

# DOWNTOWN DEVELOPMENT 2024 DDA ANNUAL REPORT



610 Jerry St.  
**The View at Castle Rock**

241,870 SF. This 6 story mixed-use building includes 218 for-rent apartments, 14,300 SF of office space and 5,000 SF of retail space. The project will add a 100 space public parking garage included in the total 429 parking spaces in the building.

*DDA Project - Under Construction in 2024*



221 Wilcox St.  
**River Walk Luxe**

66,000 SF. This 5 story mixed use building includes 28 residential units, 11,257 of office space and 8,353 SF of first floor retail/restaurant space on a prime corner in the heart of Downtown.

*DDA Project - Completed in 2024*



210 Third St.  
**Scileppis At The Old Stone Church**

This adaptive re-use project will add a 4,000 SF addition to one of the oldest buildings in Castle Rock. The construction will add a new kitchen, pizzeria and patio space, as well as a 2,500 SF basement.

*DDA Downtown Enhancement Grant - Under Construction in 2024*

734 Wilcox St.  
**Haven Business Park**

*DDA Facade Grant - Approved and Completed in 2024*

514 Perry St.  
**Castle Rock Museum**

*DDA Facade Grant - Approved and Under Construction in 2024*



415 Perry St.  
**City Hotel**

22,000 SF. This project seeks to preserve the oldest building in Castle Rock and construct a 33 room boutique hotel on the same site. The project will include a lounge in the historic building, a rooftop bar in the new building and first floor commercial.

*DDA Project - RDA Approved in 2024* (Town Council presentation planned for '25)

403 Perry St.  
**Reyn Rock Plaza Senior Housing**

*DDA Facade Grant - Approved and Under Construction in 2024*

213 Perry St.  
**Owens House Apartments**

*DDA Facade Grant - Approved and Completed in 2024*

421 Wilcox St.  
**Bien Y Tu Mexican Restaurant**

*DDA Facade Grant - Under Construction in 2024*





## Castle Rock Downtown Alliance

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

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### **Downtown Development Authority Annual Report to Town Council 2024**

#### **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 impact the experience in Downtown Castle Rock in a positive way.

#### **Report**

In the first half of 2024, retailers in Downtown reported customers seeking discount opportunities such as happy hour or specials at restaurants and they reported concern about inflation, consumer spending and uncertainty related to it being an election year.

As 2024 came to an end, retailers continued to express concern about consumer spending. When coupled with an increase in the cost of labor and cost of goods due to inflation, anecdotally, many small businesses remained cautious about the state of the economy.

Even though there is caution that remains related to consumer spending, there are still positive signs regarding investment into Downtown. The DDA is excited about several projects that continue to make progress including:

- City Hotel Project
  - This project proposes to preserve the oldest building in Castle Rock and bring a high-end lounge and boutique hotel. At the time of this report, a Redevelopment Agreement had been approved by the DDA Board and was planned to be presented to Council in January of 2025.
- Bien Y Tu
  - This project is bringing a new Mexican Restaurant to the old Next Door Bar location. This project has received its Certificate of Occupancy and plans to open in January of 2025.
- Scileppi's at the Old Stone Church
  - This is a major expansion of this historic property. This project is near completion and plans to open in the first half of 2025.
- The View
  - This redevelopment project will bring 100 public parking spaces to the north of Downtown, as well as daytime, evening and weekend customers. This project plans to receive their Certificate of Occupancy in 2025.

- Riverwalk Luxe
  - This redevelopment project brings a daytime and evening population to this historic block of Downtown and adds active first floor dining options. This project was completed in 2024 and residents have moved in. The first-floor tenants are under construction completing their retail space.

This report documents many of the efforts, programs, and projects that the Downtown Development Authority has worked on this year in pursuit of creating and maintaining an active and vibrant Downtown.

### **Downtown Projects and Programs**

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

#### *Façade Improvement Program*

The Façade Improvement Program is designed to enhance the environment and public experience in Downtown Castle Rock by supporting investment in the façades of Downtown buildings and properties. The DDA actively encourages private sector partners to utilize this program when considering renovations to their properties. While the Town Code does not require that façades in Downtown Castle Rock have a specific appearance, the DDA Façade Improvement Program encourages attractive façades that complement historic architecture, improve curb appeal, and enhance the overall appearance of Downtown.

