



WESTMINSTER

Staff Report

TO: The Mayor and Members of the City Council

DATE: May 1, 2013

SUBJECT: Study Session Agenda for May 6, 2013

PREPARED BY: J. Brent McFall, City Manager

Please Note: Study Sessions and Post City Council meetings are open to the public, and individuals are welcome to attend and observe. However, these meetings are not intended to be interactive with the audience, as this time is set aside for City Council to receive information, make inquiries, and provide Staff with policy direction.

Looking ahead to next Monday night's Study Session, the following schedule has been prepared:

A light dinner will be served in the Council Family Room 6:00 P.M.

CITY COUNCIL REPORTS

1. Report from Mayor (5 minutes)
2. Reports from City Councillors (10 minutes)

PRESENTATIONS

6:30 P.M.

1. Comprehensive Land Use Plan – Economic Market Assessment

EXECUTIVE SESSION

1. Discussion of strategy and progress on negotiations related to the Westminster Urban Center Redevelopment and the possible sale, acquisition, trade or exchange of property interests, including future leases, and provide instructions to the Authority's negotiators as authorized by CRS 24-6-402 (4)(a) and 24-6-402(4)(e) (*verbal*)

INFORMATION ONLY ITEMS

1. 2013 First Quarter City Council Expenditure Report

Additional items may come up between now and Monday night. City Council will be apprised of any changes to the Study Session meeting schedule.

Respectfully submitted,

J. Brent McFall
City Manager



Staff Report

City Council Study Session Meeting
May 6, 2013



SUBJECT: Comprehensive Land Use Plan Update

PREPARED BY: Sarah Nurmela, Senior Urban Designer

Recommended City Council Action

Review the Citywide Market Assessment (Attachment A) and discuss policy implications, identifying additional implications to be considered in drafting of the Concept Plan.

Summary Statement

- A Citywide Economic Market Assessment was conducted as part of the first phase of the Comprehensive Land Use Plan Update (Attachment A).
- The Market Assessment identifies potential future demand for land uses citywide and for specific focus areas in the City.
- Overall, the study identifies potential for between 2,405 and 2,860 acres of development within the City over the next 20 years. The City's limited land available for development (including 1,100 acres of vacant/unassigned land and additional sites opportune for redevelopment) means that City objectives and priorities will play a key role in determining what extent and types of land uses are ultimately absorbed by the City.
- Along with potential demand, the Market Assessment identified several growth opportunities that may have implications on land use and economic development policy for the CLUP Update, including the need to consider:
 - Planning for additional unique office development if the City wants to continue to capture growth from the US 36 high tech office corridor;
 - Identifying the appropriate mix of land uses along the I-25 corridor;
 - Where and to what extent office and industrial flex space is accommodated in the City to maintain Westminster's role as a business incubator;
 - Reserving land for hotel development along the US 36 corridor;
 - Redeveloping underutilized commercial centers along key corridors in the City; and
 - Identifying the appropriate mix of residential unit types to absorb within the City.
- The next step in the Update process includes wrapping up existing conditions and opportunity site analysis for the City and beginning development of a Concept Plan for the City.

Expenditure Required: 0

Source of Funds: N/A

Planning Commission Review

The Market Assessment was presented to the Planning Commission for comment on April 23, 2013 – the results of which will be presented to City Council at Monday nights Study Session.

Policy Issue

The Citywide Market Assessment identifies potential future demand for development within the City over the next 20 years. The amount and type of land uses that could be captured within the City exceed the City's existing vacant and available (underutilized) land. Multiple policy implications arise that will affect the extent and type of land uses that will be absorbed over the next 20 years. Are there additional policy implications than those listed below that should be considered in the development of a Concept Plan for the City?

Alternative

The City could maintain the same planning priorities as established in the 2004 Comprehensive Land Use Plan, as described in the Plan Overview in Chapter IV: Land Use and Development Plan. While many of these priorities are reflected in the draft Guiding Principles, they will not reflect the improvements and growth of the City over the past 8-10 years nor the findings of the Citywide Market Assessment. The policy implications identified by the assessment will help shape a plan for the City that is more responsive to current and future market trends. They will also be examined through the lens of growth management and resource conservation. Staff recommends moving forward with priorities that are updated and influenced by the Market Assessment analysis in order to provide a clear framework for policy decisions in the future.

Background Information

Background: A Citywide Economic Market Assessment was conducted as part of the first phase of the Comprehensive Land Use Plan Update (see Attachment A). The analysis was completed by Bill Lee of Bill Lee Land Econ (BLLE). The consultant selection and review of the analysis was a joint venture between the Planning Division and Economic Development Office.

The purpose of the Citywide Economic Market Assessment was to establish a basis for land use decisions that will be made as part of the CLUP Update. The analysis provides citywide development potential by land use as well as the potential for six specific focus areas in the City. (The focus areas were identified by City staff and represent areas with significant vacant land or redevelopment potential within the City.) The assessment examined historic and current local and regional trends, growth projections for future employment and population, and surrounding submarkets and development opportunities within and adjacent to the City. Stakeholder interviews with the business and development community and economic development entities were also conducted as part of the analysis.

The assessment was structured to accomplish the following:

- Determine the amount of land Westminster needs to provide to optimize its capture of high quality (high wage and growth oriented) employment uses, particularly along the US-36 corridor where high technology firms have clustered.
- Identify future market potential and development strategies for focus areas in the City.

- Determine the demand for residential products by type and by focus area.
- Provide the appropriate amount of commercial land so Westminster will be able to serve not only the City’s residents and employees but also the surrounding market areas.
- Provide ample acreage for the growth of commercial uses so the City generates sufficient tax revenue over time to provide high quality services to its residents and employees.

Potential Demand

The demand projections identified in the Market Assessment are a macro analysis of demand by land use type. They are a reflection of regional trends and growth in combination with local context and advantages—all of which have an impact on the amount and type of land uses that the City may attract over the next 20 years. Actual absorption of the projected demand will be dictated by the amount of available developable land, including the City’s limited supply of vacant/unassigned land (currently 1,100 acres) and underutilized land that could be redeveloped. Because the City has less available land for development than the projected demand identified by the Market Assessment, policy objectives and City priorities will ultimately dictate the amount and type of development absorbed by the City. The more detailed examination of projected demand in the six focus areas will further inform this process of allocating the extent, type and location of uses throughout the City.

Table 1 provides an overview of Citywide demand (in acres) by land use type, as identified by the Market Assessment. Overall, the study identifies potential for between 2,405 and 2,860 acres of development within the City over the next 20 years.

Table 1: Existing, Pipeline and 20-Year Market Demand

| Land Use in Acres | Existing | 20 Year Market Demand | |
|--|--------------|-----------------------|--------------|
| | Development | Low | High |
| Office | 458 | 450 | 500 |
| Industrial and Flex | 305 | 150 | 200 |
| Retail | 1,089 | 200 | 250 |
| Hotel | 56 | 65 | 80 |
| Residential | <u>6,480</u> | <u>1,540</u> | <u>1,830</u> |
| Total 20 Year Comp Plan Requirement | 8,387 | 2,405 | 2,860 |
| Residential Detail in Acres | | | |
| Single Family | 5,262 | 1,200 | 1,400 |
| Townhouses | 576 | 120 | 150 |
| Multi Family | 642 | 220 | 280 |
| Vacant/Unassigned Land | 1,100 | | |

Note: Current development projects are not reflected in the Existing Development totals. Current projects under review, approved or under construction will contribute to the 20 Year Market Demand.

Source: Bill Lee Land Econ, City of Westminster

Key Conclusions

The following conclusions can be made from the Market Assessment, all of which will have bearing on the ultimate buildout of the City.

