

Castle Rock Downtown Alliance

A partnership between the Downtown Development Authority and Downtown Merchants Association

Downtown Development Authority Annual Report to Town Council 2019

Background

The Castle Rock Downtown Alliance is a partnership between the Downtown Merchants Association and Downtown Development Authority. This partnership of two organizations unifies the Downtown organizations under one roof, with 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” that aim to beautify Downtown, increase commerce, and that use financial resources to leverage private sector investment.

Report

The Downtown Development Authority continues to build public and private investment partnerships to promote economic growth in Downtown. The Riverwalk South development opened in the first half of 2019, while the residential component of Riverwalk North was completed at the end of the year. In addition, construction on the Encore development began at the end of the year. Downtown also experienced a variety of improvements on several blocks from both public and private investment. In 2019, the DDA providing matching grants for two projects and commissioned two public art pieces, including a mural and a tree stump carving. Maintaining a strong retail sector is vital to a vibrant downtown and the openings of Ecclesia, Glacier Ice Cream, Mod Mountain Boutique, Amazing Lemons Boutique, Boho Boutique, and Castle Rock Nutrition were welcome additions to Downtown.

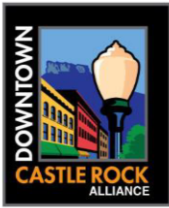
Annual updates on the DDA’s revitalization and beautification efforts, as well as information on approved and proposed development projects are included below.

Downtown Projects and Programs

Rink at the Rock

The DDA completed its seventh successful season of the Rink at the Rock with an attendance of 10,715 attendees during the three-month winter skating season. The energy that this program generates in Downtown during the typically slower winter months is a benefit to the small businesses in Downtown.

While the management of the rink is a retail operation, there is a considerable amount of facility and equipment maintenance that is needed to operate the rink. After the 2018-2019 season, staff discussed moving to a local management company with experience in facility and equipment maintenance to increase efficiency for maintenance and repairs. In June 2019, Douglas County Maintenance and Repair (DCM&R) entered into an agreement with the Downtown Development Authority to manage the Rink at



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the Rock for the 2019-2020 Rink Season. DCM&R is locally owned and based in Castle Rock. The DDA has worked with DCM&R on flower box delivery and planting in years past and they have proven to be great partners. The DDA believes that local management is beneficial for a number of reasons, including the ability for top management to visit the rink frequently. The 2019-2020 season started on November 23, 2019 at the Town's Annual Starlighting Ceremony and this season has been successful at activating downtown during the start of holiday and winter season.

This operation is prone to fluctuations in expenses and sales due to weather and uncontrollable factors, however we believe the cost of the Rink at the Rock continues to be worthy because of the activity and vibrancy that it brings to Downtown, the main goal of this revitalization project.

Downtown Engagement

The Downtown Alliance acts as the 'voice of Downtown'. Staff spends time to meet one on one with Downtown businesses to provide information about what is going on in Downtown to the business community and collect feedback in order to represent the Downtown business perspective. Staff also shares information on ways that Downtown business can get involved with the board, and utilize Downtown programs, such as the flowerbox program, façade improvement grant program, patio program, and as well as share information on DDA initiatives such as development projects.

In addition to these one on one meetings, staff held a trolley tour of Downtown Castle Rock on June 20, 2019 in partnership with the Castle Rock Museum & Historical Society. Downtown Merchants, Town Councilmembers and Alliance Board Members were invited to attend the tour of notable historic landmarks in Downtown, as well as surrounding areas that contributed to the history of the Town.

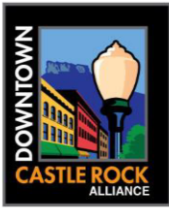
In March of 2019, staff wrote a letter of support for the Douglas Lodge #153, Masonic Lodge property for their submission for a State Historical Grant. The letter detailed the Lodge's historical value as well as staff's appreciation for allowing the Alliance to use the building for events and meetings.

