EAGLE DOWNTOWN DEVELOPMENT AUTHORITY (DDA)
Eagle Town Hall - Council Chamber
Wednesday, March 22nd, 2023
1:30-3:30pm
IN PERSON

Welcome + Roll Call

Minutes Approval

Board Roles

- Minute Taker
- Communication Role

DDA Communications

DDA Policy Finalized

- Policy
- Scoring Matrix

Town Business

- Assistant Town Manager
- Eagle Employer Survey
- RRC potential projects: Economic Dashboard and perform another community survey.
- ReCode Update

Public Comments

Close

Next Meeting Date: Wednesday, April 26th 1:30-3:30, Eagle Town Hall

EAGLE DOWNTOWN DEVELOPMENT AUTHORITY (DDA)
McDonald Conference Room
Wednesday, March 1, 2023
1:30-3:30pm
IN PERSON

Welcome + Roll Call
Called to order at 1:44pm
Greg Schroeder, Scott Schlosser, Adrienne Sirianni-Cavallario were present. Marci Leith was present on Zoom.

Nikki Davis from the Town of Eagle was present. Bryan Woods from the Downtown Business Alliance. The DDA's financial advisor, Troy Bernberg was present on Zoom. Stephanie Owens from DCI was present on Zoom.

DDA Chair - Kat Conner
DDA Vice Chair - Greg Schroeder
Secretary - Scott Schlosser
Treasurer- Marci Leith

Minutes Approval
Scott Schlosser motioned to approve the December minutes, seconded by Marci Leith. The motion approved 4-0.

Board and Meeting Logistics
Marci Leith motioned to discuss the minute taker role as the first agenda item next meeting, seconded by Scott Schlosser. The motion approved 4-0.

Scott Schlosser motioned to discuss the communication role at the next meeting, seconded by Adrienne Sirianni-Cavallario. The motion approved 4-0.

Marci Leith motioned to have the next meeting on March 22nd and future DDA meetings to be held on the 4th Wednesday of each month from 1:30-3:30pm, seconded by Scott Schlosser. The motion approved 4-0.

DDA Communications

DDA Policy Update Continued
The DDA shared feedback from the policy update. Troy will include a section to add additional property to the DDA in the policy document.

Troy will send out the final policy document by Friday, March 10th for the board to review. Stephanie will send out the final scoring matrix as well.

Work Plan Overview

Town Business
Nikki Davis shared the town business with the housing assessment update and the EPS Employers Survey.

Public Comments

Close

Scott Schlosser motioned to adjourn the meeting at 2:46pm, seconded by Marci Leith. The motion was approved 4-0.

Next Meeting Date: Wednesday, March 22nd 1:30-3:30, Eagle Town Hall

Other important Dates:
March 21, 2023 - COIL Glenwood Springs Presentation from Stephanie Bertaina and Matt Nunez

2023

Tax Increment Investment Policy

BOARD OF DIRECTORS
EAGLE DOWNTOWN DEVELOPMENT AUTHORITY

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I. Introduction

Colorado Revised Statute (C.R.S.) §31-25-801 provides the legal framework for the Eagle Downtown Development Authority ("Eagle DDA") while the formally approved Town of Eagle Downtown Development Authority Plan of Development (the "Plan") serves as the plan of development for the DDA governing this Tax Increment Investment Policy (the "Policy").

The Eagle DDA Board of Directors (the "Board") intends to support projects, activities and undertakings that achieve the "Downtown Eagle Strategic Priorities" outlined in the Plan. This Policy outlines the different ways Eagle DDA is able to utilize tax increment revenues within Statute and the Plan and provides guidelines and risk management considerations for investment of tax increment revenue.

This Policy is intended to be reviewed regularly, at least once a year if not more. This ensures methodology; risk management; financing mechanisms and expenditures not previously contemplated are integrated when necessary.

For current reference and for the benefit of future Directors on the Board, the "Downtown Eagle Strategic Priorities" of the Plan (pages 5-6) are summarized below:

- Business Community Support
- Regulatory Environment
- Communications
- Experience Economy
- Access + Mobility
- Creative Placemaking

Supplementary and Accompanying Information for Reference with the Policy

- Colorado Revised Statute (C.R.S.) §31-25-8
- Town of Eagle Downtown Development Authority Plan of Development (the "Plan")

The scope of this Policy is limited to contemplating the guidelines and risk management of the investment tax increment (regardless of type) received by Eagle DDA. Eagle DDA recognizes and acknowledgements the policies and procedures in place from other jurisdictions including, but not limited to the Town of Eagle (the "Town") and Eagle County, for the regulation and approval of development projects including, but not limited to permitting, planning, and zoning, entitlement, bonding and insurance requirements. The Policy is intended to guide the Eagle DDA and its Board in implementing the Plan and should be considered in addition to any other regulatory and/or approval processes of involved jurisdictions.

