



## Castle Rock Downtown Alliance

*A partnership between the Downtown Development Authority and Downtown Merchants Association*

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### **Downtown Development Authority**

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 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 (as is 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 **\$210,000-230,000**. 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 2025 Funding Application:

### **Leverage**

The funds that the Town provides to the DDA to match the mill levy revenue are a key piece of the success of Downtown and 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 try to create a Downtown Development Authority. The Town offered to Downtown business owners that if they would agree to tax themselves 3 mills to create a DDA, that the Town would

agree to match the 3 mill levy each year. This partnership is an incredible example of an agreement between the private sector and government where they both have skin in the game working towards a common goal of having a successful downtown.

In addition, when these DDA dollars are put into the community through façade grant programs, patios, redevelopment projects and other Downtown investments, these dollars are once again leveraged when the private sector makes investments in Downtown. 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 structured in a way that the private sector and Town have a stake in the investment and the success.

### **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. For 2025, this amount is estimated to be in the range of \$210,000-230,000 however preliminary numbers from the County were not available at the time this letter was written (May 2024). The DDA proposes to once again work with Town Staff to insert the actual number that is certified for the 3 mill levy into the DDA service contract, for 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 core.
- 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 those 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 3 railroad crossings in Downtown, and a lease to expand public parking on the north end of Downtown at the DCSD parking lot, as well as 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 from the 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 Castle Rock in order to be a part of the strengthening economy:

- The Move Tech Oriented Office Building at 6<sup>th</sup> and Jerry Street.
- Wild Blue Yonder Brewery at 6<sup>th</sup> and Wilcox Street.
- The ACME Water Tower Buildings at 6<sup>th</sup> and Perry Street.
- The Mercantile Commons Mixed Use Building at 3<sup>rd</sup> and Jerry Street.
- The Mirage Dental Building at Plum Creek Pkwy and Wilcox Street.
- The Ecclesia Food Market at 3<sup>rd</sup> and Perry Street.
- The Riverwalk Mixed Use Building at 2<sup>nd</sup> and Wilcox Street.
- Festival Park at 2<sup>nd</sup> Street and Wilcox Street.
- Encore Mixed Use Building at 1<sup>st</sup> and Wilcox Street.
- The View Mixed Use Building at 8<sup>th</sup> and Jerry Street.
- 221 Wilcox Street Mixed Use building at 3<sup>rd</sup> 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 change, 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. A grant is still active to support new investment at the historic 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.

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

Sincerely,



Kevin Tilson  
Director  
Castle Rock Downtown Alliance

**2025 SERVICE ORGANIZATION  
FUNDING APPLICATION**

**ORGANIZATION REQUESTING FUNDING:**

**Castle Rock Downtown Development Authority**

**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>Programs – Façade/Downtown Improvement Program</u>	<u>\$20,000</u>
<u>Programs - Flowerbox and Patio Program</u>	<u>\$25,000</u>
<u>Professional Services – Accounting, Audit, Legal</u>	<u>\$18,000</u>
<u>Personnel</u>	<u>\$140,000</u>
<u>Marketing and Public Website</u>	<u>\$10,000</u>
<u>Downtown Carriage Ride Program</u>	<u>\$12,000</u>

TOTAL FUNDING REQUEST	<u>\$225,000</u>
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**II. 2025 PROJECTED ORGANIZATION BUDGET**

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

**2025 projected organizational budget**

<i>(Including funding from the Town)</i>	<u>\$490,000</u>
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**Projected sources of revenue**

<u>County Mill Levy</u>	<u>\$225,000</u>
<u>County Specific Ownership Tax</u>	<u>\$20,000</u>
<u>Town Mill Levy Match</u>	<u>\$225,000</u>
<u>Flowerbox and Patio Rental Sales</u>	<u>\$20,000</u>

TOTAL PROJECTED REVENUE	<u>\$490,000</u>
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**Projected expenditures**

*(By major budget category)*

<u>Programs – Façade/Downtown Improvement Program</u>	<u>\$28,000</u>
<u>Programs – Downtown Carriage Ride Program</u>	<u>\$17,000</u>
<u>Programs – Flowerbox/Patio Program/Trolley</u>	<u>\$80,000</u>
<u>Professional Services – Accounting, Audit, Legal</u>	<u>\$25,000</u>
<u>Office Administration – DC Treasurer, Rent, Facilities, Technology</u>	<u>\$80,000</u>
<u>Personnel</u>	<u>\$250,000</u>
<u>Marketing, Banners, and Public Website</u>	<u>\$10,000</u>

TOTAL PROJECTED EXPENDITURES	<u>\$490,000</u>
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### **III. 2025 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. For 2025, the goals for the Downtown Development Authority include:

- Increase economic activity in Downtown:
  - Façade/Downtown Improvement Program: Support and encourage additional façade and beautification investment projects, especially focusing on smaller scale expansion and enhancement projects, per direction from Town Council. In addition, focus on the landscape and environment in Downtown, seeking opportunities for landscaping, streetscaping improvements as well as public art.
  - Development projects: Actively participate in place making in Downtown which encourages a balance of redevelopment and preservation of historical buildings. Engage the private sector to encourage positive investment in Downtown Castle Rock. Prioritize investment in the core which builds momentum for upkeep and new investment, and begin to expand investment outside the core. Projects that bring creative redevelopment and repurposing, as well as restaurant and retail space, office space and residential space are a top priority, which are agreed upon goals by the DDA and Town Council. Build on the momentum that has been generated in Downtown from projects like, Festival Park, the Move, Mercantile Commons, Riverwalk, Encore, The View, 221 Wilcox St. and façade improvements made by property owners.
  - Encourage Small Scale Development: Based on direction from the Town Council and DDA Board in 2022, the Downtown Enhancement Grant program was approved to encourage small scale development and adaptive re-use projects that preserve character and history. This program is managed by DDA Staff and the grant is paid for out of the Downtown Special Fund (funded by taxes generated in the Downtown District.)
- Increase charm and pedestrian activity:
  - Trolley: The DDA initiated a pilot program in 2022 to run the Trolley consistently on select evenings in July, and during the holiday season, with the goal to invest in the charm of a historic downtown. This effort was wildly successful generating strong ridership in both the summer and winter months, and from the young, old and everyone in between. In 2024, this program was expanded to provide Trolley rides/service every Wednesday evening in June, July and August. The DDA plans to continue paying for the operation of this free attraction that Castle Rock residents and visitors have come to appreciate.
  - Patio Program and Flower Boxes: Studies have shown that by increasing pedestrian activity and creating an attractive environment, there is an increase in economic activity. The patio program provides a public gathering place that also facilitates commerce and enhances the environment, and improvements like flower boxes help to beautify downtown and makes it a desirable place to be.

- Increase sales and traffic:
  - The goals outlined above are expected to enhance the environment for residents and visitors to enjoy, and therefore increase traffic Downtown supporting small businesses, the two key stakeholders in Downtown.
  - Additionally, the Downtown Development Authority hopes to identify and pursue projects that increase Sales Tax and Property Tax in Downtown directly from the tenants that reside in and adjacent to new projects. Projects that have a catalytic impact to Downtown will be actively explored and pursued and the Downtown Development Authority will continue to report to and seek feedback from the DDA Board and Town Council on this activity.

#### **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 Development Authority Board Members**

Stu Butler, Chair

Andrew Wasson, Vice Chair and Treasurer

John Manka

Kim Heideman

Josie Adler

David Miles

Kevin Bracken, 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

# Downtown Alliance finance structure:

