



August 27, 2015

Carl Schueler, AICP
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 2016 Budget for the Colorado Springs Downtown Development Authority (CSDDA) as approved by the Board of Directors at their August 27, 2015 Public Hearing.

On March 27, 2007, City Council passed a resolution adopting the Imagine Downtown Final 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 Imagine 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,

Susan Edmondson
Executive Director

Enclosures:

2016 Scope of Work
2016 General Fund Worksheet
DDA Boundary Map

2016 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. The Imagine Downtown Plan was the culmination of two years of collaborative work involving more than 400 downtown and community stakeholders.

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

- Construction/conversion of at least 2,000 housing units of a variety of types and price points.
- Recruitment, retention and growth of retail, with a diverse mix and emphasis on independent retailers and careful consideration of select chain stores.
- Increase the downtown workforce, with an emphasis on primary employment.
- Encourage one-of-a-kind cultural and sporting venues and activities.
- Achieve a high-density, pedestrian-oriented, mixed-use downtown of high design standards, attention to historic preservation and emphasis on environmental stewardship.

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. 404, 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 square mile with boundaries as depicted in Exhibit B; district boundaries were expanded in 2015 by a vote of City Council.

FINANCIAL PLAN AND BUDGET

Budget: The 2016 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 anticipated 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 Osborne, Parsons, Rosacker, 720 N. Tejon St., Colorado Springs, CO 80903; 719-636-2321.

Ownership of property and major assets: DDA holds first mortgage on 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.

Capital investment reserves: The DDA maintains a reserve for immediate and direct utilization in the event a project of sufficient benefit and economic impact is identified.

MAJOR ACTIVITIES

Grant programs

DDA provides competitive grants through an application process open to businesses and nonprofits. Grants are 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 to 320-324 N. Tejon St. (Poor Richard's complex); 402-404 S. Nevada Ave. (Ironbird Pizza); and 555 E. Pikes Peak Ave. (Catalyst Campus).*

- **Signature Event Grants** are designed to attract large numbers of people downtown for unique experiences that build a positive brand for downtown, as well as events that foster an entrepreneurial culture downtown. *Examples of recent grants include Rocky Mountain State Games Downtown Celebration, Pikes Peak Arts Fest and Waldo Waldo 5K; as well as Go Code Colorado and StartUp Summer.*
- **Special Project Grants** are funds provided for initiatives that address the goals of Imagine Downtown but do not readily fall into other grant categories. These projects most likely could include feasibility studies or other studies and reports; public safety initiatives; or other efforts to enhance the economic vitality of downtown. *An example of a recent grant includes the Colorado Springs Bike Share Feasibility Study.*

Partner programs

DDA funds initiatives that enhance the economic and physical development of downtown by improving public spaces and drawing more people downtown. These initiatives often are managed and supported internally through the DDA (such as funding provided for private security in the downtown core) or through the nonprofit arm Downtown Ventures. Examples of such initiatives with Downtown Ventures include the Downtown Sunday Market (activating Acacia Park with a farmer/artisan market in summer and fall); Skate in the Park, in partnership with the Colorado Springs Department of Parks, Recreation and Cultural Services; and production of a tourism-oriented magazine promoting downtown.

Contractual support

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

- Stewarding the Imagine Downtown Plan of Development; this will include, in 2016, completion of a major tactical update to the Imagine Downtown Plan.
- 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.

**EXHIBIT A
DDA BOARD OF DIRECTORS**

David Lord, Chair

Retired, Colorado College
Appointed to second term June 2012
dlord@griffisgroup.com

Steve Engel, Vice Chair

President, Investment Services, Griffis
Blessing
Appointed to second term June 2014
steve@gb85.com

Roger Sauerhagen, Secretary/Treasurer

CSNA Architects
Appointed to second term June 2013
rds@csnaarchitects.com

Aaron Briggs

Principal, HB&A Architecture and Planning
Appointed to first term July 2015
aaron.briggs@hbaa.com

Jessica Modeer

Co-owner, Zeezo's
Appointed to first term July 2015
Jessica@zeezos.com

Chris Jenkins

President, Nor'wood Development
Appointed to second term June 2014
chrisjenkins@nor-wood.com

Ingrid Richter

Economic development director, The O'Neil
Group
Appointed to first term June 2015
Ingrid.richter@theoneilgroupco.com

Dot Lischick

General Manager, The Broadmoor World
Arena/Pikes Peak Center
Appointed to first term June 2013
dlischick@broadmoorworldarena.com

Chuck Murphy

Owner, Murphy Constructors
Appointed to first full term June 2015
chuck@murphyconstructors.com

David Lux

Owner, Concept Restaurants
Appointed to first term June 2014
dlux@conceptrestaurants.net

