

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

A Year in Review and Economic Outlook After recording a decrease in real GDP growth in Q1 2025, the U.S. economy reaccelerated and posted strong growth in Q2 (3.8%) and Q3 2025 (4.4%). By comparison, consumption recorded strong growth in Q3 (3.5%), government spending increased 2.2%, and investment fell 0.3%. The national trade imbalance improved in 2025, with exports increasing and imports decreasing, and import duties surged to record levels. National inflation rose 2.6% for the year, and the Denver metro prices were up 2.3% in 2025 (the second consecutive year of slower price growth than the nation). The national growth paradox is the acceleration in consumption while the labor market stalled. The U.S. added an average of 48,700 jobs per month in 2025 compared to 167,700 jobs per month in 2024. The job growth was the slowest pace since the pandemic losses in 2020, and labor force growth flattened by the end of the year. Looking ahead, 2026 is projected to be a modestly stronger growth year for GDP, while employment growth is likely to remain muted.

Colorado's economy continued to grow in 2025. Lackluster, perhaps for Colorado standards, growth remains among the middle band of states for several economic indicators. Real GDP grew 1.8% year-over-year in Q3 2025 (rank 22nd), employment growth was 0.4% in December 2025 (29th), average weekly pay grew 3.5% in 2025 (32nd), population grew 0.4% in 2025 (29th), and the state's 3.8% unemployment rate in December (21st) remained below the nation.

The 2026 Colorado Business Economic Outlook projects growth of 17,500 jobs in 2026, an increase of 0.6%, pointing to a second year of little job growth. Most industries are projected to add jobs in 2026, led by Education and Health Services (7,700) and Trade, Transportation, and Utilities (4,600). Goods-producing industries (mining, construction, and manufacturing) are projected to all post gains in output. From fewer youth in some K-12 schools to a large wave of retirements, demographic shifts continue to be a headwind. In recent years, the state has recorded slow population growth due to muted net migration and a modest natural increase, which place pressure on the labor supply, evidenced by the 0.6% decrease in the labor force in December 2025. Slow growth in the labor force will likely constrain job growth, personal income growth, and even consumption.

Douglas County population recorded the third-fastest pace of growth in the state in 2024 and the second highest number of people added. Douglas County has the 6th-largest population in the state, and Castle Rock is the largest municipality in the county with 21% of county population. The county has outperformed the state in net migration, according to data from the State Demography Office, a trend that is expected to continue, helping the local supply of labor. The Castle Rock region is a higher-income area of the state, it continues to record increased population growth and consumption, as well as a lower unemployment rate. Castle Rock and the region is expected to perform comparatively well, in a moderately growing state economy.

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.

Sources: Employment, wage, and productivity data was sourced from the Bureau of Labor Statistics, GDP and personal income data was sourced from the Bureau of Economic Analysis, and population data was sourced from the U.S. Census Bureau and the Colorado Department of Local Affairs, State Demography Office.

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

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 through a multifaceted approach. In partnership with the Town, Douglas County the Castle Rock Economic Development Council (EDC) is focused on supporting local job creation and expanding the Town's and County'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.

New 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 Castle Rock VA Medical Clinic officially opened in April, 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.

Local Expansions

This year, Douglas County, the Town of Castle Rock and the EDC successfully secured commitments from three primary employers. Despite a challenging real estate landscape and aggressive competition from neighboring markets like the Denver Tech Center (DTC), these companies chose to keep their headquarters, high-wage jobs, and community investment in Castle Rock.

Great Southwestern Construction (GSW), a pillar of the Castle Rock business community since 1977, is a national leader in utility infrastructure that faced a strategic crossroads this year. As a subsidiary of the MYR Group, the Castle Rock office was in direct competition with regional hubs in Texas and The Carolinas for future investment. Through the support of the Town's economic development fund, GSW secured a new 7-year and have committed to hiring 7-10 full-time positions.

Bombtrack LLC, (parent company of Innovative Business Solutions, Clear Connect, and Cable Finder) expanded operations and purchased 512 Wilcox Street. This expansion retains 52 full-time jobs in the downtown core and facilitates a \$1.5 million revitalization of a key downtown asset.

