



## Castle Rock Downtown Alliance

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

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### **Downtown Development Authority Mid-Year Report to Town Council 2025**

#### **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 2025, Downtown Castle Rock has seen strong event attendance and healthy foot traffic, however a number of small businesses have reported concerns related to the impact of inflation and tariffs. Staff interviewed a sampling of businesses and most reported some level of uncertainty with the local economy. Several reported being slower mid-summer year on year. It seems the consumer is more particular about when and how often they choose to shop and dine. For example, weather seems to impact spending. Despite some slowing in consumer spending, there is still a strong demand for consumers to visit Downtown Castle Rock as evidenced by foot traffic in the core during the summer months.

The pipeline for future new businesses and projects seems to have slowed, however a number of new business and projects began in the first half of 2025. These projects and new businesses are reported below:

- Lala’s Coffee & Boba
- Castle Toys
- Home Grown Tap & Dough
- The View Redev. Proj.
- Wide Awake (Restaurant)
- Playa Bowls
- Sip Tea
- Teaology Tea Café
- Niche & Co. (Home Goods)
- The Par Club (Golf Simulator)
- Scileppi’s Exp. Proj.
- Bien Y Tu (Restaurant)
- Petals and Pop (Craft Soda & Sweets)
- Keller Williams New Office
- Michoacan a Pedir de Boca (Mexican Ice Cream Shop)
- City Hotel Redev. Proj.
- Goldie Links

#### **Downtown Projects and Programs**

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

## **Façade Improvement Program**

*Background: 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 of 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 has been adjusted over the years based on what the DDA Board hoped to encourage at the time and 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 2025, the DDA has not received any new applications for façade grants; however, there have been several inquiries about the program, and it is anticipated that more than one could be received before the end of the year. Two previously approved grants were completed and funded in 2025, and one grant approved in 2024 has not yet completed their improvements.

- **Castle Café/Bien Y Tu Patio:** In June of 2022, the DDA approved a façade grant application for the historic Castle Café located at 403 Wilcox Street. This application included the design and construction of a new patio directly adjacent to 217 4<sup>th</sup> Street on the west side of the restaurant to provide space for customers for a new restaurant concept, Bien Y Tu. The new patio features an outdoor fireplace, lounge area, and hanging chairs along with table seating for 30 guests. Materials used 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 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 concluded in early 2025, and the DDA Board approved the funding of the grant at the May board meeting.
- **Castle Rock Museum:** In July of 2024, a façade grant application was received for the Castle Rock Museum which is located at 420 Elbert Street. The Museum is located in the original Denver & Rio Grande Railroad Depot, which was constructed in 1875 and originally stood next to the railroad 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 are consistent with requirements in place for updating historic properties, specifically beadboard and latex vs. oil paint. The work on the property concluded in late 2024, and the request to fund the grant was approved by the DDA Board in February 2025.
- **Reyn Rock Senior Apartments:** In October of 2024, the DDA received a façade grant application for the property, located at 403 Perry Street. The Reyn Rock Senior Apartment building was acquired by the Douglas County Housing Partnership in October of 2023. The building provides 33 units for low-income seniors that are aged 62 and older or disabled seniors 55 and over. The proposed updates to the façade include prep and paint of the exterior of the building using acrylic latex paint for stucco and urethane enamel paint for all metal surfaces. The updated color complements the neighboring buildings. Plans also include a beautiful new awning to

frame the front entrance off of Perry St. and a pergola on the back patio. The updates will also include two GFCI electrical outlets to the east side of the exterior and replacing the light on the flagpole. The DDA Board approved this grant at the November 2024 board meeting. Currently, the project is working through all permitting requirements and is expected to begin work within the year.

### **Micro Façade Grant Program**

*Background: 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 have currently been received for 2025.

### **Downtown Enhancement Grant Program**

*Background: 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.*

To date, one project has been funded under the Enhancement Grant Program. An update on that project is included below:

- **Scileppi's at the Old Stone Church:** In December of 2022, an Enhancement Grant Application was received for a project proposed at Scileppi's at the Old Stone Church located at 210 Third Street. This project consists of a 4,000 SF addition to the east side of the existing restaurant that includes a new kitchen and pizzeria as well as a 2,500 SF basement. The expansion includes an additional outdoor patio for dining which is a highlight of the property. New masonry, ornamental metal, and wood details on the façade now 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. Construction on the project broke ground in late 2023 and was completed in April of 2025. During the May 2025 Board Meeting, the board reviewed the documents that were submitted upon the completion of the project and approved the funding of the first Enhancement Grant in DDA history. The newly-created square footage of the restaurant and outdoor patio created an additional 60 seats. With the immediate success of this expansion, ownership is currently in the process of permitting a second phase build out on the west side of the property. This historic property will certainly serve a new generation of guests for many years to come.