- *Greatest growth potential is in residential and office markets.* According to the study, the strongest markets for growth in the City are for residential and office development. The greatest market potential for residential uses is for single family residential uses, with demand for up to 4,400 new units—out of a total residential demand of almost 9,500 new units. The demand for office space in the City (over 4.0 million square feet) would almost double the existing supply of 4.7 million square feet. Additional flex/office is also included as part of the forecasted demand for industrial/flex uses in the City, which could grow by an additional 1.7 million square feet of space.
- *Retail market will continue to be responsive to proactive growth strategy.* The market for retail will continue to be relatively strong within the Denver Metropolitan area. With a continued aggressive approach toward locating high quality retail development in Westminster, the City can expect to capture a net increase of 1.8 million square feet of development. Additionally, supportive mixed-use development in the WURP site will help sustain new retail development. Amenities like open space, cultural attractions and other enhancements to the urban fabric and quality of life will attract and support higher intensity development on the site.
- *Demand exceeds the remaining supply of land in the City.* The market assessment identifies a demand for new development in the City of up to 2,800 acres of land over the next 20 years. This far exceeds the City's remaining vacant land (approximately 1,100 acres). While some of this demand will be met by current development projects and potential for redevelopment of underutilized or obsolete sites in the City, the magnitude of the remaining demand will require careful policy consideration of the type and extent of land uses to be planned for the City's remaining vacant land. As much of the remaining vacant land is located along major transportation corridors like US 36 and I-25, land uses identified for these sites will have an impact on shaping the City's character and identity. Additionally, the type and scale of development will also have fiscal and economic impacts on the City, from opportunity to contribute to the City's general fund through taxable sales to retaining and attracting business with appropriate amenities and housing.

Policy Implications

The assessment identified several growth opportunities that may have implications on land use and economic development policy for the CLUP Update. As a concept plan is developed for the CLUP Update, priorities for the type, extent and location of land uses will need to be identified. Land use planning for the remaining vacant and underutilized land in the City will require choices of what markets the City wants to capture, and to what extent. The following policy implications will need to be considered as part of this planning process.

- *Plan for a complement to Westmoor along the US 36 corridor.* Over the next 20 years, the technology sector will continue to grow and expand along the US 36 corridor, with demand responding to the abundance of land in Broomfield, Superior and Louisville. In Westminster, the majority of available land designated for office space along the US 36 corridor is within Westmoor, which will likely be absorbed over the next seven to ten years. If Westminster wishes to remain a major competitor for technology companies, planning for a complementary office development to Westmoor should be considered. Properties in the

general vicinity of Wadsworth/US 36/Church Ranch Boulevard are strategically located to become that successor because they are situated adjacent to Westminster's strongest office, retail and hotel location at the Church Ranch Boulevard and US 36 interchange and Westminster's highest quality and most successful business park at Westmoor.

- *Balance of land uses and demand in the I-25 corridor.* The market assessment projects that a mix of commercial (retail, office and hotel), institutional and residential uses would be supported in Westminster's North I-25 area. The technology powered demand for office and business park development in the US 36 corridor is not expected to overflow into the I-25 corridor in any significant manner over the next 20 years. However, the area's accessibility to Fort Collins, downtown Denver and Denver International Airport, along with expanding medical uses (Children's North and University of Colorado Health campuses in Broomfield and St. Anthony's Medical Center in Westminster) and planned residential development between Westminster and E-470, the area will gradually develop its own office market. New projects like the planned North Park research and corporate center in Broomfield may also capture and create additional office market demand along the I-25 corridor. However, preservation of an excess amount of land in the I-25 corridor for future office development at the expense of residential development could impact the sales ramp-up of existing retail projects like the Orchard Town Center that built in advance of much of its residential market. The City will need to identify to what extent potential ancillary residential development may complement existing retail and future office/employment uses in the area.
- *Distribution of industrial and office flex space in the City.* The market assessment identifies the greatest potential demand for industrial flex space in the Park Centre area of the City, with additional potential in the Wadsworth (Westmoor) and Westminster Center areas in the City. Flexible space for both office and industrial uses that serves as business incubators is an important aspect of the City's economy. As the City plans for future land use distribution, it will need to consider where flex space will best be located to take advantage of existing and future synergies.
- *Reserve land exclusively for hotel development.* Westminster enjoys a strategic location for hotel development in support of the office employment growth in the US 36 Technology Corridor. Hotels generate a considerable amount of General Fund revenue because of the seven percent accommodation tax, and they provide support for local restaurants and shops. At a typical size of five acres, a mid-market hotel can generate \$100,000 per acre per year for the General Fund. Because of the solid market potential, fiscal desirability of hotels and the fact that they don't generate much peak hour traffic, it would be in the City's interest to promote hotel development. Since hotel development is very site sensitive, the reservation of the best hotel sites for such development is an obvious strategy. The market assessment recommends reserving 75 to 90 acres of hotel land, with the majority located along the US 36 corridor and remainder along the I-25 corridor.
- *Reuse and/or redevelopment opportunities, particularly along older commercial corridors.* With the City's proactive support of high profile regional retail development, recently at Orchard Town Center and now at the WURP, some of the older and poorly located retail centers may become obsolete for continued retail use. Many older shopping centers have high vacancy and poor visibility or more challenging locations in comparison to newer centers. Many of these centers are located along major commercial corridors like Wadsworth Parkway, Sheridan Boulevard and Federal Boulevard. The planning and rezoning of these properties to encourage transition to a more productive future use will be an important policy consideration. The types of land uses that will be most appropriate for redevelopment will

also need to be considered, with respect to development feasibility, surrounding land use context and future visions for how each corridor may evolve.

- *Multifamily versus single family residential development.* The City of Westminster has a lower proportion of single family housing units (68%) than other adjacent or similarly sized cities in the Denver area (approximately 72% in Broomfield, 72% in Thornton, 78% in Arvada, 85% in Highlands Ranch and 87% in Centennial). The market assessment projects demand for over 9,400 residential units over the next 20 years, half of which would be single family, the other multifamily. This demand for residential development far exceeds the City's available land—only a fraction of this demand may ultimately be absorbed within Westminster. The City will need to determine the appropriate amount, densities and locations of residential development as it reaches build-out. Specific factors for consideration will include the impact to water resources and infrastructure to serve higher intensity developments, land availability for larger single family developments and opportunities to focus higher intensity residential uses in activity centers (Westminster Center, TOD, major employment centers) or in revitalization areas (commercial corridors) versus isolated locations with limited walkability and access to services.

Next Steps

The demand projected by the Market Assessment will serve as a basis for land use decisions, along with multiple other factors and competing interests from location and site context to water supply and view preservation. Additional policy considerations identified by the Citywide existing conditions analysis, combined with the implications identified by the Market Assessment will help identify key issues to address by a Citywide Concept Plan. The Concept Plan will propose land uses and other physical changes or improvements to the City both citywide and by focus area. These changes will be analyzed in terms of their impact to existing development, traffic and circulation through the City and economic/fiscal impact. The Concept Plan will be vetted by Planning Commission, City Council and citywide public outreach including community open houses, online surveys and social media.

In order to move forward in the planning process, City staff is gathering input from Planning Commission and City Council members on the policy implications presented in this staff report. Planning Commission and City Council comments will be integrated into the policy implications and Market Assessment findings which will then be posted to the CLUP Update website.

Next steps in the planning process include completing analysis of existing conditions and identification of opportunity sites, and initiating development of the Concept Plan. City Staff will return to the City Council to present the initial Concept Plan framework in summer of 2013.

Strategic Goals

The update to the CLUP supports all of the City's strategic goals. A major focus of the resulting Comprehensive Plan will be on supporting and building the City's "Strong, Balanced Local Economy" through opportunities for new employment, redevelopment of key Focus Areas and attracting a wide range of residents, workers and visitors to the City. The Comprehensive Plan will also ensure that growth within in the City is in concert with an adequate water supply and high quality infrastructure—both of which contribute to a "Financially Sustainable City Government Providing Exceptional Services." The Comprehensive Plan's focus on providing key public services like fire and police, as well as ensuring a high quality community design and image contribute to providing a "Safe and Secure Community." Likewise, this focus on community design and image, along with identifying opportunities for new mixed-use neighborhood and urban centers will support "Vibrant

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May 6, 2013

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Neighborhoods in One Livable Community.” Finally, the Comprehensive Plan’s focus on parks and open space, as well as sustainability and the environment will ensure that Westminster continues to be

a “Beautiful and Environmentally Sensitive City.” The public outreach process and Guiding Principle development are key components of the CLUP Update.

