Amended and Restated Denver Downtown Development Authority Plan of Development

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Compiled by Progressive Urban Management Associates (P.U.M.A.) under
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1. INTRODUCTION

A. Overview

The City and County of Denver (City), in coordination with the Board (Board) of the Denver Downtown Development Authority (DDDA), recently launched a process to preserve and expand the DDDA and to amend the DDDA's Plan of Development for Denver Union Station, adopted on December 22, 2008 (Original Plan). A Downtown Development Authority (DDA) is a body corporate and political subdivision of the State of Colorado that is organized pursuant to state statute (specifically, Sections 31-25-801, *et seq*., C.R.S., as amended (DDA Statute)), and the DDA Statute allows municipalities, like the City, to collect on behalf of the DDA a portion of the incremental property and sales taxes generated within the City's central business district in a special fund of the City to be used in accordance with the DDA Statute. Those funds can then be invested within the boundaries of the plan of development area to support catalytic investments that help spur economic growth and revitalization in the heart of the City in conformance with the DDA Statute.

This Amended Plan of Development (Amended Plan) provides the legal background, a summary of the planning process, details on the expanded DDDA and project selection process, and a high-level overview of projects and improvements that can be considered for funding using certain tax increment financing (TIF, as further defined below) generated within the DDDA boundaries. This Amended Plan is intended to amend and restate the Original Plan, and to supplement and expand upon the development projects described in the Original Plan.

B. About DDAs

DDAs are quasi-governmental corporate bodies and political subdivisions of the State of Colorado as provided in the DDA Statute that can provide both organizational focus and financing to support downtown improvements. DDAs facilitate cooperative and coordinated efforts between among businesses, residents, property owners, and local government to redevelop or rehabilitate downtown areas in accordance with the DDA Statute. DDAs are intended to halt or prevent blight or the deterioration of property values or structures within a municipality's central business district, and to assist with the development or redevelopment of such areas in conformance with the DDA Statute. There are more than 20 DDAs across Colorado, including in Downtown Denver.

In accordance with the DDA Statute, a DDA is created by the governing body of a municipality and managed by a board appointed by the municipality. It is funded primarily through Tax Increment Financing (TIF) revenue generated by increases in sales and property tax revenues generated within the DDA boundaries above a base sales and property tax level that has been set in accordance with the DDA Statute. TIF funds are then reinvested into eligible projects located within the DDA boundaries. DDAs do not increase tax rates, but rather capture a portion of tax revenue to finance eligible projects located within its boundaries.

Pursuant to DDA Statute, once a DDA is formed and continuing through its 30-year initial term, it shall be governed by a 5- to 11-member board appointed by the governing body of the municipality. If the DDA is extended past its 30-year initial term, it shall be governed by a 9- to 13-member board in accordance with the DDA Statute. Members shall hold office until a successor has been qualified and

appointed. The terms of each member (except for the member appointed by the governing body of the municipality) shall expire 4-years from the date of appointment. Members (other than members of the municipality's governing body that serve on the DDA board) must reside, be a business lessee, or own real property within the DDA.

C. History of the Denver Downtown Development Authority

In 2008, the DDDA was created by the City and County of Denver, pursuant to Ordinance No. 400, Series 2008 (as may be amended from time to time, the Creation Ordinance) and the DDA Statute. Concurrent to its creation, City Council also approved the Original Plan for the DDDA pursuant to Ordinance No. 723, Series of 2008. The Original Plan was primarily focused upon the use of the TIF revenues generated within the plan of development area to help redevelop the historic Denver Union Station site.

The City, along with its project partners including the Regional Transportation District, the DUS Metropolitan District Nos. 1-3, and the Denver Union Station Project Authority, used the TIF revenues generated within the plan of development area in accordance with the Original Plan to help deliver over $400 million in public transportation projects related to the redevelopment of Denver Union Station. This strategic public investment complemented and strengthened private investment at Denver Union Station to better serve local and regional residents, attract new visitors and businesses, and stimulate private investment – all while advancing the goals detailed in the Original Plan and required pursuant to the DDA Statute.

Public assets funded through the DDDA for the redevelopment of Denver Union Station in accordance with the Original Plan included, without limitation:

- Historic station preservation
- Rail tracks, platforms, and canopies
- Regional bus facility
- Public gathering spaces
- Public street, utilities, and parking

The current DDDA is governed by a 5-member board (Board) appointed by the mayor and confirmed by Denver City Council (City Council). The then-current City Council President serves as a member of the Board throughout their appointment as City Council President. The DDA Statute allows for the Board to be comprised of up to 11 members for the duration of its initial 30-year term through 2038. The intent will be to ensure that the Board composition is in alignment with the expanded scope of this Amended Plan. As member terms end and opportunities to expand the Board arise, the City will seek to appoint members that reflect and represent the diversity of owners, residents and business lessees within the boundaries of the DDDA, and to provide supplemental subject matter expertise in areas such as development, long-range planning, design, economics, business, tourism, activation, livability and resident experience, municipal governance, finance, and more. A cooperation agreement between the DDDA and the City, as may be amended or restated from time to time, further describes the partnership and functions of DDDA activities between the City and the DDDA.

With the successful redevelopment of the Denver Union Station area completed, this Amended Plan is intended to broaden the scope of contemplated development projects authorized under the Original Plan beyond the redevelopment of Denver Union Station. As discussed below, there is a need by the City to take corrective measures to halt or prevent the deterioration of property values or structures within

the boundaries of the DDDA or to halt or prevent the growth of blighted areas therein, or any combination thereof. This Amended Plan will afford maximum opportunity, consistent with the sound needs and plan of the City as a whole, for the development or redevelopment of area within the boundaries of the DDDA, as they currently exist or may be expanded in the future, by the DDDA, the City, and by private enterprise.