Jill Gaebler

City Council
Appointed to first term 2013
jgaebler@springsgov.com

EXHIBIT B - MAP

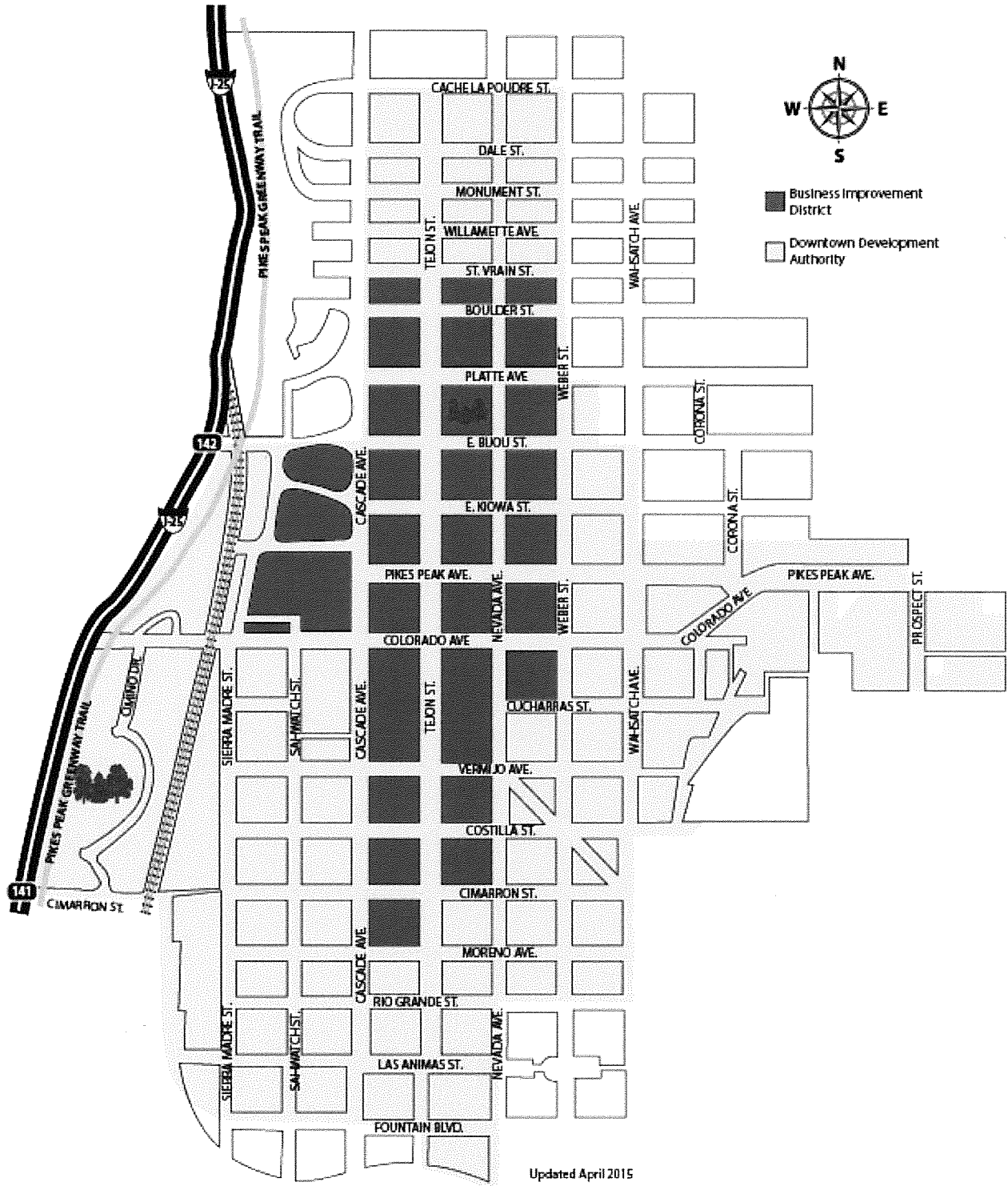


EXHIBIT C - 2016 DDA BUDGET
General Fund

	2012 Actual	2013 Actual	2014 Actual	2015 Projected	2016 Budgeted
Beginning Fund balance - January 1	1,332,672.24	1,530,852.21	1,966,634.35	2,066,189.42	2,068,027.97
REVENUES					
Property taxes (less abatements)	732,522.55	748,002.00	741,744.85	743,598.86	745,632.15
Net TIF	(117.00)	164,644.00	217,118.97	459,047.64	419,233.26
Interest Income	4,318.29	3,887.00	12,639.26	15,280.00	15,280.00
Return of Prior Year Grant Funds	30,000.00	25,000.00	-	-	-
Specific ownership taxes	71,308.16	76,450.00	82,264.77	72,212.96	75,000.00
Other	83,685.00	52,582.00	3,757.00	-	-
Total Revenues	921,717.00	1,070,565.00	1,057,524.85	1,290,139.46	1,255,145.41
Total Funds Available	2,254,389.24	2,601,417.21	3,024,159.20	3,356,328.88	3,323,173.38
EXPENDITURES					
Programs	679,113.01	572,687.14	611,422.37	1,215,394.68	3,153,156.40
Operations and Overhead	37,203.42	55,141.22	56,342.97	57,536.23	50,616.98
Professional	7,220.60	6,954.50	28,502.44	15,370.00	26,000.00
Other	-	-	261,702.00	-	-
Total Expenditures	723,537.03	634,782.86	957,969.78	1,288,300.91	3,229,773.38
Fund Balance	1,530,852.21	1,966,634.35	2,066,189.42	2,068,027.97	93,400.00
					(1,974,627.97)

[1]Estate Bequest paid to Colorado Springs Community Ventures Inc.

Reference Item Only:

2015 Budgeted Revenue	1,298,373.03
2015 Budgeted Expenditures	3,110,429.12
2015 Budgeted TABOR Reserve	93,312.87