrative and financial services and program operations. In addition to administering the grant programs and self-directed programs described above, Partnership services to the DDA include but are not limited to:

- Stewarding the Experience Downtown Masterplan and Plan of Development; see note below.
- Maintaining databases of property attributes and vacancies.
- Providing demographic and psychographic consumer/patron data to property owners and brokers.
- Building relationships with brokers and property owners to fill vacancies and encourage best use of properties.
- Serving as a process advocate for new, expanding or relocating businesses in the district, assisting with permitting, planning, zoning and regulatory issues.
- Creation of collateral to market downtown to retail, restaurant and office tenants.
- Maintenance of the Downtown Development Toolkit website.

**EXHIBIT A
DDA BOARD OF DIRECTORS**

Ingrid Richter, Chair

Olive Real Estate Group
Appointed to second term June 2019
Ingridrichter@oliverereg.com

Antonio Rosendo, Vice Chair

Executive Director, John E. & Margaret L. Lane
Foundation
Appointed to second term June 2020
arosendo@lanefoundation.org

Carrie Bartow, Secretary/Treasurer

CliftonLarsonAllen
Appointed second term June 2022
Carrie.Bartow@claconnect.com

Aaron Briggs

Principal, HB&A Architecture and Planning
Appointed to second term June 2019
aaron.briggs@hbaa.com

Jordan Empey

Stockman Kast Ryan & Co.
Appointed to first term June 2018
jempey@skrco.com

Jeff Finn

Norwood Development Group
Appointed to second term June 2022
jfinn@nor-wood.com

Patrick Stephens

O'Neil Group Company
Appointed to first term June 2022
patrick.stephens@ogcsc.com

Chris Lieber

N.E.S.
Appointed partial term January 2020
clieber@nescolorado.com

Darsey Nicklasson

DHN Planning & Development, LLC
Appointed to second term June 2021
dnicklasson@msn.com

David Lux

Owner, Concept Restaurants
Appointed to second term June 2020
dlux@conceptrestaurants.net

