

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



Approval Requested:

Bill 24-1016: Approves an ordinance submitting to a vote of the qualified electors at a special municipal election to be held on Tuesday, November 5, 2024, the question of whether debt of the City and County of Denver Colorado, for use by and on behalf of the Denver Downtown Development Authority (“DDDA”), shall be approved for purposes of financing the costs of public facilities, infrastructure, and other improvements to public or private property in accordance with projects described in the DDDA Plan of Development.

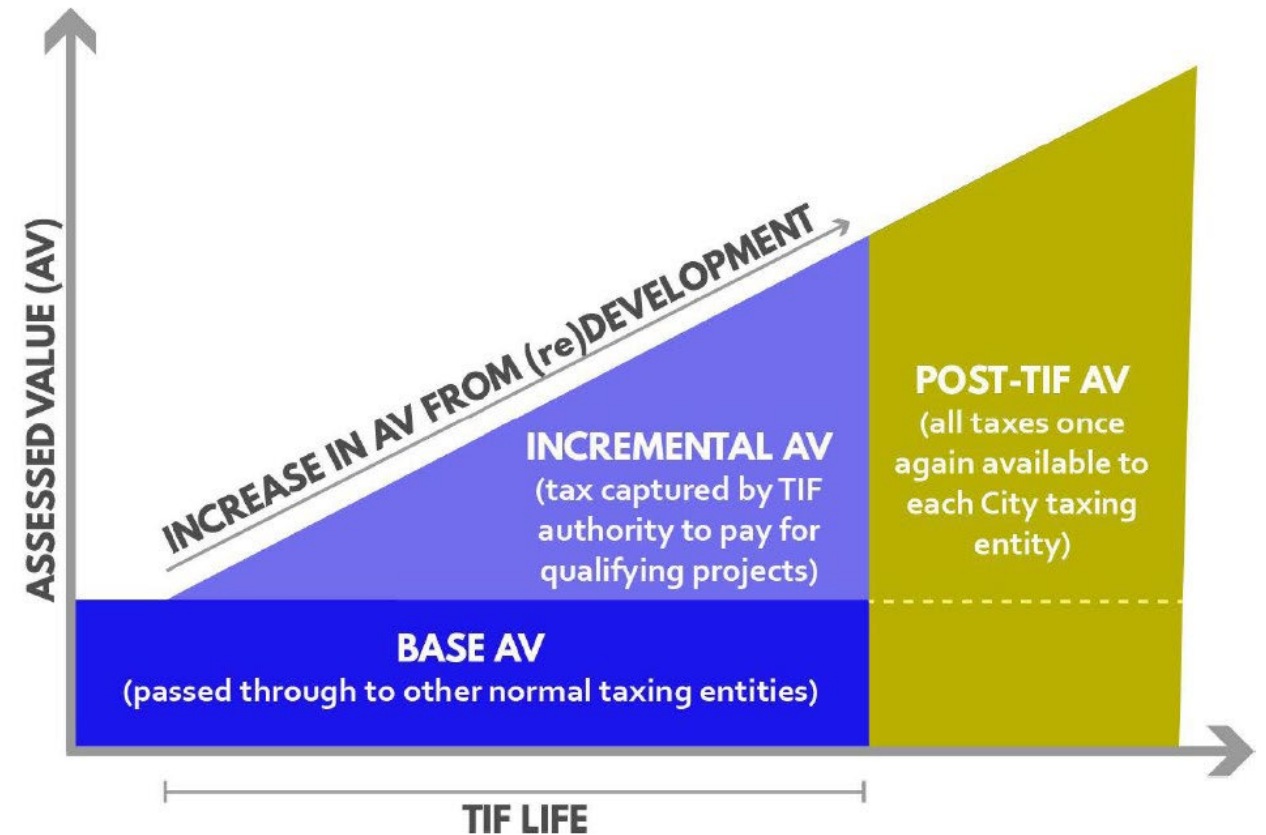


What is a Downtown Development Authority?

- Quasi-public entities enabled by state statute, authorized by their governing jurisdictions, and formed via authorizing elections
- Provide funding to support a variation of projects to spur economic growth
- A common tool – more than 20 across Colorado downtowns
- Managed by a board of directors
- Use of funds guided by a required Plan of Development
- Can only be used in a municipality's Central Business District (CBD)

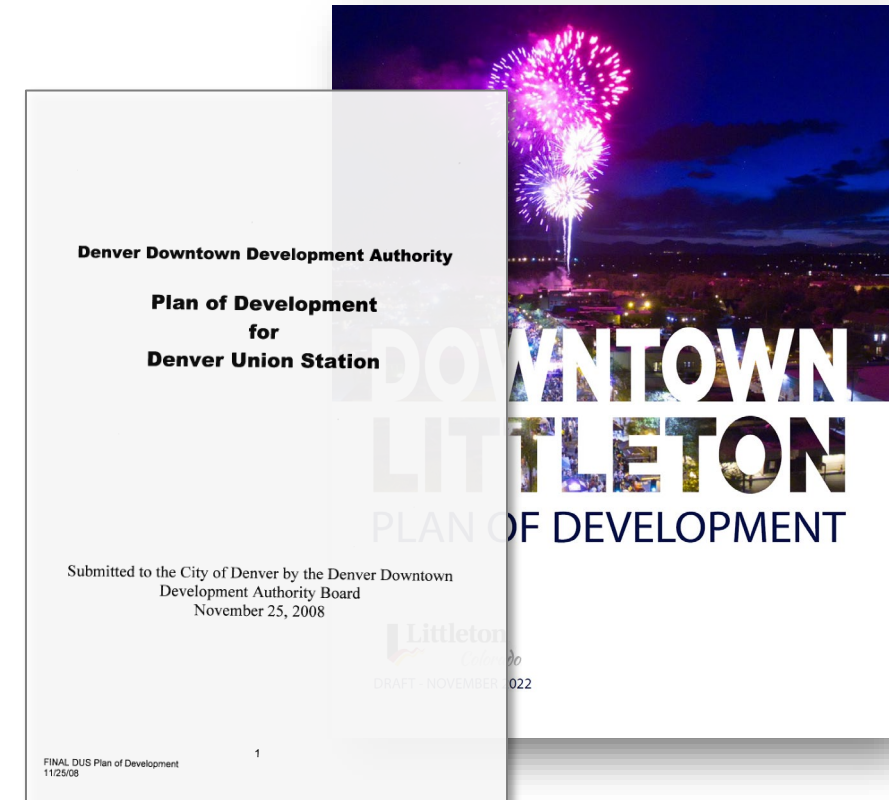
How is the DDA funded?

