



Date: June 15th, 2017

TO: Honorable Mayor Jennifer Green 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 2018

Castle Rock EDC respectfully submits this request to the Town of Castle Rock for the continuation of economic development services with Castle Rock EDC. Castle Rock EDC's 2018 request is for \$210,086. This represents a continuation of the adjusted 2017 contract with no additional increase requested for 2018. The organization's combination of efficiency, cost sharing and private sector investment continue to maximize and leverage the investment of the Town in economic development. This submission will highlight key accomplishments in 2016/2017 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.

General Outline of Services:

- **Attracting Primary Employers to Castle Rock**
 - Marketing to Brokers, Developers and Primary Employers
 - Serving and Tracking Prospects
- **Growing Castle Rock's Existing Primary Employers**
 - Business Retention and Expansion
- **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 Ombudsman Program
- **Informed Economic Council**
 - Public/Private collaboration solving strategic Macro and Micro economic development issues
 - Economic and Demographic Data, Analysis and Reporting
 - Customized Economic Impact Analysis

ATTRACTING NEW BUSINESSES TO CASTLE ROCK

Targeted Marketing - 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 their potential for having a positive impact on the Town of Castle Rock's economy. In 2018 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
- Management Companies/Enterprises
- Professional, Scientific & Technical Services
- High Tech Manufacturing
- Infill in the Greater Downtown Area

Benefit to the Community - Primary Employers fuel the economy and create high-paying new jobs in our community. Primary employers create jobs for our residents and bring new dollars into our community's economy. Many of those working for a primary employer add to the Castle Rock workforce and will likely purchase homes, goods and services in the area. New homes attract retailers and provide our current residents a broader spectrum of products and services. New retail also provides an



opportunity to increase the Town's tax base and enhances the Town's ability to provide parks, trails, safety, fire protection and infrastructure for its residents.

RETAIL 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 businesses compatible with the vision of the community.

GROWING CASTLE ROCK'S EXISTING BUSINESSES

Business Expansion and Retention Program (BRE) - In 2018, 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 to resources
- Partner with the 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 to responding to key issues.

Business Start-up and Entrepreneurship - The 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 amount 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 2016 launch of the 104 Initiative, an Angel investment platform, is an essential component in building the long-term vision of our growing entrepreneurial eco-system that provides access to capital for start-up and second stage primary employers.

CREATING A BUSINESS-FRIENDLY 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, 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 and amongst 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 and the business/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 land owners, 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 newly upgraded Castle Rock EDC website and upon request. Examples of the data available are: 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 and assist with the policy and regulation creation associated with those funds for both primary and retail prospects.

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 2016/2017 significant deliverables include:

- Miller's Landing
- Castle Rock Collaboration Campus (CSU, ACC, DCSD)
- \$120M in Downtown Castle Rock Investment
- Personal Warehouse Project
- i-Motion Expansion
- Yumbana Manufacturing
- Hilltop Retail Development
- Castleton Comcast Fiber Expansion
- Master Magnetics Expansion
- Great SW Construction Expansion
- 2016 Most Innovative Economic Development Award- Venture Club of the Rockies

State and National and Local

Through the first two quarters of 2017, the national economy continues to progress steadily upward with moderate growth, highlighted by strong market fundamentals and slight fluctuations in the financial markets. As expected the Fed did raise interest rates twice by .25% in 2017. The outlook for the Colorado economy continues to show strong job creation around 70,000 non-farm jobs and demonstrates it's staying power with another year of 2%-3% growth projections. Castle Rock EDC is projecting solid prospect activity, increasing sales tax revenue and consistent existing business expansions.

2018 Focus and Objectives

EDC Primary objectives in 2017/2018 will include:

- Strategic Planning/Community Vision
 - The EDC plans to spend significant time with Town Council in 2017/2018 evaluating the Castle Rock market and establishing strategic economic development goals and policy objectives for the improvement of the community.
- Continued Primary Employment and Commercial Developer Recruitment
 - EDC will stay focused on creating contiguous office/industrial pad sites and buildings in Castle Rock for Primary Employment
 - Partner with brokers and developers to bring impactful primary employers to Castle Rock
- Infrastructure Network
 - Educational/Workforce
 - Collaboration Campus
 - Financial
 - 104 Initiative
 - Innosphere
 - Physical
 - Transportation and Infrastructure Funding Solutions
 - I-25 Gap Coalition
- Existing Business Expansion and Entrepreneurship
 - Support Local Primary Employers
- Robust online economic data presence
 - Castle Rock Digital Pitch Deck Project
- Recruit and support Multi-Family housing projects and support State Legislation resolving construction defects issues.

