



MEMORANDUM

Date: February 16, 2022
To: Dave Corliss, Town Manager
From: Matt Gohl, Special Projects Manager
Subject: 2019-2021 Non-Residential Development

Discussion

The following discussion provides an overview of non-residential development in Castle Rock from 2019 – 2021 including the quantity and value of development projects plus additional information about the tenants using the newly constructed space. This information is based on the date of permit issuance, so does not necessarily reflect the year in which construction was complete. Additionally, there was one permit cancellation in 2021 which has been excluded from this information. As seen in the following information, recent non-residential development has resulted in a greater variety of goods/services and additional sources of sales tax revenue, but it has not resulted in an increase of large primary employers.

Between 2019 – 2021, an average of more than 170,000 non-residential square footage has been permitted each year. However, the actual square footage of all non-residential permits in 2021 was 80,083 – the lowest in the past three years. Total valuation of projects permitted in 2021 was just over \$15 million, also ranking lower than in recent years.

In total, 61 non-residential permits, representing over 500,000 square feet, were issued between 2019 – 2021. A breakdown of these permits, including non-residential building permit type, square footage and valuation is included in **Attachment A**.

Key economic benefits from non-residential development can include increasing primary employment opportunities within the Town and increased sales tax revenue to support general government functions including public safety, roads and parks and recreation. The non-residential development that has occurred over the past few years, while providing economic benefit to Castle Rock, has not included significant primary employment opportunities or sales tax growth. However, the additional non-residential development has provided increased services and opportunities to Castle Rock residents and visitors ranging from dining options to automotive services and additional retail vendors. While these options provide great alternatives and aide in Castle Rock being a stand-alone municipality, they have provided limited economic impact as compared to some of the larger retailers and big box stores that have been built in Castle Rock.

The following table includes information about the businesses utilizing the non-residential space that was permitted in each of the past three years.

2019	2020	2021
La Loma	Plum Creek Church Addition	Lanterns Mailbox Kiosks
Canvas Credit Union (Founders)	Hangman's Gulch Garage Condos	Castle Rock Indoor Car Storage
Canvas Credit Union (Meadows)	Meadows Family Eye Care	7-Eleven
Solar Automotive	Sushi Restaurant	Olinger Funeral Home
Meadows Express Car Wash	Montaine Clubhouse	Talus Flats Garage
Brookside II Skilled Nursing Facility	Talus Flats Mixed Use/Multi-family	Wild Blue Yonder Addition/Remodel
Jiffy Lube	U-Haul Moving & Storage	Echelon Clubhouse and Maintenance Building
Garage Condos	Sleep Number	Douglas County High School Water Meter & Vault Replacement
Promenade Block 4 (Xfinity and others)	United States Post Office	In-N-Out Burger & Trash Enclosure
Panda Express	Founders Marketplace Medical Office Building	Rhyolite Ranch Clubhouse
Core & Shell Construction (three sites)	Eternal Rock Lutheran Church Remodel	Pizza Hut
Lifespring Home Care	Montaine Tennis Pavilion	Shake Shack
	Ubergrippen Indoor Climbing Facility – Foundation Permit	Promenade Multi-family Clubhouse & Garages (Alana)
	Liberty Express Carwash	Buffalo Wild Wings
	Good Car Buys	
	Core & Shell – Montana Vista	
	Flex Building (Auto services)	
	Encore Commercial Mixed Use (Land Title, Navpoint, Fidelis, Nixon & Co., Dos Santos and others)	

Attachments

Attachment A: 2019 – 2021 Non-residential Development Summary

ATTACHMENT A

	Commercial			Industrial		
	<u>Permits</u>	<u>Sq. Ft.</u>	<u>Valuation</u>	<u>Permits</u>	<u>Sq. Ft.</u>	<u>Valuation</u>
2019	11	94,618	21,189,796	2	12,435	829,145
2020	15	139,714	27,820,046	0	0	0
2021	26	56,283	14,657,950	0	0	0
Total	52	290,615	63,667,793	2	12,435	829,145

	Office			Warehousing		
	<u>Permits</u>	<u>Sq. Ft.</u>	<u>Valuation</u>	<u>Permits</u>	<u>Sq. Ft.</u>	<u>Valuation</u>
2019	0	0	0	1	34,137	1,991,894
2020	1	13,500	3,477,828	4	142,404	8,814,573
2021	0	0	0	1	23,800	350,000
Total	1	13,500	3,477,828	6	200,341	11,156,467

	Total		
	<u>Permits</u>	<u>Sq. Ft.</u>	<u>Valuation</u>
2019	14	141,190	24,010,835
2020	20	295,618	40,112,447
2021	27	80,083	15,007,950
Total	61	516,891	79,131,233