



September 1, 2016

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 2017 Budget for the Colorado Springs Downtown Development Authority (CSDDA) as approved by the Board of Directors at their September 1, 2016 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:

2017 Scope of Work
2017 General Fund Worksheet
DDA Boundary Map

2017 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 2017 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 Catalyst Campus (historic preservation, 2015) and Poor Richard's complex (façade improvement, 2015).*

- **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 Downtown Olympic Celebration, PBS Kids Fun Fest and Waldo Waldo 5K, all in 2016.*
- **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 Pikes Peak Makerspace (equipment purchase) and Springs Rescue Mission (low-barrier shelter and day center).*

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 a Pop Up Shop program) or through the nonprofit arm Downtown Ventures. Examples of such initiatives include the Downtown Sunday Market and a feasibility study on affordable artist housing.

Brand awareness

DDA support 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 costs of 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 Imagine Downtown Plan of Development in a catalytic manner. In 2017, DDA will make its first ever TIF payment on a project, to Blue Dot Place apartments. That payment is the first from an agreement made in 2014, as the project is now successfully completed and will be generated new property taxes.

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; 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.

Experience Downtown Plan of Development and Master Plan

It is anticipated that in late 2016, a major update to the Imagine Downtown Plan of Development and Imagine Downtown Master Plan will be completed, with the plans renamed Experience Downtown. The Experience Downtown Plan of Development will guide the work of the DDA, as well as its grant priorities, in 2017 and beyond. DDA board is in the midst of setting priorities for 2017. Tasks, conducted in partnership with various public and private entities, will likely include public realm improvements, gateway signage, marketing campaigns targeted to business prospects, and pre-launch of a bike share program.

EXHIBIT A
DDA BOARD OF DIRECTORS

Steve Engel, Chair

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

Ingrid Richter, Vice Chair

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

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

Antonio Rosendo

Executive Director, John E. & Margaret L.
Lane Foundation
Appointed to first term July 2016
arosendo@lanefoundation.org

EXHIBIT C - 2017 DDA BUDGET

General Fund

	2013 Actual	2014 Actual	2015 Actual	2016 Projected	2017 Budgeted
Beginning Fund balance - January 1	1,530,852.21	1,966,634.35	2,066,189.42	2,329,103.85	2,778,118.69
REVENUES					
Property taxes (less abatements)	748,002.00	741,744.85	738,300.13	739,562.09	737,947.80
Net TIF	164,644.00	217,118.97	455,518.88	396,611.38	274,765.96
Interest Income	3,887.00	12,639.26	16,696.82	15,850.05	15,815.00
Return of Prior Year Grant Funds	25,000.00	-	10,154.32	1,873.32	-
Specific ownership taxes	76,450.00	82,264.77	90,354.60	72,000.00	72,000.00
Other	52,582.00	3,757.00	-	149.16	5,000.00
Total Revenues	1,070,565.00	1,057,524.85	1,311,024.75	1,226,046.00	1,105,528.76
Total Funds Available	2,601,417.21	3,024,159.20	3,377,214.17	3,555,149.85	3,883,647.45
EXPENDITURES					
Programs	572,687.14	611,422.37	979,148.31	691,186.00	3,687,686.13
Operations and Overhead	55,141.22	56,342.97	57,307.63	49,620.16	60,329.32
Professional	6,954.50	28,502.44	11,654.38	36,225.00	38,739.00
Other	-	261,702.00 [1]	-	-	-
Total Expenditures	634,782.86	957,969.78	1,048,110.32	777,031.16	3,786,754.45
Fund Balance	1,966,634.35	2,066,189.42	2,329,103.85	2,778,118.69	96,893.00

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

Reference Item Only:

2016 Budgeted Revenue	1,255,145
2016 Budgeted Expenditures	3,229,773
2016 Budgeted TABOR Reserve	96,893

EXHIBIT B - MAP