This program was established in 2010 and over the years the program has been adjusted based on what the DDA Board wanted to encourage at the time and based on the type of projects being presented. In each adjustment, the DDA board weighed new language being added to the program's guidelines with the overall intent and purpose of the program. In February 2024, the DDA Board asked staff to look at the language in the guidelines regarding reimbursement of maintenance items and language regarding historic properties. During the March meeting the DDA Board adopted additional language that clarifies that maintenance is generally excluded unless expenses are a part of improving architectural elements, or when included with the restoration of historic buildings.

In 2024, the DDA received and approved four applications for Façade Grant requests, two of the four completed construction and were funded by the end of the year. Additionally, one approved Façade Grant from 2022 remains unpaid while the project completes construction.

- In February 2024, the DDA board was presented with a façade grant application for the Owens House, a historic property located at 213 Perry St. The goal for this improvement was to reface the façade to bring it back to a more historic look and feel using contrasting colors to highlight architectural details. The project included painting the stucco and sealing any cracks on the exterior of the building using high grade materials, repairing, and painting all exterior trim in a dark brown color and repairing and re-staining the back deck. Additional updates to the project included replacing exterior doors. The work on this property concluded in early spring and payment of the grant was approved by the DDA board in May.
- In August 2024, the DDA board was presented with a façade grant request for the property at 734 Wilcox Street. The proposal for this façade grant request included the removal of the four existing planting beds located in the front of the building along the sidewalk and the

construction of new Trex decks over the removed planting beds. The new decks will be an extension of the existing concrete patios creating more space for tables, flowerpots, and benches, giving a more uniform and inviting feel for customers. Additional improvements included abandoning the irrigation system, removal of the former planter bed and fill with concrete, construction of three Trex decks and the epoxying of the existing concrete. The work on the property concluded in November and payment of the grant was approved by the DDA board in December.

- At the same August DDA board meeting, the board was also presented with a façade grant request for the Castle Rock Museum located at 420 Elbert Street. The Castle Rock Museum is located in the original Denver & Rio Grande Railroad Depot located at 420 Elbert Street. The Depot was constructed in 1875 and originally stood next to the tracks at 3<sup>rd</sup> and Perry Streets. In 2025 the Castle Rock Museum and Historical Society will celebrate the 150<sup>th</sup> anniversary of the building. In honor of that anniversary and in celebration of its history, leadership considered an update to the façade of the building. Plans included repairing damage of the exterior eaves and brackets, selective beadboard replacement, and the repainting of the exterior. Materials will be consistent with requirements in place for updating historic properties, specifically beadboard and latex vs. oil paint. The board approved the façade grant request. The work on the property has concluded and the request to fund the grant will go before the board in February 2025.
- In June of 2022, the DDA approved a façade grant application for historic Castle Café / Next Door Bar, located at 403 Wilcox Street. This application proposes to make improvements to the space directly adjacent to 217 4<sup>th</sup> Street on the west side of the restaurant by adding an outdoor dining patio to service customers of a new restaurant concept replacing the Next Door Bar. The patio will add a unique addition to Downtown Castle Rock in the breezeway space that was unsightly and more importantly, unused. The new patio will feature an outdoor fireplace and lounge area that will feature hanging chairs along with table service seating for 30 guests. Materials will include stucco, stonework, pavers, entry and exit doors along with a wooden pergola. Once construction began, flaws in the west facing exterior wall were discovered requiring the vines to be pulled back. With the now exposed concrete block wall, the property owner opted to treat the wall with a large mural to complement the patio. Although not part of the façade grant, the mural is a nice complement to the patio. Construction on the patio and restaurant space is nearly complete, and staff expect to bring the final request to the board to issue funds in 2025.

The DDA also offers a Micro Façade Grant Program that 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. For example, the program may eliminate more complex application requirements such as elevations/renderings, Design Review Board approval, etc., depending on the scope of the desired work. No Micro Façade Grant Applications were received in 2024.

#### *Downtown Enhancement Grant Program*

The Downtown Enhancement Grant Program, which was launched in 2022, is designed to enhance the environment and public experience in Downtown Castle Rock by encouraging and supporting investment in small scale development projects including façade improvements, expansions, additions, alleyway investments and adaptive reuse projects. Often smaller scale developments contribute to the preservation of character and history with the reuse and/or expansion of buildings, and this program is

designed to encourage these types of investments. One project is currently approved for the Enhancement Grant Program. An update on that project is included below:

- In December of 2022, an Enhancement Grant Application was received for a project proposed at Scileppi's at the Old Stone Church for the property at 210 Third Street. This project consists of a 4,000 SF addition to the east side of the existing restaurant that will include a new kitchen and pizzeria as well as a 2,500 SF basement. The expansion will allow for an additional outdoor patio for dining that will be a highlight of the property. New masonry, ornamental metal and wood details on the façade will complement the historic stone church. The DDA Board unanimously supported the project and approved a grant of up to \$50,000 to be paid upon completion of the project.

