

**SERVICE CONTRACT BETWEEN THE TOWN OF CASTLE ROCK  
AND THE DOWNTOWN MERCHANTS ASSOCIATION**

**DATE:** \_\_\_\_\_, 2015.

**PARTIES:** **TOWN OF CASTLE ROCK**, a Colorado municipal corporation, 100 N. Wilcox Street, Castle Rock, Colorado 80104 (“Town”).

**DOWNTOWN MERCHANTS ASSOCIATION**, 18 S. Wilcox, #202, Castle Rock, CO 80104 (“DMA”).

**RECITALS:**

A. The Town and the DMA agree to the terms and conditions by which Town will provide funding for designated functions of the DMA; and

B. The DMA will utilize the funding provided by Town to operate and provide the services described below:

- 1) Four Starlight Summer Movies
- 2) Classic Rock Cruise-In Car Show and Music Fest
- 3) Oktoberfest
- 4) Two Date Night Movies
- 5) Concert Series
- 6) Broncos Event
- 7) Trick or Treat Street
- 8) Splash in the Park
- 9) Community Partners Program

**TERMS:**

**Section 1. Scope of Services.** The DMA shall provide the services as defined in Recitals of this Service Contract. The Town’s contractual obligation under this Service Contract shall not exceed \$55,600. Town shall pay the DMA as follows:

A. The DMA shall bill the Town upon the completion of the events outlined in Recital B. Town shall pay such invoices within 10 days of receipt.

B. In the event that the DMA fails to perform or implement any of the aforementioned events or services, the Town may withhold or reduce the payment for such event or service from the final payment as determined by the Town Manager.

C. The Town Manager shall be notified in advance movies proposed to be shown as Starlight Summer Movies. In the event the DMA selects a movie that is not rated G or PG, the Town Manager reserves the right to decline to financially participate in the support of any movie the Town may find inappropriate for Town funding as determined by the Town Manager.

**Section 2. Term.** The term of this Service Contract shall be from January 1, 2016 to December 31, 2016.

**Section 3. Assignment.** This Service Contract shall not be assigned by the DMA without the written consent of the Town.

**Section 4. Notice.** Any notice required or permitted by this Service Contract shall be in writing and shall be deemed to have been sufficiently given for all purposes if sent by certified mail or registered mail, postage and fees prepaid, addressed to the party to whom such notice is to be given at the address set forth on the first page of this Service Contract, or at such other address as has been previously furnished in writing to the other party or parties. Such notice shall be deemed given when deposited in the United States mail.

**Section 5. Reporting.** The DMA shall submit in writing to the Town Manager, a report on its activities no later than July 31, and shall also submit a written annual report for 2016 no later than January 31, 2017. Such reports shall include, but not be limited to, financial reporting and information on Merchant Association achievements of 2016 performance objectives as outlined in their proposal attached as *Exhibit 1*.

**Section 6. Prohibition Against Employing Illegal Aliens.** DMA shall not knowingly employ or contract with an illegal alien to perform work under this contract. DMA shall not enter into a contract with a subcontractor that fails to certify to the DMA that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this contract.

DMA has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for services through participation in either the E-verify program or the Department program, as defined in C.R.S. §§ 8-17.5-101(3.3) and 8-17.5-101(3.7), respectively. DMA is prohibited from using the E-verify program or Department program procedures to undertake pre-employment screening of job applicants while this contract is being performed.

If DMA obtains actual knowledge that a subcontractor performing work under this Contract for services knowingly employs or contracts with an illegal alien, DMA shall:

A. Notify the subcontractor and the Town within three days that the DMA has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and

B. Terminate the subcontract with the subcontractor if within three days of receiving notice required pursuant to this paragraph the subcontractor does not stop employee or contracting with the illegal alien; except that the DMA shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

DMA shall comply with any reasonable request by the Department of Labor and Employment made in the course of an investigation that the Department is undertaking pursuant to the authority established in C.R.S. §8-17.5-102(5).

If DMA violates a provision of this contract required pursuant to C.R.S. §8-17.5-102, Town may terminate the contract for breach of contract. If the contract is so terminated, the DMA shall be liable for actual and consequential damages to the Town.

**Section 7. Insurance.** DMA agrees to procure and maintain, at its own cost, the following policy or policies of insurance. DMA shall not be relieved of any liability, claims, demands or other obligations assumed pursuant to the Contract Documents by reason of its failure to procure or maintain insurance, or by reason of its failure to procure or maintain insurance in sufficient amounts, durations, or types.

