

MARKET PROFILE

Planning for the redevelopment of commercial corridors requires an understanding of the built environment and the people within it. The analysis which follows includes an overview of economic and demographic characteristics which will influence the type of development that occurs in the market and specifically within the *Midtown Study Area*. The *Midtown Study Area* generally comprises properties located between Longs Peak Avenue and 17th Avenue and Kimbark Street and Terry Street (herein referred to as the Study Area). Indicators provided are for the City of Longmont (the City) and larger influence area. Since the City represents a sub-market within both Southwest Weld and Boulder Counties, and as such will likely complete with projects from a broader influence (trade) area, indicators and conditions for all three geographic areas were analyzed. A map of the region is presented in Figure 1.

Project Context

Longmont is located in northern Colorado, along the Front Range of the Rocky Mountains. The City is approximately 16 miles northwest of Boulder and 37 miles north of downtown Denver. Main Street, or U.S. Highway 287, is one of the City's principal arterials connecting Longmont to communities north and south along the Front Range.

The Study Area portion of the Main Street corridor, between Longs Peak Avenue and 17th Avenue, is generally located in the central portion of the City, north of the Central Business District (CBD). This Study Area includes 205 properties comprising approximately 84 acres, primarily zoned commercial with a minor number of residential medium density designations. Including rights-of-way, the Study Area totals approximately 120 acres.

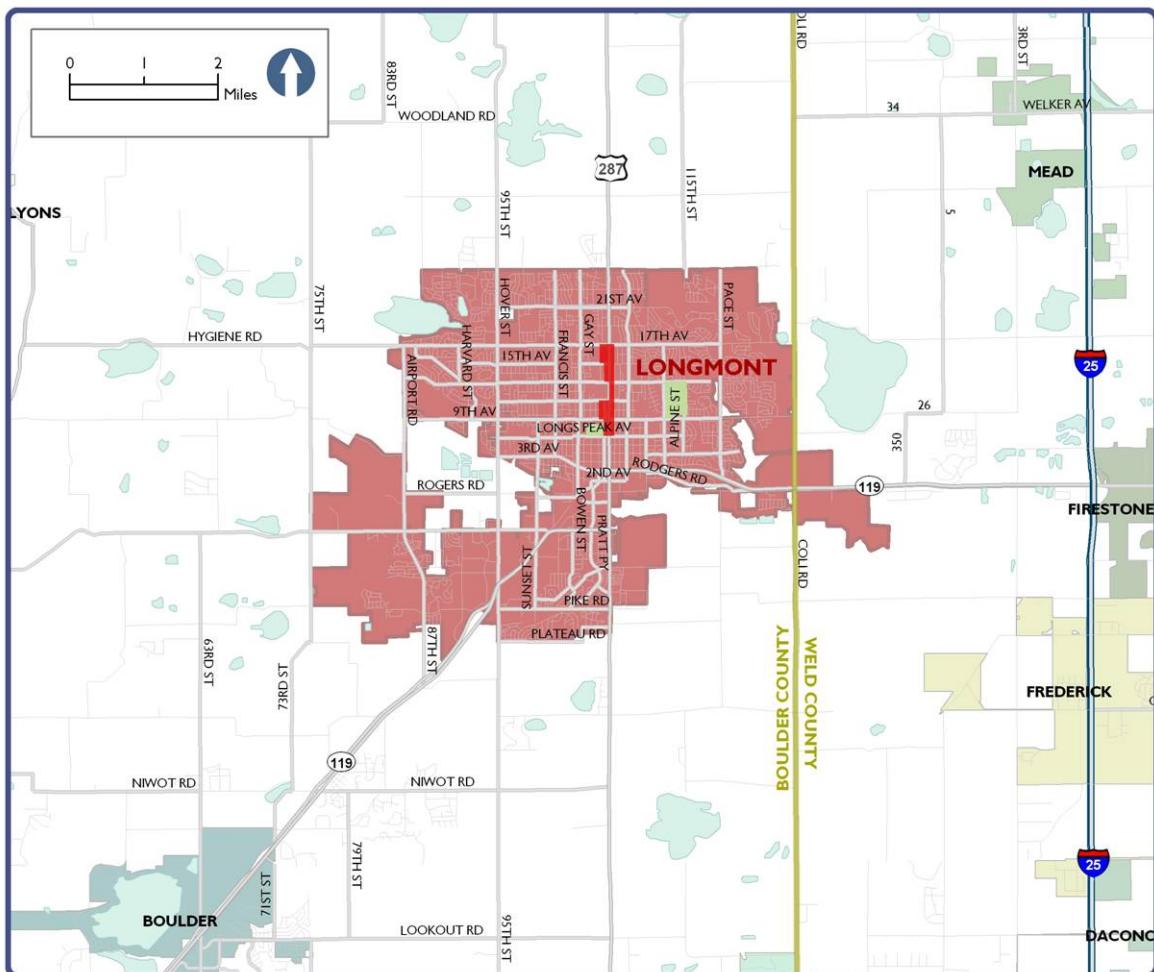
The Study Area portion of Main Street can best be described as a mature transportation corridor, with limited new investment, fragmented ownership and distinct concentrations of commercial and service areas. The role of the corridor as a commuter access route will have a significant impact on any future re-



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development program within the City for the near- and long-term. Whereas the CBD has continued to define itself as a shopping and service destination serving the community and region, the Study Area has yet to establish itself with an identifiable “address.” As described in the Longmont Area Comprehensive Plan, the majority of land uses within the Study Area include central business district, strip commercial, medium density residential, and public and quasi-public. Uses surrounding the Study Area include established residential neighborhoods, downtown service and commercial space, civic and institutional facilities, and some light industry.

Figure 1
Regional Context Map
City of Longmont, Colorado



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Property characteristics for the Study Area are summarized as follows (acreage estimates are rounded to the nearest figure):

- *Property type:* residential (17 acres); commercial (47 acres); vacant land (5 acres); and exempt (14 acres)
- *Average parcel size:* residential (13,615 square feet or 0.3 acres); commercial (16,860 square feet or 0.4 acres); vacant land (27,950 square feet or 0.5 acres); and exempt¹ (60,658 square feet or 1.4 acres)
- *Ownership:* within Longmont (127 parcels totaling 44 acres); elsewhere in Colorado (55 parcels totaling 28 acres); and out-of-state (23 parcels totaling 13 acres)
- *Assessed Value:* residential (\$1.8 million); commercial (\$10.3 million); vacant land (\$200,000); and exempt (\$1.4 million)

Note: All references to “residential, commercial and exempt” represent Boulder County Assessor account types.

