

DDA FREQUENTLY ASKED QUESTIONS

Q. Why does Johnstown need a Downtown Development Authority?

A. The Town of Johnstown is considering a Downtown Development Authority (DDA) to help realize the vision set forth in the approved Downtown Johnstown Master Plan. A DDA is a quasi-governmental entity that provides organization, staffing, and financing to enhance downtowns. DDAs build partnerships with businesses, property owners, and local governments to fund and manage area improvements, events, beautification efforts, and support small businesses.

Q. What happens if a DDA is not approved by eligible voters?

A. If a DDA is not approved, there will be no special district or entity focused on Downtown Johnstown. Future desired improvements, programs, and events in Downtown would require Town approval, management, and/or funding via annual appropriations. There will be no dedicated source of funding for Downtown improvements, programs, or events.

Q: Doesn't Downtown Johnstown already have a DDA?

A: While the acronyms are similar, the Johnstown Downtown Development Association (JDDA) and a Downtown Development Authority (DDA) are very different. The JDDA is a volunteer-led nonprofit that raises money through donations and sponsorships to support local businesses, organize community events, and promote Downtown. In contrast, a DDA is a quasi-governmental organization governed by State law that can only be created through a special election. A DDA can work on the same things the JDDA does, but is subject to more public oversight and has the ability to access tax increment financing to support Downtown improvements. Tax increment financing does not raise taxes.

Q: What will happen to the JDDA and its programs if a DDA is created?

A: The new DDA will take over the responsibilities of the JDDA, including organizing annual events such as Cinco de Mayo, Fall Fest, Trick or Treat Street, and Johnstown Jingle. The JDDA supports this transition, since creating a DDA will bring more funding and professional staffing to continue the work and successes already achieved to date by an all-volunteer organization in Downtown.

Q. Have voters elsewhere in Colorado approved the formation of DDAs?

A. DDA's are a common form of local government across our state. Voters in many Colorado communities have created DDA's, including Windsor, Eaton, Loveland, Greeley, Fort Collins, Lafayette, and Longmont.

Q. How was the DDA boundary decided?

A. With input from the Downtown Johnstown Working Group, which is comprised of Downtown residents, business owners, and JDDA members, and Town consultants, it was decided that the DDA boundary would encompass the existing blocks of Historic Downtown Johnstown (Parish Avenue), as well as land near the current downtown core area. A DDA can grow by adjacent property owners petitioning to join.

DDA FREQUENTLY ASKED QUESTIONS, CONT.

Q. How much will passing a DDA cost residents, property owners, and tenants?

A. Voter approval of forming a DDA will cost voters nothing. The DDA will be funded through Tax Increment Financing (TIF) which is not a new tax. As the district's property and sales tax revenue increases in the future, the increase in revenue is captured by the DDA to be reinvested within the DDA boundary. TIF will not create any additional taxes or fees levied on property owners or goods sold in the district.

Q: Will the DDA create new taxes?

A: No. The DDA does not raise or impose new taxes on residents, businesses, or property owners. It uses future tax revenue growth to reinvest in the area—the more the area prospers, the more it can invest.

Q. How will DDA board members be selected?

A. If the DDA ballot questions pass, the Town Council will initiate a process for appointing DDA board members, similar to how the Town appoints members to other Town boards. State Statute requires that the DDA board have no fewer than five members and no more than eleven members. Members must live, own property, or a business within the DDA boundary, and one member of Town Council is required to be on the DDA board.

Q: What guides a DDA's work?

A: Colorado law requires every DDA to follow a "Plan of Development." For Johnstown, this will be based on the Downtown Master Plan. The plan was created by working with residents, businesses, local organizations, property owners, and the Town to capture community goals and priorities. More information can be found at JohnstownCO.gov/Downtown.

If voters approve the DDA, the Town Council will formally approve the Plan of Development and start the 30-year Tax Increment Financing (TIF) period (called the "TIF clock") that captures future tax revenue growth.

DDA Board meetings are open to the public and the DDA must obey open records laws.

Q. Can the DDA condemn property?

A. No. A DDA does not have power to condemn property or exercise eminent domain.