- Captures property and sales tax increment
- **Does NOT raise taxes or change tax rates**, taxes will not decrease
- Initial term is 30 years (2008-2038)
- Without capture, tax increment would return to taxing authorities



What is a “Plan of Development”?

- Establishes general parameters for the DDA
- Provides guidelines for projects and improvements
- Must help stimulate economic growth and alleviate deterioration of conditions
- Does not identify specific projects
- Denver is working to amend its Plan of Development to reflect a broader scope than Union Station alone



Example Plans of Development

DDA Impact to Date

Since 2008, the DDA has been in effect around Union and Market Stations and has served Denver well:

Helped deliver a ~\$400M multimodal public transportation project, the debt for which is almost fully repaid (2026-2027)

Public assets funded through the DDA included:

- Historic station preservation
- Passenger and light rail tracks, platforms, and canopies
- Regional bus facility
- Public gathering spaces
- Public street, utilities, and parking
- Market Station: mixed-use retail/office/residential

As of 2018, RTD estimated the economic output of the Union Station area at \$2.1 billion - \$2.3 billion ([study](#))



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Under City Council Consideration Now: DDDA Ballot Language

Without increasing taxes, shall the City and County of Denver, Colorado (“City”) debt be increased \$570,000,000, with a total repayment cost of not more than \$847,000,000 = (maximum total principal and interest) for use by and on behalf of the Denver Downtown Development Authority (the “DDDA”), for obligations that are subject to TABOR’s election requirements, for the purpose of financing the costs of public facilities and other improvements, such as creating and maintaining public spaces and facilities, infrastructure, and other improvements to public or private property in accordance with projects described in the DDDA Plan of Development, as it may be restated or amended from time to time

DDDA Ballot Language Continued...

Such debt and the interest thereon to be paid from and secured by a pledge of the special fund of the City which shall contain tax increment revenues levied and collected within the boundaries of the DDDA; and shall the City be authorized to pledge the special fund of the City and the tax increment revenues collected therein to the repayment of the principal of and interest on obligations that are not subject to TABOR's election requirements for the purpose of financing public facilities and other improvements to public or private property in accordance with projects described in the DDDA Plan of Development, as it may be restated or amended from time to time; and shall any debt authorized by this question be evidenced by bonds, loans, advances, or other indebtedness or financial obligations, to be sold in one series or more, for a price above or below the principal amount thereof, on terms and conditions, and with such maturities, as permitted by law and as the City may determine, including provisions for the redemption of the debt prior to maturity with or without payment of a premium of not more than 3% of the principal amount so redeemed; and shall the City and the DDDA be authorized to collect, retain and spend the tax increment revenues, the bond proceeds and the investment income thereon as a voter-approved revenue change and exception to the limits which would otherwise apply under Article X, Section 20 of the Colorado Constitution or any other law?

About the Ballot Question

- Creation authorization expending soon (\$350M/\$847M)
- Pledges tax increment to debt
- Authorizes debt (TABOR and non-TABOR)
 - \$570M debt cap is an estimate of revenue through 2038 in the current DDA boundary
 - \$847M repayment cap uses general obligation interest rate (5%), plus 50 basis points for tax increment volatility (5.5%)
- Evidence of debt: bonds, federal loans, lines of credit, etc.
- **Debt is issued by the City on behalf of the DDDA**
 - Not charter debt – not on City's books, but managed by City
 - Does not impact City's credit rating or debt capacity

Who Votes in November Election?

- Existing DDA boundary only:
 - Denver Union Station
 - Market Station
- Qualified electors who are owners, residents, lessees/tenants
- Estimated: ~2,500
- Denver Clerk & Recorder will mail ballot instructions to qualified electors



Timeline & City Council Actions

- ✓ **July 18:** DDDA Board of Directors Approved Resolution Calling for Election
- ✓ **July 22:** Resolution Calling for Election Recorded with City Clerk
- ❑ **August 6:** Ballot Question Referral at Finance & Governance Committee
- ❑ **August 26:** Second Reading/Vote for Ballot Question Referral
- ❑ **September 23:** Ballots Available for Pick-up
- ❑ **October 11:** Ballots Begin to be Mailed
- ❑ **November 5:** DDDA District Election (And Ballot Return Deadline)
- ❑ **November 29:** Election Confirmation

Thank you!

Questions & Discussion?

More information available online at denvergov.org/DDA