

C-CARE

Cañon City Area for Reinvestment Expansion

2024 ADOPTED BUDGET

FOR THE FISCAL YEAR BEGINNING JANUARY 01, 2024





CITY OF CAÑON CITY

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To: C-CARE Members
From: Ryan Stevens, Executive Director
Date: November 6, 2023
Subject: 2024 Budget

The Cañon City Area for Reinvestment Expansion (C-CARE)'s mission is to encourage investment and reinvestment within targeted areas of the community while strengthening the tax base of the whole city and growing the area's job base. The Authority was organized in 2020.

C-CARE provides gap financing incentives to developers interested in projects that address blight remediation, improve aging infrastructure and redevelop key historic structures, utilizing Tax Increment Financing (TIF) on a reimbursement basis. TIF is a mechanism that captures net-new and incremental tax revenues (sales or property tax) that are created when blighted, vacant or underutilized properties are redeveloped, and channels them into cost reimbursement for developers. It helps relieve the financial "gap" of development costs that results from the added costs of construction caused by the need to replace aging, blighted infrastructure and modernizing historic structures.

Since its inception in 2020, C-CARE has assisted four development projects, two of which are historic, two of which address blight in key areas of the community, and one that addresses CDOT infrastructure requirements on the high traffic east US50 corridor:

Renovation of the historic Hotel St. Cloud; Main Street

- Phase 1 was completed 12/31/2022 with the opening of Fremont Public House. Phase 2 is underway with completion of the lobby, a restaurant and speakeasy projected for the end of 2023. The full project is projected to be completed in the fall of 2024.

Renovation of the historic Fremont County National Bank building; Main Street

- Project is complete, and was awarded the Governor's Award for Downtown Excellence in the "Place" category, presented by Downtown Colorado, Inc.

Faricy Boys Ford redevelopment project; US 50 East Access Corridor

- Project is complete. Faricy moved into their new building in October 2022, with demolition of the old structure immediately following, thereby removing blight and helping beautify the east access corridor of US50.

Holiday Inn Express development project; US 50/Mackenzie Ave. median project

- This project was completed in 2021, including new US50 median and turn lane onto Mackenzie Avenue.

In 2021, C-CARE absorbed two Cañon City business grants including the Downtown Life Safety Grant, which helps commercial developers and property owners tackle the expensive task of bringing historic downtown buildings up to current fire and life safety codes; and the Façade Improvement Grant, which helps businesses in the urban renewal area beautify their store fronts, making for a better shopping experience. Each of these grants was updated and modified in 2022 to expand their ability to benefit the community and economy. Consequently, each grant saw increased activity in 2023.

To date in 2023 alone, about \$48,000 of Façade Improvement Grant program funds have been awarded to assist with over \$92,000 worth of façade improvements to Cañon City's downtown commercial center. As a result, downtown consumers are experiencing updated facades to businesses like Medora, My Brother's Place, Mose Public House, Red Canyon Cycles, Kaleidoscope Inspirations, You Scream ice cream parlor, Keller Williams Performance Realty and The Mortgage Company. Including previous façade grant awards, a total of 13 downtown businesses have benefitted from façade grant assistance, helping create a vibrant downtown that is drawing attention and positive comments from residents and visitors alike.

2023 was also a strong year for life safety and ADA improvements on Main Street, that can be attributed to \$150,000 of C-CARE Life Safety and Accessibility Grants. With the ability to incentivize very costly improvements like fire sprinkler and alarm systems, fire separation, ADA compliance, and kitchen hoods and fire suppression systems, since its inception, the Life Safety and Accessibility grant program has incentivized approximately \$385,000 in downtown improvements with about \$222,000 in grants. Residents and visitors alike are now enjoying new restaurants like World's End Brewing, Fremont Provisions, and can look forward to Sallie's Bakery anticipate in 2024. The grants also help Cañon City take steps toward addressing the housing crisis by adding 12 additional second floor apartments to be available in early 2024.

The 2024 Budget continues to reflect a conservative outlook for next year with an understanding of C-CARE's role in helping to restore the City of Cañon City's economy through the remediation of blight. At the same time, this budget continues the renewed interest in the Façade Improvement Grant and addressed additional challenges and expenses of renovating old, historic structures with the introduction of a new building systems grant.

C-CARE

BUDGET STATEMENT

	2022 Actual	2023 Budget	2023 Estimate	2024 Budget
Revenues				
Tax Increment	\$ 345,582	\$ 333,000	\$ 504,401	\$ 440,000
Interest	-	-	-	-
Total Revenues	<u>\$ 345,582</u>	<u>\$ 333,000</u>	<u>\$ 504,401</u>	<u>\$ 440,000</u>
Expenditures by Function				
Operations	\$ 36,910	\$ 73,250	\$ 59,400	\$ 132,900
Debt Service	-	59,700	59,700	65,061
Grants/Contribtuions	68,205	377,500	237,500	327,500
Total Expenditures	<u>\$ 105,115</u>	<u>\$ 510,450</u>	<u>\$ 356,600</u>	<u>\$ 525,461</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 240,467	\$ (177,450)	\$ 147,801	\$ (85,461)
Other Financing Sources (Uses)				
Matching Funds Projects	\$ -	\$ -	\$ -	\$ -
Intergovernmental Loan	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 240,467	\$ (177,450)	\$ 147,801	\$ (85,461)
Fund Balances, Beginning of Year	240,467	248,474	480,934	628,735
Fund Balances, End of Year	<u><u>\$ 480,934</u></u>	<u><u>\$ 71,024</u></u>	<u><u>\$ 628,735</u></u>	<u><u>\$ 543,274</u></u>

