

FINANCING DOWNTOWN LEADVILLE //



CHALLENGE STATEMENT //

The Challenge for the Community of Leadville is Financing Downtown. The Goal of this Project is to revitalize historic downtown buildings and address community needs by activating the upstairs portion of downtown buildings.

EXECUTIVE SUMMARY OF STUDIO WORKSHOP //

Leadville has the privilege of being a National Historic Landmark District. Built during the time of the Silver Boom in Colorado, Leadville's downtown buildings were constructed in the late 1800s and feature a rich history of the infamous Wild West. Unfortunately, due to deferred maintenance, these buildings are deteriorating rapidly. At the same time, the community is in need of safe buildings that address their lack of affordable housing and community spaces, but these projects are inhibited by challenges related to historic preservation, incentivizing property owners, and financing the projects. As a product of this Challenge Studio, the team developed a financing plan that includes working with the URA to leverage TIF funding as well as seeking commercial loans from community banks. The team also drafted ideas for a Policy Incentive Package that would include methods of marketing Leadville to potential partners such as business owners, tenants, property owners, and private investors. The package also includes plans for economic development and commercial diversity that will help expand and grow Leadville's downtown. As a final point, the team also identified the need for an emergency fund to address present needs as well as a comprehensive knowledge of the International Existing Building Codes (IEBC).

TEAM MEMBERS //

Destinee Lukianoff – Main Street/City of Leadville/Project Leader
Greg Labbe – Mayor of Leadville
Nichole Glaser – Lake County Build a Generation/Health Equity Coordinator
Sarah Dallas – Director of Administrative Services/Leadville
Bethany Maher – Deputy City Clerk/Leadville
Paige Cipperly – MPA Student/Project Coordinator
Jen Henninger – RG & Associates
Kim Keith – Steamboat Creates
Bianca Fisher – Greeley DDA
Barbara Thielemann – Main Street Central City
Larry Lucas – DOLA
Don Sandoval – DOLA

Christy Doon – DOLA
Ben Levenger – Downtown Redevelopment
Kiki Hooten – Local First La Plata
Wyatt Jones – CHFA
Amanda Kannord – Progressive Urban Management Associates
Gabby Voeller – City of Leadville

BACKGROUND INFORMATION //

The largest population group consist of 25-40 years of age. The age group of 40-49 has experienced the most amount of growth, but overall Leadville has seen very little growth. There is currently a decrease in family homes which are being replaced by those living alone. The current vacancy rate is 28% of homes with a lively rental market. The largest demographic is the Caucasian population making up 68.2% of the city and the second largest is the Hispanic population making up 28.6% of the city. This makes Leadville more diverse than the state as a whole. The median household income is lower than the state's average at \$39,985 and the majority of Leadville's resident have a bachelor's degree. Leadville has experienced job growth in recent years with 120 jobs added since 2008; however, 71% of workers live outside the city. The majority of jobs are held by the Government, but there is still an active reliance on the Mining and Construction sectors. Some of the economic activity in Leadville is driven by commuters and retirees who have taken up second homes in this beautiful, rustic mountain town.



Population: 2,693

Stakeholders + Partners:

- Team Members (above)
- Property Owners
- Business Owners
- Residents of Leadville
- Urban Renewal Authority
- Housing Coalition
- Leadville City Council
- Community banks

Assets:

- Location
- TIF funding through the URA
- Wild West History
- Housing Coalition
- Enhanced-Enterprise Zone

Obstacles:

- Historic Preservation

- Affordable Housing
- Property Owners
- Financing

FINDINGS + IDEAS //

Financing Downtown reinvestment is a challenge for the community and it was the goal of the Leadville community to use the DCI Challenge Studio to find innovative and creative ways to fund downtown restoration projects. Through discussions at the DCI Conference, the team identified three potential funding strategies: TIF funding, commercial loans, and enhanced-enterprise zone tax concessions.

Tax increment financing (TIF) is the reallocation of property taxes into a TIF fund. These funds will be overseen and administered through the Urban Renewal Authority (URA) that Leadville is in the process of creating. The City of Leadville will work with the URA as the board members and administrators are selected to help create an Aspiration Guide. One goal for this guide will be to include downtown buildings in need of reinvestment so that they will be eligible for TIF funding. Additionally, the guide should be general enough in its scope as to include a vision for the future economic development of downtown Leadville.