As suggested by the figures presented above, property ownership in the Study Area is relatively fragmented, with many property owners controlling smaller parcels (average parcel size 0.4 acres). A high percentage of local (Longmont and Colorado) ownership – nearly 90 percent -- suggests the potential for a high degree of commitment to the community. It is also clear that exempt properties (civic, institutional, open space) have a major impact on the Study Area, representing approximately 17 percent of the land area with an average parcel size larger than the other uses (or account types).

In summary, given its location within the region, and along the high-growth U.S. Highway 287 corridor, the Study Area is strategically located to capture a substantial share of the region’s traffic and business growth. Preliminary forecasts suggest growth in the market across all major land uses (commercial, residential, employment, civic) could be absorbed in the Study Area over the near- and long-term. The level of investment which actually occurs within the Study Area will be directly proportionate to the City’s and property owners’ commitment to, and understanding of, the success factors attributable to corridor redevelopment.

Comprehensive Plan Reference

¹ Representative exempt uses include civic, institutional, open space.

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The following definition of the Main Street portion of the Study Area is taken from the *City of Longmont Commercial Market Analysis* completed as part of the 2003 Longmont Area Comprehensive Plan Update.

Longmont Area Comprehensive Plan (LACP)

The study area between Longs Peak Avenue and 17th Avenue, is primarily an arterial commercial area including service uses and lower-rent retail uses including appliance stores, pawn shops, used car dealers, and auto parts stores. It is dated but not run down. It appears that businesses are doing fairly well, due to the few number of vacant units. With the exception of the large auto dealership, the area is largely a commercial arterial dominated with small sites with narrow lot depths. Assembly of multiple ownerships for redevelopment will be difficult. An alternative strategy is to provide some revitalization assistance to existing businesses and property owners.

Economic and Demographic Characteristics

Economic and demographic characteristics in the market are indicators of overall trends and economic health which may affect private and public sector development. The following highlights those trends which will affect development demand within the City and Study Area over the next five years.

Population and Household Growth

The City of Longmont grew at a compound average annual growth rate of 3.4 percent between 2000 and 2004 (see Table 1). Comparatively, Boulder County grew at a rate of 1.9 percent and Southwest Weld County at a rate of 5.6 percent, over the same time period. A lower growth rate (2.1 percent) for the City is anticipated to continue through 2009. During this same timeframe, Boulder County growth is expected to continue at a 1.9 percent rate while Southwest Weld County is expected to grow at a rate of 5.0 percent. Household growth rates reflect a similar trend, with the City's future growth rate slightly out-pacing that of Boulder County at 2.1 percent and 2.0 percent, respectively, and still falling far behind those of Southwest Weld County at 4.9 percent.

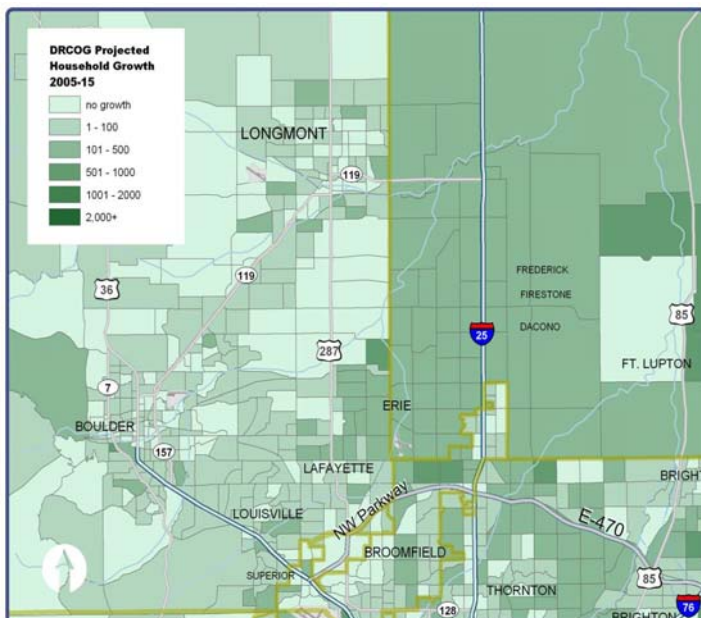
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Table 1
 Population and Household Indicators
 City of Longmont, Southwest Weld and Boulder Counties, Colorado

| | City of Longmont | Southwest Weld County² | Boulder County |
|-----------------|-------------------------|--|-----------------------|
| 2000 Population | 71,093 | 8,857 | 291,288 |
| 2004 Population | 81,169 | 11,013 | 314,065 |
| 2009 Population | 90,057 | 14,055 | 345,055 |
| 2000 - 04 CAAGR | 3.4% | 5.6% | 1.9% |
| 2004 - 09 CAAGR | 2.1% | 5.0% | 1.9% |
| 2000 Households | 26,667 | 3,117 | 114,680 |
| 2004 Households | 32,221 | 3,860 | 124,620 |
| 2009 Households | 35,750 | 4,900 | 137,590 |
| 2000 - 04 CAAGR | 4.8% | 5.5% | 2.1% |
| 2004 - 09 CAAGR | 2.1% | 4.9% | 2.0% |

CAAGR = Compound Average Annual Growth Rate

Source: U.S. Census Bureau; Environmental Systems Research Institute – Business Information Solutions (ESRI-BIS); and Leland Consulting Group (LCG).



The map presented here illustrates the Denver Regional Council of Government’s (DRCOG) forecasted growth in households (actual increase) by census tract for the Northern Front Range between the cities of Thornton and Longmont. As shown, growth among several census

located east of the Boulder County line, north (through Berthoud).

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tracts in and around Longmont are expected to realize a modest increase compared to several southwest Weld County tracts which are expected to realize significant increases.

Table 2 below illustrates a higher percentage of households (78.7 percent) moved to Longmont in the 1990s than to Southwest Weld (75.5 percent) or Boulder County as a whole (77.7 percent). The higher rate of household growth in the City versus Boulder County over the past four years is a further indication that the gap is widening, at least between these two geographies. The higher rate of household growth in Southwest Weld County, both historically and projected into the future, suggests the trend will reverse itself between this geography and the city.

