

Mayor, Town Council, County Commissioners and Economic Development Council Investors:  
Re: Castle Rock EDC 2025 Mid-Year Report

### **The Great Balancing Act on the Economy**

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The broadest measure of economic performance, real GDP growth, shrank in the first quarter of 2025, with clear distortions from the anticipation of tariffs—imports surged to record levels, inventories spiked, confidence dropped, and consumption softened. Despite the fall in real GDP, the national economy continued to add jobs (up 1.2% year-over-year through June), the unemployment rate remained stable (averaging 4.1% year-to-date), inflation remained under 3%, and investors pushed the stock market to an all-time high. Second quarter GDP will be released next week, and expectations are for a moderate rebound in growth, followed by modest growth through the rest of the year. The economy continues to demonstrate resiliency in an era of multiple economic and policy shocks—tariffs, immigration, federal restructuring, and tax cuts.

Nationally, tariffs remain a looming risk. While a few deals have been negotiated, most of the world is under a cloud of tariff uncertainty, which is already distorting trade with the U.S. Federal restructuring, leading to uncertainty in long-standing institutions, notably, research institutions that are an important part of the long game on innovation.

Colorado ranks 43rd in one-year employment growth (June 2025), 23rd in real GDP growth (Q1 2025), and 31st in income growth. The 2025 midyear Colorado Business Economic Outlook projects growth in GDP, income, consumption, and employment, with job growth of more than 22,000 jobs, an increase of 0.7%. Job growth is not likely across all industries. While some key industries are projected to post strong gains (health care and tourism), other industries are flat (professional and business services) or are expected to post losses for the year (construction, finance, TTU). The labor force grew in Colorado in June while the number of people unemployed shrank.

While Colorado is expected to continue to grow with the nation, the sources of growth, from industry to geography, may look a little different in the near term.

*Brian Lewandowski is the executive director of the Business Research Division at CU Boulder's Leeds School of Business. He may be reached at [brian.lewandowski@colorado.edu](mailto:brian.lewandowski@colorado.edu).*

## **2025 Strategic Attraction, New and Expanding Companies, Development Updates and Partnerships**

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Castle Rock's economic development strategy plays a vital role in achieving the Town's long-term vision of becoming a self-sufficient, standalone community—one where residents can live, work, play, and access the goods and services they need locally. A key objective of this strategy is to build a strong and sustainable tax base to support essential Town services. In partnership with the Town, the Castle Rock Economic Development Council (EDC) is focused on supporting local job creation and expanding the Town's economic foundation. The EDC's efforts are centered around three core functions: business attraction through new prospect development, business retention and expansion, and fostering a business-friendly environment through strategic attraction of targeted industry and local/regional partnerships.

### **Strategic Attraction**

**Aerospace** - Castle Rock EDC continues to actively pursue aerospace opportunities in partnership with Arapahoe Community College, Colorado State University and the Douglas County School District. Current initiatives include the development of an aerospace campus in collaboration with private sector coworking SCIF (Secure Compartmental Information Facility). Ongoing goals for 2025 involve real estate procurement and development.

**Data Centers** - The data center industry has emerged as another growth area for Castle Rock, fueled by regional demand from tech and AI sectors, offering low-impact, high-revenue opportunities through sales tax, franchise fees, and use tax contributions. While energy constraints are a statewide concern, Castle Rock boasts several sites with sufficient power to attract and accommodate midsize data centers.

### **New and Expanding Companies**

**Advanced Broadband Solutions (ABS)** is a horizontal drilling company specializing in directional drilling services for the broadband industry, including fiber and coaxial infrastructure. Earlier this year, the company was acquired by **Colorado Power Line, Inc. (CPI)**, a Castle Rock-based firm focused on power utility development.

CPI's objective in acquiring ABS was to leverage its directional drilling expertise to enhance CPI's underground utility operations. As part of the integration, ABS was relocated to CPI's headquarters on Timbermill Parkway in Castle Rock.

In the first half of 2025, ABS expanded its workforce from 6 to 18 employees and anticipates growing to approximately 30 employees by this time next year.

