

# 2022 DDA ANNUAL REPORT DOWNTOWN DEVELOPMENT



610 JERRY ST.

## 1. THE VIEW AT CASTLE ROCK

241,870 SF. This 6 story mixed use building includes 218 for-rent residential apartments, 14,300 SF of office space and 5,000 SF of retail space. Project will include 429 parking spaces (100 public parking spaces).

*DDA Project - Construction Began in 2022*



221 WILCOX ST.

## 2. 221 WILCOX STREET

241,870 SF. This 6 story mixed use building includes 218 for-rent residential apartments, 14,300 SF of office space and 5,000 SF of retail space. Project will include 429 parking spaces (100 public parking spaces).

*DDA Project - Approved & Construction Began in 2022*



210 THIRD ST.

## 3. SCILEPPIS AT THE OLD STONE CHURCH / SLICEWORKS

*This adaptive re-use project will add a 4,000 SF addition to one of the oldest buildings in Castle Rock. The new construction will include new kitchen, pizzeria and patio space, as well as a 2,500 SF basement.*

*DDA Project - Downtown Enhancement Grant Approved in 2022*



415 PERRY ST.

## 4. CITY HOTEL

22,000 SF. This project seeks to preserve the oldest building in Castle Rock and construct a new 24 room boutique hotel on the same site. The project will include a lounge in the historic building, a roof top bar in the new building and first floor commercial.

*DDA Project - Introduced in 2022*



611 WILCOX ST.

## 5. THE SILO

*DDA Project - Façade Grant Approved & Construction Began in 2022*

420 JERRY ST.

## 6. CHAMBER OF COMMERCE HISTORIC VICTORIA'S HOUSE

*DDA Project - Façade Grant Approved in 2022*

403 WILCOX ST.

## 7. CASTLE CAFE | THE NEXT DOOR BAR PATIO EXPANSION

*DDA Project - Façade Grant Approved in 2022*

421 PERRY ST.

## 8. BEARDED MAN COFFEE

*DDA Project - Façade Grant Approved & Project Completed in 2022*



404 PERRY ST.

## 9. PERRY STREET SOCIAL DISTRICT

This adaptive re-use project will add dining space while preserving history and character. Project will include a bistro, wine and beer cellar, a food court and rooftop deck, and a taphouse and grill.

*DDA Project - Downtown Enhancement Grant Approved & Construction Began in 2022*

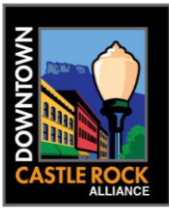


100 S WILCOX ST.

## 10. PHILIP S MILLER LIBRARY EXPANSION

62,800 SF. This expansion replaces a 45,000 SF library built in an old Safeway Grocery Store. Vibrant spaces for youth, retreat spaces for work, event halls, conference rooms and huddle rooms, as well as the DC History and Archive Center are planned.

*Ancillary Project - Construction Began in 2022*



## Castle Rock Downtown Alliance

*A partnership between the Downtown Development Authority and Downtown Merchants Association*

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### **Downtown Development Authority Annual Report to Town Council 2022**

#### **Background**

The Castle Rock Downtown Alliance is a partnership between the Downtown Merchants Association and Downtown Development Authority. This partnership unifies the Downtown organizations under one roof. The two organizations share one office and one staff helping to further the collective vision of a vibrant and prosperous Downtown.

The **Downtown Development Authority (DDA)** is a governmental entity that functions as an extension of the Town guided by a seven-member board that is appointed by Town Council. The DDA is charged with furthering development and place-making in Downtown Castle Rock using Tax Increment Financing (TIF) and is guided by a Plan of Development. The Plan of Development provides guidance from Town Council on the mission of the DDA and encourages the DDA to pursue “development projects” which include projects to beautify Downtown, increase commerce in Downtown and development projects which impact the experience in Downtown Castle Rock in a positive way.

#### **Report**

In 2022, several trends were observed in Downtown Castle Rock, difficulty hiring workers, inflation and record interest from Downtown business and property owners to invest in their buildings. At the start of 2022, most Downtown businesses had a desire to hire workers but found a shortage of workers available and this continued throughout the year. As we entered the second quarter of the year, inflation became the most widely discussed topic in both the news and in conversations with small business owners and this continued throughout the year as well. Business owners reported that the cost of raw materials was volatile such as ingredients for food and beverage establishments. Business owners also reported difficulty ordering and sourcing inventory due to lingering supply chain issues. Despite these challenges, more business and property owners than ever expressed interest in investing in their buildings, including everything from façade improvements to major expansion projects.

With the construction underway for both The View project and 221 Wilcox Street on the larger scale, and with smaller investments like the Perry Street Social District, Scileppi’s expansion, Castle Café’s expansion, and several façade investment, the future of Downtown Castle Rock is extremely encouraging. In 2022, the DDA also set out to make investments in Downtown, including major upgrades to some of the DDA Patios in partnership with the Town.

