



DOWNTOWN COLORADO

 **inc.**



DO-ER.
DOWNTOWN
COLORADO
inc.



ABOUT DOWNTOWN COLORADO, INC.

Colorado's Downtown Champion since 1982

We are the Doers.

We are committed to building downtowns that are prosperous, equitable, creative, and welcoming. United in cause, we are Colorado's downtown champions.

Downtown Colorado, Inc. provides five core services to organizations and individuals engaged in downtown + commercial district development:

- Advisory Services
- Educational Events
- Advocacy and Information
- BID, DDA, URA Formation+ Training Assistance
- Colorado Challenge Program



The background features several decorative elements: a cluster of parallel diagonal lines in the top-left corner; a series of overlapping semi-circles in red, yellow, and blue in the top-right; a vertical column of overlapping semi-circles in blue, red, and blue on the right side; a cluster of overlapping semi-circles in blue, red, and blue in the bottom-left; and a large, thin, light-blue arc in the bottom-right corner. The main text is centered and reads:

**"PEOPLE ARE
LONGING FOR A
PLACE NOT ONLY TO
LIVE, BUT ALSO TO
LOVE."**

Peter
Kageyama

PROGRAMS



MEMBERSHIP

We are a clearing house of resources for local governments, quasi-governmental, and nonprofit and private sector partners serving as champions for town centers, commercial districts, and downtowns.



ADVISORY SERVICES

When our members have a challenge, they call on DCI to investigate and develop a plan of action



TAX INCREMENT FINANCING

We provide education, best practices, and network connections to Colorado's downtown development authorities (DDAs) + urban renewal authorities (URAs)



IN THE GAME + OTHER COOL EVENTS

We convene members and partners to engage, learn, and play together through educational and fun events.



COLORADO CHALLENGE ACCELERATOR PROGRAM

We help turn challenges to opportunities and investigate how to get your projects done.

ELEMENTS OF PLACE

PLACE MAKING

HOW

PLACE ACTIVATION

WHAT

PLACE MANAGEMENT

WHO

PLACE MANAGEMENT


MAINTAIN OR ENHANCE THE LEVEL OF SERVICES.
MAY BE IMPLEMENTED BY A FORMAL ENTITY OR
ORGANIZED GROUP OF STAKEHOLDERS

guiding documents, organizational structures,
and regional alignment are important

financing structures can be helpful but
consistency is key



- EDUCATION + ENGAGEMENT
- INTERFACE W/ ELECTED OFFICIALS+ COMMUNITY MEMBERS CONSISTEN



**"DON'T THINK 'BUILD IT +
THEY WILL COME'; FIND THE
LOCAL LEADERS AND HELP
THEM BUILD 'IT' WHERE
THEY ALREADY ARE."**

Placemaking Leadership Council
Healthy Communities working group

DOWNTOWN ORGANIZATIONS

Source: Modified from "BID, DDA OR URA: How to Decide?" by Carolynne C. White of Brownstein Hyatt Farber Schreck, 2008.

	BID	DDA	URA
PURPOSE	Economic Development and beautification	Urban development or redevelopment	Stimulate Reinvestment to improve economic conditions.
BASICS	Acquire, finance, install and operate public improvements, including but not limited to: streets, sidewalks, curbs, pedestrian malls, landscaping, statuaries, fountains, bike paths, benches, information booths, public meeting facilities.	Implement a plan of development for the downtown development areas, which could include events, beautification, business support and more.	Carry out "urban renewal projects," plans to assist the municipality ... to eliminate and prevent the development or spread of slum and blighted areas; to encourage needed urban rehabilitation; provide for the redevelopment of such areas; providing public improvements; encouraging rehabilitation and repair; [...] plans for voluntary repair and rehabilitation.
FUNDING + FINANCING	May impose; ad valorem property taxes, rates and charges for services or improvements, and special assessments. Functions as a taxing authority. Cannot use TIF.	May use TIF funding for sales and property tax for a period of 30 years, and/or impose mill levy up to 5 mills within the downtown development area for operations of the DDA.	May use TIF funding for sales, lodging, and property tax

TAX INCREMENT FINANCING

TIF is a financing mechanism that helps community encourage private sector investment around community vision.

DCI provide education, best practices, and network connections to Colorado downtown champions to foster public-private partnerships.

DOWNTOWN DEVELOPMENT AUTHORITIES (DDAS)

- DDAs are created to deter blight in central business districts.
- DDAs can use Tax Increment Financing and can access a mill levy.
- Areas of work are outlined in the Plan of Development.
- There is one defined DDA area in the central business district

URBAN RENEWAL AUTHORITIES (URAS)

- URAs are created to remediate blight .
- URAs can use Tax Increment Financing.
- Urban Renewal Authorities cover the whole municipality.
- There may be multiple urban renewal plan areas in a municipality.



SUPPORT FOR QUASI-GOVERNMENTAL ORGANIZATIONS

DCI provide education, best practices, and network connections to Colorado downtown champions to foster public-private partnerships.

EDUCATION

- Tax Increment Finance 101
- Annual Colorado TIF Summit
- Board Strategy Sessions

FORMATION SUPPORT

- Guidance on timelines + data needs
- Community engagement + education
- Strategy and consultant referrals

BUILDING NETWORKS

- Regular cohort meetings
- Mobile tours and field trips
- Shared service referrals
- Directory



AUDIENCE POLL

WHAT IS YOUR PRIMARY INVESTMENT MECHANISM?

