STUDY SESSION OF THE TOWN BOARD  
Town Board Room  
807 Mountain Avenue  
Town of Berthoud, Colorado  
Tuesday, January 17, 2023 6:30 p.m.

This is an IN-PERSON meeting at the location and time noted above.

You may also join virtually using Zoom:

Phone: 1-346-248-7799 or 301-715-8592  
Web: www.zoom.us/join  
Use this Meeting ID: 210 035 9423

I. WORK SESSION CALLED TO ORDER – Mayor William Karspeck

II. PLEDGE OF ALLEGIANCE – Mayor William Karspeck

III. ROLL CALL – Mayor William Karspeck

IV. ECONOMIC DEVELOPMENT UPDATE

V. DOWNTOWN DEVELOPMENT AUTHORITY

VI. STUDY SESSION SCHEDULE

VII. ADJOURN

__________________________________  
Town Clerk or Deputy Town Clerk  
__________________________________  
William Karspeck, Mayor
BUSINESS DEVELOPMENT UPDATE 2022 & DOWNTOWN DEVELOPMENT AUTHORITY (DDA)

PRESIDENT: Walt Elish

AYRES ASSOCIATES

BACKGROUND:

The support of Berthoud’s downtown businesses and retaining and enhancing the look and feel of our Main Street corridor has been a priority for the Board and staff for a number of years. The adoption of the Mountain Avenue Corridor Overlay Plan along with supporting our business with parklets, patio heaters, a facade and sign grant program and financial assistance during COVID indicate Berthoud’s commitment to this important corridor and Berthoud’s downtown businesses. In addition, the Town is also currently exploring the redevelopment of 3rd Street and the Old Town Hall site. All of these projects demonstrate the Board’s and staff’s commitment and interest in retaining and enhancing this very important aspect of Berthoud’s identity.

The next evolution in the process of enhancing our downtown area is to create a vehicle that has as its sole responsibility the economic and community vitality of the downtown area. A Downtown Development Authority (DDA) is one such vehicle. Berthoud’s Business Development Department and Town Administrator, Chris Kirk, are interested in informing and educating the Board of the potential benefits and challenges of creating a Berthoud Downtown Development Authority (DDA). At this point we are not advocating for the creation of a DDA but want to bring this idea to the Board for discussion. Currently DDAs are used by communities throughout Colorado to enhance their downtowns including Fort Collins, Greeley, Longmont, Loveland and Windsor. Ayres Associates will be presenting the DDA concept to the Board as they have experience in creating and administering DDA’s in CO and WY.

In addition to the DDA discussion, staff will also update the Board on his 2022 business
development activity and the process he utilizes to retain and attract business to Berthoud.

**FISCAL IMPACT AND FUND SOURCE:**

There is no fiscal impact with either of these items since they are being presented as information only.

**COMMUNITY TOUCHSTONES:**

The community touchstone that these two items address is our community identity. Berthoud is known and recognized for our quaint and historic downtown and these two items directly and indirectly address this Board priority.

**RECOMMENDED ACTION(S):**

None.
Berthoud Development Highlights

Population

12,500
(2021 estimate)

