

C-CARE

Cañon City Area for Reinvestment Expansion

2023 ADOPTED BUDGET

FOR THE FISCAL YEAR BEGINNING JANUARY 01, 2023





CITY OF CAÑON CITY

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To: C-CARE Members
From: Ryan Stevens, Executive Director
Date: November 9, 2022
Subject: 2023 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

- Currently in demolition, phase 1 of the project, Fremont Public House, is scheduled to open December 2022 with additional phases to open in 2023 and 2024.

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

- Project is substantially complete, significantly beautifying Main Street
- Project 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 making good progress. 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 Canon 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.

The 2023 Budget continues to reflect a conservative outlook for next year with an understanding of C-CAREs role in helping to restore the City of Cañon City's economy. At the same time, this budget expands the benefit possibilities of the Façade Improvement Grant with minimal financial impact.

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BUDGET STATEMENT

	2021	2022	2022	2023
	Actual	Budget	Estimate	Budget
Revenues				
Tax Increment	\$ 291,079	\$ 150,000	\$ 345,582	\$ 300,000
Interest	-	500	-	500
Total Revenues	\$ 291,079	\$ 150,500	\$ 345,582	\$ 300,500
Expenditures by Function				
Operations	\$ 38,608	\$ 51,500	\$ 36,500	\$ 54,100
Debt Service	-	-	-	-
Grants/Contribtuions	187,850	175,000	69,000	302,500
Total Expenditures	\$ 226,458	\$ 226,500	\$ 105,500	\$ 356,600
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 64,621	\$ (76,000)	\$ 240,082	\$ (56,100)
Other Financing Sources (Uses)				
Matching Funds Projects	\$ 32,324	\$ -	\$ -	\$ -
Intergovernmental Loan	500,000	-	-	-
Total Other Financing Sources (Uses)	\$ 532,324	\$ -	\$ -	\$ -
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 596,945	\$ (76,000)	\$ 240,082	\$ (56,100)
Fund Balances, Beginning of Year	-	248,474	596,945	837,027
Fund Balances, End of Year	\$ 596,945	\$ 172,474	\$ 837,027	\$ 780,927

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REVENUE DETAIL

Account #	Description	2021 Actual	2022 Budget	2022 Estimate	2023 Budget
Operating Revenues					
40-310-31101	Sales Tax Increment	\$ 291,079	\$ 150,000	\$ 345,582	\$ 300,000
40-310-31301	Property Tax Increment	-	-	-	-
	Total Tax Increment	<u>\$ 291,079</u>	<u>\$ 150,000</u>	<u>\$ 345,582</u>	<u>\$ 300,000</u>
Non-Operating Revenues					
40-360-36101	Earnings on Deposits & Invest	\$ -	\$ 500	\$ -	\$ 500
	Total Non-Operating Revenue	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 500</u>
Other Financeing Sources					
40-345-00601	Matching Funds Projects	\$ 32,324	\$ -	\$ -	\$ -
40-390-39203	Intergovernmental Loan	500,000	-	-	-
	Total Other Financing Sources	<u>\$ 532,324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	GRAND TOTAL REVENUES	<u><u>\$ 823,403</u></u>	<u><u>\$ 150,500</u></u>	<u><u>\$ 345,582</u></u>	<u><u>\$ 300,500</u></u>

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EXPENDITURE DETAIL

Account #	Description	2021 Actual	2022 Budget	2022 Estimate	2023 Budget
	Supplies & Materials (200)				
40-400-400-200	Office Supplies	\$ 29	\$ 500	\$ -	\$ 500
40-400-400-210	Operating Supplies - General	-	1,000	-	1,000
	Total Supplies & Materials (200)	\$ 29	\$ 1,500	\$ -	\$ 1,500
	Purchased Services (300)				
40-400-400-300	Professional Services	\$ 7,200	\$ 10,000	\$ -	\$ 10,000
40-400-400-315	Postage/Freight	-	1,000	-	1,000
40-400-400-320	Printing	481	1,000	-	1,000
40-400-400-325	Publications/Advertising	50	1,000	500	1,000
40-400-400-330	Subscriptions/Membership Fees	-	1,000	-	1,000
40-400-400-350	Other Fees & Charges	30,848	36,000	36,000	38,600
	Total Purchased Services (300)	\$ 38,579	\$ 50,000	\$ 36,500	\$ 52,600
	Debt Service (600)				
40-400-400-6	Principal	\$ -	\$ -	\$ -	\$ -
	Interest	-	-	-	-
	Total Debt Service (600)	\$ -	\$ -	\$ -	\$ -
	Grants/Contributions (700)				
40-400-400-397	Life Safety Grant	\$ -	\$ 50,000	\$ 50,000	\$ 75,000
40-400-400-398	Facade Grant Program	-	25,000	4,000	52,500
40-400-400-399	Building Systems Grant	-	-	-	75,000
40-400-400-901	Urban Renewal Projects	-	100,000	15,000	100,000
40-400-400-902	Water Street Sewer Line	187,850	-	-	-
	Total Grants/Contributions (700)	\$ 187,850	\$ 175,000	\$ 69,000	\$ 302,500
	TOTAL C-CARE	\$ 226,458	\$ 226,500	\$ 105,500	\$ 356,600

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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	6,247	193,753

The information provided is for agreements entered into or anticipated to being entered into by December 31, 2022.

This information is not required as part of the budget but is presented for transparency.

*Agreement amounts are estimated