

The Expansion of Denver's Downtown Development Authority (DDDA)



Requested City Council Actions

- 1. 24-1377** | An amendment to the current DDDA loan agreement between the city and PNC Bank/U.S. Bank
 - With a related amendment to the existing DUS Project Mill Levy Pledge Agreement
- 2. 24-1376** | Creation of a new Capital fund

Note: Neither item is connected to the district election.



Current DDDA Loan Agreement

State DDA statute requires a debt instrument to be able to collect Tax Increment Finance (TIF) revenues

Current Loan Terms

- Borrower: City and County of Denver on behalf of the DDDA
- Lender(s): PNC Bank & U.S. Bank
- Principal Balance (2017): \$197,315,000
- Interest Rate: 3.39%
- Original Term: 12/1/2017 - 12/1/2028

Proposed Amendment: Removing Mandatory Prepayments

- If TIF revenue overperforms (which it has), the current loan requires the city to pay down the principal
 - Example: 2017/\$3M --> 2022/\$19.7M
 - As a result, payoff date of 12/1/2028 is now 12/1/2024
 - Projected principal & interest balance (12/1/2024): ~\$37M
 - Projected DDDA & DUS metro district revenues (12/1/2024): ~\$42M

Current DDDA Loan Agreement Continued

Denver Union Station (DUS) Mill Levy Pledge

When the current loan agreement was entered into in 2017, the DUS Metropolitan District Nos. 2-3 also agreed to impose a dedicated mill levy on all respective taxable property to be applied to the payment of the DDDA Loan until the DDDA Loan is terminated and/or paid in full (DUS Pledge Agreement).

If the amendment to the loan agreement is approved, the DUS mill levy pledge becomes unnecessary.

Proposed Amendment

- Remove the DUS Districts' dedicated mill levy and allow DUS District funds to be redirected to other permitted uses, such as operations and maintenance costs
- Removes 15 mill levy (DUS Districts 2 & 3) effective 12/2/2024
- Supports amended payoff date

Creation of New Capital Fund

To date, all DDDA TIF revenue is held in an account with PNC Bank/U.S. Bank for the purpose of paying debt service related to the DDDA loan. With the amended loan agreement, starting December 1, 2024, revenues collected in an amount greater than the required debt service payments would be disbursed to the city.

New City Fund

- Creates Capital Fund No. 38383 to receive and expend funds collected on behalf of the DDDA
- Expending authority: Department of Finance
- Fund attributes: Cash based, non-lapsing, and will retain interest earnings

Overall DDDA Legislative Timeline

- **April 30 - May 9:** First round of City Council Briefings – Topics: DDA Overview & Timeline
- **July 25 - August 15:** Second round of City Council Briefings – Topics: Draft Plan of Development & Ballot Question
- **August 26:** Ballot Question Referral – Second Reading/Final Approval
- **September 9 – October 7:** Third Round of City Council Briefings
- **October 15 – FinGov:** Loan Amendment, DUS Project Mill Levy Pledge Amendment, New Fund
- **November 4 – Second Reading:** Loan Amendment, DUS Project Mill Levy Pledge Amendment, New Fund
- **November 5 – Election:** DDDA District Election (existing DDDA area only)
- **November 19 – FinGov:** Amended Plan of Development (POD), Public right-of-way (ROW) inclusion
- **December 9 – Second Reading and Public Hearing:** Amended POD, Public ROW Inclusion
- **January 2025 – Legislative Process Begins For:** Cooperation Agreement, Additional Public & Private Property Inclusion

Questions

Appendix



DDDA Engagement Summary

Group or Activity	Date	Responses/Attendees
Online Survey	May – June	1,700
Online Comments	May – to date	50
Lower Downtown Neighborhood Association (LoDoNA) Meeting	May 20	30
Upper Downtown Neighborhood Association (UpDoNA) Meeting	June 13	60
Delgany Bridge Task Force	June 14	6
LoDo District Meeting	June 19	15
Bike to Work Day	June 26	25
Downtown Denver Partnership (DDP) committees	June 27, July 11	38
Colorado Women’s Chamber of Commerce	July 12	18
DDP Member Assembly	July 18	80
District 10 Affordable Denver community conversation	July 18	20
LoDoNA DDDA Special Meeting	July 22	60
District 10 Vibrant Denver community conversation	August 1	70
LaDoNA HOA Presidents	August 7	15
Colorado Black Chamber of Commerce	August 15	7
Planning Board	August 21	8
TOTAL To Date		2,244
Downtown Area Plan (<i>ongoing through 2025</i>)	September 25 Launch	

Proposed Amended Boundaries

Denver Downtown Development Authority



-  Current DDA
-  Proposed Denver Downtown Development Authority Expansion