This report documents many of the efforts, programs and projects that the Downtown Development Authority has worked on this year in pursuit of creating and maintaining an active and vibrant Downtown.

#### **Downtown Projects and Programs**

The following section of this report provides information on DDA projects and programs.

### *Façade Improvement Program*

The DDA actively encourages private sector partners to utilize the Façade Improvement Grant Program. This program encourages Downtown business and property owners to renovate facades to improve the overall appearance of Downtown Castle Rock. While the Town code does not require that facades in Downtown Castle Rock have a specific appearance, the DDA Façade Improvement Program encourages attractive façades that fit with historic architecture and bring a quality look to Downtown.

In 2022, staff received six façade grant requests from downtown business and property owners.

- In February, staff received a request to pursue a façade grant for improvements at 421 Perry St. known as Bearded Man Coffee. The updates proposed for this property included new exterior paint that highlights the brick accents, new signage, a raised patio, and new light fixtures. The request was presented to the DDA Board and received overwhelming support for the project updates. In November, upon completion of the project the DDA Board approved a \$1,000 grant towards design work and \$4,728 for façade construction and materials.
- In March, a façade grant request was introduced to the DDA Board for 611 Wilcox Street, known as The Silo (formerly Victorian Center). This project proposed updated paint on all 4 sides of the building, new signage, a new black asphalt shingle roof, updated lighting, removal of current railing and updated paint on the portion of the railing that will remain, new paint for all tenant doors and trim, and updated tenant address letters. The DDA Board voted to support the façade grant financially with up to \$1,000 for design and \$5,000 for construction once the project is complete.
- In June, the board received two applications to the Façade Grant Program. The first application was for the project known as The Perry Street Social District located at 404 Perry Street. This project proposes significant investment into the property at 404 Perry Street consisting of the pavilion where the Rink at the Rock is operated, the residential house on the north of the pavilion and the 2 buildings to the south of the pavilion including the historic Whittier House on the south. This grant application focused just on the first phase of this project which was investment in the adaptive reuse and preservation of the Whittier House to convert it to a bistro concept. The DDA Board voted to approve the façade grant with up to \$1,000 for design and \$5,000 for construction, however later in the year the board rescinded this approval so that the board could approve a grant from the then newly created Downtown Enhancement Grant Program that could provide greater financial support. More information on this approval and the details of each phase of this project is included below.
- The second façade grant application received in June was for the historic Castle Café and Next Door Bar, located at 403 Wilcox Street. This application includes making improvements to the space directly adjacent to 217 4<sup>th</sup> Street on the west side of the restaurant by adding an outdoor dining patio to service customers of a new restaurant concept. The patio will add a unique addition to Downtown Castle Rock in a space that was unsightly and more importantly, unused. The new patio will feature an outdoor fireplace and lounge area that will feature hanging chairs along with table service seating for 30 guests. Materials will include stucco, stonework, pavers, entry and exit doors along with a wooden pergola and up-lighting highlighting the west side vines. The DDA Board voted to approve the façade grant application with up to \$1,000 for design and \$5,000 for construction. The project is expected to be complete in 2023.

- In August, the board received two more applications to the Façade Grant Program. The first application was received from the Castle Rock Chamber of Commerce/Chamber Foundation for their historic property at 420 Jerry Street also known as Victoria's House. The application proposed updates to the façade including the replacement of the siding and painting the façade white which is believed to be the original color of the house when it was built in 1889. The exterior improvements will include updating the cedar siding, cedar shake for the upper level, and lap wood siding following the goal to have a historic restoration of a historic building. The DDA Board voted to support the facade grant with up to \$5,000 for construction. The project is nearing completion and is expected to be completed in Q1 of 2023.
- The second façade grant application received in August was for Scileppi's at the Old Stone Church. This project proposed a 4,000 SF addition to the east side of the existing restaurant that will include a new kitchen and pizzeria as well as a 2,500 SF basement. The DDA Board voted to support the façade grant financially with up to \$1,000 for design and \$5,000 for construction. However, similar to the Perry Street Social Project, this approval was rescinded by the board in December, so that the board could approve a Downtown Enhancement Grant for this small scale development project where significant investment was being proposed. More information on this approval and the details of this project is included below.

The DDA also offers a Micro Façade Grant Program that provides a reimbursement award of up to \$1,000 for small businesses. The Micro Grant Program was designed to provide a streamlined process for smaller improvements. For example, the program may eliminate more complex application requirements such as elevations/renderings, Design Review Board approval, etc., depending on the scope of the desired work. No Micro Façade Grant Applications were received in 2022.

*Downtown Enhancement Grant Program (NEW PROGRAM IN 2022)*

Based on feedback from both the Town Council and DDA Board, DDA and Town Staff put together a proposal for the Downtown Enhancement Grant Program. This proposal was presented to the Town Council and DDA Board in the fall of 2022 and received unanimous approval. This program is designed to enhance the environment and public experience in Downtown Castle Rock by encouraging and supporting investment in small scale development projects including façade improvements, expansions, additions, alleyway investments and adaptive reuse projects. Often smaller scale developments contribute to the preservation of character and history with the reuse and/or expansion of buildings and this program is designed to encourage these types of investments.