Table 2
Households by Year Householder Moved In (2000)
City of Longmont, Southwest Weld and Boulder Counties, Colorado

| | City of Longmont | Southwest Weld County | Boulder County |
|--------------------|-------------------------|------------------------------|-----------------------|
| 1999 to March 2000 | 28.3% | 22.0% | 29.4% |
| 1995 to 1998 | 33.4% | 35.3% | 31.8% |
| 1990 to 1994 | 17.0% | 18.2% | 16.4% |
| 1980 to 1989 | 10.7% | 11.5% | 12.1% |
| 1970 to 1979 | 7.5% | 9.5% | 6.7% |
| 1969 or Earlier | 3.0% | 3.5% | 3.9% |
| Median | 1996 | 1996 | 1996 |

Source: U.S. Census Bureau; ESRI-BIS; and LCG.

Household Size

Average household sizes in Longmont in 2004 were slightly larger than in Boulder County as a whole (2.63 vs. 2.45), yet smaller than in Southwest Weld County (2.85). This trend is reflective of higher concentrations of low-density housing forms in the local market, fewer products to serve smaller households and the influence of factors in other communities. In Boulder County, the presence of the University of Colorado at Boulder in the City of Boulder has a significant influence on the average household size. Comparatively, higher concentrations of Hispanic households in both Longmont and Southwest Weld County (assuming accurate reporting), those which traditionally skew higher than the market average, drive the average up in these geographies. Based on this understanding, one could conclude that the higher than Boulder County average

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household size is as much a function of market demand as market supply, as well as community profile.

A review of home ownership statistics indicates that 34 percent of Longmont households in 2000 were renters (compared to 35 percent in Boulder County and 11 percent in Southwest Weld). In addition, historical building permit information suggests that limited housing products beyond single family detached homes and attached homes for target markets including low-income and seniors have been delivered to the market over the last few years despite the fact that the City’s one- and two-person households continue to represent a relatively high proportion of total households - 57 percent. Redevelopment of the Study Area could potentially provide an opportunity for a unique product offering thereby addressing an untapped market and serving a broader segment of the populous.

Table 3
Average Household Size
City of Longmont, Southwest Weld and Boulder Counties, Colorado

| | City of Longmont | Southwest Weld County | Boulder County |
|------|-------------------------|------------------------------|-----------------------|
| 2000 | 2.64 | 2.84 | 2.47 |
| 2004 | 2.63 | 2.85 | 2.45 |
| 2009 | 2.63 | 2.86 | 2.44 |

Source: U.S. Census Bureau; ESRI-BIS; and LCG.

Table 4
Households by Size (2000)
City of Longmont, Southwest Weld and Boulder Counties, Colorado

| | City of Longmont | Southwest Weld County | Boulder County |
|---------------------|-------------------------|------------------------------|-----------------------|
| 1 Person Household | 23.7% | 14.3% | 26.5% |
| 2 Person Household | 33.4% | 37.9% | 35.5% |
| 3 Person Household | 16.8% | 17.1% | 16.3% |
| 4 Person Household | 15.6% | 17.6% | 14.1% |
| 5 Person Household | 6.3% | 8.3% | 4.9% |
| 6 Person Household | 2.4% | 3.0% | 1.6% |
| 7+ Person Household | 1.9% | 1.8% | 1.0% |

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Source: U.S. Census Bureau; ESRI-BIS; and LCG.

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Age Distribution

The 2004 median age in the City of Longmont was 34.4 years old, nearly the same as Boulder County’s 34.0 years and younger than Southwest Weld County’s which was 37.1. More significant, however, are the similarities across age groups, except for the segment 15 to 24 years, which represents 13.8 percent of Longmont’s population and 18.0 percent of Boulder County’s (attributable to the presence of the University of Colorado in Boulder) and 25 to 34 years segment which represents 14.4 percent in Longmont, 15.2 percent in Boulder and 11.4 percent in Southwest Weld County (suggesting fewer young professionals and starter families). Other than this exception, percentages of population within each age group are very similar among the geographies, despite the fact that Longmont and Southwest Weld County have significantly fewer non-family households (30.8 percent and 19.8 percent) compared to Boulder County with 40.8 percent. These figures suggest that families tend to stay in the area even as their household composition changes.

Table 5
Population by Age (2004)
City of Longmont, Southwest Weld and Boulder Counties, Colorado

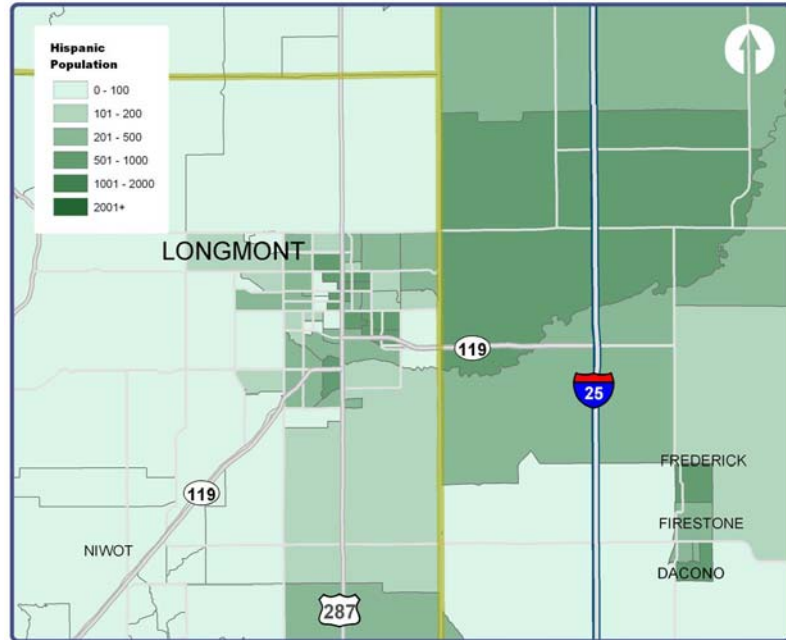
| | City of Longmont | Southwest Weld County | Boulder County |
|--------------------|-------------------------|------------------------------|-----------------------|
| 0 to 4 years old | 7.9% | 7.2% | 6.0% |
| 5 to 9 years old | 7.5% | 7.2% | 6.0% |
| 10 to 14 years old | 7.5% | 8.4% | 6.3% |
| 15 to 24 years old | 13.8% | 12.7% | 18.0% |
| 25 to 34 years old | 14.4% | 11.4% | 15.2% |
| 35 to 44 years old | 16.4% | 17.0% | 16.0% |
| 45 to 54 years old | 14.7% | 17.6% | 15.6% |
| 55 to 64 years old | 8.8% | 10.7% | 8.9% |
| 65 and older | 9.1% | 7.7% | 8.0% |

Source: U.S. Census Bureau; ESRI-BIS; and LCG.

