



Castle Rock Downtown Alliance

A partnership between the Downtown Development Authority and Downtown Merchants Association

Downtown Development Authority

18 S. Wilcox Street #202
Castle Rock, CO 80104

May 30, 2025

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

Dear Mayor Gray and Town Council,

The Castle Rock Downtown Alliance, a partnership between the Downtown Merchants Association (DMA) and the Downtown Development Authority (DDA), appreciates this opportunity to present our request for a 2026 service contract. The Alliance is made up of two entities with different organizational structures and missions, and as such, the two entities submit their proposals independently. The efforts of these two entities are complimentary, working together to create an active and vibrant Downtown. Staffing for the Downtown Alliance is provided via partnership with the Castle Rock Economic Development Council as established in 2012. This partnership ensures an integrated and focused effort towards Downtown Castle Rock, reduces personnel and overhead costs, and brings a diverse skill set to the mission.

This service contract funding application requests a continued partnership between the Town of Castle Rock and the **Downtown Development Authority**, by requesting the continued support from the Town in the form of an annual match of the DDA's mill levy revenue (described in more detail below). The preliminary mill levy information was not available at the time of this letter, however the DDA mill levy is estimated at a range of **\$220,000-235,000**. These funds are used to support the DDA's operational and program budget.

Per the direction from the Town, the remainder of this letter will follow the items as outlined in the 2026 Funding Application:

Leverage

The funds that the Town provides to the DDA are leveraged in many ways. The financial support provided by the Town through this service contract is matched by the businesses in the DDA District dollar for dollar from the 3 mill levy tax.

In 2006, the Town of Castle Rock created a Downtown Advisory Commission at the direction of Town Council to evaluate how to create a vibrant downtown. This Commission included council members, residents, Town Staff and business owners. In 2007, this Commission came back with a recommendation to create a Downtown Development Authority. In order to create a DDA, the Town offered to match a 3 mill levy each year if business owners would agree to tax themselves 3 mills. This partnership is an

incredible example of an agreement between the private sector and government where both share the common goal of having a successful downtown.

In addition, when DDA dollars are put into the community through façade/enhancement grant programs, patios, redevelopment projects and other Downtown investments, these dollars are being invested alongside private sector investments in Downtown. This leverages DDA dollars to accomplish more than just the value of DDA investment.

The DDA aims to act much like the private sector by making investments in projects that have a return on investment to the Town, DDA and to Downtown as a whole, and DDA projects are always structured with a goal to accomplish as much as possible using the limited taxpayer dollars from the district and from the Town.

Contact

Kevin Tilson is the Director of the Alliance including both the DDA and DMA. Following is his contact information:

Kevin Tilson

Castle Rock Downtown Alliance Director

303-688-7488

kevin@downtowncastlerock.com

Additional Funds

The DDA is requesting the same funding as previously requested. This request continues the historic agreement for a match of the DDA's 3 mill levy. This amount is estimated to be in the range of \$220,000-235,000 for 2026; however, preliminary numbers from the County were not available at the time this letter was written (May 2025). The DDA proposes to continue to work with Town Staff to insert the actual number that is certified for the 3 mill levy into the DDA service contract, in order to provide a dollar-for-dollar match. The preliminary certification from the County is received in August with the final certification in December.

Additional Information

The DDA is a governmental entity created with and by the Town and taxpayers in the Downtown district. The goal is to encourage private sector investment/reinvestment to promote and establish a vibrant Downtown. At the inception of the DDA, a Plan of Development was created by the community and Town Council which provides direction, guidance, and vision to the DDA. The following is outlined in the Guiding Principles of the Plan of Development:

- Create a welcoming, pedestrian friendly Downtown.
- Protect and enhance the historic character of Downtown.
- Identify catalytic investment opportunities and develop a regulatory environment to support them.
- Strategically and specifically plan for public investment in infrastructure needs in order to leverage private development.
- Create a "Downtown First" policy for local and county governmental expansion, multi-modal transportation hub location, commuter rail location and Community Cultural Facilities.
- Provide direct and easy access to trails and open space.
- Ensure that public spaces in the Downtown area are family friendly, inviting, safe and well-programmed.

In pursuit of these principles, the DDA and Town have been fortunate to be able to pay for public infrastructure improvements, including the \$7 million investment in Festival Park, the Lights over Wilcox, the roundabout at South Street and Wilcox Street, the maintenance on the 300+ public parking space garage at the Encore building, the purchase of 100 public parking spaces at The View building, \$50,000 to police, fire and Town services for Downtown events each year, a train horn quiet zone at three railroad crossings in Downtown, a lease to expand public parking on the north end of Downtown at the DCSD parking lot, and pursue an agreement in 2025 to assist in the preservation of the oldest building in Downtown Castle Rock, the City Hotel.

