



Date: June 11th, 2021

TO: Honorable Mayor Jason Gray and Castle Rock Town Council
CC: Town Manager David Corliss

FROM: Castle Rock EDC, Frank Gray President and CEO

RE: Castle Rock Economic Development Town Service Contract for 2022

Castle Rock EDC respectfully submits this request to the Town of Castle Rock for the continuation of economic development services. Castle Rock EDC's 2022 request is for \$226,892.88. This represents an 8% increase over the 2021 contract to account for additional operating expenses over the past five years. The organization's combination of efficiency, cost sharing and private sector investment continues to maximize and leverage the investment of the Town in economic development. Over the past five years the organization's financial request of the town has remained flat despite significant increases in expenses (rent, utilities, insurance, and compensation), all of which have been absorbed through increased private sector investment in the organization. This funding request will highlight key accomplishments of the past year and outline the core services provided to the Town of Castle Rock essential to maintain and build the long-term economic infrastructure of the community. Castle Rock EDC provides the following services (listed below) and acts as a conduit for effective public private partnership.

I am especially proud of Castle Rock's response to the COVID-19 Pandemic. The collaboration of Town Council and the Castle Rock Economic Partnership was impressive and demonstrated tremendous community leadership to our business community. Thanks to Town Council for taking a leadership role in the state of Colorado.

GENERAL OUTLINE OF SERVICES

- **Attracting Primary Employers to Castle Rock**
 - Marketing Castle Rock opportunities to Brokers, Developers and Primary Employers
 - Serving and Tracking Prospects
 - Business Attraction Team (BAT)
- **Growing Castle Rock's Existing Businesses**
 - Business Retention and Expansion (BRE)
- **Retail Development and Recruitment**
 - Highly Targeted, Strategic Marketing to Developers and Users
- **Creating a Positive Business Environment**
 - Castle Rock Economic Partnership
 - Development Roundtable
 - CEO Roundtable
 - Town Development Liaison Program
 - Start Up and Entrepreneurial Infrastructure Support
- **Informed Economic Council**
 - Public/Private collaboration solving strategic micro and macro-economic development issues
 - Economic and Demographic Data, Analysis and Reporting
 - Customized Economic Impact Analysis

ATTRACTING PRIMARY EMPLOYERS TO CASTLE ROCK

Targeted Marketing - Castle Rock EDC will focus on striking an appropriate balance between primary and retail employment. One of the main objectives of the EDC is to attract primary employment that is a good fit with the education and skills of the community's residents and the potential for having a positive impact on the Town of Castle Rock's economy. In 2022 the following targeted primary industry clusters and public-use facilities will receive special attention in Castle Rock EDC's attraction and expansion efforts:

- Digital Information/Technology
- Start-up and Second Stage Companies
- National/Regional Credit/Finance Insurance
- High Tech Manufacturing
- Infill in the Greater Downtown Area
- Management Companies & Enterprises
- Professional, Scientific & Technical Services

Business Attraction Team (BAT) - The Castle Rock Business Attraction Team oversees one of the core services of the Castle Rock EDC, attracting new primary employers to Castle Rock. BAT meets monthly and consists of private sector volunteers with expertise in business development, real estate, construction, land planning, title work and marketing. BAT focuses on both direct and indirect marketing strategies for attracting primary employment. Additionally, BAT fosters relationships with developers to encourage office development in the Castle Rock market. BAT hosts a series of events that seek to promote, educate, and encourage the creation of primary employment opportunities in the Castle Rock market.

Benefit to the Community - Primary employers fuel the local economy by bringing new dollars into the community through their indirect and induced spend. The high paying jobs they create allow for more residents to live and work locally. This in turn increases the community's daytime population and allows the community to capture an expanded tax base and enhances the Town's ability to provide public safety, infrastructure, parks, and recreation to its residents.

GROWING CASTLE ROCK'S EXISTING BUSINESSES

Business Expansion and Retention Program (BRE) - In 2022, Castle Rock EDC will continue its aggressive BRE campaign in partnership with CREP (Castle Rock Economic Partnership) to establish ongoing relationships with our existing businesses. This generally constitutes 30 plus face-to-face visits annually to:

- Thank business owners for investing in Castle Rock
- Assess company needs and challenges
- Analyze their perceived barriers to a thriving business environment
- Create impactful follow up, addressing their needs and connecting them with resources
- Partner with Town staff and community partners when appropriate to proactively address issues both real and perceived

Retail Retention - As part of our ongoing retail commitment to the Town, Castle Rock EDC and Town staff routinely visit with a variety of existing retail store owners and shopping center owners to ensure open lines of communication and deliver quick response times to issues that arise. Town staff are exceptional partners and have made an impressive commitment in responding to key issues.



