

C-CARE

Cañon City Area for Reinvestment Expansion

2025 ADOPTED BUDGET

FOR THE FISCAL YEAR BEGINNING JANUARY 01, 2025





CITY OF CAÑON CITY

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To: C-CARE Members
From: Ryan Stevens, Executive Director
Date: October 15, 2024
Subject: 2025 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, one 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.
- Phase 2 was completed in early 2024 with the completion and opening of the main lobby, 1887 Historic Eatery and the War Room speakeasy.
- Phase 3, the completion of the guest rooms and complete grand opening, is planned for early 2025.

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.

C-CARE also utilizes tax increment to provide financial grants to local businesses and building owners either in the historic central business district and/or the entire URA area. These grants include a Life Safety and Accessibility grant, Building Systems grant, and Façade Improvement grant, all designed to work together to address life safety such as fire suppression systems, building HVAC and energy efficiency systems, accessibility, and façade improvements, thereby helping to bring older and aged structures into compliance with modern code and create a more attractive business environment.

As of August 2024, approximately \$50,000 of Façade Improvement Grant program funds have been awarded to assist with over \$109,000 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, The Mortgage Company, and Edward Jones. Including previous façade grant awards, a total of 14 downtown businesses/buildings have benefitted from façade grant assistance, helping create a vibrant downtown that is drawing attention and positive comments from residents and visitors alike.

In 2024, the community is expecting to see the completion of three 2023 life safety and ADA improvements on Main Street, with grants totaling \$117,250 on total development costs of \$240,690. An additional 2024 grant of \$11,792.78 was awarded to 3 Rocks Engineering on Main Street for security system and door improvements. 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 over \$355,000 in downtown improvements with about \$200,790 in grants. Residents and visitors alike are now enjoying new restaurants like World's End Brewing, Fremont Provisions, and are now experiencing the new and highly anticipated opening of Sallie's Bakery 2024. The grants are also helping Cañon City take steps toward addressing the housing crisis by adding 12 additional second floor apartments to be available in early 2024.

2024 also saw the introduction of a new Building Systems Grant designed to help renovate older HVAC, electrical, lighting, windows and energy efficiency systems. To date, three local companies have requested building systems grants totaling \$75,000 on projects costing \$116,172.38. These businesses will help create more affordable and profitable buildings on the 300 block of Main, North 5th Street and the 1100 block of Main. Interest is strong for additional building systems, as they specifically target expenses that are not covered by the other grants.

The 2025 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 continued 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.

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BUDGET STATEMENT

	2023 Actual	2024 Budget	2024 Estimate	2025 Budget
Revenues				
Tax Increment	\$ 504,402	\$ 440,000	\$ 456,030	\$ 902,368
Interest	-	-	-	-
Total Revenues	<u>\$ 504,402</u>	<u>\$ 440,000</u>	<u>\$ 456,030</u>	<u>\$ 902,368</u>
Expenditures by Function				
Operations	\$ 71,049	\$ 132,900	\$ 206,133	\$ 543,480
Debt Service	65,060	65,061	65,061	65,110
Grants	43,276	227,500	147,500	400,000
Capital	-	100,000	-	-
Total Expenditures	<u>\$ 179,385</u>	<u>\$ 525,461</u>	<u>\$ 418,694</u>	<u>\$ 1,008,590</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 325,017	\$ (85,461)	\$ 37,336	\$ (106,222)
Cash Balances, Beginning of Year	<u>832,010</u>	<u>628,735</u>	<u>1,157,027</u>	<u>1,194,363</u>
Cash Balances, End of Year	<u><u>\$ 1,157,027</u></u>	<u><u>\$ 543,274</u></u>	<u><u>\$ 1,194,363</u></u>	<u><u>\$ 1,088,141</u></u>

