

## **In support of the NDDA Debt Authorization Ballot Question – Investing and Improving Nederland's Downtown**

The Nederland Downtown Development Authority (NDDA) recognizes that its lead resource and business draw is its natural environment and is committed to preserving and restoring this environment as it is conducive to the growth of business in the district. Keeping what makes Nederland special, as well as ample opportunity for those with the desire and talent to start a small business, is what will make a successful downtown.

The NDDA is asking for approval from commercial property and business owners in the DDA district, for permission to pursue carefully considered infrastructure improvements and economic development programs in Downtown Nederland by voting for the Debt Authorization which will give the NDDA the ability to plan and fund some every important improvement and economic development projects over the next 5-7 years.

A vote for the debt authorization will NOT increase taxes. Tax Increment Funding (TIF) essentially predicts property value increases over time (historically proved) and borrows against them. This allows for improvements and programs focused on downtown. Since improvements further increase property values, it becomes an evolving payback system that is incredibly effective. A better downtown will mean more sales tax revenue for all of Nederland.

This also does not mean that the NDDA is going to barrel in and tell the town what to do. Each project will be carefully evaluated, priced-out, brought to the townsfolk and the property owners for their opinions, and will need approval from the Board of Trustees before implementation.

Examples of projects that are detailed in the NDDA 2016 Master Plan include:

- Traffic Study
- Lakeview intersection project
- Underused Parking Lot and On Street Parking Improvements
- 1st Street Loading zone/1st Street Pedestrian/ADA walkability
- 2nd crossing at Middle Boulder Creek
- River pathway (design only)
- Mitigate storm water and water quality issues for Middle Boulder Creek
- Business improvement loans, grants, and rebate programs
- Improve vehicular and pedestrian signage/way finding
- Event Support
- Business Incubation (bank office space & property purchase)
- Beautification (public art installations, pocket parks, native planting and landscaping)
- Visitors Center (operation)
- Bury 1st Street utility lines

The sources of frustration for local residents, such as parking, intersection traffic and neglected properties, are among the first considerations of these programs. These projects, such as a traffic study, way finding and signage, and cleaning up downtown, can be started this summer. For larger projects, planning and design can be done this year so that funding for implementation can be arranged through grants and partnerships. As funding is identified and secured, we would be able to move quickly on the more complex larger infrastructure projects."

As funding is identified and secured, larger infrastructure projects can go to bid and be .

We hope the DDA community will support this debt authorization, as it is written by those who love Nederland, want to keep it interesting and special, and do not want it to look like every other town in the country. We will be a small oasis of the unique, which will bring visitors who will support our businesses, and help businesses that serve local needs.

For more information and details on the debt authorization question, please visit [www.nederlanddowntown.org](http://www.nederlanddowntown.org), email [info@nederlanddowntown.org](mailto:info@nederlanddowntown.org) or call 303-258-3266 x29.

### **Nederland Downtown Development Authority Board of Directors**

Katrina Harms, Carousel of Happiness

Amanda Kneer, Mountain People's Co-op

Peter Marshall, Crosscut Pizzeria and Tap House

Jeffery Green, Very Nice Brewery

Susan Schneider, Centennial Bank

Brent Tregaskis, Eldora Mountain Resort

## Questions and Answers

Q1. Why does the DDA have to do a Debt Authorization?

A1. By general State statute, as well as by TABOR requirements, all subdivisions of the State (including special districts like DDAs) must ask voters for permission to take on debt. That is true even though the BOT must then approve each individual deal (loan) that is taken out.

Q2. What is Tax Increment Financing (TIF)?

Q2. Tax Increment Funding (TIF) essentially predicts property value increases over time (historically proved) for a specific area and time, in this case downtown Nederland and until 2035 (see map on website) and borrows against them. This allows for improvements and programs focused on downtown. Since improvements further increase property values, it becomes an evolving and effective payback system.

Focusing investment and improvements on downtown is very important because a very large part of the Town of Nederland's operating budget for roads, salaries, police and capital improvements come from sales tax revenue. A better downtown will mean more sales tax revenue for all of Nederland translating into better roads and better funded services.

Q3. How much money is the Debt Authorization asking for?

A3. The Debt Authorization is asking for permission to borrow up to \$2.9 million dollars over the next 5 - 10 years. This represents, conservatively, the amount of incremental property tax increase from 2016 - 2035 available to the NDDA. Currently the NDDA district receives a little more than \$150,000 a year. That will increase over time and more improvements are made. (Go to Resolution and Financial Documents on the website.)

Q4. How will interest work? It has been said that the interest rate would be 6%.

A4. For estimating purposes the DDA used 6% interest to make sure that the DDA could always pay back what was borrowed. (Go to Resolution and Financial Documents on the website) The DDA would never borrow all \$2.9 at once and most loans will be taken out at a much lower interest rate depending on the type of project and type of loan. All projects, loans and interest have to be approved by the Board of Trustees.

Q5. How is the Debt Authorization Question created?

A5. The NDDA looked at their DDA Plan of Development and their 2016 Draft Master Plan, which was developed over the last 12 months through community forums, reviewing existing town plans and using the Economic Development Task Force survey results, to create the content for the question. The question is written by a lawyer who specializes in Districts like the NDDA. The lawyer looks to make sure that we are able to pay it back, that we aren't going outside our Plan of Development and that it meets other election and district requirements. The Board of Trustees has to approved the Ballot Question as well and did so on February 9th, 2016.

Q6. Why is the Debt Authorization so broad in scope?

A6. Keeping the Debt Authorization broad allows it to be flexible and give the DDA the ability to start programs this summer and plan or design for a variety of other projects. As funding is identified and obtained the larger projects can be moved to implantation fairly quickly because the plan and design has been done. A good example is that when NedPeds was stalled out 3 years ago because of the design process and flood the DDA could've started another project but didn't have the money because the last debt authorization was specific to NedPeds.

We looked at how other DDAs and DDA-type districts do their authorizations and it went from specific projects and smaller amounts being asked for more often and more broadly stated like this one and for a much higher, and sometimes all, the projected available funds.

Q7. When and how often can a Debt Authorization be voted on?

A7. The DDA could call an election at anytime but costs for those elections can run between \$5,000 and \$10,000 and our yearly operating budget would not cover that expense. If we hold the elections when a municipal elections in Nederland are taking place it is much less expensive and can be more easily planned for and budgeted. Municipal elections are held every 2 years. We could do more debt authorizations but even at a lower cost it would take out a large portion of our operating budget more often leaving those years with little operating funds.

Q8. Does the DDA district take money away from other taxing districts like the Fire, Library and BVSD?

A8. Those districts still get their portion of property tax from DDA district property taxes based on the 2005 totals. During the life of the district, they do not get any percentage of the increased portion of the tax. The improvements to downtown increase property values outside of the district and create improvements to safety and walkability. The DDA will work with these districts where they can to make sure projects and programs can directly benefit them.