A. DMA shall procure and maintain, and shall cause each subcontractor of the DMA in DMA's own policy the minimum insurance coverage listed below. Such coverage shall be procured and maintained with forms and insurers acceptable to the Town. All coverage shall be continuously maintained from the date of commencement of services hereunder. In the case of any claims-made policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain such continuous coverage.

1. Workers Compensation insurance to cover obligations imposed by the Workers Compensation Act of Colorado and any other applicable laws for any employee engaged in the performance of Work under this contract, and Employer's Liability insurance with minimum limits of FIVE HUNDRED THOUSAND DOLLARS (\$500,000) each accident, FIVE HUNDRED THOUSAND DOLLARS (\$500,000) disease-policy limit, and FIVE HUNDRED THOUSAND DOLLARS (\$500,000) disease-each employee.

2. Comprehensive General Liability insurance with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000) each occurrence and ONE MILLION DOLLARS (\$1,000,000) aggregate. The policy shall be applicable to all premises and operations. The policy shall include coverage for bodily injury, broad form property damage (including for contractual and employee acts), blanket contractual, independent contractors, products, and completed operations. The policy shall contain a severability of interests provision.

3. Comprehensive Automobile Liability Insurance with minimum combined single limits for bodily injury and property damage of not less than ONE MILLION DOLLARS (\$1,000,000) each occurrence and ONE MILLION DOLLARS (\$1,000,000) aggregate with respect to each of Contractor's owned, hired and/or non-owned vehicles assigned to or used in performance of the services. The policy shall contain a severability of interests provision.

B. The policies required above, except Workers' Compensation insurance and Employers' Liability insurance shall be endorsed to include the Town, its officers and employees, as an additional insured. Every policy required above shall be primary insurance, and any insurance carried by the Town, its officers, or its employees, shall be excess and not contributory insurance to that provided by DMA. The additional insured endorsement for the Comprehensive General Liability insurance required above shall not contain any exclusion for bodily injury or property damage arising from completed operations. The DMA shall be solely responsible for any deductible losses under each of the policies required above.

C. Certificates of insurance shall be completed by DMA's insurance agent as evidence that policies providing the required coverage, conditions and minimum limits are in full force and effect, and shall be subject to review and approval by the Town. Each certificate shall identify the Project and shall provide that coverage afforded under the policies shall not be cancelled, terminated or materially changed until at least 30 days prior written notice has been given to the Town. If the words "endeavor to" appear in the portion of the certificate addressing cancellation, those words shall be stricken from the certificate by the agent(s) completing the certificate. The Town reserves the right to request and receive a certified copy of any policy and any endorsement thereto.

D. Failure on the part of DMA to procure or maintain policies providing the required coverage, conditions, and minimum limits shall constitute a material breach of contract upon which the discretion may procure or renew any such policy or any extended connection therewith, and all monies so paid by the Town shall be repaid by DMA to the Town upon demand, or the Town may offset the cost of the premiums against any monies due to DMA from the Town.

E. The parties understand and agree that the Town is relying on, and does not waive or intend to waive by any provision of this contract, the monetary limitations (presently \$350,000 per person, \$990,000 per occurrence) or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., as from time to time amended, or otherwise available to Town, its officers, or its employees.

**Section 8. Additional Documents.** The parties agree to execute any additional documents or take any additional action that is necessary to carry out this Service Contract.

**Section 9. Entire Service Contract.** This Service Contract represents the entire Service Contract between the parties and there are no oral or collateral agreements or understandings. This Service Contract may be amended only by an instrument in writing signed by the parties. If any other provision of this Service Contract is held invalid or unenforceable, no other provision shall be affected by such holding, and all of the remaining provisions of this Service Contract shall continue in full force and effect.

**Section 10. Waiver.** A waiver by any party to this Service Contract of the breach of any term or provision of this Service Contract shall not operate or be construed as a waiver of any subsequent breach by either party.

**Section 11. Governing Law.** This Service Contract shall be governed by the laws of the State of Colorado.

**Section 12. Indemnification.** DMA expressly agrees to indemnify and hold harmless Town or any of its officers or employees from any and all claims, damages, liability, or court awards including attorney's fees that are or may be awarded as a result of any loss, injury or damage sustained or claimed to have been sustained by anyone, including, but not limited to, any person, firm, partnership, or corporation, to the extent caused by the negligent acts, errors or omissions of the DMA or any of their employees or agents in performing work pursuant to this Service Contract. In the event that any such suit or action is brought against Town, Town will give notice within ten (10) days thereof to DMA.

**Section 13. Worker's Compensation.** The Merchants Association shall at its own expense keep in full force and effect during the term of this Service Contract Statutory Worker's Compensation Insurance.