Respectfully submitted,

Brent McFall
City Manager

Attachments:

Attachment A: Citywide Market Assessment

City of Westminster Economics and Market Study

Prepared for:

City of Westminster, Colorado

Submitted by:

Bill Lee Land Econ Consultants

98 Dudley Avenue, Piedmont, CA 94611

Date March 21, 2013

Project No. 1209.011

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General and Limiting Conditions

Every reasonable effort has been made to ensure that the data and information contained in this report are accurate as of the date of this study. However, factors exist that are outside the control of Bill Lee Land Econ Consultants (BLLE) that may affect the estimates and forecasts contained herein. This study is based upon research information, estimates, assumptions and forecasts developed by Bill Lee Land Econ Consultants and its subconsultants from independent research efforts and knowledge of the industry. BLLE does not assume responsibility for inaccurate information provided by the clients, the client's agents and representatives, or other data sources used in the preparation of this study. The report is based upon information current as of November 2012. BLLE has not undertaken any updates of its research since such date.

Because future events and circumstances, many of which are not known or predictable as of the date of this study, may affect the estimates contained therein, no warranty or representation is made by Bill Lee Land Econ Consultants that any of the projected values or results contained in the study will actually be achieved.

This study may only be used for the City of Westminster Comprehensive Plan and related land use planning efforts. This report is not to be used in conjunction with any public or private offering of securities, debt, equity or other similar purposes where it may be relied upon by persons other than the client, nor is any third party entitled to rely upon this report. This study may not be used for purposes other than for which it was prepared or for which prior written consent has first been obtained from Bill Lee Land Econ Consultants. This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

I. Introduction

The City of Westminster is embarking on an update of its Comprehensive Plan, which will guide its land use decisions through 2025 and beyond. Over this planning horizon, the City's growth and expansion will transition from the absorption of vacant land at the suburban fringe to intensification of selected urban districts. This land use intensification will be accompanied by employment intensification as the City pursues its economic strategy of expanding bio-medical and high technology industries. The city is constrained in development potential by the availability of vacant, developable land. From 2004 to 2012, vacant developable land in Westminster decreased from approximately 5,000 acres to 1,600 acres (undeveloped or vacant land without active entitlements).

Maintaining its role as a regional retail center is also of importance to the City, particularly along the US-36 and I-25 corridors. Completed early in the Comprehensive Plan update process, the Citywide Economic Market Assessment provides a realistic framework for land planning, infrastructure investment and economic policy decisions. Specifically, this citywide and focus areas market assessment has been structured to accomplish the following:

- Determine the amount of land Westminster needs to provide to optimize its capture of high quality (high wage and growth oriented) employment uses, particularly along the US 36 corridor where high technology firms have begun to cluster.
- Identify other key focus areas at the outset of the study and determine their future market potential and development strategy.
- Determine future demand for retail and suggest how Westminster's retail/restaurant strategy may be employed to induce the intensification of quality employment and housing.
- Determine the demand for residential products by type and by focus area.
- Provide the appropriate amount of commercial land so Westminster will be able to serve not only the city's residents and employees but also the surrounding market areas.
- Provide ample acreage for the growth of commercial uses so the City generates sufficient tax revenue over time to provide high quality services to its residents and employees.

Demand projections identified in the market assessment are a macro analysis of demand by land use type. Actual absorption of the projected demand will be dictated by the amount of available developable land, including the city's limited supply of vacant/unassigned land (currently 1,100 acres) and underutilized land that could be redeveloped. Because the city has less available land for development than the projected demand identified by the Market Assessment, policy objectives and City priorities will ultimately dictate the amount and type of development absorbed by the city. Likewise, the projected demand for each focus area is intended to provide a guide for what types and extent of land uses the city could pursue in each area.

This study was prepared by Bill Lee Land Econ Consultants (BLLE) with William "Bill" Lee serving as project manager/chief analyst and Tanya Chiranakhon providing assistance in research, analysis and report preparation.

II. Executive Summary

Recommended Citywide Comp Plan Acreage

The regional economic forces driving future real estate demand in Westminster, particularly demand for commercial and industrial land uses, align along two freeway corridors, US 36 and I-25. The US 36 corridor connects Denver and Boulder. Firms located in this corridor are able to select talent from the large Denver regional labor market and use their salary expenditures in the most cost effective manner. From this location these firms are also able to readily access the intellectual brain power based in Boulder because of the presence of the University of Colorado and federal laboratories like the National Center for Atmospheric Research, National Institute of Standards and Technology, and National Oceanic and Atmospheric Administration. These labs have been making some of the world's most important discoveries about earth and beyond. The technology sector momentum in this corridor is driving demand for office space, hotels, restaurants, retail shops and residential development.

The I-25 corridor connects Denver with Fort Collins. Growth along this corridor is the more typical suburban expansion of the Denver Metropolitan Area due to the availability of vacant land and the convenient access provided by I-25 and the new Northwest Parkway. Housing development resulting in population growth drives the development of retail, medical and educational services. When the local population reaches sufficient numbers, services that use local office space will follow. These would include financial, real estate, insurance and medical services. Demand for land use in the US 36 corridor is likely not transferable to the I-25 corridor due to this underlying economic distinction. When the 20 year future real estate demand of the two corridors are combined into a whole for the city, BLLE recommends that the Westminster Comprehensive Plan provide the acreage capacities shown in Table 1 below. This table also shows the acreages occupied by the existing developed parts of the city and the projects in the development pipeline.

The recommended Comprehensive Plan commercial and industrial acreages exceed projected 20-year demand for strategic economic development reasons. This is because a market forecast is a forecast based upon reasonable and foreseeable expectations about the future. Actual events in the global, national, regional or local economies could cause demand to vary from any forecast. In addition, some well located, serviced and entitled commercial properties may show as vacant and available on a zoning map but are in fact held off the market for various reasons. Most important of all, in a market economy the supply of available land affects price; and scarcity increases price and high prices discourage absorption. Having a supply that is well in excess of demand is essential for land market competition, and that competition makes it more likely that Westminster will reach its projected absorption. This report may only be used for the preparation of the City of Westminster Comprehensive Plan and related land use planning efforts.

Table 1: Existing, Pipeline and Recommended Comp Plan Acreages Based Upon 20-Year Market Demand and City Objectives

| Land Use in Acres | Existing | 20 Year Market Demand | |
|--|--------------|-----------------------|--------------|
| | Development | Low | High |
| Office | 458 | 450 | 500 |
| Industrial and Flex | 305 | 150 | 200 |
| Retail | 1,089 | 200 | 250 |
| Hotel | 56 | 65 | 80 |
| Residential | <u>6,480</u> | <u>1,540</u> | <u>1,830</u> |
| Total 20 Year Comp Plan Requirement | 8,387 | 2,405 | 2,860 |
| Residential Detail in Acres | | | |
| Single Family | 5,262 | 1,200 | 1,400 |
| Townhouses | 576 | 120 | 150 |
| Multi Family | 642 | 220 | 280 |
| Vacant/Unassigned Land | 1,100 | | |

Note: Current development projects are not reflected in the Existing Development totals. Current projects under review, approved or under construction will contribute to the 20 Year Market Demand.

Source: Bill Lee Land Econ, City of Westminster

Citywide and Focus Area Demand

The forecasts of citywide and focus areas demand by land use and by ten year periods are detailed in **Table 2**. Over the next 20 years, Westminster is projected to be able to support the construction of 4.0 million square feet of office space, 1.7 million square feet of industrial or flex space, and 1.9 million square feet of additional retail space. In addition, demand is projected for an additional 2,100 to 2,200 hotel rooms and 9,000 to 10,000 residential units. It should be noted that these demand projections are not recommendations for how much land or what types of land uses should be developed. The policy objectives of the City will determine the extent and type of land uses to be located on remaining vacant land in the city. These projections serve as a guide to help determine the location and potential opportunities both citywide and in specific focus areas.

