



CASTLE ROCK ECONOMIC DEVELOPMENT COUNCIL



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Castle Rock at Center of Front Range Economic Activity Ideal Location for Small and Medium Sized Businesses

Ideally located on the front range of the magnificent Rocky Mountains, the picturesque Town of Castle Rock, with its dramatic landscape, is situated midway between Denver and Colorado Springs at an elevation of 6,202 feet above sea level. Easy access to I-25 links Castle Rock businesses with the region's two major centers of commerce.

With a population of over 44,000 in the Town and close to 100,000 in the trading area, Castle Rock is the seat of Douglas County, one of the fastest growing counties in the nation. The Town encompasses 33 square miles with 2,914 acres of commercial and industrial zoning. Castle Rock is



Castle Rock has a rich history of the pioneering west with its charming historic downtown area offering opportunities for business growth and expansion.



Castle Rock, the seat of Douglas County, offers many options for dining and eclectic shopping.

home to 2,700 businesses. From the enterprising days of its pioneering past, Castle Rock has prospered as a place that encourages industry and entrepreneurial spirit. Castle Rock is working to become a self-sufficient, free-standing community. With its highly educated and skilled workforce, and an economic climate that welcomes new and expanding businesses, you'll find Castle Rock an ideal business location.

Businesses on the Grow in Castle Rock

Smaller businesses are the foundation of the local business community. Eighty nine percent of area businesses have five or fewer employees due in part to the high number of home based businesses (1,500/ 56%). Of the 1200 commercially based local firms, 43% are located in downtown Castle Rock, where several new office buildings have recently been built. In recent years, commercial space is being built at a rate

of 300,000 to 500,000 square feet per year. This trend is expected to continue. Immediate economic development targets include:

- A variety of professional and business service firms
- Engineers and architects
- Geophysics and aerospace companies
- High technology firms
- Light manufacturing
- Retail services

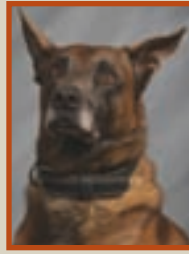


GOVERNMENT & INFRASTRUCTURE

Local Government

| | |
|--------------------------|--|
| Douglas County Seat: | Castle Rock |
| Form of Town Government: | Council/Manager |
| Elected Officials: | 7 member council |
| Police Force*: | 53.5 sworn officers, 21 non sworn, 2 canines |
| Fire & Rescue: | 70 paid staff |
| Fire Insurance Ratings: | Within the town limits: 5 |

*Castle Rock is proud to be identified as one of the safest communities along the front range.



K9 officers are much loved by the community.

Suppliers of Utilities

| | |
|--------------|--|
| Natural Gas: | Black Hills |
| Electricity: | Intermountain Rural Electric Association |
| Water: | Town of Castle Rock |
| Sewer: | Town of Castle Rock |
| Telephone: | Qwest |
| Cable: | Comcast |

Excellence in Education



Students in Douglas County School District continue to outpace the state average on the Colorado Student Assessment Program (CSAP). Results show

Douglas County continues to exceed state averages in every grade and in every subject tested, topping metro area schools in 20 out of 26 tests. Offering small class sizes, and an

excellent curriculum, Douglas County schools also boast of one of the lowest drop-out rates in the State.

In Castle Rock, there are eight elementary schools, two middle schools, two high schools and one alternative high school. In addition, there is one charter school in the town and two private elementary schools.

Arapahoe Community College offers a growing number of classes in Castle Rock. Many colleges and universities are also located within

a short commute to Denver or Colorado Springs.



Castle Rock has excellent choices for early education such as The Goddard School, new in 2008.

State-of-the-Art Data Communications

Broadband internet access is available in Castle Rock. A variety of high-speed technologies including

wireless and cable-based broadband, DSL, satellite, T1 and T3 lines serve businesses in the Castle Rock area.



Ted Spring



Castle Rock's state-of-the-art library is not only heavily used by the general public but is also a great business resource.

Government a Strong Employer

There are over 3400 state, school, county and town employees in Castle Rock. Over 1000 are concentrated in Castle Rock's downtown area. Not only are several new Class-A office buildings currently being planned or built in downtown, but Douglas County is planning a new 69,900 square foot office building.

A new downtown parking garage offers 374 spaces, 79 of which are available for use by the employees of downtown businesses as well as shoppers. The garage's façade has earned it several design awards and nominations.

The government employment base, when coupled with the many private sector employers, creates a strong daytime demand for dining, retail and services.



The new downtown parking garage's award-winning facade resembles historic store fronts.

