EAGLE DOWNTOWN DEVELOPMENT AUTHORITY (DDA)
Wednesday, September 7, 2022
5:00-7:00pm
IN PERSON

Welcome + Roll Call

Welcome New Town Manager
DCI's Role
Eagle DDA Accomplishments

Minutes Approval

Eagle County Assessor

2023 DDA Budget Process

- Process for requesting funds?
- Funds Request

  $10,000 website
  $32,500 for DCI consulting
  $25,000 financial advisor
  $10,000 marketing & communications
  $17,500 legal
  $20,000 grant writing and consulting
  $115,000 total

Town Business

Close

Next Meeting Date: October 5, 2022, 5:00PM

DOWNTOWN EAGLE
COLORADO | EST 1905

EAGLE DOWNTOWN DEVELOPMENT AUTHORITY (DDA)
Wednesday, August 3, 2022
5:00-7:00pm
Eagle Town Hall
IN PERSON

Welcome + Roll Call
Called to Order at 5:07pm
Kat Conner, Greg Schroeder, Jake Roach, Scott Schlosser, and Marci Leith present.
Chad Phillips from the Town of Eagle was present. Bryan Woods from the Downtown Business Alliance was present. Katherine Correll and Stephanie Owens from DCI were present.

DDA Chair - Kat Conner
DDA Vice Chair - Vacant at the start of meeting
Secretary - Scott Schlosser
Treasurer- Marci Leith

Minutes Approval
Greg Schroeder motions to approve the June and July minutes, Marci Leith Seconded. The motion approved 5-0.

Board Appointee Update
The town council approved that Adrienne Sirianni-Cavallario is now a DDA board member and Marci Leith was reappointed as a DDA board member.

Marci Leith motions to nominate Greg Schroeder for vice chair, Jake Roach seconded. The motion approved 5-0.

DDA Plan of Development
DCI shared an update that both the planning committee and town council approved the plan of development and documentation of those decisions have been collected.

Financial Advisor RFP Review

The DDA would like to move forward with having a Financial Advisor. The DDA would like to put together a letter of engagement with Troy Bernberg. Marci Leith motions for the DDA to submit a letter of engagement with Troy Bernberg, seconded by Jake Roach. The motion approved 5-0.

Here's the estimated DDA budget for 2023:

$15,000 website
$32,500 for DCI consulting
$25,000 financial advisor
$10,000 marketing
$17,500 legal
<u>$20,000 grant writing and consulting</u>
$120,000 total

DCI will reach out to Jillian Sutherland from the Glenwood Springs DDA, and Stephanie Bertaina who worked with the Glenwood DDA to see how Glenwood Springs uses TIF.

The DDA would like DCI to put together a Request for Interest for a grant writer.

DDA Website Update

Kat Conner shared the website outline from Colibri, and DCI will work on filling in as much information, and then send it back to the DDA.

Fall DDA Summit

The DDA Fall Summit will include information and discussion about TIF and developer agreements.

Town Business

The new town manager will be starting soon, and he will be present at the September DDA meeting. Jim White's last day is August 30th.

Close

Marci Leith Motioned to adjourn the meeting at 6:32pm, seconded by Greg Schroeder. The motion was approved 5-0.

Next Meeting Date: September 7, 2022, 5:00PM

TIF In Colorado

- Colorado – Title 31, Article 25 CRS
  - 1958 – Urban Renewal Act
    - Slums and Blight
    - No TIF
  - 1975 – TIF provisions enacted for URA's
    - PTA role (added in 2010)
  - 1976 – DD law without TIF
  - 1977 – DD authorized to utilize TIF
  - Laws pertain only to municipalities

1

UR Law versus DD Law

	UR Law	DD Law
Statute	31-25-101 et. seq.	31-25-801 et. seq
Board Members	13 10 appointed by mayor 1 county designee 1 school district designee 1 special district designee	5 -11 1 must be a city council member Remaining members must either reside, own, lease, or manage real property located within the DD area
Plan Adoption	finding of blight (anywhere within city limits), public notice & hearings, resolution by city council	Election by qualified electors - resident, landowner, lessee within DD area. DD area must be in the Central Business District
Duration	25 years	30 years (with possible extension for additional 20 years)
Property Taxation	cannot levy	may levy up to 5 mills
TIF Provision	§31-25-107(9)	§31-25-807(3)
General Reassessment Adjustment	§31-25-107(9)(e)	§31-25-807(3)(e)
Manner & Methods	§31-25-107(9)(h)	§31-25-807(3)(f)

2

What is the Base Value in a Downtown Plan of Development area?