Banners Program

The Castle Rock DDA Street Pole Banner Program uses decorative banners to publicize special events and enhance the streetscape by adding color and vitality to Downtown. In 2019, the DDA Board voted to replace all general spring/summer banners in Downtown. New designs featuring colorful depictions of Castle Rock along with event banners from the DMA, County, Chamber and Town hang on lamp post banners in Downtown. A total of 194 banners were replaced this season to help welcome visitors and provide a vibrant and uniform look throughout Downtown. When most events concluded in mid-August, Oktoberfest banners lined Downtown to market the popular fall festival.

Façade Improvement Program

The DDA Board continues to pursue beautification projects in historic Downtown Castle Rock. In 2019, staff received more inquiries for the façade grant program than any other year of operation (8 inquiries). Two façade grants were approved by the DDA in 2019, one from the main façade grant program and one from the micro-grant program, together totaling \$7,000 in matching grant dollars and supported over \$23,000 in private sector investment.



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- In March of 2019, the DDA Board approved a micro-grant in the amount of \$1,000 for the 318 Wilcox Street property, Castle Rock Florist. The façade improvement dollars were used to replace outdated and faded black awnings, with green awnings displaying the business' name. Work was completed the same month as approval and funds were granted at the end of March.
- In June 2019, the DDA Board approved a façade grant in the amount of \$6,000 for the 509 Wilcox Street property, owned by Daniel Price. Exterior renovations included installation of new windows, reconditioned stucco and new paint. In addition, the lower brick façade was painted and new metal awning were added.

The DDA has had success with several façade improvements and actively encourages private sector partners to utilize both programs. The Façade Improvement Program encourages Downtown property and businesses owners to renovate facades to improve the overall appearance of Downtown Castle Rock. While Town code does not require that facades in Downtown Castle Rock look a certain way, the DDA façade improvement program encourages attractive and inviting facades that bring a quality look and fit with the character of Downtown.

The micro façade grant program 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 sought by Downtown merchants. For example, the program may eliminate more complex application requirements such as elevations/renderings, depending on the scope of the desired work.

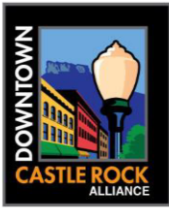
Flowerbox Program

The DDA partnered with Douglas County Maintenance and Repair in 2019 to place flower boxes throughout Downtown. A total of 35 businesses ordered boxes, with 22 small boxes, 49 medium and 28 large boxes rented. 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. Douglas County Maintenance and Repair planted the flower boxes for the Downtown patios on site, allowing the DDA to deliver patios 1 month earlier, at the request of the Downtown businesses.

The DDA flowerbox program does not use any Town General Fund tax dollars. The Authority partners with Town staff on the day of delivery for their expertise and equipment to deliver flowerboxes to the private sector. In addition, the DDA provides payment to the Town to repair, re-stain and repaint the flowerboxes.

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 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 similar to those utilized by



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other neighboring communities. The program has had great success and positive feedback from businesses and the community.

After writing letters to the Director of Liquor and Tobacco Enforcement at the State of Colorado advocating for a reduction of the liquor license modification fee, in January of 2019, the State Liquor Licensing Authority reduced the cost of the liquor license modifications from \$600, to the original amount of \$300, annually. This change helped decrease the financial burden on the Downtown business owners and made patio rental more affordable in 2019.

In 2019, the DDA delivered patios to Angie's Restaurant, B&B Café, Castle Rock Bike and Ski, Castle Café and Z'Abbracci's. The DDA street side patios provide the infrastructure in Downtown for a summer pedestrian environment that encourages people to be outside in Downtown and engage with their neighbors and the Downtown community.