Riot Platforms, a global leader in digital blockchain infrastructure, has committed to expanding its corporate headquarters within Castle Rock. Originally founded here in 2002, Riot has evolved into a growing publicly traded company. Despite their national scale, their leadership remains dedicated to maintaining their roots in the Castle Rock community.

The challenge in retaining such a high-profile headquarters was significant. An oversupply of "legacy" office space in the DTC created a cost differential of nearly \$1 million over a five-year lease compared to Castle Rock's high-demand, low-vacancy market. By partnering with the Town and County to bridge this competitive gap, the Town have successfully secured the retention of 25 existing corporate roles and a commitment to hire an additional 15 new full-time employees. The continued presence of this high-profile technology headquarters anchors Castle Rock as a premier destination for the "primary employers" of the future.

Primary employers like GSW, Bombtrack, and Riot Platforms are the lifeblood of our local economy. They sell their services nationally but spend locally. These three projects alone have secured over 85 existing high-wage jobs, committed to dozens of new hires, and ensured that Castle Rock remains a self-sufficient community where residents can both live and work.

Retail

Outlets at Castle Rock began phase three of their restaurant relocation project. This project is part of a broad mall initiative aimed at enhancing 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 transformed the food court into retail space while distributing new dining options throughout the mall along various "streets."

In 2025, the Outlets completed site work for three new pad locations in the west parking lot, adjacent to Factory Shops Blvd, that will include two new restaurants. The Outlets also achieved a record \$503 per SF in retail sales, a 6.5% increase, reflecting strong center performance and a healthy regional retail environment.

Outlets opened several new stores including:

- Sephora
- Vuori
- Topo Designs
- Tommy Bahama
- Nico Nico Boba
- Portland Leather

The Brinkerhoff and Bar Hummingbird are two new additions to Castle Rock. These restaurants have generated significant excitement and have enhanced the region's dining and entertainment offerings. The Brinkerhoff features 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 is 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.

As part of their commitment to the community, the owners hosted a fundraiser for The Rock of Hope Campaign to support the new cancer center at AdventHealth Castle Rock. These projects represent exciting momentum for the community and the continued growth of Castle Rock.

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 2026 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.

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 April 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 opened in August 2025.
- Little Sunshine’s Playhouse daycare facility opened in July 2025.
- AdventHealth Oncology Center, through the Rock of Hope Campaign, has reached its funding objectives and is now open to Castle Rock residents.

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, and 56,00 SF of office space. The 466 residential units will include a variety of for-rent and for-sale housing options.

Phase one of the development is well underway. The large public infrastructure package began in March of 2025 and will be substantially completed in 2026. The Castle Rock Sports Center broke ground in August 2025, and the Brickyard Apartment Building, consisting of 298 for-rent apartment units and 40,000 SF of restaurant, retail, and office space, broke ground in December of 2025. The Castle Rock Sports Center will open in 2027, with the Brickyard Apartments following close behind. Phase two of the development is planned to start in 2026 as well, with the "Weatherford Hall" building scheduled for early summer 2026. This building consists of approximately 50,000 SF of restaurant, retail, and office space. Phase two will also include the hotel and for-sale condominiums, which are planned to start in 2027. Phase three will primarily consist of commercial development and is planned to closely follow the first two phases.

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/CVI updates for 2025 include:

- Grading at Dawson Trails Costco is completed and construction permits are moving forward.
- Offsite water, sanitary sewer lines are complete or under final construction.
- CVI bridge over I-25 is completed and now open, connecting the east frontage road and the new alignment of the southwest side of Dawson Trails Blvd.
- Construction of the north and south bound on and off ramps are moving along. The north bound ramp is anticipated to open in fall of 2026 and full interchange opening in Q1 of 2027.
- King Soopers Marketplace is under contract to anchor a 21-acre shopping center at the southwest corner of Dawson Trails Blvd. and Crystal Valley Parkway.
- There is strong interest in surrounding retail and commercial parcels.

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 options to move the project forward.