Business Start-up and Entrepreneurship - The vast majority of new jobs in local economies are produced by small community-based businesses. In Colorado, 75% percent of businesses have fewer than 10 employees. In the Town of Castle Rock, a significant number of businesses are classified as very small or home based. In cooperation with the Castle Rock Chamber of Commerce, the EDC will continue to play a role in encouraging the ongoing growth and development of entrepreneurial activity in Castle Rock. The launch of the 104 Initiative, an Angel Investment Platform, lead to the attraction of Innosphere, a science and technology incubator, currently operating out of the Sturm Collaboration Campus.

RETAIL DEVELOPMENT AND RECRUITMENT

Retail Recruitment - Castle Rock EDC provides highly targeted and niche retail development recruitment for the Town of Castle Rock. This includes actively working with existing retail center businesses for redevelopment and recruitment of targeted regional draw retailers compatible with the vision of the community.

CREATING A POSITIVE BUSINESS ENVIRONMENT

Creating a positive business environment for both existing and new primary employers and retailers is essential to the economic success of any community.

Castle Rock Economic Partnership (CREP- Chamber, EDC, Town, and Downtown Alliance) - CREP works to ensure communication and accountability to achieve its established goals, priorities, and strategies. CREP will make coordinated recommendations to its respective governing boards on economic development goals, priorities, strategies, action plans, resource allocations and contracts for service. Within its scope of expertise, CREP will guide economic development policy and foster honest and open communication between the public and private sector among the partner organizations.

Leadership - Influencing the Town of Castle Rock's economic health in a positive manner is a significant role of our economic development partnership. Building trust and cooperation between the Town, business and development community is one of Castle Rock EDC's primary functions. Castle Rock EDC will continue to work with Town Council and staff to promote positive dialog between primary employers, landowners, developers and brokers on essential development issues and work in partnership with Town Development Services to pursue favorable economic outcomes for the community. Castle Rock EDC will stay engaged in Town regulatory issues and keep members apprised of pertinent changes.

INFORMED ECONOMIC COUNCIL

Community Data and Research – Research will be available to prospects, brokers, residents, and relevant businesses through the Castle Rock EDC website and Site-Connect. The data available includes, demographics, retail sales data, Mosaic market data, labor force information, residential development data, market land/lease rates, business profiles, available commercial land and buildings currently on the market.

Economic Policy Advocate - Castle Rock EDC will continue work through CREP in partnership with the Town Council to assist in the management and effective use of the established economic performance fund.



Negotiating Incentives - Castle Rock EDC, in partnership with CREP, will take the lead in filtering, guiding, and acting as an advocate to potential prospects through the local, county and state incentive process.

Economic Development Public Policy - Castle Rock EDC, in partnership with CREP, will take the lead on keeping its investors and the Town informed on key economic development public policy issues via its involvement with Economic Development Council of Colorado (EDCC), Douglas County Business Alliance (DCBA) and our involvement in the Metro Denver Economic Development Corporation.

Castle Rock EDC's 2020/2021 significant deliverables and ongoing project support -

Deliverables:

- COVID-19 Business Response
- PPP/SBA Zoom Series (225)
- KIVA 0% interest loan program
- First Tier Bank Castle Rock 0% CommUNITY Loan Program
- Castle Rock Grant Program
- Recruitment of 3-5 Major Primary Employers
- Significant work in Primary Employer Retention
- Dawson Trails Commercial Project
- Collaboration on attraction of major retailer
- Library Redevelopment Project
- ACME Brick Redevelopment Project

Ongoing Project Support:

- Collaboration Campus Building II
- Miller's Landing
- Downtown Castle Rock – Encore & The View at Castle Rock
- Promenade at Castle Rock
- Outlets at Castle Rock (In-Out)
- Southwest Quadrant (CVR-infrastructure)
- Castle Rock Adventist Health Campus (Cancer Research)

2022 FOCUS AND OBJECTIVES

- Strategic Planning/Community Vision
 - The EDC plans to spend significant time with Town Council in 2022 evaluating the economic health of the Castle Rock market and the lingering impacts of COVID-19 by establishing strategic economic development goals and policy objectives for the maintenance and improvement of the Castle Rock economy.
- Primary Employment and Commercial Developer Recruitment
 - Supporting the creation of new office/industrial pad sites and buildings in Castle Rock with **strong focus on office building development and primary employment**
 - Partner with brokers and developers to bring impactful primary employers to Castle Rock
- Infrastructure Network
 - Educational/Workforce
 - Sturm Collaboration Campus (continue to support new expansion)
 - Financial
 - Innosphere (continue to support)
 - Physical
 - Transportation and Infrastructure Funding Solutions
 - CVR Interchange Coalition
- Existing Business Expansion and Entrepreneurship



