

General Improvement Districts (GIDs)
Business Improvement Districts (BIDs) &
Tourism Improvement District (TID) Plan and Budget Approvals

Michael Kerrigan | Department of Finance

Agenda

Requested Council Action

Overview of the Types of Districts

District Structures

Annual Review Process

GID Budgets

BID Budgets

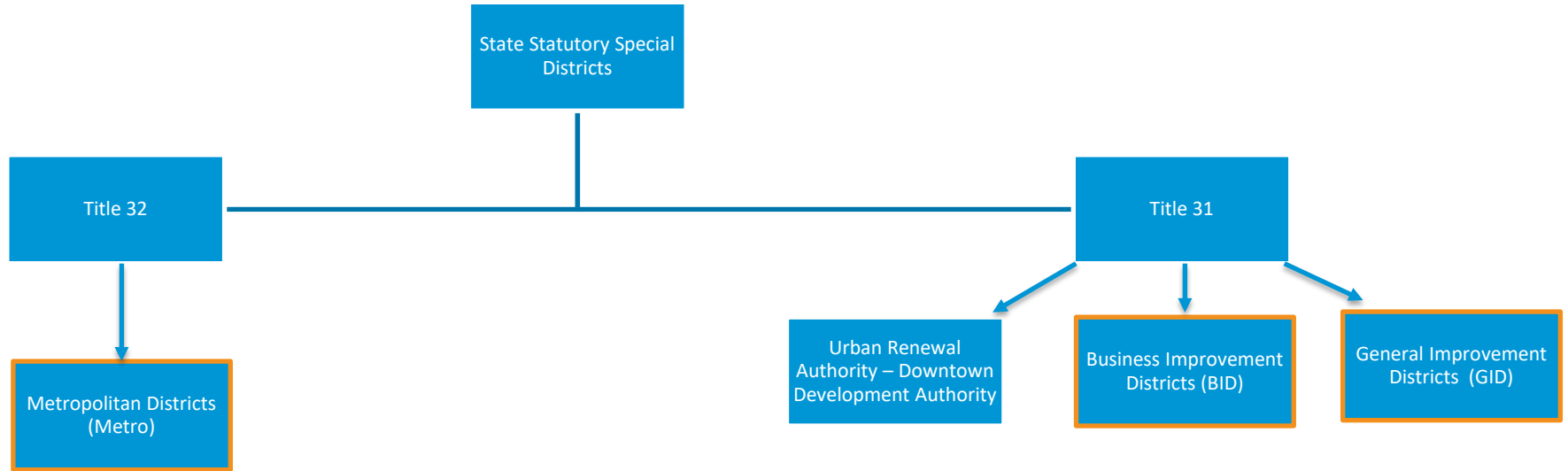
TID Budget

Questions?