2018 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 2018 investment at \$210,086. We hope this request shows our thoughtful consideration and commitment to a strong public/private partnership. We look forward to getting to 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 thrive. Thank you for your steadfast investment in the economic development of Castle Rock.

Respectfully,



Frank Gray
Castle Rock EDC
President/CEO

**2018 SERVICE ORGANIZATION
FUNDING APPLICATION**

ORGANIZATION REQUESTING FUNDING:

Castle Rock EDC

I. 2018 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?)

<u>National/Regional/Marketing (Events/Conferences)</u>	\$21,110
<u>Personnel</u>	\$167,176
<u>Technology (Website/SEO/Computers)</u>	\$4,920
<u>Rent/Office</u>	\$16,880
 TOTAL FUNDING REQUEST	 \$210,086

II. 2018 PROJECTED ORGANIZATION BUDGET

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

Projected sources of revenue

Private Sector Partners	\$247,000
Town of Castle Rock	\$210,086
Douglas County	\$25,000
DDA Reimbursement	\$200,400
DMA Reimbursement	\$46,500
In-Kind	\$8,400
<u>Private Sponsorships/Other</u>	<u>\$38,200</u>
 TOTAL PROJECTED REVENUE	 \$775,586

Projected expenditures

(By major budget category)

<u>Rent/Utilities</u>	\$43,350
<u>Salary/Benefits</u>	\$634,740
<u>Recruitment Activities</u>	\$45,800
<u>Office/Insurance</u>	\$35,400
<u>Technology</u>	\$16,400
 TOTAL PROJECTED EXPENDITURES	 \$775,420

III. 2018 PROPOSED PERFORMANCE OBJECTIVES/DELIVERABLES

Castle Rock EDC Business Attraction and Retention Measurable:

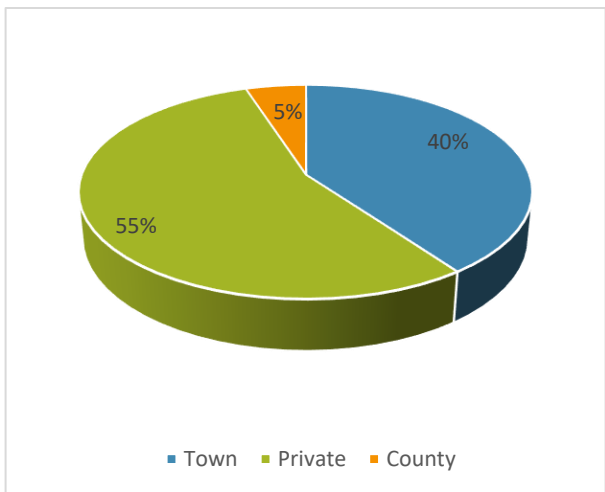
- 30 Business Retention Expansion Visits to Castle Rock Businesses
- Promote Castle Rock locally, regionally and nationally

- Hold 3 major Commercial/Industrial Broker and Developer Marketing Events
- Attend 1 Retail Recruiting Event (ICSC Annual Conference)
- Hold Quarterly Development Roundtable Events
- Hold 10 Primary Employers Events
- Host and Maintain Economic Development Website
- Report on, review and implement the Town’s business and 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 as part of the ombudsman program in maintaining a positive business climate
- 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
- Number of jobs attracted or expanded
- Capital Investment
- Employment Migration Patterns
- Report on the Town’s Economic Development Fund
- Other relevant Economic Data

IV. SUPPLEMENTAL INFORMATION



Breakout of 2018 projected EDC budget*(Excluding Downtown Alliance Reimbursements)

Office	\$7,750
Rent	\$26,010
Personnel/Ins/Benefits/Taxes	\$417,942
Marketing	\$45,800
Technology	\$9,840
Total	\$507,342