C-CARE REVENUE DETAIL

Account #	Description	2022 Actual	2023 Budget	2023 Estimate	2024 Budget
Operating Revenues					
40-310-31101	Property Tax Increment	\$ -	\$ 33,000	\$ 34,768	\$ 140,000
40-310-31301	Sales Tax Increment	345,582	300,000	469,633	300,000
	Total Tax Increment	<u>\$ 345,582</u>	<u>\$ 333,000</u>	<u>\$ 504,401</u>	<u>\$ 440,000</u>
Non-Operating Revenues					
40-360-36101	Earnings on Deposits & Invest	\$ -	\$ -	\$ -	\$ -
	Total Non-Operating Revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other Financeing Sources					
40-345-00601	Matching Funds Projects	\$ -	\$ -	\$ -	\$ -
40-390-39203	Intergovernmental Loan	-	-	-	-
	Total Other Financing Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	GRAND TOTAL REVENUES	<u><u>\$ 345,582</u></u>	<u><u>\$ 333,000</u></u>	<u><u>\$ 504,401</u></u>	<u><u>\$ 440,000</u></u>

C-CARE EXPENDITURE DETAIL

Account #	Description	2022 Actual	2023 Budget	2023 Estimate	2024 Budget
	Supplies & Materials (200)				
40-400-400-200	Office Supplies	\$ -	\$ 500	\$ -	\$ 500
40-400-400-210	Operating Supplies - General	-	1,000	-	1,000
	Total Supplies & Materials (200)	\$ -	\$ 1,500	\$ -	\$ 1,500
	Purchased Services (300)				
40-400-400-300	Professional Services	\$ 1,054	\$ 10,000	\$ 500	\$ 10,000
40-400-400-315	Postage/Freight	-	1,000	-	1,000
40-400-400-320	Printing	-	1,000	-	1,000
40-400-400-325	Publications/Advertising	223	1,000	500	1,000
40-400-400-330	Subscriptions/Membership Fees	-	1,000	650	1,000
40-400-400-350	Other Fees & Charges	35,633	57,750	57,750	117,400
	Total Purchased Services (300)	\$ 36,910	\$ 71,750	\$ 59,400	\$ 131,400
	Debt Service (600)				
40-400-400-610	Principal	\$ -	\$ 55,300	\$ 55,300	\$ 60,891
40-400-400-611	Interest	-	4,400	4,400	4,170
	Total Debt Service (600)	\$ -	\$ 59,700	\$ 59,700	\$ 65,061
	Grants/Contributions (700)				
40-400-400-397	Life Safety Grant	\$ 50,000	\$ 150,000	\$ 150,000	\$ 100,000
40-400-400-398	Facade Grant Program	-	52,500	52,500	52,500
40-400-400-399	Building Systems Grant	-	75,000	-	75,000
40-400-400-901	Urban Renewal Projects	18,205	100,000	35,000	100,000
40-400-400-902	Water Street Sewer Line	-	-	-	-
	Total Grants/Contributions (700)	\$ 68,205	\$ 377,500	\$ 237,500	\$ 327,500
	TOTAL C-CARE	\$ 105,115	\$ 510,450	\$ 356,600	\$ 525,461

**C-CARE
INCENTIVE DETAIL**

Business Name	Project	Agreement End Date	Agreement Amount	Paid to Date	Remaining
Unbridled Holdings III, LLC	Hotel St. Cloud	2/3/2036	\$1,200,000	-	\$1,200,000
FB Properties, Inc.	Faricy Boys Ford Facility	10/6/2038	1,000,000	-	1,000,000
Tezak Heavy Equipment Co.	Fremont National Bank	10/7/2042	1,063,714	-	1,063,714
ABRI Inc.	Holiday Inn Express	4/30/2030	200,000	28,401	171,599

**The information provided is for agreements entered into or anticipated to being entered into by December 31, 2023.
This information is not required as part of the budget but is presented for transparency.**

CAÑON CITY AREA FOR REINVESTMENT EXPANSION

RESOLUTION NO. 2, SERIES OF 2023

TITLE: A RESOLUTION TO ADOPT THE 2024 BUDGET FOR THE CAÑON CITY AREA FOR REINVESTMENT EXPANSION AND TO MAKE APPROPRIATIONS FOR THE SAME

WHEREAS, in accordance with the Colorado law, the proposed 2024 budget for the Cañon City Area for Reinvestment Expansion has been prepared and submitted;

WHEREAS, notice of the public hearing regarding the proposed 2024 budget was published in accordance with Colorado law; and

WHEREAS, a public hearing was conducted on the proposed 2024 budget was held on November 8, 2023, during which public comment was permitted.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CAÑON CITY AREA FOR REINVESTMENT EXPANSION, that:

Section 1. The 2024 budget for the Cañon City Area for Reinvestment Expansion, which is attached hereto as Exhibit A and incorporated by this reference, is hereby adopted and the amounts so indicated are hereby appropriated for expenditure in 2024 for the purposes so stated.

Section 2. The budget herein approved shall be signed by the Chair and Clerk and made part of the public records of the Cañon City Area for Reinvestment Expansion.

Dated this 8th day of November, 2023.


Ryan Stevens, Executive Director




Tim Payne, Chair