In 2022, staff received two applications for a Downtown Enhancement Grant:

- The first application was received in November for the Perry Street Social District proposed at 404 Perry Street. This project had already been presented to the DDA Board in June for a Façade Grant, and after the approval of the Downtown Enhancement Grant Program, the owner approached Staff about applying under the new program. The policies approved for the Downtown Enhancement Grant Program state that one project cannot receive funds from both programs, so in at the November Board meeting, the DDA Board voted to rescind the previously approved Façade Grant in favor of supporting this project under the new program. The project will consist of multiple phases, Phase One (The Bistro) includes the façade improvements for The Whittier House. This phase will convert the historic house into a high-end and cellared-beer establishment, coupled with a bistro concept that will showcase old-world Italian delicatessen equipment. The former garage will be converted to a sunroom/conservatory area that projects



to the front side of the building. The new structure will more faithfully show the original building's northern façade, while also allowing extra seating with a view into the pavilion area. Materials that will be used will be wood, steel, glass, and other materials relevant to restoration and new-build projects. Phase Two (The Railyard) will focus efforts on the southeastern corner of the block, this phase of the project includes a food court with a modern adaption of shipping containers and other architectural elements that help reinforce the sites original association to the railroad. A second floor and rooftop deck will provide additional seating and ideal vantage points. Phase Three (The Taphouse) will include a redesigned building on the northern side of the block which is currently a single-family residence. The design will pay homage to the current home's original use as a grist mill and the town's prior fame as the host of a premier racetrack. The Taphouse will incorporate an entry rotunda designed to look like a grain silo, juxtaposed with the main area that is built to reference the control tower of the racetrack. The DDA Board unanimously supported the project and approved a grant of up to \$50,000 to be paid upon completion of the project.

- The second application was received in December for a project proposed at Scileppi's at the Old Stone Church for the property at 210 Third Street. This project had been presented to the DDA Board in August for a Façade Grant and after the approval of the Enhancement Grant Program, the owner approached Staff about applying under the new program. Since projects are not eligible for both grants the DDA board voted to rescind the previously approved Façade Grant and voted in favor of supporting this project under the new program. This project consists of a 4,000 SF addition to the east side of the existing restaurant that will include a new kitchen and pizzeria as well as a 2,500 SF basement. The expansion will allow for an additional outdoor patio for dining that will be a highlight of the property. New masonry, ornamental metal and wood details on the façade will complement the historic stone church. The DDA Board unanimously supported the project and approved a grant of up to \$50,000 to be paid upon completion of the project.

#### *Flowerbox Program*

The DDA flowerbox program aims to add to the sense of small-town charm and enhance the look and feel of the Downtown streetscape. Efforts such as this have been shown to have an impact on business success and economic activity. This program does not use any Town General Fund tax dollars and is paid for through DDA Funds, private businesses, and property owners. The DDA coordinates the pickup and delivery of all flower boxes with Town Staff.

For the 2022 season, the DDA partnered with Tagawa Gardens for the planting of all flower boxes. Tagawa Gardens provided full and colorful boxes for the 2021 season and so service with them was continued into 2022. Tagawa Gardens planted many of the boxes from seed in March at their greenhouse so that the boxes would be in full bloom at delivery in May. The DDA also offered watering service for the flower boxes to businesses who opted into the service. A total of 37 businesses ordered boxes, with 10 small boxes, 101 medium and 47 large boxes rented. Watering service was provided to 23 businesses.

Flower boxes are also placed around 10 patios in Downtown to provide beautification and provide protection around the patios. The DDA organizes seasonal plantings for the flowerboxes around these Downtown patios since they remain out year-round. In 2022, a Spring planting occurred in late May for the summer season. In September, just before thousands visit Downtown Castle Rock for Oktoberfest the DDA replaced the Summer planting with a Fall planting of fresh flowers. In November just before

thousands are in Downtown Castle Rock for Starlighting the DDA partners with Tagawa Gardens for a holiday planting of fresh evergreen bows and holiday decorations.

### *Patio Program*

Before the DDA was created, the Town, in partnership with several interested business owners, brought in Walkable Communities Inc. to evaluate Downtown Castle Rock. This organization provided guidance to the group on building a thriving downtown which was built on years of research and studies conducted by Walkable Communities Inc. One of the recommendations from this exercise was to invest in the infrastructure of wider sidewalks to encourage pedestrian activity with street-side patios. Using this research, the DDA designed a way to construct temporary street-side patios similar to those utilized by other neighboring communities.

