

# Greeley DDA Sales Tax Proposal

## HISTORY

- Greeley DDA officially formed in 1998
- The Plan of Development was approved by the City in November 2002; 2003 was established as the Property Tax TIF base year with a district gross assessed value of \$11,750,783
- State Statute allows DDAs to collect TIF revenue for 30 years from base year so 2033 is our final year (with taxes received in 2034); a 20-year extension can be granted by City Council in the last 10 years of the initial 30-year period (starting in 2023)
- A 5-mill levy was approved by voters in November 2008; instrumental in the DDA’s history since TIF revenue can only be used to support public improvements and the DDA needed a sustainable financial vehicle for the organization’s operations

## GROWTH & LIMITATIONS

- The DDA’s ability to further its mission “to create, support and promote meaningful experiences, business growth and private development in Downtown Greeley” has been significantly limited over the years primarily due to:
  - Large percentage of DDA district is property tax exempt—39% in 2022 (see Exhibit A); this means that mill and TIF revenue has been static for many years (see Exhibit B)
  - Financial support from the City has declined over the years; \$56,811 has been the average annual grant/event support over the last 21 years (see Exhibit C)
- Yet over the last 14 years, the DDA district has generated an average of \$2.3M in sales tax annually
- 2020 notwithstanding, the annual average sales tax growth year over year during the same period was \$785,549 years (see Exhibit D)

## SALES TAX TIF ASK

- We would like to propose moving from a grant-based approach to a performance-based approach by creating an Agreement for Voluntary Allocation of Sales Tax
- Proposal:
  - Dissolve the annual City Community Services Funding Agreement
  - City commits 100% of sales tax above and beyond the base year of 2021 back to the DDA, with a minimum guarantee of \$50,000 and a maximum guarantee of \$250,000
- Here’s how this would have worked for 2022 if this proposal were in place:

	Sales Tax Total	Difference from 2021 Base Year
<b>2022</b>	\$ 3,420,064.01	\$ 436,871.76
<b>2021</b>	\$ 2,983,192.25	

- In this case, we would have received the maximum of \$250,000—not the full \$436,871 that was generated

## FUND USAGE:

### 3 Key Strategies from Downtown 2032- The Path Forward, as identified by the DDA Board

1. EXPERIENCE Strategy 4: Continue to activate Downtown through programming and events that are relevant and inclusive to Greeley’s diverse population (Downtown 2032- The Path Forward, p. 68)

- Background: Downtown is where people go to experience art, culture, and events—all of which contribute to an increased quality of life; in line with Objective HC-3.2 of the City’s Comprehensive Plan calls out the importance of providing “emotional renewal and relief from normal routines through art, entertainment, and activities that add to the community’s well-being and quality of life.”
  - Present Situation: DDA independently puts on 25 events each year (Blarney on the Block, 21 Friday Fests, Oktobrewfest, Trick-or-Treat Street, Holiday Open House) and collaborates on several other events (Cinco de Mayo, Youth Arts Month, Monster Day, Greeley Lights the Night Parade)
  - Why the Need:
    - Current event production is costly and getting more so every year (increased cost in insurance, supplies, security, marketing, etc)
    - Volunteerism to help run events has dropped tremendously and is unreliable at best
    - Would like to diversify the offering of events to reach a wider audience and ensure that all feel welcome downtown
  - Proposed Fund Use:
    - Hire and/or contract with individuals, groups or organizations to provide reliable event support
    - Pursue and create collaborative new events and experiences that have been untapped to reach a wider audience (ie, Rec Center classes in the park, UNC athletic rallies, daycare or homeschool outings, etc.)
    - Create a 50-50 matching grant program to help downtown businesses who are collaborating with other downtown businesses defray the cost of organizing community events in the downtown district by reimbursing up to \$1,500 of event-related expenses; this would further the goal of bringing additional visitors downtown without the burden of always relying on the DDA or the City for event programming
  - Percentage of Sales Tax Fund Allocation: 30%
2. EXPERIENCE Strategy 5: Market existing Downtown assets and amenities to both locals and visitors. (Downtown 2032- The Path Forward, p. 69)
- Background: DDA marketing efforts have been haphazard at best and we have not tapped into the power of sharing the stories of downtown business owners and all of the progress happening downtown
  - Present Situation: The DDA manages Facebook and Instagram social media accounts, produces an annual Downtown Greeley brochure that is both direct mailed and distributed via hotels, businesses and community partners, and maintains a website that displays a directory of businesses, calendar of events, and business opportunities; currently there is no formalized marketing and advertising plan
  - Why the Need:
    - Lack of cohesion and strategy has diminished the quality of marketing materials and messaging across all messaging platforms
    - We hear “we had no idea ‘such and such’ was happening” or “we had no idea that downtown was as fun with all these great businesses and developments happening” far too often which indicates the downtown message is not being heard
    - Resources have not been as effective and efficient as they could be if there was a formalized marketing plan in place

