



Town Council Meeting Minutes - Final

Mayor Jason Gray
Mayor Pro Tem Jason Bower
Councilmember Jess Loban
Councilmember James Townsend
Councilmember Kevin Bracken
Councilmember Caryn Johnson
Councilmember George Teal

Tuesday, April 7, 2020

5:00 PM

Virtual Town Council Meeting

Phone in: (720) 650-7664

Meeting Code: 963 455 277

<https://CRgov.com/April7Council>

This meeting is open to the public and will be held in a fully virtual format in accordance with Town Council Meeting Special Procedures During Declared Disasters. This meeting will be hosted online at <http://CRgov.com/April7Council>, or phone in by calling (720)650-7664, meeting code 963 455 277#. All Town Council Meetings are also streamed live online at www.CRgov.com/WatchCouncil, and are broadcast for Comcast Cable subscribers on Channel 22 (please note, there is a delay to the broadcast).

All times indicated on the agenda are approximate. In lieu of appearing in person, please visit www.CRgov.com/CouncilComments to sign up to speak to an item, and for related instructions. Public Comments may also be submitted in writing online by 1:00 p.m. April 7, 2020, to be included in the public record, at www.CRgov.com/CouncilComments.

COUNCIL DINNER & INFORMAL DISCUSSION

INVOCATION - Pastor Matt Crowe, Ridgeline Community Church

CALL TO ORDER / ROLL CALL

Mayor Gray called the Connected meeting to order at 5:05 pm.

Present: 6 - Councilmember Loban, Councilmember Bracken, Mayor Pro Tem Bower, Councilmember Johnson, Mayor Gray, Councilmember Teal

Not Present: 1 - Councilmember Townsend

PLEDGE OF ALLEGIANCE

COUNCIL COMMENTS

Councilmember Loban stated we are meeting in stressful situations and know everything our citizens are going through. Loban wanted to recognize an individual in our community that we lost that was a treasure to Castle Rock. We lost Steve Evans yesterday and he would like to recognize all the support he gave to the community and what a pillar he was. He will be sorely missed. He asked to have the Evans family in our prayers and support them however possible.

Note: Councilmember Townsend joined the meeting at 5:07 pm. He thanked everyone and first responders for their hard work.

Councilmember Teal thanked Loban for mentioning Mr. Evans' passing. Teal thanked the Police department and the K-9 Unit for the Storytime with a Cop with Shogan and his handler.

Councilmember Johnson thanked everyone for all that they are doing.

Mayor Pro Tem Bower seconded Jess's comments about Steve Evans. It is a huge loss to the community and his daughter.

Mayor Gray knew Steve Evans for 15 years. Steven's wife passed away when his daughter was in 1st grade while his wife was a teacher at her school. It is painful for everyone in the community and asked people to reach out to Ellie his daughter. The Mayor reminded everyone to make sure we love on each other. We need to remember these are hard times and sometimes it is easy to think about yourself too much. So far our community has done a good job lifting each other up. This will reverberate for a while. He thanked Councilmembers for their contact and appreciates everyone's work.

Councilmember Bracken gave a shout out to the Town and all the folks raising their hand to help out. He loves this Town and this community.

Present: 7 - Councilmember Loban, Councilmember Townsend, Councilmember Bracken, Mayor Pro Tem Bower, Councilmember Johnson, Mayor Gray, Councilmember Teal

[PROC
2020-003](#)

**Proclamation: 2020 Mayor's Water Conservation Challenge
(Approved on March 17, 2020 by a vote of 7-0 for Presentation on
April 7, 2020) Changed to Water Conservation Month**

Mayor Gray read the Proclamation into the record noting the change of the name to Water Conservation Month.

[PROC
2020-004](#)

**Proclamation: 2020 Arbor Day (Approved on March 17, 2020 by a
vote of 7-0 for Presentation on April 7, 2020**

Mayor Gray read the Proclamation into the record.

UNSCHEDULED PUBLIC APPEARANCES

Shannon Eklund, Executive Assistant, stated there was no one signed up to speak and unmuted the microphones for 5 seconds to allow citizens to request to speak.

No public comment.