**The Outlets at Castle Rock** are preparing to begin phase three of their restaurant relocation project. This project is part of a broader mall initiative aimed at enhancing the customer experience and maximizing retail potential. The former food court was underutilized for dine-in purposes and occupied a central area of the mall better suited for retail offerings. The redevelopment plans included transforming the food court into retail space while distributing new dining options throughout the mall along various "streets." This has provided the opportunity to add Tumi, Vuori, Sephora, and Tommy Bahamas to the Outlet's tenant mix. Additionally, two standalone restaurants will be added on the west side of the property. This approach not only increases retail capacity but also provides visitors with a wider variety of dining options in multiple convenient locations.

**The Brinkerhoff and Bar Hummingbird** are two new additions coming to Castle Rock. Both venues are in the final stages of development, with The Brinkerhoff slated to open the first week of September and Bar Hummingbird, Castle Rock's newest event center, following 30 days later. These restaurants have generated significant buzz and are expected to enhance the region's dining and entertainment offerings. The Brinkerhoff will feature a unique blend of steakhouse and sushi, inspired by the elevated dining experiences

found in Mexico City — offering a refined yet approachable menu unlike anything currently in the area. Bar Hummingbird will be an upscale event center/cocktail lounge, serving lighter fare such as fresh salads and gourmet sandwiches. The space was inspired by the elegance and charm of Bar Hemingway in Paris, creating an intimate and elevated atmosphere for guests to enjoy.

While these projects have taken a little longer than originally anticipated, the community will understand why once they see the stunning buildings and architectural details firsthand. Not only will guests enjoy incredible food and drink, but they will also experience a level of design and craftsmanship rarely found anywhere in Colorado. In addition to creating new jobs and attracting visitors, both venues will provide a meaningful boost to the local economy. As part of their commitment to the community, the owners will be hosting a fundraiser for The Rock of Hope Campaign to support the new cancer center at AdventHealth Castle Rock. These projects represent exciting momentum for our community and the continued growth of Castle Rock.

**The Castle Rock VA Medical Clinic** officially opened in February, bringing a state-of-the-art 24,000 SF facility to the community. Located at 3753 Dacoro Lane in The Meadows, the clinic is a vital resource for Douglas County's more than 8,000 veterans. Veterans are an integral part of the fabric of our community, and we are proud that Castle Rock is able to support them with access to high-quality care close to home.

#### **Development & Prospects Updates**

**The Meadows** (Commercial/Retail/Residential) – The Meadows is a master planned community located in the northwest corner of Castle Rock that includes both single family, multifamily, mixed-use, traditional office, medical office, recreation, and entertainment. The development is anchored by AdventHealth Castle Rock and the Arapahoe Community College Sturm Collaboration Campus.

2025 Meadows updates include:

- Advance Broadband Solutions was purchased by Colorado Powerline Inc. and leased the last remaining space at Castle Rock Industrial.
- The Castle Rock VA Clinic opened in February 2025.
- Development is under way on the last 77 single family lots (Chateau) which is located west of the golf course off Coachline Road.
- Kiddie Academy daycare facility is under construction.
- AdventHealth Oncology Center is under construction, expected completion Q4 2025.

**The Brickyard** (Redevelopment/Reuse) - In 2018, the ACME Brick factory announced that they would be closing their Castle Rock operation which opened in the early 1900's. The site was acquired by Confluence Companies in 2020. The team at Confluence has been working with the EDC and the Town to reimagine the site for a redevelopment and reuse project that will revitalize, activate, and connect the blighted site to the community while simultaneously honoring the historical role of ACME in the Castle Rock community.

The Brickyard will be a regional destination for recreation, travel, living, and dining. The 31-acre master planned, mixed-use development is located directly west of Downtown Castle Rock and adjacent to the regionally renowned Philip S. Miller Park. Visible from I-25, the Brickyard will have easy access to the interstate via the Plum Creek Interchange and will connect to regional bike and walking trails.

The Brickyard will be anchored by the new Castle Rock Sport Center, a 144,000 SF state-of-the-art facility containing an Olympic-sized swimming pool, multiple basketball and sports courts, a weight room, play areas, a running track, and fitness rooms. The Brickyard will also include a four-star 123-room hotel and spa with a restaurant, lobby bar, and event space. In total, The Brickyard will include 96,400 SF of restaurant, retail,

conference, and entertainment space, including a 60,000 SF Bowling Alley and 56,00 SF of office space. The 466 residential units will include a variety of for-rent and for-sale housing options.