This now long-standing program has continued to have great success in Downtown Castle Rock. The program allows restaurants to utilize sidewalk and patio space for additional dining options which has increased the vibrancy and interest for pedestrian activity. After allowing patios to remain in place during the 2020-2021 winter due to the COVID-19 pandemic, feedback was positive, and the decision was made to allow patios to remain in place year-round. This was once again successful during the winter of 2021-2022. The agreements with the DDA and Town have been updated to reflect this decision and will automatically be renewed each year. In the Spring of 2022, DDA Staff worked with Town Staff and Town Liquor Authority to update documentation filed with the State for each business utilizing a DDA Patio and serving liquor so that documentation reflects the desire to keep the patio and liquor boundary in place year-round. This change eliminates unnecessary DDA and Town Staff time to renew agreements and documentation each year and saves the business owners filing fees at both the Town and State, saving as much as \$600+ a year for each business.

The wear and tear on wooden patios that have been in place, in some cases since 2014 and that have recently remained out year-round for two years straight, has impacted the quality of the patios. As such, DDA Staff evaluated patios in early 2022, and with DDA Board support initiated the plan outlined below for each existing patio.

### Wait To Rebuild

#### Crowfoot Coffee:

- **Plan:** DDA is waiting to make repair/build new until 2023.

#### Castle Rock Bike and Ski:

- **Plan:** DDA is waiting to repair/build new until later.

### Fix Repairs

#### Scileppi's:

- This is the newest patio in Downton. The east side was hit by a car during a snowstorm in early 2022 and then again later in the year.
- **Action:** Repairs were completed in Q2 2022 for the first incident and new repairs will be completed in early 2023 once weather allows for repairs to be made. This patio will remain in place until decisions regarding parking and the building's expansion are finalized.

### Widen Sidewalk in Concrete (Partner with The Town)

#### B&B Café:

- This patio was in the worst shape. The DDA has made repairs each year for the last 3 years and the piece meal repairs are not holding up.

- **Action:** In Q2 2022, utilizing State Grant dollars, the Town of Castle Rock poured concrete, effectively widening the sidewalk in front the B&B Café in place of the previous wooden patio.

Castle Café:

- This patio was also in bad shape.
- **Action:** In Q2 2022, utilizing State Grant dollars, the Town of Castle Rock poured concrete, effectively widening the sidewalk in front the Castle Café in place of the previous wooden patio.

Pedestal Paver Patios

Z'Abbracci:

- This patio had drainage issues, wobbled when walked on and had several broken boards.
- **Action:** DDA brought in a contractor who built a new patio using a pedestal paver system. Work was completed in Q2 2022.

Angie's:

- This was the oldest patio in use and was experiencing drainage issues. This expanded patio was made from remnant patio pieces.
- **Action:** DDA brought in a contractor who built a new patio using a pedestal paver system. Work was completed in Q2 2022.

Provision:

- With the success of the Z'Abbracci's and Angie's new pedestal paver patios, Provision reached out to the DDA to see if they too, could partner with the DDA to have a pedestal paver patio installed.
- **Action:** Using savings from coming in under budget with the Z'Abbracci's and Angie's patios, DDA staff were able to bring a contractor back out in late Q2 2022 who built a new patio using the same pedestal paver system at Provision.

In 2022, the DDA and Town have made the most significant upgrades to DDA Patios in the Town Right of Way since the start of the program in 2011. In many cases, a summer visitor to Castle Rock may spend the majority of their time on a Downtown patio, and their impression of the health of Downtown Castle Rock, will be based on this experience. These investments are just a small part of being a world class community and contribute to the experience of visitors and the strength of the local economy. In 2022, there were 7 DDA patios in Downtown, B&B Café, Castle Café, Z'Abbracci Pizza, Pasta & Taphouse, Scileppi's at the Old Stone Church, Angie's Restaurant, Crowfoot Coffee and Castle Rock Bike and Ski. In addition, the DDA assists with the patios at Union Bistro, Vista Vino, and Ecclesia.

*Downtown Engagement*

The Downtown Alliance often acts as the 'voice of Downtown'. Staff spends time to meet one on one with Downtown businesses, property owners and residents to provide information about what is going on in Downtown and collect feedback in order to represent the Downtown business perspective to Town Staff and facilitate important conversations for Town Staff. These conversations could be for things like snow and ice mitigation, Town Right of Way concerns, etc.

Staff also shares information on Downtown programs, such as the Flowerbox Program, Façade Improvement Grant Program, Downtown Enhancement Program and Patio Program, as well as information about DDA initiatives such as development projects, parking and Town initiatives.

In addition, the Downtown Alliance hosted several tours of Downtown Castle Rock from neighboring Colorado communities this year who have desires to “be more like Castle Rock”. DDA Staff was also asked to present at the Downtown Colorado Inc. Conference in Colorado Springs in April in a session about DDAs, URAs and Tax Increment Financing. Castle Rock is receiving statewide recognition for its vibrant downtown.

In March, the Downtown Alliance wrote a letter of support to the US Department of Transportation to support the Town’s application for funding for the Crystal Valley Interchange, noting the positive impact this interchange will have Downtown Castle Rock and the community as a whole.

In April, the Downtown Alliance wrote a letter of support to the Town of Castle Rock to support using funding for a Quiet Zone in Downtown Castle Rock.