D. About the Plan of Development

In accordance with the DDA Statute, the use of TIF revenues is guided by an adopted plan of development. The Original Plan specifically targeted the redevelopment of Denver Union Station, which has been completed (although the TIF revenues continue to be pledged for the repayment of those related obligations). In order to include additional projects and activities for which the TIF revenues may be obligated beyond the redevelopment of Denver Union Station, the DDA Statute requires the adoption of this Amended Plan. Similar to the Original Plan, this Amended Plan must be approved by the Board and City Council, with review and recommendation by the Denver Planning Board. The City Council must also hold a public hearing on its consideration of this Amended Plan as prescribed in the DDA Statue.

A strong overarching tie between this Amended Plan and other adopted city-wide and area-specific downtown plans is desired. This Amended Plan provides categories for projects and improvements that can be funded by the TIF revenues in conformance with the DDA Statute. It does not identify specific projects or investments, but rather identifies categories to guide public investment and establishes a process by which proposed projects may be considered for eligibility under this Amended Plan.

While Denver Union Station and its adjacent property may still be eligible for future projects described in this Amended Plan, there are now a broader range of potential projects that may assist in overcoming the economic challenges affecting the City's central business district. The City's "central business district," commonly referred to as "downtown" throughout this Amended Plan, comprises the area generally bounded by Speer Boulevard, Colfax Avenue, Grant Street, 20th Street, and the Consolidated Main Line railway line. A map illustrating this downtown boundary is provided in Section 5.

E. What Follows in this Document

This Amended Plan is organized into the following main sections:

- **Background Analysis** – What was learned from past downtown planning efforts, community outreach, a downtown economic study, and a public realm evaluation
- **Downtown Challenges & Conclusions** – Based upon the background analysis, identification of high-level challenges facing downtown Denver today that could be addressed through an expansion of the DDDA to account for the possibility of eligible projects beyond the redevelopment of Denver Union Station
- **Categories for Investment** – Categories for eligible projects and improvements that can be funded by the TIF revenues generated within the plan of development area
- **Amended DDA Boundaries** – The proposed expanded DDDA boundary and details on how future inclusion will work for both publicly-owned and privately-owned properties
- **Inclusion & Project Selection Process** – Description of how DDDA investment opportunities will

be reviewed and approved moving forward

- ***Exhibits to the Amended Plan*** – Supporting documents and reports, referenced in this Amended Plan

2. BACKGROUND ANALYSIS

A. Planning Process

An extensive planning process was conducted to prepare this Amended Plan, undertaken by the City with support from a consultant team led by Progressive Urban Management Associates (P.U.M.A.).

A project website presented the rationale, schedule, upcoming events, how to stay involved, as well as documents, presentations, and FAQs. Regular e-newsletters were distributed to those who signed up throughout the DDDA planning process. A community online survey in May and June 2024 yielded responses from 1,700 community members. A series of Q&A roundtables and community meetings were attended by over 350 participants.

Additionally, the consideration of the Amended Plan overlaps with the City's update to the Downtown Area Plan. While this Amended Plan and the updated Downtown Area Plan are separate and independent from one another, the processes for consideration of both were coordinated. The updated Downtown Area Plan, if approved by City Council, will consider findings and project categories derived from this Amended Plan, and this Amended Plan will continue to use the updated Downtown Area Plan as a guiding document.

To inform this Amended Plan, background analysis was initially conducted which included a review of past City plans and the community online survey. Summaries and conclusions from this work are presented below.

B. Past Plans Overview & Themes

This Amended Plan builds upon past planning efforts in downtown Denver. This includes downtown-specific plans, plans for adjacent areas, and Citywide planning efforts that offer recommendations specific to downtown.

Development plans that were reviewed to inform this Amended Plan include the following (listed chronologically):

<u>Downtown Plans</u>

- Downtown Area Plan (2007)
- Civic Center Transit District Master Plan (2015)
- The Next Stage: The Future of Denver's Performing Arts Complex (2016)
- The Outdoor Downtown: The Future of Denver's Parks and Public Spaces (2017)
- Downtown Area Plan Mid-Point Reflection and Priorities Document (2017)
- 5280 Trail Vision Plan (2019)
- Upper Downtown: A Renewed Focus (2019)
- Denver Moves: Downtown (2020)
- Skyline Park Concept Plan (2021)
- Civic Center Next 100: Civic Center Park and Bannock Street (2022)
- Downtown Denver Groundfloor Activation Strategy (2024) – *see "A Closer Look" below for more details*

- Economic Study for Downtown Denver (2024) – *see following chapter for more details*
- Auraria Campus Framework Plan (underway)
- Cherry Creek and Speer Boulevard Vision and Reconfiguration Feasibility Study (underway)

Citywide Plans

- Comprehensive Plan 2040 (2019)
- Blueprint Denver (2019)
- Game Plan for a Healthy City (2019)
- Refocusing Vision Zero (2022)
- Equity in Denver Report (2022/2023)

While the scope and objectives of these planning efforts vary widely, several prevailing key themes were identified. These include:

1. **Public Realm and Urban Environment:** The quality of the public realm and the urban environment is a recurring theme for downtown Denver, as the City's central business district. Plans highlight the need for more green space, tree canopy, and welcoming public spaces. Revamping parks, activating gathering areas, and "greening" the urban environment are common recommendations.
2. **Mixed-Use Development and Ground floor Activation:** There is a focus on promoting mixed-use development and activating ground floor spaces within downtown Denver, as the City's central business district. Plans suggest filling vacant storefronts with unique retail, culturally diverse offerings, and non-retail uses. The goal is to create a vibrant and economically thriving downtown.
3. **Mobility and Transportation:** Mobility and transportation are key considerations in the planning efforts. Plans aim to develop safe, high-quality, and multimodal transportation options that prioritize walking, rolling, biking, and transit within downtown. Improving street design, enhancing pedestrian experiences, and creating a robust and safe multimodal network are common recommendations.
4. **Connectivity and Integration:** Many of the past planning efforts emphasize the importance of enhancing connections between downtown Denver and surrounding neighborhoods. This includes improving pedestrian and bicycle facilities, creating safe and inviting gateways, and strengthening connections.
5. **Equity and Inclusivity:** Many plans emphasize the importance of equity, inclusivity, and accessibility. They aim to provide a diverse range of affordable housing options, ensure access to basic services and amenities for all residents, and promote a healthy and active community. It is expected that future plans will continue this focus on equitable outcomes and equity will remain a fundamental city value that is used during DDDA funding decisions.