Under the Community Reinvestment Act, banks are encouraged to provide **commercial loans** to median and low-income neighborhoods. The City of Leadville could leverage this to their advantage to finance the restoration projects. During the Challenge Studio it was suggested that the city should meet with local community bank such as High Country in Buena Vista, CO. Larger banks may shy away from this opportunity, but local banks may be able to provide the same funding while still being invested in the community. It is important to market this project well to the underwriters.

An **enterprise zone** is an economically-distressed zone that is eligible for state income tax credits that are designed to promote a business-friendly environment and job creation. The City of Leadville could use this strategy as a way to market itself to potential business partners. One idea that was suggested was allowing Vail Resorts to establish workforce housing in downtown buildings. They would have their own transportation service and inject labor growth into the city.

As a final note on financing, it is crucial that the City of Leadville identify an immediate funding source that can act as an emergency pool for buildings that are falling down and losing their back walls. These community needs are immediate and without an emergency funding source tenants will continue to be displaced, the buildings will continue to have deferred maintenance, and some of the buildings may fall under the 'non-contributing' category for the Leadville National Historic Landmark District.

ADDITIONAL INITIATIVES //

One of the biggest takeaways from the Challenge Studio was the creation of a Policy Incentive Package. This will be a living document that can be proffered to businesses, tenants, property owners, etc. In order to address issues with disengaged property owners, the package will include reverse incentives such as a fee schedule for deferred maintenance or vacant buildings. This package will include sales and property tax incentives for engaging property and business owners. There will be a 'building bank' that lists the square footage of the upstairs and downstairs floors so that when the city is approached by a business or tenant, they can direct them to the best suitable space. One incentive for tenants will be for the city to work with the housing

coalition, Lake County Build a Generation, in order to establish affordable housing. This package will also include a plan for 'white shell' buildings which are structures with only the basics of the interior completed. This can include lighting, plumbing, HVAC, walls, electrical, bath rooms, and a concrete floor.

Another part of the plan discussed at the Challenge Studio was the possibility of Alley Initiatives and a website for community engagement. The website could include all the information discussed above as well as links to potential funding sources. There could be a community involvement component where residents weigh in on which types of businesses they would like to see downtown. This website could also have sketches and artist renderings of what the community spaces and apartments could look like after the renovation. The website would serve as a marketing tool to investors and property managers who are interested in buying and renovating the properties. In conclusion, the findings suggest developing a robust plan that includes leveraging TIF funding through the URA, partnering with businesses and property owners, as well as attracting outside investment from private firms.

NEXT STEPS //

- 1. DEVELOP A POLICY INCENTIVE PACKAGE :** This will include all of the points included above from the second finding and will serve as a tool for the City of Leadville to utilize when approached by businesses, owners, tenants, etc. to provide incentives and matching the interested parties with the right space.
- 2. ESTABLISH AN UNDERSTANDING OF IEBC :** The International Existing Building Codes (IEBC) will provide compliance with safeguarding buildings as well as with historic preservation moving forward. Currently, there is no resource to act as a central information support on these codes. The City of Leadville will need to research and implement the IEBC in order to establish a foundation for property owners and the city itself.
- 3. DEVELOP AN ASPIRATION GUIDE WITH THE URA :** As the URA develops, it is crucial that the City of Leadville ensures that the downtown buildings are included in the URA scope so as to leverage the TIF funding.
- 4. CONNECT WITH POTENTIAL PARTNERS :** This step will be to identify and contact any potential partners. This can include the property owners, business owners, commercial lenders, and any outside firms that would be interested in this project. The goal of this step is to make this process a collaborative approach.
- 5. EXPLORE FINANCIAL TOOLS :** The financial toolkit includes items such as C-PACE, historic tax credits, TIF bonds, tax exemptions, loans, CDBG, P3s, and more. The three most vital financial tools have been identified above, but additional exploration of these tools will help to further alleviate the financial burden.

DESIRED OUTCOMES //

The most crucial outcome of this project will be to finance downtown through the use of creative and innovative tools. Successful implementation of these tools will yield the following:

- Learning, identifying, and building key partnerships to undergo the restoration process.
- Utilizing City/County incentives, grants, and programs that will make a substantial impact on funding these projects and empower property owners to reinvest in their buildings.
- Reactivating the upper floors of downtown buildings to accommodate the community need for affordable housing.
- Encouraging economic development in downtown by providing community spaces for businesses and meetings as a portion of the upstairs sections.