In July, DDA Chair and Staff made a presentation to the Castle Rock Rotary about what is going on in Downtown Castle Rock, and about future plans for Downtown.

In October, the Downtown Alliance provided an updated letter of support for the Crystal Valley Interchange, in support of funding from the Denver Regional Council of Governments.

#### *Banners Program*

The Castle Rock DDA Light Pole Banner Program uses decorative banners to publicize special events and enhance the streetscape by adding color and vitality to Downtown. During the COVID-19 pandemic, “CommUNITY” banners were included in the mix of banners to provide uplifting and positive community spirit. In the Spring/Summer season, colorful Spring/Summer banners along with the “CommUNITY” banners line the streets of Downtown. These banners were replaced with Winter/Holiday themed banners in November.

#### *B:Side Capital (formerly Colorado Lending Source) Micro-Loan Program*

The DDA continues to partner with B:Side Capital (formerly Colorado Lending Source) through the Main Street Loan Program, to provide entrepreneurs access to affordable financing to start or grow their business. The DDA acts as the initial contact and education point for applicants and will send eligible applications to B:Side Capital for further review from the loan committee. Loan amounts range from as low as \$5,000 and up to \$50,000. The DDA did not received any applications for the micro-loan program in 2022.

#### *Parking*

The Parking Committee meets quarterly to discuss the management, maintenance and operations of downtown parking including community policing, parking sign policies as well as use and allocation of parking spaces. The committee makes strategic decisions to create a positive experience for downtown customers. Policies and changes enacted in 2022 include:

- Consideration of a request to remove the 2-hour parking restriction on the east side of Jerry Street.
- Changes made to the parking lot east of Perry Street between 6<sup>th</sup> and 7<sup>th</sup> Street. Changes include the addition of an ADA-accessible parking space and addition of signage restricting overnight



parking to ensure the lot is used to meet nearby business' needs and not for storage or unintended purposes.

- A review of adding "snow route" signage at specific locations in Downtown to allow snow removal in parking spaces during large weather events to prevent ice buildup and safe pedestrian parking areas on the north side of buildings.
- Adjustment to the 30-minute Town Hall parking spots in the Encore garage replacing current signage with new green signage that specifies the 30-minute restriction is 8am-5pm Mon.- Fri.
- Changes to the on-street parking in the two spots behind the new Olinger funeral home building driveway. The two spots behind the driveway will be removed and new signage installed to direct proper use.
- Changes were made to the Downtown Parking Change Request Form on the Town's website to add an option to request that a parking space be converted to ADA.
- The addition of "No Overnight Parking" signs in the Town lots near the Museum and Fire Station lot.
- Review of the signage for EV spots and concerns about the seventh floor of the Encore parking garage was discussed. Fencing is being looked at for the seventh floor.
- Parking for the View construction workers was reviewed, and parking was approved on the east side of Jerry Street on the diagonal b/w the northern end of the View property and 8<sup>th</sup> street.
- Discussions and decisions regarding snow removal spots/routes on north side of businesses on 3<sup>rd</sup> Street, 4<sup>th</sup> Street and on the north side of 740 Wilcox St. Agreement was made working with the Town Managers Office and Public Works Plowing Staff to plow snow when possible in the parking spaces in Town Right of Way. Business owners also agreed to keep drainage ways clear, pile snow in designated areas and allow snow route signage that prevents parking in the spaces after snow.
- The parking lot behind (east side) of the Lost Coffee building (390 Perry Street) was noted for future restriping (Spring/Summer 2023) to restripe the extra-long parallel spaces to create more smaller spaces.
- Conversation around working with construction workers at 221 Wilcox workers in Q1 and Q2 2023. DDA agreed to help facilitate any needed coordination.

### *Carriage Rides*

In partnership with the Downtown Merchants Association, the DDA splits the expense of bringing holiday carriage rides to Downtown Castle Rock. This year's season offered rides on Weds., Thurs., Fri., and Sat., in end of November and December for a total of 360 rides, representing an increase of 126 rides over 2021. Carriage rides have quickly become a holiday tradition in Downtown Castle Rock complimenting the holiday decorations and lights, and helping to enhance the experience for Downtown residents and visitors. The route began in Festival Park by the giant Christmas Tree, going north on Wilcox to Fourth Street, east to Perry Street and south back to Second Street into Festival Park. This year's tickets were sold for \$30 per reservation, allowing for 4-5 passengers per carriage. Whether people reserved a carriage ride or just enjoyed seeing the horse and carriage in Downtown Castle Rock this experience continues to be something we are proud to offer, and many communities are working to duplicate. After ticket sales and sponsorship revenue, about half of the expenses for this project are covered.