### **Flowerbox Program**

*Background: 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 2025 season, the DDA partnered with Tagawa Gardens for the planting of all flower boxes. A total of 171 boxes were placed around 37 businesses including 12 Downtown patios. Flower boxes not only provide protection for the patios but also beautify the entrances of Downtown business through a consistent and unified look. Watering services are also offered to businesses participating in this program. In 2025, a total of 27 businesses opted into the service which provides watering 6 days per week. This program continues to receive many compliments from visitors to Downtown as well as business owners. It is anticipated that additional boxes will need to be built later this year to accommodate the growing level of interest.

## **Parking**

*Background: 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 the first half of 2025 include:

- Parking RFP for 2025 Drafted and Posted / Interviewed Consultants / Selected Fehr & Peers
- ADA Spaces in front of Scileppi's Discussed and Decision Made (1 space in front / 1 cater-corner)
- Patio Space in Front of Scileppi's Approved
- Bump out on 3<sup>rd</sup> Street Removed and 4 new spaces added – led by Public Works
- Curb Realignment installed on Jerry Street and 9 new spaces added – led by Public Works

An effort was undertaken by the 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” locations are places that should be pursued before a larger more costly investment is made. Improvements made in 2025 added 14 new spaces and in 2024 added 377 spaces. These are underlined in the list below:

- Improvements to Parking Over Time = **+979 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 with 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 there were 47 spaces.
  - *Festival Park: **+17 spaces***
    - Vacated Turn Lane – Parallel Moved to Angled on Wilcox and Perry St. (2018).
  - *Wilcox Street (across from Encore): **+1 space***
    - Moved Fire Hydrant (2021).

- **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 an additional 11 spaces on street.
  - Completion is 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.
- **Douglas County Off Street Surface lot (3<sup>rd</sup> & Elbert): +90 spaces**
  - Evenings and Weekends added in 2024.
- **3<sup>rd</sup> and Elbert: +14 spaces**
  - A bump out was removed on the north side of 3<sup>rd</sup> Street and 5 spaces were added in 2025.
  - Curb improvements and reconstructed sidewalk added 9 spaces in 2025.
- **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).

### **Patio Program**

*Background: 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 increasing the pedestrian activity and vibrancy. Following the COVID-19 pandemic, 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 now automatically renew.*

*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. Restaurant owners have shared 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. A list of the patios that the DDA has supported is included below, and the patios updated or added in 2025 are underlined:

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 (fka Next Door Bar - Façade Grant '24)	Scileppi's (DDA Patio '20,
Block and Bottle (Encore RDA '21)	<u>Enh. Grant &amp; patio upgrade in '25)</u>
Castle Café (major DDA upgrade in '22)	Snarf's Sandwich Shop (adaptive reuse '23)
Castle Rock Collective (new coffee shop patio '21)	The Office (Mercantile Commons RDA '16)
Castle Rock Nutrition (DDA Patio '24)	Union Bistro (DDA Façade Grant '16)
Courtyard Social (new restaurant '23)	Vista Vino
Crowfoot Valley Coffee (DDA Patio '10, Faç. Grant '24)	Wide Awake Eatery (fka Tribe - Riverwalk RDA '19)
Dos Santos (Encore RDA '21)	Wild Blue Yonder (adaptive reuse '18)
Ecclesia (DDA Façade Grant '18)	Z'Abbracci's (major DDA upgrade in '22)
Glacier Ice Cream (Riverwalk RDA '19)	*RDA = Redevelopment Agreement
Great Divide Brewery & Roadhouse (Riverwalk RDA '19)	

In the summer of 2025, following the completion of the expansion at Scileppi's at the Old Stone Church, a new DDA patio was installed on 3<sup>rd</sup> Street. The patio is constructed of concrete pavers and surrounded by brightly colored flower boxes.

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.

### **Public Investment Infrastructure**

Castle Rock benefits from having a DDA 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 list of projects, and the projects completed in 2025 are underlined:

- 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.
- 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.
- DDA Support of Police, Fire, and Parks Staff at 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.