Table 2: Citywide and Focus Area Development Potential

| Land Use | 1A: Wadsworth North | | | | 1B: Wadsworth South ¹ | | | | 2: US-36 & 104th/Church Ranch | | | | 3: Westminster Center and Vicinity | | | |
|---------------------|-----------------------------------|-----------|-----------|---------|-----------------------------------|-----------|-----------|---------|-----------------------------------|-----------|-----------|---------|------------------------------------|-----------|-----------|---------|
| | Existing Development ² | 2012-2022 | 2022-2032 | 2012-32 | Existing Development ² | 2012-2022 | 2022-2032 | 2012-32 | Existing Development ² | 2012-2022 | 2022-2032 | 2012-32 | Existing Development ² | 2012-2022 | 2022-2032 | 2012-32 |
| Office (1,000 SF) | 273 | 152 | 596 | 749 | 106 | 48 | 64 | 112 | 295 | 419 | 383 | 803 | 147 | 229 | 320 | 548 |
| Ind/Flex (1,000 SF) | 0 | 167 | 83 | 250 | 245 | | | | 0 | | | | 468 | 21 | 7 | 28 |
| Retail (1,000 SF) | 300 | 39 | 54 | 92 | 1,709 | (17) | (17) | (34) | 633 | 215 | 148 | 363 | 1,849 | 446 | 238 | 685 |
| Hotel (Rooms) | 0 | | 108 | 108 | 0 | | | | 551 | 280 | 320 | 600 | 203 | 120 | 240 | 360 |
| Residential (Units) | - | 261 | 193 | 454 | - | 87 | 111 | 198 | - | 652 | 674 | 1,326 | - | 435 | 371 | 805 |
| Single Family | - | 217 | 135 | 353 | - | | | | - | 326 | 254 | 580 | - | | | |
| Townhouses | - | 43 | 58 | 101 | - | | | | - | 65 | 87 | 152 | - | | | |
| Multi Family | - | | | | - | 87 | 111 | 198 | - | 261 | 334 | 594 | - | 435 | 371 | 805 |

| Land Use | 4: North I-25 Area | | | | 5: Park Centre Area | | | | 6: 72nd Ave & Federal Blvd | | | | City of Westminster ³ | | | |
|---------------------|-----------------------------------|-----------|-----------|---------|-----------------------------------|-----------|-----------|---------|-----------------------------------|-----------|-----------|---------|-----------------------------------|-----------|-----------|---------|
| | Existing Development ² | 2012-2022 | 2022-2032 | 2012-32 | Existing Development ² | 2012-2022 | 2022-2032 | 2012-32 | Existing Development ² | 2012-2022 | 2022-2032 | 2012-32 | Existing Development ² | 2012-2022 | 2022-2032 | 2012-32 |
| Office (1,000 SF) | 0 | 128 | 383 | 511 | 1,238 | 38 | 213 | 251 | 56 | 57 | 85 | 142 | 4,668 | 1,905 | 2,130 | 4,035 |
| Ind/Flex (1,000 SF) | 0 | | | | 1,031 | 469 | 380 | 849 | 38 | | | | 3,221 | 1,042 | 691 | 1,733 |
| Retail (1,000 SF) | 428 | 69 | 269 | 337 | 379 | 26 | 46 | 71 | 524 | 127 | 139 | 267 | 9,288 | 964 | 898 | 1,862 |
| Hotel (Rooms) | 0 | | 240 | 240 | 0 | | | | 18 | | 80 | 80 | 2,222 | 792 | 1,090 | 1,882 |
| Residential (Units) | - | 315 | 382 | 697 | - | 130 | 148 | 280 | - | 98 | 123 | 221 | - | 5,434 | 4,028 | 9,462 |
| Single Family | - | | | | - | | | | - | | | | - | 2,717 | 1,692 | 4,409 |
| Townhouses | - | 54 | 48 | 103 | - | | | | - | 54 | 68 | 122 | - | 543 | 483 | 1,027 |
| Multi Family | - | 261 | 334 | 594 | - | 130 | 148 | 280 | - | 43 | 56 | 99 | - | 2,174 | 1,853 | 4,026 |

¹ 20% of the citywide demolition of retail space has been allocated to this area and the remaining 80% are allocated to areas outside the Focus Areas

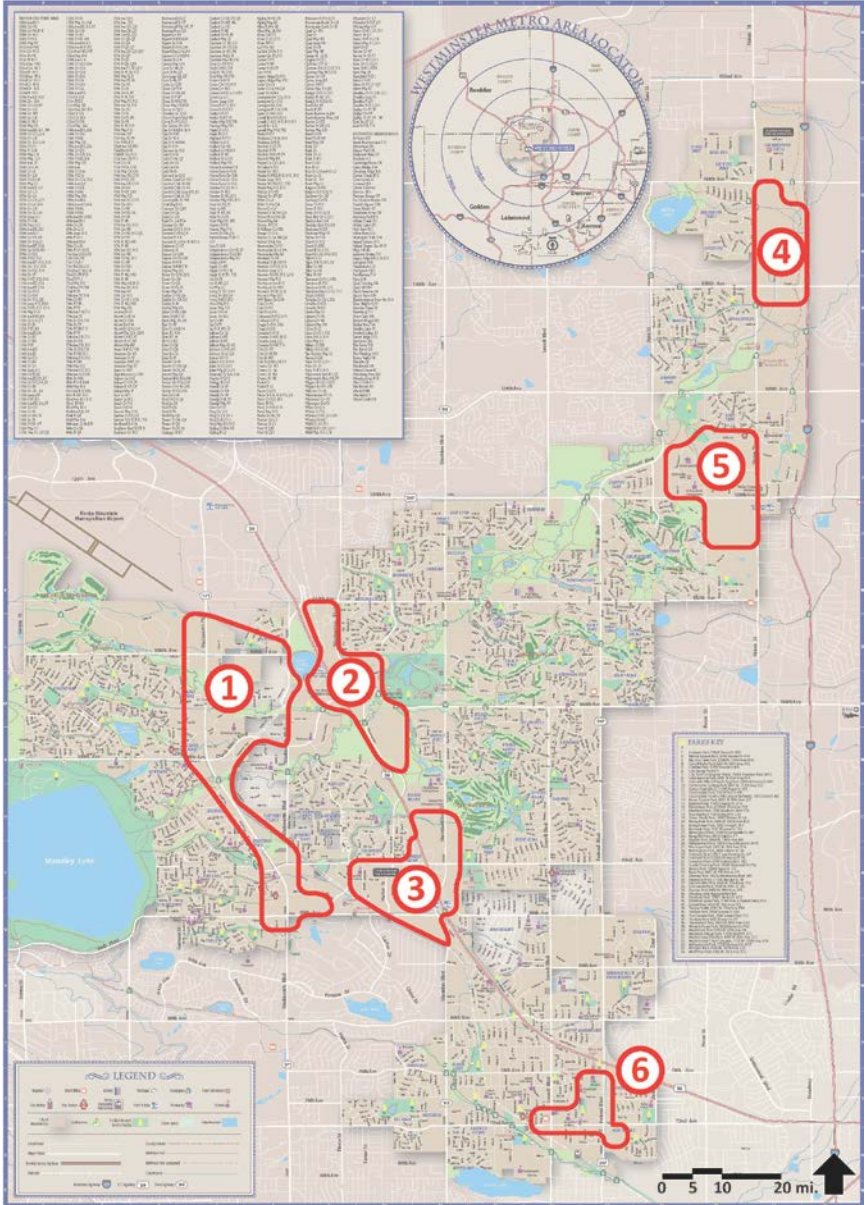
² For non-residential land uses only

³ Includes areas outside of the six focus areas

Development Potential for Each Focus Area

Because real estate demand is location-sensitive and demand for one part of Westminster does not necessarily transfer to another particularly in light of the different economic drivers for the two corridors, a solid understanding of the development potential of different areas is essential for effective land planning. For these reasons, this study analyzed the development potential for six focus areas (see Figure 1).