### *Trolley Rides*

This year the DDA, in partnership with the Downtown Merchants Association started a pilot program to run the Trolley in Downtown both in the summer and during the holiday on a

consistent schedule to gauge community interest. The Trolley was run Tuesdays and Fridays in July, and Mondays and Tuesdays in December activating evenings from 5:30 – 7:30pm. This effort provided just one more exciting thing occurring in Downtown during the summer, serving a novel free ride, and also a way to get from parking to Downtown destinations. In the winter, the free trolley rides provided those that weren't able to purchase a highly prized carriage ride ticket had an alternative option to take a ride in Downtown to see the holiday lights. The route for summer and winter, started at the Encore Parking Garage and went north on Wilcox to Douglas County School District Administration building parking lot and then back down south on Perry Street to the Encore Parking Garage.

Total ridership in the summer was 403 riders with an average per night of 44 riders. During the holidays, in November and December total ridership was 703 riders with an average of 58 riders per night. This turnout is tremendous and demonstrates that this program is well supported by the community.

### *Development Projects*

In partnership with the Town of Castle Rock and the Castle Rock EDC, several development projects have been negotiated with the private sector, with the goal to encourage mixed use projects that follow good planning policies, contribute to vibrancy, and create a stronger economy for Downtown small businesses, as well as Castle Rock as a whole:

#### Encore – 8 Wilcox, 14 Wilcox, 20 Wilcox and the Town Hall Parking Lot

In May of 2018, the DDA and Town Council approved a non-binding MOU for the Festival Park Commons Project, now known as the Encore Project. In January of 2020, the Encore Project broke ground and made tremendous progress in the first 12 months. Despite the COVID-19 pandemic, 100% of the residential and commercial condo units were pre-sold even before the project was completed or could be toured by prospective buyers.

Confluence Companies has shared data on the project noting that it was the penthouse and higher end residential units that sold first, even noting that two professional athletes purchased residential condos. Confluence also shared that of Encore condo sales, 79% of the buyers are from Douglas County, 28% of those are from the Meadows, 16% from Castle Pines, the rest are from Terrain, Downtown, Larkspur and Elizabeth.

The public parking garage in Encore opened to the public in June of 2021. Building construction was completed at the end of 2021 and many tenants moved in. At the end of 2022 all tenants had hung their sign or moved into their space now including Nixon & Co. Salon & Boutique, The Skin Company, Dos Santos, NavPoint Real Estate, Well States Healthcare, Coff33, Land Title, Fidelis Wealth Advisors, Paczosa and Associates, and Block & Bottle, B' Craft Deli and lastly Scissors and Scotch who is moved in and hung their sign and anticipated to open in early 2023.

#### The View at Castle Rock – 610 Jerry Street

The View project was introduced to the DDA Board and Town Council in 2020. The project held 4 neighborhood meetings and in April of 2021 the project was presented to Town Council who approved a redevelopment agreement for the project. The project will build 221 apartments, 14,250SF of office space and 5,000SF of restaurant space. The project will construct 399 parking spaces in the building and the Town of Castle Rock will own 100 of the 399 spaces for public parking, which will be purchased by the DDA Special Fund with the payment of project fees to the Town for the developer. There will also be

33 street parking spaces constructed where there are currently 22 spaces. This project represents a significant, strategic investment in parking for current and future parking needs of the community.

As we have learned with the previous projects in Downtown, and as demonstrated by redevelopment projects across the nation over the last 30 years, vibrancy comes from people. People that work in Downtown during the day and live, dine, shop, and find entertainment in Downtown during the evening and weekend that make a downtown successful. This project has the ability to strengthen the Downtown economy in a major way and staff is optimistic for the progress of this project. This project was allowed by code without DDA involvement however with DDA involvement first floor retail, additional office space and 100 public parking spaces were required to be built in the project.

In February of 2022, construction on the View project broke ground. Construction is expected to be complete in 2024.

### 221 Wilcox Street

In 2015, Niebur Development purchased the property at 221 Wilcox St. and proposed a mixed-use project at the site. They evaluated potential projects ranging from 3-5 stories, and the need for parking associated with its likely tenants. A redevelopment agreement, that has since expired, for a 5-story project was approved by the DDA Board and Town Council which provided assistance for some of the fees, and a share back with some of the property and sales tax that would be generated by the project. Ultimately, Niebur Development was unable to make this project work, due to several challenges including the inability to provide parking at a reasonable cost. Niebur Development came back to the DDA Board and proposed an idea to add a floor to the then current 1 story building with a plan to utilize the boarded-up drive through for a quick serve / fast food tenant. This concept was not supported by the DDA Board.

In 2016, Confluence Companies purchased the 221 Wilcox Street site from Niebur Development to protect their investment at Riverwalk after hearing about the proposed two-story renovation of the existing building with use of a drive through. Confluence Companies introduced a project in February of 2018 to the DDA Board proposing a mixed-use project at the site. A hotel was also considered and evaluated for this location. As Confluence evaluated the potential of the site, opportunity with the Encore project down the street was identified and Confluence, in partnership with the Town and DDA, structured an agreement for the Encore project. Among many positive outcomes of this project, this allowed Town Staff to park at 221 Wilcox while Encore was built. Of note, when this partnership was created, the DDA, Town and developer discussed that the end goal for 221 Wilcox Street was not to remain as a parking lot.

