



Date: June 22nd, 2016

TO: Honorable Mayor Paul Donahue and Castle Rock Town Council,
CC: Town Manager David Corliss

FROM: Castle Rock EDC, Frank Gray President and CEO

RE: Castle Rock Economic Development Town Service Contract for 2017

Castle Rock EDC respectfully submits this request to the Town of Castle Rock for the continuation of economic development services with Castle Rock EDC. Castle Rock EDC's 2017 request is for \$197,586. The request is a 9% increase from 2016. The organizations combination of efficiency, cost sharing and private sector investment have absorbed increased expenses since 2013. Castle Rock EDC appreciates the Town's partnership and standing investment in the economic prosperity and vitality of the Town and its residents. This submission will highlight key accomplishments and key services provided to the Town of Castle Rock, including measurable outcomes and key objectives focused on building long term economic infrastructure to for 2017. Castle Rock EDC provides the following services and in general acts as a conduit for effective public private partnership.

General Outline of Services:

- **Attracting Primary Employers to Castle Rock**
 - Marketing to Brokers and Primary Employers
 - Serving and Tracking Prospects
- **Growing Castle Rock's Existing Primary Employers**
 - Business Retention and Expansion
- **Retail Development and Recruitment**
 - Targeted marketing to Developers and Users
- **Creating a Positive Business Environment**
 - Castle Rock Economic Partnership
 - Development Roundtable
 - CEO Roundtable
 - Town Ombudsman Program
- **Informed Economic Council**
 - Public/Private collaboration solving strategic Macro and Micro economic development issues
 - Economic and Demographic data, analysis and reporting
 - Economic Impact Analysis

ATTRACTING NEW BUSINESSES TO CASTLE ROCK

Targeted Marketing - Focus on striking a balance between the primary and retail employment prospects. Because of their good fit with the education and skills of the community's residents and their potential for having a positive impact on the Town of Castle Rock's economy, the following targeted primary industry clusters and public-use facilities will receive special attention in Castle Rock EDC's attraction and expansion efforts:

- | | |
|---|---|
| • Digital Information/Technology | • High Tech Manufacturing |
| • Healthcare and Higher Education Facilities | • Cultural/Recreational/Entertainment/Sports Facilities |
| • Start-up and Second Stage Companies | • Retail with a Regional-Draw |
| • National/Regional Credit/Finance/Insurance | • Infill the Greater Downtown Area |
| • Management Companies/Enterprises | |
| • Professional, Scientific & Technical Services | |

Benefit to the Community - Primary Employers fuel the economy and create high-paying new jobs in our community. Primary employers create jobs for our residents and bring new dollars into our community's economy. Many of those employed by a primary job creator add to the Castle Rock workforce and will likely purchase homes, goods and services in the area. New homes attract retailers and provide our current residents a broader spectrum of products and services. New retail also provides



an opportunity to increase the Town's Tax base and enhances the Town's ability to provide parks, trails and transportation for its residents.

RETAIL RECRUITMENT

Retail Recruitment - Castle Rock EDC provides highly targeted and niche retail development recruitment for the Town of Castle Rock. This includes actively working with existing retail center businesses for redevelopment and recruiting new targeted regional draw businesses compatible with the vision of the community.

GROWING CASTLE ROCK'S EXISTING BUSINESSES

Business Expansion and Retention Program (BRE) - In 2017 Castle Rock EDC will continue its aggressive BRE campaign in partnership with CREP to establish ongoing relationships with our existing businesses. This generally constitutes 30 plus face-to-face visits annually to:

- Thanks business owners for doing business in Castle Rock
- Assess company needs and challenges
- Analyze their perceived barriers to a thriving business environment
- Create impactful follow up, addressing their needs and connecting them to resources
- Partner with the Town when appropriate to proactively address issues both real and perceived

Retail Retention - As part of our ongoing retail commitment to the Town, Castle Rock EDC and Town staff are routinely visit with a variety of existing retail store owners and shopping center owners to ensure open lines of communication and deliver quick response times to issues that arise. The Town staff are exceptional partners and have made an impressive commitment to responding to key issues.

