

Floyd Hill Construction and Retail Activity in Clear Creek County

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- Construction for the I-70 Floyd Hill Project began in July 2023
- Clear Creek County retail sales are estimated to be roughly \$24 million lower per year in FY2024-FY2025 than they would have been absent construction-related disruption.
- The number of operating retailers also appears lower than expected
- The effect is geographically uneven: Idaho Springs shows a measurable sales shortfall, while nearby Georgetown closely tracks its synthetic comparison.
- The findings point to targeted mitigation during large infrastructure projects, especially for communities located directly along the construction corridor.

Introduction

Large-scale road construction can create short-run economic disruptions for small communities, especially in tourism-dependent areas where local businesses rely on predictable highway access and steady visitor traffic. Even when infrastructure projects are expected to generate long-run benefits, construction delays, detours, congestion, and uncertainty can alter travel behavior in the near term.

The I-70 Floyd Hill Project is intended to reduce congestion and improve safety on one of Colorado's most heavily traveled mountain corridors. Large infrastructure projects can impose short-run costs on adjacent communities when construction changes travel times, visitor behavior, and the ease of accessing local businesses. These effects are especially relevant for Clear Creek County, where retail activity depends heavily on visitor flows along the I-70 corridor.

Empirical Approach

The analysis compares observed retail outcomes in Clear Creek County to a “synthetic” version of Clear Creek County. The synthetic version is constructed from a weighted combination of other Colorado counties that are not impacted by the Floyd Hill Project. The comparison locations are selected to closely match Clear Creek County's pre-construction retail trends. The divergence between observed outcomes and the synthetic counterfactual after FY2023 provides an estimate of the construction-period effect. We focus on fiscal years throughout the analysis, i.e. FY2023 refers to July 2022 through June 2023.

County-wide Retail Sales

Figure 1 shows that before construction, Clear Creek County and its synthetic comparison track closely, providing a credible baseline for evaluating the post-construction period. Beginning in FY2024, retail sales in Clear Creek flatten while the synthetic comparison continues to rise. The implied gap averages approximately \$24 million in foregone retail sales per year over FY2024-FY2025.

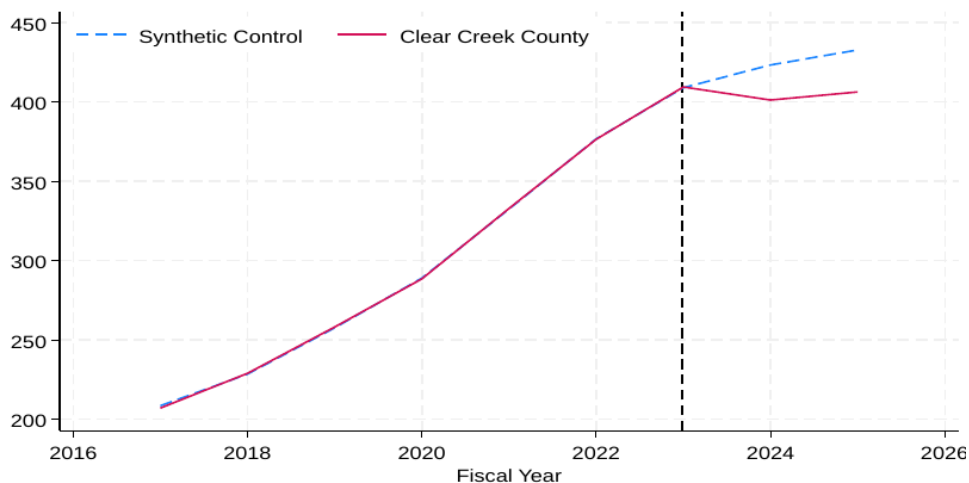


Figure 1. Total retail sales in Clear Creek County and synthetic control, FY2017-FY2025.

Dashed line marks the start of FY2024 construction period. Source: Colorado Department of Revenue Retail Sales Reports.

Retailer Counts and Local Heterogeneity

The slowdown is also visible in the number of operating retailers (Figure 2). Actual retailer counts remain nearly flat after construction begins, while the synthetic comparison continues to grow. The estimated post-construction effect is approximately 214 fewer retailers per year than expected, consistent with reduced foot traffic, business uncertainty, and logistical costs associated with construction.

