



Castle Rock Downtown Alliance

A partnership between the Downtown Development Authority and Downtown Merchants Association

Downtown Development Authority Mid-Year Report to Town Council 2020

Background

The Castle Rock Downtown Alliance is a partnership between the Downtown Merchants Association and Downtown Development Authority. This partnership unifies the Downtown organizations under one roof. The two organizations share one office and one staff helping to further the collective vision of a vibrant and prosperous Downtown.

The **Downtown Development Authority (DDA)** is a governmental entity that functions as an extension of the Town guided by a seven-member board that is appointed by Town Council. The DDA is charged with furthering development and place-making in Downtown Castle Rock using Tax Increment Financing (TIF) and is guided by a Plan of Development. The Plan of Development provides guidance from Town Council on the mission of the DDA and encourages the DDA to pursue “development projects” which include projects to beautify Downtown, increase commerce in Downtown and development projects which bring physical construction of buildings to Downtown.

Report

The first half of 2020 has been an uncertain and unique time in history for Castle Rock and the world, with the COVID-19 pandemic impacting so much of our daily lives. The businesses in Downtown have been greatly impacted by the pandemic and the restrictions taken to protect public health. These last 4 months have been about adapting. The Downtown Alliance staff have had to adapt, how we support Downtown Businesses has had to adapt, and the Downtown Businesses themselves have had to adapt. This report will provide information on the many things that the Alliance staff have done to support Castle Rock businesses amid the COVID-19 pandemic, and provide information on projects and programs that the Downtown Development Authority staff support each year.

Despite the uncertainty and disruption to the economy, Castle Rock has shown some positive economic signs. The Riverwalk project has continued to lease space during this uncertain time, and has leased 91% of its residential units, and all but a small amount of the office space is leased. Great Divide Brewery and Roadhouse opened June 1st and has had strong sales in 2 months of being open despite the pandemic. The Encore project has continued to sell residential condos during the pandemic, and has sold 35 residential condos and has already pre-leased some of the smaller offices on the first floor.

While businesses on “mainstreet” have been disproportionately impacted by the pandemic, anecdote from several of the Downtown Castle Rock businesses has been that they have fared better in Castle Rock than their peers and/or other business locations outside of Castle Rock. Many small businesses have commented that they were amazed by how much the Castle Rock community came out to support them during the shutdown in late 2nd Quarter.

COVID-19 Business Assistance Efforts

Business Community Zoom Calls

In response to the COVID-19 pandemic and the associated government mandated business closures, the Castle Rock Economic Partnership (CREP) responded quickly to organize virtual town hall meetings via

zoom. These meetings invited every licensed Castle Rock Business (2,000+) to participate in informational meetings providing updates from Federal, State and local experts and allowed businesses to ask questions. There were 9 meetings that were hosted and included the following experts, Colorado Lending Source CEO - Mike O'Donnell, SBA Rep. - Stephen Collier, Centura Adventist CEO - Brandon Nudd, Douglas County Commissioner - Roger Partridge, Douglas County SBDC Director - Marcia McGilley and Deputy Director of Tri-County Health - Jennifer Ludwig. These meetings included up to the minute information on programs and information.

Designated Curbside Pickup Spaces

The Alliance partnered with the Town to allow businesses to apply for temporary use of a Town public parking space for the use of customers parking for curbside pickup. Designated spaces allow businesses to have an organized and efficient way to serve customers. The Alliance helped provide signage to designate curbside pickup to many of the participants.

Curbside Pickup Marketing

During the Safer-at-Home order, when business restrictions were in place, the Alliance put together a list of all of the Downtown Businesses that were offering curbside pickup, and assisted with the Chamber's list of Town-wide businesses in Castle Rock that were offering curbside pickup. This list was posted on the Downtown Castle Rock blog and promoted on social media.