TOWN MANAGER'S REPORT

David Corliss, Town Manager, thanked Council for their patience to provide this meeting remotely. Town staff is working through all of the different challenges. Development Services continues to provide excellent service to the community, and have modified some of the inspection regime. Great work from Public Safety and they have modified their work. Jeff Brauer, Director of Parks, reported they have furloughed over 200 part time staff, and full time staff is staying active. The Golf Course is closed and they are targeting to open next week if that is still allowed under the State order. Staff has been very active looking at the current 2020 budget. Trish Muller, Finance Director, will talk about the preliminary 2019 review which is very positive. 2020 will be a significant challenge with a downturn in sales tax revenue. Staff is looking at some items that can be eliminated such

as travel and training and what can be deferred for a future budget year. Staff will be presenting any major policy issues with any of those changes to Council and are busy responding to changes affecting the Town and services.

[ID 2020-036](#)**Update of the Preliminary 2019 Unaudited Year-end Financial Review**

Trish Muller, Director of Finance, presented the item. She noted that we had a very solid 2019 which in turn gives us a good base to face some of the economic challenges in 2020. Muller presented the three main revenue streams. Town-wide revenues came in 7% over budget and we had the strongest year in audit revenue. 97% of our taxes come from sales tax, with 3% from property tax. 2019 was another strong year for development with 904 vs. 861 single family permits from the previous year. Revenues were 8% above budget, and use tax was 34% above budget. New development fees were 3% higher than budget as well. Town-wide expenditures finished 26% below budget, and the General fund was 6% under and 22% under for General fund capital expenditures. Muller stated that they affirm the strategic priorities when developing the budget and that the resources budget supports those priorities. Muller highlighted items that ensure our water future, enhancing our transportation, ensuring our public safety, and maintaining strong parks and recreation. Overall, the Town had a very strong financial year that gives a solid base when we look at 2020.

Councilmember Townsend asked if we are putting in place some contingencies and if it has accelerated contingency plans for dips in sales tax. Muller stated they have reserves they set up in 2012/2013 after we came out of the last recession for the "rainy day savings". Having several good financial years, we have been able to add into those reserves. Muller stated we are engaging conversations about our reliance on sales tax.

No Council comments.

[ID 2020-037](#)**Presentation of the Metropolitan District Summary for the year ending December 31, 2018**

David Corliss, Town Manager, stated Town staff has reviewed the 2018 reports from the Metro Districts. They would like the consensus of Council if they wish us to involve the metro districts and the community to see if there are changes we want to suggest to the Town code governing Metro Districts or policy changes. The report is also included on line.

Trish Muller, Director of Finance, presented an overview of the item. Last year, they presented the 2017 report. The timing is based on when those reports are submitted to the Town. Metro Districts are a separate taxing entity, not related to the Town. A developer can create this entity to finance the public improvements that are paid for through property taxes from future residents. We have 41 Metro Districts with 36 that are active. The Metro District debt as of 12/2018 was \$765M, which increased by \$32M from the previous year. There were no new debt issuances last year, and the increase was mostly from accumulating interest and developer advances. There is a significant amount of detail in the packet related to the review of these reports.

Staff recommends a study group to define a metro district policy for Council approval. Initial thoughts to include would be imposing maximum term limits on debt issued, a mill levy cap, restriction on subordinate debt and developer advances, and additional notification requirements to property owners.

Councilmember Johnson appreciates the work done by staff and supports creating and serving on a study group. Muller stated they have not restricted any participation, and it would be up to the Town Manager, Town Attorney, and Council as to what would be an appropriate composition of the study group.

Councilmember Teal feels all four recommendations were great and is interested in exploring all of them.

Moved by Councilmember Loban, seconded by Councilmember Teal, for staff to form a study group to develop and recommend Metro District policy considerations to Council. The motion passed by the following vote:

Yes: 7 - Loban, Townsend, Bracken, Bower, Johnson, Gray, Teal

[ID 2020-038](#)

Update: Quasi-Judicial Projects

[ID 2020-039](#)

Development Services Project Updates

David Corliss, Town Manager, stated that Tara Vargish is the Interim Development Services Director and wished Bill Detweiler well on his retirement.

TOWN ATTORNEY'S REPORT

No report.

ACCEPTANCE OF AGENDA

Moved by Councilmember Loban, seconded by Mayor Pro Tem Bower, to Accept the Agenda as presented. The motion passed by the following vote:

Yes: 7 - Loban, Townsend, Bracken, Bower, Johnson, Gray, Teal

CONSENT CALENDAR

Councilmember Johnson commented that the Public Works commission met last night and discussed the two items. The item regarding the Crowfoot Valley/Founders Parkway drew a lot of discussion. She noted the information would be included in the packet.