The project is planned to be developed in 3 phases. Phase 1 is scheduled to break ground in Q3 of 2025. Phase 1 includes mixed-use residential, ground-floor restaurant, retail, office, and Sports Center. Phase 2 will include the for-sale condominiums, two mixed-use commercial buildings, and the hotel. The final phase will include lower-density for-sale residential and commercial buildings.

New Brickyard updates for 2025 include:

- 60,000 SF Bowling Alley
- Q3 2025 Phase 1 ground-breaking

**Dawson Trails** (Commercial/Retail/Residential) - The Dawson Trails project is in the southwest quadrant of Castle Rock on the west side of I-25. The property is owned by Westside Development. The project was originally entitled for 7,900 single family homes and sat dormant (under suspension agreement) for the past 30 years for a variety of different challenges that encumbered the site. In early 2023, Westside Development and the Town of Castle Rock agreed to a plan that includes increased open space, a reduction in housing units to 5,800 and includes \$50MM of private bond funding for the Crystal Valley Interchange (CVI). In addition, agreements have now been reached with Costco, Kroger and HealthOne to occupy a significant portion of the 3.2 million SF of available commercial ground with several additional opportunities working through letters of intent. The interchange is now under full construction with progress moving as planned led by Kraemer North America and scheduled for delivery in early 2027. The first 500 single-family lots are currently in permitting with the Town of Castle Rock with another 100 townhomes in the pipeline.

New Dawson Trails updates for 2025 include:

- Grading at Dawson Trails is over 50% completed including the Costco site
- Offsite water, sanitary sewer lines are complete or under construction
- CVI bridge over I-25 is completed and open to limited construction traffic
- King Soopers Marketplace announced they will anchor a 21-acre shopping center at the southwest corner of Dawson Trails Blvd. and Crystal Valley Parkway

**Miller's Landing** (Mixed Use/Management Change) – Is a 65-acre site situated between Philip S. Miller Park and Downtown Castle Rock at the northwest corner of Plum Creek and I-25 with excellent access and visibility from the interstate. The Town of Castle Rock and the EDC originally created an Urban Renewal Authority (URA) with the existing taxing entities at the site in 2012 to help attract a private developer, create a higher and better use at one of the Town's major interchanges, and mitigate the challenges associated with the municipal landfill, which previously occupied the property.

P3 Advisors removed the landfill in 2019 and have fully remediated the site. In 2023 Crown Community Development (CCD) took the lead on the property's development. The team at CCD is currently in the process of reassessing the site and evaluating potential partnerships.

New Millers Landing updates for 2025 include:

- Ownership reports increased market interest in the 18 acres on the hard corner of Plum Creek and I-25
- Dedicated right of way to the Town and Brickyard for the construction for Praxis Street by the Brickyard

**Downtown Castle Rock** – The Downtown Development Authority (DDA) is charged with furthering development and place-making in Downtown Castle Rock using Tax Increment Financing (TIF) and is guided

by a Plan of Development. The Plan of Development provides guidance from Town Council to pursue projects, which include projects of beautification, projects that increase commerce, development and re-development projects which impact the experience in Downtown Castle Rock in a positive way. Downtown is excited about several projects that continue to make progress including:

- **The View**, consisting of 14,250 SF of office space, 5,000 SF of restaurant space, 221 residential apartments, 399 parking spaces, of which 100 will be dedicated to the public, continues to make progress and is nearing completion.
- **Riverwalk Luxe**, located at 221 Wilcox, is a mixed-use project that includes 28 residential apartments, 28 parking spaces, 11,257 SF of fully leased office space, and ground-floor retail that includes Playa Bowls, which opened earlier this year and Homegrown Tap & Dough which is currently completing its tenant finishes.
- **The Historic City Hotel** property at 415 Perry Street plans to fully restore the historic structure and incorporate a food and beverage concept into the restored space. Plans also include a newly constructed building which will consist of a boutique 33-room hotel, first floor leasable retail space and rooftop bar. The project was first presented to the DDA Board in the fall of 2023 and was approved by Town Council in January 2025. The project is currently working on the restoration of the historic structure.