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REVENUE DETAIL

Account #	Description	2023 Actual	2024 Budget	2024 Estimate	2025 Budget
Operating Revenues					
40460-0400-31101	Property Tax Increment	\$ 34,768	\$ 140,000	\$ 156,030	\$ 602,368
40460-0400-31301	Sales Tax Increment	469,634	300,000	300,000	300,000
	Total Tax Increment	\$ 504,402	\$ 440,000	\$ 456,030	\$ 902,368
Non-Operating Revenues					
40-460-0400-45101	Earnings on Deposits & Invest	\$ -	\$ -	\$ -	\$ -
	Total Non-Operating Revenue	\$ -	\$ -	\$ -	\$ -
	GRAND TOTAL REVENUES	\$ 504,402	\$ 440,000	\$ 456,030	\$ 902,368

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EXPENDITURE DETAIL

Account #	Description	2023 Actual	2024 Budget	2024 Estimate	2025 Budget
Supplies & Materials					
40-460-0400-52200	Office Supplies	\$ -	\$ 500	\$ -	\$ 500
40-460-0400-52210	Operating Supplies - General	-	1,000	-	1,000
	Total Supplies & Materials	\$ -	\$ 1,500	\$ -	\$ 1,500
Purchased Services					
40-460-0400-53305	Contracted Services	\$ 75	\$ 10,000	\$ -	\$ 10,000
40-460-0400-53312	Software Titles	-	-	7,000	6,000
40-460-0400-53315	Postage/Freight	-	1,000	-	1,000
40-460-0400-53320	Printing	-	1,000	-	1,000
40-460-0400-53325	Publications/Advertising	46	1,000	400	1,000
40-460-0400-53330	Membership Fees	650	1,000	650	1,000
40-460-0400-53336	Meals	-	-	500	1,000
40-460-0400-53350	Other Fees & Charges	48,089	117,400	40,000	65,000
	Total Purchased Services	\$ 48,860	\$ 131,400	\$ 48,550	\$ 86,000
Program Expenses					
40-460-0400-54001	Sales Tax TIF Agreement	\$ 22,189	\$ -	\$ 3,000	\$ 53,000
40-460-0400-54002	Property Tax TIF Agreement	-	-	64,025	88,000
40-460-0400-54003	Property Tax Shareback	-	-	90,558	314,980
	Total Program Expenses	\$ 22,189	\$ -	\$ 157,583	\$ 455,980
Debt Service					
40-460-0400-56610	Principal	\$ 55,285	\$ 60,891	\$ 60,891	\$ 61,510
40-460-0400-56611	Interest	9,775	4,170	4,170	3,600
	Total Debt Service	\$ 65,060	\$ 65,061	\$ 65,061	\$ 65,110
Grants					
40-460-0400-57001	Life Safety Grant*	\$ 43,276	\$ 100,000	\$ 100,000	\$ 200,000
40-460-0400-57002	Facade Grant Program*	-	52,500	22,500	75,000
40-460-0400-57003	Building Systems Grant*	-	75,000	25,000	125,000
	Total Grants	\$ 43,276	\$ 227,500	\$ 147,500	\$ 400,000
Capital					
40-460-0400-59901	Urban Renewal Projects	\$ -	\$ 100,000	\$ -	\$ -
	Total Capital	\$ -	\$ 100,000	\$ -	\$ -
	Total C-CARE	\$ 179,385	\$ 525,461	\$ 418,694	\$ 1,008,590

*Includes carry over from prior year for projects started but not completed

**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	63,368	936,632
Tezak Heavy Equipment Co.	Fremont National Bank	10/7/2042	1,063,714	10,051	1,053,663
ABRI Inc.	Holiday Inn Express	4/30/2030	200,000	50,297	149,703

**The information provided is for agreements entered into or anticipated to being entered into by December 31, 2024.
This information is not required as part of the budget but is presented for transparency.**

CAÑON CITY AREA FOR REINVESTMENT EXPANSION

RESOLUTION NO. 3, SERIES OF 2024

TITLE: A RESOLUTION TO ADOPT THE 2025 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 2025 budget for the Cañon City Area for Reinvestment Expansion has been prepared and submitted;

WHEREAS, notice of the public hearing regarding the proposed 2025 budget was published in accordance with Colorado law; and

WHEREAS, a public hearing was conducted on the proposed 2025 budget was held on November 6, 2024, 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 2025 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 2025 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 6th day of November, 2024.


Ryan Stevens, Executive Director




Tim Payne, Chair