For additional information including individual summaries of all past planning efforts noted above, see the Past Plans Overview, attached to this Amended Plan as Exhibit A.

C. A Closer Look: Downtown Denver Groundfloor Activation Strategy

While a separate planning effort, the Groundfloor Activation Strategy was conducted immediately prior to the consideration of this Amended Plan and included broad community outreach on topics similar to this Amended Plan's engagement strategy. Stakeholder outreach included a variety of focus groups and an online survey that received approximately 900 responses.

The purpose of the Groundfloor Activation Strategy, led by the Downtown Denver Partnership (DDP) and the City's Office of Denver Economic Development and Opportunity (DEDO) and published in January 2024, was to further an effort to define, assess, and ultimately help reposition the City's distinct downtown sub-districts. In addition to community outreach, the Groundfloor Activation Strategy examined existing conditions in each of the City's downtown sub-areas, including ground floor conditions and real estate trends, visitor activity, demographics and residential growth, employment activity, and physical and infrastructure assets and barriers.

Highlights of the Groundfloor Activation Strategy included:

- The quality of the public realm was identified as critically important to Downtown's success. In the Groundfloor Activation Strategy's online survey, "more green space, tree canopy, and welcoming public spaces" was chosen as most important for improving downtown by a significant margin.
- Similarly, in focus groups, revamping parks and green spaces was identified as potentially catalytic in improving overall vitality of downtown.
- Filling vacant storefronts was a priority. Of downtown's 1,200 ground floor spaces, 21% were inactive (as of the study's data collection in fall 2023). Various efforts were suggested by community members, such as filling ground floor spaces with unique retail, more culturally-diverse offerings, and non-retail uses (daycare, pop-up exhibits, etc.).
- Many stakeholders also noted that neighborhood-serving retail, services, and residential amenities were key market opportunities for residents in downtown and adjacent neighborhoods. Family-friendly uses (like childcare) were important considerations to meet the needs of a growing population and potentially serve as an incentive for downtown employees to return to the office more frequently.

D. Community Survey Results

To gather broad input from the community on priorities for downtown Denver, an online survey was developed and distributed through various City and DDP communication channels. The survey was open to anyone interested to respond. It ran in May and June 2024, and collected 1,700 responses. Key findings are provided below, while a complete survey summary is attached to this Amended Plan as Exhibit B.

The majority of respondents (53%) identified their relationship to downtown Denver as City residents living outside of downtown Denver, while 14% identified as downtown Denver residents (owner) and 8% as downtown Denver residents (renter). 37% of respondents reported being downtown Denver employees, 32% downtown Denver visitors, and 14% living in the region but outside of the City. Of respondents not living in downtown Denver, 44% said they come to downtown Denver at least 3 days a week, and 38% at least several times per month.

When asked to rate various existing elements of downtown Denver, *art and cultural venues* scored highest, and was the only element with a majority of respondents rating as good/very good. Alternatively, respondents rated *housing options* as the worst element in downtown Denver, followed by *outdoor gathering spaces*, *trees and landscaping*, *mix of land uses*, and *the built environment* – all of which were rated good/very good by fewer than 20% of respondents.

A majority of the survey was focused on the downtown Denver of the future. To do so, various categories of projects that are representative of investments typically made by other DDAs in Colorado were rated by participants. When asked to rate the level of importance for downtown Denver's future, all 15 categories were rated favorably and were rated as very/somewhat important by at least 60% of respondents. At the top of the list, the following categories all were rated as "very important" by more than 50% of participants:

1. Streetscape enhancements to improve the pedestrian experience
2. Adaptive reuse of existing buildings
3. Enhanced multimodal connectivity
4. Increased green infrastructure and landscaping
5. Improvements to existing parks, plazas, playgrounds, and other outdoor gathering spaces
6. Creation of new parks, plazas, playgrounds, and other outdoor gathering spaces
7. Groundfloor/retail space improvements

When respondents had to choose one category that was MOST important for downtown Denver in the next five years, *adaptive reuse of existing buildings* received the most support by a significant margin. *Enhancing multimodal connectivity* and *investments that bring more housing options* also received strong support.

E. Economic Study Findings

A preliminary step to the preparation of this Amended Plan was the completion of an Economic Study for downtown Denver (Economic Study). The Economic Study, completed in March 2024 by StreetSense, documents existing conditions in the central business district that comprise or are anticipated to eventually comprise the DDDA's boundaries. The study specifically sought to identify whether there were findings of blight in conformance with the DDA Statute. The Economic Study Area focused specifically on Upper Downtown – bound by Colfax Avenue, Speer Avenue, Lawrence Street, 20th Street, and Sherman Street.

The Economic Study found that the area within the current boundaries and future proposed boundaries of the DDDA meets the majority of blight criteria defined by the DDA Statute as: "an area within the central business district which, by reason of the presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, unusual topography, defective or unusual conditions of title rendering the title nonmarketable, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of the central business district, retards the provision of housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use."

The presence of conditions that constitute blight under the DDA Statute and other key takeaways are identified in the Economic Study.

- ✓ **Presence of substantial number of deteriorated or deteriorating structures**
    - The study area is contending with historically elevated vacancy rates and many large blocks of space available for lease. Although pre-COVID office conditions were healthy, since 2020 the study area has seen nearly 4 million square feet of negative absorption.
    - Given trends in remote and hybrid work, most office tenants are reducing footprints and seeking higher quality spaces, rendering large old office towers even more challenging to lease. Combined with poor performance since 2020, the study area will continue to face a growing number of deteriorating and/or functionally obsolete structures without intervention.
    - With drastic reductions in valuations and climbing vacancies, property owners are forgoing necessary maintenance and investments in the buildings. These deferred investments put structures at increased risk of deteriorating.

- ✓ **Unsanitary or unsafe conditions**
    - Assaults, public drug use and bio-hazards create significant unsanitary and unsafe conditions that are concentrated in clusters along 16th Street.