- Support Local Primary Employers
- Marketing
 - Broker/Developer Outreach & Events
 - Maintain property database (Catalyst)
 - Site Connect: Cloud based Real Estate Presentation Deck
- Participate and Represent Castle Rock in Regional Economic Activities
 - Metro Denver EDC
 - Regional Site Selector Program
 - Economic Development Council of Colorado (EDCC)
 - Innosphere partnership with South Metro Economic Development Partnership
- Board Participation
 - Douglas County Business Association
 - Douglas County Partnership of Governments - Economic Development
 - Colorado Lending Source
 - Arapahoe Community College
 - Colorado Companies to Watch
 - Innosphere Board of Directors

2022 Funding Request

Castle Rock EDC continually strives to reduce costs and leverage the investment of the Town using increased private sector dollars and cost sharing with the Downtown Alliance. Castle Rock EDC respectfully submits its request to Town Council for 2022 investment of \$226,892.88. We hope this request shows our thoughtful consideration and commitment to a strong public/private partnership. We look forward to continuing the task of creating jobs in Castle Rock for Castle Rock citizens, driving private sector investment in our community, increasing the tax base, improving retail services, and helping our existing businesses weather the lingering effects of COVID-19 Pandemic. Thank you for your steadfast support and investment in the economic development of Castle Rock.

Respectfully,

Frank Gray
Castle Rock EDC
President/CEO

**2022 SERVICE ORGANIZATION
FUNDING APPLICATION**

ORGANIZATION REQUESTING FUNDING:

Castle Rock Economic Development Council

I. 2022 FUNDING REQUEST (Please use this form for this information and not another format.)

Breakdown of funds (For what specifically would monies from the Town be used?)

| | |
|---|----------------------|
| <u>National/Regional/Marketing (Events/Conferences)</u> | <u>\$21,110</u> |
| <u>Personnel</u> | <u>\$181,787</u> |
| <u>Technology (Website/SEO/Computers)</u> | <u>\$5,100</u> |
| <u>Rent/Office</u> | <u>\$18,895</u> |
| TOTAL FUNDING REQUEST | <u>\$226,892</u> |

II. 2022 PROJECTED ORGANIZATION BUDGET

| | |
|--|------------------|
| <u>2022 projected organizational budget</u> (Including funding from the Town) | <u>\$864,592</u> |
|--|------------------|

Projected sources of revenue

| | |
|-----------------------------------|----------------------|
| Private Sector Partners | <u>\$288,000</u> |
| Town of Castle Rock | <u>\$226,892</u> |
| Douglas County | <u>\$25,000</u> |
| DDA Reimbursement | <u>\$205,000</u> |
| DMA Reimbursement | <u>\$83,000</u> |
| In-Kind | <u>\$8,400</u> |
| <u>Private Sponsorships/Other</u> | <u>\$28,300</u> |
| TOTAL PROJECTED REVENUE | <u>\$864,592</u> |

Projected expenditures
(By major budget category)

| | |
|-------------------------------------|----------------------|
| <u>Rent/Utilities</u> | <u>\$50,531</u> |
| <u>Salary/Benefits</u> | <u>\$666,661</u> |
| <u>Recruitment Activities</u> | <u>\$74,650</u> |
| <u>Operational/Office/Insurance</u> | <u>\$55,750</u> |
| <u>Technology</u> | <u>\$17,000</u> |
| TOTAL PROJECTED EXPENDITURES | <u>\$864,592</u> |

III. 2022 PROPOSED PERFORMANCE OBJECTIVES

Castle Rock EDC Business Attraction and Retention Measurables:

- Perform Business Retention Expansion visits to Castle Rock retail and primary businesses.
- Promote Castle Rock locally, regionally, and nationally.
- Host 3 major Broker/Developer marketing events.
- Host Quarterly Development Roundtable meetings and working group meetings
- Maintain Castle Rock Economic Development website and SiteConnect App.
- Report on, review and implement the Town’s Business and Development Incentive Program.
- Assist businesses through both the State and local application processes.
- Identify, analyze, and address macro and micro economic development challenges specific to the Castle Rock market.
- Partner with the Town Development Services department to act as a liaison between the Town and the development community.
- Update the Castle Rock EDC target markets in alignment with Town Council priorities.
- Actively support the Castle Rock Economic Partnership (CREP).