A Wide Range of Community Services

Recreation:

Castle Rock is located at the doorstep of one of the world's most incredible natural recreation areas, the Rocky Mountains. Offering something for everyone, from bird watchers to the most extreme sports enthusiast, Colorado is one of the best places on earth to enjoy the great outdoors.

The Castle Rock area also offers:

- Active Senior Center with wide range of community services
- 5,760 acres of parks and open space
- 4 public swimming pools
- Numerous athletic fields and extensive organized sports programs
- Castlewood Canyon State Park
- Numerous golf courses, public & private
- Movie theater
- A historic downtown with unique dining and charming shops

Events:

Castle Rock also hosts dozens of annual events which draw thousands of visitors to our community from all

across Colorado and the US:

- Larkspur Renaissance Festival
- Elephant Rock Bike Ride
- Douglas County Fair, parade & rodeo
- ArtFest
- Farmers Market
- Christmas Starlighting
- Winefest
- Starlight Summer Movie Series

Medical Services:

The Castle Rock Fire Department offers a state of the art emergency medical response system and provides life support through highly-trained

Community Recognition

Family Circle magazine ranked Castle Rock among the "10 Best Towns for Families" in 2007. In 2006, *Business Week* magazine ranked Castle Rock as #9 of the top 25 "best and most affordable suburbs in the U.S."

paramedics and EMTs. There are numerous physicians, specialists, dentists, and local medical centers offering general patient and emergency care. Sky Ridge Hospital is located just north of Castle Rock along I-25 and operates an imaging center in Castle Rock.



Photo: Barbara Spagnuolo, Town of Castle Rock Parks & Recreation Department

Visitors to the Ridgeline Open Space in The Meadows and Red Hawk can take in views of the Front Range to the west and the Town below as they traverse through open grasslands and Gambel Oak.

MODERATE AND SUNNY CLIMATE

Sunny days are the norm in Castle Rock throughout the year. Because of the low humidity and sunshine, snow melts very quickly and typical winter days are in the forties.

| | |
|--------------------------|------------------|
| Average Days of Sunshine | 255 days/year |
| Warmest Month - July | Avg. Temp. 73°F |
| Coollest Month - January | Avg. Temp. 30°F |
| Annual Precipitation | 16.6 inches/year |
| Annual Snowfall | 62.2 inches/year |
| Average Humidity | 40% |

Source: Metro Denver Facts



Street festivals such as Oktoberfest and Artfest make weekends in Castle Rock fun.

Live, Work and Relax in the Convenience of a Well-planned Colorado Community

A growing number of people want to live and work in the same community. The resulting reduction in commute

time is a significant improvement in lifestyle – and constitutes a hiring advantage for Castle Rock businesses. In fact, when polled, many residents said they would accept lower wages to work locally.

Castle Rock's many business organizations, golf events and brown-bag luncheons offer abundant opportunities for networking and training. The business community is healthy,

growing, and works collaboratively to better the community.



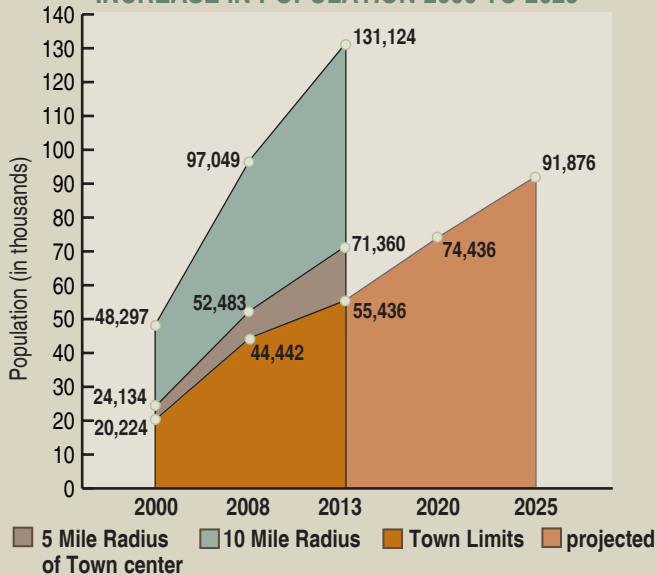
POPULATION FACTS



RAPID POPULATION GROWTH

Douglas County grew 191% between 1990 and 2000 making it the fastest growing county in the U.S. in the decade. It grew another 63% from 2000 to 2007. Much of that growth occurred in the town of Castle Rock. With an expected annual growth rate of about 6% per year over the next few years, it is estimated that the Town population will reach 100,000 in 2027.