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Ethnicity

As shown in Table 6, the City’s ethnic profile is similar to Boulder County’s, with the exception of the Hispanic population. Hispanics comprise nearly 21 percent of the City’s population, compared to just 12 percent for the County as a whole. This is particularly relevant to the *Midtown* area, where there exists a concentration of Hispanic businesses catering



to this segment of the City’s population. Ethnicity in Southwest Weld County is less diverse than in either Boulder or Longmont, but maintains a Hispanic population closer in percentage to Longmont’s.

Table 6
Population by Ethnicity (2004)
City of Longmont, Southwest Weld and Boulder Counties, Colorado

| | City of Longmont | Southwest Weld County | Boulder County |
|-------------------|------------------|-----------------------|----------------|
| White Alone | 83.4% | 91.3% | 87.3% |
| Black Alone | 0.6% | 0.2% | 0.9% |
| Am. Indian | 1.0% | 0.6% | 0.6% |
| Asian / Pacific | 2.2% | 0.7% | 3.5% |
| Other | 10.6% | 5.2% | 5.4% |
| Two or More Races | 2.3% | 2.0% | 2.3% |
| Hispanic Origin | 20.8% | 14.5% | 11.9% |

Source: U.S. Census Bureau; ESRI-BIS; and LCG.

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Education

Based on a combined total of residents who have received either a Graduate or Bachelor’s Degree, Longmont is not as highly educated as Boulder County overall, yet more educated than Southwest Weld County. While the presence of the University of Colorado in Boulder obviously skews the Boulder County figures, Longmont’s educational attainment figures are also lower than the Denver-Boulder metro area as a whole.

Table 7

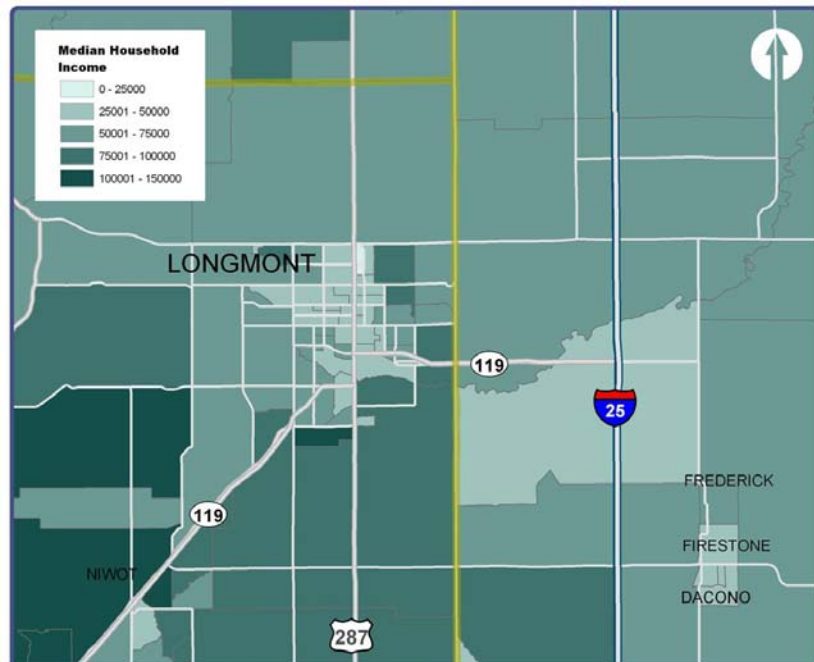
Educational Attainment, over 25 (2000)
City of Longmont, Southwest Weld and Boulder Counties, Colorado

| | City of Longmont | Southwest Weld County | Boulder County |
|---------------------------------|------------------|-----------------------|----------------|
| Graduate Degree | 10.2% | 8.1% | 21.2% |
| Bachelor’s Degree | 21.0% | 17.7% | 31.2% |
| Associate Degree | 7.1% | 8.4% | 5.7% |
| Some College | 24.3% | 26.9% | 19.6% |
| High School Grad | 23.9% | 27.3% | 15.1% |
| No H.S. diploma | 7.4% | 7.9% | 4.2% |
| Less than 9 th Grade | 6.1% | 3.7% | 3.0% |

Source: U.S. Census Bureau; ESRI-BIS; and LCG.

Household Income

The 2004 median household income for the City of Longmont was approximately \$60,200 (rounded), lower than both the Boulder County median household income of approximately \$65,400 (rounded) and Southwest Weld County estimate of



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\$75,700 (rounded). Over the next five years, median household incomes in the City are forecasted (by ESRI-BIS) to continue to be lower, yet grow at a higher rate (4.8 percent) than Boulder County as a whole (4.4 percent) and Southwest Weld County 3.0 percent. As shown in Table 9, the largest concentration of households (percent of total) among all three jurisdictions fell between \$50,000 and \$74,999. However, the percent of households in Longmont with incomes between \$50,000 and \$99,999 in 2004 fell below Weld County incomes in this range, 37.4 percent versus 38.5 percent respectively, and above Boulder County incomes at 33.3 percent.

Table 8
 Median Household Income
 City of Longmont, Southwest Weld and Boulder Counties, Colorado

| | City of Longmont | Southwest Weld County | Boulder County |
|-----------------------|-------------------------|------------------------------|-----------------------|
| 2000 Median HH Income | \$51,174 | \$65,563 | \$55,861 |
| 2004 Median HH Income | \$60,199 | \$75,748 | \$65,412 |
| 2009 Median HH Income | \$75,290 | \$87,609 | \$81,081 |
| 2000 - 04 CAAGR | 4.1% | 3.7% | 4.0% |
| 2004 - 09 CAAGR | 4.8% | 3.0% | 4.4% |

Source: U.S. Census Bureau; ESRI-BIS; and LCG.

Table 9
 Household Income Distribution (2004)
 City of Longmont, Southwest Weld and Boulder Counties, Colorado

| | City of Longmont | Southwest Weld County | Boulder County |
|------------------------|-------------------------|------------------------------|-----------------------|
| <\$15,000 | 7.7% | 4.3% | 9.0% |
| \$15,000 to \$24,999 | 8.0% | 5.9% | 7.3% |
| \$25,000 to \$34,999 | 10.0% | 7.2% | 8.9% |
| \$35,000 to \$49,999 | 14.9% | 10.9% | 13.0% |
| \$50,000 to \$74,999 | 21.4% | 21.0% | 18.0% |
| \$75,000 to \$99,999 | 16.0% | 17.5% | 15.3% |
| \$100,000 to \$149,999 | 15.0% | 19.1% | 16.7% |
| \$150,000 to \$199,999 | 3.7% | 6.9% | 5.9% |
| \$200,000 + | 3.2% | 7.3% | 6.0% |

Source: U.S. Census Bureau; ESRI-BIS; and LCG.