Figure 1: Map of Six Focus Areas



Wadsworth Corridor North (1A)

The Wadsworth Corridor Focus Area, as defined by the City, is rather large. For this reason, the analysis separated this focus area into two subareas, Wadsworth Corridor North and South. The Wadsworth Corridor North Area is generally the area with frontage on or surrounded by Wadsworth Parkway on the west, 111th Avenue on the north, the commuter rail tracks on the east, and Church Ranch Boulevard on the south. It enjoys a strategic location in the US 36 Technology Corridor between the Westminster's strongest office, retail and hotel location at the Church Ranch Boulevard and US 36 interchange on the east and Westminster's highest quality and most successful business park (Westmoor) on the west. It is also very close to the Rocky Mountain Metropolitan Airport often used by executives visiting this corridor and is also close to the restaurants and services offered at the Shops at Walnut Creek.

Westmoor has sufficient vacant and available office property to accommodate demand growth for the next seven to ten years. If Westminster wishes to remain a major competitor for the technology companies that are coming to the US 36 corridor beyond the next ten years, it should plan for a technology office and industrial district that will succeed Westmoor either within the Wadsworth Corridor Focus Area or in the vicinity along US 36.

Wadsworth Corridor South (1B)

Only minor and incremental change is expected for the Wadsworth Corridor South Focus Area, defined as the Wadsworth Parkway frontage from 88th Avenue to 92nd Avenue. Assuming successful redevelopment of the Westminster Urban Reinvestment Project (WURP) site, some loss of retail space can be expected from this area. Land market economics could cause some or all portions of a local shopping center, which is below the roadway level and does not enjoy great visibility from the parkway, to convert to multi-family residential use. There is likely market support for a modest amount of local serving offices, consisting of medical or dental offices, real estate firms, insurance offices and banks.

US 36 & 104th/Church Ranch Interchange (2)

This focus area extends from the Circle Point office development on the north to the vacant property south of the Butterfly Pavilion. It includes the Shops at Walnut Creek on the west and the Promenade and Westin Hotel on the east. This area enjoys the strongest regional location within Westminster for several types of development. It has market potential for office (corporate and multi tenant), hotel, restaurant and retail development. The portions of this area that are buffered from the freeway (US 36) and major traffic arterials by either distance or another land use would also enjoy strong market support for residential development ranging from single family to townhouses and multi-family apartments and/or condominiums.

Westminster Center and Vicinity (3)

The core of this focus area is the Westminster Urban Reinvestment Project (WURP) site, but the area extends west to commuter rail tracks and Pierce Street and east to across US 36 and up the Sheridan Boulevard to 96th Avenue. For the WURP site the market analysis suggests strong potential for comparison shopping (department stores, and apparel and accessory shops), sit down restaurants and multifamily residential development in the near term and for office and hotel development in the intermediate term future. Given the size of the property some disaggregation into smaller blocks would facilitate project phasing and development by multiple developers creating a more market responsive urban texture. If the City were to pursue an aggressive approach to redevelopment of the WURP site (through a joint public/private partnership) as planned, additional development potential beyond the natural market demand for the site would be possible.

North I-25 Area (4)

While the US 36 corridor is the rapid technology development and high employment growth corridor, the I-25 corridor is characterized by housing development and population growth. The Orchard Town Center, Wal-Mart and Lowe's have developed in anticipation of the growth in rooftops and to pre-empt their competition. Given the large amount of acreage available, the market analysis anticipates demand for a mix of uses on these properties, including office, hotel, retail, townhouses and multi-family apartments and/or condominiums.

Park Centre Area (5)

This area provides the largest concentration of industrial property within Westminster and includes the Park Centre Business Park on the north side of 120th Avenue and the 140-acre Avaya site on the south side. For the Park Centre properties, the market analysis suggests continued sales and leasing to industrial and flex space users with increased interest from office users in seven to ten years. For the large former Avaya manufacturing facility property, the market indicates industrial reuse with some office intermixed. Minor retail development is likely supportable along either the 120th Avenue or the Huron frontage. The housing market would support the transition of the western portion of this property to multi-family residential use.

72nd Avenue and Federal Boulevard Area (6)

With Federal Boulevard having interchanges with US 36, I-76 and I-70 further south and being near the hub of the regional freeway system, this area has the best regional access of all the retail sites evaluated. It consists of the frontage on 72nd Avenue from the rail tracks to Federal Boulevard and the properties immediately north of the frontage parcels on the north side of 72nd plus the frontage on Federal Boulevard from 76th Avenue to 72nd Avenue. It also includes the Westminster Plaza Shopping Center. Given the built out nature of much of this area, the market outlook is for incremental intensification of individual properties or from the private assembly of two or three properties. Supportable uses include community retail, small-scale office, in-fill residential consisting of townhouses or small apartment complexes, and possibly even a limited service hotel. Retailers and food service providers catering to the market area's Hispanic population may have more success than mainstream national chains that take a one formula works everywhere approach. The exception is the approximately 30-acre vacant parcel southeast of the intersection, which has good potential for community retail and possibly a hotel along the commercial frontage and residential in the interior.

III. Economics and Demographic Overview

Westminster is northwest of Denver, located almost halfway between Denver and Boulder and straddles US 36. Originally founded during the gold rush period in the South Platte River Valley, it grew through the planting of fruit orchards, which were in turn developed into housing and businesses along the Denver-Boulder Turnpike. Key developments in Westminster included Westminster University in the early 1900s, and the Westminster Mall, which was a successful retail magnet from its opening in 1977 until its decline in 2005. One of the main attractions of Westminster is its proximity to Denver and Boulder.

Regional Context

Westminster is part of the Denver Metropolitan Area, and local employers depend on the Metro Area labor pool and local residents take advantage of Denver's urban amenities. Westminster has historically lacked a downtown, but the City is moving to develop a walkable urban center on the site of the former Westminster Mall, known as the Westminster Urban Reinvestment Project (WURP). This site is one of three planned stops in Westminster for the 41-mile Northwestern Rail commuter line from Longmont to Union Station in Denver. Development has also been increasing in the northeastern part of the city along I-25. The Orchard Town Center, opened in 2008, attracts visitors from neighboring communities and provides amenities and services for residents in the northeastern part of Westminster.