In November 2023, ownership of Scileppi's reached out to DDA Staff requesting an extension of their agreement that would have expired in December 2023. Project ownership had been working diligently with the Town of Castle Rock Development Services team, and the project general contractor, to complete the documents and approvals needed for the project to continue to move forward. There were a handful of delays that kept the project from receiving the building permit within the one-year deadline. DDA Staff contacted Town Legal to draft an amendment to the agreement allowing for an additional four months for the building permit to be obtained, giving the project until April 8, 2024, to obtain the permit. The DDA Board unanimously approved the extension during the November Board Meeting. Fortunately, shortly after the approval of the extension, the project received its building permit and construction was underway. Currently the project is making great progress toward its completion and is anticipated to receive a Certificate of Occupancy in 2025.

#### *Flowerbox Program*

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. This program does not use any Town General Fund tax dollars and is paid for through DDA Funds, private businesses, and property owners. The DDA coordinates the pickup and delivery of all flower boxes with Town Staff.

For the 2024 season, the DDA partnered again with Tagawa Gardens for the planting of all flower boxes. Tagawa Gardens proved to be a reliable partner over the last 4 years, and they plant many of the boxes from seed in March at their greenhouse so that the boxes will be in full bloom at delivery in May. A total of 43 businesses ordered boxes, with 8 small boxes, 103 medium and 63 large boxes rented. Flower boxes are also placed around 11 Downtown patios to provide beautification and protection around the patios. The DDA partnered again with DCM&R to offer watering service for the flower boxes for those businesses that opted into the service. Watering service is provided to 25 businesses, and for patio flowerbox renters, expanded to include weekend watering this year. The patio flower boxes were replanted for fall with fresh plants in September just in time for Oktoberfest. For the holidays they were redecorated with greens foliage and wooden decorated gift boxes in November just before Starlighting.

#### *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 was built on years of research and studies

conducted by Walkable Communities Inc. 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, often in parking spaces, similar to those utilized by other neighboring communities.

This now long-standing program has continued to have great success in Downtown Castle Rock. The program allows restaurants to utilize sidewalk and street space for additional dining options which has increased the pedestrian activity and vibrancy. Following the COVID-19 pandemic and in response to positive feedback for patios to remain year-round, modifications were made to the program to allow for the temporary outdoor patios to remain in place year-round, and encroachment agreements as well as liquor licensing to automatically renew. This change eliminates unnecessary DDA and Town Staff time to renew agreements and documentation each year and saves the business owners repeated filing fees.

This program has evolved over the years and requires a collective effort from many DDA partner organizations to achieve the goal of increasing pedestrian activity around dining establishments. Restaurants have commented that even if patio space is not full, a brightly colored umbrella is a great marketing tool that indicates a place to dine. In many cases, a summer visitor to Castle Rock may spend the majority of their time in Castle Rock on a Downtown patio, and their impression of the health of Downtown Castle Rock, will in part be based on this experience. Investment in a patio space is a small part of being a world class community and contributes to the experience of visitors and the strength of the local economy.

In an effort to gauge the influence and popularity of outdoor dining in Downtown, staff began tracking the addition of private outdoor dining options in Downtown several years ago and the increase has been outstanding.

The full list of patios includes the following restaurants:

Angie's (major DDA upgrade in '23)	Homegrown Tap & Dough (Riverwalk Luxe RDA '24)
B&B Café (major DDA upgrade in '22)	Iron Mule (ACME Water Tower redevelopment '15)
B's Craft Deli (Encore RDA '21)	Lost Coffee (DDA Patio '15 – DDA Façade Grant '17)
Bearded Man (DDA Façade Grant '22)	Provision (DDA Patio '22)
Bien Y Tu (formerly the Next Door Bar – DDA Façade Grant '24)	Scileppi's (DDA Patio '20)
Block and Bottle (Encore RDA '21)	Snarf's Sandwich Shop (adaptive reuse '23)
Castle Café (major DDA upgrade in '22)	Sugar Spoon (major DDA upgrade to bump out in '24)
Castle Rock Collective (new coffee shop patio '21)	The Backyard/Battle Mountain Brewery (new brewery '23)
Castle Rock Nutrition (DDA Patio '24)	The Office (Mercantile Commons RDA '16)
Courtyard Social (new restaurant '23)	Tribe (Riverwalk RDA '19)
Crowfoot Valley Coffee (DDA patio '10, façade grant '24)	Union Bistro (DDA Façade Grant '16)
Dos Santos (Encore RDA '21)	Vista Vino
Ecclesia (DDA Façade Grant '18)	Wild Blue Yonder (adaptive reuse '18)
Glacier Ice Cream (Riverwalk RDA '19)	Z'Abbracci's (major DDA upgrade in '22)
Great Divide Brewery and Roadhouse (Riverwalk RDA '19)	*RDA = Redevelopment Agreement