Liquor Modifications and Temporary Use Permits

In addition to temporary patios, Alliance staff helped Downtown businesses utilize the Town of Castle Rock temporary use permit to expand outdoor dining areas on both public and private property. Several Downtown businesses including Union American Bistro, Castle Café, Z'Abbracci Pizza, Pasta and Taphouse, and Scileppi's at the Old Stone Church expanded outdoor dining areas into parking spaces and parking lots. Per the State of Colorado Emergency Regulation 47-302 (F), businesses may make a 120-day, temporary modification of non-premise liquor licenses and serve liquor in these outdoor dining areas including sidewalks, parking lots and streets.

Douglas County Library Chairs

In discussions with the Philip S. Miller Library, they offered to donate 150 old meeting chairs to Downtown restaurants looking to expand outdoor seating. Alliance staff connected the Library with interested business, and chairs were delivered to businesses to help reduce the financial burden of expanding outdoor seating during COVID-19. In addition, the Alliance announced on social media that staff would help match any publicly donated outdoor furniture to a business in need.

Resource for Downtown Businesses and all Castle Rock Businesses

The EDC and Alliance team have dedicated significant time to staying abreast of the most current information related to business assistance, so that our team can be a resource for the Castle Rock community. This includes monitoring the following programs:

- Federal SBA Economic Injury Disaster Loans (EIDL)
- Federal SBA Paycheck Protection Program (PPP)
- State Small Business Development Center (SBDC) Resources and Guides
- State CO Dept. of Labor and Employment Work-Share and Unemployment Insurance Information
- State Governor Polis orders for stay-at-home, safer-at-home, restaurant guidelines, alcohol sales to-go by restaurants, alcohol last call guidelines,
- Douglas County Reopening Plan and Variance for Business

- Town of Castle Rock – KIVA Loan Program
- Town of Castle Rock – Small Business Grant Program
- Town of Castle Rock – Water Small Business Assistance Program
- Town of Castle Rock – FirstTier CommUNITY Loan Program

In addition, the EDC and Alliance Team dedicated time to participate in the great number of informational meetings and calls that were available, in order to be the best resource possible for the Castle Rock community. Recognizing that businesses could not possibly attend every informational meeting, and even one staff person could not attend every informational meeting, staff divided time to filter information and consolidate to be a strong resource for Castle Rock. This included statewide calls with Governor Polis and his team, weekly statewide calls with Downtown organizations, calls with health care experts, economic advisors, SBA, State SBDC, Colorado Lending Source, the Castle Rock Banking Community, Metro Denver EDC and other resources. For many weeks staff held daily staff briefings so that staff can each report back on what was learned from the calls we participated in in order to formulate a broader picture of impact to the economy and businesses, and resources that could help businesses in Castle Rock.

Downtown Projects and Programs

The following section of this report provides information on more traditional DDA projects and programs.

Rink at the Rock

The DDA completed its seventh successful season of the Rink at the Rock in February with an attendance of 11,544 attendees during the three-month winter skating season. The energy that this program generates in Downtown during the typically slower winter months is a benefit to the small businesses in Downtown. The DDA's lease on the 404 North Perry Street property expires in 2021 and the DDA Board and staff are pursuing several options, including a location change, in order to continue this attraction in Downtown. The white, Sprung Structure covering the rink is owned by the DDA and will need to be removed from the site in 2021 if the landlord does not extend the DDA's lease.

For the 2020-2021 season, the DDA will continue with local management company Douglas County Maintenance and Repair (DCM&R) to manage the Rink at the Rock. The DDA believes that local management is beneficial for a number of reasons, including the ability for top management to visit the rink frequently. While the management of the rink is a retail operation, there is a considerable amount of facility maintenance that is needed each season, and DCMR and has demonstrated the ability to provide this maintenance.

Downtown Engagement

The Downtown Alliance acts as the 'voice of Downtown'. Staff spends time to meet one on one with Downtown businesses to provide information about what is going on in Downtown to the business community and collect feedback in order to represent the Downtown business perspective. Staff also shares information on Downtown programs, such as the flowerbox program, façade improvement grant program, patio program, and DDA initiatives such as development projects.