II. Colorado Downtown Development Authorities

State statute (C.R.S. §31-25-801)

> *"The general assembly declares that the organization of downtown development authorities having the purposes and powers provided in this part 8 will serve a public use; will promote the health, safety, prosperity, security, and general welfare of the inhabitants thereof and of the people of this state; will halt or prevent deterioration of property values or structures within central business districts, will halt or prevent the growth of blighted areas within such districts, and will assist municipalities in the development and redevelopment of such districts and in the overall planning to restore or provide for the continuance of the health thereof; and will be of especial benefit to the property within the boundaries of any authority created pursuant to the provisions of this part 8."*

Power and duties of note:

- *A DDA is a "body corporate and capable of being a party to suits, proceedings, and contracts, the same as municipalities in this state" (§ 31-25-803, C.R.S.).*
- *The Board can have "all the powers customarily vested in the board of directors of a corporation." It can perform studies. The Board's primary power is to plan (and with Town of Eagle (the "Town") approval) implement "<u>any plan of development, whether economic or physical"</u> (§ 31-25-807(2)(d)(e), C.R.S.)*
- *The DDA has no tax power (it may receive the revenues from the 5 mills the Town can impose on its behalf, but does not have its own independent power to tax).*
- *The DDA has no eminent domain power.*
- *The DDA may hire staff, complete studies, make plans, and implement plans (§ 31-25-807(2), C.R.S.).*
- *The DDA may acquire property ((§ 31-25-808(1)(a), C.R.S.) and lease or sublease property ((§ 31-25-808(1)(c), C.R.S.).*
- *The DDA is permitted to borrow ((§ 31-25-808(1)(i), C.R.S.), although the Town is required to be issuer. Loans may be issued by the DDA.* [1]
- *The DDA Plan of Development and Budget are approved by the Town Council.*
- *The Board may impose rates, fees, tolls, rents, or charges for use of DDA property (or property under its control) (§ 31-25-808(1)(e), C.R.S.).*
- *The Board may receive revenue from other governments.*

Please reference C.R.S. Section 31 Article 25 Part 8 for complete information of the governing statute for downtown development authorities.

[1] Subject to notification to the Town and approval by Town attorney.

III. Colorado DDAs – Available Tools for Tax Increment Expenditure

With the framework discussed in Sections I and II in mind, the primary tools for tax increment expenditure are summarized below.

Pay-Go/Cashflow Funding

Without the voter-approved 5 mill levy, Eagle DDA relies on tax increment revenues for operations and to implement an annual budget. Cash flow funding is any expenditure outlined in the budget including but not limited to personnel, programming, and minor capital improvements.

Development/Redevelopment & Reimbursement Agreements

Aside from budget spending, the Eagle DDA may elect to reimburse tax increment to applicants including, but not limited to developers, for projects that generate increment and community benefit under development or redevelopment and reimbursement agreements. Applicants whose projects are approved for funding are reimbursed a portion of the projected tax increment for eligible expenses qualified and approved by Eagle DDA.

Reimbursement is subject to certain agreed-upon project milestones being reached and/or the completion of improvements (e.g., certificate of occupancy). Performance measures improves the likelihood for project completion, although construction risk cannot be completely mitigated. There are some risks to an applicant not having the financial means to complete the project; however, project review and due diligence assesses this risk to avoid surprise or disruption.

Reimbursement agreements can be structured in a variety of ways to manage project and completion risk. Among many factors, these agreements outline agreed upon terms for the reimbursement amount; the maximum time in which tax increment may be reimbursed; the area in which tax increment is collected; and the manner and conditions under which tax increment is reimbursed. It's important to note an applicant can pledge its right to tax increment under a reimbursement agreement to a lender as a form of security for loan repayment.

Direct Borrowing - Loans

The Eagle DDA is permitted to borrow under C.R.S. § 31-25-808(1)(h)(II)(i) in the form of "…notes, bonds, or other evidence of indebtedness therefor….". Subsequent to voter approval (Ballot Issue 6D, 2020), Eagle DDA is authorized, but not required, to issue up to $27,000,000 in bond principal; subject to a maximum repayment of $47,079,661. The Eagle DDA may use proceeds of a borrowing to fund eligible improvements whether or not there is a reimbursement mechanism to an applicant. This allows Eagle DDA to participate in public improvements and amenities that are not necessarily tied to a specific development or applicant.

In exercise of its fiduciary duty, Eagle DDA is expected to collaborate with the Town, the issuer of debt as required by statute, in prudent due diligence of proposed financings and the financing partners (i.e., investment and/or commercial banks) in pursuit of achieving the lowest cost of borrowing at the most flexible terms and conditions available.

Eagle DDA's ability to borrow at the most attractive rate and terms available depends on its "creditworthiness." As its sole revenue source for debt repayment, tax increment is pledged as security for repayment of an obligation. The ability for tax increment to repay Eagle DDA's obligations in whole and on time determines creditworthiness which in turn factors into borrowing cost and terms.

In the early years of tax increment when multi-year collection history is not quite established, loans from the partnering municipality can be important for operational and start-up assistance.

Commercial banks, ranging from local, regional, and national, and particularly those with public finance expertise provide another common source of capital in the form of loan. Municipal lending or colloquially known as "the private placement market" is well established in Colorado with a broad audience of banks involved. With less tax increment history, lenders are more likely to require more restrictive provisions and covenants (e.g., higher interest rates, requirement for reserves, higher debt service coverage- see next section). Generally speaking, the less collection history to demonstrate creditworthiness, the more diminished the bank audience.

