TAX INCREMENT FINANCING (TIF) INVESTMENT PROGRAM

MISSION OF THE LONGMONT DOWNTOWN DEVELOPMENT AUTHORITY (LDDA)

To develop, support and promote a vital and valuable Downtown Longmont. Through strategic development and programs, the LDDA makes downtown appealing to businesses, residents and visitors.

GOALS

- Promote/support private development
- Exciting, active vibrant downtown, creating an 18-hour, 7-day economy
- Grow the employment base and improve diversity of businesses
- Showcase Longmont's abundant local creativity and culture, increasing the sense of place in the district
- Enhance the viability of the downtown by providing a desired use or mix of uses
- Environmentally restorative, responsible and accountable
- Design projects that ensure a well-connected and easily accessible downtown environment
- Historic character – enhance and honor what is here

WHAT IS THE TAX INCREMENT FINANCING INVESTMENT PROGRAM?

The LDDA Board of Directors considers investments in development projects within the LDDA boundary which fulfill its Downtown Master Plan of Development.

- Proposals are considered on a case-by-case basis and evaluated based on the ability of the project to further the goals of the LDDA.
- Funding is at the discretion of the LDDA Board: satisfaction of the criteria does not guarantee funding will be approved and, if approved, funds must be used on aspects of the project which have a direct community benefit and meets the goals/strategies of the Downtown Longmont Master Plan of Development.
- For its investment, the LDDA is able to secure an interest therein. Funding is typically used to create façade features, public amenities, life and safety issues and/or improvements in the public right-of-way (ROW) that would be infeasible without LDDA funding.

HOW TO APPLY

A. APPLICANTS MUST MEET PROGRAM REQUIREMENTS:

- Participation is limited to owners of real property within the territorial limits of the LDDA, their lessees with the consent of the owners, or their authorized representatives.
- Applications will be submitted to the LDDA and City Planning and Development Services staff for review and recommendation to the LDDA Board.
- Applications may be approved only by the LDDA Board. Any approval will be subject to a financial review, project commitment, facade agreement, and grant of easement. Approval may require the applicant to reimburse the LDDA should the applicant fail to comply with the terms of the agreement.
- Public improvements may also be funded as part of the DIP program, based on scoring matrix and upon a finding by the LDDA Board that the public improvements will have a positive impact on and help facilitate a private development, and that the appropriation of program funds will not unduly reduce the availability of funds for private improvements.

B. **MEET WITH STAFF:**

Applicants are encouraged to meet with LDDA staff (and subcommittee) early into design of the project. At minimum, applicants must meet with LDDA staff at least one month prior to the LDDA Board meeting at which the project will be reviewed. Applicants must provide all of the following information for staff to review at this meeting.

a. A COMPLETED APPLICATION. The application form is attached to this document.

b. A NARRATIVE DESCRIBING THE PROJECT. The narrative should address the following topics:
    a. A brief history of the site/building,
    b. A description of the proposed project, its use(s) and any secured or prospective tenants.
    c. A description of how the project aligns with the Downtown Longmont Master Plan of Development and its relationship to other City plans, including the Main Street Corridor Plan, Advance Longmont 2.0, Envision Longmont Plan or others.
    d. A description of the building design and its contextual relationship and compatibility of the proposed project to the surrounding area and the downtown district that includes:
        - site circulation (auto and pedestrian)
        - design transition and compatibility with vision of the area and uses and future buildings and uses (e.g. how does the proposed project design transition into its contextual surrounding of current or future uses?)
    e. Provide any additional information that addresses the evaluation criteria (see below) or TIF project scoring matrix.
    f. Submit a project/development proforma and a statement of why the project owner and designer needs a public/LDDA investment in the project.
        - Describe the economic viability of the project as well as the funding gap.
        - Address if this investment will "**make the project happen,**" and/or ""**make the project happen sooner**," and/or "**make the project better**" and/or **fill a gap or bring a desired mix of uses to the market in the district**."

c. FUNDING REQUEST & DOCUMENTATION: Provide the amount of funding requested and evidence of financing documentation.
    a. Include the amount of funding requested and total cost for the proposed project.
    b. Provide evidence of financing documentation for the project to be reviewed by the LDDA's Finance Committee. The Finance Committee approval of evidence of financing is required prior to the official funding request to the LDDA Board. These should be submitted as a stand-alone document, and not included in the project narrative.