1. Initially, the base is the valuation for assessment in an downtown plan of development area, as determined by the assessor, according to the most recent certification of value prior to the date of approval of the downtown plan of development. 31-25-807(3)(a)(I), C.R.S.

2. Subsequent to a plan of development being approved, the base is adjusted in the event of a general reassessment such that the base's portion of the total valuation is proportionately adjusted in accordance with such reassessment. 31-25-807(3)(e), C.R.S.

In Colorado, the valuation for assessment is determined by reassessing specific taxable property annually and other specific taxable property biennially. Property that is reassessed annually consists of personal property, natural resources, producing mines, oil & gas, state assessed and possessory interests. All other taxable real property (i.e. vacant land, residential, commercial, industrial, agricultural) is reassessed biennially.
For statutory citations see ARL V2, pages 12.12 - 12.13.

3

What is the Increment Value in a Downtown Plan of Development area?

Simply stated, the increment value is the total valuation for assessment minus the base value. §31-25-807(3)(a)(II), C.R.S.

The following graph depicts the change in the total valuation for assessment annually and the proportion of this total valuation that is comprised of base and increment, over the 25-year life of an urban renewal plan area.

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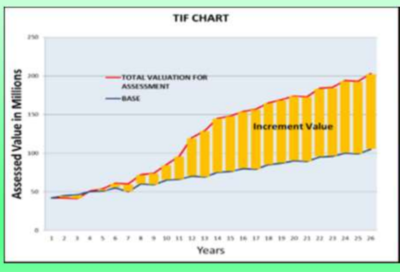
4

What is the Increment Value in a Downtown Plan of Development area?



Note that it is possible in the first few years for the total valuation to be less than the base. This is because property has been demolished and/or has become tax exempt. In such cases the increment is expressed as a negative value.

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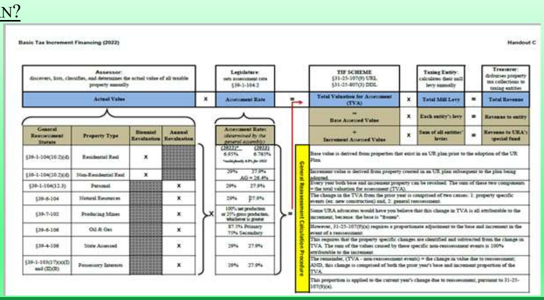
5

What does the Statutory Phrase "Valuation For Assessment" Mean?



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6

COMMON MISUNDERSTANDING #1
CURRENT & PROSPECTIVE V. RETROSPECTIVE

TIF board members and the many professional development folks that they work with view projects according to their current status and/or prospective status.

The assessor's perspective is always retrospective – values and taxes are always in arrears.

7

COMMON MISUNDERSTANDING #2
MARKET VALUE V. ASSESSED VALUE

The statutory TIF scheme requires the division of base and increment values to be determined from assessed values – "Valuation for Assessment."

8

AN EXAMPLE: BROADWAY STATION
115 E SECOND ST. EAGLE, CO
MARKET VALUE V. ASSESSED VALUE

2022 Market Value = $3,000,000
(retrospective value based on
data collected from July 1, 2018 - June 30, 2020)

This is a mixed use property
(approx. 75% residential and 25% commercial)
so two different assessment rates apply
AND different appraisal methodology also applies.

9

AN EXAMPLE: BROADWAY STATION

115 E SECOND ST. EAGLE, CO

MARKET VALUE V. ASSESSED VALUE

Residential Assessed Value:
.75 X $3,000,000 X 7.15% = $160,875

Commercial Assessed Value:
.25 X $3,000,000 X 29% = $217,500

This example assumes the improvements were 100% complete as of January 1, 2022. If they were not complete (such as in 2021) the Market value would be based on a % complete factor.