**Section 14. Independent Contractor.** The DMA and Town hereby represent that the DMA is an independent contractor for all purposes hereunder. As such, the DMA is not covered by any worker's compensation insurance or any other insurance maintained by Town except as would apply to members of the general public. The DMA shall not create any indebtedness on behalf of the Town.

**Section 15. No Third Party Beneficiaries.** It is expressly understood and agreed that enforcement of the terms and conditions of this Service Contract, and all rights of action relating to such enforcement, shall be strictly reserved to Town and DMA, and nothing contained in this Service Contract shall give or allow any such claim or right of action by any other third party on such Service Contract. It is the express intention of the parties that any person other than Town or DMA receiving services or benefits under this Service Contract shall be deemed to be an incidental beneficiary only.

**Section 16. Default and Remedies.** In the event either party should default in performance of its obligations under this Service Contract, and such default shall remain uncured for more than 10 days after notice of default is given to the defaulting party, the non-defaulting party shall be entitled to pursue any and all legal remedies and recover its reasonable attorney's fees and costs in such legal action.

**ATTEST:**

**TOWN OF CASTLE ROCK**

\_\_\_\_\_  
Sally A. Misare, Town Clerk

\_\_\_\_\_  
Paul Donahue, Mayor

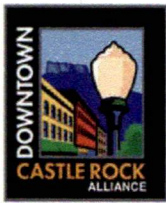
**Approved as to form:**

\_\_\_\_\_  
Robert J. Slentz, Town Attorney

**DOWNTOWN MERCHANTS ASSOCIATION:**

By: \_\_\_\_\_

Its: \_\_\_\_\_



## Castle Rock Downtown Alliance

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

---

### **Downtown Merchants Association**

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

September 18, 2015

Honorable Mayor Donahue and Castle Rock Town Council  
Town of Castle Rock  
100 N. Wilcox St.  
Castle Rock, CO 80104

Dear Mayor Donahue and Town Council,

The Castle Rock Downtown Alliance, a partnership between the Downtown Merchants Association and Downtown Development Authority, thank you for this opportunity to present our annual request for a service contract. The Alliance is made up of two entities with different organizational structures and missions, and as such, the two entities will be submitting their proposals independently. The efforts of these two entities are complimentary of each other and do not duplicate revitalization or redevelopment efforts in Downtown. Staffing for the combined Alliance is provided by the Castle Rock Economic Development Council as established in 2012, and ensures an integrated and focused effort towards Downtown Castle Rock and reduces personnel costs and brings a diverse skill set to the mission.

This service contract funding application proposes that the **Downtown Merchants Association** continues to provide its Event Series in Downtown consistent with the 2015 event offerings, utilizing requested funding from the Town of **\$55,600**. The events that the Downtown Merchants Association produces will be in line with prior year's offerings, and will bring visitors to Downtown Castle Rock to support the local economy, increase economic activity and vibrancy, and showcase the community's small town charm.

Downtown Castle Rock and the events produced by the Downtown Merchants Association are key pieces of goals set forth in the Town of Castle Rock's Vision 2020 Plan, specifically:

- Providing outstanding cultural and entertainment opportunities;
- Sustaining a high quality of life as a safe, family-friendly community;
- Maintaining a vibrant downtown; and
- Maintaining a strong sense of community and small-town character.

Per the direction from the Town, the remainder of this letter will follow the items as outlined in the funding application:

### **Leverage**

The Downtown Merchants Association leverages the funds from the Town to generate economic activity which supports Downtown businesses and generates sales tax. These dollars are also leveraged in ways that allow the Downtown Merchants Association to put on events that cost much more to produce than

amount of funds received from the Town. These funds are used to make investments that attract sponsors and vendors, and generate sales revenue for the Downtown Merchants Association that increase the effective operating budget of the organization. The value that is received by the Town, the community, and the businesses in Downtown far exceeds the actual dollar amount that the Town contributes to the Downtown Merchants Association to fulfill its mission in Downtown Castle Rock.

**Contact**

Kevin Tilson is the Director of the Alliance including both the Downtown Development Authority and Downtown Merchants Association. Following is his contact information:

Kevin Tilson  
Castle Rock Downtown Alliance Director  
303-688-7488  
kevin@castlerockcdc.com

**Additional Funds**

The service contract for the Downtown Merchants Association will not increase in amount over the 2015 request.

At the direction of Town Council, the DMA can produce the Slide the City event in 2016. The DMA would request \$6,000 to cover the administrative costs and event expenses. This event required more staff resources and coordination for the logistics of the event than any other event in 2015.