[RES 2020-042](#)

Resolution Approving a Task Order for Construction Administration and Inspection Services for the Plum Creek Parkway Widening & Roundabout Improvement Phase 1B Project

[RES 2020-043](#)

Resolution Approving a Contract Amendment to the Task Order between the Town of Castle Rock and Kimley-Horn & Associates for Construction Administration and Inspection Services for the SH 86 Founders Parkway and Crowfoot Valley Road Intersection Improvement Project and for Prior Unbudgeted 2018 Expenses

MIN 2020-007 Minutes: March 17 and March 30, 2020 Town Council Meetings

Moved by Teal, seconded by Mayor Pro Tem Bower to approve the Consent Calendar as read. The motion passed by a vote of:

Yes: 7 - Loban, Townsend, Bracken, Bower, Johnson, Gray, Teal

QUASI JUDICIAL HEARINGS**ORD 2020-001 Ordinance Annexing to the Town of Castle Rock, Colorado a 8.37 Acre Property Located in the South Half of the South Half of the North Half of Section 26, Township 7 South, Range 67 West of the 6th Principal Meridian, Douglas County, Colorado (Alexander Place Annexation) (First Reading) - Item to be Continued to April 21, 2020**

Mayor Gray read the item into the record and asked for a motion to continue.

Moved by Councilmember Teal, seconded by Councilmember Johnson, that Quasi-Judicial Ordinance 2020-001 be Continued to the April 21, 2020 Town Council meeting. The motion passed by the following vote:

Yes: 7 - Loban, Townsend, Bracken, Bower, Johnson, Gray, Teal

ORD 2020-002 Ordinance Approving the Alexander Place Planned Development Plan and Zoning Regulations (First Reading) - Item to be Continued to April 21, 2020

Mayor Gray read the item into the record and asked for a motion to continue.

Moved by Councilmember Johnson, seconded by Councilmember Teal, that Quasi-Judicial Ordinance 2020-002 be Continued to the April 21, 2020 Town Council meeting. The motion passed by the following vote:

Yes: 7 - Loban, Townsend, Bracken, Bower, Johnson, Gray, Teal

ADVERTISED PUBLIC HEARINGS & DISCUSSION ACTION ITEMS**ORD 2020-003 Ordinance Approving the First Amendment to the 2020 Budget by Making Supplemental Appropriations for 2020 and Authorizing Changes for Year 2020 and Providing for its Emergency Adoption on First and Final Reading**

Trish Muller, Director of Finance, presented the first amendment to the 2020 Budget; and due to the current economic circumstances, they are asking for emergency adoption on first reading. There are two different components. Based on our Code, capital funding can be carried forward for 2019 project that were not completed. Staff chose to put the carryforward amounts in the to amendment to provide transparency.

Staff vetted items for funding for additional needs identified. Muller presented a three year history of budget amendments. 80% of the amendment is for capital rolled forward (\$55M) with supplemental requests of \$14M, for a total of \$69M

They focussed on strategic priorities related to the capital carryforward items with \$41M related to Water Resources. Supplemental requests \$7.7M are related to Water as well.

Public Works will carryforward \$10M for capital projects with supplemental requests of \$500k for miscellaneous concrete repairs, the transit feasibility study and replacement of vehicle lifts and garage doors.

Parks and Recreation will carryforward capital of \$1.2M for design of the future Cobblestone Park, other park improvements as well as the Red Hawk Ridge parking lot improvements. Supplemental requests of \$1M include a pool dehumidification unit and ongoing design for East Plum Creek Trail.

Public Safety has capital carryforward of \$1.9M for the Public Safety Training Facility and emergency vehicle technician equipment. Supplemental requests of \$100k are for accommodating the station alerting project and rifle and pistol purchases.

Corliss stated this process was started 4-6 weeks ago and they are already making adjustments to the 2020 budget and some adjustments are being made based on recent events. Staff will continue to determine options and will be presenting future policy issues to Council. Some items will be deferred or eliminated and will be brought to Council in the coming months.

No Council comments.

Shannon Eklund, Executive Assistant, stated there was no one signed up to speak and unmuted the microphones for 5 seconds to allow citizens to request to speak.

No public comment.

Moved by Councilmember Townsend, seconded by Mayor Pro Tem Bower, that Ordinance 2020-003 be Approved on An Emergency Basis as presented. The motion passed by the following vote:

Yes: 7 - Loban, Townsend, Bracken, Bower, Johnson, Gray, Teal

[DIR 2020-009](#)

Discussion/Direction: COVID-19 Small Business Support Grant Program

Mayor Gray stated there is a \$600k cap on this proposal consisting of two programs. Council can approve one or both. He reminded Council if they want to amend the proposal, it could delay moving forward.

