



Castle Rock Downtown Alliance

A partnership between the Downtown Development Authority and Downtown Merchants Association

Downtown Development Authority

18 S. Wilcox Ste. 202
Castle Rock, CO 80104

September 30, 2016

Honorable Mayor Donahue and Castle Rock Town Council

CC: Town Manager, Dave Corliss

Town of Castle Rock

100 N. Wilcox St.

Castle Rock, CO 80104

Dear Mayor Donahue and Town Council,

I am pleased to present the Downtown Development Authority's Budget Message for 2017:

In 2017, the Downtown Development Authority (DDA) is excited to continue to pursue the agreed upon focus, which was jointly agreed upon by the DDA and Town Council. As discussed, the DDA has two primary goals for the future: 1) Focus on physical development projects in the core of Downtown, prioritizing development with retail, restaurants and residence; 2) Finance an expansion and enhancement of Festival Park with Sales Tax TIF and now Property Tax TIF dollars in partnership with the Town Parks and Recreation Department. In addition, the DDA will continue with its programs that enhance Downtown Castle Rock making it a more attractive place to visit, dine and shop, which include: partnering with the private sector to improve important building façades, beautification in the summer with flower boxes and street side patios, in addition to managing the Rink at the Rock ice skating rink in the winter with the goal of attracting people to Downtown.

The DDA is aware that attracting development in any downtown presents many challenges and can be difficult in the best of times. The DDA is realistic in knowing that it takes significant time for a developer to properly plan an exciting development and acquire the land, and for the Town and DDA to pursue bonds or financing related to TIF revenue streams and structure a deal with a developer with the engagement of the public. However, with increased focus on development, a strong partnership with the Town and Sales Tax and now Property Tax TIF to finance development projects, the DDA is optimistic that additional developments can be advanced in 2017, that build on the expansion of Festival Park, the development projects that are already underway. The DDA also has several potential new opportunities for Downtown Castle Rock that are being pursued.

The 2017 DDA Budget includes 2 funds, the DDA Operating Fund and the Ice Rink Fund. The Operating Fund will continue to cover the expenses of operating the DDA. In 2016, the DDA began to transition minor expenses for the funding the programs and projects mentioned above to Tax Increment Financing funding sources, as was discussed in last year's Budget Message. This stays consistent with the Plan of Development and is consistent with what is suggested in statute, using increment to pay for programs and projects. This included paying some analysis expenses, flower box expenses, Festival Park design

expenses and plans to pay façade improvement grant expenses with increment. As the DDA projects grow, the need for operating dollars will grow and increment will be an important source of funds to for public improvement programs like the flowerboxes, patios, Rink at the Rock and façade grants.

The Rink Fund accounts for the general operation of the Rink at the Rock. With major strategic investments made in the initial seasons, the 2017 Budget for the Rink Fund has fewer expenses than prior years and has begun to stabilize. This operation continues to be one that requires additional funds to break even, however it is believed that the positive impact from those funds is realized with an active Downtown in what would be a typically slower winter season. This additional activity generates Sales Tax Increment which in future years could be used to support this program.

The DDA will continue to maintain full transparency in its use of public tax dollars and maintain disclosure in a public friendly accounting system in accordance with accounting and auditing standards.

Sincerely,



Kevin Tilson
Director, Castle Rock Downtown Development Authority