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 of 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, completed construction in Q4. Currently, the commercial space is completing tenant finish and residents are beginning to move in.

- **Riverwalk Luxe**, located at 221 Wilcox, is a mixed-use project that includes 28 residential apartments, 28 parking spaces, 11,257 SF of office space, and ground-floor retail that includes Playa Bowls, which opened earlier this year, Homegrown Tap & Dough which celebrated its opening in late December and Buff City Soap.
- **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.
- Additional Downtown Castle Rock updates for 2025 include:

<u>New businesses:</u>		<u>Development Projects:</u>
<ul style="list-style-type: none"> • <i>Lala's Coffee & Boba</i> • <i>Castle Toys</i> • <i>Wide Awake Eatery</i> • <i>Playa Bowls</i> • <i>Sip Tea</i> • <i>Teaology Tea Café</i> • <i>Bien Y Tu</i> 	<ul style="list-style-type: none"> • <i>Petals & Pop</i> • <i>Keller Williams</i> • <i>Michoacan a Pedir de Boca</i> • <i>Goldie Links</i> • <i>Homegrown Tap & Dough</i> • <i>Niche & Co.</i> • <i>The Par Club</i> • <i>Buff City Soap</i> 	<ul style="list-style-type: none"> • <i>Scileppi's Phase 2 Expansion – Under Construction</i> • <i>The View – Completed</i> • <i>City Hotel Redevelopment – Under Construction</i> • <i>Riverwalk Luxe – Complete and Fully Leased</i>

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:

- The opening of The Brinkerhoff and Bar Hummingbird

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 in 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) – Chair
- Douglas County Economic Development Council – Board Member
- Colorado Real Estate Journal – Contributor/Panel Moderator
- Biznow Aerospace and Office Market Update – 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
- Increases to Public Meeting Notices – Distance
- Ultra-High Efficiency Toilet Requirements
- Revision to Colorado-scape Requirements
- Development Services Staffing Update
- Water Department Annual Rates & Fee Updates
- Development Pipeline Discussion
- Update to Stormwater Criteria
- Downtown Building Height
- Commercial Market Update

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 of Water, Water Resources, Wastewater and Stormwater
- 2026 Development Fees

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
- Town Owned Open Space

2025 Annual Report Summary

In 2025, Castle Rock’s economy continued to demonstrate remarkable resilience despite national inflationary pressures and the uncertainty stemming from shifting federal trade and tariff policies. While state and national headwinds persist, our local retail market remains a bright spot, with sales tax revenue up over 10% year-over-year (November to November).

However, this growth warrants a closer look at the underlying drivers. While the Town is growing, the pace has moderated; single-family housing permits totaled just over 200 for the year. This raises critical questions for 2026: Is our sales tax growth a result of increased consumer volume, or is it largely driven by "price inflation," where shoppers are simply paying more for the same goods? Additionally, we must monitor the continued rise in internet sales and its impact on our local brick-and-mortar landscape.

As we move forward, we will remain vigilant in monitoring our local retailers. Many are currently navigating a challenging environment where the rising cost of inputs is compressing profit margins. Ensuring a supportive environment for these businesses will be vital to maintaining the fiscal health of our community.

In general Castle Rock's economy remains on strong footing with large-scale developments (Dawson Trials, Pine Canyon, The Brickyard and the Meadows commercial) that have all progressed steadily, contributing to a positive long-term economic outlook. Castle Rock EDC made meaningful strides in 2025 advancing projects in the aerospace and data center sectors. Equally important, the EDC was active in our business retention and expansion efforts, adding new primary jobs to the community.

While 2026 promises to bring its own macro-economic challenges, Castle Rock EDC continues to remain committed to maintaining a strong economic foundation, collaborating with our regional partners and reinvesting in existing assets. The foundational goals remain the same, strategically plan, build and invest in the Town's economic future by fostering long-term high-quality development, increase primary jobs and invest in critical infrastructure.

