

# LDDA Board Communication

---

**Meeting Date:** Wednesday, September 26, 2018

## **Current Incentive Fund Availability**

Retail Conversion: \$31,676

Signage: \$44,551

DIP: \$164,779

Alleyscape West side: \$55,555

Residential: \$37,454

TIF: \$2,985,665 (net projected available)

---

## **Agenda Item: Opportunity Zones**

**Executive Summary:** Opportunity Zones were enacted as part of the 2017 tax reform package (Tax Cuts and Jobs Act - created by Senators Cory Booker (D-NJ) and Tim Scott (R-SC)) to address uneven economic recovery and persistent lack of growth that have left many communities across the country behind. In the broadest sense, the newly enacted federal Opportunity Zone (OZ) program provides a federal tax incentive for investors to invest long-term, private capital investment in low-income urban and rural communities through favorable treatment of reinvested capital gains and forgiveness of tax on new capital gains.

In Colorado, Opportunity Zones may help address a number of challenges:

- Promoting economic vitality in parts of the state that have not shared in the general prosperity over the past few years
- Funding the development of workforce and affordable housing in areas with escalating prices and inventory shortages
- Funding new infrastructure to support population and economic growth
- Investing in startup businesses that have potential for rapid increases in scale and the ability to “export” outside the state of Colorado
- Upgrading the capability of existing underutilized assets through capital improvement investments

This economic and community development tax incentive program provides a new impetus for private investors to support distressed communities through private equity investments in businesses and real estate ventures. The incentive is deferral, reduction and potential elimination of certain federal capital gains taxes. U.S. investors currently hold trillions of dollars in unrealized capital gains in stocks and mutual funds alone— this is a significant untapped resource for economic development. Opportunity Funds provide investors the chance to put that money to work rebuilding the nation’s distressed communities. The fund model will enable a broad array of private equity fund managers and investors to pool their resources, increasing the scale of investments going to under-served areas.

See attachment & map for more information.

All of the Longmont Downtown Development Authority district is included in an Opportunity Zone. Jessica Erickson will give a presentation and answer questions regarding this tool and how we can best maximize this in our DDA District.

---

## **Agenda Item: Creative Ventures**

**Executive Summary:** There is an active committee working on the Creative Ventures, with new members and leadership. Vito Montone of Verve Integrative is the chair of the committee. He will come to make a presentation. The group is working through how it will integrate with the LDDA, its projects, goals and outcomes. The group has decided to move toward the short-form creation of a non-profit, giving the ability to get established and gauge the waters of fund-raising. Some projects for consideration are 6<sup>th</sup> Ave Plaza, Pop Up Space Activation, Identity and Resources for the Creative District as well as data/info gathering.

**Members include:**

W. Vito Montone, Verve Integrative - Chair  
Beryl Durazo, Firehouse Art Center – Arts Admin Liaison  
Doug Ward, Community Volunteer  
Kimberlee McKee, LDDA  
Larry Stauss, First National Bank  
Jay Minaya, Journey’s Language Center  
Joanne Kirves, Community Volunteer  
Jon Fukuda, Limina  
Nancy Rezac, Visit Longmont  
Sarah Welle, Colorado Crafted  
Sharon Smith-Eisler, Former DDA Board Member

**Creative Community Ventures:**

We inspire and connect the people of Longmont by accelerating regional arts and culture to enrich our lives.

---

**Smoking Survey & Restrictions**

**Executive Summary:** As follow up from last month’s discussion, staff did conduct a survey to the general public regarding cigarette litter. Attached are survey results from both Businesses and the General Public. Staff also presented results of the smoking survey to the Business Owner Meeting attendees, who support the idea of having a smoking ban on Main St. and Breezeways.

Staff also followed up with other communities regarding any impacts to businesses after the smoking ban was enacted:

**Boulder:** Main issue was negative impacts regarding employees taking breaks to smoke and needing to travel a significant amount of time to get to a place outside the smoking restrictions. They initiated a phased approach, with Pearl St. Mall having smoking restrictions in 2012, then expanding to the entire Downtown Boulder Business Improvement District area in 2015.

**Golden:** They did not conduct a formal impact study after the ordinance was passed but did not receive any substantial push back from businesses. There were mainly concerns by two local bars. One was able to retain smoking on the back patio that is on the alley facing side of building. Employees thought it was positive that they didn’t have to serve in smoking areas anymore. The other had expressed safety concerns about employees having to smoke in the alley. The City and County worked with businesses over any concerns and provided them with tips and signage to support the Smoke Free Zone. They did not designate a smoking area but promoted education to businesses and their customers to be respectful when smoking in areas where it is allowed. Vape smokers complained about having to smoke with the cigarette smokers since vaping does not have an environmental impact like cigarettes do, which is one of the reasons they vape.

**Ft. Collins:** The hardest part of the ordinance was that it was originally designed for a smaller portion of the Downtown area, but then expanded without any formal outreach to businesses. Also, as mentioned before, the enforcement piece was much too complex. It started as a misdemeanor and is not a petty offense, and required a mandatory court appearance. The no smoking for front facing businesses was positively received. Those businesses that were strongly against the ordinance said it isn’t easy for employees and visitors to get outside the smoke free zone since their zone is so large. Some businesses are very happy and the ones that aren’t say these efforts are pushing smoking customers to other areas like the mall where there are no smoking restrictions.

They didn't hear much feedback from the businesses that it changed anything after adoption. The level of frustration from many in the business community about how it was implemented as a 5x larger area, criminal misdemeanor charges, etc. overshadowed any reflection they might have placed on whether it was actually working. Originally, the thought was that the area would self-police via peer pressure. When City Council believed that wasn't working, they directed police to have aggressive enforcement. This caused the most strife with the business community.

Based on our past discussion with the Board, as well as input from other communities, staff recommends outlining where smoking is restricted, but not designating specific areas for smokers to congregate.

Staff would like more direction from the Board.

**Next Steps:**

1. Would the Board like staff to work with the City of Longmont to write a potential ordinance?
2. Would the Board like staff to do door-to-door outreach to business owners?
3. Does starting with Breezeways & Main St. make sense?