Staff conversations at the end of 2021 included discussion of the code requirement to park residential units onsite, and about architecture that is a "fit" for this property. This led to an updated proposal from Confluence Companies in Q1 of 2022, which would park the residential space on site one floor below grade and would park the commercial components of the building in the extra spaces privately owned in the Riverwalk North building adjacent to the property with a shared alley. Architectural changes were made to the exterior design of the building incorporating some historical design features such as historical looking sills on the windows. In May of 2022, a proposed redevelopment agreement was presented to the DDA Board and was approved, and in June the agreement was presented to the Town Council and was approved. Construction began in the fall of 2022. Confluence, the Town and the DDA met to limit the amount of closures of pedestrian walkways and ultimately Confluence poured a new sidewalk to serve pedestrians during construction.

### Perry Street Social District

The Perry Street Social District project proposed at 404 Perry Street continues to make progress. This proposed project will not only accomplish the goal of keeping the Rink at the Rock in Downtown but will add much desired dining options and a beer garden to Downtown Castle Rock.

As mentioned earlier in this document, the DDA has had a goal for several years to keep the Rink at the Rock in Downtown Castle Rock beyond the expiration of the Rink at the Rock's land lease. Working closely with the new owner/developer at 414 Perry Street, an agreement was structured in 2021 to sell the Sprung Structure (white canopy) and rink equipment owned by the DDA, at a significantly reduced price as long as a rink is operated in Downtown in each of the following 10 years.

As new buildings with higher density and public parking are proposed and built in Downtown Castle Rock, it is exciting to see smaller scale, adaptive reuse projects also being proposed. A strong synergy exists between the two types of projects. Often smaller scale, adaptive reuse projects contribute to the preservation of character and history with the reuse of buildings, but do not always have the capacity for onsite parking even though a new vibrant use is likely to increase parking demand. With a goal to have successful reuse projects and have the visitor parking experience in Downtown be a positive one, Downtown Castle Rock will need to continue to identify strategic public private partnerships when larger development is proposed.

This project completed its final public process and submittal requirements in December of 2022 and plans to begin the first phase of construction in the first half of 2023. As noted above, the DDA Board and Town Council provided direction to find a way to support and encourage smaller scale development, and in late 2022 the Downtown Enhancement Grant Program was created. This project was the first applicant and was approved for a Downtown Enhancement Grant.

### Olinger Funeral Home

After years of discussing a potential expansion and remodel, the Olinger Funeral Home at 4<sup>th</sup> and Jerry Street began construction of a new facility. Located adjacent to the Wilcox Square Douglas County property, this new facility brings a fresh look to an important property.

There are communities where property owners invest in their properties, and there are communities where property owners don't see it as "worth it" to invest in their properties and those communities deteriorate as a whole. Community momentum can develop in either direction. Every property in Downtown Castle Rock that invests in a fresh coat of paint, new awnings or in this case, a brand-new building, helps propel Downtown Castle Rock to be a place where there is pride of ownership and occupancy. This project is a sign that we are moving in the right direction.

In Q2 2022, the construction on this project was completed. The new building includes a new chapel with improved accessibility, increased energy efficiency and a building that is designed to better meet the needs of the community.

### City Hotel

The historic City Hotel property at 415 Perry Street has been talked about for many years in Castle Rock. It is believed to be the oldest building in Castle Rock and is privately owned. So, when the private property owner expressed an interest in investing in the property, including restoring the historic structure, and adding new boutique hotel building on the same site, there was excitement about the positive outcomes from this proposed project. The project, as proposed, plans to incorporate a food and beverage concept into a lobby area in the historic structure, as well as a rooftop bar on top of the new

boutique hotel building. The project proposes some leasable retail space on the first floor of the new building, with a total of 24 hotel rooms above the first-floor commercial space. The new building is proposed as a 4-story building, with the 4<sup>th</sup> floor stepped back and not encompassing the full floor plate of the building. The 4<sup>th</sup> floor would house a rooftop bar and 4 of the 24 hotel units, and as introduced would have a total building height of 45 feet. This project was introduced to the DDA Board in a public meeting in December of 2022. Staff was directed by the DDA Board to work with the developer/property owner on the details of this project and come back to the DDA Board with an update on the progress of the project in 2023.

#### Philip S Miller Library Expansion

Over the last 10 years, the Douglas County Libraries have invested in most of the libraries in their network including Highlands Ranch, Castle Pines, Lone Tree, Parker and Roxborough. One of the last libraries on this list, where they have discussed and planned for investment, is the Castle Rock Philip S. Miller Library.