Dave Corliss, Town Manager, provided an overview of the proposed COVID-19 Small Business Assistance Program. The program Council approved at the meeting last week for Water assistance is moving forward, as well as the lending program that includes some Town financial participation. Frank Gray, CEO for the Economic Development Council will be recommending changes to the lending program and proposing a new loan program.

Staff is providing options to provide checks to small businesses in the community. Staff has looked at the Town budget and determined they can provide \$600k which can be split between the two programs. They are proposing \$300k from the general fund, and \$300k from the fund balance from the Town's Economic Development Fund which is funded from business use taxes. Corliss stated we need \$50M in sales tax revenue, and the Outlets which have been shut down represent 15-20% of our sales tax revenues.

Staff surveyed other communities and what they are doing to assist small businesses. Many are just letting small businesses know about Federal assistance programs. A few others are doing other programs, and we think we are in the forefront of those programs. Englewood has a grant program we have looked at and recommend it as a model for Castle Rock to consider. We assume grant money will not come back to the Town. There will be policy choices as in who would be eligible and who should be excluded, what is the timeframe, who makes decisions on the applications, and what is the criteria.

In the interest of providing assistance as fast as we can, we will be giving up due diligence that we would like to be able to perform. Corliss went over the recommendations of small businesses that would qualify: Physical location (not a residence), provide statements, at least one year licensed in Castle Rock, up to 25 employees, store front retail (restaurants/food shops, personal care, etc), and maximum one-time grant up to \$5,000 based on need. They recommend excluding chains or franchises, liquor stores, auto and construction related businesses, and regional business with more than 5 locations, etc. The preference is to small businesses paying sales tax and subject to the State stay at home order, and that they should be required to seek other funding.

Staff recommends an online application with a deadline of April 16, and that the grant review committee would be made up of staff and representatives from the Chamber and Council. Recommendations would be posted by April 20 and confirmed by Council on April 21. This program would be in addition to the State programs, the KIVA program through the EDC, and the Water bill program.

Councilmember Loban suggests if franchises are local residents of Castle Rock, they should be included.

Mayor Gray feels a business should have an active SBA loan going in.

Mayor Pro Tem Bower concurs. If they haven't applied for Federal funding, he questions why they haven't. Some have been affected more than others. We need to be careful of people looking for cheap money.

Councilmember Townsend is concerned with the grant program, and questions how do we explain to our constituents if we have to cut Town services. He asked if that would outweigh the risks of providing the grant if they end up failing.

Corliss stated it is a fair question. We will be having a reduction in Town services in 2020. He recommends that the response would be that, through no fault of their own, businesses have had to shut down and stop serving the community. They are an important part of the community that provide services that we depend on,

and have been there to assist a number of charitable requests over the years. These businesses collect sales tax that benefits the Town along with providing that variety of services to our citizens. It is a statement from the Town that we value the small businesses and hope that they are going to succeed. It is not perfect or guaranteed, but is a strong statement. Some will not be able to recover their losses, but this will help cover that breach.

Councilmember Teal has concerns of engaging the grant program at this stage. He feels the current situation will not last forever.

Mayor Pro Tem Bower stated we do a lot of work to attract businesses here, and it is less work than trying to attract new ones.

Councilmember Bracken stated if 10% of the businesses that received grants fail or close, that the \$60k went down the tubes. He feels that risk is low and that the number is appropriate.

Councilmember Loban, stated small businesses are the fabric of our community. They have paid into this Town, and people depend on them for employment and support. We are a community and we come together. It is far cheaper to retain those businesses and retain those relationships, rather than try to fill empty storefronts. It's not good for business or for the community, and we should do what we can within reason, especially adding the SBA requirements. We should come with a multi-tiered approach to help as many businesses as possible, and we will depend on them to make up the loss of revenue and put our community back together.

Councilmember Johnson asked if the proposal is up to a \$5,000 grant.

Corliss thanked Council for their questions and comments. The proposal is up to \$5,000 depending on the quality of applications, the number of applications, and if Council wants to split the amount between grants and loans.

Mayor Gray wanted to announce that he and Mayor Pro Tem Bower have both applied for the KIVA loan but without the Town grant, and that he will also forgo this grant program. They want to ensure they remain impartial and good stewards of the Town finances.