- New Downtown Castle Rock updates for 2025 include:

New businesses:

- *Lala's Coffee & Boba*
- *Castle Toys*
- *Wide Awake Eatery*
- *Playa Bowls*
- *Sip Tea*
- *Teaology Tea Café*
- *Bien Y Tu*
- *Petals & Pop*
- *Keller Williams*
- *Michoacan a Pedir de Boca*
- *Goldie Links*

Businesses in progress:

- *Homegrown Tap & Dough*
- *Niche & Co.*
- *The Par Club*

Development Projects:

- *Scileppi's Expansion – Completed*
- *The View Redevelopment – Under Construction*
- *City Hotel Redevelopment – Under Construction*

**Promenade (Retail/Mixed-Use)** – The Promenade is a 200-acre site located between I-25 and Highway 85. Alberta Development Partners purchased the site in October of 2014. Upon completion, the master developed site will bring a combined 900,000 SF of large-format retail, service, and restaurant space.

New Promenade updates for 2025 include:

- Continued construction of The Brinkerhoff and Bar Hummingbird with completion expected in Q3 of 2025
- Lazy Dog permitting has been completed with construction starting in Q4 of 2025
- Alberta Development has multiple signed LOI's signed for their remaining available ground

**The Outlets at Castle Rock (Retail)** – The Outlets at Castle Rock are located west of I-25 between Castle Rock Parkway and Meadows Parkway. The Outlets are the largest open-air outlet center in the State of Colorado and continue to be a significant economic engine of sales tax generation for the Town, attracting visitors from around the region, which fuels critical services of the Town

New Outlets at Castle Rock updates for 2025 include:

- Town Council approved an agreement to support the key infrastructure necessary to complete additional pad sides on the west side of the property.

### **Partnerships, Boards and Affiliation**

As part of the EDC business development and outreach, staff are encouraged to participate in regional professional development partnerships, take positions of leadership on boards, and support affiliate organizations throughout the region. The following is a list of partnerships, boards, and affiliate organizations the EDC staff collaborated with year-to-date 2025:

- Arapahoe Community College (ACC) – Chair of the ACC Advisory Committee
- Denver Regional Council of Governments (DRCOG) – Board Member
  - Technical Advisory Committee (TAC) – Board Member
  - Economic Development Committee – Board Member
- Douglas County Business Alliance (DCBA) – Board Member
- Metro Denver EDC's - Front Range Economic Development Council (FREC) – Member
- Douglas County Economic Development Council – Board Member
- Colorado Real Estate Journal – Contributor/Panel Moderator
- Biznow – Sponsor/Keynote Speaker
- Denver Business Journal – Contributor

**Development Roundtable** was established with the objective to bring Town staff and the development community together, to improve communication, build trust, relationships, and create best practices in the development of the community. The group meets quarterly to discuss topics impacting the development process.

### **2025 Discussion Items & Updates**

- |  |   |
|--|---|
| • Development Activity 2024 Highlights           | • Water Department Annual Rates & Fee Updates |
| • Increases to Public Meeting Notices – Distance | • Development Pipeline Discussion             |
| • Ultra-High Efficiency Toilet Requirements      | • Update to Stormwater Criteria               |
| • Revision to Colorado-scape Requirements        |   |

### *Sub-Committee Breakout Meetings*

**Water - Subcommittee** has continued to meet as needed and has discussed major updates to the code and master plan. This sub-committee is led by the Town of Castle Rock Water Department and the private sector. The following topics have been discussed:

- Ordinance Changing to Ultra-High Efficiency Toilets
- Changes to the WUMP
- Conservation Rebate Program

**Development Process - Subcommittee** meets as needed and is led by the Town of Castle Rock Development Services Department and the private sector. The following topics have been discussed thus far:

- Grading in Town Owned/Future Owned Open Space
- Feedback for Plan Sets
- Variance Discussion

**2025 Annual Report Summary**

In 2025, Castle Rock's economy has continued to thrive despite national inflationary pressures and uncertainty stemming from the federal administration's inconsistent trade and tariff policies. While state and national economic headwinds persist, Castle Rock's retail market has remained strong, with a year-to-date sales tax increase of 17%. Large-scale developments have progressed steadily, contributing to a positive long-term economic outlook. The EDC has made meaningful strides in advancing the aerospace and data center sectors, with potential announcements anticipated later in the year. With continued support from Town Council, the EDC remains committed to reinvesting in existing assets while strategically planning for the Town's future. The focus remains on fostering long-term, high-quality investments in primary employment and critical infrastructure.

