

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

October 15, 2017

Honorable Mayor Green and Castle Rock Town Council
CC: Town Manager, Dave Corliss
Town of Castle Rock
100 N. Wilcox St.
Castle Rock, CO 80104

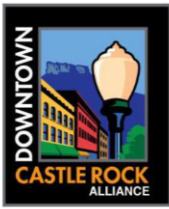
Dear Mayor Green and Town Council,

I am pleased to present the Downtown Development Authority's Budget Message for 2018:

In 2018, the Downtown Development Authority (DDA) is excited to build on the momentum and buzz that has been generated in Downtown. The focus which was jointly agreed upon by the DDA and Town Council has helped to generate momentum, and it is the goal of the DDA to continue with that focus. 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, and a strong partnership with the Town, and Sales Tax TIF and Property Tax TIF to support positive development projects, the DDA is optimistic that more investment can be attracted to Downtown Castle Rock.

The 2018 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 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



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grow, the need for operating dollars will grow and increment will be an important source of funds to pay 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 2018 Budget for the Rink Fund has reduced expenses to a bare minimum and stabilization of expenses and revenues are expected. In 2018, use of increment is expected to be used for the opening deposit with the DDA's management company, implementing a shift of this program to be paid for with Tax Increment Financing. The Rink at the Rock was created with a goal to activate Downtown and support small business during the typically slower winter season, not to be a profit generator for the DDA. If this program can be operated with minimal financial support it will be deemed a successful endeavor. Additional economic activity generated by this program also increases Sales Tax Increment which provides an additional financial resource to invest back into Downtown Castle Rock.

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

DRAFT Castle Rock DDA Budget for 2018

Operating Fund

		<u>2015 Actuals</u>	<u>2016 Actuals</u>	<u>2017 Budget</u>	<u>2017 Estimate</u>	<u>2018 Budget</u>
Income						
	Mill Levy	\$ 125,734	\$ 136,759	\$ 150,000	\$ 140,549	\$ 164,473
	Specific Ownership Tax	5,999	12,939	5,000	5,000	5,000
	Town Mill Levy Match	137,633	140,549	150,000	140,549	\$ 164,473
	Flower Box and Patio	12,708	13,230	4,500	12,000	7,000
	Misc. Other		500			
	Total Income	282,074	303,977	309,500	298,098	340,946
Expenses						
	Personnel	162,692	187,180	205,000	200,000	230,000
	Office Admin.	11,509	13,902	25,000	28,000	30,000
	Professional Services - Acct., Audit, Legal	17,308	13,027	15,000	17,000	15,000
	Programs - Trolley	33,485	2,000	2,000	2,000	2,000
	Programs - Façade Improvement Program		24,000	15,000	13,000	15,000
	Programs - Flower Box and Patio		22,660	15,000	28,000	15,000
	Marketing and Websites	6,026	1,644	8,000	7,000	10,000
	Rent Expense	15,263	17,290			
	Capital		-	9,000	2,000	10,000
	Contingency Expenses		0	15,000	1,000	8,000
	Total Expenses	246,283	281,703	309,000	298,000	335,000
	Beginning Fund Balance	158,576	183,867	184,074	206,141	206,795
	Transfer In/Out	(10,500)		(28,000)	556	-
	Net Activity	35,791	22,274	500	98	5,946
	Estimated Ending Fund Balance	\$ 183,867	\$ 206,141	\$ 156,574	\$ 206,795	\$ 212,741

This is a draft budget that has not yet been reviewed and approved by Town Council, the Downtown Development Authority Board or the public. Upon their review changes may occur.

DRAFT Castle Rock DDA Budget for 2018						
Ice Rink Fund						
		<u>2015 Actuals</u>	<u>2016 Actuals</u>	<u>2017 Budget</u>	<u>2017 Estimate</u>	<u>2018 Budget</u>
Income						
	Debt revenue-Loan from the Town					
	Sponsorships	14,833	31,300	25,000	25,000	30,000
	Skating Admissions	90,478	96,799	60,000	90,000	95,000
	Skating Rentals	27,197	36,741	25,000	25,000	25,000
	Total Income	132,508	164,840	110,000	140,000	150,000
Expenses						
	Administration	2,123	2,695	20,000	2,000	5,000
	Programs / Operations / Personnel	121,677	136,068	90,000	142,000	165,000
	Marketing	4,152	2,411	4,000	4,000	5,000
	Equipment	1,018	1,350	24,000	2,000	10,000
	Total Expenses	128,970	142,524	138,000	150,000	185,000
	Beginning Fund Balance	(19,698)	-	-	21,760	21,760
	Transfer In/Out	16,160	(556)	28,000	15,000	15,000
	Net Activity	3,538	22,316	(28,000)	(10,000)	(35,000)
	Estimated Ending Fund Balance	\$ -	\$ 21,760	\$ -	\$ 26,760	\$ 1,760
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