As tax increment collection matures and the creditworthiness of Eagle DDA improves, financing provisions become more lenient and borrower friendly (e.g., lower interest rates, reserves less likely or smaller in size). Moreover, Eagle DDA may expect more banks willing to participate in a financing and with increased competition rates and terms become more favorable. More participating banks may also increase the creativity brought to the mechanisms of a borrowing. One example is a line of credit financing available to Eagle DDA once tax increment is more established.

Bond Indebtedness

When appropriate, Eagle DDA may direct tax increment to pay for debt service (principal and interest) of bond or similar obligation issued for an approved project or combination of projects. Tax increment revenue bonds are generally issued over long terms such as 20-25 years depending on the nature of the project being financed. When the bonds are issued project proceeds are deposited with a third-party bond trustee for disbursement under certain conditions. Costs of issuance and debt service reserve (if needed) are also paid and funded from bond proceeds.

There are many parameters to bonding, but in general these four factors determine the size of the issue from a projected revenue stream:

- Interest rate – generally the higher the rate, the less principal can be borrowed from a projected revenue stream.
- Debt service coverage – this is not a covenant per se, but a mechanism to discount the projected tax increment revenue stream. A bond issue sized with a 150% coverage uses 66% of total projected revenue stream to pay debt service. Consequently, for every dollar of tax increment projected, Eagle DDA may only use 66 cents towards debt service. As tax increment collection matures, lower coverages allow Eagle DDA to use more of every tax increment dollar increasing the amount that can be bonded from a revenue stream.
- Term – when debt is sized using escalating revenues, the longer the term available for repayment, the more bond principal can be issued.

Bonds may be issued via public offering in which the bonds are sold as securities in the public municipal bond market. Alternatively, bonds may be privately placed with a single or small group of investors (often commercial banks).

Regardless of issuance method, Eagle DDA is ultimately responsible for the obligations it approves including bonds issued by the Town on behalf of Eagle DDA.

Tax implications are important as they dictate whether debt is issued as tax-exempt or taxable municipal bonds. Bond attorneys determine the tax status and provide a legal opinion if tax-exempt. As part of the analysis, bond attorneys consider the use of proceeds and source of debt service repayment. Moreover, bond attorneys consider the useful life of the asset to determine the appropriate term of financing.

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IV. Investment Policy

The Board has a fiduciary duty to the DDA, but also to the Downtown electors, for their support in DDA creation in November 2020 and moreover, their debt authorization in November 2021. Investments in projects will be considered a case-by-case basis that align with the parameters of the Plan. The nature of tax increment and the various investment tools available requires this Policy to provide a flexible yet effective risk management framework to accommodate projects and/or activities of all sizes and scope.

Without the voter-approval mill levy, the Board needs to balance its usage of tax increment and financing using different tools available. This includes but is not limited to ongoing operational needs and DDA programming; reimbursement agreements; loans and bonding. At this stage of Eagle DDA's life cycle, there are no "hard" figures applied to the percentage of tax increment revenues committed to each category. As tax increment collection is still being established, it's difficult to apply category percentages for the long term. Ranges of percentages, where appropriate, will be considered for flexibility and practicality. This allows the Board, in its discretion, to balance the portion of tax increment used as incentive and those funds identified for operational sustainability. The Board should expect to sharpen these figures as the DDA and increment matures, another reason to note for periodic review of the Policy.

Pay-Go | Cash Flow

Without a mill levy, Eagle DDA (at this time) relies solely upon tax increment for operations and programming. Upon receipt of tax increment in a special fund, the Board shall first consider operations and the sustainability thereof. To this effect, the Board shall:

- Continue to prioritize operations and program initiation per its annual budget; annual operational plan; and the Plan.
- Continue to leverage all grant opportunities for including, but not limited to small capital improvements as well as studies and planning.
- Retain a portion/percentage of tax increment revenues subject to any form of reimbursement agreement whether under contract directly with an applicant and/or related to a bond issuance, at the determination of the Board in furtherance and execution of Eagle DDA's goals and priorities for community benefit.
- Annually, identify and set aside an amount of tax increment received annually as reserve (i.e., contingency) with the intent to build a fund balance that's assigned for operational, capital and emergency needs.
    - In the future, the Board may want to consider a fund balance policy.

As tax increment grows, the Eagle DDA may expand programming to include:

- Small grant and/or loan programs for business façade or property improvement for which there is an application; evaluation; and qualification.
- Form of application is provided in Appendix B.

Developer & Reimbursement Agreements

For larger projects/activities, Eagle DDA may consider utilizing tax increment as a reimbursement mechanism in consideration for improvements, redevelopments, activities, etc. that meet Eagle DDA's eligibility requirements. A reimbursement, under any agreement, shall:

- Meet all eligibility requirements including, but not limited to community benefit of the Plan and/or of the Board.
- Not exceed the amount of tax increment projected for the specific development or activity and is subject to a percentage (of tax increment projected) limited to eligible costs and other amounts as negotiated and agreed upon.
- Be limited in amount and/or in term, specific to the development/project and requested reimbursement amount, whether made in whole or in installments.
- Be subject to performance and/or completion milestones prior to reimbursement; and
- Be agreed upon and approved at the sole discretion of the Board, and by the Town of Eagle as necessary.

