

**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 Ste. 202  
Castle Rock, CO 80104

October 15, 2018

Honorable Mayor Green and Castle Rock Town Council  
CC: Town Manager, Dave Corliss  
Town of Castle Rock  
100 N. Wilcox St.  
Castle Rock, CO 80104

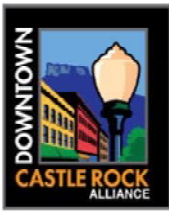
Dear Mayor Green and Town Council,

I am pleased to present the Downtown Development Authority's Budget Message for 2019:

In 2019, the Downtown Development Authority (DDA) is excited about the development projects in Downtown. The projects that have been completed and that are in development work towards the goals jointly agreed upon by the DDA and Town Council. Those goals are to: 1) Focus on physical development projects in the core of Downtown, prioritizing development with retail, restaurants, office and residential space; and 2) Finance an expansion and enhancement of Festival Park with Sales Tax TIF and Property Tax TIF dollars in partnership with the Town Parks and Recreation Department. In 2018, the goal to complete an expansion of Festival Park was completed, and with that, the remaining focus to attract physical development projects in the core becomes a more attractive opportunity for the private sector. Going forward the DDA continues to focus on physical development projects in the core. In addition, the DDA will continue with its programs that enhance Downtown Castle Rock making it a more attractive place to visit, dine and shop, which include: partnering with the private sector to improve important building façades, beautification in the summer with flower boxes and street side patios, in addition to managing the Rink at the Rock ice skating rink in the winter with the goal of attracting people to Downtown.

The DDA is aware that attracting development in any downtown presents many challenges and can be difficult in the best of times. The DDA is realistic in knowing that it takes significant time for a developer to properly plan an exciting development and acquire the land, and for the Town and DDA to pursue bonds or financing related to TIF revenue streams and structure a deal with a developer with the engagement of the public. However, with increased focus on development, and a strong partnership with the Town, and Sales Tax TIF and Property Tax TIF to support positive development projects, the DDA is optimistic that more investment can be attracted to Downtown Castle Rock.

The 2019 DDA Budget includes 2 funds, the DDA Operating Fund and the Ice Rink Fund. The Operating Fund will continue to cover the expenses of operating the DDA. In 2016, the DDA began to transition expenses for funding the programs and projects mentioned above to Tax Increment Financing funding sources, as was discussed in last year's Budget Message. This stays consistent with the Plan of Development and is consistent with what is suggested in statute, using increment to pay for programs



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and projects. Increment will be used to pay legal and analysis expenses associated with development projects and will be used for infrastructure maintenance expenses for things like flower boxes. Increment could also be used for façade improvement grants expenses in 2019. As the DDA projects grow, the need for operating dollars will grow and increment will be an important source of funds to pay for public improvement programs like the flowerboxes, patios, Rink at the Rock and façade grants.

The Rink Fund accounts for the general operation of the Rink at the Rock. With major strategic investments made in the initial seasons, the Rink at the Rock is now operating with stabilized expenses, although attendance (revenues) and electricity demand (utilities expenses) are still subject to unpredictable weather. In 2019, use of increment is expected to be used for some of the expenses for this operation continuing with a shift of this program to be paid for with Tax Increment Financing. The Rink at the Rock was created with a goal to activate Downtown and support small business during the typically slower winter season, not to be a profit generator for the DDA. If this program can be operated with minimal financial support it will be deemed a successful endeavor. Additional economic activity generated by this program also increases Sales Tax Increment which provides an additional financial resource to invest back into Downtown Castle Rock.

The DDA will continue to maintain full transparency in its use of public tax dollars and maintain disclosure in a public friendly accounting system in accordance with accounting and auditing standards.

Sincerely,

Kevin Tilson  
Director, Castle Rock Downtown Development Authority

**DRAFT Castle Rock DDA Budget for 2019**  
**Operating Fund**

		<u>2017 Actuals</u>	<u>2018 Budget</u>	<u>2018 Estimate</u>	<u>2019 Budget</u>
<b>Income</b>					
	Mill Levy	\$ 142,041	\$ 164,473	\$ 164,473	\$ 165,000
	Specific Ownership Tax	15,650	5,000	5,000	5,000
	Town Mill Levy Match	140,549	164,473	164,473	165,000
	Flower Box and Patio	7,345	7,000	2,000	10,000
	Misc. Other	511			
	Total Income	306,096	340,946	335,946	345,000
<b>Expenses</b>					
	Personnel	185,619	230,000	200,000	230,000
	Office Admin.	18,342	30,000	25,000	30,000
	Professional Services - Acct., Audit, Legal	16,180	15,000	16,000	19,000
	Programs - Trolley	2,000	2,000	2,000	2,000
	Programs - Façade Improvement Program	7,915	15,000	5,000	12,000
	Programs - Flower Box and Patio	12,789	15,000	12,000	15,000
	Marketing and Websites	5,872	10,000	6,000	9,000
	Rent Expense	17,529		11,000	9,000
	Capital	13,875	10,000		10,000
	Contingency Expenses		8,000		9,000
	Total Expenses	280,121	335,000	277,000	345,000
	Beginning Fund Balance	200,677	226,652	226,652	285,598
	Transfer In/Out	-	-	-	-
	Net Activity	306,096	5,946	58,946	-
	<b>Estimated Ending Fund Balance</b>	<b>\$ 226,652</b>	<b>\$ 232,598</b>	<b>\$ 285,598</b>	<b>\$ 285,598</b>

This is a draft budget that has not yet been reviewed and approved by Town Council, the Downtown Development Authority Board or the public. Upon their review changes may occur.

**DRAFT Castle Rock DDA Budget for 2019**  
**Ice Rink Fund**

		<u>2017 Actuals</u>	<u>2018 Budget</u>	<u>2018 Estimate</u>	<u>2019 Budget</u>
<b>Income</b>					
	Sponsorships	\$ 29,046	\$ 30,000	\$ 30,000	\$ 30,000
	Skating Admissions	80,280	95,000	95,000	105,000
	Skating Rentals	35,593	25,000	25,000	35,000
	Capital Contribution - DDA TIF	-	15,000	15,000	15,000
	Total Income	144,919	165,000	165,000	185,000
<b>Expenses</b>					
	Administration	215	5,000	5,000	5,000
	Programs / Operations / Personnel	129,198	165,000	165,000	175,000
	Marketing	3,689	5,000	5,000	5,000
	Equipment	1,159	10,000	5,000	5,000
	Total Expenses	134,261	185,000	180,000	190,000
	Beginning Fund Balance	22,509	33,167	33,167	18,167
	Transfer In/Out	-	-	-	-
	Net Activity	10,658	(20,000)	(15,000)	(5,000)
	<b>Estimated Ending Fund Balance</b>	<b>\$ 33,167</b>	<b>\$ 13,167</b>	<b>\$ 18,167</b>	<b>\$ 13,167</b>

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