On May 2, 2022, the Castle Rock Library broke ground on their new building in Downtown Castle Rock after nearly 3 years of discussions about design, location, function, and other details. This expansion will replace the current 45,000 SF library built in an old Safeway Grocery Store and create new vibrant spaces for youth, retreat spaces for work, event halls, conference rooms, huddle rooms and will house a new Douglas County History and Archive Center. This is exciting on many fronts. New downtown residents as well as long time Castle Rock residents will be excited to experience the new and improved library and amenities. The larger event halls and conference rooms are expected to be a draw bringing people Downtown, and the brand-new façade further demonstrates the momentum of investment into property in Downtown. At the end of 2022, the frame of the entire new building was built and construction crews were working to dry in the building.

#### *Public Investment Infrastructure*

Castle Rock benefits from having a Downtown Development Authority in many ways. While having a set of staff and the financial tools to accomplish the many projects listed above, having a DDA and Statutorily authorized Special Fund can provide some relief to the Town General Fund on Downtown public investments. This frees up Town funds to be deployed to other priorities in Castle Rock. In the last 2 years, the DDA has approved the use of funds from the DDA's Statutorily authorized Downtown Special Fund to support the following projects:

- **Roundabout at Wilcox and South Street:**  
In April of 2021, the DDA board voted to pay for up to \$750,000 from the Downtown Special Fund to pay for the roundabout at South and Wilcox Street.
- **Streetscape Materials Menu Plan:**  
In April of 2021, the DDA board voted to pay for up to \$15,000 from the Downtown Special Fund to pay for a Streetscape Material Menu Plan for Downtown Castle Rock to guide future decisions about streetscape materials.
- **Maintenance at the Encore Parking Garage:**  
In December of 2021, the DDA Board voted to approve using up to \$150,000 for Encore Garage Maintenance from the Downtown Special Fund.
- **Town Staff Support of Downtown Events:**

In December of 2021, the DDA Board voted to use up to \$50,000 to support police, fire, and parks services at events in Downtown Castle Rock.

- **Quiet Zone:**  
This year, in April of 2022, the DDA Board voted to pay for up to \$900,000 out the Downtown Special Fund to implement a Train Horn Quiet Zone at the 3 crossings in Downtown Castle Rock.
- **Downtown Enhancement Grant:**  
As mentioned above, based on direction from Town Council and the DDA Board this grant program was created in September of 2022. These funds are available to support smaller scale development projects.

### **Summary**

At the end of 2022, there was a very positive outlook for the coming year in Downtown Castle Rock. Projects like the expansion at Castle Café, Scileppi's and Perry Street Social District were expected to begin, and construction had started at the new Douglas County Library, 221 Wilcox Street and The View. Perhaps one of the more surprising and exciting aspects of 2022 in Downtown Castle Rock has been the announcement of multiple smaller scale projects and existing building façade investments that have been proposed by business and property owners in Downtown.

As was discussed earlier in this report, there is a synergy between larger scale projects that add customers and more significant public parking to a downtown, and smaller scale projects that contribute to the preservation of character and history with the reuse of buildings. With the approval of redevelopment agreements for The View and 221 Wilcox, the anticipation for new customers and more public parking has created a strong outlook for the future of the Downtown economy, and is in part why several of the projects below have been pursued. The following list includes some of the smaller scale projects that were proposed, are underway or were completed in 2022:

- Perry Street Social District – 404 Perry St. – Expansion and adaptive reuse
- Olinger Funeral Home – 407 Jerry St. – New building
- Castle Café & Next Door Bar – 217 Fourth St. – Façade investment and patio expansion
- Douglas County Library – 100 S. Wilcox St. – New building construction
- Bearded Man Coffee – 421 Perry St. – Façade investment
- The Silo – 611 Wilcox St. – Façade investment
- Chamber of Commerce Building (known as Victoria's House) – 420 Jerry St. – Façade investment
- City Hotel – 415 Perry St. – Adaptive reuse of a historic structure and new boutique hotel

This impressive list of investment in Downtown Castle Rock has drawn the attention of neighboring communities asking, "How did Castle Rock create such an exciting downtown?" In 2022, DDA and Town Staff have hosted 3 neighboring communities who brought their Councilmembers to Downtown Castle Rock for a tour and question and answer session, and received calls from an additional 2 more who inquired about the success of Downtown.

Lastly, several years ago staff began tracking the addition of outdoor dining options in Downtown as a metric of a healthy economy. The growth of patios since then has been outstanding. Since last year, several more outdoor dining options have been added to the list. The full list includes Z'Abbracci's (major upgrade in '22), Angie's (major upgrade in '22), Scileppi's (major upgrade planned for '23), Wild Blue Yonder, Castle Café (major upgrade in '22), B&B café (major upgrade in '22), The Office, Siena (recently closed – new restaurant expected in '23), The Backyard, Union Bistro, Vista Vino, Iron Mule,



Ecclesia, Great Divide Brewery and Roadhouse, Glacier Ice Cream, Sugar Spoon, Tribe, and now Dos Santos, Block and Bottle, and a patio at B's Craft Deli which opened at the end of the year. Only a few years ago, about one fourth of those options existed.

Contact:

Kevin Tilson

Director, Downtown Alliance

[kevin@downtowncastlerock.com](mailto:kevin@downtowncastlerock.com)

303-688-7488