In 2024, two additional DDA patios have been added to Downtown, continuing the trend and popularity of this program; one at Castle Rock Nutrition, 514 Perry St. which is constructed of the new concrete paver design. The other, at Sugar Spoon Candies, 313 3<sup>rd</sup> St. which mimics the patios of both Z'Abbracci's and Angie's Café, utilizing an existing bump out and the brick/paver inlay design, was installed in 2024. Both patios are protected with colorful flowerboxes, signature to Downtown. Each new patio represents

the first patio of its kind on their respective blocks, increasing walkability and vibrancy to an even larger footprint of Downtown.

In addition, 734 Wilcox St. concluded façade updates under the Façade Grant Program which included installation of permanent patio space along the sidewalk. With these updates, one more DDA patio has moved from a temporary patio to a permanent patio, once again demonstrating the success of the DDA Patio Program. At the end of the year, three patios are currently under construction at Bien Y Tu (formerly The Next Door Bar), Scileppi's and Riverwalk Luxe - Homegrown Tap and Dough.

Roughly 10 years ago, only about a fifth of these patio options existed and many of the restaurants and the actual restaurant space did not exist.

#### *Downtown Engagement*

The Downtown Alliance often acts as the 'voice of Downtown.' Staff spends time to meet one on one with Downtown businesses, property owners and residents to provide information about what is going on in Downtown and collect feedback. These efforts assist Town Staff in handling inquiries and feedback related to Downtown and help to disseminate important information to the community. These meetings are often used for things like snow and ice mitigation, Town Right of Way concerns, parking improvements, public and private sector construction awareness, etc., and other discussions that help the Town be effective and help businesses in the maintenance of an overall positive business climate.

Staff also shares information on Downtown programs, such as the Flowerbox Program, Façade Improvement Grant Program, Downtown Enhancement Program and Patio Program, as well as information about DDA initiatives such as development projects, parking, and Town initiatives. In addition to one-on-one meetings with the community, staff often visits interested groups and organizations such as the Rotary, Chamber, or HOAs, to present information and collect feedback about Downtown.

In April, Downtown Alliance Staff held a public meeting at the Philip and Jerry Miller Library to provide updates on Downtown programs and projects. Town Public Works Staff joined the meeting to provide updates on ROW improvements that were planned for 3<sup>rd</sup> Street and Jerry Street later in 2024. Feedback from these meetings has been positive from the community, who appreciate the extra opportunity to have questions answered.

#### *Banner Program*

The Castle Rock DDA Light Pole Banner Program was one of the first programs implemented in 2008 when the DDA began. This program uses decorative banners to enhance the streetscape by adding color and vitality to Downtown. These banners also publicize special events held in Downtown. This spring approximately 200 colorful banners were hung lining many streets of Downtown, and several event banners were hung advertising community events planned for 2024. In the fall, just before the signature Starlighting event, those 200 spring banners were replaced with 200 festive winter banners to adorn the streets for the holidays.

#### *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 customers and facilitate a healthy business climate. Policies, discussions, and changes enacted in 2024 include:

- Consideration of an additional loading zone on 3<sup>rd</sup> St. b/w Perry St. and Wilcox St. This request was ultimately not approved as the property owners on the block did not support the request.
- Consideration of a loading zone on 5<sup>th</sup> St. in front of No Cow Café. This request was approved after communication with adjacent tenants.
- Efforts to coordinate with DCSD to ensure ADA spaces on 7<sup>th</sup> St. have access aisles and if appropriate restripe. After communication, 2 ADA spaces with access aisles remain and 5 new public spaces on 7<sup>th</sup> Street are available.
- An agreement was established with Douglas County that the parking lots at its Wilcox (65 spaces) and Third Street (90 spaces) buildings are available to the public after 5pm on weekdays and all-day on weekends and holidays. Further, the County will be making the 187 parking spaces on Floors 2 and 3 of the Third Street parking garage available to the public during evenings, weekends and holidays. New signage was installed in partnership with Douglas County in Q1 2024.
- An agreement was established with the Move Building at 202 Sixth St. to allow public parking in all 72 parking spaces there during evenings, weekends and holidays. This represents an additional 25 spaces from the previous agreement.
- Consideration of an additional loading zone on Jerry St. at 4<sup>th</sup> Street. This request was approved.
- Consideration of an additional ADA space at 4<sup>th</sup> Street and Jerry Street. This request was denied due to lack of support from the property owner and adjacent businesses.

