

**Agenda**  
**Loveland Downtown Development Authority (DDA)**  
**Regular Meeting**  
**Monday, January 14, 2019 – 4:00 pm**  
LDP | DDA Offices  
350 North Cleveland Avenue, Loveland, CO 80537

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**4:00 pm**

1. **Call to Order**
2. **Roll Call**

**4:05 pm**

3. **Public Comment** (individual introductions / comments are limited to 3 minutes)

**4:10 pm**

4. **Approval of Minutes**

Regular Meeting – December 10, 2018

*“I move to approve (deny) the minutes of the Regular Meeting of December 10, 2018.”*

**4:15 pm**

5. **Discussions / Action Items**

- **Action Item 1: Resignation of Sharon Cook (Director / Officer: Vice-Chair)**

Suggested Motion:

*“I move to approve (deny) the resignation of Sharon Cook, effective January 14, 2019.”*

- **Action Item 2: Election of new Board Member / Officer (Vice-Chair)**

Suggested Motions:

*“I move to nominate \_\_\_\_\_ to the Loveland City Council to fill the current DDA Director vacancy serving the unexpired term through June 30, 2020.”*

*“I move to elect \_\_\_\_\_ as Vice-Chair of the Loveland DDA to serve the remainder of the two-year term of this office expiring June 30, 2019, effective as of today’s date.”*

- **LURA / DDA Next Steps**
- **Review of Tax Increment Investment Policy**

**4:30 pm**

6. **Executive Director Updates**

- Northern Colorado Community Foundation – Foundry Plaza
- City Council Approvals
  - Boards and Commissions, 1.15.2019 City Council Meeting

7. **City Council Report**

- Fogle, City Councilor

8. **Agenda Items for Upcoming Meetings**

9. **Executive Session – Legal / Contract Negotiation / Personnel Matter (if required)**

Suggested Motion:

*“I move to approve the Loveland Downtown Development Authority move into an executive session for a [personnel] [legal] [contract negotiation] matter.”*

**6:00 pm**

10. **Adjourn**

**CALENDAR –**

**DDA Board Regular Meetings - LDP | DDA Offices @ 4:00 pm**

- February 11
- March 11
- April 8
- May 13

**Other Upcoming Events**

- January 30      Business Alliance – Lunch (Creator Space)
- February 8      Friday Night on the Town
- February 8-9      Loveland Sweetheart Festival: Love, Locks and Lights

**Loveland Downtown Development Authority  
Meeting Minutes – December 10, 2018**

**The Regular Meeting of the Loveland Downtown Development Authority (DDA)  
Board of Directors was held at 4:00 pm on December 10, 2018,  
at the LDP | DDA Offices, 350 N. Cleveland Avenue, Loveland, CO**

1. **Call to Order:** Chair Steele, Jr. called the meeting to order at 4:02 pm
2. **Roll Call:**  
**Present:** Bernhardt, Caldwell, Cook, Fogle (late 4:40), Patterson (late 4:37), Steele, Jr., Waneka  
**Absent:**  
**Staff:** Hawkins, Rosenberger, Streich, Powell  
**City Employees:** Mike Scholl  
**Guests:** Jim Cox (LDP Board Member), Cody Balzer, Paul Ludwick
3. **Public Comment:** None
4. **Approval of Minutes:**

*Bernhardt moved to approve the Minutes of the Regular Meeting of November 15, 2018, Caldwell seconded the motion; the motion carried.*

5. **Discussions / Action Items:**

2019 DDA Meeting Schedule. Steele presented a schedule of the 2019 meetings (on file).

*Caldwell moved to approve the 2019 Loveland Downtown Development Meeting Schedule, Cook seconded the motion; the motion carried.*

Tax Increment Investment Program – 4<sup>th</sup> and Garfield, LLC. Steele introduced the developers of the 4<sup>th</sup> and Garfield project, Cody Balzer and Paul Ludwick. Balzer advised he had presented to the DDA Board in early 2018 the project plans but had not finalized them due to funding issues and changes to the drawings. He reported that upon approval from the DDA Board of its investment to the project, the developers would immediately finalize documents with the intent to begin construction in April 2019. The project is a 3-story building with retail-restaurant tenants on the ground floor and commercial space on the upper floors.

Hawkins directed the Board's attention to the Term Sheets (dated 12/5/2018 and amended 12/10/2018 on file) and gave a PowerPoint presentation regarding the DDA's proposed investment in the project in the amount of \$625,000. He advised the project meets the DDA evaluation criteria, is consistent with the DDA's 2017 Plan of Development, and projected that over the life of the DDA, the development could generate \$3.5 million in TIF (sales/property taxes). Following questions directed to Scholl (City of Loveland) regarding a Development Agreement and upon further discussion, Hawkins asked if the Board would approve the Term Sheet. He commented that Fogle had informed him that he would recuse himself regarding this matter and further, that although neither Fogle or Patterson were in attendance at the present time, there was a quorum to make a motion and vote on it.