Mayor Pro Tem Bower received word that he was approved by KIVA and was required to get 30 people to provide funds. Within a couple hours, he got his 30 people. Bower stated it was fascinating to see who donated to his campaign. He received funds from Stephen Colbert, churches, and others; and in less than 24 hours he ended up being fully funded without any dollars from the Town. He noted that people all over the world are donating to businesses.

Councilmember Loban has a small business as well and did not apply for the SBA loan.

Frank Gray, CEO for the Economic Development Council, stated that it will take a while to get back to business as normal until there is a vaccine or a treatment that is effective. Frank Gray reported that the KIVA program is exceeding their

expectations. He stated that businesses are reluctant to take on debt, even at 0% and recommends that everyone should apply for the SBA PPP and Disaster Relief Fund, ask landlords for a deferral, and apply for the KIVA loan program.

Gray summarized the proposed amendments to the KIVA program:

- > Add Sole Proprietors
- > Increase the amount to \$4,000 or 50% of the loan amount (whichever is less) that would serve 50 businesses
- > Eliminate loan forgiveness (does not work on the KIVA platform)
- > Disperse \$200k approved for the KIVA loan program in \$50k increments, as needed, and any balance retained in the Economic Development Fund
- > All repaid loan funds return to the Economic Development Fund

Mayor Pro Tem Bower compared the KIVA loan to a Go Fund Me as people donate to the fund, then KIVA opens it up to their contacts.

Councilmember Johnson thanked the Economic Development Council.

Councilmember Townsend asked for staff opinion on the amendments.

Corliss stated they are excited to see the community and others around the world excited about crowd funding and hopes it is successful, and feels the changes are appropriate.

Shannon Eklund, Executive Assistant, stated there was no one signed up to speak and unmuted the microphones for 5 seconds to allow citizens to request to speak.

No public comment.

Loban motioned to approve all proposed amendments to the KIVA loan program as proposed by EDC.

Bower requested clarification of the funding.

Corliss stated the \$200k for the KIVA program is separate from the \$600k.

Mayor Gray clarified this motion would be how to divide up the \$600k funding.

Councilmember Teal stated there is always a benefit to how much you can put forward and asked if there is a benefit to allocating more than \$300k to the Colorado Lending Source and if it would attract a bank more. Frank Gray stated any time you can give a bank more loan loss money, it makes you more attractive. If you were to increase it to \$400-\$500k it would push their lending up to about \$2M.

Mayor Gray pointed out that direction from the last Council meeting was to do this quickly. The grant program will move faster. If we are okay with not doing the grant program, the other program may take a couple of months.

Councilmember Loban suggest \$200k to the grant and \$400k to the loan program.

Mayor Gray stated some will benefit from a small amount.

Mayor Pro Tem Bower asked how much money is in the Economic Development Fund. Frank Gray stated that is a complicated question because some of those funds have commitments attached to them. Frank Gray stated he and the Town Manager agreed they were comfortable with \$600k; and \$200,000 is already allocated to the KIVA program. Bower stated he knows what they have used the funds for in the past and asked what we see using the fund for. Frank Gray stated it also funds the Economic Development Council as well. Mayor Gray feels we need to concentrate on the \$600k we have tonight. In the future, if we want to look at further funding we can. Bower stated we can do something now with the \$600k and wants to know what else is there. Corliss stated the fund has about \$1M and there are restricted accounts for \$1M for ACC campus, and \$1M set aside for fees at Promenade. Separate funds are in the general fund for a reserve for economic opportunity that has over \$1M. They are proposing the \$300k would be from the Economic Development fund and \$300k from the economic opportunity reserve in the general fund. Staff feels the other funds will be needed by the Town. Corliss stated the grant program provides funding more quickly, and the loan program is the other option offered.

Councilmember Teal feels the \$200k could hit the streets faster and is an acceptable risk, and the \$400k can get us a better loan offering.

Councilmember Johnson is concerned with the grant program administrating it ourselves. She additionally wants to ensure that a business who has concerning legal issues are not considered.

Councilmember Townsend wants the ability to make an impact, and is concerned about the propensity for this money not to be used wisely. He supports the loan and feels the grant funding be reserved to decide on later.

Mayor Pro Tem Bower stated most downtown landlords are calling for rent to be due but are not charging late fees. Bower feels the applicant needs to be in good standing with the Town and if they have delinquent accounts, they wouldn't be eligible.