In addition, the Town of Castle rock has hired a new Police Officer that serves as the Downtown Liaison, who has been a great help in these type of discussions with the community and with the parking committee.

An effort was undertaken by DDA and Town Staff to quantify parking additions in Downtown Castle Rock and a summary of those efforts is included below. Many of the locations listed below represent the “low-hanging fruit” locations, where spaces have been added for minimal cost. These “low-hanging fruit” location are places that should be pursued before a larger more costly investment is made. Improvements made in 2024 have \* on the description included below:

- Improvements to Parking Over Time = **+965 spaces**
  - *Encore Redevelopment & Parking Garage: **+308 spaces, +11 spaces on street***
    - Purchased 308 spaces for ~\$10,000,000 – Added 11 parallel spaces on street in 2021.
  - *Douglas County School District: **+55 spaces***
    - Leased half of the DCSD lot for public in 2023, signage installed in 2024.\*
  - *7<sup>th</sup> Street – North of Douglas County School District: **+5 spaces***
    - Restriped several spaces in 2024.\*
  - *The Move Redevelopment: **+25 spaces***
    - Leased spaces with the redevelopment for public use.
    - Increased to 72 spaces in 2024 for evening and weekend. Previously were 47 spaces.\*
  - *Festival Park: **+17 spaces***
    - Vacated Turn Lane – Parallel Moved to Angled on Wilcox and Perry St. (2018).
  - *The View Redevelopment: **+100 spaces in garage, +11 spaces on street***



- Purchased 100 spaces for \$3,000,000, moved parallel spaces to angled to create additional 11 spaces on street.
  - Completion expected in 2025.
- *Douglas County Parking Garage (3<sup>rd</sup> & Jerry St.): **+187 spaces***
  - Evenings and Weekends added in 2024.\*
  - Existing 79 spaces purchased by Town ('07) for ~\$1,400,000.
- *Wilcox Street (across from Encore): **+1 space***
  - Moved Fire Hydrant (2021).
- *Douglas County Off Street Surface lot (3<sup>rd</sup> & Elbert): **+90 spaces***
  - Evenings and Weekends added in 2024.\*
- *Philip and Jerry Miller Library: **+85 spaces***
  - New parking lot includes 218 spaces – Previously was 133 spaces.
  - Added in 2023.
- *Douglas County Wilcox Building: **+65 spaces***
  - Evenings and Weekends added in 2024.\*
- *7<sup>th</sup> and Perry Street (Iron Mule Parking Lot) **+5 spaces***
  - Restriped and poured asphalt to add 5 spaces in 2024.\*
  - These spaces were added for a total cost of \$21,500 (less than \$4,300/space).

#### *Trolley Rides*

Back by popular demand, The DDA once again provided free trolley rides in Downtown Castle Rock. This summer, residents and guests of Downtown enjoyed free rides every Wednesday in June, July, and August from 6-8 pm. These rides coincide with the DMA's Jazz in the Park events also taking place every Wednesday in Festival Park.

- Summer Ridership: 824 riders enjoyed this offering during the summer months.

During the holiday months, free trolley rides were offered on Mondays and Tuesday from 5-7 pm following Starlighting and continuing to the end of the year.

- Holiday Ridership: 902 riders enjoyed seeing the beautiful lights of Downtown Castle Rock from the comfort and enjoyment of the trolley.

#### *Development Projects*

In partnership with the Town of Castle Rock and the Castle Rock EDC, several development projects have been negotiated with the private sector, with the goal to encourage mixed use projects that follow good planning policies, contribute to vibrancy, and create a stronger economy for Downtown small businesses, as well as Castle Rock as a whole:

##### The View at Castle Rock – 610 Jerry Street

The View project was introduced to the DDA Board and Town Council in 2020. The project held 4 neighborhood meetings and in April of 2021 the project was presented to the Town Council who approved a redevelopment agreement for the project.