Downtown Art Initiative

This year, the Downtown Development Authority staff and board had several discussions about the potential for the addition of art in Downtown Castle Rock. After the recent staff visit to see Greeley's Art Alleys program, a board visit to Longmont showing investment in alleys, and after Fort Collins won the ULI Impact Award for their Alley Program, the DDA has been inspired to try implement a similar initiative in Downtown Castle Rock.

In 2019, the Downtown Alliance helped with the formation of the Castle Rock Artist Cooperative. Studies have shown that people enjoy being in places that are interesting and engaging, and art brings that to a place. With the recent creation of the Castle Rock Artist Cooperative, there is a growing excitement from the community about art in Castle Rock. The DDA follows a Plan of Development that encourages public and private investment in Downtown. This includes:

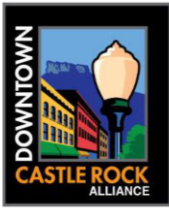
- support of investment in public spaces, like the investment in Festival Park, Lights Over Wilcox Street, or investment in art.

The DDA partnered with local artists, the Castle Rock Artist Cooperative, Town Parks and Recreation and The Public Art Commission to gather insight about adding art in Downtown. In June 2019, The DDA Board authorized staff to spend \$3,500 to commission a mural in Downtown. In January 2020, artist Daniel Levinson completed a mural at 330 Third Street, honoring Castle Rock philanthropist, Philip S. Miller.

The Castle Rock DDA also posted a call for entry to commission the carving of a tree stump in Festival Park. Community member and craftsman, William LaFleur, was chosen to complete the carving. LaFleur finished the carving of a beaver, the Town's mascot, in January 2020.

Colorado Lending Source Micro-Loan Program

The DDA continues to partner with Colorado Lending Source's Main Street Loan Program that provides Colorado entrepreneurs access to affordable financing to start or grow their business. The DDA acts as the initial contact and education point for applicants and will send eligible applications to Colorado



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Lending Source for further review from the loan committee. Loan amounts range from as low as \$5,000 and up to \$50,000. The DDA did not receive any applications for the micro-loan program in 2019.

Parking

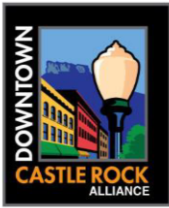
The Parking Committee meets quarterly to discuss the management, maintenance and operations of downtown parking including community policing, parking sign policies as well as use and allocation of parking spaces. The committee makes strategic decisions to create a positive experience for downtown customers. Policies enacted from 2018 to 2019 include:

- Designated loading zone on 4th Street near Jack Be Click (411 4th Street)
- Designated loading zone on Perry Street near Bark N' Clips (203 Perry Street)
- Designated loading zone on Perry Street near Copperfalls (340 Perry Street)
- Two-hour parking on the west side of Jerry Street between Fourth and Fifth Streets
- Updated parking map distributed to public via social media channels reflecting parking changes during Downtown construction and development projects
- Added a temporary parking space at 2nd and Perry St.
- Converted the east side of Perry Street, north of Fourth Street from all-day parking to 2-Hour parking

Development Projects

The DDA has had several significant building accomplishments, which would not be possible without the support of the Town of Castle Rock and the Castle Rock EDC. The projects will contribute to vibrancy in Downtown and a stronger economy for Downtown small businesses:

- Festival Park – 2nd Street between Wilcox and Perry Streets
The Festival Park Expansion and Enhancement Project has proven to be a successful investment. This park is active most days and has proven to be an excellent venue for events of different sizes. It has also been nominated or won several awards at the end of 2018 and in 2019:
 - CO Chapter of the American Society of Landscape Architects – Merit Award – Won
 - Engineering News-Record – Landscape & Urban Development Award – Won
 - Urban Land Institute (ULI) Impact Awards – Top 3 Finalist
 - DRCOG Metro Vision Awards – Festival Park – Won
 - Downtown Colorado Inc. Governor's Award for Downtown Excellence – Best Use of Public Space – Nominated
 - 2019 Colorado Lottery Starburst Award – Won
- Riverwalk North and Riverwalk South – 113 Wilcox Street & 215 Wilcox Street
Construction on Riverwalk South was completed in the first half of 2019 and construction on Riverwalk North was nearly completed by the end of 2019. The developer has indicated they are very happy with this lease up rate. This project is still leasing up its commercial space but has signed leases with Great Divide Brewery & Roadhouse, Tribe Seafood, Mod Mountain Boutique, Riverwalk Dental Arts, Glacier Ice Cream and Gelato, Craft Coworking, Joseph Energy and Hollis + Miller Architects. The office space that is added to Downtown by this project will strengthen the Downtown economy by increasing a much-needed daytime population