Business Start-up and Entrepreneurship - The majority of new jobs in local economies are produced by small community-based businesses. In Colorado, 75% percent of businesses have fewer than 10 employees. In the Town of Castle Rock, a significant amount of businesses are classified as very small or home based. In cooperation with the Castle Rock Chamber of Commerce the EDC will continue to play a role in encouraging the ongoing growth and development of entrepreneurial activity in Castle Rock. The opening of the "Connexion Spot" Co-working space in August of 2015 and the launch of the 104 (Angel investment) Initiative from the Castle Rock EDC are both essential components in building the long term vision to make Castle Rock a hub for start-up, small and second stage primary employers.

CREATING A BUSINESS FRIENDLY-ENVIRONMENT

Creating a positive business environment for both new and existing primary employers and retailers is essential to the economic success of any community.

Castle Rock Economic Partnership (CREP- Chamber, EDC, Town and Downtown Alliance) - CREP works to ensure communication, accountability and performance to achieve its established goals, priorities and strategies. CREP will make coordinated recommendations to its respective governing boards on economic development goals, priorities, strategies, action plans, resource allocations and contracts for service. Within its scope of expertise, CREP will guide economic development policy and foster honest and open communication between the public and private sector and amongst the partner organizations.

Leadership - Influencing the Town of Castle Rock's economic health in a positive manner is a significant role for our economic development partnership. Building trust and cooperation between the Town and the business/development community is one of Castle Rock EDC's primary functions. Castle Rock EDC will continue to work with Town Council and staff to promote positive dialog between land owners, developers and brokers on essential development issues and work in partnership with Town Development Services to pursue favorable economic outcomes for the community. Castle Rock EDC will stay engaged in Town regulatory issues and keep members apprised of pertinent changes.



INFORMED ECONOMIC COUNCIL

Community Data and Research – Research will be available to prospects, brokers, residents and relevant businesses through the newly upgraded Castle Rock EDC Web site and upon request. Examples of the data available are: demographics, retail sales data, Mosaic market data, labor force information, residential development data, market land/lease rates, business profiles, available commercial land and buildings currently on the market.

Economic Policy Advocate – Castle Rock EDC will continue work through CREP in partnership with the Town Council to assist in the management and effective use of the established economic performance fund and assist with the policy and regulation creation associated with those funds for both primary and retail prospects.

Negotiating Incentives – Castle Rock EDC (in partnership with CREP) will take the lead in filtering, guiding and acting as an advocate to potential prospects through the local, county and state incentive process.

Economic Development Public Policy – Castle Rock EDC, in partnership with the CREP, will take the lead on keeping its investors and the Town informed on key economic development public policy issues via its involvement with Economic Development Council of Colorado (EDCC), Douglas County Business Alliance (DCBA) and our involvement in the Metro Denver Economic Development Corporation.

Castle Rock EDC's 2015/2016 significant deliverables include:

- Infinity Labs
- \$80-\$100M in Downtown Castle Rock Investment
- The Connexion Spot
- Robots and Pencils Expansion
- Comcast Fiber Connectivity
- Castle Rock Promenade Project
- Expansion of Master Magnetics
- Expansion of Great SW Construction
- 2014/2015 EDCC Large Community of the Year for Economic Development Excellence Award

State and National

Through the first two quarters of 2016, the national economy continues to “plug along” with moderate growth. The Colorado economy continues to show steady improvement with 2%-3% growth projections. While Castle Rock EDC has seen a decrease in overall prospect activity we are continuing to experience strong tangible economic activity with existing business expansion. Castle Rock's challenges continues to be capturing primary employers with little or no available development sites or building availability in Castle Rock. The need to continue to invest in strategic digital, physical and educational infrastructure while strengthening our public/private partnerships will be essential to long term success in 2017 and beyond.