Respectfully,

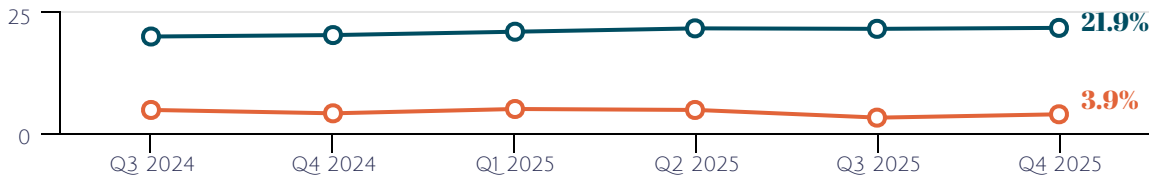
A handwritten signature in black ink, appearing to read 'Frank Gray', with a long horizontal stroke extending to the right.

Frank Gray; Castle Rock EDC CEO

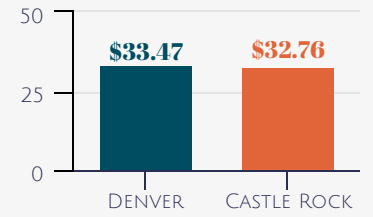
VACANCY RATE PERCENTAGES

LEASE RATES

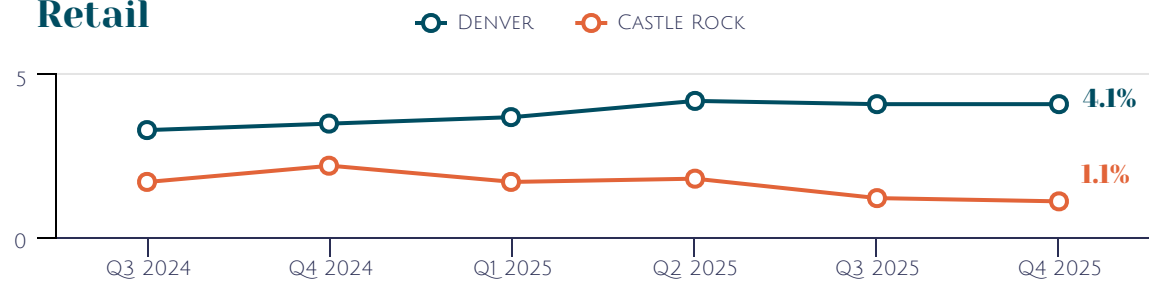
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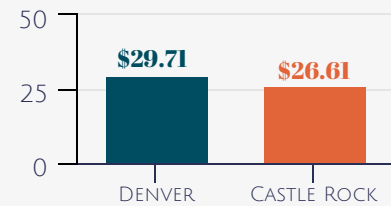
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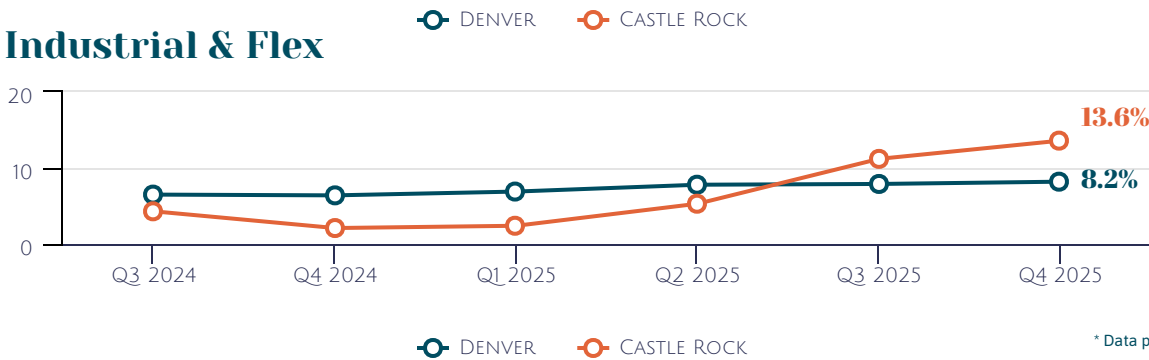
Retail



