



Denver Downtown Development Authority (DDDA)

Finance & Governance Committee
February 4, 2025

Requested City Council Action:

- **Bill 25-0131 –**
Approves a Second Amended and Restated Denver Downtown Development Authority Plan of Development Cooperation Agreement (“Cooperation Agreement”) between the City and County of Denver and the Denver Downtown Development Authority, in Council District 10



- **Five Rounds of City Council Briefings:**
 1. April 30 - May 9, 2024: DDDA Overview and Timeline
 2. July 25 - August 15, 2024: Draft Plan of Development, and Ballot Question
 3. September 9 - October 7, 2024: Updated Plan of Development, and Loan Amendments
 4. November 26 – December 9, 2024: Draft Cooperation Agreement
 5. January 21 – 31, 2025: Updated Cooperation Agreement
- **Previous Council Actions:**
 - August 26: Ballot Question Referral
 - October 29: Loan Amendment, DUS Project Mill Levy Pledge Amendment
 - *November 5: District election with **over 77% support***
 - November 12: New Capital Fund
 - December 9: Plan of Development, ROW Inclusion
- **Anticipated Upcoming Actions:**
 - February 18, 2025: Cooperation Agreement second reading
 - Spring 2025: Additional Property Inclusion (** subject to DDDA Board approval*)

Foundational Goal from Amended Plan of Development adopted December 9, 2024, by Denver City Council:

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

Project applications will be evaluated across **five major criteria** categories and may include without limitation distinct supporting components within each category.

1. Financial

- Certainty of capital stack, amount of leverage, TIF repayment options, tax increment generation or ROI, investment per unit/sf, REVPAR, proforma, operation and maintenance, etc.

2. Feasibility

- Reputation/experience, risk mitigation strategies, capacity, existing commitments, realistic schedule, restrictions, etc.

3. Policy Objectives

- Affordability levels, sustainability and climate, equity and accessibility, economic diversity, livability and use of property, location, alignment with plans, non-discrimination requirements (i.e., MWBE and small business), etc.

4. Readiness

- Status: concept/design review, financing, entitlement/ownership, schedule, etc.

5. Activation Impact

- REMI score, foot traffic, job creation, longevity of economic impact, degree of ground floor activation, etc.



- Approval Process [Up to 42 calendar days + City Council process]



City and Board
approves Cooperation
Agreement + TIF Policy



City manages
applications;
performs evaluations;
recommend projects



City provides **Board**
[subcommittee] summary of
recommended projects
Board has [up to 20 days] to
provide recommendations



City has [up to 14 days]
to respond to **Board**
recommendations



Board holds special
meeting [within 14 days]
of receipt of **City**
response to consider
approval of projects



Board approved project



Board disapprove project



City [Manager of Finance + ED
DEDO] considers reasoning for
Board disapprovals; makes
final determination



City Council considers
projects [above \$500k]

The cooperation agreement would allow the DDDA and the city to consider several funding types, including but not limited to:

- **Tax increment performance payments:** Annual TIF payments made to the owner or developer over a certain period of time, based upon the actual tax increment captured from the project.
- **Loan:** For certain types of projects that may not derive direct property tax or sales tax increment or requires up-front funding, a loan utilizing TIF may be a preferred funding option.
- **Lump sum:** Lump sum payments may be provided, which may require certain thresholds be satisfied (e.g., the issuance of a Certificate of Occupancy, execution of lease agreement, or other agreed upon milestones, etc.) and all other satisfied requirements.

Funding Levels

The cooperation agreement would allow the DDDA and city to consider higher funding levels for projects that provide extraordinary benefits or a high degree of alignment with the mission and goals of the DDDA and the city.



Recent Updates

Registration of Interest Now Open

Registration of Interest (ROI) Opened Monday!

- Facilitates workflow, staffing, and resource allocations
- A team will be assigned to connect, learn about project, answer questions

Key Data Points Collected

- Contact Info
- Project Description + Adjacency Eligibility
- Project Information + Types (redevelopment, business, art, public)
- Financials (total cost, TIF request, capital stack)
- Project Impact(s) + Alignment with Amended Plan of Development (economic, jobs, activation, building utilization, etc.)
- Timeline (readiness, completion, etc.)



Thank you for your interest in the Downtown Denver Development Authority (DDDA) funding opportunity. The DDDA's mission is to build a vibrant Downtown Denver through strategic and catalytic investments that promote economic growth and revitalization, with a specific focus on upper downtown, which is the most economically challenged.

