

**CASTLE ROCK DOWNTOWN ALLIANCE**  
**Downtown Alliance Board of Director's Meeting**  
**MINUTES of May 9, 2024**

**ATTENDANCE FOR ALL MEETINGS**

**DMA**

KC Neel, Bernie Greenberg, John Johnson, Aidan Gray, Lou Scileppi, Mark Heath, Jordan Hinton

**DDA**

Stu Butler, Kim Heideman, Josie Adler, John Manka, Andrew Wasson, David Miles, Kevin Bracken

**STAFF**

Birgit Braehler, Kevin Tilson, Karah Reygers

**ALLIANCE PARTNERS**

Jason Gray – Castle Rock Mayor, Tara Vargish – Town of Castle Rock, Brad Boland – Town of Castle Rock, Kristin Read – Town of Castle Rock, Kevin McHugh – Castle Rock Chamber, DJ Beckwith – Douglas County

**PUBLIC ATTENDEES**

Caryn Johnson, Brett Ogden, Hilleary Everist, Melissa Sanchez, Harmony Furlong

**CALL TO ORDER DMA**

KC Neel called the Downtown Merchants Association meeting to order at 12:02 PM and took attendance.

**DMA ACTION ITEMS AND UPDATES**

**New DMA Board Members**

With the results of the DMA Election Kevin welcomed and welcomed back several newly elected DMA Board Members:

- Aidan Gray, Crowfoot Valley Coffee
- Bernie Greenberg, Kokish, Goldmanis & Greenberg, P.C.
- John Johnson, Z'Abbracci – Block & Bottle – B's Deli
- Jordan Hinton, SALT Craft Meat Market
- Mark Heath, The View

**2024 DMA Event Budget**

Karah presented the 2024 DMA Event Budget – Financial Update based on quotes received and planned events. The 2024 financial update was based on known commitments.

**ADJOURN**

There being no further DMA business, the meeting was adjourned at 12:21PM.

### CALL TO ORDER ALLIANCE

Stu Butler called the Downtown Alliance meeting to order at 12:21PM and took attendance.

### APPROVAL OF MINUTES

**Minutes Approval:** Bernie Greenberg motioned to approve the March 14, 2024 Alliance Board Minutes as presented; Aidan Gray seconded the motion; the motion carried unanimously by the DMA.

John Manka motioned to approve the March 14, 2024 Alliance Board Minutes as presented; Andrew Wasson seconded the motion; the motion carried unanimously by the DDA.

### Staff Update

#### DMA Event Planning

Kevin Tilson provided a brief update on:

- DDA Board Memos – Legislation, Website Accessibility, Admin. Methodology, etc.
- America 250 Colorado 150
- Downtown Stakeholders Meeting

### Action Items and Updates

There were no items to discuss.

### ADJOURN

There being no further Alliance business, the meeting was adjourned at 12:33PM.

### CALL TO ORDER DDA

Stu Butler called the Downtown Development Authority meeting to order at 12:33PM and took attendance.

### DDA ACTION ITEMS AND UPDATES

#### **Façade Grant Request for Payment – 213 Perry Street – Owens House**

Jennifer Ocegüera with JR Management, property manager for the Historic Owens House, submitted a façade grant application for the property at 213 Perry Street in early 2023. The application was brought to the DDA Board on February 8<sup>th</sup> and received approval of Façade Grant Funding up to \$5,000. A summary of the request was provided.

#### Motion

Andrew Wasson motioned to approve the façade grant funding for 213 Perry Street in the amount of \$5000 for construction and materials; David Miles seconded the motion; the motion carried unanimously by the DDA.

#### 2023 DDA Audit

The 2023 DDA Financials were audited by The Adams Group, LLC, a third-party, independent auditor. Kevin Kimball, CPA and Jason Adams, CPA provided a clean and unmodified opinion of the DDA Financials, which is the highest mark an audit can receive. In advance of the presentation to the Board, DDA Staff shared the audit with the DDA Board Chair, DDA Board Treasurer, DDA Accountant and Town Finance staff, and met with the third-party auditor to review the draft audit and answer any questions.

### **Motion**

Kim Heideman motioned to approve the 2023 DDA Audit as presented; Josie Adler seconded the motion; the motion carried unanimously by the DDA.