In the event reimbursements are made in installments, the benefiting applicant may elect to pledge those payments to a lender, leveraging an upfront amount to monetize the tax increment reimbursement revenues. These instruments often come in the form of commercial loans priced with a conventional (taxable interest rate). In these instances, the applicant shall be required to share details regarding the terms of the financing. Loan covenants/provisions can vary significantly, so this oversight ensures transparency and understanding of the terms to which the applicant is subject.

Bond Indebtedness

Under Colorado statute and with $27 million of voter-approved debt authorization, the Board may approve investment of tax increment via a reimbursement agreement under which tax increment is used to repay debt service (principal and interest) on the issuance of a municipal bond issue (additionally approved and issued by the Town).

Bonding is appropriate for investment opportunities that are including, but not limited to:

- of significant size; and/or
- those that represent particularly catalytic projects; and/or
- those expected to provide significant tax increment revenues (from property and/or sales tax).

In consideration of issuing voter approved debt, an investment of tax increment (in the form of debt repayment), shall:

- Meet all eligibility requirements of the Plan and/or of the Board.
- Be issued subject to all applicable federal and state securities laws and regulations including, but not limited to a valid legal opinion issued by a bond attorney (with Colorado public finance expertise).
- Be issued by the Town of Eagle as required by Statute. In these circumstances, the Town serves in a conduit issuer capacity having no responsibility for debt repayment. Eagle DDA is the obligor, required to repay the obligation from tax increment revenues received.
- Anticipate a range of terms for principal amortization and debt repayment.
- Be subject to a tax analysis (e.g., private use test) determining tax status of bonds issued. A taxable issuance comes at a higher interest with more flexibility in the expenditure of proceeds.
- Conduct a cost/benefit analysis between a public offer sale method and private placement.

- Be issued only upon performance measures being met to the satisfaction of Eagle DDA and its Board.
- Consider forms of credit enhancement including, but not limited to:
    - A debt service reserve ("DSR"). A DSR may be funded from bond proceeds or cash on hand. A DSR funded by bond proceeds is yield restricted to the bond issue arbitrage yield. DSRs funded with cash are not yield restricted. The conventional formula to determine the DSR requirement is the lessor of: *10% of par* (face value) of bond issue; *100% of maximum annual debt services* (MADS); *125% of average annual debt service*. A DSR may be funded at 100% of the requirement or at some lower percentage as agreed upon between the Eagle DDA, the Town of Eagle, and the bond underwriter.
    - Bond insurance (for debt service protection). While not currently an option for tax increment bonds, bond insurance may be available in the future when Eagle DDA and tax increment is more established. A cost benefit analysis is conducted between the bond insurance premium and the lower interest rates that result from this enhancement. If the premium is below the difference in debt service with and without insurance, it's worth pursuing bond insurance.
    - Surplus Fund. This is a bond structuring mechanism that provides risk mitigation to the DDA and serves as additional security to a lender/investor. Once bond debt service is paid, the flow of increment accumulates in a "surplus" fund. This additional fund balance acts like an additional reserve in the event tax increment received is below what was projected.
- Include the Eagle DDA, as obligor on bonded indebtedness, in the consideration and selection of bond underwriters (registered broker/dealers) and other members of the bond issuance team including, but not limited to bond counsel and other necessary consultants as necessary for market/feasibility studies. As Colorado statute requires the Town to be issuer of bond indebtedness and not financially responsible for debt repayment, Eagle DDA should expect to have a say in the procurement of professionals directly impactful to the cost of borrowing including upfront costs of issuance.
- Require the use of a commercial bank trust department to serve as trustee and custodian of bond proceeds to exercise disbursements subject to performance measures and/or completion.
- Contemplate including, but not limited to:
    - Various call or optional redemption provisions. Due diligence is appropriate to understand how different call provisions impact borrowing cost.
    - Capitalized interest, if necessary, during construction.
    - Surplus or sinking funds, in which excess funds are set aside to prepay principal.
    - A line of credit disbursement and repayment structure.

Some of the components discussed above are requirements no matter the circumstances of a bond financing. However, the details of bond structuring noted above are illustrative and not meant to be considered in a one-size-fits-all approach. It is important to understand there are many components to structuring a bond so the Eagle DDA may appropriately inquire about the use of such -key features like those mentioned above and what options were considered for each.

V. Project Investment Program

The DDA Board of Directors considers investments in development projects within the DDA boundary which fulfill its Downtown Plan of Development. The DDA offers Project Investment opportunities with a program which gives access to Tax Increment Finance (TIF).

- Proposals are considered on a case-by-case basis and evaluated based on the ability of the project to further the goals of the DDA.
- Funding is at the discretion of the DDA Board: satisfaction of the criteria does not guarantee funding will be approved and, if approved, funds must be used on aspects of the project which have a direct community benefit and meets the goals/ strategies of the Downtown Plan of Development.
- For its investment, the DDA is able to secure an interest therein. Funding is typically used to create façade features, public amenities, life and safety issues and/or improvements in the public right-of-way (ROW) that would be infeasible without DDA funding.

Application Process

Applicants Must Meet Program Requirements

- Participation is limited to owners of real property within the territorial limits of the DDA, their lessees with the consent of the owners, or their authorized representatives.
- Applications will be submitted to the DDA, who will then disseminate such information to Town Planning, Building and other necessary staff for review and approval.
- Applications for tax increment reimbursement may be approved only by the DDA Board. Any approval will be subject to a financial review, project commitment, and negotiation. Approval may require the applicant to reimburse the DDA should the applicant fail to comply with the terms of the agreement.