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This project fits many aspects of the Plan of Development, including a more well-defined street grid that encourages walkability and parking off of the main street. It also adds much needed population density to support the small businesses in Downtown, and thus creating a vibrant Downtown atmosphere. The project location is specifically called out in the Plan of Development as a priority, providing residential space near the enhanced Festival Park project. The Plan of Development calls for the redevelopment of strip malls encouraging a more walkable window-shopping environment. All of these are reasons why this project is expected to be positive for Downtown.

- Encore – 8 Wilcox, 14 Wilcox, 20 Wilcox and the Town Hall Parking Lot

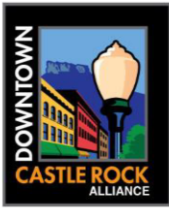
In May of 2018, the DDA and Town Council approved a non-binding MOU for the Festival Park Commons Project, now known as the Encore Project. This project proposes a \$72,000,000 mixed use redevelopment project, that will include 124 for sale condos, 30,000 SF of commercial space including retail and office, and notably a 300-space public parking garage, as well as a 300-space parking garage to serve the private portion of the project. The project proposes a civic plaza between the project building and Town Hall and to pay for a Downtown train horn quiet zone (up to \$900,000). There will also be a public dog park with the project and a restaurant on the Wilcox Street in the first floor of the project.

- Ecclesia – 221 Perry Street

In March of 2019, the Ecclesia Food Hall opened to the public in the former Journey Church building in Downtown Castle Rock. This adaptive reuse project is one more sign of vibrancy in Downtown. With a range of dining, beverage and shopping tenants including Farmgirl Foods, Romo's Tacos, Sinners and Saints, Brit Stop Café, Fish & Company, Garlic and Spice Kitchen, and Sudden Fiction. This hip and cool addition to Downtown provides several more dining options to Downtown. People spend disposable income where there are dining options, and this project makes a stronger case for people to be in Downtown.

- The Move – 202 6th Street

In May of 2015 the Town/DDA/EDC approved a loan to support the development of the Move Building, and to assist in the retention of several expanding tech businesses in Castle Rock. The \$900,000 variable rate loan was made to facilitate the financing of a 50,000 SF tech-oriented office building in Downtown Castle Rock. The project received their Certificate of Occupancy at the end of 2016, the loan was made shortly thereafter, and the project began leasing up. In 2019, the project reached 100% occupancy, and roughly 210 people are employed in the Move building. This project was successfully capped off when the Move, LLC retired their loan in late 2019. This project was a pioneer on the north end of Downtown, helping to spur additional investment such as the Wild Blue Yonder Brewery and is an example of the value of public private partnerships.