- ✓ **Deterioration of site or other improvements**
    - High incidence of graffiti spread throughout the study area suggests an on-going deterioration of sites and improvements.
    - The study area lacks adequate site improvements that might otherwise catalyze the provision of housing.
    - The decline in reliability, frequency and safety of the public transit system throughout downtown reflects a deterioration of improvements, in this case transit accessibility, that impair the sound growth and provision of housing accommodations within the study area.

- ✓ **Predominance of defective or inadequate street layout**
    - It being difficult to cross streets is a defective or inadequate street layout condition found to the east and south, which create physical barriers to accessibility.
    - As automobile usage grew, defective or inadequate street layout became a barrier to safe pedestrian connectivity and created challenges of accessibility, with limited pedestrian crossings impeded by fast-moving vehicles.

- ✓ **Unusual topography**
    - Unusual topography with respect to an elevation change between the study area and North Capitol Hill creates further barriers to connectivity.

- ✓ **Faulty lot layout in relation to size, adequacy, accessibility, or usefulness**
    - Faulty lot layouts were created by the confluence of two competing street grids, particularly along Broadway.

There is additional analysis and key takeaways that confirm and detail each of the above, which can be found in the full Economic Study report, attached to this Amended Plan as Exhibit C.

Additional findings from the Economic Study are also described in the following Downtown Challenges & Conclusions section.

F. Public Realm Evaluation

To supplement the Economic Study and to confirm similar conditions throughout the central business district, a public realm evaluation was conducted by the City's consultant team, completed in June 2024. This evaluation focused on conditions of public spaces and right-of-way throughout downtown Denver.

The evaluation found that the issues described in the Economic Study are also found throughout downtown, given its consistent lot layout, street grid, and right-of-way conditions. The above blight conditions are applicable throughout the central business district.

A memo providing more detail on the Public Realm Evaluation is included as Exhibit D to this Amended Plan.

3. DOWNTOWN CHALLENGES & CONCLUSIONS

There are five key challenges that the City's central business district is facing now and into the future. These were informed and distilled from the various background analyses and outreach noted above.

A. Key Challenges

Downtown Denver's post-pandemic economic recovery is lagging behind other parts of the City.

By various metrics, the City's downtown area (encompassing the City's "central business district," as provided for pursuant to Section 31-25-802(3), C.R.S.), continues to be challenged in adapting to the post-COVID-19 era. Overall office vacancy is historically high and continues to climb – at 27% in Q1 2024, up from 11% in early 2020. This drop in occupancy is compounded by downtown's sluggish rates of return-to-office for downtown employees. Overall return-to-work has stagnated at roughly 63% relative to pre-pandemic levels.

The lack of employee foot traffic continues to hurt the storefront economy. A recent inventory shows that downtown Denver has nearly 1,200 ground floor spaces. Of these, 21% are inactive (i.e., vacant, permanently or temporarily closed). Overall, downtown lost 145 businesses from 2018 to 2022, a 26% decline. The hardest-hit have been food/beverage and neighborhood-serving businesses.

The impact is not limited to retail and office spaces. The elevated vacancies in the study area have a deteriorating effect on the visitor experience and overall retail environment. Of all of downtown's major retail, academic, sports, and cultural offerings (e.g., museums, libraries, and theaters), only Ball Arena has met or exceeded its pre-pandemic visitation, thanks at least in part to two professional sports championships over the past three years. Downtown's visitation recovery lags that of other areas in the region. Overall visitation in Upper Downtown and LoDo has declined 30% and 26%, respectively, since 2019.

Lastly, the lack of a full recovery impacts sales and property tax generation for the City's key economic engine. Property value increases have slowed significantly during the last four years, compared to the prior four-year stretch leading up to the pandemic. Overall sales tax revenue in the expanded DDDA area remains approximately 25% below pre-pandemic levels (comparing 2018 to 2023, accounting for inflation and tax rate changes). Furthermore, after initial recovery during the second half of 2020 through first half of 2021, sales tax revenue in downtown has stagnated over the last two and a half years (since Q3 2021).

A more detailed tax revenue evaluation is attached to this Amended Plan as Exhibit E.

Upper Downtown has been the hardest hit and slowest to recover.

Nowhere has the pandemic-impact been so pronounced as in Upper Downtown, encompassing the area roughly from Lawrence Street to Lincoln Avenue. This part of downtown has the highest concentration of commercial real estate in the region. But since the pandemic, the commercial office vacancy rate in Upper Downtown has more than doubled from 13% in 2019 to 31% in Q2 2024, the highest of

downtown's sub-areas. Return-to-work also is lowest in this part of downtown, with rates hovering around 50%.

This impact is acutely felt at the ground floor level, where there are 13 different blocks that have at least three vacant or inactive storefronts (85 inactive spaces total). It is also trickling down to the housing market – no new housing has come online in Upper Downtown since 2020. Furthermore, since 2020, absorption has dropped into the negative most years – an unusual trend – meaning more people are moving out than moving into the area.

In Upper Downtown, 30 properties were identified as being distressed or deteriorating (defined as properties that are marketing over 40% of their rentable building area for lease). From a sales tax perspective, Upper Downtown has been slowest to recover, 38% below 2018 levels, compared to LoDo which is down 14% from 2018 (when adjusted for inflation and tax rate changes).

Downtown's lack of land use mix is hindering its recovery.

Other comparable urban environments negatively affected by the COVID-19 pandemic that have been fastest to recover have been the most mixed-use in nature. Meanwhile, downtown Denver has one of the densest concentrations of commercial office space in the region. There is roughly 40 million square feet of office inventory in the expanded DDDA study area. As noted above, in Upper Downtown alone, 30 properties, making up 9.4 million square feet of built office assets, were identified as "distressed."

An office-dominant environment is reliant upon office workers that have not fully returned to the daily office environment. With daytime office attendance diminished, and residential base limited, day and overnight visitors have increasingly become downtown's most powerful market driver. While this has fueled recovery in certain areas, such as the hotel and food and beverage markets, there is a cap on overall resiliency and sustainability of the downtown market as a whole.

Diversification of property mix and customer bases will be a driver of full recovery for downtown Denver just as it is in other downtown markets nationally.