INCREASE IN POPULATION 2000 TO 2025



Source: ESRI for 5 & 10 mile radius, Town of Castle Rock for Town Limits & projected

Job Growth

The growth in commercial space, employers and workforce have created a sharp increase in local jobs. In fact, Douglas County was ranked Number 7 in job growth by CNN Money magazine in its 2008 report on *Where The Jobs Are*.

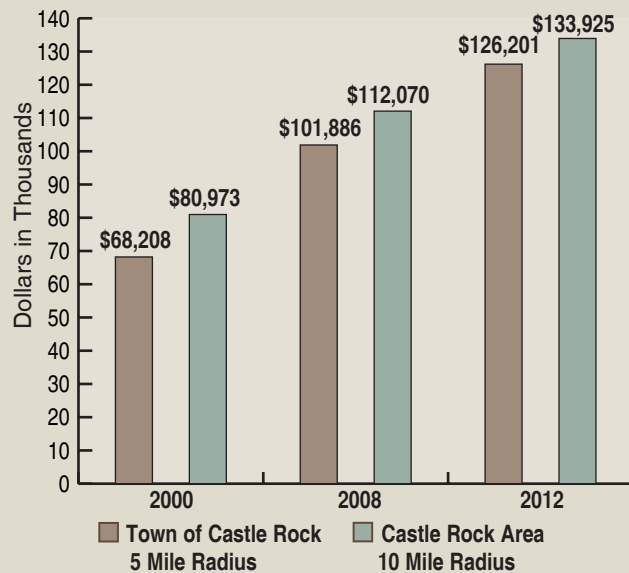
POPULATION BY AGE GROUP

| Year | Median Age | 25-34 Years | 35-44 Years | 45-64 Years |
|---------------|------------|-------------|-------------|-------------|
| | 2000 | 33.3 | 15.8% | 20.3% |
| 2008 | 35.3 | 13.0% | 16.9% | 26.4% |
| 2013 Forecast | 35.8 | 13.2% | 14.7% | 27.7% |

Source: ESRI for 5 mile radius of Town center

HIGH MEDIAN HOUSEHOLD INCOME

Douglas County is rated as one of the 100 highest-income counties by median household income according to the 2005 U.S. Census Bureau.



Source: ESRI

A Highly Educated Workforce

Castle Rock has a well-educated, experienced, and diverse work force. While many residents are employed in white-collar occupations, fewer than 10% work in any one industry and 31% work in jobs or industries that would be considered "high-tech".

In total, 158,000 people make up the Douglas County labor force. Many of those living in Castle Rock currently commute outside the county to work. Of the commuters, nearly 69% would prefer to work in Castle Rock and 27% would consider taking a 10% pay cut to do so.

Workforce Education Levels:

| | |
|-------------------------------|-----|
| High School Diploma | 99% |
| Some College/Technical School | 81% |
| College Degree | 58% |
| Post Graduate Degree | 18% |

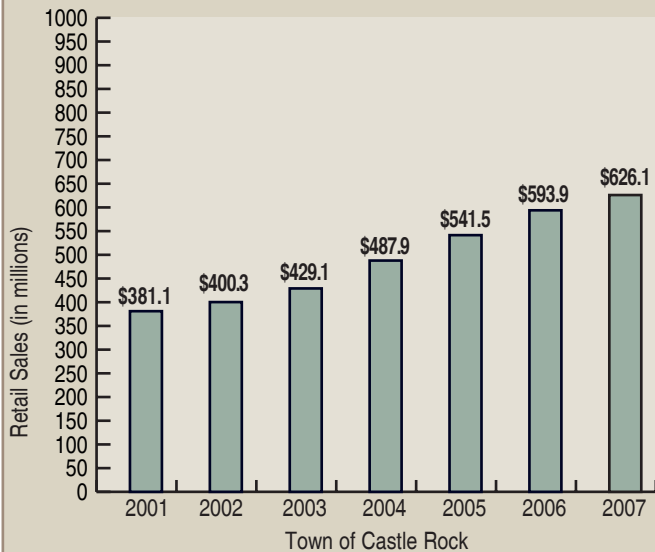


The team of scientists at biotechnology company, AspenBio Pharma, live and work in Castle Rock.