The project is under construction to build 221 apartments, 14,250SF of office space and 5,000SF of restaurant space. The project will construct 399 parking spaces in the building. The DDA and Town of Castle Rock negotiated adding 100 additional parking spaces to the project, and to pay for those spaces using the DDA Special Fund to make a payment for the fees required by the Town for development of the project. There will also be 33 street parking spaces constructed where there were previously 22

spaces. This project represents a significant, strategic investment in parking for the current and future parking needs of the community.

As we have learned with the previous projects in Downtown, and as demonstrated by redevelopment projects across the nation over the last 30 years, vibrancy comes from people. People that work in a downtown during the day and live, dine, shop, and find entertainment in a downtown during the evening and weekend, make a downtown successful. This project has the ability to strengthen the Downtown economy in a major way. This project was allowed by code without DDA involvement, however with DDA involvement, first floor retail, additional office space and 100 public parking spaces were required to be built in the project.

This project experienced a number of challenges including labor shortages that continued to delay completion of this project. The DDA and Town Council approved an extension in December of 2024, to extend the requirement for the project to receive a Certificate of Occupancy to June 30, 2025.

#### Riverwalk Luxe (221 Wilcox Street)

In 2015, Niebur Development purchased the property at 221 Wilcox St. and proposed a mixed-use project at the site. They evaluated potential projects ranging from 3-5 stories, and the need for parking associated with its likely tenants. A redevelopment agreement, which has since expired, for a 5-story project was approved by the DDA Board and Town Council which provided assistance for some of the fees, and a share back with some of the property and sales tax that would be generated by the project. Ultimately, Niebur Development was unable to make this project work due to several challenges including the inability to provide parking at a reasonable cost. Niebur Development came back to the DDA Board and proposed an idea to add a floor to the then-current 1 story building with a plan to utilize the boarded-up drive through for a quick serve / fast food tenant. This concept was not supported by the DDA Board.

In 2016, Confluence Companies purchased the 221 Wilcox Street site from Niebur Development to protect their investment at Riverwalk, after hearing about the proposed two-story renovation of the existing building with use of a drive through. Confluence Companies introduced a project in February of 2018 to the DDA Board proposing a mixed-use project at the site. A hotel was also considered and evaluated for this location. As Confluence evaluated the potential of the site, opportunity with the Encore project down the street was identified and Confluence, in partnership with the Town and DDA, structured an agreement for the Encore project. Among many positive outcomes of this project, it allowed Town Staff to park at 221 Wilcox while Encore was built. Of note, when this partnership was created, the DDA, Town and developer discussed that the end goal for 221 Wilcox Street was not to remain as a parking lot.

Staff conversations at the end of 2021 included discussion of the code requirement to park residential units onsite (not offsite), and about architecture that is a “fit” for this property. This led to an updated proposal from Confluence Companies in Q1 of 2022, which would park the residential units onsite one floor below grade and would park the commercial components of the building in the extra spaces privately owned in the Riverwalk North building adjacent to the property with a shared alley. Architectural changes were made to the exterior design of the building incorporating some historical design features such as historical looking sills on the windows as requested by Town Council. In May of 2022, a proposed redevelopment agreement was presented to the DDA Board and was approved, and in June the agreement was presented to the Town Council and was approved. Construction began on Riverwalk Luxe in the fall of 2022. Confluence, the Town and the DDA met to limit the number of

closures of pedestrian walkways and ultimately Confluence poured a new sidewalk to serve pedestrians during construction.

In 2024, Confluence announced that the 11,257SF of office space on the second level has been filled. There has been some changes with the first-floor tenants, with the current tenants now including Homegrown Tap & Dough, Playa Bowls and some available first-floor retail space. The project also consists of 28 residential units, 28 onsite parking spaces and 27 offsite parking spaces at the adjacent Riverwalk North property. The project received its temporary certificate of occupancy in late July of 2024 and residents had moved in by the end of 2024. The committed first-floor tenants were in process with the Town of Castle Rock at the end of the year to complete their own tenant improvements.

#### Perry Street Social District

In mid-2021, a redevelopment project at 404 Perry Street was first announced. This project, named the Perry Street Social District, has proposed several redevelopment concepts for the 4 building structures originally onsite over the last 3 years. The proposed concepts include redesign, redevelopment, and adaptive reuse. As this project has progressed, the ownership has gone through several ownership structure changes. In addition, they have encountered several redevelopment challenges. These challenges include evaluation of their historic preservation plans for the historic buildings on site, how to reuse or remove existing structures, as well as designing plans for a modern container ship structure, and creating a design that meets building and fire code requirements cohesively.