Castle Rock EDC will provide Semi-Annual Economic Indicator Updates that will include:

- Castle Rock Unemployment Rate
- Commercial/Industrial/Retail Vacancy Rate
- Primary and Retail prospect activity report by category
- Significant Capital Investment Projects
- Employment Data
- Report on the Town’s Economic Development Fund
- Other Relevant Economic Data

IV. SUPPLEMENTAL INFORMATION

Castle Rock EDC Funding Breakdown:



Breakout of 2022 projected EDC budget*(Excluding Downtown Alliance Reimbursements)

| | |
|------------------------------|------------------|
| Rent/Utilities | \$30,318 |
| Operational/Office/Insurance | \$46,667 |
| Salary/Benefits | \$413,523 |
| Recruitment Activities | \$74,650 |
| <u>Technology</u> | <u>\$8,500</u> |
| Total | \$573,658 |

Castle Rock EDC Board of Directors

| First Name | Last Name | Company or Developer Name |
|------------|------------|---|
| Donald | Provost | Alberta Development Partners LLC |
| Charlie | Kercheval | Alpine Bank |
| Shahen | Gharibian | ANB Bank |
| Dr. Diana | Doyle | Arapahoe Community College |
| Josh | Katzer | Armstrong Capital Development |
| Sebastian | Schwender | Black Hills Energy |
| Tom | Kooiman | Brinkmann Constructors |
| Charlie | Smith | Brownstein Hyatt Farber Schreck |
| Doug | Woody | Bryan Construction |
| Steven | Kitchen | Canvas |
| Walker | Stapleton | Castle Meadows Company |
| Brandon | Nudd | Castle Rock Adventist Health Campus |
| Jose | Medina | Castle Rock Auto Plex |
| Jay | Simpson | Castle Rock Auto Storage (JTMS Investments LLC) |
| Pam | Ridler | Castle Rock Chamber of Commerce |
| Stephanie | McCandless | Castle Rock Development Co. |
| Banks | Floodman | Castle Rock Development LLC (Sunflower) |
| Mike | Wise | Clockwork Networks |
| Laurel | Walk | Colorado Lending Source |
| Gary | Amella | Comcast |
| Tony | DeSimone | Confluence Companies |
| Blake | Calvert | CORE Consultants, Inc. |
| Gregg | Brown | Crystal Valley Ranch |
| Jill | Garber | CSU - Office of Engagement |
| Jeff | Cox | Digital Globe Services |
| George | Teal | Douglas County |
| Bob | Pasicznyuk | Douglas County Libraries |
| Corey | Wise | Douglas County School District |
| Greg | Boman | DTI-investments |
| Gary | Cahill | DUNAKILLY |
| Allison | McPike | Ent Credit Union |
| Chris | Weems | ESI |
| Sam | Tenney | Fidelis Wealth Management |
| Jarrold | Lassen | FirstBank of Douglas County |
| Matt | Hanson | First Fidelity Bank |
| Tom | Wiens | FirsTier Bank |
| Aaron | Barrick | Folkestad Fazekas Barrick & Patoile, P.C |
| Greg | Cooper | Fransen Pittman |
| Laura | Rinker | GE Johnson Construction Company |
| Kurt | Klanderud | GH Phipps |
| Gregg | Miller | Greenwood Development Group |
| Adam | Wilkes | Haynie \$ Co |
| Dan | Hudick | HEI Civil |
| Nick | Hier | Hier and Company |

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|----------|------------|---------------------------------------|
| Clint | Schmitz | i2 Construction, LLP |
| DJ | Tedesco | Independent Financial |
| Daniel | Henderson | Infinity Laboratories |
| Jed | Kenzy | Innovative Business Solutions |
| Becky | Wilson | IREA |
| Steve | Burns | Iron Woman |
| Travis | White | JHL Constructors, Inc. |
| Kurt | Liss | Jones Lang LaSalle JLL |
| Kurtis | Williams | JR Engineering |
| Tim | Maloney | Kraemer North America |
| Diane | Evans | Land Title Guarantee Co. |
| Bart | Connolly | Limelight MOB, LLC |
| Dave | Maxwell | Maxwell Builders, INC |
| Shawn | Temple | Miller's Landing |
| Matt | Call | NavPoint Real Estate Group |
| Eric | Tuers | NBH Bank(Community Banks of Colorado) |
| Mitch | Black | Norris Design |
| Glen | Tuscan | Oasis Solutions LLC |
| Margie | Munoz | Outlets at Castle Rock |
| Nancy | Shea | PB&T Bank |
| John | Prestwich | PCS Group Inc. |
| Darin | Eisele | Pugs Holdings LLC |
| John | Palizzi | Quantum Renewable Energie Inc. |
| Jeff | Samuelson | Realty One Group Premier |
| George | Wehner | R.E. Monks Construction Company |
| Tony | Sbarra | Sbarra Construction West |
| Darrin | Eisele | SRP Companies |
| Mike | Earley | Sunset Stone |
| Glenn | McWilliams | The GarageCondos, LLC |
| Aaron | Fort | The Fort CPA Group |
| David | Corliss | Town of Castle Rock |
| Scott | Bustos | Turner Construction Corp. |
| Lawrence | Jacobson | Westside Property Investment Group |
| Wendy | Ciancio | WhippleWood CPAs |
| Chris | Haugen | White Construction Group |
| Jim | Mill | WSB and Associates, Inc. |
| Clark | Hammelman | Community Partner |
| Jim | Folkestad | Community Partner |
| | | |
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