In February, the DDA wrote a letter of support to the Colorado Department of Transportation Commission to recommend the location at Wolfensberger and Wilcox for a Park and Ride Bustang station. The letter described the benefits of a Bustang stop at the northeast corner of the I-25/Wolfensberger Road interchange, including easy access for commuters using I-25, close proximity to

the Town's regional trail system and the ability to serve the Downtown core during large events such as Oktoberfest and Starlighting.

In May, Castle Rock was among one of the many Downtown Development Authorities and municipalities requesting the suspension of liquor licensing fees and to modify regulations. The Castle Rock DDA signed onto a letter to Governor Polis written by Downtown Colorado Inc. to help advocate cost efficiencies for restaurants looking to expand outdoor seating upon reopening during the COVID-19 pandemic.

In July, the Downtown Development Authority wrote a letter of support for the Town of Castle Rock Public Works department to support a grant application to CDOT to improve pedestrian and biking safety. If awarded, the grant money will be spent on pedestrian and bike safety projects like adding flashing beacons at several street crossings, enhancing the crosswalk between Festival Park and Riverwalk and painting bike sharrows as called for the downtown mobility plan.

Banners Program

The Castle Rock DDA Street Pole Banner Program uses decorative banners to publicize special events and enhance the streetscape by adding color and vitality to Downtown. In May 2020, the DDA worked with the Town to help promote the hashtag #CRCommUNITY in an uplifting and unified marketing campaign during the COVID-19 pandemic. The branded "CommUNITY" logo is featured in a new street pole banner design, also depicting main street. The community banners and spring/summer banners alternate throughout downtown in an effort to show support for the businesses during the pandemic. Examples of these banners and much of marketing produced by the DMA I included at the end of the DMA Mid-Year Report.

Façade Improvement Program

The DDA actively encourages private sector partners to utilize the façade grant program. The Façade Improvement Program encourages Downtown property and businesses owners to renovate facades to improve the overall appearance of Downtown Castle Rock. While Town code does not require that facades in Downtown Castle Rock look a certain way, the DDA façade improvement program encourages attractive facades that fit with historic architecture and bring a quality look to Downtown.

The micro façade grant program provides a reimbursement award of up to \$1,000 for small businesses. The micro-grant program was designed to provide a streamlined process for smaller improvements sought by Downtown merchants. For example, the program may eliminate more complex application requirements such as elevations/renderings, depending on the scope of the desired work.

The DDA Board continues to pursue beautification projects in historic Downtown Castle Rock. In the first half of 2020, staff received two façade grant requests from downtown business and property owners:

In May, the DDA Board approved a façade grant in the amount of \$6,000 for the 407 Wilcox Street property, The Fort CPA Group. The façade improvement dollars will be used to remove the wood façade to expose the existing stack brick. A premanufactured arch will be added above the entryway, with additional improvements including new windows, doors, lighting fixtures, space for signage and complete exterior paint. Work is still in progress, with an estimated completion in late summer 2020.

In June, a façade grant request was introduced to the DDA Board for 240 N. Wilcox Street, called The Station, owned by Matt Frary. The applicant may make a formal funding request when the project has received Design Review Board approval.

Flowerbox Program

The DDA partnered with the Douglas County Maintenance and Repair again in 2020 to place flower boxes throughout Downtown. A total of 34 businesses ordered boxes, with 12 small boxes, 68 medium and 29 large boxes rented. The DDA flowerbox program aims to add to the sense of small-town charm and enhance the look and feel of the Downtown streetscape. Efforts such as this have been shown to have an impact on business success and economic activity. Douglas County Maintenance and Repair planted the flower boxes for the Downtown patios on site to be used to provide protection to street side patios.

