

Castle Rock Downtown Alliance

A partnership between the Downtown Development Authority and Downtown Merchants Association

Castle Rock Downtown Alliance Downtown Development Authority Mid-Year Report to Town Council 2018

Background

The Castle Rock Downtown Alliance is a partnership between the Downtown Merchants Association and Downtown Development Authority. This partnership expands the audience and involvement of the two organizations and 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

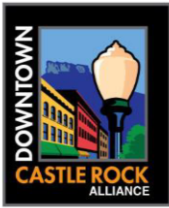
In 2018, Downtown Castle Rock continues to experience exciting development and revitalization efforts, making this another year for construction and improvement. Construction at the newly redesigned Festival Park has completed, building at the Riverwalk development continues, the former Augustine Grill property becomes Wild Blue Yonder Brewing and the previous Town Hall Parking Lot RFP project, now called Festival Park Commons, makes progress.

Annual updates on the DDA’s revitalization and beautification efforts as well as information on approved and proposed development projects are included below.

Downtown Projects and Programs

Rink at the Rock

The DDA completed its fifth successful season of the Rink at the Rock with highest attendance to date: 13,157 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. In addition this program provides a safe place to hangout for kids and teens. This was the fourth season with Rink Management Services Corporation as our managing partner, and fourth season with Zelem Construction for the setup and teardown of the Rink. This consistency (staffing, setup and tear down) has been important for an operation which is prone to fluctuations in expenses and sales due to weather and uncontrollable factors. We believe the cost of this operation continues to be worthy because of the activity and vibrancy that it brings to Downtown, the main goal of this revitalization project.



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Downtown Engagement

The Alliance staff started a new effort in 2017 to meet one on one with Downtown businesses. In 2018, staff once again contacted the Downtown businesses with the opportunity to meet one on one to discuss the upcoming year. At these meetings, the Alliance staff provides information on what is going on in Downtown, including information to the public on Downtown programs, such as accepting orders for the flowerbox program, façade improvement grant program, patio program, and to provide updates on DDA initiatives such as Festival Park or other development projects.

In addition to these one on one meetings, staff held a Downtown Stakeholders meeting on May 17, 2018 to update the Downtown business and property owners about 2018 event information, DDA programs, development projects and updates, DMA Board election results and how to stay informed via the Alliance Google Calendar and monthly board meetings.

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. Event banners once again lined the Plum Creek Bridge to welcome visitors and draw attention to the summer events. In addition, seasonal and event banners hung along Wilcox from third street to the north entrance of Downtown. When most events conclude in mid-August, Oktoberfest banners will line Downtown to market the popular fall festival.

Façade Improvement Program

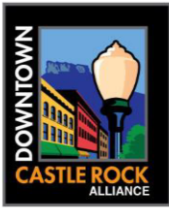
The DDA Board continues to pursue beautification projects in historic Downtown Castle Rock. Staff has not received any façade grant requests for 2018. However, staff has met with three separate property owners interested in the program. The owners of 11 Wilcox Street, who were awarded a partial sum of their grant in 2017, continue to look for lighting and awning options and plan to present the remaining grant request to the DDA Board by the end of the year.

In April of 2017, the DDA introduced a micro façade grant program, making businesses eligible for a reimbursement award of up to \$1,000. 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 did not approve any micro grants in the first half of 2018.

The DDA has had success with several façade improvements and actively encourages private sector partners to utilize both programs. 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.

Flowerbox Program

The DDA partnered with the Douglas County Maintenance and Repair in 2018 to place flower boxes throughout Downtown. More than 30 businesses utilized the boxes, for a total of 31 small boxes and 76



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medium 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 has been shown to have an impact on business success and economic activity. In addition, Douglas County Maintenance and Repair planted the flower boxes for the Downtown patios on site. This allows the DDA to deliver patios 1 month earlier, at the request of the Downtown businesses.

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

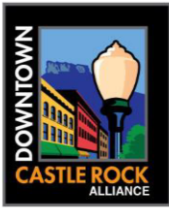
Before the DDA was created, the Town, in partnership with several interested business owners, brought in Walkable Communities Inc. to evaluate Downtown Castle Rock. This organization provided guidance to the group on building a thriving downtown which built on years of research and studies that Walkable 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.

In 2018, the State Liquor Licensing Authority doubled the cost of the liquor license modifications from \$300 to \$600 annually; this fee is in addition to the bar/ restaurants annual permanent liquor license fee of \$500. This increase caused a financial burden on the Downtown business owners and caused many to reconsider installing a patio in 2018. In January, the patio renters wrote letters to the Director of Liquor and Tobacco Enforcement at the State of Colorado. While the cost was not reduced in time for this season, staff communicated with organizations across multiple communities where businesses had also expressed their concerns to the State. To help alleviate the cost burden and continue the popular program, the DDA Board voted in March to reduce the DDA patio rental fee from \$500 to \$250.

In 2018, the DDA delivered patios to Angie's Restaurant, B&B Café, Castle Rock Bike and Ski, Castle Café and Z'Abbracci's. The DDA street side patios provide the 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

In March of 2018, the DDA Board approved staff 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. Funding for this loan program comes from several sources including Colorado Lending Source, banks, foundations, private entities, government agencies and the U.S. Small Business Administration and the U.S. Department of Agriculture. The DDA will act 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 up to \$50,000.



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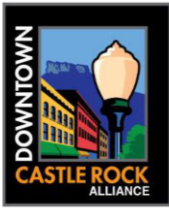
Development Projects

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:

- Festival Park – 2nd Street between Wilcox and Perry Streets
The Festival Park Expansion and Enhancement Project held a Grand Opening Ceremony on June 2, 2018 to celebrate the new park. The Splash Pad was running, the trees and grass were green and kids were playing in Sellars Gulch. Creating an “active” park is directed in the Plan of Development and the vision for this park to add vibrancy is already being seen with the Mercantile Commons and Riverwalk project directly across from the park.
- Riverwalk North and Riverwalk South – 113 Wilcox Street & 215 Wilcox Street
Construction continues on schedule for the Riverwalk Project. The developer has indicated that Riverwalk South is expected to be completed near the end of the 2018, with Riverwalk North being completed near the end of Q1 2019. Glacier Ice Cream has announced that they will be a tenant in the Riverwalk retail space, and the occupant of the restaurant space overlooking Sellars Gulch has not yet been announced. The EDC and Alliance are working with prospects for the office space.

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.

- Festival Park Commons – 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. The project, as outlined in the MOU, proposes to build a mixed-use development with for-sale residential condos, first floor retail space, second floor office space, each with dedicated parking per use, plus 300 public parking spaces. The project proposes a civic plaza between the project building and Town Hall and to pay for a Downtown train horn quiet zone (up to \$900,000). The private development partnership closed on the 3 parcels adjacent to the Town Hall parking lot at the beginning of July. A petition was submitted by the new ownership for a ballot question in November that would allow the property ownership to vote on a General Improvement District (GID) for the project. The GID would be used to pay for the public parking garage. Confluence Companies partnered with Castle Brae Development to buy the 3 parcels, and will now take over as the lead developer on this project. They are currently in a design and engineering phase while the redevelopment agreement is being drafted.



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- Wild Blue Yonder Brewing Company – 519 Wilcox Street
Wild Blue Yonder Brewing purchased 519 Wilcox Street and broke ground on project at the former Augustine Grill site in March of 2018. They demolished the Augustine Grill expansion that was completed in 2007, and had a number of issues, to make room for the new brewery. They are preserving the old trees and garden area, which will become a beer garden, as well as restoring the Victorian Building to match a historic photo. Completion is expected by the end of the year.
- 5th Street Apartments – 505 Jerry Street
In October of 2017, the Town Council and DDA Board approved a redevelopment agreement for the 5th Street Apartments project. This project proposes to build a 65 unit for-rent apartment project, with 5 executive suite offices and 78 onsite parking spaces. The redevelopment agreement required the developer to pull a building permit by July 1, 2018, and the developer made a request to extend this date by 6 months, as is allowed by contract. This was approved by the Town Council in June, allowing an extension of 6 months from July 1. This extension was requested to provide the developer more time to acquire necessary financing.
- Sushi Restaurant – 115 Third Street
The proposed sushi restaurant in Downtown is under construction and continues to make progress in a key location at the corner of 3rd and Jerry Streets.

Summary

This year is expected to be a year of construction and improvement, building great anticipation for 2019 and beyond. Construction of the Riverwalk development, Festival Park Commons, Wild Blue Yonder Brewery and the opening of the newly redesigned Festival Park are building excitement for a more active and vibrant Downtown Castle Rock.

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