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Employment and Commuting

As shown in Table 10, Longmont residents tend to skew more toward blue collar occupations (21.3 percent) than Boulder County residents as a whole (13.1 percent), but to a lesser degree than Southwest Weld County (24.3 percent). The City also has a lower white collar resident workforce compared to Boulder County, yet higher white collar workforce than Southwest Weld County. This further illustrates the influence of the City of Boulder as an employment center in the County. Commuting trends also support this influence, as Longmont residents tend to have slightly longer commutes than Boulder County residents and shorter commutes than Southwest Weld County residents. Beyond commuting to local businesses (generally less than 15-20 minutes), the highest percentage of Longmont residents have a 25 to 35 minute commute, most likely to Boulder.

Table 10
Resident Occupations (2004)
City of Longmont, Southwest Weld and Boulder Counties, Colorado

| | City of Longmont | Southwest Weld County | Boulder County |
|------------------------|-----------------------------|----------------------------------|---------------------------|
| White Collar | 64.9% | 62.7% | 73.8% |
| Mgmt/Bu./Finance | 16.0% | 19.9% | 19.2% |
| Professional | 22.5% | 18.4% | 31.3% |
| Sales | 12.0% | 10.7% | 11.8% |
| Admin. Support | 14.3% | 13.7% | 11.5% |
| Services | 13.8% | 13.0% | 13.0% |
| Blue Collar | 21.3% | 24.3% | 13.1% |
| Agricultural | 0.3% | 1.9% | 0.1% |
| Construction / Mining | 5.8% | 5.9% | 3.8% |
| Install./Maint./Repair | 3.3% | 5.8% | 2.1% |
| Production | 7.0% | 4.5% | 4.2% |
| Transportation | 5.0% | 6.1% | 3.0% |

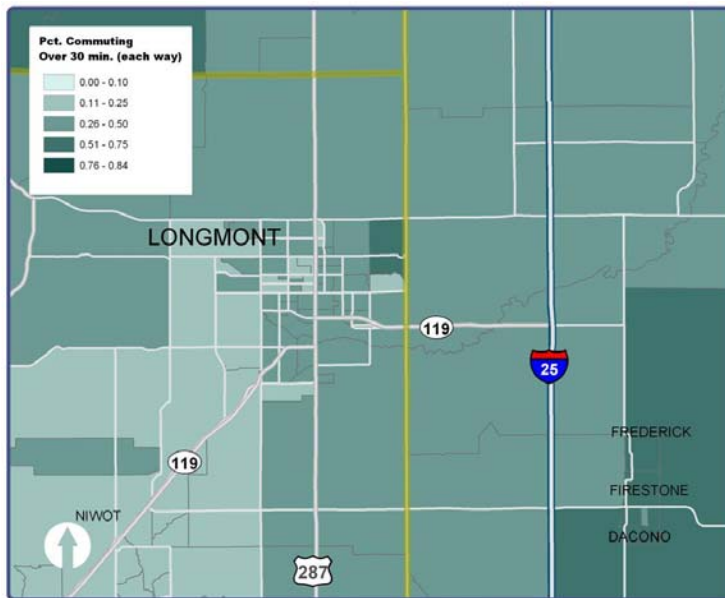
Source: U.S. Census Bureau; ESRI-BIS; and LCG.

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Table 11
Works by Travel Time to Work (2004)
City of Longmont, Southwest Weld and Boulder Counties, Colorado

| | City of Longmont | Southwest Weld County | Boulder County |
|-----------------------------------|------------------|-----------------------|----------------|
| Did not Work at Home | 95.6% | 93.5% | 93.5% |
| Less than 5 minutes | 2.8% | 2.2% | 2.6% |
| 5 to 9 minutes | 13.7% | 6.4% | 12.2% |
| 10 to 19 minutes | 31.3% | 23.1% | 34.9% |
| 20 to 24 minutes | 12.9% | 15.4% | 13.7% |
| 25 to 34 minutes | 18.6% | 20.6% | 14.3% |
| 35 to 44 minutes | 5.9% | 11.8% | 5.1% |
| 45 to 59 minutes | 5.4% | 8.5% | 5.6% |
| 60 to 89 minutes | 3.6% | 3.4% | 3.6% |
| 90 or more minutes | 1.5% | 2.1% | 1.3% |
| Worked at Home | 4.4% | 6.5% | 6.5% |
| Avg Travel Time to Work (in min.) | 22.7 | 28.2 | 22.1 |

Source: U.S. Census Bureau; ESRI-BIS; and LCG.



Housing Stock

Residential building activity in the City peaked in the late 1990s, but declined in the last three years. Over the ten-year period since 1995, annual permit activity has averaged 693 for single family units and 276 for multifamily units. The single family attached market has shown steady increases over the past few years and has averaged

255 units annually. Overall, the age of the City’s housing stock is similar to that for Boulder County as a whole, with approximately 58 percent of the housing units being older than 20 years.

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Table 12
Building Permits (1995 to 2004)
City of Longmont, Colorado

| Year | Single Family | Multi-Family | Condo - TH other ³ | Total |
|----------------|---------------|--------------|-------------------------------|-------|
| 1995 | 449 | 419 | n.a. | 868 |
| 1996 | 553 | 63 | n.a. | 616 |
| 1997 | 953 | 366 | n.a. | 1,358 |
| 1998 | 840 | 592 | 156 | 1,588 |
| 1999 | 724 | 232 | 286 | 1,242 |
| 2000 | 838 | 204 | 465 | 1,507 |
| 2001 | 793 | 656 | 192 | 1,641 |
| 2002 | 675 | 133 | 175 | 983 |
| 2003 | 579 | 42 | 245 | 866 |
| 2004 | 536 | 49 | 258 | 843 |
| Annual Average | 693 | 276 | 255 | 1,151 |

Source: City of Longmont, Colorado.