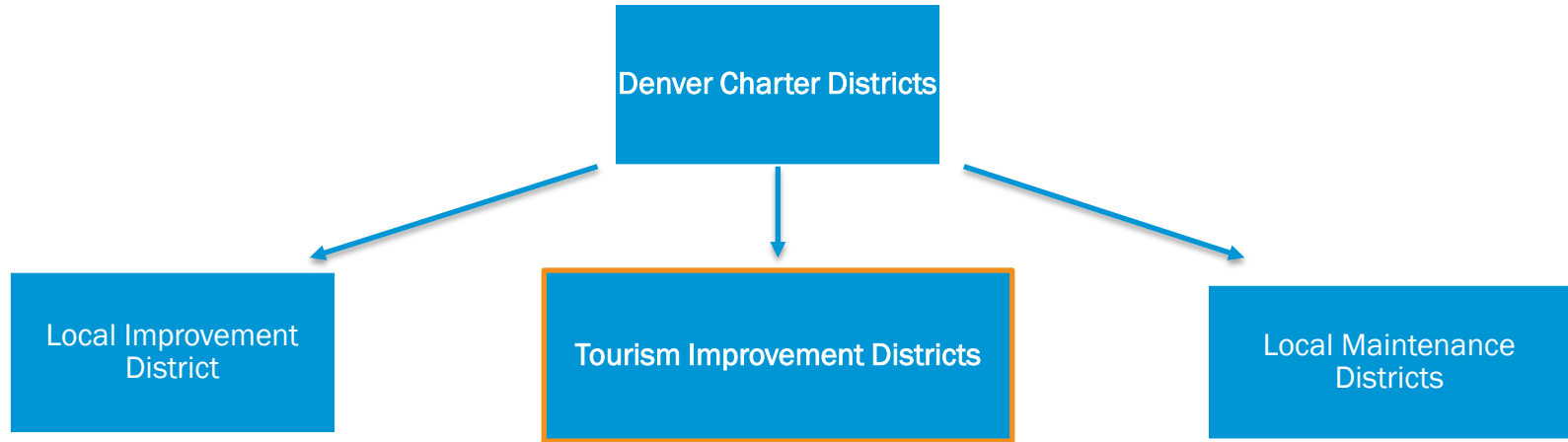
Requested Council Action

- Approve 17 Annual Work Plans and Budgets for each of the 12 BIDs, 4 GIDs, and 1 TID
- Bill Requests 23-1576 – 1592
- December 5th is the statutory and ordinance deadline for City Council to approve or disapprove the budgets and plans.

Types of Districts



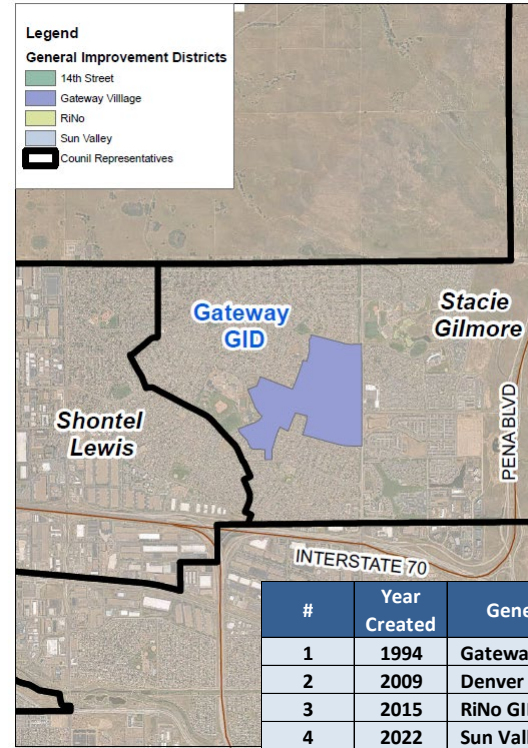
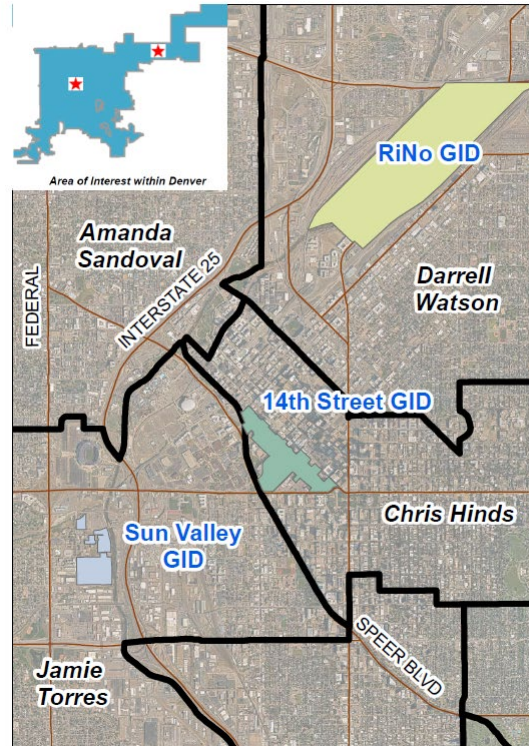
Types of Districts Continued