The DDA flowerbox program does not use any Town General Fund tax dollars. The Authority partners with Town staff on the day of delivery for their expertise and equipment to deliver flowerboxes to the private sector. In addition, the DDA contracts with the Town to repair, re-stain and repaint the flowerboxes.

Patio Program

Before the DDA was created, the Town, in partnership with several interested business owners, brought in Walkable Communities Inc. to evaluate Downtown Castle Rock. This organization provided guidance to the group on building a thriving downtown which built on years of research and studies that Walkable Communities Inc. had done. One of the recommendations from this exercise was to invest in the infrastructure of wider sidewalks to encourage pedestrian activity with street-side patios. Using this research, the DDA designed a way to construct temporary street-side patios similar to those utilized by other neighboring communities. The program has had great success and positive feedback from businesses and the community.

After the State Stay-at-Home order was lifted, the Safer-at-Home order allowed restaurants to reopen at 50% capacity for dine-in and required owners to maintain 6 feet between tables. With a decrease in indoor seating, outdoor dining options have become crucial for the success of Downtown restaurants. Alliance and Town staff assisted several businesses including the B&B Café, Castle Café, Z'Abbracci Pizza, Pasta & Taphouse, Scileppi's at the Old Stone Church, Angie's Restaurant, Crowfoot Coffee and Castle Rock Bike and Ski in utilizing the DDA temporary patio program to increase restaurant and retail space in front of their storefronts. Businesses were able to modify their liquor license with the State of Colorado to serve liquor on the temporary structures. The DDA street side patios continue to provide infrastructure in Downtown for a summer pedestrian environment that encourages people to be outside in Downtown and engage with their neighbors and the Downtown community.

Colorado Lending Source Micro-Loan Program

The DDA continues to partner with Colorado Lending Source's existing Main Street Loan Program that provides Colorado entrepreneurs access to affordable financing to start or grow their business. The DDA acts as the initial contact and education point for applicants and will send eligible applications to Colorado Lending Source for further review from the loan committee. Loan amounts range from as low as \$5,000 and up to \$50,000. The DDA has not receive any applications for the micro-loan program in 2020, although it has connected businesses to Colorado Lending Source for help during the COVID-19 pandemic for both the KIVA Loan Program and the FirstTier CommUNITY Loan Program both of which are administered by Colorado Lending Source.

Parking

The Parking Committee meets quarterly to discuss the management, maintenance and operations of downtown parking including community policing, parking sign policies as well as use and allocation of

parking spaces. The committee makes strategic decisions to create a positive experience for downtown customer. Policies enacted from 2019 to 2020 include:

- Suspend parking enforcements, including tickets for time violations, during the Colorado State Stay-at-Home Order.
- Maintain 2-hour parking on the east side of Jerry Street.
- Adjust parking time limit of 13 spaces on west side of Jerry Street, between Fourth and Fifth streets, from all-day parking to 2-hour parking.
- Add loading zone on the north side of Third Street, east of Wilcox Street to allow for 15-minute parking for unloading and loading only.
- Allow for additional curbside pickup location in front of Z’Abracci Pizza, Pasta & Taphouse.
- Remove the curbside spot for Maddie’s Biergarten from the Downtown Parking Map.
- “Soft” parking enforcement efforts were reinstated July 1, with warnings occurring for time violations for a couple of weeks before moving back to full enforcement.

Development Projects

The DDA has had several significant building accomplishments, which would not be possible without the support of the Town of Castle Rock and the Castle Rock EDC. The projects will contribute to vibrancy in Downtown and a stronger economy for Downtown small businesses, as well as Castle Rock as a whole:

Riverwalk North and Riverwalk South – 113 Wilcox Street & 215 Wilcox Street

With construction of the Riverwalk South building being completed in 2019 and the Riverwalk North building at the end of 2019, the first half of 2020 has witnessed the opening of Great Divide Brewery and Roadhouse, Mod Mountain Boutique, Riverwalk Dental Arts, Glacier Ice Cream and Gelato, Craft Coworking, Renew Salon and Suites, Joseph Energy, RocketFizz and Hollis + Miller Architects. In addition, with 209 of 229 apartments now leased, the activity and vibrancy in Downtown is unlike anything seen before, despite the pandemic. On a random Tuesday afternoon, the splash pad in Festival Park is active, people are enjoying outdoor dining on patios, even setting up picnics on the County and School District lawns and enjoying walking outdoors in Downtown. Many attribute much of this vibrancy to the people added by the Riverwalk daytime, evening and weekend population of people that this project added to Downtown.