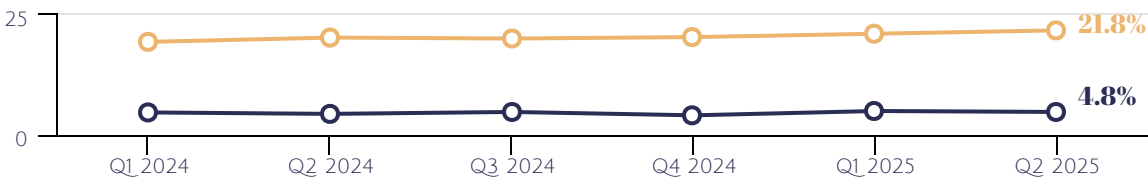
Respectfully,

A handwritten signature in blue ink, appearing to read 'Frank Gray', with a stylized, flowing script.

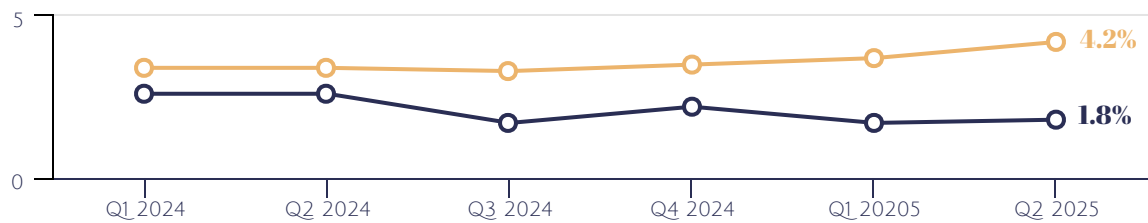
Frank Gray; Castle Rock EDC CEO

## VACANCY RATE PERCENTAGES

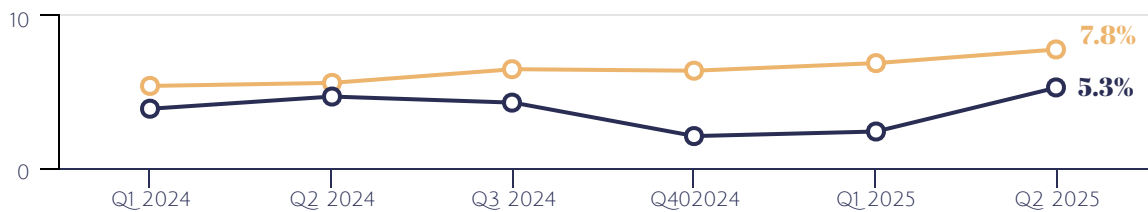
### Office



### Retail

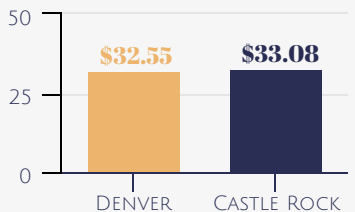


### Industrial & Flex

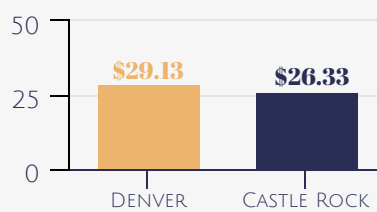


## LEASE RATES

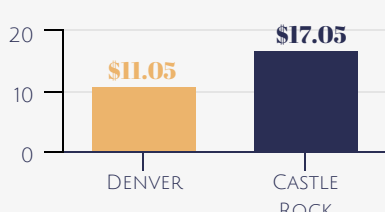
### Office



### Retail



### Industrial & Flex



\* Data provided by NavPoint Real Estate Group; NNN Lease Rates

— DENVER — CASTLE ROCK

## UNEMPLOYMENT RATE COMPARISON

	2022 Y.E.	2023 Y.E.	2024 Y.E.	2025 May
CASTLE ROCK	2.5%	2.9%	3.9%	4%
DOUGLAS COUNTY	2.5%	2.9%	3.9%	4.8%
STATE OF CO	3.1%	3.3%	4.3%	4.5%
NATIONAL	3.6%	3.8%	4.2%	4.2%