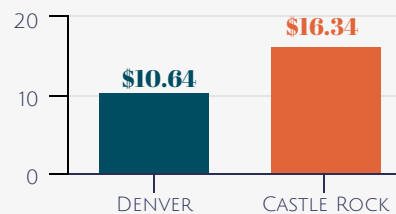
Retail



Industrial & Flex



Industrial & Flex



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

UNEMPLOYMENT RATE COMPARISON

	2022 Y.E.	2023 Y.E.	2024 Y.E.	2025 Nov.
CASTLE ROCK	2.5%	2.9%	3.9%	3.3%
DOUGLAS COUNTY	2.5%	2.9%	3.9%	3.3%
STATE OF CO	3.1%	3.3%	4.3%	3.9%
NATIONAL	3.6%	3.8%	4.2%	4.4%

Not Seasonally Adjusted, US Bureau of Labor Statistics



YOY COMPARISON

Sales Tax

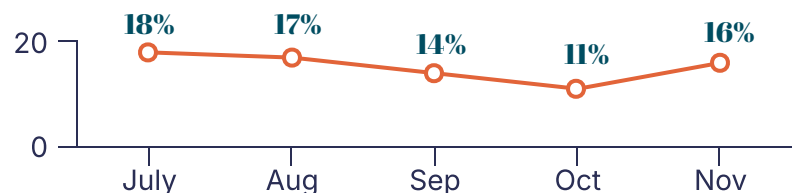
YOY MONTHLY COMPARISON



2024
+5.4%

2025
+15.7%

*Through Nov.



*Data Provided by the Town of Castle Rock

RECENT DEVELOPMENT ACTIVITY

The Meadows

- VA Clinic opened
- AdventHealth Oncology Center opened
- 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 complete

Outlets at Castle Rock

3 Phase update to include:

- Converting food court to retail space
- Construction underway on 3 additional pad sites
- Several new store openings

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

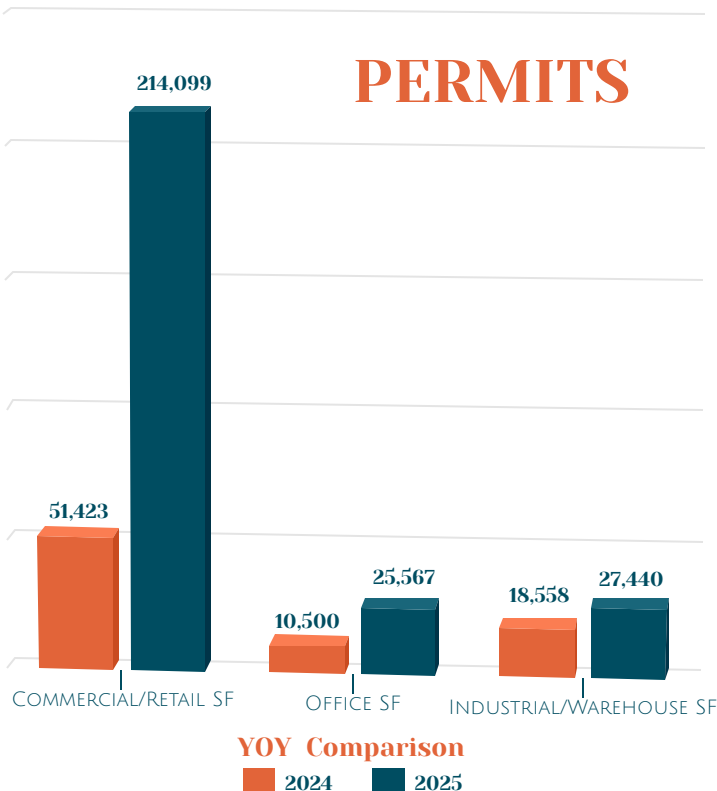
- Phase 1 broke ground, October 28
- Mixed Use Development
- Approved Rec Center
- 96,400SF of restaurant, retail, conference and entertainment space

Promenade

- The Brinkerhoff/Bar Hummingbird complete
- Additional concepts under consideration

NEW CONSTRUCTION

PERMITS



DEVELOPMENT PROSPECTS