- Multiple downtown businesses have asked the DDA to strengthen marketing efforts
- Proposed Fund Use:
  - Contract with professional marketing firm to create cohesive, robust marketing campaign aimed at the following target markets: out-of-town visitors, potential developers & new businesses, Greeley residents (especially west Greeley and the Latinx population), UNC students & staff, and current downtown property owners & businesses
    - Messaging would be focused on promoting local businesses, development growth, residential opportunities, events, unique experiences, and the many opportunities to get involved and grant programs that are available to them
    - Marketing outputs would include print materials, social media campaigns, photography & videography, billboards, website, among others
  - Procure locally-made/produced downtown merchandise, art and wear and create a strategy on how to promote these local goods in the community; we receive many requests for Greeley products both from visitors and locals—not just something with the Greeley logo on it, but unique items from Greeley makers!
  - Partner with media organizations (like BizWest) and local organizations (like the City, UNC, AIMS) on joint marketing promotions or materials
- Percentage of Sales Tax Fund Allocation: 35%

3. ECONOMY Strategy 2: Encourage diverse, vibrant storefront uses throughout Downtown (Downtown 2032- The Path Forward, p. 59)

- Background: Downtown Greeley should be where people go to have unique shopping and dining experiences
- Present Situation: A number of properties, especially in Central Downtown, have service-related businesses in the ground level that do not contribute to foot traffic, visitor growth, or aesthetic vibrancy
- Why the Need:
  - Both empty spaces or uses such as law offices, engineering firms, or real estate offices being located at the storefront level diminish the availability of prime retail and restaurant space that could bring more visitors to downtown and positively enhance the vibrancy of downtown
  - Storefronts that are not activated do not generate sales tax, and those that are vacant contribute to a blighted condition
- Proposed Fund Use:
  - Create a Retail Conversion Grant that would reimburse retail storefront businesses for converting and upgrading previously non-retail properties in the DDA to encourage additional retail development; this grant program has been very successful in Downtown Longmont
  - Invest in additional lighting downtown to allow downtown shoppers and visitors to feel safe and comfortable visiting businesses after dusk
  - Marketing efforts identified above will also greatly benefit downtown businesses
- Percentage of Sales Tax Fund Allocation: 35%

**EXHIBIT A: DDA Sales/Use Tax**

January 1- December 31

	DDA TIF N 13th St	DDA TIF S 13th St	Downtown Plaza	TOTAL	Value Change from Prior Year	% Change from Prior Year	Tax Rate
<b>2022</b>	\$ 1,990,986.94	\$ 826,026.88	\$ 603,050.19	\$ 3,420,064.01	\$ 436,871.76	12.8%	4.11%
<b>2021</b>	\$ 1,724,022.62	\$ 723,984.50	\$ 535,185.13	\$ 2,983,192.25	\$ 512,312.27	17.2%	4.11%
<b>2020</b>	\$ 1,399,850.34	\$ 661,079.39	\$ 409,950.25	\$ 2,470,879.98	\$ (616,735.47)	-25.0%	4.11%
<b>2019</b>	\$ 1,749,043.17	\$ 757,743.55	\$ 580,828.73	\$ 3,087,615.45	\$ 9,313.52	0.3%	4.11%
<b>2018</b>	\$ 1,809,100.44	\$ 725,917.76	\$ 543,283.73	\$ 3,078,301.93	\$ 302,872.07	9.8%	4.11%
<b>2017</b>	\$ 1,634,845.18	\$ 666,656.50	\$ 473,928.18	\$ 2,775,429.86	\$ 462,247.49	16.7%	4.11%
<b>2016</b>	\$ 1,273,646.01	\$ 611,339.82	\$ 428,196.54	\$ 2,313,182.37	\$ 187,732.36	8.1%	4.11%
<b>2015</b>	\$ 1,158,037.68	\$ 601,762.64	\$ 365,649.69	\$ 2,125,450.01	\$ (26,361.97)	-1.2%	3.46%
<b>2014</b>	\$ 1,171,255.58	\$ 635,606.09	\$ 344,950.31	\$ 2,151,811.98	\$ 241,275.10	11.2%	3.46%
<b>2013</b>	\$ 991,814.39	\$ 624,969.23	\$ 293,753.26	\$ 1,910,536.88	\$ 183,973.14	9.6%	3.46%
<b>2012</b>	\$ 908,312.15	\$ 572,620.63	\$ 245,630.96	\$ 1,726,563.74	\$ 91,706.27	5.3%	3.46%
<b>2011</b>	\$ 871,136.49	\$ 534,875.13	\$ 228,845.85	\$ 1,634,857.47	\$ 125,273.62	7.7%	3.46%
<b>2010</b>	\$ 804,643.53	\$ 498,585.62	\$ 206,354.70	\$ 1,509,583.85	\$ 284,105.49	18.8%	3.46%
<b>2009</b>	\$ 686,211.91	\$ 355,001.22	\$ 184,265.23	\$ 1,225,478.36			3.46%