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The following agreements and action items between the Castle Rock Downtown Development Authority and Town of Castle Rock are noted below:

July 2, 2019 - Appointments to the Downtown Development Authority and Design Review Board

August 20, 2019 - Ordinance Approving the Encore CR Downtown Redevelopment and Financing Agreement and Authorizing the Lease and Conveyance of Certain Town-owned Property (first reading)

September 3, 2019 - Ordinance Approving the Encore CR Downtown Redevelopment and financing Agreement and Authorizing the Lease and Conveyance of Certain Town-owned Property (second reading- approved on first reading on August 20, 2019 by a vote of 6-1)

September 17, 2019 - Resolution Approving the Castle Rock Downtown Development Authority (CRDDA) Proposed Annual Budget for 2020

December 3, 2019 - Ordinance Levying General Property Taxes for the year 2019, for 2020 Collection, for the Castle Rock Downtown Development Authority (second reading – approved on first reading on September 17, 2019 by a vote of 7-0)

December 3, 2019 - Resolution Approving an Intergovernmental Agreement Between the Town of Castle Rock and the Downtown Development Authority (2020 Service Contract)

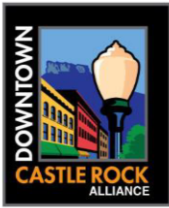
December 3, 2019 - Ordinance Approving a One Million Dollar Line of Credit with FirstBank on behalf of the Castle Rock Downtown Development Authority and in Conjunction herewith Approving a Revolving Line of Credit Promissory Note, Sales and Property Tax Pledge Agreement and Account Pledge Agreement (first reading)

December 17, 2019 - Ordinance Approving a One Million Dollar Line of Credit with FirstBank on behalf of the Castle Rock Downtown Development Authority and in Conjunction Therewith Approving a Revolving Line of Credit Promissory Note, Sales and Property Tax Pledge Agreement and Account Pledge Agreement (second reading - approved on first reading on December 3, 2019 by a vote of 7-0)

Summary

Patterns are changing in Downtown Castle Rock. With the addition of more residents and a slightly stronger daytime population, we are seeing a subtle shift towards a more active and vibrant Downtown. Festival Park is busy most days during the week and on the weekends. After DMA events on Friday and Saturday nights, there is a greater range of options keeping event goers in Downtown. On a typical summer evening there are multiple patios full of people including Z'Abbracci's, Angie's, Scileppi's, Wild Blue Yonder, The Office, Siena, Maddie's Biergarten, Union Bistro, VistaVino, Iron Mule and now Ecclesia. Only a few years ago, only about a third of those options existed.

The Downtown Alliance is extremely excited about the Encore project that was approved in 2019. Vibrant downtowns all have common ingredients; including a strong daytime population, a strong evening and weekend population, parking, interesting and engaging public gathering spaces just to



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name a few. The Encore Project will contribute to all of these things in Downtown Castle Rock by bringing for sale residential condominiums, office space, retail and dining space, a public plaza, a public dog park, 600 parking spaces (300+ that are public) and application for a train horn quiet zone at all 3 crossings in Downtown.

Contact:

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2019 DDA ANNUAL REPORT

DOWNTOWN DEVELOPMENT



215 WILCOX ST Riverwalk North

126,000SF. 5 story mixed use building with 114 residential units, 11,000SF of retail incl. Great Divide Brewery & Roadhouse, Mod Mountain Boutique and Rocket Fizz.

DDA Project - Completed 2019



113 WILCOX ST Riverwalk South

165,000SF. 6 story mixed use building with 116 residential units, 5,400SF of retail incl. Tribe at Riverwalk, Glacier Homemade Ice Cream & Gelato, and 31,000SF of office incl. Craft Coworking Space, Hollis + Miller Architects, Riverwalk Dental Arts and Joseph Energy.

DDA Project - Completed 2019



509 WILCOX ST Office Building

DDA Façade Grant - Completed



318 FOURTH ST Castle Rock Florists

DDA Façade Grant - Completed



330 THIRD ST Philip S. Miller Mural

Commissioned by DDA - Completed



300 SECOND ST Tree Stump Carving

Commissioned by DDA - Completed



14 WILCOX ST Encore

151,000SF. 7 story mixed use building with 124 for-sale residential condo units and 27,000SF of retail/office space. Project includes a Town Hall Civic Plaza, 600 parking spaces (300 public parking spaces), public dog park, application for a train horn quiet zone.

DDA Project - Approved 2019