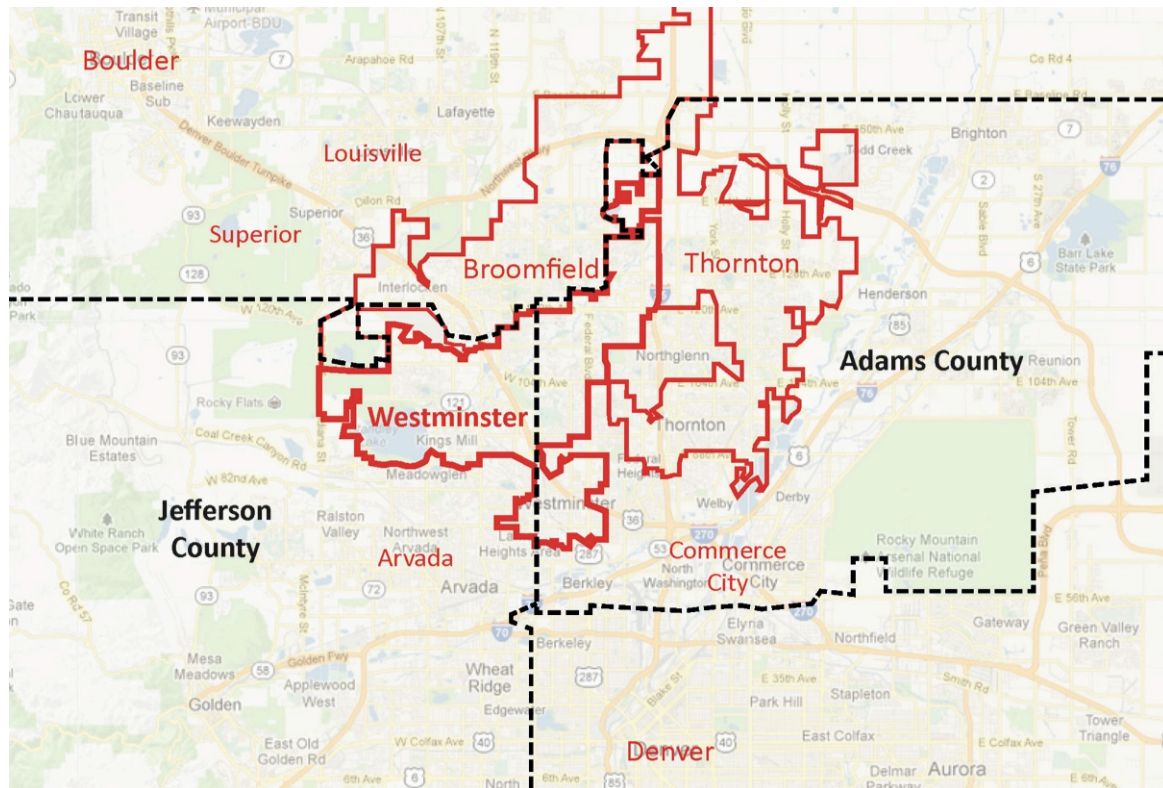
Westminster benefits from intellectual capital produced by the University of Colorado in Boulder, which is the largest employer in Boulder and is located 15 miles from Westminster. Boulder anchors one end of the already-prominent and still growing US- 36 Technology Corridor stretching from Westminster to Boulder. Companies located along the corridor are in various fields including bioscience, information technology, aerospace and robotics. Many of these companies started from research at CU, or from a number of technology incubators in the area. Important federal laboratories are also located in Boulder adding to that city's intellectual power.

Availability of a skilled and educated workforce is shown by a sampling of the top private employers in Westminster: Avaya (high-tech telecommunications), McKesson Information Solutions (health care information systems), St. Anthony's North Hospital (health care service provider), Ball Corporation (packaging products and aerospace), and Trimble (GPS and positioning technologies). Additionally, a significant number of small startups are continually launched in Westminster and the neighboring cities of the US 36 corridor.

According to a 2011 Brookings Institution report, Denver was the number one U.S. city for attracting young workers ages 25 to 34. In 2006 Money magazine ranked Westminster itself the 24th best place in the U.S. to live. Commonly cited reasons for the attraction of the area to residents are the ease of access to nature and the outdoors, a rich variety of work opportunities, proximity to urban centers but with improved affordability and greater access to open space.

Two main airports serve Westminster. Rocky Mountain Metropolitan Airport serves executive and charter needs and is less than ten miles from most of the city. The Northwest Parkway toll road connects I-25 to US 36 in Broomfield, just north of Westminster, and provides a direct link to E-470 and Denver International Airport (DIA), which can also be reached via I-70 from US 36.

Figure 2: Westminster Regional Context Map



Population Growth and Forecast

From 2001 to 2011, Adams County gained over 91,600 people, an increase of over 25 percent. During the same period, Jefferson County grew by over 11,000, an increase of just two percent. Approximately five percent of the population growth in these two counties was in the City of Westminister. The US Census estimates that Westminister's population grew from 102,600 in 2001 to 108,000 in 2011. The population of Weld County, to the north of Westminister, increased by 35 percent, adding over 66,300 new residents. Generally, the population of Westminister has grown at a slower rate in comparison to neighboring cities and counties, as well as the region overall due to limited vacant land for development. Growth in neighboring cities of Broomfield and Thornton were examined as they were seen as competitive areas for future commercial and industrial development. While the City of Westminister grew at an average annual rate of 0.5 percent, Broomfield and Thornton grew over six times faster, with average annual rates of 3.3 percent. Only the City of Boulder, with its strict controls on growth and limited vacant land, grew at a slower rate. Overall, Denver MSA grew at an average annual rate of 1.5 percent (see Table 3).

The Colorado State Department of Local Affairs projects population growth from between 2010 and 2030 for Adams County and Jefferson County at 1.7 and 0.7 percent annual growth rate, respectively. The Denver MSA is projected to increase at 1.4 percent annually. Based on these growth rates and historic population trends, projected populations by 2030 will reach 618,300 in Adams County and 615,200 in Jefferson County. The growth in these two counties represents over 32 percent of projected population growth in the Denver MSA (see Table 4).

Household Income

In 2011, the median household income in Westminster was \$61,500, approximately 3.8 percent higher than that of the Denver MSA. Of the jurisdictions examined (including Broomfield, Thornton, Boulder and Denver), Broomfield had the highest median household income, at \$73,800, and Denver had the lowest, at \$47,400. Among the neighboring cities, with the exception of Thornton, Westminster had the slowest rate of median household income growth of 0.3 percent between 2005 and 2011. Median household income grew the fastest in Boulder during this period, with an annual growth rate of 3.7 percent. Across the Denver MSA, median household income grew at an annual rate of 1.3 percent to \$59,200 in 2011 (see Table 5).

Employment Growth and Forecast

Employment growth in the Denver MSA region has been stagnant between 2001 and 2011, with an overall increase of 2,600 jobs in a market with over 1.2 million total employment. Employment changes are reflected by the economic cycles. Following three years of job losses, employment grew for five consecutive years from 2004 to 2008. In 2009 and 2010, 59,600 jobs were lost in the recession years. In 2011, the 18,100 increase in jobs was a strong sign of regional economic recovery, as shown in Figure 3 and Table 6.