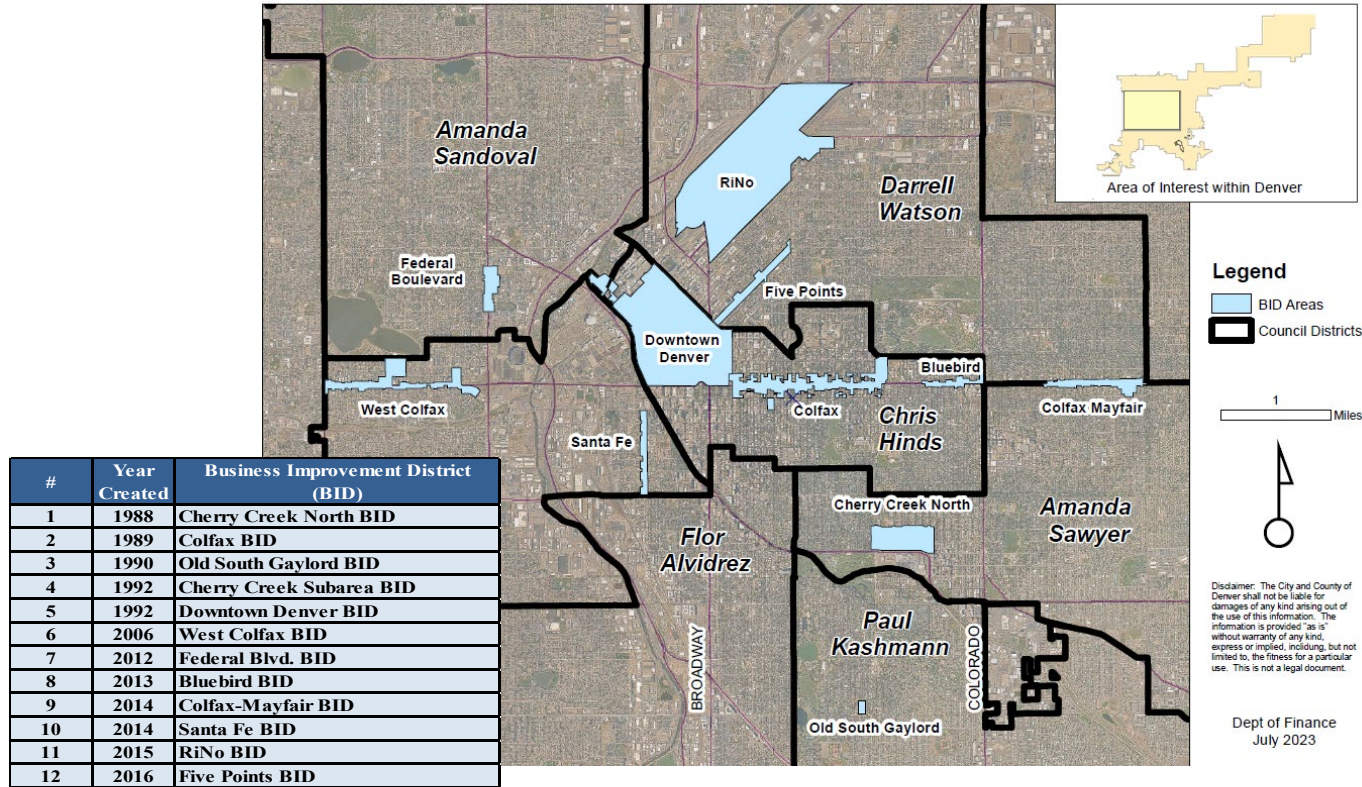
District Structures

	Statutory Districts			City Charter District
	Metro Districts	GID	BID	TID
Primary Purpose	Public Infrastructure & Maintenance	Public Infrastructure & Maintenance	Economic Development & Marketing	Tourism Improvements & Services
District Eligible Properties	Commercial & Residential	Commercial & Residential	Commercial Only	50+ Room Lodging Establishments
Governance	Board of Directors	City Council as Board of Directors	Board of Directors	Board of Directors
Revenue Generation	Raised through increased property owner burden (taxes, rates, fees, tolls, charges)			
How Created	Service Plan Approval	Creation Ordinance Approval	Creation Ordinance Approval	Creation Ordinance Approval
	Created by local vote of the eligible electorate			
Debt Authority	Financing available if approved by voters			
Annual Budget Approval	Board of Directors	City Council as Board of Directors	Board of Directors & City Council	Board of Directors & City Council

GENERAL IMPROVEMENT DISTRICTS WITHIN DENVER



BUSINESS IMPROVEMENT DISTRICTS WITHIN DENVER



Annual Review Process

City Requests Financial and Informational Items:

- Budget and Work/Operating Plans
- Estimated year-end financial results
- Status of existing and new debt
- Results of audits conducted during the year (third-party CPA financial audits)
- Informational items of the Board of Directors and board actions during the year

Department of Finance (DOF) Review:

- Analyze budgets, audits, and planned debt

City Council:

- Vote on budgets and plans as required by state statute for the BIDs and creation ordinances for GIDs and TID

2023 GID Highlights

- **Audits:** 14th St., Gateway Village, and RiNo Denver GIDs received positive unqualified audit opinions.
 - Sun Valley Denver GID not required to perform an audit yet.
- **Debt:** All GID debt payments are current
 - 14th St. GID expected debt balance of \$2.8M at Y.E. '23
 - RiNo Denver GID expected debt balance of \$1.6M at Y.E. '23
- **2023 Expected vs. Budget:**
 - Gateway Village GID expected revenues greater than budget due to increased investment earnings. Expected expenses are significantly lower than budget due to the District's slower-than-anticipated delivery of 3rd phase of the landscaping improvement project.
 - 14th St. GID expected revenues and expenses insignificantly different from the budget.
 - RiNo Denver GID will require a '23 budget amendment as the District has budgeted \$27,000 more than the originally approved budget, amounting to 1.6%. Budget line items needing increases include administration and advocacy.
 - Sun Valley GID has not set up its PILOT arrangements yet, resulting in lower-than-anticipated revenue.

2024 GID Budgets

#	GID Name	2024 Projected Mills/Charges (Change from 2023)	2024 Budgeted Revenue (Change from 2023)	2024 Budgeted Expense (Change from 2023)	Forecasted '23 Debt Balance
1	Gateway Village GID General Fund	10.000 (-50.0%)	\$487,856 (-33.5%)	\$1,780,000 (+1.7%)	\$0
2	14th St. GID Capital Charge Maintenance Charge Total	\$307,140 (-0.4%) \$249,502 (+8.0%) \$556,642 (+3.2%)	\$588,727 (+3.3%)	\$674,855 (+2.6%)	\$2,795,000
3	RiNo GID General Fund Assessment Charge	4.000 (+0.0%) \$16.65 (+0.0%)	\$1,890,683 (+15.7%)	\$2,211,444 (+33.4%)	\$1,602,867
4	Sun Valley GID	6.000 (N/A no mills in '23)	\$53,500 (+3.9%)	\$51,500 (+0.0%)	\$0

2024 GID Highlights

- **Gateway Village GID**
 - District's revenue reduction was a result of reducing its mill levy by half in '24.
 - District plans on completing its phase 3 landscape project along Chambers Rd. in 2024.
- **14th St. GID-**
 - District's revenue growth in 2024 is primarily driven by a 4.5% premium and standard zone charge increase and an increase to property owners who receive premium services.
 - Expense growth in 2024 due to higher maintenance expenses for holiday lights and higher admin expenses from audit and management increases.
- **RiNo Denver GID-**
 - Significant growth in District revenues in 2024 from assessed value increases.
 - Expenses are anticipated to increase in 2024 as the District spends its greater resources on capital improvement investments and administrative expenses.
- **Sun Valley Denver GID-**
 - In 2024, the District anticipates setting up its PILOT arrangements to generate revenue as the site is developed. The district expects to expend its funds on irrigation/landscape maintenance, accounting, insurance, and legal over the course of the year.

2023 BID Highlights

- **Audits:** Cherry Creek North, Colfax, Downtown Denver, and RiNo received positive unqualified audit opinions; others were not required to perform an audit.
- **Debt:** Cherry Creek North BID is the only BID with debt, current on payments, and the district's expected principal balance of \$9.72M at YE '23.
 - Colfax Ave. BID authorized \$2.5M in '17 has yet to be issued.
- **2023 Expected Expenses vs. Budget:**
 - Districts requiring budget amendments include:
 - Cherry Creek North, RiNo, Downtown Denver, and Five Points.