1. PAY AS YOU GO (GRANTS/SOCIAL)
2. REIMBURSEMENT AGREEMENTS
3. BONDS



*Impact of 2024
Property Tax
Initiatives on Tax
Increment
Financing*

Brownstein



Tax Increment Finance: An update on Legislation and the Market


June 19, 2024

Contents

I. Historical Perspective

II. Market Observations & Economic Indicators

III. Bond Market



November 2024 Ballot + New Law

- Initiative 50
- Initiative 108
- SB 24-233



AUDIENCE POLL

DOES YOUR DDA/URA HAVE ANY
CONTRACTUAL OBLIGATION?

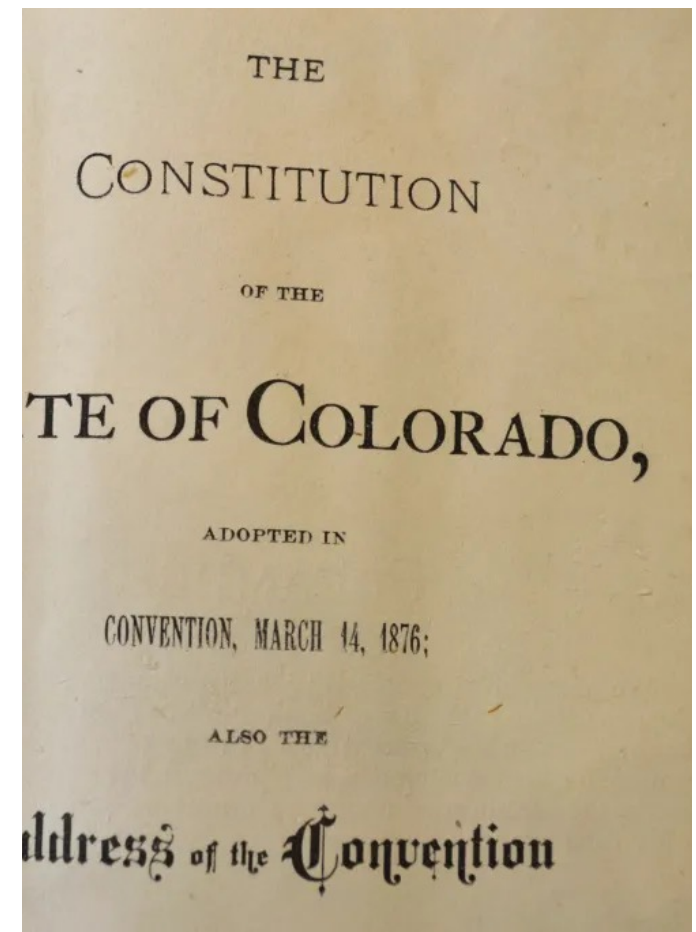


AUDIENCE POLL

ARE YOU CONSIDERING ENTERING
INTO A BOND ISSUANCE OR
DEVELOPER AGREEMENT?

Constitutional Amendment v. Legislation

- Initiative to change statute requires 50% plus 1 of vote to pass
- Initiative to change constitution requires 55% of vote to pass



Initiative 50

- Constitutional Amendment
- Creates cap on the amount by which property tax revenue in the state can increase year-over-year
- *"If the total statewide property tax revenue is projected to go up more than 4% over the preceding year, voter approval is needed for government to retain the additional revenue"*
- Status
 - Ballot title set
 - Signatures collected
 - Will be on November 2024 Ballot (unless withdrawn by proponents)

General Initiative 50 Questions

- What pool of voters must approve?
 - Unclear whether the vote is statewide or local government specific
- When can such an election be held?
 - This constitutional amendment modifies Article X, but not Section 20. It therefore appears that an election can be held any time of year, not just at TABOR election dates (November of every year, or May of odd years)
 - The word “projected” seems to indicate that an election would be held in advance of revenues actually being generated and collected, such that a TABOR style refund would not occur.
 - What happens if the property tax revenues are not projected to be more than 4% in the aggregate, but end up generating more than 4% after all?

Questions – Initiative 50 – continued

- How is the 4% measured?
 - Language indicates statewide, “total” – so this references the aggregate of all revenues statewide
 - Quite common – in fact it is the desired goal towards which we work – for year-over-year property tax revenues within an urban renewal area to increase by more than 4%
- How will this be implemented?
 - It is anticipated that the General Assembly and/or the Division of Property Tax would promulgate implementing statutes or regulations
 - Bill takes effect upon a proclamation by the Governor of passage, but implementing legislation would not be passed until at least the 2025 legislative session.

Possible Impacts on URAs



What does this mean for Urban Renewal Authorities?

Urban Renewal Authorities do not have the authority to conduct elections. If this situation were to occur, an Authority would only be able to retain and spend the revenue it receives in excess of the 4% cap in any given year if each of the taxing entities (county, school districts) conducts an election which is approved by its voters.



Current Debt Obligations

Most URA debt is predicated on projections of increases in value generating increases in property tax revenue => increment

This is in fact one of the goals of the URA Law

If debt has been issued predicated on projections that dramatically increase based on private investment, and the projected statewide total exceeds the 4% cap, if all of the individual taxing entities whose increments are pledged do not successfully conduct an election to keep the revenues, bond payments could be missed, and ultimately, default could occur. Litigation will be required to resolve whether investors could enforce their existing bond contracts.