The public realm is as important as ever – and needs broad improvement.

When the public realm, or pedestrian experience, is underwhelming, this becomes exacerbated when foot traffic and vibrancy are reduced. There are indications that both factors are in play in downtown Denver.

As noted in the themes from past downtown planning efforts, the quality of the public realm is a recurring theme, with plans highlighting the need for more green space, improved tree canopy, and more welcoming public spaces. As the Economic Study also points out, downtown Denver is cut off from surrounding neighborhoods by major auto thoroughfares or transit barriers on all sides that create physical barriers to accessibility and connectivity. Again, Upper Downtown in particular stands out – an office tower-dominant district, with fewer public, outdoor gathering spaces.

The two community surveys discussed earlier – the Groundfloor Activation Strategy and DDDA Expansion surveys – both highlight this challenge. In the Groundfloor Activation Strategy survey, when asked to choose the most important programs, services, and amenities for improving downtown, the top choice among respondents, by a significant margin, was more green space, tree canopy, and welcoming public spaces. In the DDDA Expansion Survey, respondents were more likely to rate the quality of outdoor

gathering spaces, landscaping, and sidewalk conditions as "poor" or "very poor" than "good" or "very good." In the same survey, streetscape enhancements were deemed "very important" by 68% of respondents – the highest percentage amongst all potential improvements.

Without intervention and bold action, market erosion of downtown is likely to continue.

Trends and market expectations indicate that the post-pandemic disruption could continue to negatively affect downtown if bold action isn't taken. There are two key pieces to this projection. One, the flexible work environment is likely permanent and adaptation from the office sector is a slower, lagging process that has not experienced bottom yet. And two, downtown is competing more than it ever has with the broader region in terms of office competition and customer base.

Given trends in remote and hybrid work, most office tenants are reducing footprints and seeking higher quality spaces, rendering large older office towers even more challenging to lease. Combined with poor performance since 2020, downtown will continue to face a growing number of deteriorating and/or functionally obsolete structures without intervention. Indeed, commercial vacancy in the expanded DDDA study area has been steadily on the rise each year since 2019.

In turn, property value increases have stalled in downtown. Furthermore, given that property assessments are a lagging metric, much of the pandemic impact is likely yet to be realized and further value erosion could be reasonably expected over the next four-year term. The DDDA is statutorily intended to be used as a tool to help halt or prevent the deterioration of such property or property values.

At the same time, as noted above, downtown is now competing in a more competitive regional market. New office and mixed-use markets continue to emerge. These markets are attracting local and regional customers, as well as coveted tenants, presenting further challenges to downtown.

In downtown, 16th Street (albeit impacted by construction which exacerbates foot traffic decreases), Denver Pavilions, and Denver Union Station have experienced the most substantial and persistent declines in activity between 2019 and 2023, creating a cyclical impact on retail vacancies. Further, downtown has difficulty leveraging the momentum of residential growth in adjacent neighborhoods, due to the aforementioned barriers that disrupt connectivity.

B. The Need for Downtown Investment

Strategic investment in downtown Denver creates long-term economic growth and increases the tax base to support vital services citywide.

Downtown Denver (as defined by the proposed expanded DDDA area) is 0.86 square miles, constituting less than 1% of the City/County land mass, but plays an oversized role in the City's overall economic, civic, and cultural offerings. As noted in the Economic Study, downtown is critical to the city on multiple fronts:

Economic Impact

- More than 40 million square feet of commercial space, the largest concentration in the region.

- 25% of the City's employment pre-pandemic.
- A significant impact on sales tax contributions, representing 5% of citywide sales tax.

Tourism and Visitor Economy Anchor

- The highest concentration of visitors and hotel rooms in the region.
- 39% of Citywide hotel rooms.
- 56% of Citywide hospitality sales tax collection.

Equity – Everyone's Downtown

- The center of a regional hub-and-spoke transportation system that serves over 3 million people across more than 2,300 square miles.
- Unparalleled job opportunities for low- and moderate-income users, many of whom are heavily dependent on transit.
- Availability of core water, wastewater, and broadband infrastructure, and zoning that allows denser development needed to accommodate future growth, particularly for creating new housing supply at affordable and mixed-income price points with the amenities that make downtown Denver a more appealing neighborhood in which to live and work.

Sustainability – A Viable Path to Carbon Reduction

- The highest level of accessibility for non-automotive travel.
- Historic built fabric that represents significant embodied energy that can be preserved through adaptive reuse.
- Opportunities to further climate action through renewable energy.
- The highest levels of potential density that can help reduce sprawl and growth burden on other parts of the city and region.

Community Building & Gathering – Helping to Shape Denver's Identity

- Home to numerous key anchors that help shape Denver's cultural fabric – including civic, arts and cultural, university, professional sports, and retail destinations.
- These include the Convention Center, the Denver Performing Arts Center, the 16th Street Mall, Larimer Square, and Denver Union Station, in addition to adjacent destinations such as Auraria Campus, Ball Arena, Coors Field, and various museums and public amenities.

4. CATEGORIES FOR INVESTMENT

The foundational goal of this Amended Plan is to:

Build a vibrant downtown Denver through strategic and catalytic investments that promote economic growth and revitalization.

To accomplish this goal and address the challenges noted above, five categories for investment have been identified that will guide the selection of projects that will be considered for DDDA support and funding. Projects will be required to fit into one or more of the categories below. This is true for both public realm investments and private development projects providing public benefit seeking DDDA support. Accomplishing this goal will further: 1) promote the health, safety, prosperity, security and general welfare of the inhabitants of the DDDA and of the people of the State of Colorado; 2) halt or prevent the deterioration of property values or structures within the downtown area, halt or prevent the growth of blighted areas within the downtown area, and will assist the City in the development or redevelopment of the downtown area and in the overall planning to restore or provide for the continuance of the health thereof; and 3) will be of special benefit to the property within the boundaries of the DDDA, whether now or in the future. Under all circumstances, the projects contemplated under this Amended Plan shall be otherwise authorized to be undertaken in accordance with the DDA Statute.