Application Timeline

- All applications must be in compliance. The DDA Board will review project applications at a DDA Board Meeting as scheduled.
- Project Application Responses or request for more information will come after the DDA Board Meeting in which the application was initially reviewed.

Evaluation Criteria

Projects will be scored by the Eagle DDA Board utilizing the Scoring Matrix (Appendix A).

VI. Eligibility Requirements & Evaluation

In its fiduciary duty, and as outlined in this Policy, Eagle DDA will exercise its powers and uses of tax increment with prudence and diligence. To this end, the Eagle DDA Board shall consider the following eligibility criteria and evaluation guidance for the investment of tax increment. As the Eagle DDA expands its programming capacity, the following criteria will require accommodating amendments.

A tax increment investment via reimbursement, regardless of type or project, shall:

- Be of (and for) public benefit.
- Require due diligence of the applicant and the proposed project including, but not limited to project budget including contingency; proforma and feasibility; financial standing and capital access.

- Be considered on a case-by-case basis and evaluated based on the ability to further the goals of Eagle DDA and the Plan.
- Be subject to performance measures and/or completion including a certificate of occupancy prior to funding being released.
- Be considered for an exception to a portion of this Policy, under unique circumstances.
- Be approved at the discretion of the Board. Satisfaction of eligibility criteria does not guarantee funding is approved. And if approved, funds must be used on aspects of the project with direct benefit and meets the goals and strategies of the Plan.

Requirements for Application of TIF Reimbursement

- Applicants must be owners of or prospective purchasers under contract for the purchase of property within Eagle DDA's boundaries; their lessees with owner consent; or their authorized representatives.
- Applicants are required to meet with DDA staff and financial advisor to review project scope and review required submission materials.
- In addition to the due diligence requirements noted above, approval is additionally subject to receipt of any and all required legal documentation representing necessary approvals and agreements.
- Applications may be approved by the Board only and approval may require applicant to reimburse the Eagle DDA in the event the applicant fails to comply with terms of the agreement. Alternatively, the Eagle DDA may elect to require a construction bond or similar type of surety bond instrument to protect the DDA and its constituency against disruptions or financial loss due to the applicant's failure to complete the project or failure to meet project specifications.

Insurance

- Applicants will comply with all insurance requirements amongst all applicable jurisdictions including the Town of Eagle, Eagle County, and others as applicable.
- At all times prior to project completion, and within five-ten (5-10) days of request to provide proof of payment of premiums and certificate of insurance showing applicant is carrying and causing sub-contractors of any kind to carry insurance in amounts acceptable to Eagle DDA and in compliance with applicable jurisdictions.

Scoring

- As developed and prioritized by the Board, the matrix in Appendix A, shall be utilized in evaluating all aspects of tax increment investment. This scoring matrix is subject to the same periodic review and amendment of the Policy itself.

Legal review of all development and/or reimbursement agreements is required by Eagle DDA's legal counsel at the cost of the developer applicant. Legal counsel is expected to work in conjunction with developer counsel during negotiation and in document preparation.

Required Documentation

- Completed application (as provided in Appendix B). Applications and requirements may differ between small grant programs and larger development reimbursements or bonding proposals.
- Project narrative:
    - Project description – property address and parcel number.
    - Proposed uses of property and including net square footage of residential, retail, commercial, etc.
    - Project timeline.
    - Alignment with the Town of Eagle Downtown Development Authority Plan of Development.
    - Design description and compatibility of proposed project with surrounding area and downtown district including connectivity and mobility (auto, pedestrian, and multimodal)
    - Additional information addressing evaluation criteria (scoring matrix).
    - Statement of need of Eagle DDA funding that includes economic potential of the project; any funding gaps; and reasoning for request.
- Funding request
    - Total cost of project and amount of funding request.
    - Evidence of financial standing and capital access. This evidence will be reviewed and approved before formal Board approval.
- Site information
    - Photos of existing property and surrounding area.
    - Project elevation/conceptual design including improvements in the public right-of-way; proposed site plan, if available, etc. Elevations must be provided by licensed architect.
- Project/development proforma
    - Detailed project budget including hard construction costs including project contingencies and soft costs like those paid for design, developer and permitting fees.
    - Statement of sources and uses to identify and evaluate applicant financing including proposed equity contributions.
    - If property and/or sales tax increment is considered for reimbursement, the project's estimated sales per square foot of commercial space assists the Eagle DDA estimate sales tax potential.
    - Construction schedule and milestones.
- Evidence of Good Standing
    - Proof that all applicable taxes are paid in full, to date for the property owner(s) and business(es) associated with the project.

Upon submittal of the application materials, Eagle DDA will advise the applicant whether the application is complete or if additional information is needed for Board consideration. Eagle DDA and its financial advisor will then prepare a funding recommendation and board packet for Board consideration. At such Board meeting, the applicant will be asked to make a short presentation address Board inquiries and/or feedback about the project and the investment request. At the Board's discretion, the applicant may be required to present the design and project elements at a separate meeting prior to consideration of any funding request.