Future Debt Obligations

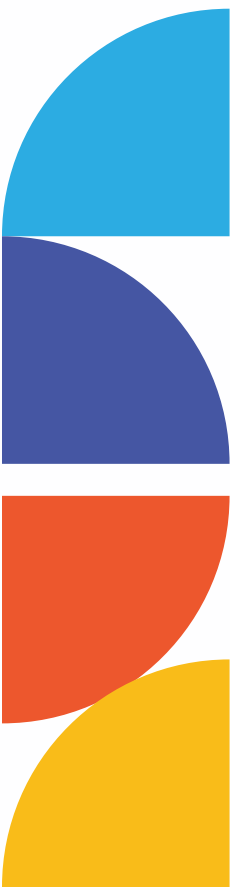
Bond offering documents will include disclosure of risk

Market demand for TIF-backed bonds will reflect its assessment of this risk



AUDIENCE POLL

HOW WELL DO YOUR ELECTED
OFFICIALS UNDERSTAND HOW TIF
WORKS?

1. They are experts
 2. They get the basics
 3. They have no idea
- 

Initiative 108

- Statutory Amendment not Constitutional
- Changes assessment rate, not total property tax revenues
 - Changes assessment rate to 24% for all property except
 - Residential
 - Mines
 - Oil and gas
 - Changes assessment rate to 6.7% for residential property
- Includes state backfill
 - “state treasurer shall issue a warrant to be paid yearly from the general fund to reimburse local districts for lost revenue as a result of the passage of this measure”
 - State required to maintain current funding for the state education fund
- Status
 - Signatures due July 25, 2024
 - Approximately 124,000 required
 - May or may not appear on ballot

*Questions re
Initiative
108/Impact on
URAs*

- Overall, less property tax revenue available for local governments => less revenue available for URAs
- If local governments' "lost revenue" would have been increment, are local governments required to share with URAs all or a portion of the "backfill" received from the state?
 - Measure is silent.
 - Estimated total impact on local governments is \$3 billion in FY 2025 – 2026



AUDIENCE POLL

DOES YOUR DDA/URA WORK
CLOSELY WITH ECONOMIC
DEVELOPMENT COMMUNITY?

1. YES
2. NO

Senate Bill 24-233

- Status
 - Passed by General Assembly
 - Does not take effect if either Initiative 50 or Initiative 108 passes
 - Certain sections of SB 24-233 take effect only if other legislation does or does not become law (both referenced bills did become law)
- Establishes 5.5% cap on year-over-year property tax revenue increases
 - “Qualified Property Tax Revenue” excludes property tax revenue
 - “attributable to new construction and personal property connected therewith”
 - Revenue increases resulting from a change in law, or annexation
 - Increases attributable to the termination of TIF authorizations (URA or DDA)
 - previously tax-exempt federal land which becomes taxable
 - From producing mines or oil or gas
 - Voter approved debt obligations
 - Voter approved mill levy increases
- Measured at the individual local government level, not statewide
 - “Local government” excludes school districts, home rule cities or counties, local governments which have not de-Bruced

SB 24-233 - continued

- Reduces commercial assessment rate to 25% by 2027; gradual decreases between 2024 and 2027
- Generally, reduces residential assessment rate to 6.7% for property tax year 2024; 6.4% for property tax year 2025; and 6.95% for property tax year 2026
- Adjustments for school districts
 - 7.15% for tax year 2025, or a percentage of the actual value of the property determined by the property tax administrator
 - 2026 and later – 7.15% or percentage of actual value necessary for the local share of “total program” to equal 60%
- State will reimburse non-school local governments for decreases in value between 2022 and 2024
- Allows deferral of tax payments by residential property owners (homestead) according to a formula
- Allows for a local government to seek voter approval to: exceed the property tax revenue limit for a single year, multiple years, or all future property tax years; levy new mills that are not subject to the property tax revenue limit; and levy a floating mill up to the property tax revenue limit.