The following details the five Investment Categories. Within each Category, project examples are also provided.

These examples are purely illustrative and not in any way limiting for DDDA investments.

A. New Development & Adaptive Reuse

Why this is important: Transforming underutilized, under-performing properties, lots, and structures into vibrant, functional spaces will contribute to a more mixed-use downtown Denver and rejuvenate properties that have outlived their original purpose.

New development and finding new uses for existing structures has multiple, wide-ranging benefits. It helps enhance downtown's cultural fabric and distinct character. Development and redevelopment deliver an economic impact – bringing new jobs, residents, and visitors to downtown, and in return, spurring additional private and nonprofit investment. Together, new buildings and adaptive reuse of existing buildings throughout the expanded DDDA will result in a more balanced land use mix and a more economically resilient neighborhood.

Illustrative Examples:

- *Adaptive reuse of office building to residential, hotel, education, and/or other uses*
- *Development that supports a variety of housing types (e.g., workforce, mixed-income, social housing options) and other non-residential uses*

B. Livability, Economic Opportunity & Jobs

Why this is important: Downtown is an economic engine for the City and region. DDDA investments will bring new economic opportunity and jobs to downtown Denver by investing in initiatives that support new development, attract and retain employers, create workforce development opportunities, and revitalize the ground-floor economy.

DDDA investments that strengthen the economic foundation of downtown Denver by creating jobs and economic opportunity are crucial for fostering a more diversified and resilient local economy. This will also stimulate further economic development and investment from the private and nonprofit sectors.

Projects can create economic opportunity and jobs directly or indirectly, and at varied scales. This ranges from major new development on vacant parcels to capital investments that make downtown Denver a more appealing neighborhood in which to work.

Illustrative Examples:

- *New development on vacant and underutilized land*
- *Ground-floor and retail attraction and improvements*
- *Amenities to retain and attract jobs and residents (e.g., childcare facilities, office building amenity areas)*

C. Parks & Public Space

Why this is important: DDDA investments are available to enhance parks and public space amenities in downtown Denver, essential for fostering community engagement, health, and well-being, while creating a neighborhood in which people want to live, work, and visit. Quality public spaces serve as vital gathering spaces for social interaction, community events, and cultural expression, promoting a sense of belonging for all residents. Accessible and well-designed parks support environmental sustainability and contribute to both physical and mental health.

Moreover, parks and public spaces have significant economic and quality-of-life benefits. They boost adjacent property values, attract private investment, and strengthen the local economy by drawing visitors and tourists. There is room for improvement in this area for downtown Denver, as noted in prior sections of this Amended Plan – a theme of past surveys and planning efforts. Overall, investments in downtown parks and public space are crucial for creating a vibrant, healthy, and beautiful neighborhood, and establishing a foundation for further economic growth.

Illustrative Examples:

- *Improvements to existing parks, plazas, playgrounds, and other outdoor gathering spaces*
- *Creation of new parks, plazas, playgrounds, and outdoor gathering spaces*
- *Increased green infrastructure and landscaping (e.g., sidewalk planters, tree canopy, pervious surfaces)*

D. Arts, Culture & Activation

Why this is important: As discussed in the prior Amended Plan section, downtown Denver is a hub for community gathering, helping to shape Denver's identity and cultural fabric. The DDDA will be available for enhancing this asset, supporting the enrichment of arts and culture in downtown Denver by supporting projects that celebrate the City's diversity, foster community pride, and stimulate economic revitalization.

A vibrant arts and culture scene attracts Citywide residents, tourists, boosts local businesses, and creates jobs in key downtown employment sectors. Cultural amenities enrich the urban experience, making downtown a more attractive place to live, work, and visit. Furthermore, arts and cultural investments provide valuable educational opportunities, fostering lifelong learning and youth engagement. By investing in arts and culture, downtown Denver will position itself as a neighborhood where innovation and creativity thrive.

Illustrative Examples:

- *Art and cultural venues and facilities (e.g., museums, theaters, outdoor performance venues)*
- *Creating new spaces for artistic and creative professionals to live, work, and perform*
- *Public art installations*

E. Connectivity & Mobility

Why this is important: The work of the DDDA to-date in redeveloping Denver Union Station demonstrates the economic impact of mobility infrastructure investments. Not only is this a transportation hub for the city for residents, workers, and visitors, but has stimulated tremendous economic development in and surrounding the station.

An expanded scope of DDDA-eligible projects presents an opportunity to invest in connectivity and mobility enhancements that are essential for creating an accessible, efficient, and sustainable downtown Denver. Investments into connectivity and mobility can be catalysts for further economic growth and revitalization of downtown Denver. They also include wide reaching benefits like improved accessibility and inclusivity throughout downtown Denver. Lastly, these investments should aim to enhance quality of life and the pedestrian experience in downtown Denver.

Illustrative Examples:

- *Streetscape enhancements and pedestrian amenities to improve the pedestrian experience (e.g., wider sidewalks, lighting, furnishings, tree canopy, wayfinding signage, resting benches)*
- *Create additional mobility options (e.g., on- and off-street parking management, micro-mobility, biking infrastructure, enhanced transit)*

5. AMENDED DDDA BOUNDARIES

A. Eligibility Requirements to Petition for Inclusion into the DDDA

Pursuant to Section 31-25-807(3)(a)(II), Colorado Revised Statutes ("C.R.S."), tax increment shall be used for financing or refinancing a development project within the boundaries of the plan of development area. The "plan of development area" means an area in the central business district which the Board and the City Council designate as appropriate for a "development project" (see C.R.S. §§ 31-25-802(3.5) and (6.8)). The "plan of development area" may differ from the legal boundaries of the DDDA, and it is anticipated that property included within the legal boundaries of the DDDA may become eligible for development projects as a part of the plan of development area in accordance with this Amended Plan. Section 31-25- 822, C.R.S. sets forth the actions and requirements for inclusion of additional property into the DDDA: "Proceedings for inclusion shall be initiated by petition to the [Board] signed by the owner or owners in fee of each parcel of land adjacent to the existing [DDDA] sought to be included." Therefore, to be eligible for inclusion into the DDDA: 1) the fee owner(s) of the subject property must execute and submit a petition to the Board; and 2) the subject property must be adjacent to the then-current existing boundaries of the DDDA.