2017 Focus and Objectives

EDC Primary objectives in 2016/2017 will include:

- Continued Primary Employment and Commercial Developer Recruitment
 - EDC Committee focused on creating contiguous office/industrial pad sites and buildings in Castle Rock for Primary Employment
 - Active recruitment and partnership with the Castle Rock Urban Renewal Authority
- Infrastructure Network
 - Educational/Workforce
 - Digital (Comcast Fiber Project)
 - Financial (104 Initiative)
 - Physical (Transportation Funding)
- Existing Business Expansion and Entrepreneurship
 - Launch the 104 Initiative Angel Investment platform
 - Expand the Comcast Fiber Connectivity Project
- Robust online economic data presence
- Recruit and Support Multi-Family Housing Development Projects and support state legislation resolving construction defects issues.

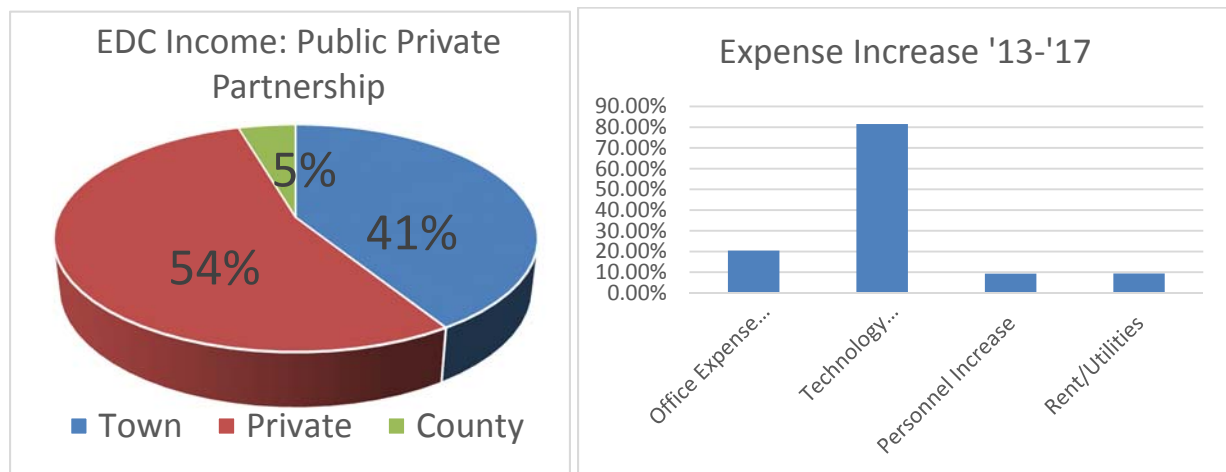
2017 Funding Request

Castle Rock EDC continually strives to reduce costs and leverage the investment of the Town using increased private sector dollars and cost sharing with the Downtown Alliance. Castle Rock EDC respectfully submits its request to Town Council for 2017 investment at **\$197,586**. This request represents a 2.25% average annual increase since our 2013 request. We hope this request shows our thoughtful consideration and commitment to a strong public/private partnership. We look forward to getting to the task of creating jobs in Castle Rock for Castle Rock citizens, driving private sector investment in our community, increasing the tax base, improving retail services and helping our existing businesses thrive. Thank you for your steadfast investment in the economic development of Castle Rock.