Funding Guidance

Once applicant eligibility is established, the Board determines the amount of tax increment investment in consideration for a project and/or improvement. The Board shall determine such investment amounts referencing the following parameters, whether under a development & reimbursement agreement or bond issuance:

- The projected total value of improvements.
- Tax increment revenues generated by the applicant's project over the term of reimbursement.
- The amount of eligible costs for:
    - infrastructure improvements including, but not limited to public safety, accessibility, streets, utilities, parks, open spaces, parking, housing; and connectivity;
    - façade improvements (if applicable); and
    - public right-of-way improvements (if applicable).

Given the reliance on tax increment to fund operations, Eagle DDA reserves the right to support investments in amounts and percentages with consideration to the funding requisite for its budget including, but not limited to operations, programing, and capital expenditures. Growth in tax increment leads to operations stabilizing and more investment opportunities. This growth likely necessitates the Board's consideration of percentages applied to the parameters above and/or amending the parameters themselves. This becomes a resource management tool over time allocating investment (by amount or percentage) in alignment with strategic priorities. In turn, there is flexibility to consider higher funding amounts or percentages for projects exceeding the criteria, or vice versa.

The investment of tax increment via reimbursement – whether by development & reimbursement agreement or bond indebtedness - in any amount or percentage is subject to performance measures. This and other conditions to funding are negotiated between the applicant and Eagle DDA and then outlined in contract and legal documentation between the Eagle DDA and the applicant (and the Town with a bond issue). The condition of performance is defined including, but not limited to project milestones and/or project completion and issuance of a Certificate of Occupancy (if applicable).

Once performance measures are reached, the maximum amount, maximum duration, the terms, and manner of reimbursement will be agreed upon and included in contract and legal documentation between Eagle DDA and the applicant (and the Town with a bond issue). The Board may consider exceptions to the performance measures under unique circumstances. Nevertheless, the Board reserves the right to control and release those funds or assign such right to a commercial bank trust department depending on the project and investment tool utilized.

Eagle DDA reserves the right to deduct costs related to a reimbursement including, but not limited to feasibility; bond issuance; and related third-party services. Additionally, Eagle DDA reserves the right to deduct any cost of preparing the applicant's/investment's development agreement including its own review of legal documentation not to exceed $10,000 (subject to change by future Board action).

Executive Session

During or upon Eagle DDA's consideration of an investment (via reimbursement or bond issuance), when negotiations occur, the Board is permitted to hold executive session at the consult of its legal counsel. An executive session may only be called at a properly noticed regular or special meeting where official action may be taken by Eagle DDA, and the executive session and purpose should be noted on the meeting agenda whenever possible.

For reference, specific sections of the Colorado Revised Statutes authorizing executive sessions include the following general categories. This is a general summary only. As it applies to a specific project or development, the Board shall consult with the statutes and its legal counsel as necessary.

§24-6-402(4)(a), C.R.S., Concerning the purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest. Exception: Not available where a member of the governing body has a personal interest in the transaction.

§24-6-402(4)(b), C.R.S., Conferences with an attorney for the public entity for the purposes of receiving legal advice on specific legal questions. Notes: 1) Mere presence of the attorney is not sufficient; 2) State topic of the legal questions in as much detail as possible without disclosing confidential information.

§24-6-402(4)(c), C.R.S., Matters required to be kept confidential by Federal or State law or rules or regulations (citing the specific statute or rule).

§24-6-402(4)(d), C.R.S., Specialized details of security arrangements or investigations.

§24-6-402(4)(e), C.R.S., Determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators.

§24-6-402(4)(f), C.R.S., Personnel matters, identifying the person or position to be discussed. Exception: Not available for the following discussions: 1) to discuss general personnel policies; 2) if the employee who is the subject of the executive session has requested an open meeting; 3) if the personnel matter involves more than one employee and all of the affected employees have requested an open meeting; or 4) to discuss any member of the governing body or the appointment of any person to fill the office of a member of the governing body. Note: Agenda and motion must identify the employee, by name or position.

§24-6-402(4)(g), C.R.S., Consideration of any documents protected by the mandatory nondisclosure provisions of the Open Records Act. Includes: medical records, personnel files, privileged documents, See §24-72-204(3)(a) for complete list.

Inclusion of Additional Property

Pursuant to C.R.S. §31-25-822, Eagle DDA is permitted to include property within its boundaries (not originally included in the Plan) provided the following steps are taken.

- This process is initiated by petition of the property owners to be included, who must provide evidence of title to and legal description of the property to the Board. Owners of land to be included.
- The petition is presented to the Board for consideration and review. The inclusion of new properties must align with the DDA's Plan. Once the petition is deemed acceptable, the Board will consider it for approval.
- With Board approval, the petition is then presented to Eagle Town Council for approval in which the ordinance approving the DDA will be amended to reflect the included property. Once the amendment is effective, the property is officially included in the DDA.

Spokesperson

There will be catalytic or particularly impactful projects/developments with high visibility in the community. In the interest of achieving consistent communication with the public and key stakeholders, the Board may appoint the Executive Director as spokesperson on the subject. Moreover, in accordance with §24-6-402(4)(e), C.R.S., the Board may designate the Eagle DDA Executive Director (if in place); the Board President; or an appointee to represent the Eagle DDA's interest in negotiations with the Town and/or other parties.