The current legal boundary of the DDDA, as described and illustrated in Exhibit A of the Original Plan, consists of Denver Union Station and Other Parcels and Market Street Station. To provide the opportunity for non-adjacent downtown properties located within the study area of this Amended Plan to satisfy the adjacency requirement described above, the City will submit a petition for inclusion of a portion of its fee-owned right-of-way in accordance with the DDA Statute. Such petition shall be considered by the Board and, if approved, submitted to City Council for its separate consideration. The City-owned right-of-way legal description and map proposed for inclusion is described and illustrated below.

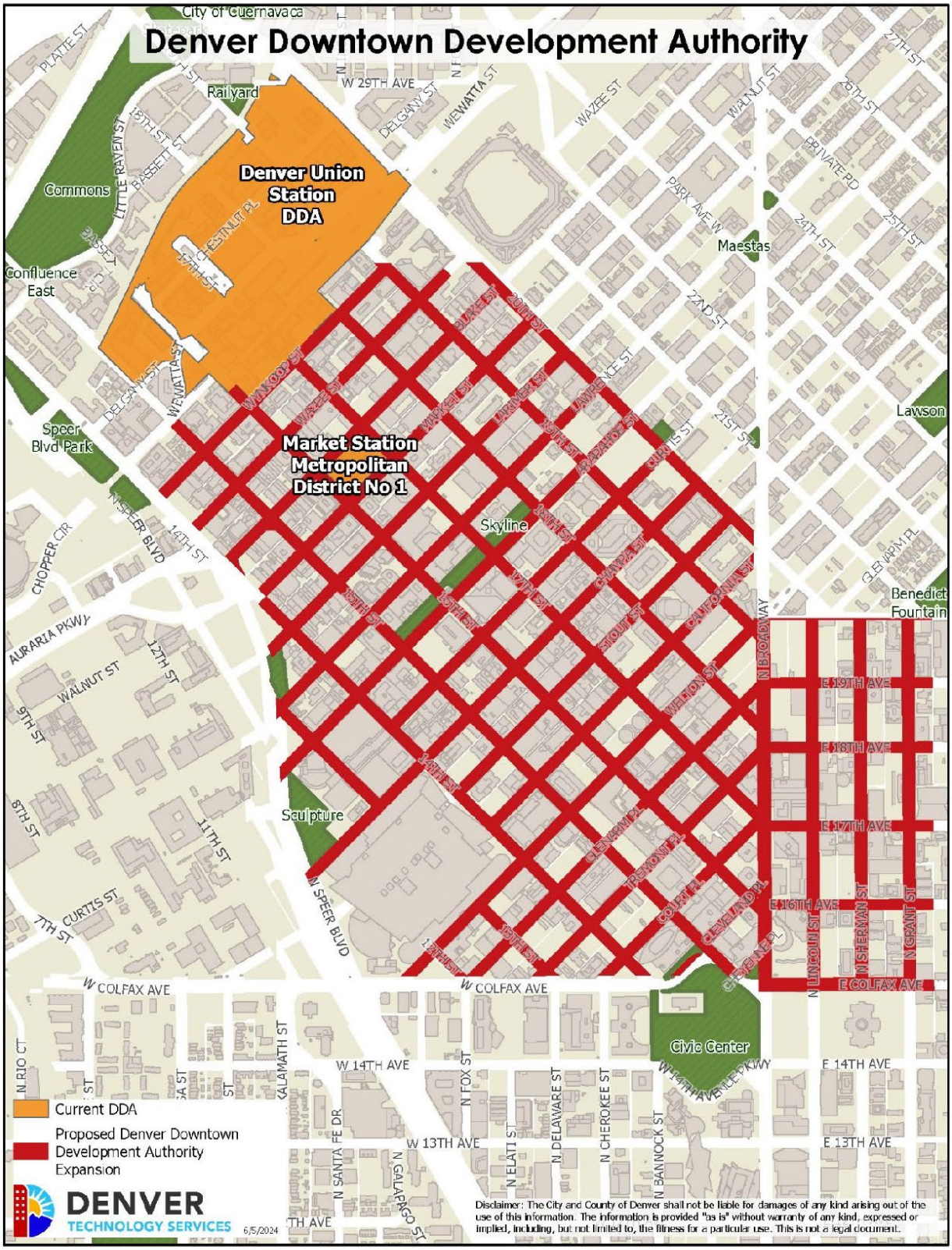
B. Legal Description of Property and Map

Parcels of land lying in Sections 33 and 34, Township 3 south, Range 68 west of the 6th Principal Meridian, City and County of Denver, State of Colorado, described as follows:

Those portions of the of the streets, avenues, and lanes conveyed to the City of Denver by deed recorded June 8, 1867, at book 14 page 120, Arapahoe County, Colorado Territory, as shown on the Fredrick J. Ebert plat titled "Part of the City of Denver" dated June 29, 1865, depicting the Congressional Grant approved May 28, 1864, and lying west of N. Broadway, north of W. Colfax Ave., northeast of N. Speer Blvd., southeast of Wewatta St., south of the north line of the aforementioned sections 33 and 34, and southwest of the northeast line of 20th St.

Together with all the streets dedicated to the City of Denver in H. C. Brown's Addition to Denver recorded June 22, 1868, at book 1, page 3, Arapahoe County, Colorado Territory.

See Map on following page.


Denver Downtown Development Authority
Denver Union Station DDA
Market Station Metropolitan District No 1
Railyard
Commons
Confluence East
Speer Blvd Park
Skyline
Sculpture
Civic Center
Maestas
Lawson
Benedict Fountain
Current DDA
Proposed Denver Downtown Development Authority Expansion
DENVER TECHNOLOGY SERVICES
6/5/2024
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6. INCLUSION & PROJECT SELECTION PROCESS

There are two separate, general steps that properties must take to ultimately receive DDDA funding support. First is petitioning for inclusion into the DDDA boundaries. Second is applying for funding for specific projects.