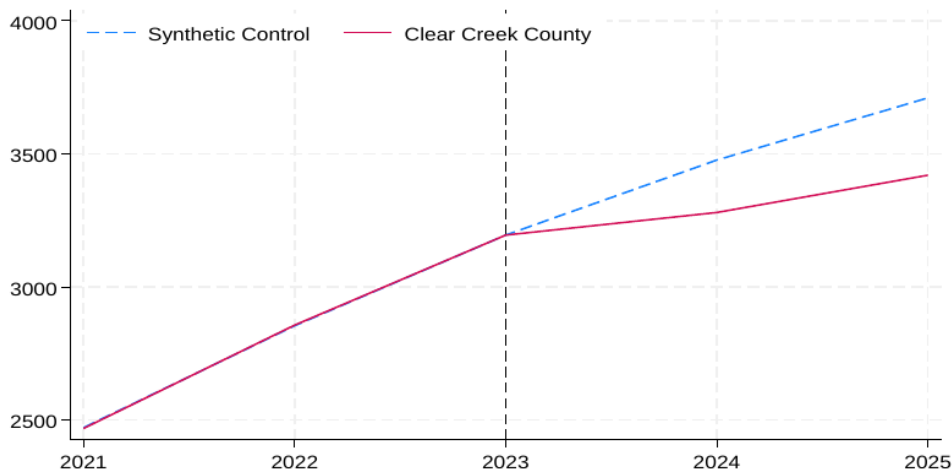


Figure 2. Number of retailers in Clear Creek County and synthetic control, FY2021-FY2025.

Source: Colorado Department of Revenue Retail Sales Reports.

The countywide estimates mask important local differences. Figure 3 shows that Idaho Springs, which is closest to the construction zone and most directly exposed to traffic congestion and visitor disruption, shows a clear divergence from its synthetic benchmark. The estimated annual shortfall is roughly \$7 million. Georgetown, by contrast, continues to track its synthetic comparison closely after construction begins. This contrast suggests that proximity to construction activity, detour routes, and local business mix shape the distribution of short-run economic costs.

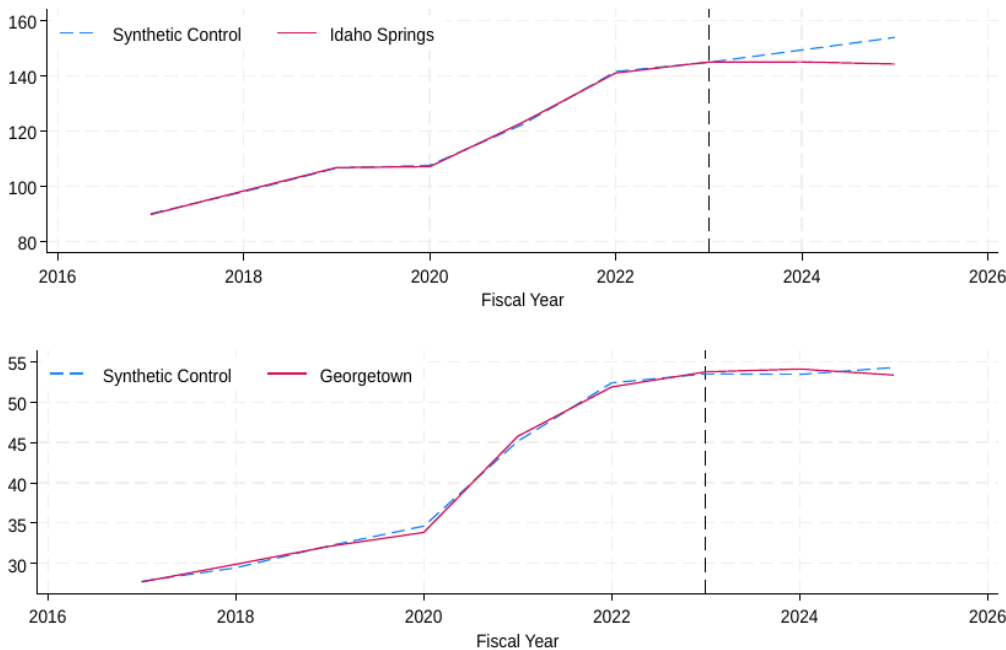


Figure 3. Retail sales in Idaho Springs (top) and Georgetown (bottom) compared with synthetic controls, FY2017-FY2025. Source: Colorado Department of Revenue Retail Sales Reports.

Policy Implications

The Floyd Hill Project is expected to generate long-run transportation benefits, but the short-run disruption is economically meaningful and spatially concentrated. Mitigation strategies should therefore be targeted. Potential responses include construction-period business outreach, wayfinding and access information, visitor-retention marketing, and temporary support for firms most exposed to corridor disruption.