Growth

105%
2010-2020

Average Annual Permits
past four years:
421

Median Home Value:
$556K

Median household
income:
$78K

Education

87%
High school diplomas

32%
College Degrees

17%
increase in home value since last year
## Berthoud’s Largest Employers

<table>
<thead>
<tr>
<th>Company</th>
<th>Employment Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ursa Major Technologies</td>
<td>200 - 250</td>
</tr>
<tr>
<td>Thompson School District</td>
<td>150 - 200</td>
</tr>
<tr>
<td>Northern Water</td>
<td>100 - 149</td>
</tr>
<tr>
<td>Berthoud Living Center</td>
<td>75 - 99</td>
</tr>
<tr>
<td>Associated Thermoforming Inc.</td>
<td>75 - 99</td>
</tr>
<tr>
<td>Aslan Construction</td>
<td>50 - 74</td>
</tr>
<tr>
<td>Phillips Plumbing</td>
<td>50 - 74</td>
</tr>
<tr>
<td>Hays Market</td>
<td>50 - 74</td>
</tr>
<tr>
<td>Aspen Leaf Kitchens</td>
<td>25 – 49</td>
</tr>
<tr>
<td>Berthoud Fire Protection Dist.</td>
<td>25 - 49</td>
</tr>
<tr>
<td>Energy Logic</td>
<td>25 – 49</td>
</tr>
<tr>
<td>Flow Systems</td>
<td>25 – 49</td>
</tr>
<tr>
<td>Rapid Production Tooling Inc</td>
<td>25 – 49</td>
</tr>
<tr>
<td>Green Tree Medicinal</td>
<td>25 – 49</td>
</tr>
<tr>
<td>Rocky Mountain Plumbing/Hydro Heat</td>
<td>25 – 49</td>
</tr>
<tr>
<td>Summit Solutions Of Co LLC</td>
<td>25 – 49</td>
</tr>
<tr>
<td>Town of Berthoud</td>
<td>25 - 49</td>
</tr>
</tbody>
</table>
Berthoud Development Highlights
(about $90 million in new construction)

Over $90 million in new construction 2020-2022
Business Development Focus

Business Retention
- LC BRE
- Executive Briefings
- Business visits
- Shop Local Program
- Parklets & Patio Heaters

Business Attraction
- REDI
- Commercial brokers / developers
- Metro Denver EDC
- CO Office of Economic Development
- Upstate Colorado
- Site location consultants
- Networking

Communication
- Regular email communication
- Social Media/Email

Other Projects
- Broadband Feasibility Analysis
- Old Town Hall Redevelopment
Northern Colorado Regional Economic Development Initiative (REDI)
Business and Economic Development Partnership

Regional Economic Development

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Westside Crossing

14 acres commercial
7 acres residential

21 ac site
Minimum Demographics in a 3-mile radius*
- Total Population: 40,000
- Total Employees: 40,000
- Average HH Income: $50,000
- Population Med Age: 33
- Traffic Count: 35,000 ADT

SITE CRITERIA
- Residential Population: 12,500+ (5 minute DT)
- Local Employee Pool: 5,000+ (5 minute DT)
- Traffic Count Minimum: 20,000 Average DT
- Median Household Income: Min $40,000 Prefer $50,000+
I-25 Development Opportunities

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37 Inquiries for Site / Building Information
  2 preliminary
  35 eliminated

3 Significant prospect visits
  National Retailers

3 Presentations

Other Activity
  Small Business Week Activity
  Shop Local Program

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I will keep you in mind for anything Berthoud. I wish all Towns had one of you that is as responsive and on it as you are! NoCO Commercial Broker

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Flow Systems
We moved our business to the town of Berthoud over 25 years ago, and it has proved to be one of our best decisions. Berthoud has been a great location for our business to grow and attract the technical employees we require. Jeff Scano, President.

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Holiday program generates sales for Berthoud businesses
BizWest Staff
1/10/23
Jackson Industrial Site

Business Development Activity 2022
Town of Berthoud
Downtown Development Authority
Discussion

January 17, 2023

Ingenuity, Integrity, and Intelligence.

www.Ayres Associates.com
At Our Core

WE PROVIDE Smart, Creative Solutions

WE CONDUCT Business WITH Integrity

WE WORK WITH Clients As Partners

WE HAVE Commitment TO Community

WE CHALLENGE, Support, AND Recognize OUR EMPLOYEE OWNERS
Who We Are

Josh Olhava, AICP, PCCP
Project Manager / Sr. Community Planner

Matt Ashby, AICP, CUD
VP of Development Services / Principal Community Planner

Mike Scholl
Economic and Planning Specialist
Experience Examples

DCI Group Facilitation

Think Like a Developer - Workshop

National Expertise

Downtown Laramie

MAIN STREET PROGRAM
WELLINGTON, CO • EST. 2014

colorado

COLORADO Department of Local Affairs
Division of Local Government

WINDSOR DDA
DOWNTOWN DEVELOPMENT AUTHORITY

Ingenuity, Integrity, and Intelligence.

www.AyresAssociates.com
Downtown Development Authority

What is it and what can you do with it?
DDAs in Colorado

• Around 16 DDAs in the State of Colorado.
• Legislation was originally enacted in 1963.
• Communities can only have one DDA plan area with a focus on the Central Business District.
DDAs in Legislative Intent

• Promote the health, safety, prosperity, security, and general welfare of the inhabitants thereof and of the people of this state.