**Additional Information**

The Downtown is an important community asset for many reasons. The businesses located Downtown generate tax revenue for the Town. They distinguish Castle Rock as a free-standing community with a historic tradition. Downtown also provides a venue for events that contribute considerably to the attraction of living in Castle Rock for all residents. These Downtown events help unify Castle Rock and increase residents' sense of community.

For eleven years, the Downtown Merchants Association has produced and promoted a tremendously popular outdoor event series. The series offered in 2015 included four Starlight Summer Movies, Classic Rock Cruise In Concert and Street Party, Classic Rock Cruise In Car Show, 4 Splash in the Park events, Broncos Salute to Fans Tour, 2 Date Night Movies, the Concert Under the Lights, Oktoberfest, and Trick or Treat Street. The DMA also produced the Slide the City event which was not a part of the DMA Service Contract. The Downtown Merchants Association strives to develop events that attract a diverse range of residents and visitors.

The cost to produce events continues to rise and the Downtown Merchants Association continues to maintain a strict budget. As the number of events increase within the community, the Downtown Merchants Association has noticed that there is sponsor and volunteer fatigue, which has meant that free labor and securing a sponsor for each event is more and more challenging. The DMA model for producing events continues to evolve with these factors. The Downtown Merchants Association has historically relied on volunteer support for assistance during the event but the months and weeks



leading up to the event are administratively intensive. As volunteer support wanes, the need for administrative or paid support at the events has increased.

In addition to the Town's important funding, the Downtown Merchants Association relies on private-sector cash and in-kind sponsorships, as well as the income generated from sales at some of the events. The success of these events relies strongly on the Town's financial participation to produce quality, family-friendly events for the community. The Downtown Merchants Association also strongly depends on the in-kind support the Town provides, such as public safety personnel and street closures. The events for 2016 are anticipated to bring more than 25,000 people into Downtown Castle Rock.

The Downtown Merchants Association is tremendously appreciative of the Town's funding and organizational support. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Kevin Tilson". The signature is fluid and cursive, with the first name "Kevin" and last name "Tilson" clearly distinguishable.

Kevin Tilson  
Director  
Castle Rock Downtown Alliance

**2016 SERVICE ORGANIZATION  
FUNDING APPLICATION**

**ORGANIZATION REQUESTING FUNDING:**

Castle Rock Downtown Merchants Association

**I. 2016 FUNDING REQUEST** (Please use this form for this information and not another format.)

**Breakdown of funds** (What would monies from the Town specifically be used for?)

Movie 1	\$4,000
Movie 2	\$4,000
Movie 3	\$4,000
Movie 4	\$4,000
Car Show	\$5,500
Oktoberfest	\$6,000
Date Night Movie 1	\$2,500
Date Night Movie 2	\$2,500
Concert 1	\$1,500
Concert 2	\$1,500
Concert 3	\$1,500
Broncos Event	\$1,200
Trick or Treat Street	\$1,000
Splash in the Park	\$1,200
Community Partners	\$1,900
Staff	\$13,000
TOTAL FUNDING REQUEST	\$55,600

**II. 2016 PROJECTED ORGANIZATION BUDGET**

(Please use this form for this information and not another format.)

2016 projected organizational budget

(Including funding from the Town) \$150,600

Projected sources of revenue

Event Series Sponsorships	\$35,000
Vendor Booth Fees	\$10,000
In Kind Series Sponsorships	\$25,000
Beverage Sales - All Events	\$25,000
Town Sponsorship	\$55,600
TOTAL PROJECTED REVENUE	\$150,600

Projected expenditures

(By major budget category)

Movie Series (4 Movies)	\$16,000
Car Show	\$10,000

Oktoberfest	\$15,000
Date Night Movies (2 Movies)	\$9,600
Concert Series (1-3 Concerts)	\$8,000
Broncos Event	\$3,000
Trick or Treat Street	\$2,400
Splash in the Park	\$4,600
Community Partners	\$2,400
In-Kind Sponsor Benefits	\$25,000
DMA-EDC Contract (Operations/Office/Organizational Support)	\$46,600
Insurance - Event, D&O	\$5,500
Bookkeeping, Legal, Supplies & Postage	\$2,500
TOTAL PROJECTED EXPENDITURES	\$150,600

### III. 2016 PROPOSED PERFORMANCE OBJECTIVES

*Please propose up to eight measurable performance objectives that your organization will strive to accomplish in direct relationship to any funding and contract awarded by the Town.*