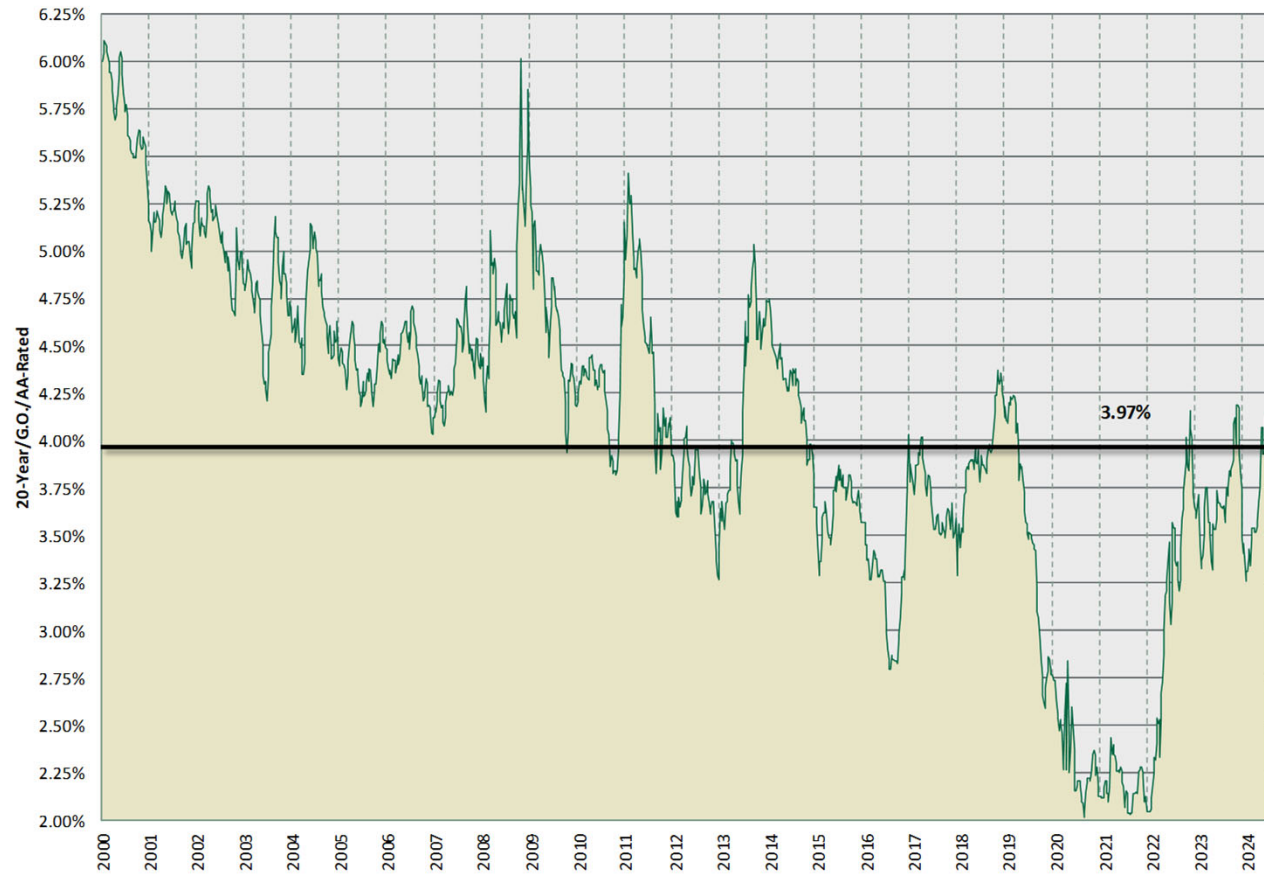
Questions re SB 24-233/Impact on URAs

- If local governments, including school districts, simply receive less revenue, what does that do to the calculation of increment? Does that mean there just is no increment?
- How will the assessor calculate and report “qualified property tax revenue” as opposed to all property tax revenue?
- In the short term, the state will backfill certain local governments – same question as 108. If some of that revenue would have been increment, does the URA receive a portion?

Historic Interest Rates



Bond Buyer's Index 2000 to Present



Source: Data compiled by Northland Securities from published Bond Buyer's GO 20-Bond Index



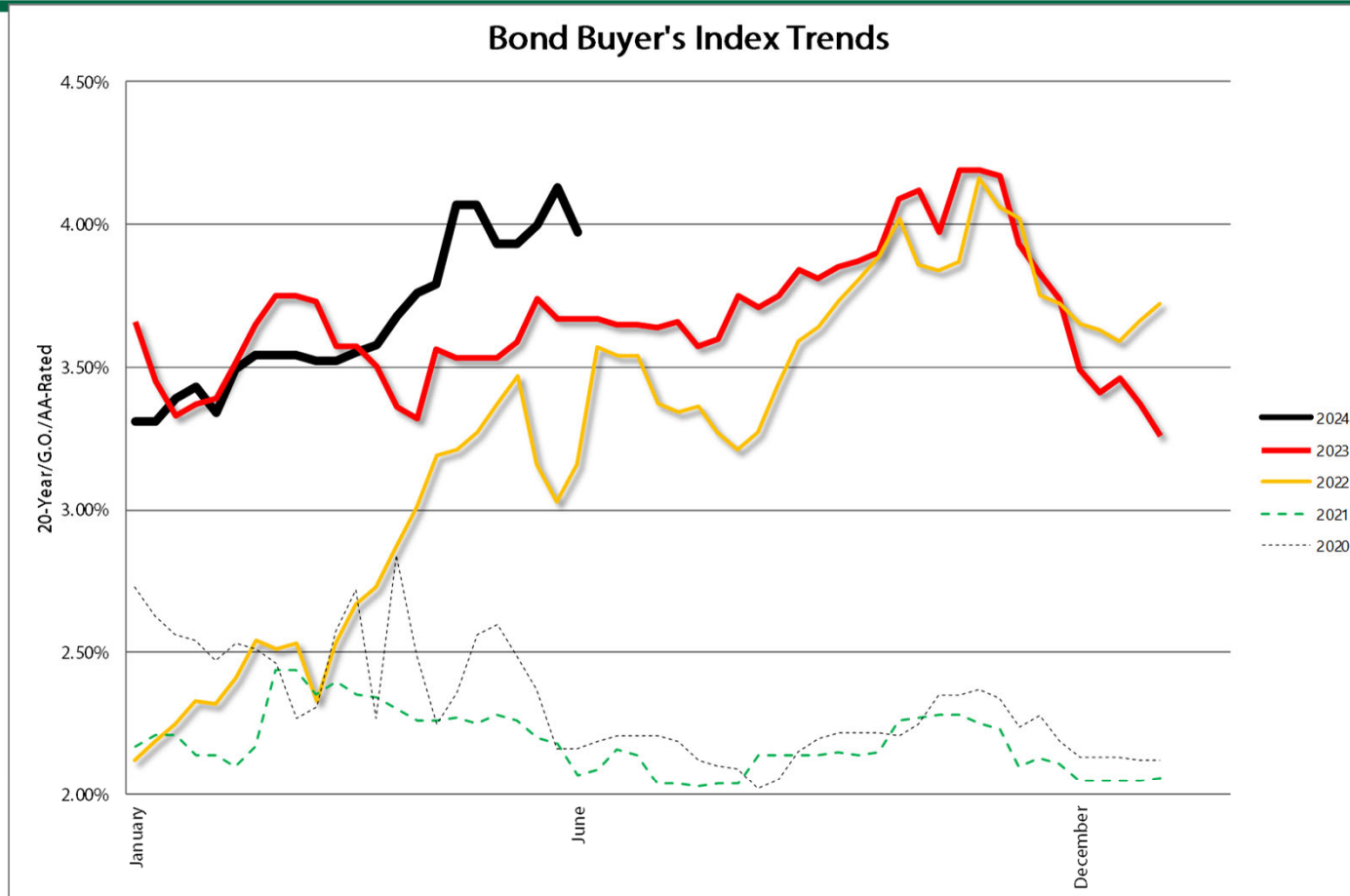
150 South 5th Street, Suite 3300, Minneapolis, MN 55402
Main 612-851-5900 / www.northlandsecurities.com
Member FINRA and SIPC, Registered with SEC and MSRB



