



Castle Rock Downtown Alliance

A partnership between the Downtown Development Authority and Downtown Merchants Association

Downtown Merchants Association

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

May 31, 2024

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 2025 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 proposes that the **Downtown Merchants Association** continues to provide its Event Series in Downtown consistent with past event offerings, utilizing requested funding from the Town of **\$97,850**. The DMA proposes a line-up of events for 2025 that will improve the quality of life for Castle Rock residents and visitors, increases economic activity and vibrancy, and showcases the community's small-town charm.

Downtown Castle Rock and the events produced by the DMA are important aspects of Castle Rock's Vision 2030 Plan, specifically:

- Continuing the tradition of local community events, including arts, cultural and entertainment opportunities.
- Reinforcing the community's small-town character and promoting economic vitality.
- Maintaining a high-quality of life as a safe, family-friendly community with a variety of recreational opportunities and community events.
- Preserving and enhancing history and heritage through a vibrant Downtown.

Per the direction from the Town, the remainder of this letter will follow items as outlined in the 2025 Funding Application:

Leverage

Funds provided by the Town of Castle Rock for Downtown community events are leveraged in several ways. For every \$1 received from the Town, the DMA generates an additional \$3 to pay for community

events and activations in Downtown. This generally comes from 3 private sector sources: sponsorship sales, alcohol sales and vendor booths. This allows the DMA to produce events for the Town of Castle at a fraction of the cost from what it would cost the Town to produce them without this partnership.

The Castle Rock DMA is excited to produce events in 2025 that support a high quality of life for the Castle Rock residents and visitors, and they generate commerce supporting the small businesses that call Castle Rock home. Events have grown to not only be a draw for the local community but have become a regional draw for the surrounding communities, and this activity increases commerce and sales tax not just in Downtown, but to the entire Town which supports core Town services.

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 DMA is not requesting an increase for 2025. For 2025, the events proposed for inclusion in the Service Contract are the same as in 2024, which are:

- Spring Kickoff Concert
- Car Show Street Party and Concert
- Classic Rock Cruise In Car Show
- Boots and Brews
- Oktoberfest
- Music in the Park 4-8 events

Historically, the DMA has strived to produce events in addition to what is included in its Service Contract with the Town (listed above) as a way to provide additional value. The impact of inflation has made it a necessity that the DMA is strategic with what additional events and activations get pursued. Events such as Restaurant Week, Fangtastic Festival, Movie in the Park, Trolley and Carriage Rides typically lose money but have been produced in years past for the benefit of the community. While the cost to produce events has continued to go up with inflation, the DMA plans to absorb rising costs without asking for an increase from the Town, by seeking new private sector partnerships and by making adjustments to events and activations that are not included in the Town Service Contract.

For 2025, the DMA will continue to seek ways to provide additional value through efforts to activate Downtown Castle Rock that are above and beyond the events that are produced in partnership with the Town of Castle Rock.

Additional Information

The Downtown is an important community asset. Vibrant downtowns with strong economies don't just happen. They require a focused effort from local leadership to be successful. The businesses located Downtown generate sales and property tax revenue, and distinguish Castle Rock as a distinct free-standing community with a historic tradition. Downtown provides a venue for events that contribute to the attraction of living in Castle Rock. The Downtown events help connect Castle Rock and increase residents' sense of community and quality of life.

For these reasons and more we believe the partnership with the Town of Castle Rock is a win-win. The DMA helps the Town to provide community events for the benefit of residents and visitors and in the process these events help to generate excitement and interest in Downtown.

The events produced by the DMA through this Service Contract allow the Town to provide community events to the public without having to add government staff or add government expenses to pay for the entire event. For about a quarter of the cost of community events, the Service Contract with the DMA provides professional, small town community events that incorporate local businesses, local breweries and local food trucks, and these partnerships with the private sector pay for about three quarters of the cost of these events. This model was born out of time when the Town did not have funding for community events and has continued as a way for the Town to maximize the use of a taxpayer dollar.

While the cost to produce events has gone up considerably year on year, the DMA is not asking for an increase for 2025. The DMA plans to absorb rising costs with private sector partnerships, and by changing or eliminating events that are not included in the Town Service Contract that lose money.

Additionally, the DDA Downtown Special Fund continues to pay over \$50,000 a year to the Town to support police, fire and Town services at all Downtown events.

The DMA is appreciative of the Town's funding and organizational support. Thank you for your consideration.