Policy Intent & Goals

In furtherance of this Policy and its guidelines, Eagle DDA shall:

- Partner/collaborate with any Town of Eagle or Eagle County personnel and/or any other governmental/non-profit organization for due diligence, strategic partnership for grant opportunities, inter-agency assistance, and other activities in furthering the goals of the Town of Eagle Downtown Development Authority Plan of Development.
- Periodically and proactively track the progress of development within its boundaries to ensure accuracy in reconciliation of the County assessor's annual August 25 tax increment report.
- Engage a financial or municipal advisor and/or a financial consultant with specific expertise, for the express purpose of reviewing, verifying, and reporting on the project/development proformas for each investment opportunity requiring such information.

[

Appendix A – Evaluation Scoring Matrix

To be included upon finalization, review, and adoption by the Board of Directors.

PROJECT INVESTMENT PROGRAM APPLICATION Prepared by DCI

APPLICANTS

Applicant name(s): _____

Address: _____

Primary Contact Phone: _____ Email: _____

Property Address (location where project is proposed): _____

_____

Property legal description (or attach): _____

_____

PROPERTY OWNER (if not same as applicant)

Name(s): _____

Address: _____

Primary Contact Phone: _____ Email: _____

PROJECT DETAILS

Please attach complete project description, pro forma (if applicable) project schedule, and permit info (if any).

How would you classify your project?

Construction

- ❑ New Projects
- ❑ Improvements

Non-Construction

- ❑ Events + Activities
- ❑ Beautification (Murals, Landscaping, etc.)

What is the estimated project cost?

❑ Under $10,000 ❑ Between $10,000 and $50,000 ❑ Over $50,000

NON-CONSTRUCTION ONLY SECTION

(*Construction projects only, please skip ahead to page 2: DDA Priority Areas)*

Project Purpose: _____

_____

Estimated Timeframe: _____

Project Partners: _____

_____

EAGLE DOWNTOWN DEVELOPMENT AUTHORITY (DDA) PRIORITY AREAS

The following areas have been identified as priorities for Eagle Downtown, please indicate each area that your project may address and provide details as to how your project will enhance this area of work. Select all that apply.

❑ **Business Community Support**

Consider opportunities to enhance access to services and capital for business, collect data, and identify and catalyze underutilized assets. Identify and provide critical infrastructure and support to promote and develop successful business needs. *Provide Details:*_____

_____

_____

❑ **Regulatory Environment**

Streamlining solutions and minimizing barriers to build trust and investment from business and property owners. Aligning regulation and incentives to encourage public-private partnerships for investment in the community vision through infill, redevelopment, and re-use of existing buildings. *Provide Details:*_____

_____

_____

❑ **Communications**

Imparting or exchanging of information or news with an image building and informational component that includes arts, culture, and recreation. Downtown brand identity is the combined messaging transmitted via content, diverse platforms, logos, style and visuals. *Provide Details:*_____

_____

_____

❑ **Experience Economy**

Encourage the realization of emotion and entrepreneurial opportunity through interactive activities, events, and maker's components. Enhance a person's time spent in a place with a unique and memorable experience. *Provide Details:* _____

_____

_____

❑ **Access + Mobility**

Assess the experience and accessibility of getting to and around downtown as a local or visitor. Focuses on multi-modal infrastructure and access in and around the downtown including parking, gateways, walkability, rideability, wayfinding + signage, etc. *Provide Details:* _____

_____

_____

❑ **Creative Placemaking**

Establish a sense of place through the strategic integration of art, the environment, design, recreation, and cultural activities. Engage locals to produce authentic and distinctive planning and development programming programs directed at local love of place. Create a connection to the community's sense of identity through visible symbols, messaging, and activities. *Provide Details:*_____

_____

_____

CONSTRUCTION PROJECT INFORMATION (For Construction Projects Only)

Est. Total Construction Cost:	Private Sector Investment:	Requested funding from DDA:
$_____	$_____	$_____

Proposed Construction (check all that apply):

- ❑ Building remodel area: _____ square feet
- ❑ Building addition area: _____ square feet
- ❑ New building(s) area: _____ square feet
- ❑ Other construction (specify details): _____

Existing Building Area: _____ square feet

Project Uses/ Tenant Information:

Commercial units: existing sq ft: _____ proposed sq ft. _____
Residential units: existing sq ft: _____ proposed sq ft. _____
Building Floors: existing: _____ proposed _____
Parking Spaces: existing: _____ proposed _____

List any existing or proposed tenant(s) and square footage:

Existing Tenants: _____
_____
Proposed Tenants: _____
_____
Do any existing tenants need to be relocated?_____
_____

[Remainder of Page Intentionally Blank.]

Contact Information

Identify one person to serve as the contact for the application during the review process. This person will be notified by the DDA regarding comments and meetings and responsible for notifying other parties who may be involved in the project.

Name: _____
Phone: _____ Email: _____

Architect(s) & Firm:
Name: _____ Company: _____
Phone: _____ Email: _____

Contractor(s):
Name: _____ Company: _____
Phone: _____ Email: _____

Reference Information

Identify one person to serve as a reference for the application during the review process. This person will be notified by the DDA regarding previous experience and expertise related to the project.
Name: _____
Phone: _____ Email: _____

Certification

I certify that the information and exhibits I have submitted are true and correct to the best of my knowledge. In filing the application, I am acting with the knowledge and consent of those persons who are owners of the subject property or are parties to this application. I understand that all materials required by the Eagle Downtown Development Authority and must be submitted prior to having this application processed.