10

ANOTHER EXAMPLE: VACANT LAND

Vacant development parcel Market Value = $10,000,000 | Assessed Value = $2,900.000
January 1, 2022 a $50,000,000, 80-unit residential condominium development is 15% complete.
Calculate the Assessed Value: $50,000,000 X .15 X .0715 = $536,250

Suppose no other value changes occur for tax year 2022, this prospective $50M property reduces the 2022 total valuation for assessment in the DD area by $2,363,750:
536,250 - 2,900,000 = -2,363,750

REDEVELOPMENT CAN ACTUALLY REDUCE THE TOTAL VALUATION FOR ASSESSMENT IN A GIVEN YEAR!

11

NON-REASSESSMENT AND REASSESSMENT EVENTS EXPLAINED

Non-reassessment events are undertakings of the Downtown Development Authority to redevelop properties in the DD area, according to the adopted Plan of Development.

These are property specific events that are evidenced by three basic occurrences:
1. A change in a property's physical characteristics (ex. New construction)
2. A change in a property's use (ex. taxable to exempt or exempt to taxable)
3. A change in a property's legal status (ex. entitlements, platting, re-platting)

The assessor's staff tracks these events and determines the change in value resulting from each occurrence.
The sum of the value changes for these events is attributable entirely to the increment value.

12

NON-REASSESSMENT AND REASSESSMENT EVENTS EXPLAINED

Reassessment events are the revaluing of property annually by the assessor.

Assessor: discovers, lists, classifies, and determines the actual value of all taxable property annually

Actual Value

General Reassessment Statute	Property Type	Biennial Revaluation	Annual Revaluation
§39-1-104(10.2)(d)	Residential Real	x	
§39-1-104(10.2)(d)	Non-Residential Real	x	
§39-1-104(12.3)	Personal		x
§39-6-104	Natural Resources		x
§39-7-102	Producing Mines		x
§39-6-106	Oil & Gas		x
§39-4-106	State Assessed		x
§39-1-103(17)(a)(I) and (II)(B)	Possessory Interests		x

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13

ANNUAL CALCULATION OF BASE & INCREMENT

5 Basic Steps: (note – the Assessors' Reference Library, Vol. 2, Ch.12 breaks this 5 step process into several intermediate steps, resulting in a 9-Step procedure)

1. Apply tax role corrections since certifying last year's total valuation for assessment.
2. Compare current year's total valuation for assessment to the prior year's corrected total valuation for assessment. The difference in value accounts for two events:
   a. non-reassessment events - redevelopment activity in the DD area
   b. reassessment of specific classes of property, annually (reassessment events)
3. Track and sum the value of non-reassessment events
4. Subtract this sum from the result in Step 2. The remainder is the change in value due to reassessment.
5. General reassessment proportional adjustment, §31-25-807(3)(e), C.R.S.

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14

GENERAL REASSESSMENT PROPORTIONAL ADJUSTMENT & MANNER AND METHODS §31-25-807(3)(E) AND (3)(F), C.R.S.

(e) In the event there is a general reassessment of taxable property valuations in any county including all or part of the plan of development area subject to division of valuation for assessment under paragraph (a) of this subsection…the portions of valuations for assessment under both subparagraphs (I) and (II) of paragraph (a) of this subsection (3) shall be proportionately adjusted in accordance with such reassessment or change.

Base Increment

(f) The manner and method by which the requirements of subparagraph (IV) of paragraph (a) of this subsection (3) are to be implemented by the county assessors shall be contained in such manuals, appraisal procedures, and instructions, as applicable, that the property tax administrator is authorized to prepare and publish pursuant to section 39-2-109 (1)(e), C.R.S.

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15

9-STEP CALCULATION TO DETERMINE BASE & INCREMENT, ANNUALLY.