Sincerely,



Kevin Tilson
Director
Castle Rock Downtown Alliance

**2025 SERVICE ORGANIZATION
FUNDING APPLICATION**

ORGANIZATION REQUESTING FUNDING:

Castle Rock Downtown Merchants Association

I. 2025 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>Spring Kick Off Concert</u>	<u>\$5,000</u>
<u>Car Show Kickoff Concert</u>	<u>\$5,000</u>
<u>Car Show</u>	<u>\$6,425</u>
<u>Boots and Brews (after Douglas County Fair Parade)</u>	<u>\$6,425</u>
<u>Music in the Park (4-8 events)</u>	<u>\$5,000</u>
<u>Oktoberfest</u>	<u>\$20,000</u>
<u>Staff</u>	<u>\$50,000</u>
 TOTAL FUNDING REQUEST	 <u>\$97,850</u>

II. 2025 PROJECTED ORGANIZATION BUDGET

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

2025 projected organizational budget

(Including funding from the Town) \$417,850

Projected sources of revenue

<u>Sponsorships and Vendor Booths</u>	<u>\$100,000</u>
<u>Beverage Sales</u>	<u>\$225,000</u>
<u>Town of Castle Rock</u>	<u>\$97,850</u>
<u>Carriage Sales</u>	<u>\$19,150</u>

TOTAL PROJECTED REVENUE \$442,000

Projected expenditures

(By major budget category)

<u>Spring Kickoff Concert</u>	<u>\$21,000</u>
<u>Car Show Kickoff Concert</u>	<u>\$19,000</u>
<u>Car Show</u>	<u>\$23,000</u>
<u>Boots and Brews (after Douglas County Fair Parade)</u>	<u>\$28,000</u>
<u>Music in the Park (4-8 events)</u>	<u>\$7,000</u>
<u>Oktoberfest</u>	<u>\$115,000</u>
<u>Activations, Enhancements and Performances*</u>	<u>\$11,000</u>
<u>Fangtastic Festival*</u>	<u>\$5,000</u>
<u>Restaurant Week – Social Activation Campaigns*</u>	<u>\$5,000</u>
<u>Winter Activation - Carriage Rides*</u>	<u>\$52,000</u>
<u>Personnel, Office Lease, Technology</u>	<u>\$49,000</u>

<u>Contract Labor</u>	<u>\$75,000</u>
<u>Insurance – Event and D&O</u>	<u>\$7,000</u>
<u>Administrative – Accounting, Legal, Supplies, Permits, Banking</u>	<u>\$25,000</u>
 TOTAL PROJECTED EXPENDITURES	 <u>\$442,000</u>

III. 2025 PROPOSED PERFORMANCE OBJECTIVES

1. In 2025, the DMA is planning to produce a Summer Event Series in partnership with the Town of Castle Rock that is family friendly and free to the public which includes:
 - Spring Kickoff Concert
 - Car Show Street Party and Concert
 - Classic Rock Cruise In Car Show
 - Boots and Brews
 - Oktoberfest
 - Music in the Park (4-8 events in Festival Park)

The DMA Board is excited to produce the events listed above in partnership with the Town of Castle Rock for the community in 2025. These events improve the quality of life of Castle Rock residents and visitors and are a key piece of our vibrant Downtown!

Each year the DMA Board meets to discuss the results of the current year's events and evaluate the adjustments that might be needed for the future year. The board and staff consider many factors including feedback from the community, feedback from Town Council, the economic impact of each event, attendance, sponsor interest, the financials of each event and other factors. The DMA may request adjustments to this lineup based on these factors from 2024 events that have not yet occurred, since at the time of submitting this request only 1 event in 2024, had been completed (May 2024).

2. Improved Quality of Life and Generate Commerce
In the Town's community survey "downtown" and "community character" are always ranked very high by the residents. The events produced by the DMA help foster a sense of place and community for the Town and improves the quality of life for Castle Rock residents and visitors. Safe, family friendly opportunities for entertainment and fellowship with neighbors, strengthens the Town and increases happiness among residents and community visitors.

Downtown events bring many people from Castle Rock, as well as regionally, into the Town and into Downtown. Events encourage people to get out of their homes and into the community. This creates a healthier, happier community and generates commerce and in turn sales tax which supports important Town services.

3. Downtown Marketing and Communication
The DMA serves as a partner with the Town of Castle Rock, Chamber of Commerce and Douglas County to produce a direct mail piece that goes out two times per year to Castle Rock households. The direct mail piece advertises all of the partner events in addition to outside events and has become an effective form of communication within the Castle Rock community. Staff will continue to work promote Downtown and Downtown events through light pole banners, social media campaigns, and other efforts to drive energy and activity to Downtown. In addition, the DMA has continued with increased notification to Downtown about street closures for Downtown events. The DMA closes streets twice a year for the Car Show Weekend and Oktoberfest. For 2025, the DMA plans to continue the coordinated effort to communicate street closure information with the Town and Chamber of Commerce.

4. Gift Card Giveaway Marketing Campaign

To further its mission, the DMA continues to support the Downtown business community by purchasing gift cards to Downtown retail businesses to give away at DMA events and with DMA social media campaigns. The gift cards, ranging in value from \$15 - \$25 help get event attendees and the public into the front door of the local businesses. For 2025, the DMA will continue this effort to drive traffic to Downtown businesses by offering gift cards through a variety of promotions.

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

KC Neel, President

Aidan Gray, Vice President

John Johnson

Lou Scileppi

Bernie Greenberg

Mark Heath

Jordan Hinton

Desiree LaFleur, Town Council Liaison

Staff and Additional Support

Kevin Tilson, Director, Castle Rock Downtown Alliance

Karah Reygers, Assistant Director, Downtown Alliance & VP of Marketing & Operations, Castle Rock EDC

Birgit Braehler, 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