d. CURRENT PHOTOS of the project. All project applications should provide photos of the existing site the surrounding area.
    a. If the project includes a historic landmark building, then also provide historic photo examples to demonstrate the relationship of building in the historic photo to the proposed facade rehabilitation.

e. COLOR FAÇADE ELEVATION DRAWINGS with proposed materials called-out/labeled, and at least one photo simulation or color perspective rendering from the pedestrian point of view that captures the proposed building improvements in the context of its setting on the block.
    a. Provide exterior building material samples or brochures for presentation at the LDDA Board meeting.
    b. Provide a scaled site plan, if applicable, detailing proposed improvements on-site and in public right-of-way (ROW), if applicable.
    c. These color elevations, renderings and site plan if applicable must be developed by a licensed professional architect.

f. A DETAILED COST BREAKDOWN of the proposed façade and ROW improvements prepared by the design architect and/or contractor. This can be done after or concurrently with the City of Longmont development review process. Please provide two contractor bids for any eligible expenses that will receive funding.
    a. Split **ELIGIBLE COSTS** between costs associated with work proposed on the façade(s); life & safety; and/or public improvements in the ROW. These may include, but are not limited to: applicable deconstruction and construction activities including tools and equipment; materials and labor for facade improvements; replacement/repairs of doors and windows; restoration of historic materials, brick masonry, café patio fencing in the ROW, façade lighting fixtures etc. In some instances, life/safety improvements may be considered.
    b. The investment from the LDDA **may not be used** for soft costs such as architectural, structural, electrical, or mechanical design fees; construction site amenities; surveying and staking; traffic controls; profit and overhead; any interior work; taxes, fees, or insurance. General conditions are accepted, but must not contain any soft cost-related items including profit or overhead.

g. A WORKSHEET from the County Assessor's office
    a. Providing an estimate of value for the project, (upon completion, fully leased) and broken out by uses (e.g. commercial or residential). Contact the Boulder County Assessor's Office at (720) 574-1880.

h. PROVIDE EVIDENCE of good standing
    a. Provide proof that all LDDA, City, General Improvement District and other applicable taxes are paid to date for the property owner(s) and business(es) associated with the project.

Staff will advise the applicant whether the submittal is complete or if other information is needed for Board consideration. Staff will schedule the project for an upcoming Board meeting if the proposal is complete. Generally, the LDDA Board meets the fourth Wednesday of every month at 4:15 p.m.

If the request for funding exceeds $100,000, the presentation to the Board will be split between two consecutive Board meetings. The first meeting consists of project/design review and considers only the merits of the proposed design. The second meeting will consist of the consideration of the funding proposal.

C. Prepare Board Packet

Upon approval by LDDA staff, provide one hard copy and one digital (pdf) copy of the packet to the LDDA offices no later than the Wednesday two weeks prior to the scheduled LDDA Board meeting.

D. Attendance by Owner and Representatives at the Board Meeting

The project owner or authorized representative will be required to make a brief (5-10 minute) presentation to the LDDA Board.

This presentation should highlight the aspects of the project in the context of the downtown environment. Please note that board members will receive the application and documentation in advance of the board meeting and will be familiar with the details of the project.

EVALUATION CRITERIA

Projects will be scored by the LDDA Board utilizing the TIF Scoring Matrix.

A. IF YOUR PROJECT INCLUDES SUBSTANTIAL PUBLIC IMPROVEMENTS (FACILITIES), PROVIDE:

A site plan identifying project property boundary and right-of-way boundary and all locations and descriptions of public facilities, such as utilities, sidewalks, streetscape, parks, plazas, publicly accessible or owned trails

proposed to support the project and/or required to comply with municipal development standards. Also include cost estimates of the proposed improvements.

B. BUILDING FACADES

The LDDA Board will look specifically at the following criteria in its evaluation of submittals:

1. **Quality of materials:** Materials should be high quality and durable, applied with industry standard methods. The LDDA strongly encourages the use of real or authentic building materials (ie actual brick or stone) in the construction of the facade. Provide a timeless design that will keep appeal to future generations and have interest to the general public. Creativity and innovation in the application of building materials, public amenities and public art are strongly encouraged along with a description of how these relate to the proposed project design.
2. **Pedestrian friendly street presentation:** The façade should be designed and scaled so that pedestrians enjoy passing the building and looking at and into it. Entrances from improved alleyways are strongly encouraged. Blank façade walls with minimal articulation, lacking creativity and having limited variation in materials are not acceptable.
3. **Sensitivity to the historic fabric of the building:** Although preferred, the LDDA does not require historic rehabilitations. The Board strongly encourages those properties in the Historic District to invest in preservation efforts and utilize available funding tools. Property owners should be aware that façade changes to some buildings may require review/approval by the Historic Preservation Commission (HPC). All landmark buildings must receive HPC approval of proposed façade changes prior to being scheduled with the LDDA Board. Projects in transition zones, adjacent to historic neighborhoods should respect the historic character.
4. **Character of downtown district:** The proposed project should integrate well into the context of the downtown district. Portions of the district have its own character, including the First & Main Transit Station area, Main Street Corridor and transition zones to the East Side and West Side Historic neighborhoods.
5. **Sustainability:** LDDA actively encourages green building practices that meet or exceed the City's adopted codes to the maximum extent possible. Where possible, incorporate green LID (low impact design) infrastructure and unique landscaping to reduce and cleanse storm water runoff and beautify sidewalks. Focus on transit options and amenities to reduce auto congestion. Integrate Crime Prevention Through Environmental Design (CPTED) principles that enhances safety through attention to visibility, access, lighting, etc.
6. **Deconstruction:** The LDDA Board requires contractors to meet or exceed City of Longmont goals and policies of using deconstruction methods that minimize construction and demolition waste from entering the landfill.

FUNDING GUIDELINES

The level of DDA funding is at the discretion of the DDA Board and is subject to available funding. DDA funding will be based on an application's compliance with the standards and criteria set forth all program documents and a scoring system for evaluating applications. The TIF Investment funding level is typically determined using three main factors:

1. 10% of the total value of improvements as determined by the Assessor's valuation;
2. Supportable tax increment funds generated by the project (up to 25% contribution for residential and up to 50% for commercial) and;
3. The total amount of eligible features for façade improvements and public improvements in the right-of-way.

The LDDA typically funds the lowest of the three factors above and reserves the right to fund at a higher or lower level in accordance with its current funding priorities.

ADDITIONAL FUNDING OPTIONS: LDDA encourages applicants to seek additional funding through any active incentives and/or rebates available through Longmont Power & Communications, Longmont Sustainability Program and the Boulder County PACE program. Projects bringing Primary Employment to the district may also be eligible for incentives through Longmont Economic Development Partnership (LEDP). Eligible projects may also utilize the North Metro Enterprise Zone, Opportunity Zone or Downtown Historic District funding. TIF financing will be used after all other funding sources are exhausted.

WHAT HAPPENS AFTER APPROVAL

If the LDDA Board approves a tax increment financing investment for the project, the commitment is valid for one calendar year from the date of the approval. Construction must begin within this timeframe.

- The project owner or authorized representative may request from the Board of Directors one 12-month extension of the commitment. The extension request must be submitted to the LDDA Executive Director, describing the reason for the delay; must be submitted in time to be considered by the Board at a regular monthly meeting held prior to the expiration of the commitment term (at least two weeks prior to the date of the regular monthly meeting scheduled to occur in the final month of the commitment).
- If a 12-month extension is granted, construction on the project **must commence** within the 12-month extension period or the LDDA commitment will expire. If the project owner or authorized representative fails to make an extension request prior to the expiration of the commitment term, or is unable to commence construction on the project after being granted a 12-month extension, a new project proposal will need to be presented to the Board for consideration. This new proposal may be the same as the original or modified.

A meeting with the LDDA staff and project owner or authorized representative will be necessary after the board approves the investment.

- At this meeting the LDDA will provide:
  - Checklist detailing all of the steps necessary for the project to receive the funds.
  - **Project Commitment Terms for signature by the owner.**

Upon completion of the project and submission of all LDDA requirements for project reimbursement

- A **Facade Agreement** and **Grant of Easement for Facades** will be drafted by LDDA legal counsel.
  - The easement terms are based on the value of the LDDA funding commitment.
  - The easement is passive. It requires the owner to maintain the façade, to get LDDA approval of subsequent changes, and it gives the LDDA the ability to make repairs and lien the property if the façade is not maintained.

- Terms of the agreement and easement are typically based on the following schedule:

From $1 to $25,000	5 years
From $25,001 to $50,000	10 years
From $50,001 to $100,000	15 years
From $100,001 to $499,000	20 years
From $500,000 and higher	25 years

LDDA funds will not be released until construction receives a certificate of occupancy or completion or is determined to be 100 percent complete and all LDDA requirements for project reimbursement are satisfied per the **Project Closing Instructions.**

QUESTIONS CAN BE ADDRESSED TO LDDA STAFF:

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