- **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.
- **Town ROW Streetscape Improvements (2025):**  
In June of 2025, the DDA paid \$40,000 from Operating and \$40,000 from the Downtown Special Fund to install high-quality streetscape on the 300 block of Wilcox Street in front of the Douglas County Wilcox Building. This investment was a top recommendation from the 2021 Streetscape Palette Plan. This work was also completed in time for 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.
- **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.
- **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 was completed by the end of 2024.
- **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 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.

### **Downtown Engagement**

*Background: The Downtown Alliance often acts as the 'voice of Downtown'. Staff spends meeting 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 several areas in Downtown including 3<sup>rd</sup> Street and Jerry Street later in 2025. Feedback from these meetings has been positive from the community, who appreciate the extra opportunity to have questions answered.

### **Downtown Banners**

*Background: The Castle Rock DDA Light Pole Banner Program was one of the first programs implemented in 2008 when the DDA began. The purpose of the decorative banners are 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 downtown events planned for 2025.

### **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: As of 7/24/25, 384 riders have enjoyed riding the trolley through downtown. With an average of 88 riders per night!

An agreement has already been signed to provide free trolley rides for the 2025 holiday season on Mondays and Tuesday from 5-7 pm following Starlighting and continuing to the end of the year.

### **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, introduced to the DDA Board and Town Council in 2020, received approval for a redevelopment agreement in April 2021 after four neighborhood meetings. This significant development, currently under construction, will feature 221 apartments, 14,250 square feet of office space, and 5,000 square feet of restaurant space. It includes 399 internal parking spaces, an additional 100 public spaces funded by the DDA Special Fund, and an increase from 22 to 33 street parking spaces



to address current and future community parking needs. The DDA's involvement was crucial in securing first-floor retail, additional office space, and the extra public parking, demonstrating a strategic investment in downtown vibrancy by attracting more residents and workers. The project has continued to face labor and contractor challenges along with unique site challenges that have delayed the receipt of a Certificate of Occupancy. The project is expected to receive a Certificate of Occupancy in 2025.

#### Riverwalk Luxe (221 Wilcox Street)

The redevelopment of 221 Wilcox Street by Confluence Companies culminated in the Riverwalk Luxe project, completed by late 2024. This followed an unsuccessful attempt by Niebur Development in 2015, whose mixed-use proposal failed due to parking challenges and a rejected renovation that incorporated a fast-food drive through.

Confluence, acquiring the site in 2016, initially used it for temporary parking during their Encore project. By 2022, they proposed a comprehensive mixed-use development, addressing parking requirements with on-site underground residential parking and off-site commercial parking at the adjacent Riverwalk North. Architectural changes requested by Council were incorporated with historical features.

Approved by the DDA and Town Council in mid-2022, construction of Riverwalk Luxe began that fall. The completed project features 11,257 square feet of fully leased office space, ground-floor retail including Homegrown Tap & Dough and Playa Bowls, and 28 residential units with a combination of on-site and off-site parking. Residents moved in by the end of 2024, with retail tenants completing their improvements.

#### City Hotel

The City Hotel property at 415 Perry Street, Castle Rock's oldest building, is undergoing a significant redevelopment. In 2022, the private owner-initiated plans to restore the historic structure and add a new boutique hotel, offering a food and beverage concept in the old building and a rooftop bar on the new, four-story hotel, which will include retail space and approximately 30 rooms.

The DDA Board was presented with the concept in December 2022, directing staff to address off-site parking challenges. By July 2023, a partnership with Douglas County School District was secured for valet parking. The project's proposed redevelopment agreement was supported by the DDA Board in August 2023.

After submitting a Site Development Plan in April 2024, the project gained DDA Board approval for the Redevelopment Agreement in December 2024, with final Town Council approval in January 2025. Some internal work was initiated this year in the historic structure and site work is anticipated later in 2025.

#### Summary

In summary, the DDA maintains an optimistic outlook for the future of Downtown Castle Rock based on public and private sector activity thus far in 2025. In 2006, 2007, and 2008, a bold vision for the future of Downtown Castle Rock was laid out by the community and elected leaders, and some of that vision is still being realized. As listed earlier in this report, projects both small and large have been initiated this year underscoring the continued appeal of Downtown Castle Rock to residents, business owners, and visitors. Thank you for the continued partnership with the Castle Rock DDA.

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