Mayor Gray is okay with whatever Council decides, but we need to remember we asked for a quick solution, and the grant program would provide that. Mayor Gray stated if he was a business, he would take the grant and pay his rent with it.

Councilmember Townsend asked Bower and Gray if this would benefit them if they took it. Mayor Gray stated this small money wouldn't save them in the long term, and they will need to get the KIVA and SBA, programs, but it will help them bridge the time enough until they can get the loans. There may be some that take advantage of it in a bad way, but doesn't want to make a decision on what a small percentage may do.

Councilmember Johnson asked if she could see the slide on the grant amount.

Councilmember Teal likes the \$200k grant and \$400k for the loan program. That

brings the number of businesses down and that the business must be in good standing with the Town.

Mayor Pro Tem Bower stated every business is in a different situation. Some have retained some employees, some haven't. This money will make an impact on some, and some it won't.

Councilmember Loban stated it is important to come at this with multiple tools. This is enough to cover rent for most of them and help them make it to the other programs. This stops the bleeding right now.

Mayor Gray feels we are doing a lot more than others are doing along the front range. Frank Gray stated they are being active and he is proud of what the Town is doing.

Shannon Eklund, Executive Assistant, stated there was no one signed up to speak and unmuted the microphones for 5 seconds to allow citizens to request to speak.

No public comment.

Frank Gray clarified that their grant assistance would be amended that a franchise owner live in Castle Rock vs. Douglas County.

Mayor Pro Tem Bower stated he is going to abstain from the vote as his business may have to apply for a grant or a loan.

Mayor Gray stated he will vote since he will not be applying for the grant.

Councilmember Teal stated he wants to see Frank Gray's slides as he has received a number of requests from DRCOG and the E470 board that are interested in our programs. Mayor Gray stated other Mayors are curious what we are doing as well.

Councilmember Johnson confirmed that these slides will be added into the Granicus packet.

Moved by Councilmember Loban, seconded by Councilmember Johnson, to Approve the Proposed Amendments to the KIVA loan program as proposed by the Economic Development Council. The motion passed by the following vote:

Yes: 7 - Loban, Townsend, Bracken, Bower, Johnson, Gray, Teal

Frank Gray, CEO of the Economic Development Council presented a new Castle Rock COVID-19 Economic Recovery Loan Fund at 0%. They would take \$300k of Town funds and provide to the Colorado Lending Source. They service the loans with administration and underwriting. They will take it out to the banking community that would hold the \$300k as a loan loss protection, loan us \$1.5M to help Castle Rock businesses and the bank would make one loan to Colorado Lending Source who would then service the loans to the businesses. They feel this would be impactful to Castle Rock businesses. Banks traditionally get about 96.5% of their money back in the loans with very little loan loss, but because most are established business, the loan loss would be less.

Recommended qualifications would be a brick and mortar location, have applied for SBA Disaster Relief or PPP, and in good standing with the Town. They recommend franchises if the owner is a Douglas County resident.

Colorado Lending Source would receive \$900 per \$10k (\$135k maximum loan service fee over two years).

In order to make this a 0% loan, the Town would absorb that interest for that time period (projected at 4% for about \$120,000 in interest)

Councilmember Loban stated the amount of interest and loan service fees will still be under the initial \$300k that would provide \$1.5M in loans. Dollar for dollar this is the biggest bang for the buck and supports this.

Councilmember Bracken prefers this program to the KIVA program.

Councilmember Teal concurs with Loban and Bracken. He feels this program is superior. Using the Colorado Lending Source option is preferred as they are professional underwriters and feels this minimizes the risk.

Mayor Pro Tem Bower says this option is more impactful. He asked if the bank's uncertainty gets pushed out further. Frank Gray stated most of the banks they heard from said they can't do this now because of the SBA loans they are processing, so the timing may be a couple of weeks out. Bower asked if we have a bailout option. Frank Gray stated if Council approves this, they will keep Council informed. They can revisit this if they cannot find a bank. Bower feels the best case scenario is we find a bank within a couple weeks and get funds in the businesses' hands within a few months.

Councilmember Johnson asked if the \$300k is from the Town funds that were part of the previous grant fund, or are they additional. Corliss stated this is from the fund balance in the Economic Development fund and was not otherwise appropriated for this year. The primary use of these funds are economic incentives to any number of businesses under Town Manager authority or Town Council approval.

Councilmember Teal feels we are all in this together and appreciates what small businesses are going through. His employer is providing services knowing they will not be paid timely. The effects will go on for months, so we should be approaching this with solutions that will extend out as well.