Chart for illustration only. This is not an offer to buy or sell securities.
Based on sources believed to be reliable, but not warranted or guaranteed by Northland Securities, Inc. (RC 19-15A/Muni 19-11A)

Source: Bond Buyer
June 7, 2024

Interest Rates



Source: Data compiled by Northland Securities from published Bond Buyer's Index



150 South 5th Street, Suite 3300, Minneapolis, MN 55402
 Main 612-851-5900 / www.northlandsecurities.com
 Member FINRA and SIPC, Registered with SEC and MSRB



Chart for illustration only. This is not an offer to buy or sell securities.
 Based on sources believed to be reliable, but not warranted or guaranteed by Northland Securities, Inc. (RC 19-14A/Muni 19-10A)

Source: bondbuyer.com
 BBI as of 06/06/2024

Observations



Primary Market: U.S. state and local governments are set to sell more than \$5.76b of bonds next week.

Secondary Market: Trading in the municipal market totaled \$83.5b in the past week, up 39% from \$60.1b in the previous period, according to the Municipal Securities Rulemaking Board

Relative Value: State and local debt maturing in 10 years now yields 68.146% of Treasuries, compared with 68.375% a week ago.

Curve Characteristics: The gap between yields on short-term and long-term securities flattened by 2.3bps in the past week to 62bps.

Fund Flows: Investors added about \$549 million to municipal-bond funds during the week ended Wednesday, according to LSEG Lipper Global Fund Flows data. The gain follows last week's outflow.

The following is data for several of the funds:

- * Long-term municipal funds saw inflows of about \$561 million
- * Intermediate-maturity funds saw inflows of about \$35 million
- * High-yield funds gained about \$154 million.

Key Market Indicators

recap



Date Time	Event	Period	Survey	Actual	Prior	Revised
06/03/2024 09:45	S&P Global US Manufacturing PMI	May F	50.9	51.3	50.9	--
06/03/2024 10:00	ISM Manufacturing	May	49.5	48.7	49.2	--
06/05/2024 07:00	MBA Mortgage Applications	31-May	--	-5.20%	-5.70%	--
06/05/2024 08:15	ADP Employment Change	May	175k	152k	192k	188k
06/05/2024 09:45	S&P Global US Services PMI	May F	54.8	54.8	54.8	--
06/06/2024 08:30	Initial Jobless Claims	1-Jun	220k	229k	219k	221k
06/06/2024 08:30	Continuing Claims	25-May	1790k	1792k	1791k	1790k
06/07/2024 08:30	Change in Nonfarm Payrolls	May	180k	272k	175k	165k
06/07/2024 08:30	Unemployment Rate	May	3.90%	4.00%	3.90%	--

