

# WHAT IS A COLORADO DOWNTOWN DEVELOPMENT AUTHORITY (DDA)?

Downtown Development Authorities (DDAs) are quasi-public agencies that can provide both organizational focus and financing to support downtown improvements. DDAs facilitate partnerships, joining businesses and property owners with local government. In addition, DDAs create a self-sustaining organization to champion downtown for the long-term.

A DDA is authorized by the city or town council and managed by a board of directors appointed by the municipality. It is funded primarily through Tax Increment Financing (TIF) funds generated by the anticipated increase in sales and property taxes in the district. TIF funds are then reinvested into downtown. If approved by the town and the voters within the district, the DDA can also impose up to 5 mills for DDA operations.

DDAs have some distinct advantages including:

- DDAs do not have the power of eminent domain
- Bonding ability
- A potential mill levy for operations
- Residents, business owners, property owners and renters in the proposed DDA area have the opportunity to vote on the creation of the DDA

DDAs are formed in the following way:

- A downtown development plan is created to provide a road map for improvements and investment.
- Once it is determined that a DDA is the appropriate tool for financing improvements, an ordinance is drafted, which includes information on the powers of the proposed DDA, the financing methods (i.e. will tax increment go into the DDA or will it be shared with other sources, will there be an operational mill levy, etc.), the election date (typically the general November election) as well as the method of election (i.e. vote at a polling place or via mail ballot).
- The draft ordinance is submitted to the municipality staff for review and revisions, then submitted for city or town council consideration.
- The municipality gives public notice of a hearing to discuss the proposed DDA, holds the hearing and adopts the ordinance.
- The election is held. Voters include residents, landowners, lessees, and any person designated by a corporate entity to vote on behalf of the entity within the boundaries of the proposed DDA. A majority of electors must vote in favor of the DDA.

Once a DDA is formed, it is governed by a 5- to 11-member board appointed by the city or town council. A majority of the directors must reside or own property in the DDA.

DDAs have been established in Downtown Brighton, Colorado Springs, Crested Butte, Denver, Fort Collins, Glenwood Springs, Grand Junction, Greeley, Longmont, Nederland, Rifle, Thornton, and Woodland Park.



Progressive Urban Management Associates (P.U.M.A.) is an economic development and planning firm that delivers community-based solutions to create thriving downtowns, corridors and neighborhoods. A national leader in downtown and community development, P.U.M.A. advises clients on a wide range of management, marketing, financial, urban design and implementation tactics that help communities and organizations create and sustain dynamic places.