2024 BID Budgets

#	BID Name	2024 Projected Mills/Charges (Change From 2023)	2024 Budgeted Revenue (Change From 2023)	2024 Budgeted Expense (Change From 2023)	Forecasted Year End '23 G.O. Debt
1	Bluebird BID	10.000 (+0.0%)	\$177,958 (+5.2%)	\$192,239 (-22.2%)	-
2	Cherry Creek North BID				
	Lodging Fee	\$500,000 (+138.1%)			
	General Fund	14.042 (+0.0%)	\$9,108,532 (+24.2%)	\$9,069,330 (+19.1%)	\$9,720,000
	Debt Service Mill	3.600 (+0.0%)			
	Total	17.642 (+0.0%)			
3	Cherry Creek Subarea BID	0.142 (+1.7%)	\$15,050 (+0.0%)	\$88,500 (+0.0%)	-
4	Colfax Ave BID	10.096 (-0.4%)	\$1,143,556 (+19.9%)	\$1,398,390 (+7.5%)	-
5	Downtown Denver BID	Formula Based on building size, land size, and geographic location. (increased ~4.5% due to TABOR allowed increases)	\$13,187,030 (+39.7%)	\$13,363,992 (+38.6%)	-

2024 BID Budgets Continued

#	BID Name	2024 Projected Mills/Charges (Change From 2023)	2024 Budgeted Revenue (Change From 2023)	2024 Budgeted Expense (Change From 2023)	Forecasted Year End '23 G.O. Debt
6	Colfax-Mayfair BID				
	Assessment Per Lot	\$0.079 (+5.0%)			
	Assessment Per Sq. Ft.-Above Grade	\$0.079 (+5.0%)	\$125,186 (+0.8%)	\$145,967 (+17.9%)	-
	Assessment Per Sq. Ft.-Below Grade	\$0.039 (+5.0%)			
7	Federal Blvd BID	7.000 (-30.0%)	\$83,362 (-38.3%)	\$163,947 (+21.3%)	-
8	Old S. Gaylord BID	5.571 (+18.5%)	\$69,850 (+5.0%)	\$69,850 (+5.0%)	-
9	Santa Fe BID				
	Street Frontage Assessment	\$10.110 (+7.9%)	\$181,505 (+8.1%)	\$188,008 (+12.6%)	-
	Building Size Assessment	\$0.110 (+10.0%)			
10	West Colfax BID	\$0.152 (+0.0%)	\$215,439 (-52.9%)	\$229,115 (-50.9%)	-
11	Five Points BID	10.000 (+0.0%)	\$346,688 (+12.3%)	\$375,039 (-1.1%)	-
12	RiNo BID	4.000 (+0.0%)	\$2,834,203 (+16.7%)	\$3,143,025 (+0.5%)	-

Select BID 2024 Activity

- **Bluebird-** Maintenance and streetscape improvements, pilot a program that provides wrap-around services for area employees; BRT planning, outreach, and marketing.
- **Cherry Creek North-** Continue maintenance and marketing activities; capital improvements; CCN hotel awareness campaign; and pursue a robust event and promotion calendar.
- **Cherry Creek Subarea-** Maintenance of District landscaping. Additionally, may undertake a sidewalk replacement project.
- **Downtown Denver-** Snow removal, landscape and streetscape maintenance, cleaning, and marketing of the District; holiday event programs; business retention, recruitment, and startup support programs.
- **Colfax Mayfair-** Advocate for the District's businesses, support District businesses through economic development maintenance of the District; Colfax Mayfair Market event in the spring, which is an outdoor event with food and drink to highlight the District businesses.