Key Market Indicators

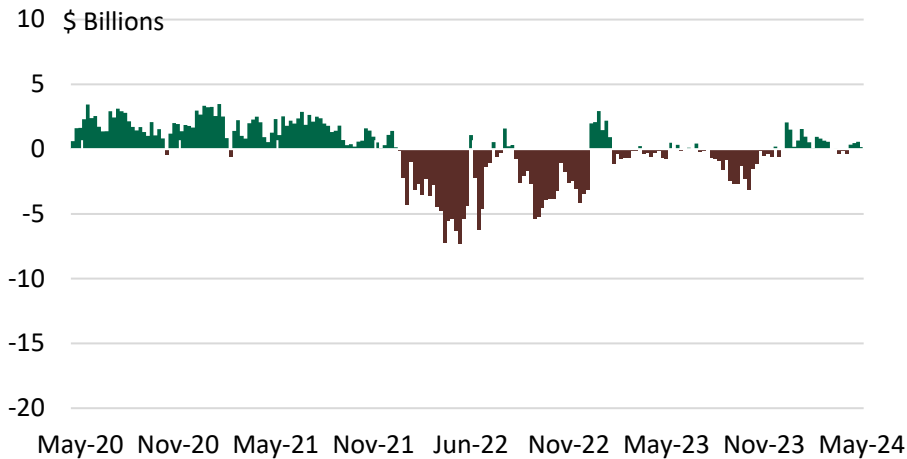
looking ahead

Date Time	Event	Period	Survey	Actual	Prior	Revised
06/11/2024 06:00	NFIB Small Business Optimism	May	89.7	--	89.7	--
06/12/2024 07:00	MBA Mortgage Applications	7-Jun	--	--	-5.20%	--
06/12/2024 08:30	CPI MoM	May	0.10%	--	0.30%	--
06/12/2024 08:30	CPI YoY	May	3.40%	--	3.40%	--
06/12/2024 08:30	CPI Index NSA	May	314.346	--	313.548	--
06/12/2024 08:30	CPI Core Index SA	May	--	--	317.622	--
06/12/2024 14:00	FOMC Rate Decision (Upper Bound)	12-Jun	5.50%	--	5.50%	--
06/12/2024 14:00	FOMC Rate Decision (Lower Bound)	12-Jun	5.25%	--	5.25%	--
06/13/2024 08:30	Initial Jobless Claims	8-Jun	--	--	229k	--
06/13/2024 08:30	Continuing Claims	1-Jun	--	--	1792k	--
06/13/2024 08:30	PPI Final Demand MoM	May	0.10%	--	0.50%	--
06/13/2024 08:30	PPI Final Demand YoY	May	--	--	2.20%	--
06/14/2024 10:00	U. of Mich. Sentiment	Jun P	73	--	69.1	--