*In accordance with the contracts, organizations will be required to track and report on attainment of the objectives at the middle and end of the contract term. (Not quarterly, as previously required.)*

1. In 2015, the Downtown Merchants Association produced the Summer Event Series free to the public which included the Denver Broncos Autograph Tour, 4 Starlight Movies, Classic Rock Cruise In Concert and Street Party and Car Show, 2 Date Night Movies, Concert Under the Lights, Oktoberfest, 4 Splash in the Park events and Slide the City (this event was in addition to the DMA service contract). In addition, the DMA partners with the Town on events such as Trick or Treat Street and this year, per request from several Council members, for several winter events being called "The Season of the Star Events" which are being planned for the 2015 winter season and are also not a part of the DMA Service Contract.

For 2016, the Downtown Merchants has taken a strategic approach to the planning and executing of events, evaluating the results of prior events and weighing them against events that are in popular demand with the community. The projected attendance for 2016 is approximately 25,000 visitors with the following events being produced by the DMA, not including Slide the City:

- 4 Family Starlight Movies
- Classic Rock Cruise In Concert and Street Party (Friday) and Car Show (Saturday)
- Oktoberfest
- 2 Date Night Movies
- Concert Under the Lights (up to 3 concerts)
- Broncos Event – this may either be the Salute to Fans Tour or showing a Denver Broncos Game Night
- Trick or Treat Street
- 4 Splash in the Park Events

- Added Downtown marketing as part of the Community Partners portion of the DMA contract – including the Direct Mail piece that goes out 2 times per year in conjunction with the County, Town and Chamber.
  - \*\* At the direction of Town Council, the DMA can produce the Slide the City event in 2016. The DMA would request \$6,000 to cover the administrative costs and event expenses. This event required more staff resources and coordination for the logistics of the event than any other event in 2015.
2. The Downtown Merchants Association serves as a voice for the Downtown business community, and its communication network helps facilitate and support the work of the Town and Downtown Development Authority. In 2016, it plans to continue to organize Downtown Stakeholders Public Meetings and extends an open invitation to the Town, EDC, Chamber and business community to participate in these meetings.
  3. The Downtown Merchants Association’s mission is to strengthen the Downtown business community. A stronger Downtown business community translates to increased sales tax and local jobs. Currently, membership is free. All businesses in Downtown are encouraged and welcome to join. For 2016, the goal is to continue to add new members.
  4. The Downtown Merchants Association events support the Town’s goal of creating a vibrant Downtown, a strong sense of community and small town atmosphere which is strongly supported by the Vision 2020 Plan. The DMA helps to foster a sense of community for residents of all ages with community events and entertainment which contributes significantly to the attraction of living in the Town of Castle Rock. These events help unify Castle Rock and increase residents’ sense of community. The DMA events continue to foster the “small town feeling” that residents say brought them to town.
  5. The Downtown Merchants Association events provide a strong marketing platform for the Town and all the Downtown businesses. In 2016, the DMA plans to continue to encourage Downtown businesses to participate in the events and the themes of events with offers, coupons, specials, etc., that will help them capitalize on a crowd that is attending a Downtown event in front of their store.

#### **IV. SUPPLEMENTAL INFORMATION**

- a) *Provide a cover letter no longer than three pages that includes:*
  - a. ***A summary of how the requested funding would be leveraged with other dollars and volunteer resources to maximize the return on the Town’s requested investment (What does your organization expect to generate using monies the Town might give?)***
  - b. *The name of and contact information for the person within the organization responsible for administration of the requested contract*
  - c. *If applicable, the amount of additional funds requested this year, and an explanation for the request*
  - d. *Any further discussion about the application as deemed necessary by the requesting organization*
- b) *Provide a list of the board of directors of the organization*

#### **Downtown Merchants Association Board Members**

Jason Gray, President

John Manka, Vice President

Nicole Sanders, Treasurer  
Kathy Church  
Joel Gittleman  
Michaela Bacon  
Steve Spencer  
Mark Heath, Town Council Liaison  
Renee Valentine, Town Council Liaison

**Staff and Additional Support**

Kevin Tilson, Director, Castle Rock Downtown Alliance  
Angie Vencill, Assistant Director, Castle Rock Downtown Alliance  
Terri Goudy, Event Coordinator, Castle Rock Downtown Alliance  
Frank Gray, President and CEO, Castle Rock EDC  
Marcus Notheisen, Vice President, Castle Rock EDC  
Karah Reygers, Project Manager, Castle Rock EDC and Downtown Alliance  
Birgit Braehler, Office Manager, Castle Rock EDC and Downtown Alliance