*Cook moved to approve the amended 12/10/2018 Tax Increment Investment Term Sheet with 4<sup>th</sup> and Garfield, LLC and instruct the Executive Director to work with legal counsel to create*

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*a Development Agreement for the project, and further, the Development Agreement and the project's final development concept will be brought back to the DDA Board for final approval, Caldwell seconded the motion; the motion carried.*

2019 Façade Improvement Grant Program and Application Materials. Hawkins advised the Façade Working Committee has been reviewing the current Program and suggested certain changes be made to the document before future applications are submitted. He advised four (4) facades are in the 2019 budget. Streich directed the Board's attention to the revised Façade Program updated 12/4/2018 (on file) and reported the suggested changes would be 1) to review applications on a quarterly basis, 2) that construction changes by the owner/contractor from the original application must have prior approval from the DDA Board, and 3) the owner agrees to scheduled meetings with DDA staff and the DDA's promotion of its involvement with the façade with signage and ribbon-cuttings.

*Caldwell moved to approve the updates to the 2019 Façade Improvement Grant Program and Application Materials; Patterson seconded the motion; the motion carried.*

**6. Presentation – LURA (Mike Scholl):**

Scholl presented to the DDA Board regarding the next steps needed to sunset LURA with the result that future TIF generated within the DDA boundaries would flow directly to the DDA. He advised the purpose of his presentation (PowerPoint on file) is to brief the Board with history and timelines. Following questions and discussion, Scholl advised additional information will be provided as the City prepares its proposal to sunset LURA.

**7. Executive Director Reports (Hawkins):**

HIP Streets Infrastructure Assessment: Hawkins advised that the City of Loveland Public Works Dept. recently held an Open House meeting at the LDP | DDA which was well-attended. He advised the purpose of the meeting was to inform the public that an underground assessment to determine conditions of utility infrastructure would be taking place and that the City could then make recommendations for future underground improvements and to assist with budget estimating for the HIP Streets project.

Northern Colorado Community Foundation / Foundry Plaza: Hawkins advised that he recently met with representatives of the Foundation and the Foundry developers to discuss sponsorship and programming of the plaza. He suggested various events could be held including farmers' markets, various concerts, etc., and that Abby Powell has agreed to lead the programming. Budgeting for programming, start-up costs, marketing and staff salaries have been included in the proposed 2019 LDP budget.

City Council Approvals: Hawkins advised that Loveland City Council recently approved the DDA 2019 Budget and the LDP 2019 Services Contract, and that City Council will be discussing the Fire Suppression Grant Program and DDA Boards and Commission matter at its upcoming sessions.

**8. Liaison Reports:**

Fogle reported on the City Council is working on End-of-Year rollovers and budgeting. Cook posed the question on whether a City Council member should be on the DDA Board; Steele

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advised it is pursuant to DDA state statute and Fogle advised he represents the DDA at City Council meetings.

*Caldwell moved to change the Agenda title of "Liaison Report" to "City Council Report," Cook seconded the motion; the motion carried.*

9. **Agenda Items for Upcoming Meetings:** Steele advised he would be having surgery and that Vice-Chair Cook would be point of contact until his recovery.

10. **Executive Session:** Steele advised no Executive Session was necessary.

11. **Agenda Items for Upcoming Meetings:** None

12. **Adjourn:**

*Caldwell moved to adjourn the meeting, Fogle seconded the motion; the motion carried.*

**The meeting adjourned at 6:10 pm.**

\_\_\_\_\_  
Jon-Mark Patterson, Secretary/Treasurer

\_\_\_\_\_  
Date

# **DOWNTOWN DEVELOPMENT AUTHORITY LOVELAND, CO**

## **TAX INCREMENT INVESTMENT POLICY AND PROGRAM REQUIREMENTS**

Approved Nov 15, 2018



# Tax Increment Investment Policy and Program Requirements

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## **MISSION OF THE LOVELAND DDA**

To support the development and redevelopment of properties that enhance economic growth, foster artistic and cultural community, and provide a public-use benefit within the Loveland Downtown Development Authority boundary (the “District”). (August 2018)

## **GOALS OF THE LOVELAND DDA**

The DDA board is seeking to support projects that achieve the following goals as defined in the 2017 Plan of Development:

- Attract successful private development and public partnerships
- Cultivate an active and vibrant downtown District
- Promote diverse uses that are compatible with the business, artistic and cultural community
- Achieve continuous economic growth
- Enhance and respect the historic character of the Loveland Downtown Historical District
- Provide an attractive, pedestrian-friendly, safe and secure environment

## **WHAT IS THE TAX INCREMENT INVESTMENT POLICY?**

The Loveland Downtown Development Authority (DDA) considers investments in development projects within the DDA boundary that increase property tax increment and sales tax increment. 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.