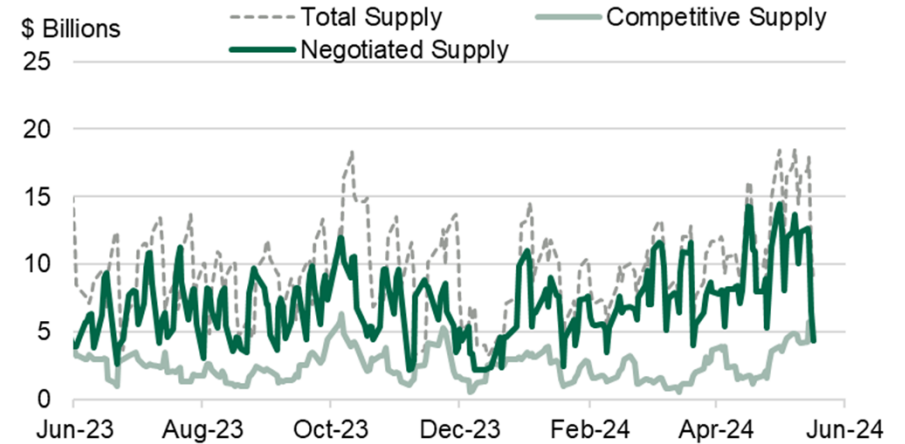
Rates | Supply/Demand



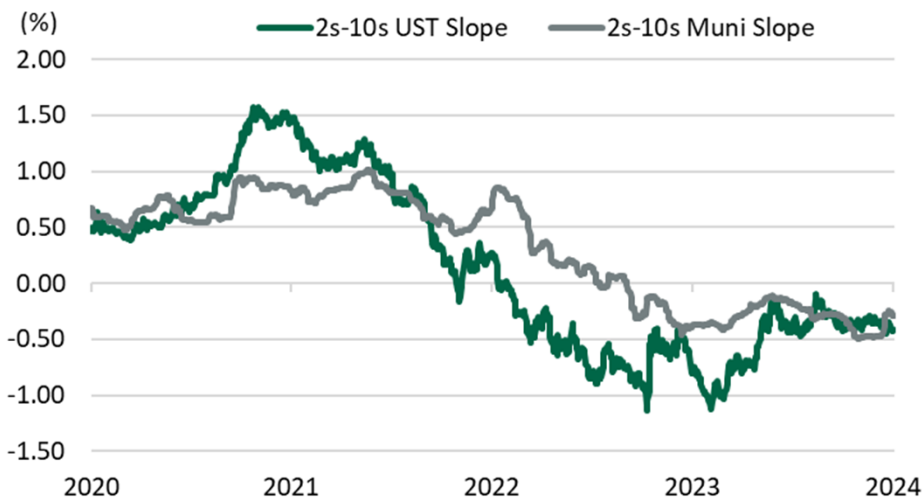
Municipal Fund Flows



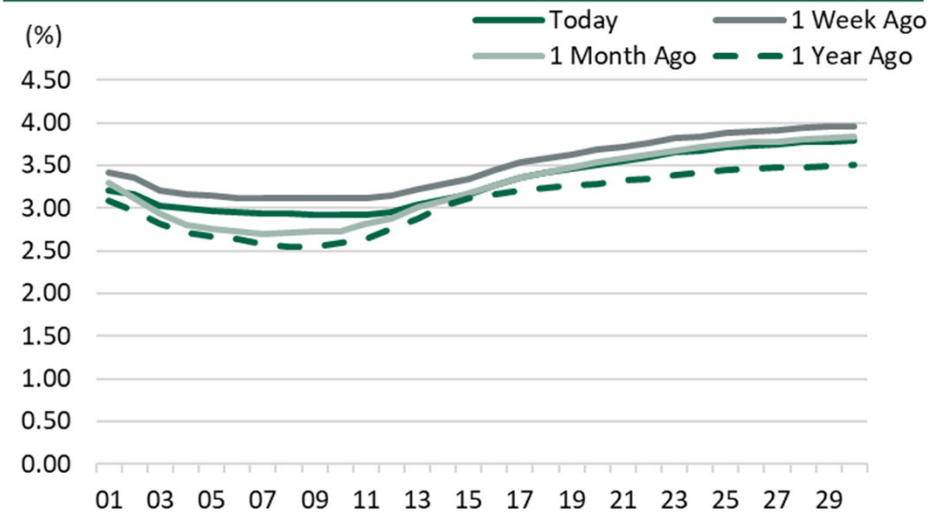
30-Day Visible Supply



Muni and UST Slopes



AAA G.O. MMD Historic Curves



IMPORTANT DISCLOSURES

Presentation provided by Northland Public Finance, a division of Northland Securities, Inc., an independent registered broker/dealer, Member FINRA and SIPC, Registered with SEC and MSRB. Northland Securities, Inc., is a subsidiary of Northland Capital Holdings, Inc. First National of Nebraska, Inc., is the parent company of Northland Capital Holdings, Inc., First National Capital Markets, and First National Bank of Omaha. Clearing services for Northland Securities are provided by Pershing LLC, Member FINRA, NYSE, and SIPC, a wholly-owned subsidiary of BNY Mellon.

Investments and Insurance Products: Not a Deposit | Not Guaranteed by the Bank or its Affiliates | Not FDIC Insured | Not Insured by Any Federal Government Agency | May Go Down in Value | Not a Condition to Any Banking Service or Activity

Registered Representatives of Northland Securities do not provide legal or tax advice. Figures are past market results and are not predictive of future results. Graphs are for illustrative purposes only. This is neither an offer nor a solicitation to purchase securities and any purchase should be accompanied or preceded by a prospectus.

Information contained herein is based on data obtained from recognized statistical services, issuer reports or communications, or other sources, believed to be reliable. However, we have not verified such information, and we do not make any representations as to its accuracy or completeness.

For further information:

Northland Securities Corporate Headquarters
150 S. 5th Street, Suite 3300
Minneapolis, MN 55402
TF 800-851-2920
Northlandsecurities.com

Northland Securities Greenwood Village Branch Office
5251 DTC PKWY, Suite 1020,
Greenwood Village, CO 80111
TF 303-801-3375

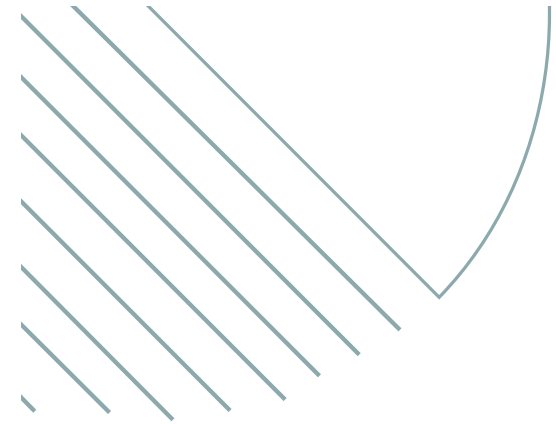
What message does our regulatory scheme send?



