

Castle Rock real estate on the move

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Despite the economic downturn in the real estate industry, a handful of Castle Rock businesses will break ground this winter with projects ranging from a new financial institution, a retail outlet and a government expansion.

Residents near The Meadows will soon have another bank to choose from in the form of American National Bank, expected to begin construction on a new branch on the southeast corner of Meadows Parkway and Prairie Hawk Drive.

The new branch will be a full-service bank focusing on wealth management and mortgage lending, said Melanie Parkhurst, marketing officer. With 17 branches in Colorado, the Castle Rock office will feature 12,000 square feet of real estate with the second story dedicated to leasable office space.

The bank will include a standard drive-through with a drive-up ATM, cash management services and retail, real estate, construction and commercial lending, Parkhurst said.

The Castle Rock site was selected for its potential for growth and location between Denver and Colorado Springs. The company expects to break ground in December, weather permitting.

"Our emphasis on all communities is to be part of the community, both from a service perspective and from a philanthropic perspective as well," Parkhurst said. "That has really focused our locating decisions."

The real estate mantra "location, location, location" was a driving force in the decision for a major retailer to open an outlet at the Outlets of Castle Rock.

Restoration Hardware will open the second of two outlet stores in Castle Rock, selected for its proximity to Castle Pines, Denver, Colorado Springs and the area's "sophisticated consumer," said Jim Thomsen, vice president of Restoration Hardware's outlet store operations.

The Castle Rock outlet is only the second in the nation for Restoration Hardware, which has another outlet store in Michigan.

"I think we chose Castle Rock primarily because it's a fantastic demographic. It dovetails very well with Restoration Hardware's key demographic," Thomsen said. "There's a lot of interest in home decorating and a sophisticated level of taste."

At the Restoration Hardware clearance center, sophisticated is not necessarily synonymous with expensive. With a revolving line of distressed or "nick and dent" home decor inventory, the outlet clearance center will feature discounts from 40-90 percent, Thomsen said.

The result is often a treasure hunt for the unbeatable deal. The inventory changes every week, so what's not found on the first visit might be the perfect purchase on the next.

"If you're looking for something specific or some serendipity, it's all there. It's quite a value if you appreciate the Restoration Hardware product line," Thomsen said. "The value is very, very much the focus of our business."

A business focus was the key in the decision from Castle Rock-based Sunset Stone to move forward with a long-planned warehouse expansion on the southeast corner of Wolfensberger Road and Prairie Hawk Drive. In business since 1970 and in its existing location since 2004, Sunset Stone owner Russ McCombs expects to break ground on a new warehouse before the end of November.

The project has been in the pipeline for two years and the company decided to forge ahead, despite a decline in new construction. With the exception of waning sales since mid-year, business has remained fairly stable, McCombs said.

"Everybody is a little nervous about the economy and things have definitely slowed down, but this is a project we've been working on for about two years," he said. "Once the ball gets rolling you have to keep going."

Sunset Stone supplies manufactured stone for interior and exterior applications to buyers throughout the United States and Canada. The warehouse will be 45,000 square feet, to house the store's inventory.

Today, a portion of that inventory sits in an empty warehouse on the southwest corner of the intersection, once the home of Foxworth Galbraith Lumber. That 25,000 square foot warehouse is slated for improvement, courtesy of the Douglas County School District, which purchased the building in July for \$4 million, said Steve Herzog, chief operating officer of the Douglas County

School District.

The building will be the site of an expansion, adding a second floor to the existing warehouse space to create 25,000 square feet of office space, Herzog said.

The new warehouse will be home to the school's supplies, textbooks, technology hardware, print orders and mail center. The warehouse center will free up space at the existing warehouse for a much needed expansion of nutrition and food services, Herzog said.

The office space will house the district's budget services, purchasing and accounts payable, and the district's technology support staff.

"When Prairie Hawk is ready, all financial services staff will be housed under one roof for the first time in about 15 years," Herzog said.

The centralized warehouse will cost about \$8 million between the purchase and anticipated renovations and will save about \$300,000 per year in leases. Nearly 6 acres of paved parking provide an option for storage of warehouse trucks and some maintenance vehicles, while a central location for mail, supplies and deliveries are expected to save in fuel expenses, Herzog said.

Work on the new building is expected to begin after the first of the year and the building should be fully operational by mid-2009, Herzog said.