The DDA will only fund projects which have a public benefit and for which the DDA is able to secure an interest therein. Funding is typically used to create facade features that would be unfeasible without DDA funding and for improvements in the public right-of-way. We are interested in enhancing project facades and public right-of-way's through the use of quality project materials.

The DDA is committed to being an excellent steward of public funds by ensuring that investments into private projects result in tax increment funds that can be used to invest in public infrastructure projects that benefit the community as a whole.

The Tax Increment Investment Policy will be reviewed and revised as needed on a periodic basis by the DDA Board of Directors.

## EVALUATION CRITERIA

The DDA board evaluates projects that align with the 2019 Façade Improvement – Reimbursement Program and the following criteria:

### A. Consistency with DDA project goals as outlined in the 2017 Plan of Development.

- Attract successful private development and public partnerships
- Cultivate an active and vibrant downtown District
- Promote diverse uses that are compatible with the business, artistic and cultural community
- Achieve continuous economic growth
- Enhance and respect the historic character of the Loveland Downtown Historical District
- Provide an attractive, pedestrian-friendly, safe and secure environment

### B. Design and Pedestrian Experience

- Does the project use high quality or authentic building materials in the construction of the facade or other exterior features?
- Are the building elevations scaled to create a pedestrian experience?
  - Is there adequate street level window transparency that draws pedestrians into the activity inside the building?
  - Does the project enliven the pedestrian experience with items like outdoor seating or public art?
  - Does the project provide lighting that aids in the safety of the downtown district?
- Is the project sensitive to the historic fabric of the building and the block?
  - Does the project require review from the Historic Preservation Commission?
  - Is the project eligible for state or federal tax credits for preservation?
  - Are the materials consistent with the historic character of the downtown?
- Does the project integrate into the block and the district as a whole?

### C. Other Criteria

- Properties that have received a Façade Grant from either the City, Loveland Urban Renewal Authority or the DDA within the last ten years are not eligible for additional reimbursements for façade improvements.



- The DDA will not fund deferred maintenance. The DDA will not favorably consider project proposals from building owners who have owned buildings for significant periods and failed to maintain or substantially invest in the buildings.
- Any facade or improvement receiving multiple funding sources from the City of Loveland must be disclosed to the DDA for approval.

### **OTHER PROGRAM REQUIREMENTS:**

The DDA may include one or more of the following as a condition of investment approval.

- Minimum performance guarantees by the developer/owner for the annual Tax Increment required to service any bonds and or other contribution made by the DDA.
- Depending on the level of contribution, the DDA may seek a share of the sale proceeds if the property is sold within a set time period.
- Any City of Loveland (including LFRA) permit fee waivers and materials use tax waivers require the approval of the City of Loveland. This process requires a separate application and approval process and does not involve the DDA.
- Any DDA bond issuance requires final approval by the City of Loveland City Council. The DDA cannot guarantee approval of the City of Loveland for a bond issuance.

### **FUNDING GUIDELINES**

The Tax Increment Investment funding level is typically determined using three main factors:

- a) 10% of the total value of improvements as determined by the Larimer County Assessor's Office;
- b) Supportable tax increment funds generated by the project (up to 25% contribution for residential\* and up to 50% for commercial) over the life of the DDA; and
- c) The total amount of eligible features for façade improvements and public improvements in the right-of-way.

\*The DDA will consider a higher percentage for residential that includes on-site parking or dedicated parking arrangements in the overall project.

The DDA reserves the right to fund at a higher or lower level in accordance with its current funding priorities. Special circumstances including overall impact on downtown and environmental cleanup costs may influence available funds.

Note: All funding is subject to the DDA's issuance of bonds and/or line-of-credit financing available to the DDA.

The DDA may provide investment funding by considering these options:

1) Annual Payment Schedule – An annual payment schedule wherein the DDA reimburses annual sales tax funds and/or property tax funds generated from your project based on its performance.

2) Bond Proceeds –The DDA will work with the City of Loveland to issue bonds for certain projects to provide funding upon 100% construction completed, issuance of a Certificate of Occupancy for the project, and all DDA requirements for project reimbursement are satisfied.