Table 13
Household Units by Year Built (as of 2000)
City of Longmont, Southwest Weld and Boulder Counties, Colorado

| | City of Longmont | Southwest Weld County | Boulder County |
|--------------------|------------------|-----------------------|----------------|
| 1999 to March 2000 | 5.0% | 11.6% | 4.5% |
| 1995 to 1998 | 13.9% | 24.7% | 11.5% |
| 1990 to 1994 | 7.1% | 7.8% | 9.0% |
| 1980 to 1989 | 16.8% | 10.9% | 17.4% |
| 1970 to 1979 | 30.3% | 17.4% | 26.4% |
| 1969 or Earlier | 27.0% | 27.7% | 31.5% |
| Median | 1978 | 1985 | 1977 |

Source: U.S. Census Bureau; ESRI-BIS; and LCG.

³ Figures represent the combined total of all attached ownership products (condominiums, townhomes and duplexes).

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Psychographics

Psychographics is a term which describes peoples' psychological, as distinct from physical, characteristics. Psychographic analyses identify personality characteristics and attitudes that affect a person's lifestyle and purchasing behavior. Commercial retail developers, in particular, are interested in understanding a community's psychographic profile, as this is an indication of its resident's propensity to spend across select retail categories. Residential developers are also interested in understanding this profile as it tends to suggest preferences for certain housing products. The source for this information is Community Tapestry, an information set of Environmental Systems Research Institute – Business Information Solutions (ESRI-BIS), an on-line data source. Tapestry is one of only a few sources for this increasingly popular profile information.

While residents of the City of Longmont fall within 27 of the 66 categories which Tapestry defines, the majority of households, over 70 percent, fall within the following ten psychographic clusters: *Up and Coming Families; Main Street USA; In Style; Boomburbs; Milk and Cookies; Enterprising Professionals; Aspiring Young Families; International Market Place; Suburban Splendor; and, Midlife Junction.* (See table below.) A description of each is presented in the discussion which follows. The table below shows real numbers of households and residents by segment along with the local index relative to the United States (U.S. Index). The numbers presented in the U.S. Index column represent the “percent” of households and/or population over a U.S. index of 100. For example, *Up and Coming Families* has an index of 420 over the U.S. index of 100 therefore representing 4.2 times as many residents in that category as the national average.

Based on a review of the following profiles of Longmont residents, it appears that there is a potential audience (consumers) for a variety of experience retail venues (particularly for families and children) and housing products including ownership attached, rental and low-maintenance options such as zero-lot line and / or patio homes. This information will be of particular importance as the consultant team and Advisory Committee prepare development programs for catalyst sites within the study area and then present them to private sector investor audiences for consideration.

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Up and Coming Families represents the second highest growth segments – and the youngest of the affluent family segments. These days, residents are more Generation Xers than baby boomers. Despite the cohort turnover, the profile for *Up and Coming Families* neighborhoods remains young affluent families with young children. Because family and home priorities dictate the consumer purchases of *Up and Coming Families* residents, they frequently shop for baby and children's products and home and garden improvement equipment. When they can squeeze leisure time into their busy lives, they visit the zoo, attend ball games, and take adult education classes.

Table 14
Top Psychographic / Lifestyle Segments (2004)
City of Longmont, Colorado

| | Households | | Population | |
|----------------------------|------------------|---------------|------------------|---------------|
| | City of Longmont | Index to U.S. | City of Longmont | Index to U.S. |
| Up and Coming Families | 3,586 | 420 | 10,060 | 397 |
| Main Street, USA | 3,388 | 528 | 8,798 | 535 |
| In Style | 3,268 | 470 | 8,174 | 471 |
| Boomburbs | 2,727 | 472 | 8,291 | 463 |
| Milk and Cookies | 1,931 | 324 | 5,818 | 324 |
| Enterprising Professionals | 1,926 | 411 | 4,732 | 442 |
| Aspiring Young Families | 1,618 | 244 | 4,221 | 245 |
| International Marketplace | 1,470 | 424 | 4,071 | 372 |
| Suburban Splendor | 1,407 | 286 | 4,042 | 267 |
| Midlife Junction | 1,051 | 139 | 2,525 | 141 |

Source: ESRI-BIS, and LCG.

Main Street USA residents profile the American population. They are families with a growing mix of single households (household size of 2.51), have a median age of 36 years, have a comfortable middle income, and are homeowners (64 percent) living in older single-family homes. They are suburbanites who live in smaller metropolitan U.S. cities. Active members of the community, *Main Street USA* residents participate in fund-raising and volunteer programs. They enjoy taking day trips to the beach, visiting a theme park or the zoo, or occasionally taking a domestic vacation. They invest in tools bought at Home Depot or Lowe's to complete small home improvement and remodeling projects. They rely on the Yellow Pages over the Internet for information about restaurants, stores, and contractors.

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In Style residents live in the affluent neighborhoods of metropolitan areas. More suburban than urban, these households nevertheless embrace an urban lifestyle, favoring townhomes over traditional single-family houses. Professional couples are predominant in these neighborhoods. Labor force participation is high and most households have fewer children than the U.S. average. Their median age is approximately 38 years. Technologically savvy, *In Style* residents own cell phones, PDAs, and fully equipped PCs. Home remodeling and yard work are contracted out. Physical fitness is integral to their lives; they subscribe to Weight Watchers for diet control, work out in regular exercise programs, and take vitamins.

Boomburbs are the newest additions to the suburbs. These communities are home to younger families with a busy, upscale lifestyle. Most households have two workers and two vehicles. Growth is characteristic of the communities and these families. These affluent families, who recently moved to their homes, focus their attention on upgrades, furnishing and landscaping. *Boomburbs* residents spend on family, leisure, and other activities too. They are one of the top markets for sport utility vehicles. They participate in golf, tennis, and swimming and own an array of electronic equipment.

Milk and Cookies residents are young, affluent married couples who are starting their families. Many already have young children. Residents of these neighborhoods favor single-family homes in suburban areas largely in the South and West, especially Texas. Families with more than two workers, more than one child, and more than three vehicles are the norm for *Milk and Cookies* neighborhoods. Focused on family life and their future, *Milk and Cookies* residents buy baby and children's products, build their investment portfolios, and purchase insurance policies. Leisure time is spent with their children visiting the zoo, going to the movies, and visiting theme parks. To accommodate their busy lifestyle, residents buy time-saving products such as fast food and instant breakfasts.

Enterprising Professionals include young, highly educated working professionals. Single or recently married, they prefer newer neighborhoods with townhomes or apartments. Typically found in cities, these residents would rather rent than own. Their lifestyle reflects their youth, mobility and growing consumer clout. To keep in touch, *Enterprising Professionals* residents rely on cell phones, PDAs, and PCs. They use the Internet to search for a job or a place to live, track their

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investments, or shop. Enterprising Professionals residents travel for business and pleasure. They practice yoga, take aerobic classes and jog to stay physically fit.