Contact Information

Name (i.e. Organization, Business, or Individual) *

First and Last Name *

Email *

Phone (example: 000-000-0000) *

Project/Entity Website

Project Description

Interactive DDDA Map Now Online



DENVER
THE MILE HIGH CITY



Denver Downtown Development Authority

Use this map to explore parcels adjacent to the DDDA.

Legend

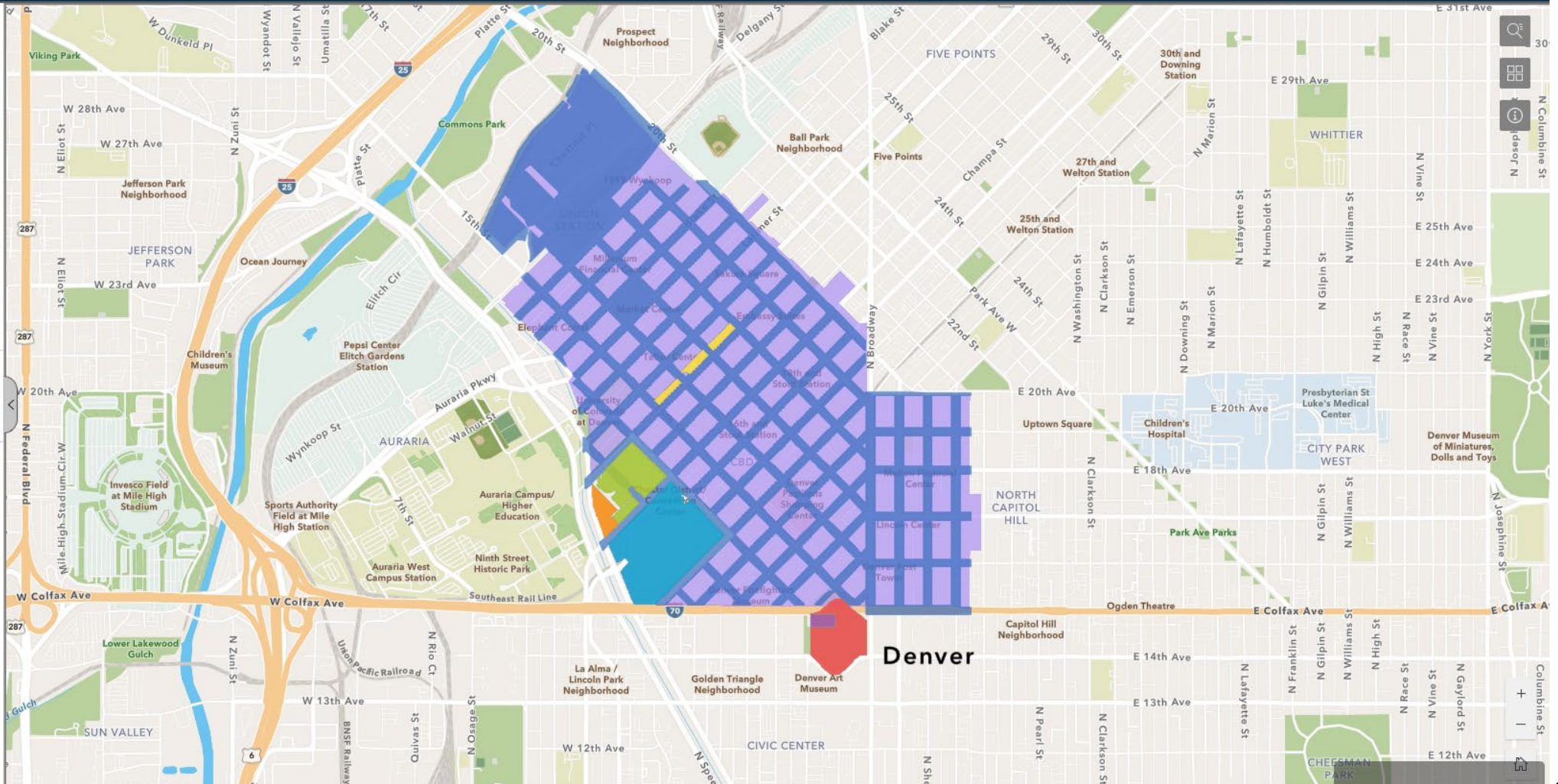
Petition Areas

- Civic Center Park
- Convention Center
- Denver Center for the Performing Arts (DCPA)
- 1245 Champa (part of DCPA)
- McNichols Building
- Sculpture Park
- Skyline Park

Current DDDA Boundary



Potential Expansion Area





Thank you



Appendix

DDDA Projects will be evaluated based on both direct and indirect impacts to Downtown Denver. The elements address the needs identified in the DDDA economic study. Impact scoring will be based on rubrics specific to project type.