### **City Hotel Update**

On April 8, 2024 Devin Visciano and Tim White with White Development submitted their SDP to the Town of Castle Rock for the City Hotel Project. Assuming the review of the SDP and neighborhood meetings go as scheduled, staff expects to present a redevelopment agreement to Town Council in the next handful of months.

The White Development Team and DDA Staff and Town Staff met in early April and White Development expressed their desire to continue the project as presented in August of 2023 to the DDA Board with the deal points as discussed. They did provide updated renderings of the project and communicated that a new architect has been brought on board. The updated designs reflect a new exterior with wood instead of brick, a new breezeway connecting the historic building with the new building creating additional dining space, and an increase in hotel rooms from 24 to 33.

Staff presented these new changes to the DDA Board and noted that the Term Sheet is the original submitted by the developer, and that the Redevelopment Agreement will reflect the additional commercial square footage and hotel rooms, and the required parking spaces for both.

### **Motion**

John Manka motioned to support the proposed deal points of the City Hotel project with the proposed changes presented; David Miles seconded the motion; the motion carried unanimously by the DDA.

### **Website Accessibility**

In 2021 a House Bill was passed by the Colorado Legislature that mandated government entities to provide websites that are fully accessible to people with disabilities. House Bill 21-1110 requires that government entities, including Special Districts like the Castle Rock DDA, have their websites meet accessibility requirements that meet or exceed WCAG 2.1 by July 1, 2024, or approve a policy and goal to assist those with disabilities in accessing our website and demonstrate efforts to make the website more accessible.

Castle Rock DDA has met with several service providers to help ensure this standard is achieved, along with performing accessibility checks on our web documents and web pages to identify places to improve. Staff also attended a class on website accessibility put on by the Colorado Special District Association and Streamline in April.

DDA Legal Counsel has provided language for approval by the DDA Board to be made available to the public on the Downtown Alliance website. With the approval of the DDA Board, DDA Staff will launch a web page available from our main menu for Website Accessibility and will place this statement on the page and provide our main office number and a newly created email address for questions, concerns or requests for assistance.

### **Motion**

Andrew Wasson motioned to approve the policy statement as presented and direct staff to place this language on the Castle Rock Downtown Alliance website; Kim Heideman seconded the motion; the motion carried unanimously by the DDA.

### **DDA DRB Representative Recommendation to Council**

The Town Code requires that the DDA representative on the DRB be reappointed every year, so the DDA must make a recommendation every year, even if the makeup of the DDA Board has not changed. The Town Council member serving as a voting member on the DDA Board cannot sit on the DRB.

It is noted that the date established in State Statute for the expiration of DDA terms is June 30<sup>th</sup> and the Town date established for expiration of other Town Boards, such as the DRB, is May 30<sup>th</sup>.

For future years, the motion below clarifies that this DDA recommendation is for these two representatives until June 30, 2025, preventing the need for the DDA Board to call a special meeting just to make a recommendation for a DDA representative on the DRB for one month (June of 2025), essentially re-recommending them for one month until the DDA Board makeup would potentially change June 30, 2025.

John Manka and Josie Adler are the current DDA Representatives on the Design Review Board recommended by the DDA Board through June 30, 2025.

### **Motion**

Kim Heideman motioned recommending that Town Council appoint John Manka and Josie Adler to the DRB to fill the seats of the two DDA representatives until June 30, 2025; David Miles seconded the motion; the motion carried unanimously by the DDA.

### **DDA Special Fund Sales Tax Base**

The Town of Castle Rock Staff has expressed a desire to begin adjusting the DDA Sales Tax Base each year going forward. This change is being proposed as one component of multiple efforts that the Town is making to identify revenue to pay for Town Services, particularly to pay for Town Police and Fire.

Staff has put together some background and information on this potential change below:

Leading up to the election to create the DDA in November of 2008 the Town and Town Council created a large marketing campaign called "Be Downtown". This campaign communicated the benefits of a vibrant Downtown, the potential for Downtown Castle Rock to be more vibrant and encouraged the taxpayers to vote to create a DDA. Among many things, the marketing for this campaign explained that the Town of Castle Rock would commit to match the amount generated from a 3 mill property tax levy for the DDA Operating Fund, and would establish a base amount of Sales Tax being generated in Downtown and would place increases to that amount in the DDA Special Fund to help fund projects in Downtown.