V. BOARD OF DIRECTORS for Castle Rock EDC

First Name	Last Name	Company or Developer Name
Judy	Crenshaw	Community Member
Clark	Hammelmann	Community Member
Peter	Cudlip	Alberta Development Partners, LLC
Jordan	Walgreen	ANB Bank
Dr. Diana	Doyle	Arapahoe Community College
Jarrett	Armstrong	Armstrong Capital Development
Deborah	Asarch	Asarch Center for Dermatology
Ron	Zuroff	Black Hills Energy
Tom	Kooiman	Brinkmann Constructors
Jennifer	Taylor	Bryan Construction
Cinnamon	Trimmer	Canyon Title
Tracy	Wilkes	Castle Meadows Company
Todd	Folkenberg	Castle Rock Adventist Health Campus
DJ	Tedesco	Castle Rock Bank
Pam	Ridler	Castle Rock Chamber of Commerce
Stephanie	McCandless	Castle Rock Development Co.
Frank	Gray	Castle Rock EDC
Jennifer	Green	Castle Rock Mayor
Renee	Valentine	Castle Rock Town Council
Karol	Jones	Colorado Lending Source
Arthur	Ortegon	Comcast
Tony	DeSimone	Confluence Companies
Blake	Calvert	CORE Consultants, Inc.
Gregg	Brown	Crystal Valley Ranch
Jeff	Cox	Digital Globe Services
Roger	Partridge	Douglas County Commissioner District 2
Becky	Nelson	Douglas County Economic Development
Bob	Pasicznyuk	Douglas County Libraries
Steven	Cook	Douglas County School District
Greg	Boman	DTI-investments
Jack	Reutzel	Fairfield & Woods, PC
Jarrold	Lassen	FirstBank of Douglas County
Aaron	Barrick	Folkestad Fazekas Barrick & Patoile, P.C
Jim	Folkestad	Folkestad Fazekas Barrick & Patoile, P.C
Kevin	Howard	Foothills Commercial Builders
Laura	Rinker	GE Johnson Construction Company
Kurt	Klanderud	GH Phipps
Nick	Warnick	Haynie \$ Co
Nick	Hier	Hier and Company
Kent	Karber	Holland & Hart
Jed	Kenzy	Innovative Business Solutions
Josh	Liss	IREA

Steve	Burns	Iron Woman
Kurtis	Williams	JR Engineering
Dennis	O'Carroll	Juno Finacial LLC
Jose	Del Toro	Kaiser Permanente
Diane	Evans	Land Title Guarantee Co.
Bartholomew	Connolly	Limelight MOB, LLC
John	Wescott	Lockton Companies
Erik	Clore	LOWE Enterprises
Dave	Maxwell	Maxwell Builders, INC
Diana	Blanch	Medved Autoplex
Matthew	Hanson	Mutual of Omaha Bank
Joey	VanHavermaat	MVM Integration
Meghan	Schoen	Mywedding.com
Matt	Call	NavPoint Real Estate Group
Joe	Niebur	Niebur Development
Mitch	Black	Norris Design
Tim	Dumler	Off The Chain, LLC
Margie	Munoz	Outlets at Castle Rock
Glen	Smith	Park Land Co.
John	Prestwich	PCS Group Inc.
Bregette	Ginther	Peoples Bank
Steven	Kitchen	Public Service Credit Union
Eric	Greven	PW Development LLC
Mike	Cooley	RallyCap Consulting
Chris	Weems	Rocky Mountain Excavating
Tony	Sbarra	Sbarra Construction West
Linda	Watson	Sky Ridge Medical Center
Craig	Campbell	Starwood Land Ventures
Scott	Vencill	Sunflower Bank
David	Webb	Sunset Stone
Dick	Todd	T.i. Builders, LLC
Aaron	Fort	The Fort CPA Group
David	Corliss	Town of Castle Rock
Bill	Detweiler	Town of Castle Rock
Fritz	Sprague	Town of Castle Rock
Karen	Breen	Wells Fargo Bank
Wendy	Ciancio	WhippleWood CPAs
Tim	White	White Construction Group