Mayor Pro Tem Bower feels this is the most impactful program hands down. Some companies are not being cool, some landlords are not being flexible, and some banks are not being cool.

Councilmember Loban feels this program leverages the dollars we put in and is enough to make a difference.

Councilmember Townsend has some concerns of the role of government and asked if the \$600k could be used as 0% interest loans instead if we can't get a

bank to partner on this program.

Mayor Gray reminded Council that this is \$600k total. We can fund either program, or divide between the two.

Councilmember Bracken thanked Frank Gray for his team's forward thinking and looking to the future.

Councilmember Loban stated the bank brings the processing capability and servicing the loan.

Mayor Gray stated the money to KIVA for \$200k is separate from this \$600k.

Mayor Gray clarified this motion would be how to divide up the \$600k funding.

Councilmember Teal stated there is always a benefit to how much you can put forward and asked if there is a benefit to allocating more than \$300k to the Colorado Lending Source and if it would attract a bank more. Frank Gray stated any time you can give a bank more loan loss money, it makes you more attractive. If the loan program was increased to \$400-\$500k it would push their lending up to about \$2M.

Mayor Gray pointed out that direction from the last Council meeting was to do this quickly. The grant program will move faster. If we are okay with not doing the grant program, the other program may take a couple of months.

Councilmember Loban suggested \$200k to the grant program and \$400k to the loan program.

Mayor Gray stated some will benefit from a small amount.

Mayor Pro Tem Bower asked how much money is in the Economic Development Fund. Frank Gray stated that is a complicated question because some of those funds have commitments attached to them. Frank Gray stated he and the Town Manager agreed they were comfortable with \$600k; and \$200k is already allocated to the KIVA program. Bower stated he knows what they have used the funds for in the past and asked what we see using the fund for. Frank Gray stated it also funds the Economic Development Council as well. Mayor Gray feels we need to concentrate on the \$600k we have tonight. In the future, if we want to look at further funding we can. Bower stated we can do something now with the \$600k and wants to know what else is there. Corliss stated the fund has about \$1M and there are restricted accounts for \$1M for the ACC campus, and \$1M set aside for fees at Promenade. Separate funds are in the general fund for a reserve for economic opportunity that has over \$1M. They are proposing the \$300k would be from the Economic Development fund and \$300k from the economic opportunity reserve in the general fund. Staff feels the other funds will be needed by the Town. Corliss stated the grant program provides funding more quickly, and the loan program is the other option offered.

Councilmember Teal feels the \$200k could hit the streets faster and is an acceptable risk, and the \$400k can get us a better loan offering.

Councilmember Johnson is concerned with administering the grant program ourselves. She additionally wants to ensure that a business who has concerning legal issues are not considered.

Councilmember Townsend wants the ability to make an impact, and is concerned about the propensity for this money not to be used wisely. He supports the loan and feels the grant funding be reserved to decide on later.

Mayor Pro Tem Bower stated most downtown landlords are calling for rent to be due but are not charging late fees. Bower feels the applicant needs to be in good standing with the Town, and if they have delinquent accounts they wouldn't be eligible.

Mayor Gray is okay with whatever Council decides, but we need to remember we asked for a quick solution, and the grant program would provide that. Mayor Gray stated if he was a business, he would take the grant and pay his rent with it.

Councilmember Townsend asked Bower and Gray if this would benefit them if they took it. Mayor Gray stated this small money wouldn't save them in the long term, and they will need to get the KIVA and SBA programs, but it will help them bridge the time enough until they can get the loans. There may be some that take advantage of it in a bad way, but doesn't want to make a decision on what a small percentage may do.

Councilmember Johnson asked if she could see the slide on the grant amount.

Councilmember Teal likes the \$200k grant and \$400k for the loan program. That brings the number of businesses down and that the business must be in good standing with the Town.

Mayor Pro Tem Bower stated every business is in a different situation. Some have retained some employees, some haven't. This money will make an impact on some, and some it won't.

Councilmember Loban stated it is important to come at this with multiple tools. This is enough to cover rent for most of them and help them make it to the other programs. This stops the bleeding right now.

Mayor Gray feels we are doing a lot more than others are doing along the front range. Frank Gray stated they are being active and he is proud of what the Town is doing.

Shannon Eklund, Executive Assistant, stated there was no one signed up to speak and unmuted the microphones for 5 seconds to allow citizens to request to speak.

No public comment.