When the taxpayers passed the ballot measures required to establish a DDA, several things were established, 1) the DDA would receive a 3 mill levy from the County Treasurer each year 2) the Town committed to match that 3 mill levy subject to annual appropriations, 3) Property Tax Increment with an adjusting base following the State ARL would be placed in a Town Fund (DDA Special Fund), 4) Increases in Sales Tax above the level established in 2008 would be placed in the DDA Special Fund. Since 2008, the Sales Tax Base has not been adjusted.

In the early years of the DDA, there was debate whether the Sales Tax Increment was to be calculated on the full 4% Town Sales Tax amount, or the originally discussed 3.6% Town Sales Tax amount. Ultimately the Town committed to the 3.6% Town Sales Tax amount for calculating Sales Tax Increment. The additional 0.04% Town Sales Tax is not included in the calculation for Sales Tax Increment and 100% of the 0.04% Town Sales Tax collected in Downtown has gone to the Town General Fund since 2008. This amount has generated roughly \$6.9 million since the creation of the DDA.

Aside from the amount generated from the 0.04% Town Sales Tax generated in Downtown, increases in Sales Tax have (along with Property Tax Increment) gone to the DDA Special Fund and have been used to pay for projects like Festival Park, the roundabout at South and Wilcox St., the Quiet Zone, the Lights Over Wilcox, an electric box to light the big blue tree during the holidays, 308 parking spaces in the Encore garage, 100 parking spaces at the View garage, parking garage maintenance, and a parking lease for 55 spaces at Douglas County School District, Town Services for Downtown events, and traffic safety bump outs, as well as used to pay for share back agreements from projects that generated their own Sales Tax Increment.

Since the creation of the DDA 2 notable things have occurred that have placed additional burden on the ability to pay for Town Police and Fire services:

- Downtown has received new investment in Downtown projects as a result of DDA efforts, and the new amenities, new buildings and additional people that they bring to Downtown, increase the cost of keeping Downtown safe for Police and Fire.
- Costs have gone up since 2008. Even if Downtown had not received new investment and there weren't more buildings and people and amenities to keep safe, it would cost more to keep Downtown safe in 2024 than it did in 2008.

Here are a few metrics regarding an adjusted Sales Tax Increment Base:

- The current base is about \$2,500,000 and total Sales Tax collections in 2023 were roughly \$5,400,000.
- Assuming 3% growth in Sales Tax and 3% CPI adjusted base, the base is estimated to be \$4,100,000 and total Sales Tax Collections at \$5,600,000 in 2025.
- With an adjusted Sales Tax Base, depending on the calculation, the Town would now retain ~73% of the Sales Tax generated in Downtown, and the remaining ~26% would be increment. Right now, this percentage is about 50% and 50%.
- Over the remaining life of the current DDA, Sales Tax Increment is projected to generate ~\$61,000,000 in new Sales Tax that would go to the DDA Special Fund (assumes 3% growth in Sales Tax and CPI at 3% adjusting the base). With a CPI Adjusted Sales Tax Base, Sales Tax Increment is estimated to generate ~\$26,000,000 that would go to the DDA, and the base that would be retained by the Town is estimated to be ~\$34,000,000. This amount is received over time over the remaining life of the DDA.

Other than the amount generated from the 0.04% portion of Town Sales Tax in Downtown, and DDA Special Fund contributions to public infrastructure, Downtown Sales Tax has not gone to pay for increases in the cost of Town Services. An adjustment in how Sales Tax Increment is calculated could provide a way for a portion of the Sales Tax generated in Downtown to help pay for these services.

Town Staff is proposing to discuss this concept on May 21, 2024 with Town Council as a part of multiple efforts being considered for the 2025 Town Budget that would identify revenue. The May 21, 2024 presentation is just a briefing, Town Council would ultimately vote on this measure as a part of the 2025 Budget presentations that would occur in the fall.

**ADJOURN**

There being no further DDA business, the meeting was adjourned at 1:19PM.

The Castle Rock Downtown Development Authority approved these minutes on

11.14.2024

Date

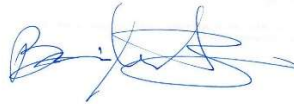


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John Manka, DDA Secretary

11.14.2024

Date



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Bernie Greenberg, DMA Secretary