Source: 2007 Castle Rock Employment Profile, Marketing Insight LLC

BUSINESS FACTS

STRONG GROWTH IN RETAIL SALES



Source: Colorado Department of Revenue

TAX RATES

| Sales Tax | 2008 |
|----------------|-------------|
| Castle Rock | 3.6% |
| Douglas County | 1.0% |
| State | 2.9% |
| Total | 7.5% |

| Property Tax Mill Levies* | 2008 |
|---------------------------|--------|
| Castle Rock | 1.709 |
| Douglas County | 19.774 |
| School District | 46.50 |
| Public Library | 4.044 |
| Cedar Hills Cemetary | 0.167 |

* There are Special Districts within Castle Rock. A complete list of districts and current mill levies can be obtained at the Douglas County Assessor's office.

Corporate Income Tax Rates: 4.63%

Colorado offers businesses the choice of calculating their state tax liability on the basis of the standard three-factor formula (revenue, property and payroll) or a two-factor formula (revenue and property), whichever is less. The apportionment formula can be changed annually. There are tax credits available for investment, job training, etc.



Individual Income Tax Rate: 4.63% of Federal Net Taxable Income (with adjustments).

THE BUSINESS COMMUNITY

| | |
|-----------------------------------|-------|
| Number of Businesses | 2,710 |
| Percent with 5 or Fewer Employees | 89% |
| Percent Home-based | 56% |
| Government Employees | 26% |

Note: A \$10 sales tax license must be obtained from the Town of Castle Rock.

CASTLE ROCK MAJOR EMPLOYERS

Government:

Douglas County Government
Douglas County School District
Douglas Public Library District
State of Colorado
Town of Castle Rock
U.S. Post Office

Other:

Brookside Inn
Castle Rock Care Center
Colorado Community Newspapers
DIRECTV
Kolbe Striping
T. Lowell Construction, Inc.
VCA Douglas County Animal Hospital

Manufacturing:

ACME Brick
Master Magnetics
New World Millworks
Steritec Products
Sunset Stone

Retail:

Home Depot
King Soopers
Kohl's
Lowe's
Medved Autoplex
Rockyard American Grill & Brewing Co
Safeway
Target
The Outlets at Castle Rock
Walmart Super Center

Recreation:

Castle Pines Golf Club
Country Club at Castle Pines
Plum Creek Golf & Country Club



Incentives

Town of Castle Rock Sales and Use Tax Rebate

The Town of Castle Rock, Colorado, may provide Economic Development Assistance for the retention, expansion, or new location of targeted businesses that help the community achieve its goals. These goals currently include development that expands primary employment; regional draw retail that bring revenues to the community; preserving and enhancing downtown Castle Rock as a viable central business district. See www.crgov.com for details.

