



MEMO TO: Mayor Vandernail and the Board of Trustees
FROM: Sarah Catanzarite, Assistant Town Manager
DATE: October 18th, 2023
SUBJECT: Formation of a Fraser Downtown Development Authority (DDA)

MATTER BEFORE BOARD:

Consideration of whether formation of a Downtown Development Authority (DDA) makes sense for the Town of Fraser.

ACTION REQUESTED:

Build knowledge base regarding DDAs and Tax Increment Financing (TIF) in preparation to vote on an ordinance to be presented for an initial reading November 15th and again December 6th, referring the establishment of a Downtown Development Authority for the Town of Fraser to be voted upon by "eligible electors" in the April 2nd, 2024 municipal election.

BACKGROUND:

The 2017 Fraser Downtown Strategic Plan lays out a vision for developing a vibrant Town Center to serve as a focal point for the community and attract visitors. The plan further defines community goals to preserve and build upon Fraser's fun, eclectic and historic character; develop a diverse and resilient local economy that supports locally owned and operated businesses; increase mobility choices; and expand and diversify local housing options. Town of Fraser staff has been working closely with Downtown Colorado Inc. (DCI) to explore the possibility of formation of a Fraser Downtown Development Authority (DDA) and use of Tax Increment Financing (TIF) to help facilitate implementation of these community goals.

The formation of a Downtown Development Authority and adoption of a Plan of Development allows for the use of Tax Increment Financing to fund public facilities that are part of a Plan of Development. TIF serves as a financing mechanism that helps the community encourage private sector investment around community vision. It is a way to catalyze development and redevelopment projects by contributing the difference between the base year tax revenue and the increased tax revenue generated by the project, year over year, into projects in the Downtown District. Public facilities that may be part of a plan of development and funded through TIF include (but are not limited to): streets, parks, plazas, parking facilities, housing projects, playgrounds, street scaping, waterways, utility infrastructure, and buildings.

Over the summer the Town formed the Downtown Development Advisory Committee (DDAC), a temporary committee to learn more about Downtown Development Authorities and Tax Increment Financing to explore if these would be a good fit for the Town of Fraser. The group met four times July through September 2023. The committee included Katie Soles (chair), Autumn Bishop, Joy McCoy, Paula Metcalf Stuart, Bob Wolf, and Barry Young. Several community stakeholders also participated in the meetings, including, Scott Ledin (Rec District), Todd Holzwarth (Fire District), Brad Ray (East Grand School District), Tom Weydert (Grand County Assessor), Kevin Rifkin, Greg Bechler, and Roman Zimmermann.

DDAC meetings consisted of lively discussions with ample input provided by the various stakeholders present. In addition to presentations by Town staff, Bill Shrum from Downtown Colorado Inc, and Troy Bernberg of Northland Securities presented on various aspects of DDAs and TIF. A document with DDAC resources and meeting presentations is included in the Board packet. Concerns about the impact of revenues on special districts were raised, and the need for community engagement around a well thought out plan of development was seen as crucial to ensuring there is a community vision for downtown and that guardrails for future development are in place. At the September 21st DDAC meeting, a motion was made and unanimously supported to recommend that the Board of Trustees move forward with an ordinance referring the establishment of a Downtown Development Authority for the Town of Fraser to be voted upon by "eligible electors" in the April 2024 municipal election.

Board sessions have been planned to help build the Board's knowledge base around DDAs and TIF and provide an opportunity for questions and discussions, prior to bringing an ordinance in front of the Board on November 15th.

Tentative Schedule:

October 18th: DDA and TIF Overview- Bill Shrum, DCI
November 1st: DDA Boundaries, Fiscal Analysis and Considerations- Troy Bernberg
Presentation of Legal Contract for Review to Support DDA Initiative
November 15th: Present Ordinance & Ballot Language (1st Reading)
December 6th: Vote to Approve Ordinance & Ballot Language
April 2nd: Election

ALTERNATIVES:

The Board could choose to not approve the ordinance put forth on November 15th and December 6th, referring the establishment of a Downtown Development Authority for the Town of Fraser to be voted upon by "eligible electors" in the April 2nd, 2024 municipal election.

RECOMMENDATION:

Town staff recommends approving the ordinance to refer the establishment of a Downtown Development Authority for the Town of Fraser to "eligible electors". A DDA and the use of TIF will provide a revenue source, without raising taxes, to allow the Town to move forward on goals laid out in the 2017 Fraser Downtown Strategic Plan, as well as help support the community's

workforce housing initiatives. In addition to the funding made available through TIF, the establishment of a DDA with appropriate bylaws and a well thought out Plan of Development, will serve to provide vision and guidance for development in Downtown Fraser, allowing for public private partnerships that serve overarching community goals and strive to create a vibrant downtown center and community.