-Not Seasonally Adjusted, US Bureau of Labor Statistics



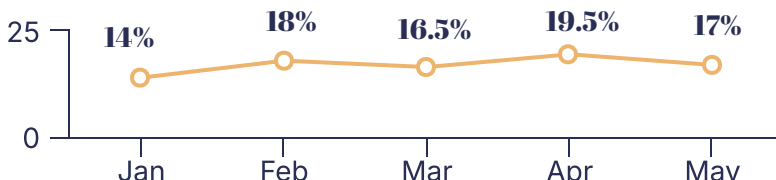
### YOY COMPARISON

2024  
+5%

2025  
+17%

### Sales Tax

### YOY MONTHLY COMPARISON



\* Year to Date

\*Data Provided by the Town of Castle Rock





## RECENT DEVELOPMENT ACTIVITY



### The Meadows

- VA Clinic opened in February 2025
- AdventHealth Oncology Center (under construction)
- Advanced Broadband Solutions purchased by Colorado Powerline Inc. and co-located at Castle Rock Industrial

### The View

- 14,250SF of office space
- 5,000SF of restaurant space
- 221 residential apartments
- 100 of the 399 parking spaces are public
- Construction nearing completion

### Outlets at Castle Rock

3 phase update to include:

- Converting food court to retail space
- Construction of Huntington Bank pad site
- Construction of 2 standalone restaurant pad sites

### Dawson Trails

- Approved Master Planned Development
- Sitework underway
- 5,900 Residential Units
- 748 Acres of Open Space
- 3.2 Million SF of Commercial
- CVI bridge complete for construction traffic
- HealthOne Campus announced
- Costco padsite under construction
- King Soopers Marketplace announced

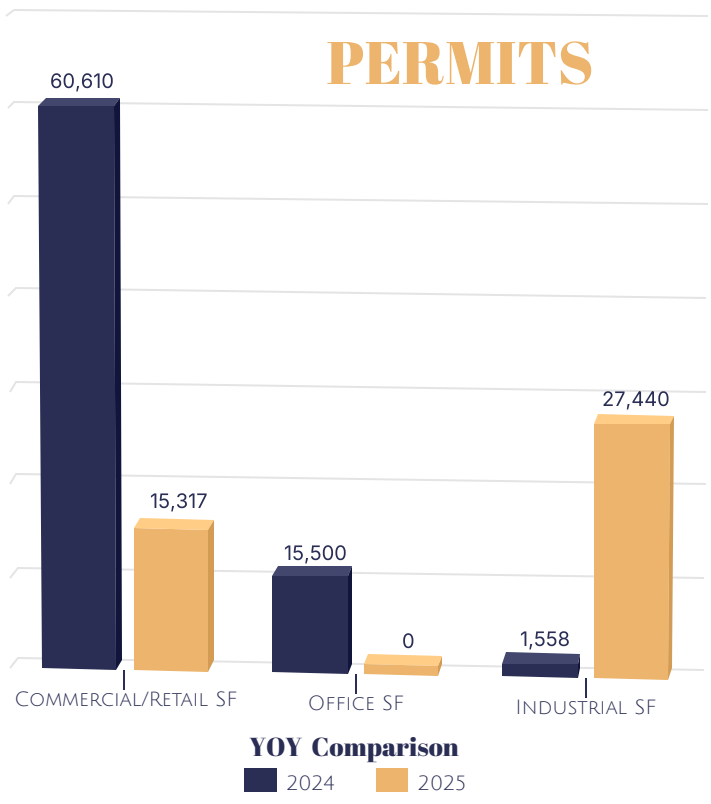
### The Brickyard

- Mixed Use Development
- Phase 1 Groundbreaking Q3 2025
- Approved Rec Center
- 96,400SF of restaurant, retail, conference and entertainment space
- 60,000SF Bowling Alley

### Promenade

- The Brinkerhoff/Bar Hummingbird (under construction)
- Coming Soon: Lazy Dog, WoodSprings Suites Hotel, Alana Apartments

## NEW CONSTRUCTION



## DEVELOPMENT PROSPECTS