The public investments listed above were made possible in part using new revenue generated through the form of property and sales tax from the projects listed below. This list includes projects that the DDA and Town have redevelopment agreements with, as well as ancillary projects that chose to be a part of Castle Rock's strong local economy:

- The Move Tech Oriented Office Building at 6th and Jerry Street.
- Wild Blue Yonder Brewery at 6th and Wilcox Street.
- The ACME Water Tower Buildings at 6th and Perry Street.
- The Mercantile Commons Mixed Use Building at 3rd and Jerry Street.
- The Mirage Dental Building at Plum Creek Pkwy and Wilcox Street.
- The Ecclesia Food Market at 3rd and Perry Street.
- The Riverwalk Mixed Use Building at 2nd and Wilcox Street.
- Festival Park at 2nd Street and Wilcox Street.
- Encore Mixed Use Building at 1st and Wilcox Street.
- The View Mixed Use Building at 8th and Jerry Street.
- Riverwalk Luxe Mixed Use Building at 3rd and Wilcox Street.

We continue to work closely with the private sector to encourage and guide proposed investment in Downtown Castle Rock. As Downtown continues to thrive, it will be important to maintain balance with new investment and preservation of character and history. In 2022, following direction from Town and DDA leadership to support small scale development projects, the Downtown Enhancement Grant program was created. In 2025, the first grant under this new program was completed which supported new investment at the historic stone church on 3rd street, Scileppi's at The Old Stone Church. This investment contributes to the preservation of character and history and will generate new property and sales tax in Downtown. In addition, in 2025 the DDA provided a matching grant for the façade investment at 4th and Wilcox in the former Next Door Bar location. This property and business were in need of improvement, and support from the DDA contributed to a significant private sector investment to transform the property into Bien Y Tu, a new upscale Mexican food restaurant.

The DDA is appreciative of the Town's funding and organizational support and hopes to continue to build positive momentum in Downtown, while working closely with the Town Council. Thank you for your consideration.

Sincerely,



Kevin Tilson
Director
Castle Rock Downtown Alliance

**2026 SERVICE ORGANIZATION
FUNDING APPLICATION**

ORGANIZATION REQUESTING FUNDING:

Castle Rock Downtown Development Authority

I. 2026 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>Programs – Façade/Downtown Improvement Program</u>	<u>\$20,000</u>
<u>Programs - Flowerbox and Patio Program</u>	<u>\$28,000</u>
<u>Professional Services – Accounting, Audit, Legal</u>	<u>\$18,000</u>
<u>Personnel</u>	<u>\$142,000</u>
<u>Marketing and Public Website</u>	<u>\$8,000</u>
<u>Downtown Carriage Ride Program</u>	<u>\$14,000</u>

TOTAL FUNDING REQUEST	<u>\$230,000</u>
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II. 2026 PROJECTED ORGANIZATION BUDGET

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

2026 projected organizational budget

<i>(Including funding from the Town)</i>	<u>\$505,000</u>
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Projected sources of revenue

<u>County Mill Levy</u>	<u>\$230,000</u>
<u>County Specific Ownership Tax</u>	<u>\$24,000</u>
<u>Town Mill Levy Match</u>	<u>\$230,000</u>
<u>Flowerbox and Patio Rental Sales</u>	<u>\$21,000</u>

TOTAL PROJECTED REVENUE	<u>\$505,000</u>
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Projected expenditures

(By major budget category)

<u>Programs – Façade/Downtown Improvement Program</u>	<u>\$20,000</u>
<u>Programs – Downtown Trolley/Carriage Ride Program</u>	<u>\$30,000</u>
<u>Programs – Flowerbox/Patio Program</u>	<u>\$81,000</u>
<u>Professional Services – Accounting, Audit, Legal</u>	<u>\$25,000</u>
<u>Office Administration – DC Treasurer, Rent, Facilities, Technology</u>	<u>\$85,000</u>
<u>Personnel</u>	<u>\$255,000</u>
<u>Marketing, Banners, and Public Website</u>	<u>\$9,000</u>

TOTAL PROJECTED EXPENDITURES	<u>\$505,000</u>
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III. 2026 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.

The Downtown Development Authority works in partnership with the Town of Castle Rock to create and maintain an active and vibrant Downtown. The DDA will continue to seek input from Town Council to guide decision, and will utilize its guiding document, the Plan of Development. For 2026, the goals for the Downtown Development Authority include:

Increase economic activity in Downtown:

- **Façade and Downtown Improvement Program:**
This goal of this program is to support and encourage façade and beautification projects, prioritizing smaller-scale expansion and enhancement investments as directed by Town Council. The program focuses on enhancing the Downtown landscape and built environment by seeking opportunities for improvements.
- **Small-Scale Development:**
Based on direction from the Town Council and DDA Board in 2022, the Downtown Enhancement Grant program was approved. This program, managed by DDA staff and funded by the Downtown Special Fund (generated by district taxes), encourages small-scale development and adaptive reuse projects that preserve Downtown's character and history.
- **Development Projects:**
Following the Plan of Development, the DDA actively engages in placemaking efforts that balance redevelopment with the preservation of historical buildings. The DDA collaborates with the private sector to encourage positive investment in Downtown Castle Rock.
The DDA prioritizes:
 - Investments in the core to build momentum for continued upkeep and new development, while strategically expanding investment outside the core
 - Projects that foster creative redevelopment and repurposing, and bring new restaurant, retail, office, and residential spaces – goals agreed upon by the DDA and Town Council.The DDA will continue to leverage momentum from recent Downtown projects, including Festival Park, The Move, Mercantile Commons, Riverwalk, Encore, The View, 221 Wilcox St., and property owner façade improvements.