A. Petition for Inclusion into the DDDA

If the City-owned right-of-way is included into the DDDA, other property owners who own a fee simple interest in properties located adjacent to the then-current boundaries of the DDDA would become eligible to petition for inclusion into the DDDA. Provided that the statutory requirements for inclusion described in C.R.S. § 31-25-822 are satisfied, such other properties may be either privately or publicly owned.

Pursuant to C.R.S. § 31-25-822, all petitions for inclusion, including right-of-way, submitted to the Board must be signed by the fee owner(s), and "shall include evidence satisfactory to the [Board] concerning title to the property and an accurate legal description thereof." Additional guidelines, criteria, and requirements for forms of evidence, timelines, and procedures may be determined by the Board and City Council, respectively. If the Board approves a petition for inclusion, it shall submit the same to City Council for its consideration. If City Council approves the petition for inclusion, it shall, by amendment to the DDDA's Creation Ordinance, redescribe the boundaries of the DDDA to include the additional property as described in the petition. From the effective date of that Creation Ordinance amendment, the additional property shall be included within the DDDA's boundaries, and this Amended Plan shall be deemed to be automatically amended to include such property and such property shall become subject to those certain statutory requirements, all without any further action needed from either the Board or City Council.

It is important to note that the inclusion of property into the DDDA is not a guarantee that such property will be eligible for any projects described under this Amended Plan or receive any TIF revenues generated within the plan of development area.

B. Project Selection General Parameters

A project evaluation and selection process will follow these general parameters:

- Tax Increment Investment Policy and Program Requirements will be developed, including a criteria and an evaluation process by which projects will be considered for investment.
- An application for funding will be developed that can be used by eligible properties for projects that fit the guidelines in this Amended Plan. Project applications will be considered on a case-by-case basis and evaluated based upon the ability of the project to further the goals of this Amended Plan. The DDDA Board will serve in its statutory capacity to guide implementation of this Amended Plan, subject to the terms of any executed cooperation agreements.
- TIF funding for proposed projects may include, but is not limited to, grant reimbursements, annual payment schedules based upon individual property generation of tax increment, and/or bond proceeds for certain projects after completion.
- All project proposers, originating in either the public or private sector, may be required to

present their development project scope, conceptual designs/elevations, budget/financial pro forma, timeline/schedule, evidence of eligible activities, and other related or required documents for consideration.

- The DDDA board and City should endeavor to ensure there are adequate resources, including staff capacity and subject-matter expertise, to manage a program of this size and breadth and to help accelerate the deployment of project funds.
- Equity is a fundamental value in the City's adopted plans. A commitment to equity is critical to creating a vibrant, inclusive downtown Denver where residents, employees, and visitors have access to opportunities to improve the quality of their life. As DDDA funding decisions are made across a portfolio of projects, equity will be a guiding value.
- All projects described or authorized herein in accordance with this Amended Plan shall be implemented in conformance with the provisions and requirements of the DDA Statute, as well as any rules, procedures, or contractual requirements of the City and the DDDA, and the Creation Ordinance of the DDDA.
- Periodic reports will be generated to provide updates on projects supported with DDDA funds, their status, and impacts achieved. Reports will be available on the DDDA website.

C. Cooperation Agreement

As stated earlier in this Amended Plan, DDAs are quasi-governmental corporate bodies and political subdivisions of the State of Colorado as provided in the DDA Statute. DDAs are authorized by their local municipalities and aim to realize a shared vision for the improvement of a central business district. It is anticipated that cooperation agreements will be negotiated to guide the relationship between the DDDA and the City. Such agreements may include, but need not be limited to, the following key components:

- Administrative and management support, roles, and responsibilities
- Governance structure
- Debt issuance and flow of TIF funds
- Mechanisms for accountability

It is expected that the DDDA Board and the City will review and amend such cooperation agreements as needed.

7. CONCLUSION

As described in this Amended Plan, there is a need to take corrective measures in order to halt or prevent deterioration of property values or structures within the current or future boundaries of the DDDA, which shall comprise the DDDA's plan of development area in accordance with Section 31-25-802(6.8), C.R.S., or halt or prevent the growth of blighted areas therein, or any combination thereof. This Amended Plan shall afford maximum opportunity, consistent with the sound needs and plans of the City as a whole, for the development or redevelopment of the DDA's plan of development area by the DDDA, the City, and by private enterprise.

In accordance with the Original Plan and Section 31-25-807(3)(a), C.R.S., and as restated in this Amended Plan, taxes, if any, levied after the effective date of the approval of the Original Plan by the City Council upon taxable property within the boundaries of the plan of development area, as amended, each year and municipal sales taxes collected within said area by or for the benefit of any public body shall be divided for a period not to exceed thirty years or a longer period as provided for in Sections 31-25-807(3)(a)(IV) and (V), C.R.S., after the effective date of approval by City Council of the Original Plan. The TIF revenues generated in accordance with Section 31-25-807(3) on property taxes and sales taxes shall be allocated to and, when collected, paid into a special fund of the City for the payment of principal of, the interest on, and premiums due in connection with the bonds of, loans or advances to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, the City for financing or refinancing, in whole or in part, one or more development projects within the boundaries of the plan of development area, as amended from time to time.

In accordance with Section 5 of the Creation Ordinance of the DDDA, Board approval of this Amended Plan shall provide approval of the Board for the Manager of Finance of the City to be authorized to spend, in accordance with this Amended Plan and in all current and subsequent years, whatever amount is collected from any revenue sources allowable pursuant to Sections 31-25-807(3), 31-25-816, and 31-25-808, C.R.S, or otherwise by law to be imposed or collected by the Board or by the City.

The use of DDDA funds is guided by a duly adopted plan of development approved in accordance with the DDA Statute. With the successful redevelopment of the Denver Union Station area completed, this Amended Plan is intended to broaden the scope of contemplated development projects authorized under the Original Plan beyond the redevelopment of Denver Union Station. While Denver Union Station and its adjacent property may still be eligible for future projects described in this Amended Plan, there are now a broader range of potential projects that may assist in overcoming the economic challenges affecting downtown Denver.