Please also attach/include ALL REQUIRED INFORMATION requested in the Project Investment Program document.

_____ _____
Applicant Signature Property Owner Signature (if different than applicant)

_____ _____
Print Name, Title Print Name, Title

_____ _____
Signature Signature

For Staff Use:
Date application submitted: _____ Date application completed for review: _____

Eagle DDA Project Investment Program

Evaluation Scoring Matrix

The Tax Increment Financing (TIF) evaluation scoring matrix is based on goals and strategies of the DDA Plan of Development and the standards and criteria of the program. Applications will be evaluated by the DDA Board using this scoring matrix.

- Projects must meet the applicable TIF Investment Program standards and criteria.
- Projects determined by the DDA Board to significantly fill an unmet need downtown and/or achieve a score of more than 50% of total applicable score, may be eligible for additional funding.

Evaluation Categories

1. Project Location within the DDA (can be combined)

Location	Points Available
Broadway Street	5
Opportunity Development Site	4
Side Streets	3
Other District Location	1
Property Location / Engagement (two streets; corner, improved alley)	1
Sub Total (5 point max)	

2. DDA Priority Area Alignment

Priority Area of Focus	Points Available
Business Community Support	3
Regulatory Environment	3
Communications	3
Experience Economy	3
Access + Mobility	3
Creative Placemaking	3
Sub Total (9 point max)	

3. Existing Conditions

Existing Conditions	Points Available
The existing property's appearance and compatibility with surrounding properties is poor or has been continuously vacant (or vacant land or surface parking)	5
The existing property's appearance and compatibility with surrounding properties is fair or has been periodically vacant	3
The existing property's appearance and compatibility with surrounding properties is good or has had low vacancy	1
Sub Total (5 point max)	

4. Community/Housing Impacts (can be combined)

Project Extent	Points Available
Project creates attainable housing (More than 3 attainable units + 5 points)	5

Project adds for sale housing to Downtown	5
Project addresses housing at all price points, including both market rate and affordable	4
Project includes public, community amenities, such as parks, plazas, outdoor seating	4
Project creates market rate housing desirable to skilled workers including the Local Employment Residency Program (LERP)	3
Project includes private external amenities for tenants or residents (roof top, workshop, dog wash station)	1
Sub Total (27 point max)	

5. Project Design (can be combined)

Design	Points Available
Project includes a creative design that is an appropriate fit for the proposed location and is consistent with the downtown design guidelines (TBD)	5
Project has a pedestrian friendly, **engaging** street presentation (large, transparent windows, improved, wide sidewalks, streetscape amenities, etc.)	5
Preserve original facade or recreate	5
Signage per town rules	1
Sub Total (16 point max)	

6. Project Sustainability and Resource Conservation (can be combined)

(Projects are required at a minimum to meet applicable green building and energy code standards)

Sustainability and Resource Conservation	Points Available
Project receives LEED building certification or achieves certified green building principles	4
Project substantially exceeds applicable energy code standards	4
Project substantially exceeds applicable green building standards	3
Project integrates significant CPTED principles (review from CPTED evaluators)	3
Project incorporates infiltration-based green infrastructure such as distributed rain gardens, or low impact development techniques that infiltrate stormwater runoff and disconnect impervious areas in the site design	2
Project includes on-site recycling and/or composting receptacles	2
Project incorporates water saving measures above applicable code standards, such as high efficiency fixtures and xeric landscaping	1
Provide documentation of an innovative product or strategy that increases the sustainability of the project or community	1
Sub Total (28 point max)	

7. Transportation Impacts (can be combined)

Transportation	Points Available
Project incorporates significant infrastructure and amenities to encourage alternate transportation (i.e. bike facilities and storage, pedestrian connections)	5

Project adds 5 or more additional, **non-surface** public parking (available to anyone) into the District (More than 10 +5 additional)	4
Project adds 3 or more, on-street public parking spaces (available to anyone) through the Town's fee in-lieu program.	4
Project includes sustainability practices such as EV charging stations, carpool or shared-use vehicle parking, low-emitting vehicles	3
Project adds 5 or more additional private parking (building use) into the District	3
Bus Passes for residents	
Sub Total (20 point max)	

8. DDA Plan of Development Alignment (can be combined)

Plan of Development	Points Available
Public Impacts	
Project contains uses that extend to 18-hour/7-day activity Hours of Operation	5
Project is a mixed use development	4
Project includes creative placemaking elements	4
Sub Total (13 point max)	
Opportunity Areas	
Provides sale-tax collecting businesses	
Live entertainment, Music, Events	
Evening Hours	5
Projects with secured tenant	
Project adds primary employment (More than 10 employees +5 additional)	5
Project adds creative industry or culinary businesses	4
Project adds an arts & culture venue	4
Project fills a gap in uses in district (grocery/market +5 additional)	3
Project will retain at least 5 FTE jobs in the downtown district	3
Sub Total (29 point max)	

Total: _____ points

If the project has not secured any commercial tenants	**130 points max**
If the project has secured all commercial tenants	**130 points max**
If project has a mix of secured and unsecured tenants	**152 points max**