Aspiring Young Families residents are attracted to the large, growing metropolitan areas in the South and West, with the highest concentrations in California, Florida, and Texas. These residents are mainly young, start-up families, married couples, or single parents with children. Although young with a median age of 30 years, almost half of them have already purchased start-up homes, with a high percent of townhouses. Half of them are renters who live in newer multi-unit buildings. Residents spend much of their discretionary income on their children and homes. They buy baby and children's products and toys, bedroom and dining room furniture, cameras, and VHS/DVD players. For leisure, families enjoy dining out, going to the movies, playing baseball or basketball. They spend time online visiting chat rooms, searching for employment, playing games, researching information about real estate, and making travel plans.

International Marketplace neighborhoods represent the cutting edge of immigration, one of the major demographic trends shaping the U.S. future. This developing urban market presents a blend of cultures and household types. With a median age of only 30 years, the population is young. Married-couple and single-parent families with children comprise 45 percent of the households. Most rent apartments in multiunit buildings; however, more than 30 percent have purchased a home. This market is located primarily in coastal gateway states. Home and hearth products are not the top purchases for this young segment; family is their priority. They buy medical insurance, groceries, children's clothing, and diapers. Limited income dictates careful expenditures at stores such as Target, Wal-Mart, and Kmart. For convenience, they also frequently shop at 7-Eleven and other similar stores. International Marketplace residents are loyal listeners of contemporary hit, Hispanic, and urban radio programming.

Suburban Splendor suburbanites are the epitome of upward mobility, just a couple of rungs below the top and situated recently in growing neighborhoods of affluent homes. Most are two-income families with children. The household population is younger (median age of 40 years) well educated and well employed. *Suburban Splendor* homes feature the latest amenities and home design. Residents are more likely to hire home services than undertake do-it-yourself projects. They place importance on family time and travel. They purchase time-saving gadgets and

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equipment. They are proactive in financial planning, actively investing and owning life insurance policies.

Midlife Junction residents are somewhere between the child rearing years and retirement. Few households still have children. Most of the labor force is still employed but approaching retirement. Approximately one-third of these residents already draw retirement income. Most still own their homes, but many have eschewed home ownership responsibilities and moved into multiunit apartment buildings. The housing market is a mix of single family homes and low-density apartments, somewhere between urban and rural. *Midlife Junction* residents have a median age of 40 years. They live quiet, settled lives. They spend their money prudently and do not succumb to fads. They are comfortable shopping online or by phone. Dining out on the weekends at full-service restaurants is a favorite activity; they also patronize fast-food establishments. They enjoy gardening, watching television, and reading books and the newspaper.

Real Estate Market Supply

An analysis of the performance of real estate products within a market, as well as competitive projects within a trade area, provide an indication of whether an area may be ready for new development. It also helps to identify potential gaps in the market -- niches that new development could fill. The information which follows presents a summary of current conditions for competitive commercial, office and residential properties within defined submarket areas with which the Study Area will compete.

Commercial Retail Supply Characteristics

Summary retail supply characteristics for the Boulder County Longmont Submarket⁴ as defined by Frederick Ross Company are presented as follows (See Tables 15 and 16):

- The Boulder County retail market, as defined by Frederick Ross,⁵ is comprised of approximately 5.9 million square feet of space, of which 8.7 percent was vacant as of year-end 2004. In comparison, the Boulder County Longmont Submarket is comprised of

⁴ Longmont Submarket for retail and office includes that area generally east of 75th Street, south of Ute Road, west of 119th Street, and north of Pike Road and the Longmont Diagonal.

⁵ Boulder market is largely Boulder County including the Longmont, Gunbarrel, North, Downtown, Central, East and South Submarkets.

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approximately 2.0 million square feet of space, or 35 percent of the Boulder market. Boulder County Longmont Submarket’s vacancy rate at year-end 2004 was 8.6 percent.

- New retail construction in Boulder County totaled 65,000 square feet in 2004, 24,000 square feet of which occurred in the Boulder County Longmont Submarket.
- Retail rents in the Boulder County Longmont Submarket generally range from \$7.00 to \$18.00 per square foot, and are at the low end of the range for other Boulder County submarkets.
- The Boulder County retail market as a whole experienced net negative absorption of approximately 237,000 square feet during 2004. The Boulder County Longmont Submarket experienced only slightly negative absorption of 900 square feet.

Table 15
Retail Market Detail
Boulder County Longmont Submarket and Boulder Market

| | # of Buildings | | Total Square Feet | | Vacant Sq Feet | | Vacancy Percent | | Absorp |
|-------|----------------|---------|-------------------|-------------|----------------|---------|-----------------|---------|----------|
| | Year 04 | Year 03 | Year 04 | Year 03 | Year 04 | Year 03 | Year 04 | Year 03 | |
| BLM | 30 | 29 | 2.0 million | 2.0 million | 174,700 | 150,100 | 8.6% | 7.5% | (921) |
| Total | 99 | 96 | 5.9 million | 6.0 million | 514,700 | 409,200 | 8.7% | 6.8% | (236.7K) |

Table 16
Retail Class Comparison
Boulder County Longmont Submarket and Boulder Market

| | # of Buildings | | Total Square Feet | | Vacant Sq Feet | | Vacancy Percent | | Absorp |
|----------------|----------------|---------|-------------------|---------|----------------|---------|-----------------|---------|----------|
| | Year 04 | Year 03 | Year 04 | Year 03 | Year 04 | Year 03 | Year 04 | Year 03 | |
| Large Strip | 20 | 20 | 2.0 m | 2.0 m | 174.7K | 150.1K | 8.6% | 7.5% | (921) |
| Small Strip | 60 | 57 | 1.6 m | 1.5 m | 220.6K | 184.9K | 14.0% | 12.2% | 25.2K |
| Regional Malls | 3 | 3 | 943K | 1.2 m | 20K | 20K | 2.1% | 1.8% | (194.8K) |
| Single | | | | | | | | | |

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| | | | | | | | | | |
|--------|----|----|-------|-------|--------|--------|------|------|----------|
| Tenant | 16 | 16 | 627K | 627K | 53.2K | 56.1K | 8.5% | 9.0% | 2.9K |
| Total | 99 | 96 | 5.9 m | 6.0 m | 491.3K | 409.2K | 8.3% | 6.8% | (216.0K) |

Source: Frederick Ross Research and LCG.