Select BID 2024 Activity

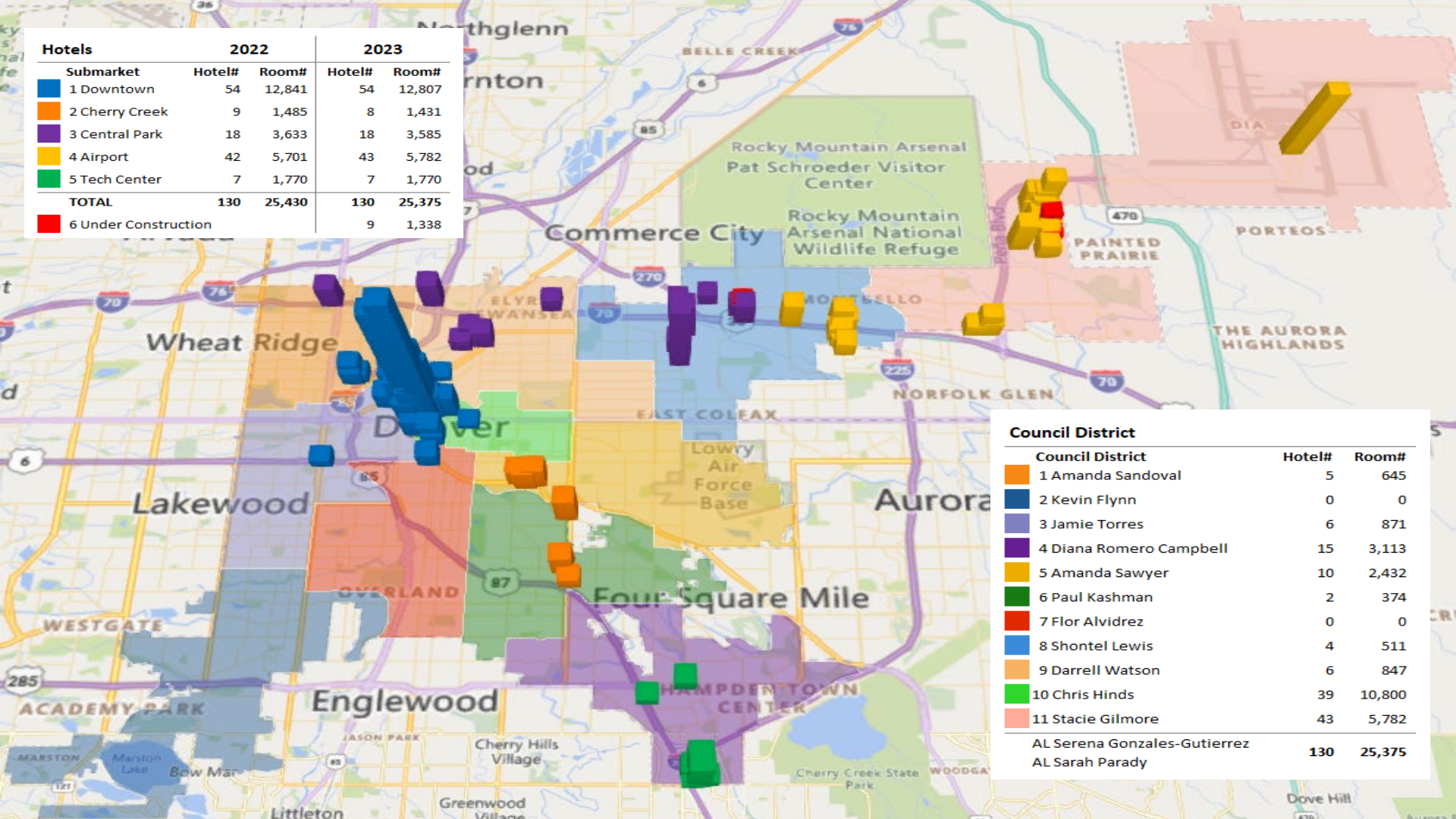
- **Colfax-** Continue street maintenance services, work with groups to bring more mental health resources to Colfax, District advocate, continue slate of events, and help fill vacant spaces.
- **Federal Blvd.-** Concentrate on projects that add visual appeal to the businesses and district activation, such as outdoor seating.
- **Five Points-** Maintenance, safety, and marketing for the District. Sponsorships for Five Points Jazz Festival, Juneteenth Music Festival, and First Friday Jazz Hop.
- **Old S. Gaylord-** Continue maintenance of District assets; new trash receptacles and upgrades to planter beds and landscaping.
- **RiNo-** Advocacy, marketing, and maintenance; continue tree canopy project, Denver Walls mural festival, and funding social impact grants.
- **Santa Fe-** Maintain District amenities and continue supporting street closures for First Friday Art Walks in August.
- **West Colfax-** Maintenance of District assets and business support; advocate for more iconic Colfax signage, supporting District events, including West Colfax Lucha Libre.

Tourism Improvement District (TID) 2024 Annual Plan



TID Creation and Purpose

- First TID in Colorado (created in 2017)
- Imposes a 1% tax on the purchase of lodging at all hotels with 50 or more rooms in the City and County of Denver to be used for, in order of priority:
 - Colorado Convention Center (CCC) expansion - \$3.45M annually for support of the City's \$129M Certificate of Participation (COP)
 - CCC future capital improvements - 10% of district revenues to be allocated for future improvements.
 - Marketing and promotions - VISIT DENVER to use remaining revenues for convention and leisure visitor marketing.