Figure 3: Denver-Aurora MSA Total Nonfarm Employment

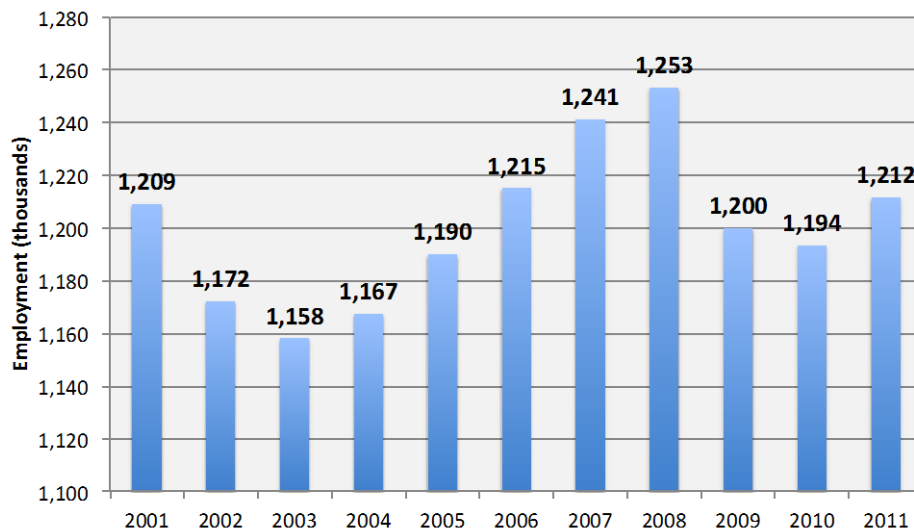


Table 3: Westminster Area Population Trends

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2001 - 2011 | |
|------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|-------------|
| | | | | | | | | | | | | Abs Growth | CAGR |
| Westminster City | 102,620 | 103,667 | 103,679 | 103,804 | 104,218 | 104,921 | 105,945 | 107,371 | 109,180 | 106,114 | 107,967 | 5,347 | 0.5% |
| Adams County | 359,816 | 370,753 | 377,464 | 384,809 | 395,146 | 406,575 | 415,746 | 424,913 | 435,700 | 441,603 | 451,443 | 91,627 | 2.3% |
| Jefferson County | 528,845 | 527,851 | 524,940 | 520,900 | 519,675 | 521,662 | 524,911 | 529,003 | 531,961 | 534,543 | 539,884 | 11,039 | 0.2% |
| Weld County | 192,278 | 202,234 | 208,858 | 215,322 | 222,879 | 230,703 | 237,692 | 243,442 | 248,193 | 252,825 | 258,638 | 66,360 | 3.0% |
| Broomfield City / County | 41,436 | 42,522 | 45,098 | 46,591 | 48,490 | 51,454 | 53,664 | 54,813 | 55,990 | 55,889 | 57,352 | 15,916 | 3.3% |
| Thornton City | 88,112 | 93,436 | 96,952 | 100,653 | 103,815 | 107,444 | 110,653 | 114,197 | 117,628 | 118,772 | 121,435 | 33,323 | 3.3% |
| Boulder City | 94,984 | 95,759 | 95,895 | 96,412 | 97,233 | 98,305 | 98,521 | 99,466 | 100,160 | 97,385 | 98,889 | 3,905 | 0.4% |
| Denver City / County | 564,411 | 561,072 | 558,351 | 558,506 | 561,323 | 568,692 | 578,789 | 593,086 | 610,345 | 600,158 | 619,968 | 55,557 | 0.9% |
| Denver-Aurora-Broomfield MSA | 2,246,785 | 2,276,250 | 2,297,441 | 2,321,712 | 2,353,518 | 2,399,620 | 2,449,476 | 2,500,384 | 2,552,195 | 2,543,482 | 2,599,504 | 352,719 | 1.5% |
| Colorado State | 4,433,068 | 4,504,265 | 4,548,775 | 4,599,681 | 4,660,780 | 4,753,044 | 4,842,259 | 4,935,213 | 5,024,748 | 5,029,196 | 5,116,796 | 683,728 | 1.4% |

¹ Data for 2010 as of April of that year and reflects Census 2010 estimates. All other data are as of July of that year.

Source: US Census Bureau

Table 4: Westminster Area Population Projections

| Region / Counties | 2010 | 2015 | 2020 | 2025 | 2030 | 2010 - 2030 | |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------|
| | | | | | | Abs Growth | CAGR |
| Adams County | 441,603 | 481,886 | 525,350 | 573,761 | 618,319 | 176,716 | 1.70% |
| Jefferson County | 534,543 | 550,442 | 573,899 | 595,995 | 615,178 | 80,635 | 0.70% |
| Weld County | 252,825 | 281,143 | 326,772 | 383,264 | 442,700 | 189,875 | 2.84% |
| Denver - Aurora MSA | 2,543,482 | 2,732,662 | 2,942,481 | 3,153,423 | 3,342,357 | 798,875 | 1.38% |
| Colorado State | 5,029,196 | 5,415,977 | 5,891,881 | 6,387,491 | 6,860,189 | 1,830,993 | 1.56% |

Source: UC Census Bureau, Colorado State Department of Local Affairs and BLLE

Table 5: Westminster Area Median Household Income Trends

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2005 - 2011 | |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|-------------|
| | | | | | | | | Abs Growth | CAGR |
| Westminster City | 60,265 | 57,959 | 58,498 | 64,199 | 60,662 | 60,242 | 61,503 | 1,238 | 0.3% |
| Adams County | 50,650 | 50,575 | 52,110 | 56,529 | 53,790 | 52,711 | 52,325 | 1,675 | 0.5% |
| Jefferson County | 60,944 | 60,483 | 64,416 | 66,344 | 66,012 | 63,826 | 64,292 | 3,348 | 0.9% |
| Weld County | 48,763 | 52,543 | 52,133 | 56,065 | 54,710 | 51,956 | 51,059 | 2,296 | 0.8% |
| Broomfield City / County | N/A | N/A | 69,419 | 72,170 | 73,875 | 73,616 | 73,777 | N/A | N/A |
| Thornton City | 63,636 | 58,042 | 66,485 | 70,621 | 58,670 | 62,512 | 62,144 | -1,492 | -0.4% |
| Boulder City | 46,002 | 47,577 | 52,759 | 57,231 | 47,967 | 52,618 | 57,112 | 11,110 | 3.7% |
| Denver City / County | 42,370 | 40,900 | 44,444 | 45,831 | 46,410 | 45,074 | 47,371 | 5,001 | 1.9% |
| Denver-Aurora-Broomfield MSA | 54,896 | 54,994 | 58,875 | 60,344 | 59,007 | 58,732 | 59,230 | 4,334 | 1.3% |
| Colorado State | 50,652 | 52,015 | 55,212 | 56,993 | 55,430 | 54,046 | 55,387 | 4,735 | 1.5% |

Source: US Census Bureau, American Community Survey

Table 6: Denver-Aurora MSA Non-farm Employment Growth

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | Percent of Total 2011 | 2001 - 2011 | |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------------------|-------------|-------|
| | | | | | | | | | | | | | Abs Change | CAGR |
| Total Nonfarm | 1,209,000 | 1,172,300 | 1,158,100 | 1,167,300 | 1,190,100 | 1,215,100 | 1,241,200 | 1,253,100 | 1,199,800 | 1,193,500 | 1,211,600 | 100.0% | 2,600 | 0.0% |
| Annual Change | -2,200 | -36,700 | -14,200 | 9,200 | 22,800 | 25,000 | 26,100 | 11,900 | -53,300 | -6,300 | 18,100 | | | |
| Annual Percentage Change | -0.2% | -3.0% | -1.2% | 0.8% | 2.0% | 2.1% | 2.1% | 1.0% | -4.3% | -0.5% | 1.5% | | | |
| Mining, Logging and Construction | 97,500 | 92,800 | 86,200 | 85,700 | 90,200 | 94,400 | 92,900 | 91,500 | 76,700 | 69,700 | 69,700 | 5.8% | (27,800) | -3.3% |
| Manufacturing | 81,000 | 74,000 | 71,400 | 71,800 | 72,200 | 72,200 | 71,500 | 69,900 | 63,100 | 61,100 | 61,800 | 5.1% | (19,200) | -2.7% |
| Wholesale Trade | 68,400 | 64,700 | 62,700 | 62,000 | 62,800 | 64,900 | 66,300 | 66,800 | 62,500 | 61,300 | 62,200 | 5.1% | (6,200) | -0.9% |
| Retail Trade | 124,000 | 122,300 | 120,900 | 121,200 | 124,600 | 125,000 | 127,500 | 127,300 | 120,600 | 120,900 | 123,000 | 10.2% | (1,000) | -0.1% |
| Transp, Warehsg and Utils | 54,500 | 49,000 | 49,000 | 49,400 | 49,300 | 49,300 | 50,700 | 50,700 | 47,600 | 45,800 | 45,400 | 3.7% | (9,100) | -1.8% |
| Information | 69,000 | 59,100 | 54,300 | 51,400 | 48,200 | 47,600 | 48,000 | 48,400 | 46,300 | 45,000 | 44,500 | 3.7% | (24,500) | -4.3% |
| Financial Activities | 95,600 | 94,800 | 98,100 | 98,000 | 99,700 | 100,600 | 99,600 | 97,100 | 92,800 | 90,800 | 90,400 | 7.5% | (5,200) | -0.6% |
| Professional and Business Services | 194,000 | 182,200 | 179,300 | 185,100 | 192,400 | 200,000 | 211,500 | 215,300 | 202,700 | 203,000 | 210,500 | 17.4% | 16,500 | 0.8% |
| Educational and Health Services | 106,600 | 110,000 | 113,100 | 116,400 | 119,400 | 123,100 | 128,000 | 133,700 | 138,000 | 142,800 | 147,700 | 12.2% | 41,100 | 3.3% |
| Leisure and Hospitality | 116,200 | 115,600 | 115,200 | 118,100 | 121,500 | 125,300 | 128,500 | 130,300 | 125,900 | 127,500 | 130,200 | 10.7% | 14,000 | 1.1% |
| Other Services | 43,600 | 44,100 | 44,100 | 45,000 | 45,300 | 46,300 | 47,100 | 48,400 | 47,500 | 47,400 | 48,800 | 4.0% | 5,200 | 1.1% |
| Government | 158,600 | 163,700 | 163,900 | 163,300 | 164,500 | 166,500 | 169,600 | 173,800 | 176,200 | 178,200 | 177,400 | 14.6% | 18,800 | 1.1% |

Source: Colorado State Dept of Labor and Employment

Adams County fared quite well overall, between 2001 and 2011. Employment in Adams County increased from 144,700 in 2001 to 153,800 in 2011, an average growth rate of 0.6 percent. Adams County employment peaked at 153,900 in 2008 and then contracted for two consecutive years during the recession, losing almost 7,000 jobs. Impressive job growth in 2011 of 4.6 percent (6,750 jobs) brought employment back up to the pre-recession peak. The largest employment categories in Adams County are Health Care and Social Assistance and Retail Trade. Health Care and Social Assistance was the fastest growing sector, adding 12,000 jobs, from 8,400 in 2001 to 20,400 in 2011, an increase of over 140 percent. Other growing industries include Educational Services, Management of Companies and Enterprises, and Professional and Technical Services (see Error! Not a valid bookmark self-reference.).