The site originally consisted of 3 buildings and temporary canopy structure which included, the historic Whittier House at the corner of 4<sup>th</sup> and Perry Street, the concrete block building most recently housing Castle Rock Bike and Ski, a white Sprung Structure canopy, and a residence on the north side of the site. In 2023, most of the site was deconstructed. The only remaining structure is the historic Whittier House. The project is currently evaluating a variety of options for this site and is on pause. Staff is optimistic that if the current owners do not wish to continue their project, that there will be interest from the community to invest in this property.

#### City Hotel

The historic City Hotel property at 415 Perry Street has been talked about for many years in Castle Rock. It is believed to be the oldest building in Castle Rock and is privately owned. This means that preservation and restoration of the historic structure is first dependent on the owner of the property before any other entity could provide assistance. So, when the private property owner expressed an interest in investing in the property in 2022, including restoring the historic structure, and adding a new boutique hotel building on the same site, it presented a tremendous opportunity for Castle Rock to preserve the oldest building in Castle Rock and bring a high-end lounge and boutique hotel.

The proposed project plans to incorporate a food and beverage concept into the historic structure, as well as a rooftop bar on top of the new boutique hotel building. The project proposes some leasable retail space on the first floor of the new building, with a total of ~30 hotel rooms above the first-floor commercial space. The new building is proposed as a 4-story building, with the 4<sup>th</sup> floor stepped back and not encompassing the full floor plate of the building. The 4<sup>th</sup> floor would house a rooftop bar, several hotel units, and the building, as introduced, would have a total building height of 45 feet, which is just below the property to the south on Perry Street.

In December of 2022, the ownership of this project introduced their concept to the DDA Board in a public meeting seeking assistance. At this meeting, staff was directed to work with the developer/property owner on the details of this project and come back to the DDA Board with an

update, specifically noting the challenge of needing to work with the developer to identify offsite parking to meet Town Code.

In July of 2023, DDA and Town Staff solidified a partnership with Douglas County School District (DCSD) that would potentially allow the City Hotel to valet park in the DCSD lot. In August of 2023, this project was presented in a public meeting to the DDA Board. This presentation included the proposed plan for this project, a proposed redevelopment agreement structure, and a third-party analysis of the project pro forma. The DDA Board voted to support the proposed redevelopment agreement terms.

In April of 2024, the proposed City Hotel project submitted their Site Development Plan to the Town of Castle Rock, and in December of 2024 the DDA Board voted to approve a Redevelopment Agreement in support of the City Hotel. At the time of this report the Redevelopment Agreement had been presented to Town Council in January 2025 and it was approved.

#### *Public Investment Infrastructure*

Castle Rock benefits from having a Downtown Development Authority in many ways. While having a set of staff and the financial tools to accomplish the many projects listed above, having a DDA and Statutorily authorized Special Fund that is funded from new revenue generated from Downtown, can provide relief to the Town General Fund on Downtown public investments. This frees up Town funds to be deployed to other priorities in Castle Rock. In recent years, the DDA has approved the use of funds from the DDA's Statutorily authorized Downtown Special Fund to support the following projects:

- **Roundabout at Wilcox and South Street:**  
In April of 2021, the DDA board voted to pay up to \$750,000 from the Downtown Special Fund for the roundabout at South and Wilcox Street.
- **Streetscape Palette Plan:**  
In April of 2021, the DDA board voted to pay up to \$15,000 from the Downtown Special Fund for a Streetscape Palette for Downtown Castle Rock to guide future decisions about streetscape materials.
- **Maintenance at the Encore Parking Garage:**  
In December of 2021, the DDA Board voted to approve using up to \$150,000 for Encore Garage Maintenance from the Downtown Special Fund annually.
- **Town Staff Support of Downtown Events:**  
In December of 2021, the DDA Board voted to use up to \$50,000 to support Police, Fire, and Parks services at events in Downtown Castle Rock annually.
- **Quiet Zone:**  
In April of 2022, the DDA Board voted to pay up to \$900,000 out the Downtown Special Fund to implement a Train Horn Quiet Zone at the 3 crossings in Downtown Castle Rock. Construction of the 4-quadrant gate system began at the beginning of 2024 and is expected to be completed by the end of 2024.
- **Downtown Enhancement Grant:**  
As mentioned above, based on direction from the Town Council and the DDA Board, this grant program was created in September of 2022. These funds are available to support smaller scale

development projects. A grant is currently approved for the expansion of Scileppi's and will pay out upon successful project completion.