Fearless Predictions

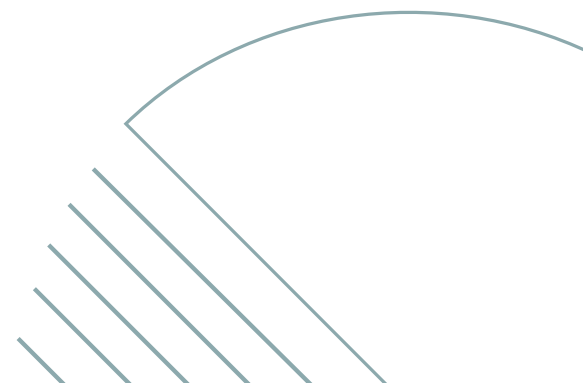
- Confusion will reign





QUESTIONS

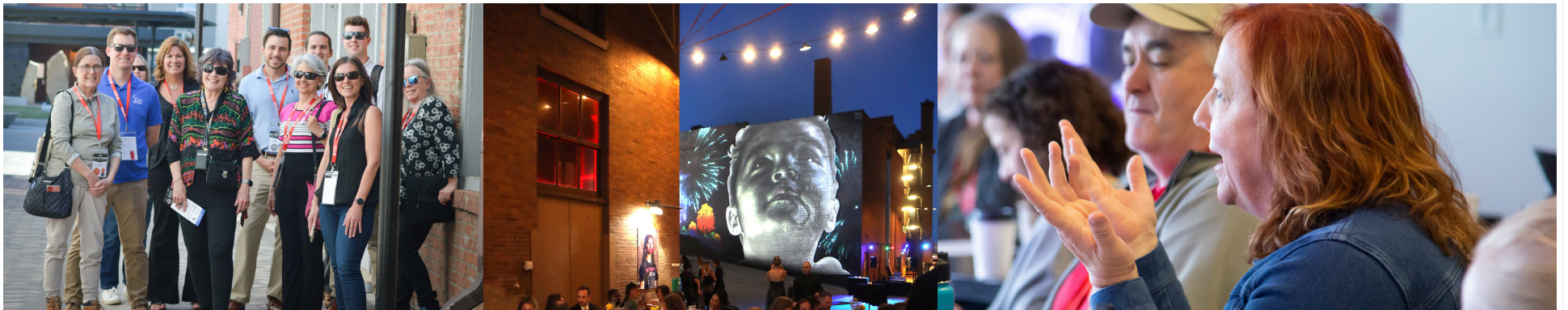
www.downtowncoloradoinc.org



IN THE GAME



APRIL 1-4 | GREELEY



WWW.DOWNTOWNCOLORADOINC.ORG

9NEWS 

**DOWNTOWN
COLORADO**
inc.

**COLORADO
DOWNTOWN
EXCELLENCE
AWARDS**
4.3.25





UPCOMING EVENTS

- June 19 Tiny Town Solutions, Colorado Municipal League
- Aug 22 Metro Mobile Tour: Tour BIDs and DDAs with DCI + CML
- Oct 24 Annual Tax Increment Finance Summit, Pueblo

DOWNTOWN COLORADO, INC.

COLORADO CHALLENGE

A C C E L E R A T O R P R O G R A M

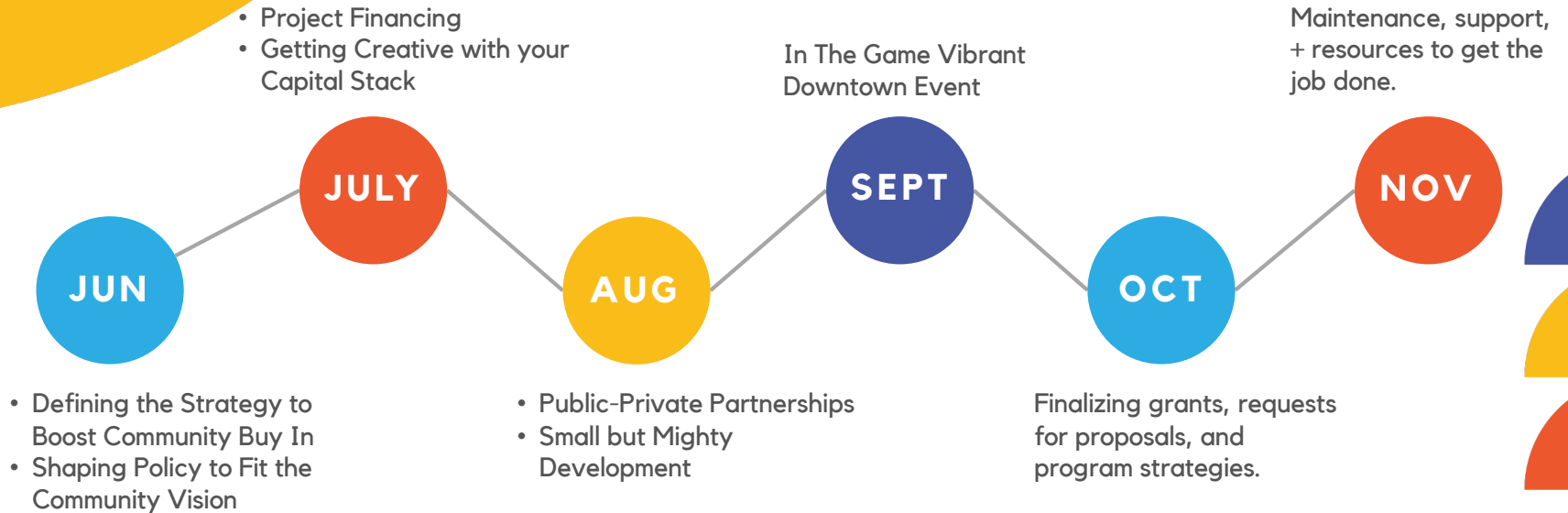


PRE-PROGRAM PREPARATION

- CAPACITY + VITALITY CHECK
- DEVELOPING AN INVESTMENT-READY PROJECT
- ONE-ON-ONE MEETINGS
- COMPONENTS THAT MAKE OR BREAK A PROJECT
- STAKEHOLDER ANALYSIS
- COMMUNITY GOALS QUESTIONNAIRE
- BROWNFIELDS INVENTORY TOOL

APR-
MAY

CHALLENGE TIMELINE





CONTACT DOWNTOWN COLORADO, INC.



WEBSITE

www.DowntownColoradoInc.org

EMAIL ADDRESS

outreach@downtowncoloradoinc.org

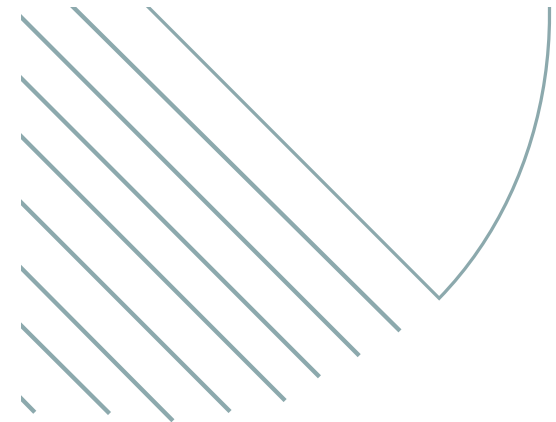
PHONE NUMBER

303.282.0625

FAX

J/K





THANK YOU

www.downtowncoloradoinc.org

