

To: Mayor and Town Council
From: Cindy Krieg, Economic Development
Date: 06/14/2024
Agenda Item: Downtown Development Authority



REQUEST:

Council to consider supporting the formation of a Downtown Development Authority (DDA).

INTRODUCTION:

The Town of Minturn has been considering the values a DDA could bring to this community off and on for almost three years. In this time, staff and some business and property owners of Minturn's downtown area have investigated this option with the culmination of the attendance at the 2022 DCI Conference in Colorado Springs. From there the Town returned with an action plan for the potential to create a DDA from which we have slowly been progressing ever since. The Town recently completed a secondary financial analysis by consultant Jim Mann, to better understand the potential income revenues of a DDA. And then most recently, the Town (with help from DCI – Downtown Colorado, Inc) held a series of virtual stakeholder meetings followed by a stakeholder open house on June 10th. Following this most recent series of meetings (as well as a stakeholder survey), Town Staff have asked the downtown stakeholders to provide their input to Council, so that an informed decision can be made as to whether to pursue this initiative.

ANALYSIS:

A Downtown Development Authority functions as a “quasi-municipal corporation which is intended to halt or prevent deterioration of property values or structures in a Central Business District.”¹ To this end, a DDA is focused with finding ways for improving real estate development, infrastructure, and operations of a downtown area. It does this by leveraging any future increase in assessed property valuations within the approved DDA boundary. The Town could also assess a mill levy however feedback throughout this process has indicated a local DDA should be able to support these objectives by solely relying on the Tax Increment Financing This allows the DDA to reinvest in Minturn's Downtown and keep money in Minturn which would have otherwise gone to the bevy of other organizations that see revenue through property taxes such as the School District, Cemetery District, Library District, Eagle County, and others. The complete mill levy breakout can be found on electronic page 81 of the [2024 Minturn Budget](#). This is all done through a mechanism called tax increment financing (TIF). For those that want to take a deeper dive into the mechanics of TIFs, here is an excellent, albeit long, [presentation](#) by Troy Bernberg with Northland Public Finance. Also attached to this memo is a [TIF FAQ](#).

Staff is recommending the above concept which includes no increase in tax rates. To form a DDA, firstly, the Council must approve the concept. An election of the property owners included in the DDA boundary is then required. If approved, a DDA has a lifespan of 30 years with the potential to be extended by an affirmative action of the Council.

An important understanding to consider before moving forward with a DDA is the amount of tax increment funding from the eventual increase in property values that could be brought in by the DDA. Prior to formation, a financial analysis is conducted to determine if a potential DDA area *could* bring in funds providing enough value to create a financially healthy DDA. Jim Mann has conducted this analysis which is included as an attachment to this memo. Jim's findings have determined that even though

¹ Downtown Colorado Inc (n.d.), Colorado Improvement Districts Matrix.
https://www.downtowncoloradoinc.org/wp-content/uploads/2024/03/attachments-original-1646602262-Colorado_Improvement_Districts_Matrix.pdf

reinvestment in Minturn's Downtown is unknown at this time, there are a variety of different scenarios which create opportunities for increased revenues supporting a financially healthy DDA.

COMMUNITY INPUT: Ongoing over the past 2.5 years including multiple stakeholder meetings, discussions at the Council-level and informational sessions.

Minturn downtown stakeholders have been asked to provide direction to Council regarding their support or opposition to the ongoing efforts of a DDA formation in Minturn.

Some stakeholders were unable to attend this meeting, and have emailed notice of their support. Please see attached.

At the June 10th stakeholder open house, attendees provided initial input on their suggested boundaries for a DDA. The attached map reflects that initial draft, which does include some residential properties / areas. Council may wish to suggest edits to this.

BUDGET / STAFF IMPACT: Election cost of approximately \$1500

STRATEGIC PLAN ALIGNMENT:

PRACTICE FAIR, TRANSPARENT AND COMMUNICATIVE LOCAL GOVERNMENT.

SUSTAIN AND INVEST IN THE THINGS THAT DEFINE MINTURN AS A PROUD, STURDY MOUNTAIN TOWN TO "KEEP MINTURN MINTURN"

ADVANCE DECISIONS/PROJECTS/INITIATIVES THAT EXPAND FUTURE OPPORTUNITY AND VIABILITY FOR MINTURN

RECOMMENDED ACTION OR PROPOSED MOTION:

Council to identify continued support for a potential Downtown Development Authority.

ATTACHMENTS:

- Downtown Stakeholder Summary Report
- Initial Proposed Boundary Map
- Minturn DDA Financial Analysis
- Colorado Improvement Districts Matrix
- Tax Increment Financing FAQ