- **Bump Outs at 4<sup>th</sup> and Jerry Street:**  
In May of 2023, the DDA Board voted to contribute up to \$56,000 (\$29,000 for patio / \$27,000 for upgraded hardscape treatment) for bump out traffic improvements proposed by Public Works at 4<sup>th</sup> and Jerry Street. This work replaced the DDA patio in front of Angie's Café with a permanent concrete patio, and all bump outs installed at the intersection were upgraded to follow the signature brick/paver inlay treatment recommended in the recently completed Downtown Streetscape Palette.
- **Douglas County School District Parking Partnership:**  
In May of 2023, the DDA Board voted to support a partnership between the Town of Castle Rock and Douglas County School District (DCSD) to allow the Town to lease 55 public parking spaces from DCSD for public parking, and to support potential valet parking with the proposed City Hotel project. The Downtown Special Fund is planned to pay for the lease to DCSD at a price of \$50 per month per space for an annual payment of \$33,000 and additional costs for maintenance, and the City Hotel is expected to pay their portion of the use of parking spaces for valet.
- **Streetscape in Town Right of Way (ROW) on the 300 block of Wilcox:**  
In December of 2024, the DDA Board voted to support spending up to \$80,000 (\$40,000 from Special Fund / \$40,000 DDA Operating Fund) in order to partner with Town Parks and Recreation Dept. to install new streetscape on the west side of the 300 block of Wilcox and south side of 4<sup>th</sup> Street adjacent to Wilcox St. The intent is to have this work installed in 2025 in time for the celebration of Americas 250<sup>th</sup> Anniversary and Colorado's 150<sup>th</sup> Anniversary (Sesqui semiquin centennial). Uniquely the County Lawn adjacent to this ROW was planted in celebration of the Bicentennial in 1976.
- **Parking Spaces added at 7<sup>th</sup> and Perry Street (Iron Mule Parking Lot):**  
The DDA paid \$21,500 to remove overgrown, unsightly vegetation and install asphalt to add 5 parking spaces in the dirt area adjacent to the existing parking lot at 7<sup>th</sup> and Perry Street.

### **Summary**

In summary, the DDA is proud of recent accomplishments in Downtown Castle Rock. A vision for an active and vibrant Downtown was laid out by the community and its elected leaders in 2006, 2007 and 2008. Ultimately, the taxpayers in Downtown voted to tax themselves and voted that the Town of Castle Rock should support investment into the heart of the community. It is rewarding that many of those early goals are being achieved, and that opportunities exist to make progress on further improvements.

Listed below are a handful of projects where progress has been made this year, on goals set by the Town Council, the DDA and community:

- A project to save the oldest building in Downtown with the City Hotel project submitted their Site Development Plan was approved by the DDA Board, and in first month of 2025 approved by Town Council. This project works towards the goal of preserving history and character, something that has been expressed as important by Town Council. This project will also add a small boutique hotel onsite, which is something that has been discussed as a goal for many years.



- A partnership was formed with Douglas County School District to lease 55 parking spaces for public parking, working towards a continued goal to be strategic about parking. Signage indicating these spaces are public parking was installed in early 2024.
- The View project has made significant progress on their construction, and upon completion, will not only add 100 public parking spaces, but will add a daytime population of workers in the project's office space. It is also likely that a restaurant tenant will occupy the first-floor retail space. Dining options help drive visits to Downtown which strengthens the Downtown economy. This project is expected to be completed in 2025.
- Two new DDA Patios were installed at Castle Rock Nutrition and Sugar Spoons Candies. Additionally, the property owner at 734 Wilcox St., installed a permanent patio in place of the DDA Temporary Patio. Lastly, 3 new permanent patios are under construction at Bien Y Tu (formerly The Next Door Bar), Scileppi's and Riverwalk Luxe – Homegrown Tap and Dough.
- The DDA approved a Façade Grant to support investment in the historic Owen's House on Perry Street, the Castle Rock Museum on Elbert St., and 34 Wilcox St. The DDA also amended its Façade Grant policies to further support maintenance on historic structures.
- The DDA and Town partnered to add an additional 432 parking spaces available for the public through creative partnerships and investments in 2024.

Thank you for the continued partnership with the Castle Rock Downtown Development Authority.

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