Increase charm and pedestrian activity:

- **Trolley Ride Program:**
The DDA initiated a pilot program in 2022 to consistently run the Trolley on select evenings in July and during the holiday season, aiming to enhance the charm of historic Downtown. This effort proved highly successful, generating strong ridership across all ages during both summer and winter months. This program has grown and is now offered every Wednesday in June, July and August and continues to be offered during the holiday season. The DDA plans to continue funding this free attraction in 2026, and will seek opportunities to increase the effectiveness,

efficiency, and enjoyment of rides. This could involve identifying new stops, potentially mid-route, or even extending the route to additional parking lots.

- **Carriage Ride Program:**
The DDA and Downtown Merchants Association (DMA) share the cost of the Carriage Ride Program that operates during the winter months. About half of the cost of the program is financially supported by ticket sales and sponsorships, and the other half is shared by the DDA and DMA. The goal of the program is to provide an attraction that generates visits to Downtown increasing charm and pedestrian activity. This program has had tremendous success and tickets are in high demand from residents and visitors.
- **Patio Program and Flower Boxes:**
Studies demonstrate that increased pedestrian activity and an attractive environment boost economic activity. The patio program provides inviting public gathering spaces that also facilitate commerce and enhance the downtown environment. Similarly, improvements like flower boxes significantly beautify Downtown, making it a more desirable destination.

Increase sales and traffic:

- The goals outlined above are designed to enhance the environment for residents and visitors to enjoy, thereby increasing foot traffic and supporting local small business. Additionally, the tenants that reside in and adjacent to new projects directly increase sales tax. The DDA will actively explore and pursue projects with a catalytic impact on Downtown and continue to report to and seek feedback from the DDA Board and Town Council on these initiatives.

IV. SUPPLEMENTAL INFORMATION

- Provide a cover letter no longer than three pages that includes:*
 - 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?)***
 - The name of and contact information for the person within the organization responsible for administration of the requested contract*
 - If applicable, the amount of additional funds requested this year, and an explanation for the request*
 - Any further discussion about the application as deemed necessary by the requesting organization*
- Provide a list of the board of directors of the organization.*

Downtown Development Authority Board Members

Stu Butler, Chair

Andrew Wasson, Vice Chair and Treasurer

John Manka, Secretary

Kim Heideman

Josie Adler

David Miles

Kevin Bracken, Town Council Liaison

Staff and Additional Support

Kevin Tilson, Director, Castle Rock Downtown Alliance

Karah Reygers, Asst. Dir., Downtown Alliance & VP of Marketing & Operations, Castle Rock EDC

Taylor Sneed, Events and Project Manager

Ashley Simons, Office Manager, Castle Rock Downtown Alliance and Castle Rock EDC

Frank Gray, President and CEO, Castle Rock EDC

Marcus Notheisen, Vice President, Castle Rock EDC

From: Kevin Tilson <kevint@downtowncastlerock.com>

Sent: Tuesday, October 14, 2025 11:30 AM

To: Dave Corliss <DCorliss@crgov.com>

Subject: Service Contracts Follow Up

Dave,

I am following up on your request for narrative re: the DMA/DDA increase request just to make sure you have everything you need. There is explanation of the need for an increase in the cover letter provided with the Service Contract Application, but here are the explanations pulled out for your convenience:

DMA

The DMA is requesting an increase of \$4,150 for 2026. The DMA did not request an increase for 2025 despite the fact that inflation had increased the cost to produce events. Recognizing that the Town was asking for .2% sales tax increase from voters in 2025, the DMA opted to wait until 2026 to request an increase being mindful that the Town was also being impacted by inflation and was uncertain whether the 2025 ballot measure would pass. This increase equates to a roughly 2.1% increase per year.

DDA:

The DDA is requesting the same funding as previously requested. This request continues the historic agreement for a match of the DDA's 3 mill levy. This amount is estimated to be \$220,000-\$235,000.

I have attached the two cover letters. Please let me know of any questions.

Thanks,

Kevin

Kevin Tilson

Director

Castle Rock Downtown Alliance

18 S. Wilcox Street, Ste. 202

Castle Rock, CO 80104

303.688.7488

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