Respectfully,



Frank Gray
Castle Rock EDC
President/CEO



**2017 SERVICE ORGANIZATION
FUNDING APPLICATION**

ORGANIZATION REQUESTING FUNDING:

Castle Rock EDC

I. 2017 FUNDING REQUEST *(Please use this form for this information and not another format.)*

Breakdown of funds *(What would monies from the Town specifically be used for?)*

<u>National/Regional/Marketing (Events/Conferences)</u>	<u>\$25,750</u>
<u>Personnel</u>	<u>\$149,461</u>
<u>Technology (Website/SEO/Computers)</u>	<u>\$5,340</u>
<u>Rent/Office</u>	<u>\$17,035</u>
 TOTAL FUNDING REQUEST	 <u>\$197,586</u>

II. 2017 PROJECTED ORGANIZATION BUDGET
(Please use this form for this information and not another format.)

Projected sources of revenue

Private Sector Partners	\$227,000
Town of Castle Rock	\$197,586
Douglas County	\$22,000
DDA Reimbursement	\$200,000
DMA Reimbursement	\$46,500
<u>In-Kind</u>	<u>\$10,200</u>
<u>Private Sponsorships/Other</u>	<u>\$34,500</u>
 TOTAL PROJECTED REVENUE	 \$727,586

Projected expenditures
(By major budget category)

<u>Rent</u>	<u>\$42,585</u>
<u>Salary/Benefits</u>	<u>\$578,000</u>
<u>Recruitment Activities</u>	<u>\$51,500</u>
<u>Office/Insurance/Utilities</u>	<u>\$37,680</u>
<u>Technology</u>	<u>\$17,800</u>
 TOTAL PROJECTED EXPENDITURES	 <u>\$727,565</u>

III. 2017 PROPOSED PERFORMANCE OBJECTIVES/DELIVERABLES

Castle Rock EDC Business Attraction and Retention Measurable:

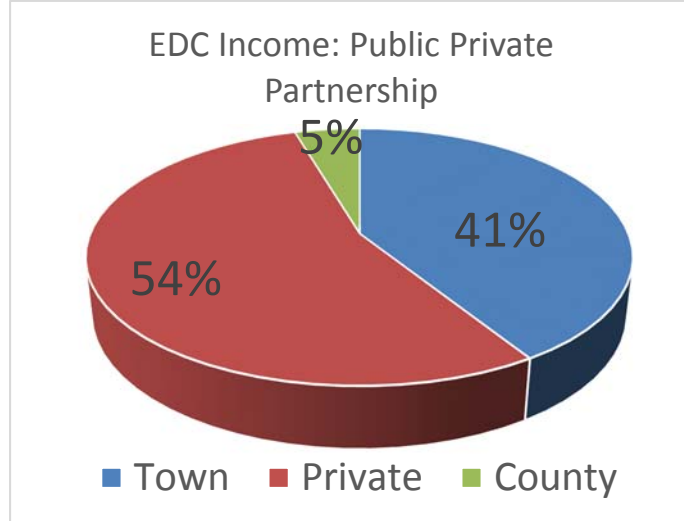
- 30 Business Retention Expansion Visits to Castle Rock Businesses
- Promote Castle Rock locally, regionally and nationally

- Hold 2 major Commercial/Industrial Broker and Developer Marketing Events
- Hold 1 Retail Recruiting Event (ICSC Annual Conference)
- Hold Quarterly Development Roundtable Events
- Hold 10 Primary Employers Events
- Host and Maintain Economic Development Website
- Report on, review and implement the Town's business and incentive program
- Assist Businesses through both the state and local application processes
- Identify, analyze and address macro and micro economic development challenges specific to the Castle Rock market.
- Partner with the Town Development Services department as part of the ombudsman program in maintaining a positive business climate
- Update the Castle Rock EDC target markets in alignment with Town Council priorities
- Actively support the Castle Rock Economic Partnership (CREP)

Castle Rock EDC will provide Semi-Annual Economic Indicator Updates that will include:

- Castle Rock Unemployment Rate
- Commercial/Industrial/Retail Vacancy Rate
- Primary and Retail prospect activity report by category
- Number of jobs attracted or expanded
- Capital Investment
- Employment Migration Patterns
- Report on the Town's Economic Development Fund
- Other relevant Economic vitality Data and Highlights