Hotels			2022		2023	
Submarket	Hotel#	Room#	Hotel#	Room#		
1 Downtown	54	12,841	54	12,807		
2 Cherry Creek	9	1,485	8	1,431		
3 Central Park	18	3,633	18	3,585		
4 Airport	42	5,701	43	5,782		
5 Tech Center	7	1,770	7	1,770		
TOTAL	130	25,430	130	25,375		
6 Under Construction			9	1,338		

Council District				
Council District	Hotel#	Room#		
1 Amanda Sandoval	5	645		
2 Kevin Flynn	0	0		
3 Jamie Torres	6	871		
4 Diana Romero Campbell	15	3,113		
5 Amanda Sawyer	10	2,432		
6 Paul Kashman	2	374		
7 Flor Alvidrez	0	0		
8 Shontel Lewis	4	511		
9 Darrell Watson	6	847		
10 Chris Hinds	39	10,800		
11 Stacie Gilmore	43	5,782		
AL Serena Gonzales-Gutierrez	130	25,375		
AL Sarah Parady				

TID Governance

- Intergovernmental Agreement between TID and City approved December 2017
- Board of Directors:
 - Tracy Blair, Director of Sales and Marketing, Sheraton Hotel Denver
 - Chris Cheney, VP Hotel and Performance, Stonebridge Companies
 - Amanda Parsons, General Manager, The Thompson Denver
 - Walter Isenberg, President & CEO, Sage Hospitality
 - Greg Leonard, General Manager, Hyatt Regency at the Colorado Convention Center
 - Laura Lojas, General Manager, The Westin Denver International Airport Hotel
 - Allen Paty, General Manager, Pyramid Global Hospitality
 - Richard Scharf, President & CEO, VISIT DENVER (ex officio)

2023 TID Budget Performance

GID Name	2023 Projected Year End Revenue (change from budget)	2023 Projected Year End Expense (change from budget)
Denver Tourism Improvement District	\$11,000,000 (+7.8%)	\$11,000,000 (+7.8%)

- CCC COP obligations to the City are being met.
- CCC capital improvements are expected to be funded with approximately \$1.1M of TID revenues.
- In 2023 the TID continued its various campaigns including regional leisure marketing, client concessions and incentives, holiday advertising, and online travel agency co-operative.
 - The District's "All Ways Welcome" regional advertising campaign has generated an estimated 81,000 room night rentals and more than \$14M in hotel sales.

2024 Budget & Change Summary

Name	2024 Projected Tax (Change from 2023)	2024 Budgeted Revenue (Change from 2023)	2024 Budgeted Expense (Change from 2023)
Denver Tourism Improvement District	1% (0.0%)	\$11,400,000 (+11.8%)	\$11,400,000 (+11.8%)

- Lodger’s tax collection projected to increase 11.8% compared to original 2023 budget; 3.6% increase compared to amended 2023 budget.
- After CCC COP and 10% CCC capital improvement obligations are met, projecting there will be approximately \$6.7M for marketing or promotional efforts in 2024.

2024 TID Activities

- Continued holiday season marketing campaign highlighting the Mile High Tree targeting tv, digital banners, electronic newsletters, radio, billboards, and other mediums.
- Anticipate continuing to offer convention center discounts and financial incentives to book large citywide business.
- Regional marketing campaign based on music concerts, cultural events/exhibitions, and festivals.
- Support an online travel cooperative and target advertising for specific Denver events.
- Accrue District revenues for future capital improvements. Not expected to expend any capital improvement funds during 2024.

Upcoming Legislative Schedule

Upcoming Legislative Schedule*:

- Nov. 1st - Committee Presentation
- Nov. 7th - Mayor-Council
- Nov. 13th - 1st Reading for BID and TID Ordinances
- Nov. 20th - 2nd Reading for BID and TID Ordinances
- City Council acting as GID Board holds 4 Public Hearings for GID Work Plans and Budgets.

* December 5th is statutory and ordinance deadline for Council to approve or disapprove the budgets and plans.

Questions?