\*Missing Jan 2009

<b>AVERAGE Annual Sales Tax</b>	<b>AVERAGE Value Change (*excl. 2020)</b>
\$ 2,315,210.58	\$ 785,549.75

### EXHIBIT B: Greeley DDA Assessed Value 2009-2002

	Assessed Value	Exempt Value	% Assessed Exempt
2009	\$ 37,846,410	\$ 10,737,220	28%
2010	\$ 37,773,380	\$ 11,460,710	30%
2011	\$ 43,783,920	\$ 18,529,210	42%
2012	\$ 43,749,240	\$ 18,457,180	42%
2013	\$ 44,320,940	\$ 20,129,150	45%
2014	\$ 44,570,790	\$ 20,227,820	45%
2015	\$ 44,466,610	\$ 18,525,860	42%
2016	\$ 42,198,800	\$ 18,406,510	44%
2017	\$ 48,136,280	\$ 18,284,770	38%
2018	\$ 58,931,910	\$ 22,262,970	38%
2019	\$ 65,311,880	\$ 24,639,920	38%
2020	\$ 66,686,210	\$ 24,633,880	37%
2021	\$ 71,942,470	\$ 27,475,850	38%
2022	\$ 73,597,960	\$ 28,617,810	39%

SOURCE:

<https://www.weldgov.com/Government/Departments/Assessor/Taxing-Authority-Information/Abstract-Reports>

**EXHIBIT C: Greeley DDA TIF & Mill Levy History**

TAX YEAR	Year of Receipt	GROSS Assessed Value*	Mill Levy Revenue	Increment Value*	Base Value	Increment %	Base %	Total District Mill Levy (less DDA 5 mills)	GROSS TIF Revenue
2003	2004	\$ 11,750,783		\$ -	\$ 11,750,783				\$ -
2004	2005	\$ 11,860,880		\$ 110,100	\$ 11,750,780	0.9283%	99.0717%	86.519	\$ 9,419.00
2005	2006	\$ 12,552,650		\$ 877,840	\$ 11,674,810	6.9933%	93.0067%	80.941	\$ 70,246.00
2006	2007	\$ 12,264,230		\$ 572,200	\$ 11,692,030	4.6656%	95.3344%	79.429	\$ 44,954.00
2007	2008	\$ 23,539,310		\$ 2,860,020	\$ 20,679,290	12.1500%	87.8500%	75.561	\$ 214,785.00
2008	2009	\$ 24,714,320		\$ 4,220,250	\$ 20,494,070	17.0761%	82.9239%	70.261	\$ 310,522.00
2009	2010	\$ 27,109,190	\$ 132,877.00	\$ 4,718,018	\$ 22,391,172	17.4038%	82.5962%	75.278	\$ 344,814.00
2010	2011	\$ 26,312,670	\$ 132,496.00	\$ 3,921,498	\$ 22,391,172	14.9035%	85.0965%	75.823	\$ 310,150.00
2011	2012	\$ 25,254,710	\$ 124,384.00	\$ 3,793,930	\$ 21,460,780	15.0227%	84.9773%	76.560	\$ 290,703.00
2012	2013	\$ 25,292,060	\$ 125,207.00	\$ 3,995,740	\$ 21,296,320	15.7984%	84.2016%	76.769	\$ 309,776.00
2013	2014	\$ 24,191,790	\$ 121,338.00	\$ 3,821,910	\$ 20,369,880	15.7984%	84.2016%	76.819	\$ 303,346.00
2014	2015	\$ 24,342,970	\$ 120,050.00	\$ 3,984,210	\$ 20,358,760	16.3670%	83.6330%	75.554	\$ 298,721.00
2015	2016	\$ 25,940,750	\$ 130,410.00	\$ 4,245,720	\$ 21,695,030	16.3670%	83.6330%	73.710	\$ 285,424.00
2016	2017	\$ 23,792,290	\$ 127,943.00	\$ 3,342,710	\$ 20,449,580	14.0496%	85.9504%	73.988	\$ 238,594.00
2017	2018	\$ 29,851,510	\$ 159,176.00	\$ 6,196,070	\$ 23,655,440	20.7563%	79.2437%	83.275	\$ 496,173.00
2018	2019	\$ 36,668,940	\$ 158,376.00	\$ 12,409,926	\$ 24,259,014	33.8432%	66.1568%	82.823	\$ 898,182.00
2019	2020	\$ 40,671,960	\$ 201,931.00	\$ 9,581,433	\$ 31,090,527	23.5578%	76.4422%	87.400	\$ 831,477.00
2020	2021	\$ 42,052,330	\$ 207,759.50	\$ 10,676,015	\$ 31,376,315	25.3875%	74.6125%	87.171	\$ 917,979.16
2021	2022	\$ 44,466,620	\$ 225,358.96	\$ 11,596,894	\$ 32,869,726	26.0800%	73.9200%	87.447	\$ 1,011,601.67
2022	2023	\$ 44,980,150	\$ 224,900.75	\$ 12,228,126	\$ 32,752,024	27.1856%	72.8144%	87.199	\$ 1,066,280.36

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