Absorp = Absorption BLM = Boulder County Longmont Submarket

Office Supply Characteristics

Summary office supply characteristics for the Boulder County Longmont Submarket are presented as follows (See Table 17):

- The Boulder County office market is comprised of approximately 7.6 million square feet of space, of which 18.4 percent was vacant as of year-end 2004. In comparison, the Boulder County Longmont Submarket is comprised of approximately 725,000 square feet of space, or 10% of the Boulder market. Longmont’s vacancy rate at year-end 2004 was 15.2 percent.
- New office construction in Boulder County totaled 75,000 square feet in 2004, 14,000 square feet of which occurred in the Boulder County Longmont Submarket.
- Office rents in Boulder County Longmont Submarket generally range from \$9.50 to \$14.50 per square foot, and are in the middle of the range for other Boulder County submarkets.
- The Boulder County office market as a whole experienced net positive absorption of approximately 148,000 square feet during 2004. The Boulder County Longmont Submarket accounted for one-third of this positive absorption (49,000 square feet).

Table 17
Office Market Detail
Boulder County Longmont Submarket and Boulder Market

| | # of Buildings | | Total Square Feet | | Vacant Sq Feet | | Vacancy Percent | | Absorp |
|-------|----------------|---------|-------------------|---------|----------------|---------|-----------------|---------|--------|
| | Year 04 | Year 03 | Year 04 | Year 03 | Year 04 | Year 03 | Year 04 | Year 03 | |
| BLM | 36 | 35 | 724.5K | 710.7K | 110K | 145K | 15.2% | 20.4% | 48.6K |
| Total | 256 | 262 | 7.6 m | 7.5 m | 1.4 m | 1.5 m | 18.4% | 20.0% | 148K |

Source: Frederick Ross Research and LCG.

Residential Supply Characteristics

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Summary housing supply characteristics for the Boulder County Longmont Submarket are presented as follows (See Table 18):

- According to the Meyers Group, there were approximately 590 (net) new single family units sold in 2004 in the Longmont market area⁶. Nearly one-third of these sales were townhome and condominium units.
- In 2004, average monthly sales rate for single family detached developments within the Longmont market area was 2.0 units. Comparatively, townhome and condominium projects experienced average monthly sales rates of 3.0 and 2.6, respectively. For area subdivisions, monthly absorption ranged from a low of 0.04 to a high of 4.93 with an overall average in 2004 of 2.1 units per month.
- Average housing sales prices among product types in the Longmont market area in 2004 were: \$372,000 for single family detached; \$200,000 for townhomes; and \$168,000 for condominiums. Among subdivisions within the market area during this same period, units of all types ranged from \$131,900 to \$759,000.
- At year-end 2004, the Longmont market had an inventory of approximately 1,000 units – 650 single family detached units and 350 townhome/condominium units. At current sales rates, this represents a 20- to 24- month supply of units.

⁶ Meyers Group Longmont market area approximately equals the City of Longmont and immediate areas in Boulder County around the city.

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Table 18
Residential Sales Activity

| Project Name | Builder | Type | Planned | | Overall Sales Rate (monthly) | Price Range (low) | Price Range (high) |
|---|-----------------|-------|-------------------------|--------------|------------------------------|-------------------|--------------------|
| | | | Units (current filings) | Unsold Units | | | |
| Fox Meadow/Sunfield | James Co. | TH | 168 | 47 | 4.93 | \$166,900 | \$172,900 |
| Fairways at Ute Creek | Centex | SFD | 99 | 24 | 4.71 | \$239,890 | \$348,040 |
| Renaissance/Stratford II | Capital Pacific | SFD | 172 | 69 | 4.38 | \$226,900 | \$263,900 |
| Meadow Mountain/ Inaug & Anniv. | US Home | SFD | 151 | 41 | 4.26 | \$196,950 | \$305,950 |
| Renaissance/Moor Park | Capital Pacific | SFD | 100 | 11 | 3.79 | \$234,900 | \$280,900 |
| Sonoma Village at Ute Creek | Chateau Dvlp. | Condo | 186 | 99 | 3.48 | \$153,900 | \$210,900 |
| Prairie Village | DR Horton | SFD | 125 | 91 | 2.95 | \$263,450 | \$307,950 |
| Meadow View/Townhomes | McStain | TH | 80 | 0 | 2.42 | \$199,900 | \$253,900 |
| Fox Meadow/Prairie Song | Engle | SFD | 102 | 5 | 2.12 | \$262,950 | \$314,950 |
| Fox Meadows/Fair View Condos | James Co. | Condo | 220 | 197 | 2.00 | \$131,900 | \$149,900 |
| Meadow Mountain/Rhapsody | US Home | SFD | 150 | 104 | 1.91 | \$371,950 | \$443,450 |
| Golden Bear/ Patio Homes | Metropolitan | SFD | 74 | 9 | 1.80 | \$269,900 | \$293,900 |
| Golden Bear/Townhomes | Metropolitan | TH | 68 | 3 | 1.80 | \$195,900 | \$207,900 |
| Meadow Mountain/ Chateau | Genesee Co. | SFD | 65 | 30 | 1.76 | \$385,950 | \$472,950 |
| Fox Meadow/Summerhawk | Engle | SFD | 117 | 88 | 1.62 | \$248,950 | \$299,950 |
| Renaissance/Reserve | Capital Pacific | SFD | 54 | 20 | 1.45 | \$306,640 | \$366,640 |
| Golden Bear/Condos | Metropolitan | Condo | 48 | 1 | 1.30 | \$163,900 | \$197,900 |
| Fox Meadow/Greybridge | Greybridge | SFD | 27 | 13 | 0.78 | \$589,410 | \$759,000 |
| Fox Meadows/Engle | Engle | SFD | 25 | 15 | 0.56 | \$471,950 | \$531,950 |
| Ute Creek/Sundance/Genesee | US Home | SFD | 24 | 7 | 0.55 | \$399,900 | \$528,609 |
| Ute Creek/Greybridge | Greybridge | SFD | 14 | 0 | 0.46 | \$549,000 | \$637,000 |
| Pinnacle at Ute Creek | Chateau Dvlp. | SFD | 68 | 67 | 0.05 | \$389,900 | \$512,900 |
| Quail Ridge/Crestone | Crestone | SFD | 73 | 53 | 0.04 | \$279,000 | \$292,000 |
| totals/averages | | | 2,210 | 994 | | \$291,304 | \$354,497 |
| Effective Annual Trade Area Sales Rate | | | | | 589.4 | | |

Source: Hanley Wood (Meyers Group), and LCG.

Source: Hanley Wood (Meyers Group), and LCG.