IV. SUPPLEMENTAL INFORMATION



Breakout of 2017 projected EDC budget*(Excluding Downtown Alliance Reimbursements)

Office	\$8,518
Rent	\$25,551
Personnel/Ins/benefits/Taxes	\$347,585
Marketing	\$51,500
Technology	\$10,680
Total	\$443,834

V. BOARD OF DIRECTORS for Castle Rock EDC

First Name	Last Name	Organization Name
Judy	Crenshaw	Community Member
Clark	Hammelman	Community Member
Peter	Cudlip	Alberta Development Partners, LLC
Dr. Diana	Doyle	Arapahoe Community College
Jarrett	Armstrong	Armstrong Capital Development
Deborah	Asarch	Asarch Center for Dermatology
Ron	Zuroff	Black Hills Energy
Tom	Kooiman	Brinkmann Constructors
Jennifer	Taylor	Bryan Construction
Jamie G.	Smith	Canyon Title
Tracy	Wilkes	Castle Meadows Company
Todd	Folkenberg	Castle Rock Adventist Health Campus
DJ	Tedesco	Castle Rock Bank
Pam	Ridler	Castle Rock Chamber of Commerce
Jim	Riley	Castle Rock Development Co.
Frank	Gray	Castle Rock EDC
Paul	Donahue	Castle Rock Mayor
Renee	Valentine	Castle Rock Town Council
Karol	Jones	Colorado Lending Source
Arthur	Ortegon	Comcast
Tony	DeSimone	Confluence Companies
Blake	Calvert	CORE Consultants, Inc.
Gregg	Brown	Crystal Valley Ranch
Jeff	Cox	Digital Globe Services
Roger	Partridge	Douglas County Commissioner
Becky	Nelson	Douglas County Economic Development
Bob	Pasicznyuk	Douglas County Libraries
Thomas	Tsai	Douglas County School District
Greg	Boman	DTI-investments
Jack	Reutzel	Fairfield & Woods, PC
Jarrold	Lassen	FirstBank of Douglas County
Aaron	Barrick	Folkestad Fazekas Barrick & Patoile, P.C
Jim	Folkestad	Folkestad Fazekas Barrick & Patoile, P.C
Andy	Kelley	GE Johnson Construction Company
Nick	Warnick	Haynie & Co
Nick	Hier	Hier and Company
Jed	Kenzy	Innovative Business Solutions
Josh	Liss	IREA
Kurtis	Williams	JR Engineering
Tom	Kahn	Kahn Construction
Jose	Del Toro	Kaiser Permanente
Diane	Evans	Land Title Guarantee Co.
Bartholomew	Connolly	Limelight MOB, LLC
Erik	Clore	LOWE Enterprises

Dave	Maxwell	Maxwell Builders, INC
Diana	Blanch	Medved Autoplex
Matthew	Hanson	Mutual of Omaha Bank
Woody	Pastorius	Mywedding.com
Matt	Call	NavPoint Real Estate Group
Joe	Niebur	Niebur Development
Mitch	Black	Norris Design
Tim	Dumler	Off The Chain, LLC
Margie	Munoz	Outlets at Castle Rock
Glen	Smith	Park Land Co.
John	Prestwich	PCS Group Inc.
Mike	Bennett	Plum Creek Golf Club
Ian	Holt	QeH2
Mike	Cooley	RallyCap Consulting
Chris	Weems	Rocky Mountain Excavating
Tony	Sbarra	Sbarra Construction West
Linda	Watson	Sky Ridge Medical Center
Craig	Campbell	Starwood Land Ventures
Scott	Vencill	Sunflower Bank
David	Webb	Sunset Stone
Steve	Evans	The E Company, Inc.
Aaron	Fort	The Fort CPA Group
Rick	Stucy	The Stucy Realty Company
David	Corliss	Town of Castle Rock
Bill	Detweiler	Town of Castle Rock
Linda	Stafford	Wells Fargo Bank
Tim	White	White Construction Group