The last addition to the Riverwalk project will be Tribe, a new restaurant in the Riverwalk South building that will have patio space on Wilcox Street overlooking Sellars Gulch and is currently under construction. The buildout of this dining space is expected to be completed by the end of 2020.

This project fits many aspects of the Plan of Development, including a more well-defined street grid that encourages walkability and parking off of the main street. It also adds much needed population density to support the small businesses in Downtown, and thus creating a vibrant Downtown atmosphere. The project location is specifically called out in the Plan of Development as a priority, providing residential space near the enhanced Festival Park project. The Plan of Development calls for the redevelopment of strip malls encouraging a more walkable window-shopping environment. All of these are reasons why this project is expected to be positive for Downtown.

Encore – 8 Wilcox, 14 Wilcox, 20 Wilcox and the Town Hall Parking Lot

In May of 2018, the DDA and Town Council approved a non-binding MOU for the Festival Park Commons Project, now known as the Encore Project. In January of 2020, the Encore Project broke ground and has made tremendous progress in just 6 months. Despite the COVID-19 pandemic, they have sold 35

residential condo units, and leased 2 smaller tenants to first floor commercial space. Confluence Companies noted that it has been the penthouse and higher end units that sold first, even noting that two professional athletes have purchased residential condos. The project is on track to be completed in the first half of 2022. Right now, during the sometimes inconvenient construction and street closures, it is appropriate to focus on the many great amenities that this project will bring to Downtown upon completion, including 601 parking spaces, a civic plaza, dog park, new dining and a train horn quiet zone.

The View at Castle Rock – 610 Jerry Street

The View project was introduced to the DDA Board in a public meeting in March of 2020 and the DDA Board voted stating that this project, as proposed, fit the intent of the Downtown Plan of Development. The project also held a public neighborhood meeting to introduce the proposed details of the project and collect community feedback. This project currently proposes to add 218 for-rent residential apartment units, 14,300 SF of office space and 5,000 SF of retail. The project proposes to construct 429 parking spaces with roughly 400 of those spaces being covered spaces. As has been discussed and recommended by the community, the Town and the DDA are looking for opportunities to add public parking in Downtown on the north, in the downtown core, and on the south, recognizing that the time to add public parking is early in a redevelopment life cycle, and this project represents one of few major parking opportunities on the north end of Downtown.

As we have learned with the previous projects in Downtown, and as demonstrated by redevelopment projects across the nation over the last 20 years, vibrancy come from people. People that work in Downtown during the day, and live, dine, shop and find entertainment in Downtown during the evening and weekend. This project has the ability to strengthen the Downtown economy in a major way, and staff is optimistic for the progress of this project. The project still has much public process to go through.

Summary

Despite the pandemic, there are some positive signs in Downtown Castle Rock. Talking to one Downtown property owner, they commented that the impacts of the pandemic have been bad and that there was still likely more impacts to come in the short term, but that they believe Downtown Castle Rock has a bright future.

Indications from the development team considering The View project at 6th and Jerry Street are that they continue to proceed with their project and are optimistic about the future of Downtown Castle Rock.

As dining options with a patio continue to increase in Downtown, recently adding Great Divide Brewery and Roadhouse, and soon adding Tribe to a growing list, we are seeing greater levels of vibrancy than ever before. More and more, people are making the decision of “where” to spend disposable income by choosing a historic downtown that continues to have more to offer residents and visitors.

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