2022 TIF CALCULATIONS FOR EAGLE DDA (8/9/2022)
Base Year One = 2021
0% Increment value and 100% base value for year one

2021 Valuation for Assessment	Total		5,264,750	100.00%
(Initial Base Value)	Base		5,330,940	101.26%
	Increment		-66,190	-1.26%

2022 - INTERVENING YEAR FOR REAL PROPERTY

Step 1: **Tax Roll Corrections**

All tax roll corrections discovered in the current year are applied to the prior year. These corrections include: then track them by parcel, type and classification

Total Corrections	+		increment adjustment
Corrected Prior Year Base		5,330,940	101.26%
Corrected Prior Year Increment	+	-66,190	-1.26%
Corrected Prior Year Total	=	5,264,750	100.00%

Step 2: **Total valuation for assessment as certified in December**

Determine the current year total taxable assessed value.	=	5,628,250

Step 3: **Current year compared to prior year**

Subtract the prior year corrected total taxable assessed value.	-	5,264,750
Difference = non-reassessment changes, if any, and all reassessment changes.	=	363,500

Step 4: **Track and sum non-reassessment changes***

*Note: the following list is not comprehensive. Other descriptive line items may be added as necessary.

New Construction	+	353,180
Non-Reassessment value changes	+	
Demolition	+	
New platted subdivision	+	
Changes in land use	+	
Taxable to Exempt	+	
Exempt to Taxable	+	
Total non-reassessment changes	=	353,180

Step 5: **Reassessment**

Step 3 result minus Step 4 result = reassessment changes

Year to Year change - Step 3		363,500
Total non-reassessment change - Step 4	-	353,180
Changes due to reassessment	=	10,320

8/10/2022

Step 6: **Re-assessment proportionate adjustment**

Proportional allocation pursuant to §§ 31-25-107(9)(e), and 31-25-807(3)(e), C.R.S., according to last year's (corrected if necessary) base/increment percentages.

6.a base	= Step 5 result X prior year base % (corrected if necessary)		10,450
6.b increment	= Step 5 result X prior year increment % (corrected if necessary)		-130

Step 7: **Total increment gain**

non-reassessment gain, Step 4		353,180
+ reassessment increment gain, Step 6.b	+	-130
Total increment gain in current year	=	353,050

Step 8: **Current year base & increment values**

Calculate the current year total base and increment values.

a. Base:			
	= base gain in Step 6a		10,450
	+ prior year base value (corrected if necessary)	+	5,330,940
	= Current Year Total Base Value	=	5,341,390
b. Increment:			
	= increment gain in step 7		353,050
	+ prior year increment (corrected if necessary)	+	-66,190
	= Current Year Total Increment Value	=	286,860
c. Total:			
	Step 8.a		5,341,390
	+ Step 8.b	+	286,860
Reconcile	= Current Year Total Value (must equal value in Step 2)	=	5,628,250

Step 9: **Calculate new base/increment percentages**

Base percentage = 5,341,390 / 5,628,250		94.90%
Increment percentage = 286,860 / 5,628,250	+	5.10%
Total	=	100.00%

16

ABOUT THE SUPPORT

GOLD DUST - $265/month

Support

- 3 support tasks per month, each up to 1 hour
- dedicated liason
- 24/7 technical support

Website Hosting

- high-quality website hosting 20GB
- Unlimited Websites
- On-demand backup copies
- Staging environment
- 30% faster PHP
- Access to your hosting account (Cpanel)
- Elevated cache control

Website Maintenance

- Weekly WordPress core, theme and plugin updates
- Staging environment
- Manual back and front end website quality checks

Security

- Daily Security Scans
- Let's Encrypt SSL certificate
- Daily cloud backups
- 24/7 Website protection monitoring
- Additional secondary backups
- On-demand backups

SEO

- Search console monitoring
- Managing redirects
- Sitemap updates

ABOUT THE SUPPORT

RED BUFFALO - $135/month

Support
- 1 support task per month up to 1 hour
- 24/7 technical support

Website Hosting
- high-quality website hosting 10GB
- Single website account
- Access to your hosting account (Cpanel)

Website Maintenance
- Biweekly WordPress core, theme and plugin updates
- Manual back and front end website quality checks

Security
- Let's Encrypt SSL certificate
- Daily cloud backups
- 24/7 Website protection monitoring

ABOUT THE SUPPORT

HAYMEADOW - $55/month

Support

- does not include support for website changes or edits
- 24/7 technical support

Website Hosting

- high-quality website hosting 10GB
- Single website account

Website Maintenance

- Monthly WordPress core, theme and plugin updates

Security

- Let's Encrypt SSL certificate
- Daily cloud backups
- 24/7 Website protection monitoring