Nancy Henjum

City Council
Appointed to first term 2021
Nancy.henjurn@coloradosprings.gov

EXHIBIT B - MAP

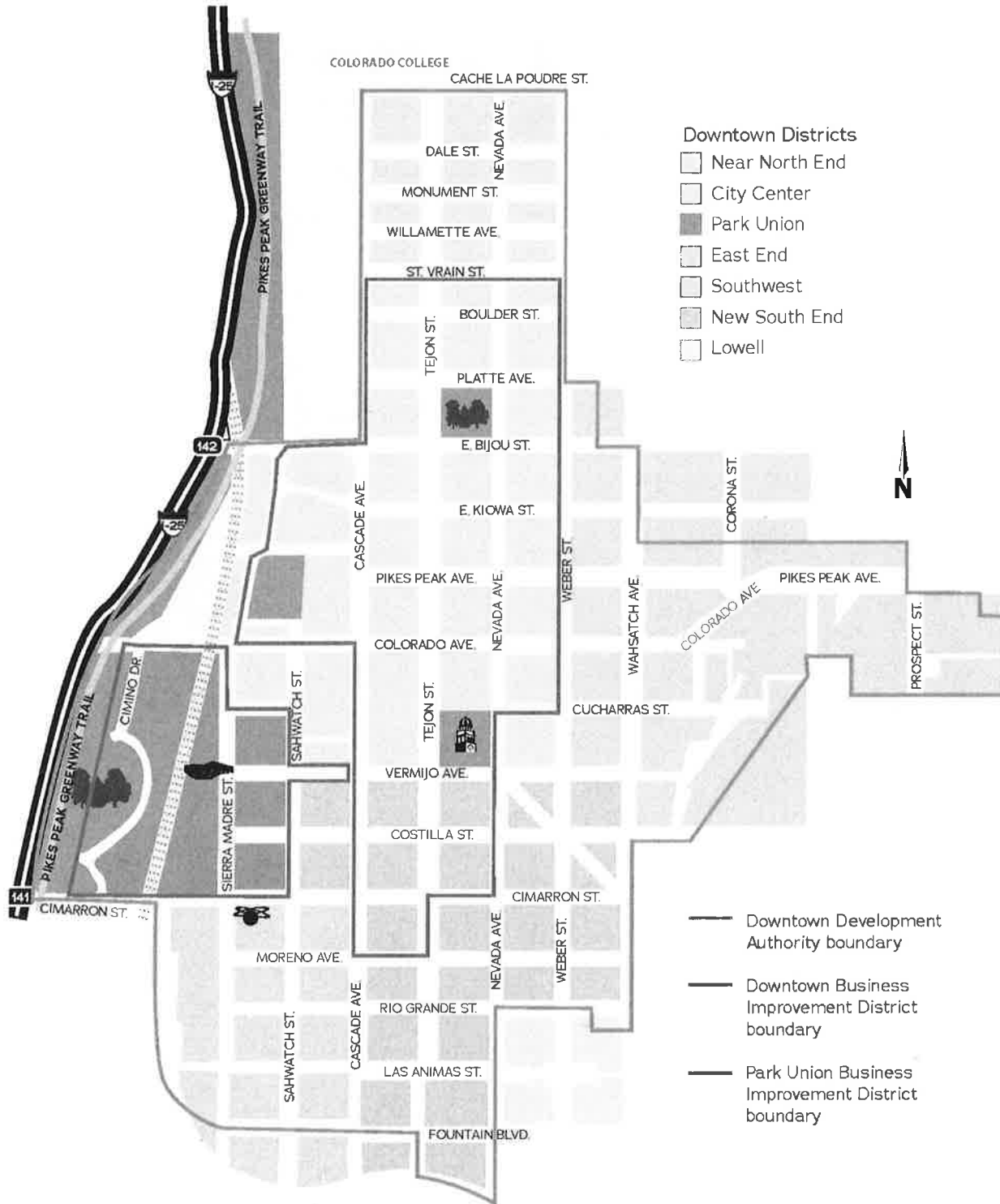


EXHIBIT C

EXHIBIT C
COLORADO SPRINGS DOWNTOWN DEVELOPMENT AUTHORITY
SUMMARY
2023 PROPOSED BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

9/13/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 1,247,766	\$ 1,329,799	\$ 1,329,799	\$ 1,329,799	\$ 2,505,863
REVENUE					
Income from Mill Levy - Other	811,867	916,324	742,287	922,218	945,109
Specific Ownership Tax	105,476	91,632	42,831	62,520	94,511
Interest Income - Mill collections	3,364	100	93	750	100
Interest Income	983	1,123	5,939	14,000	10,500
Cottonwood Pymts/Interest	28,800	28,800	16,068	16,068	-
Advertising	7,350	7,000	3,350	3,350	7,000
Misc. Income	61,500	9,000	38,323	406,175	9,000
Mill Contributed Services	-	-	-	-	-
Rent Income	37,939	8,000	21,450	21,450	-
Line of Credit Repayment	-	-	-	-	-
Income from TIF - Other	1,048,735	1,659,607	1,103,048	1,381,800	1,625,443
Loan Proceeds Revenue	-	-	-	1,000,000	-
Interest Income - TIF Collection	-	100	137	400	100
Total revenue	2,106,012	2,721,686	1,973,526	3,828,731	2,691,763
Total funds available	3,353,778	4,051,485	3,303,325	5,158,530	5,197,626
EXPENDITURES					
Administrative	52,715	68,966	38,442	68,379	76,067
Board Support	3,297	4,150	3,683	4,113	4,450
Professional Services	24,180	38,000	18,425	37,928	40,500
Other Administrative	1,835	3,150	594	2,194	3,150
Program	849,720	1,418,279	524,515	1,471,950	1,335,710
Artspace	33,503	18,350	12,372	21,571	1,000
Gateway	9,994	11,000	3,798	5,650	11,000
TIF	565,478	1,956,900	402,998	1,039,882	3,061,483
Total expenditures	1,540,722	3,518,795	1,004,827	2,651,667	4,533,360
Total expenditures and transfers out requiring appropriation	1,540,722	3,518,795	1,004,827	2,651,667	4,533,360
ENDING FUND BALANCES	\$ 1,813,057	\$ 532,690	\$ 2,298,499	\$ 2,506,863	\$ 664,266
EMERGENCY RESERVE	\$ 51,200	\$ 30,452	\$ 23,700	\$ 29,666	\$ 31,402
OPERATIONS RESERVE	-	-	-	381,401	381,401
SPECIAL REVENUE RESERVE	-	200,000	-	200,000	200,000
AVAILABLE FOR OPERATIONS	1,766,532	800,098	2,272,788	1,894,796	51,463
TOTAL RESERVES	\$ 1,817,732	\$ 1,030,550	\$ 2,296,488	\$ 2,505,863	\$ 664,266