• Halt or prevent deterioration of property values or structures within central business districts.

• 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.

• Be of especial benefit to the property within the boundaries of any authority created pursuant to the provisions of this part.
DDAs - Formation

1. Complete the Plan of Development
   - Establish boundaries of the DDA and identify eligible voters.
   - Plan identifies potential projects and uses for the funds and establishes the upper limit for future debt.
   - Must be submitted to the Planning Commission and must be approved by the City Council.

2. Conduct an election
   - Town Board submits the question to the voters at a regular or special election.
   - Voters include property owners, lessees and residents.
   - TABOR election can only be held at a regular election.
     - Ad valorem tax of up to five Mills to fund operations.
     - Ability to issue debt.
   - Appoint the board.

3. Execute the plan as approved
   - Identify projects.
   - Issue debt and make investments.
   - Hire staff.
   - Enter into contracts.
• Hire staff, retain legal council and enter contracts.

• Complete plans and studies.

• Study and analyze the impact of metropolitan growth upon the central business district.

• Make investments in public facilities, private development projects and other investments.

• Acquire property.

• Carry out long term planning.
Prescribed by State Statute:

The affairs of the authority shall be under the direct supervision and control of a board consisting of not less than five nor more than eleven members appointed by the governing body. A majority of the members appointed shall reside or own property in the downtown development district.
DDAs – Strategies To Consider

• DDAs are more flexible than URAs but the election can be challenging. Identify community partners to manage the election and develop a clear election plan.

• Be prepared to identify potential voters, not a typical election process, engage with the Clerk early.

• Town will need to provide some staffing and other operational support at the inception of the DDA before revenue starts to accrue.

• Timing is important. Identify the projects that will create tax increment.
<table>
<thead>
<tr>
<th><strong>DDA</strong></th>
<th><strong>URA</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>30 years with 20-year extension.</td>
<td>25-year lifespan with no opportunity to extend.</td>
</tr>
<tr>
<td>Plan of development with no blight study.</td>
<td>Blight study that identifies conditions.</td>
</tr>
<tr>
<td>Mill levy for operations.</td>
<td>No taxing authority.</td>
</tr>
<tr>
<td>Development and redevelopment focus.</td>
<td>Development and redevelopment focus.</td>
</tr>
<tr>
<td>Subject to TABOR.</td>
<td>Not subject to Tabor.</td>
</tr>
<tr>
<td>No eminent domain.</td>
<td>Eminent domain.</td>
</tr>
<tr>
<td>Election requirement.</td>
<td>No election.</td>
</tr>
</tbody>
</table>
Tax Increment Finance

A quick primer.
Quick Definitions

**Tax Increment**: The revenue increase over and above a defined base amount of taxable valuation for a defined area that results from a project or investment.

**Base Revenue**: The amount or level of tax revenue collected from a defined plan or project area at the inception of the DDA or URA. This can refer to either property tax or sales tax revenue.

**Tax Increment Revenue**: Monies that are diverted to the Authority (either DDA or URA) that can come from property tax and/or sales tax revenue that can be used to fund debt obligations.

**Tax Increment Finance**: Use of anticipated future Tax Increment Revenue to obligate debt for project investments and/or public improvements.
TIF – How does it work

- Method of public finance using anticipated future tax revenue from the plan area using property tax and municipal sales tax.
- Only available through URAs and DDAs.
Uses of TIF Revenue

- Traditional financing
  - Bank loans
- Intra-fund lending City and redevelopment entity
- Issue bonds
  - Preferably tax-exempt
- Back-end financing
- Rebates
- Combo platter