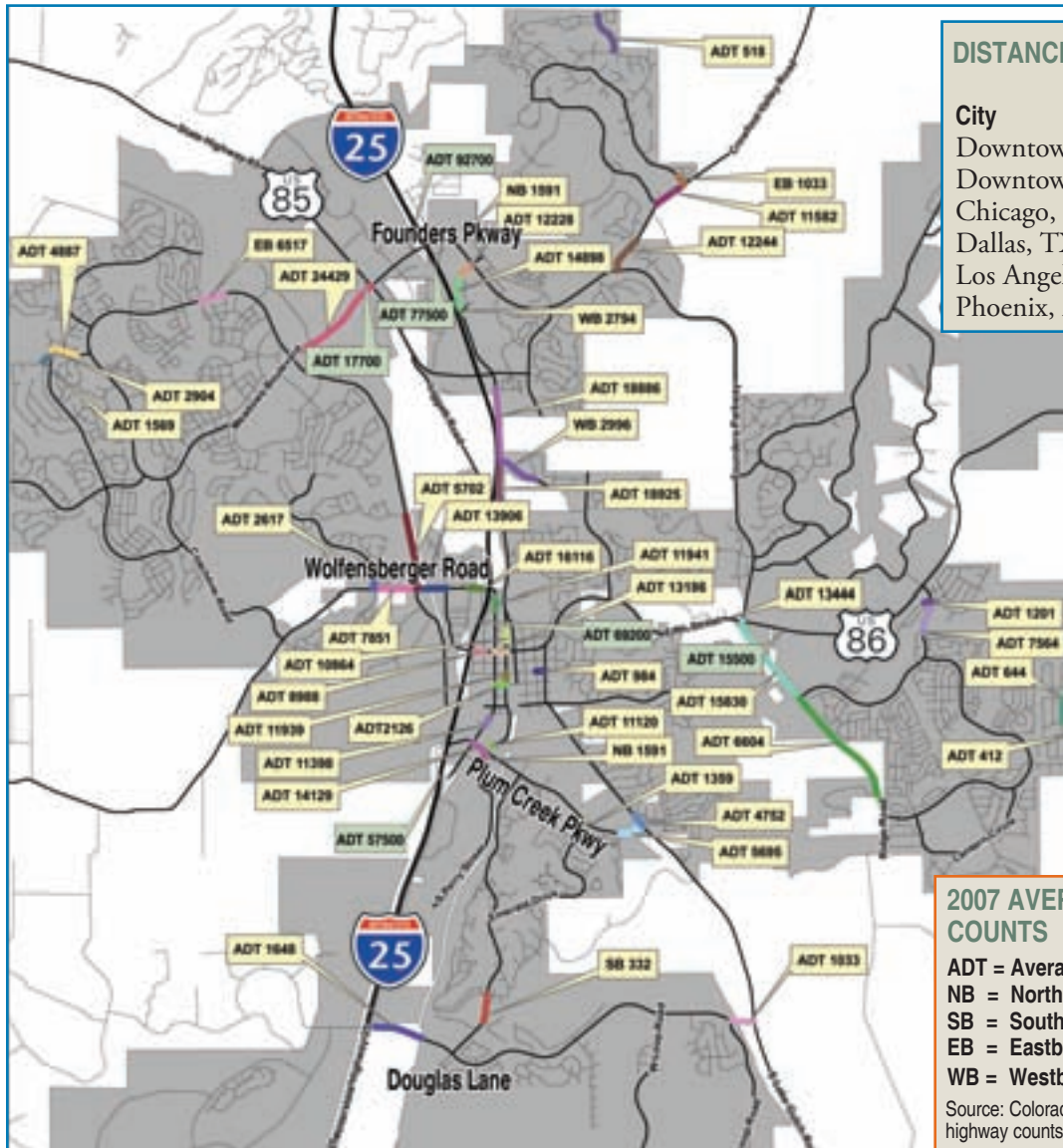
Economic Development Commission Funds

The State Economic Development Commission (EDC) allocates state funds for economic development. The EDC approves grants and low interest loans to public and private entities throughout the state to help existing businesses expand and new companies locate in Colorado. The amounts and terms are determined by the EDC. Loan proceeds can be used for construction and operating capital.

Job Training

Enhancing the competitiveness of Colorado companies and residents through training assistance, the Colorado FIRST Customized Job Training Program provides financial assistance to companies training new employees for recently created jobs. The Existing Industries Job Training Program provides similar financial assistance for companies wanting to retrain employees in new technologies or increase employee retention.

TRANSPORTATION



DISTANCE TO MAJOR MARKETS

| City | Highway Miles |
|---------------------------|---------------|
| Downtown Denver | 30 |
| Downtown Colorado Springs | 40 |
| Chicago, IL | 1,025 |
| Dallas, TX | 755 |
| Los Angeles, CA | 1,041 |
| Phoenix, AZ | 794 |



2007 AVERAGE DAILY TRAFFIC COUNTS

ADT = Average Daily Traffic
 NB = Northbound
 SB = Southbound
 EB = Eastbound
 WB = Westbound

Source: Colorado Department of Transportation for highway counts, Town of Castle Rock for Town counts

Easy Access to Transportation

Highway Access:

The major north-south interstate highway, I-25, runs through Castle Rock and links the community with the east-west routes of I-70 and I-80. Three I-25 interchanges in town provide direct access to the town's commercial districts as well as US Highway 85 and Colorado Highway 83 and 86. Two new I-25 interchanges are planned and an existing one is being reconfigured.

Transit:

A comfortable commuter bus service, Front Range Express (FREX), runs from Colorado Springs to the Denver Tech Center and downtown Denver, stopping in Castle Rock. FREX provides a connection to the Arapahoe Park and Ride where patrons can access the Denver RTD light rail or RTD bus transit lines. In addition, the Town of Castle Rock operates a free local public transit service.

Air Services:

Castle Rock is serviced by 3 airports:

- **Centennial Airport:** Only 19 miles to the north, this general aviation airport provides services for small private and corporate aircraft. It is the 3rd busiest general aviation airport in the USA. It is an international facility with 24 hour US Customs and FAA control tower.
- **Denver International Airport:** Located 47 miles north-east of Castle Rock, this state-of-the-art airport offers daily non-stop service to over 110 destinations. It is the fifth busiest airport in America.
- **Colorado Springs Municipal Airport:** Just 45 miles south of Castle Rock, it provides scheduled air service to over 2 million passengers a year.

Train Service:

The freight needs of Castle Rock are serviced by 2 rail lines: Union Pacific and Burlington Northern/Santa Fe.



Castle Rock offers a free clean-air shuttle.