Loban motioned to approve the grant program for \$200k and \$400k for the loan program. Corliss added with amendments to the grant program that the applicant

also applied for the SBA loan assistance, allow franchise businesses that have physical presence and owned by a Castle Rock resident. Johnson added that the business is in good standing, licensed in Castle Rock.

Frank Gray clarified that their grant assistance would be amended that a franchise owner live in Castle Rock vs. Douglas County.

Mayor Pro Tem Bower stated he is going to abstain from the vote as his business may have to apply for a grant or a loan.

Mayor Gray stated he will vote since he will not be applying for the grant.

Councilmember Teal stated he wants to see Frank Gray's slides as he has received a number of requests from DRCOG and the E470 board that are interested in our programs. Mayor Gray stated other Mayors are curious what we are doing as well.

Councilmember Johnson confirmed that these slides will be added into the Granicus packet.

Moved by Councilmember Loban, seconded by Councilmember Teal, to Approve the Grant Program for \$200k and \$400k for the Loan Program with Amendments requiring that the applicant also applied for SBA loan assistance, allow franchise businesses that have physical presence and owned by a Castle Rock resident, and that the business is in good standing and licensed in Castle Rock. The motion passed by the following vote:

Yes: 6 - Loban, Townsend, Bracken, Johnson, Gray, Teal

Abstain: 1 - Bower

[RES 2020-044](#)

Resolution Amending Town Council Meeting Special Procedures During Declared Disasters Policy

Elizabeth Allen, Senior Assistant Town Attorney, stated that given the extension of the State and Federal orders to stay at home; amendments have been made to the policy to allow for quasi-judicial hearings to be held during connected meetings if the applicant agrees. It also allows for public participation during remote meetings, and that the policy enactment will expire when the declaration of the disaster expires.

Shannon Eklund, Executive Assistant, stated there was no one signed up to speak and unmuted the microphones for 5 seconds to allow citizens to request to speak.

No public comment.

Moved by Councilmember Loban, seconded by Councilmember Teal, that Resolution 2020-044 be Approved as presented. The motion passed by the following vote:

Yes: 7 - Loban, Townsend, Bracken, Bower, Johnson, Gray, Teal

[RES 2020-045](#)**Resolution Authorizing Certain Boards and Commissions to Utilize Town Council Meeting Special Procedures During Declared Disasters Policy with Prior Approval From the Mayor**

Elizabeth Allen, Senior Assistant Town Attorney, presented this Resolution stating that some of the boards and commissions hear quasi-judicial items; and this would allow the Mayor to approve a quasi-judicial item to be heard during a connected meeting with the approval of the applicant.

David Corliss, Town Manager, stated they have discussed who should approve these. It takes a lot of staff effort to hold these meetings. We drafted this in a way that the Mayor would make the decision. Corliss stated he is fine with whatever Council decides.

Councilmember Johnson has concerns that she doesn't want this to set a precedence for a future strong Mayor form of government. She feels all members of Town Council have equal power, and feels the Mayor should not have more power in this instance.

Shannon Eklund, Executive Assistant, stated there was no one signed up to speak and unmuted the microphones for 5 seconds to allow citizens to request to speak.

No public comment.

Councilmember Johnson asked if any other members of Council shared her concern.

Councilmember Townsend stated he is fine if the Mayor makes that decision.

Councilmember Teal feels it is appropriate to have the Mayor approve and that he feels the Mayor would consult with other members of Council if he had concerns.

Moved by Councilmember Townsend, seconded by Councilmember Loban, that Resolution 2020-045 be Approved as presented. The motion passed by the following vote:

Yes: 7 - Loban, Townsend, Bracken, Bower, Johnson, Gray, Teal

ADDITIONAL UNSCHEDULED PUBLIC APPEARANCES

None.

ADJOURN

New Business: Councilmember Loban asked the Finance Director if she has any projections of the grocery store revenues based on the current activity. Muller stated that March revenues have not been received yet and staff is not in a position to provide any impact on grocery store revenue at this time.

Mayor Gray thanked everyone, and that they are doing a lot of great work. He thanked staff, the Chamber, the EDC, and the DMA.

Moved by Councilmember Teal, seconded by Councilmember Johnson, to Adjourn

the meeting. The motion passed by the following vote:

Yes: 7 - Loban, Townsend, Bracken, Bower, Johnson, Gray, Teal

ADJOURN

The meeting was adjourned at 8:06pm.

Submitted by:

Lisa Anderson, Town Clerk