Direct

Economic Impact – Dollar value of economic impact as measured by Regional Economic Models Inc. (REMI)

Tax Revenues – Generate incremental local tax revenue

Downtown-Based Job Creation – Estimated permanent and temporary jobs created or retained

Foot Traffic – Estimated increase in annual number of downtown visitors, residents, and/or employees

Building Utilization – Reduce building vacancies downtown

Leverage Funding – Maximizing investment of private dollars supporting downtown recovery

Indirect

Economic Diversification - Impact on industry mix, building use mix, and the diversity of the downtown physical environment

Livability - Enhance or provide community services and spaces, e.g., grocery, childcare, parks, gathering spaces, and other publicly accessible and affordable amenities

Affordability – Increase the stock of affordable and workforce housing

Vibrancy – Make downtown more active, accessible, welcoming, and secure through design or activations that improve the look and feel of the site and area

Geographic Priorities - Build on areas of community or strategic focus

Foundational Goal from Amended Plan of Development adopted December 9, 2024, by Denver City Council:

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

Project applications will be evaluated across five major criteria categories and distinct supporting components within each category.

- **Financial.** This evaluation category may include without limitation, components such as: certainty of capital structure component commitments, degree to which further private and public capital is utilized to leverage proposed TIF investment, funding request types that may be repaid or utilize the least amount of TIF, tax increment generated from the proposed projects, return on investment (ROI), necessary investment per unit or square foot (or other reasonable basis), forecasted revenue per available room (REVPAR), proforma review, responsibility for and scope of ongoing operation and maintenance costs, and others.
- **Feasibility.** This evaluation category may include without limitation, components such as: applicant's prior experience and previous successful completion of similar types of projects, risk mitigation strategies, capacity of applicant to successfully complete project within schedule and cost if multiple projects will be active, applicant commitments and ability to perform, realistic project schedule, restrictions (if any), and others.

Policy Objectives. This evaluation category may include without limitation, components such as: proposed housing affordability levels, sustainability and climate benefits, equity and accessibility, economic diversity, livability and use of property, geographic location, alignment with adopted city plans, non-discrimination requirements (i.e., MWBE involvement and small business enterprise requirements), applicant and its contractors' history of wage theft or labor law violations, type of product, and others.

Readiness. This evaluation category may include without limitations, components such as: concept or design review status, financing status, land entitlement status, ownership status, project schedule, and others.

Activation Impact. This evaluation category may include without limitations, components such as: Regional Economic Models Inc. (REMI) economic impact score, foot traffic generation estimation, job creation estimation, longevity of economic impact over time, the amount or degree of ground floor or public facing frontage that is activated, and others.

Additional Factors to Consider in Evaluations

- ✓ **Desire to incorporate policy objectives into criteria:**
 - Sustainability benefits
 - Applicant's history and compliance with worker protection laws, wage theft violations
 - Number of housing units produced
 - Number of affordable or workforce units and at what AMI
 - Equity benefits
 - M/WBE involvement of applicant team
 - Adopted plan alignment

- ✓ **Importance of achieving transformative or catalytic economic development**
 - Longevity of impact
 - Incorporate economic development goal from adopted Plan of Development

✓ Additional Clarity on the Evaluation Process

- How can applicants best develop a project that is attractive to DDDA investment?
- What components should applicants incorporate into their application?

Miscellaneous

- Staffing and administration costs
- DDDA Board appointments
- City contract requirements
- Labor relations
- City review times

Categories for Investment



- **New Development and Adaptive Reuse:** The transformation of 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.



- **Livability, Economic Opportunity and Jobs:** 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.



- **Parks and Public Space:** 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 book adjacent property values, attract private investment, and strengthen the local economy by drawing visitors and tourists.



- **Arts, Culture and Activations:** 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.



- **Connectivity and Mobility:** The DDDA has 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 pedestrian experience in downtown Denver.