The DDA reserves the right to factor the cost of bonding and other financing costs into project funding as well as a project funding fee and all direct third-party costs. The DDA reserves the right to deduct the cost of preparing the project's Development Agreement not to exceed \$5,000.

### **APPLICATION REQUIREMENTS AND REVIEW PROCESS**

Prior to consideration by the DDA, applicants are required to meet with the DDA staff to review the proposed project scope and required submittals. We acknowledge that this is an iterative process and may include participation from the City of Loveland staff. For the DDA board to consider the request, the applicant must submit the following in your application:

1. Application (see below)
2. Project Narrative:
  - a. Property Address and Parcel Number.
  - b. Proposed uses to include net square footage of:
    - i. Residential, Retail, Commercial, Art/Culture
  - c. Project timeline.
  - d. A statement that clearly outlines how the DDA investment in the project will increase economic growth, foster business, enhance the artistic and cultural community, and provide a public-use benefit within the District.
  - e. If your project includes residential, please include your parking plan.
3. Project Budget/Proforma:
  - a. Total Development Costs
    - i. Hard Cost/Construction Costs including project contingencies.
    - ii. Soft costs to include all design fees, developer fees and permitting fees.
    - iii. Other Fees if applicable.
  - b. Sources and uses statement to include:
    - i. Proposed developer financing including estimated project income from the uses.
    - ii. Proposed equity contributions.
4. Proposed DDA Contribution:

- a. Investment requested: Please include the amount requested from the DDA. In order for DDA staff to estimate the project's sales tax TIF, you must include the project's estimated sales per square foot of commercial space.
- b. Justification to include:
  - i. A detailed cost breakdown of the proposed façade and ROW improvements prepared by the design architect and/or contractor. "Eligible costs" refer only to costs associated with work proposed on the façade(s) and/or public improvements in the ROW.
  - ii. Demonstration of the project need and description of how the project will be better and of the highest quality with the participation of the DDA.

5. Project Elevations/Conceptual Designs:

- a. Current Photos of existing site and its environs.
- b. Proposed project elevations and building massing
  - i. If a historic landmark building, provide historic photo examples to demonstrate the relationship of building in the historic photo to the proposed facade rehabilitation.
  - ii. Elevations should be in color and in sufficient quality and size to review proposed architectural features and details.
  - iii. Proposed site plan, if applicable
  - iv. Any proposed public improvements including sidewalks and alleys in the public right-of-way
  - v. Applicants are required to use a licensed professional architect for the proposed elevations.

6. Complete Larimar County Assessor's Worksheet:

- a. Contact Kevin Miller at the Larimar County Assessor's Office at (970) 498-7106 or via email at millerkb@larimar.org to request their worksheet.
- b. The worksheet must include the supportable tax increment funding projections as generated by the project.
- c. It is recommended to get this work completed as soon as possible. The turnaround time is dependent on workload at the County Assessor's Office.

Upon submittal of the application materials, DDA staff will advise the applicant whether the application is complete or if additional information is needed for Board consideration. DDA staff will then prepare a funding recommendation and board packet for consideration at an upcoming DDA Board Meeting. At the DDA board meeting, the applicant will be asked to make a short presentation to the Board about the project and a discussion will be held on the investment request.

Generally, the DDA Board meets the second Monday of every month at 4:00 p.m. in the Loveland Downtown Partnership / DDA Office at 350 Cleveland Avenue. DDA meetings are public meetings and all are welcome to attend.

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.

### **Development Agreement**

If the DDA Board approves the project, the Board will direct staff to complete a Development Agreement for the project to be approved by the DDA Board. Depending on the funding source, the City of Loveland may be a party to the Development Agreement which would require a separate approval.

At a minimum, the Development Agreement will include the following:

1. Developer requirements including:
  - a. Project scope including project exhibits that reflect the approved design elements and public right-of-way improvements
  - b. Project timelines for commencement and completion
  - c. Project investment and reimbursement requirements
  - d. Right of access for verification
  - e. Minimum guarantees for Tax Increment Revenue from the project to the DDA
  - f. DDA funding amount and disbursement method
2. List of eligible project reimbursements with associated cost
3. Share of the sale proceeds (if applicable)
4. Grant of Easement if project includes a façade reimbursement to include a maintenance agreement.
5. Process for repayment of TIF proceeds in case the project is sold to a non-profit organization.

DDA funds will not be released until construction is 100% complete, issuance of a Certificate of Occupancy, and all DDA requirements for project reimbursement are satisfied.

Questions can be addressed to the Executive Director of the DDA:

Sean Hawkins  
Loveland DDA  
970.541.4333

[shawkins@lovelandpartnership.org](mailto:shawkins@lovelandpartnership.org)