Jefferson County lost over 5,000 jobs between 2001 and 2011. Employment in Jefferson County fell to 204,700 in 2011 from 210,000 in 2001. While employment growth and contraction mirrored that of the Denver MSA and Adams County, job growth was never as strong in Jefferson County. Although the county gained 2,400 jobs in 2011, total employment was still about three percent, or 6,500 jobs, less than the 2008 peak of 211,200. The largest employment categories in the county are Retail Trade, Health Care and Social Assistance, and Professional and Technical Services. The fastest growing sector was Management of Companies and Enterprises, more than doubling the number of jobs from 1,200 in 2001 to 2,700 in 2011 (see Table 8).

Based on historic employment trends and population forecasts by the Colorado State Department of Local Affairs, BLLE estimates that employment in the Denver MSA will grow at an average annual rate of 1.6 percent, from 1.2 million in 2010 to over 1.6 million by 2030. The Denver MSA employment forecast is presented in Table 9.

Housing Construction

After five consecutive years of declining housing construction, the number of building permits issued for new, privately-owned residential units in Westminster increased in 2010 and 2011, as shown in Table 10. Over the ten-year period, total residential units permitted in Westminster peaked at 970 in 2001 and declined sharply from 2005 through 2009, reaching a low of 44 in 2009. In 2011, the number of permits issued in the city doubled from the year before, to 96; however, this is just ten percent of the housing construction activity seen at the peak in 2001, which may also reflect the city's limited availability of vacant land. The uptick in residential construction permits is another sign pointing to recovery of the local economy.

Westminster has seen less housing construction in recent years compared to the surrounding cities of Broomfield and Thornton. While the number of units permitted in Westminster averaged 370 between 2001 and 2011, Broomfield and Thornton averaged 700 and 1,120, respectively. This is mostly due to the fact that the cities of Broomfield and Thornton have more developable vacant land than Westminster.

In nearly all jurisdictions except Boulder and Denver, a greater percentage of multifamily units were permitted in the early 2000s. In 2001, 64 percent of total units permitted in Westminster were multifamily. By 2010, multifamily units comprised only 17 percent of total units permitted. Across the ten-year period overall, 37 percent of building permits issued in Westminster were for multifamily units. The proportion of multifamily units permitted in Adams County and Jefferson County between 2001 and 2011 was 18 percent and 33 percent, respectively. Both Broomfield and Thornton have significantly more remaining vacant land than Westminster.

Table 7: Adams County Non-farm Employment Growth

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | Percent of 2001 - 2011 | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|------------------------|------------|-------|
| | | | | | | | | | | | | Total 2011 | Abs Change | CAGR |
| Total, All Industries | 146,043 | 144,060 | 139,981 | 141,313 | 147,673 | 152,726 | 154,236 | 155,116 | 150,160 | 147,987 | 154,810 | | | |
| Agriculture, Forestry, Fishing & Hunting | 1,346 | 1,254 | 1,143 | 987 | 1,143 | 1,225 | 993 | 1,182 | 1,069 | 893 | 966 | | | |
| Total Nonfarm | 144,697 | 142,806 | 138,838 | 140,326 | 146,530 | 151,501 | 153,243 | 153,934 | 149,091 | 147,094 | 153,844 | 100.0% | 9,147 | 0.6% |
| Annual Change | 1,278 | -1,891 | -3,968 | 1,488 | 6,204 | 4,971 | 1,742 | 691 | -4,843 | -1,997 | 6,750 | | | |
| Annual Percentage Change | 0.9% | -1.3% | -2.8% | 1.1% | 4.4% | 3.4% | 1.1% | 0.5% | -3.1% | -1.3% | 4.6% | | | |
| Mining | 314 | 291 | 256 | 231 | 236 | 238 | 238 | 232 | 241 | 272 | 352 | 0.2% | 38 | 1.1% |
| Utilities | 853 | 855 | 864 | 883 | 1,036 | 736 | 779 | 817 | 792 | 776 | 735 | 0.5% | -118 | -1.5% |
| Construction | 20,440 | 19,734 | 17,602 | 17,509 | 18,001 | 18,923 | 17,458 | 16,907 | 15,056 | 13,781 | 13,980 | 9.1% | -6,460 | -3.7% |
| Manufacturing | 15,701 | 14,743 | 13,284 | 13,345 | 14,026 | 14,103 | 13,514 | 12,518 | 10,803 | 10,739 | 11,472 | 7.5% | -4,229 | -3.1% |
| Wholesale Trade | 13,604 | 13,302 | 12,986 | 13,185 | 13,622 | 14,275 | 14,878 | 14,753 | 13,425 | 13,210 | 13,388 | 8.7% | -216 | -0.2% |
| Retail Trade | 16,528 | 15,897 | 15,316 | 15,037 | 15,980 | 16,323 | 16,797 | 17,191 | 16,667 | 16,752 | 17,009 | 11.1% | 481 | 0.3% |
| Transportation and Warehousing | 15,739 | 15,488 | 15,061 | 14,965 | 15,566 | 15,318 | 15,418 | 14,385 | 13,972 | 13,476 | 13,615 | 8.8% | -2,124 | -1.4% |
| Information | 2,530 | 1,974 | 1,903 | 1,749 | 2,063 | 2,137 | 2,202 | 2,293 | 2,296 | 2,101 | 2,595 | 1.7% | 65 | 0.3% |
| Finance and Insurance | 2,963 | 3,065 | 3,307 | 3,332 | 2,924 | 3,032 | 2,980 | 2,933 | 2,838 | 2,674 | 2,743 | 1.8% | -220 | -0.8% |
| Real Estate and Rental and Leasing | 2,689 | 2,613 | 2,741 | 2,718 | 2,843 | 2,885 | 2,953 | 2,899 | 2,691 | 2,612 | 2,573 | 1.7% | -116 | -0.4% |
| Professional and Technical Services | 3,735 | 3,491 | 3,704 | 3,715 | 3,952 | 4,000 | 4,190 | 4,804 | 4,814 | 4,880 | 5,057 | 3.3% | 1,322 | 3.1% |
| Management of Companies and Enterprises | 922 | 974 | 1,034 | 1,178 | 1,406 | 1,569 | 1,353 | 1,267 | 1,577 | 1,653 | 1,272 | 0.8% | 350 | 3.3% |
| Administrative and Waste Services | 8,482 | 8,730 | 8,784 | 8,992 | 9,484 | 10,751 | 11,086 | 10,199 | 9,390 | 9,574 | 10,104 | 6.6% | 1,622 | 1.8% |
| Educational Services | 9,372 | 10,310 | 10,758 | 11,182 | 11,833 | 12,360 | 12,641 | 12,871 | 13,362 | 13,492 | 13,148 | 8.5% | 3,776 | 3.4% |
| Health Care and Social Assistance | 8,367 | 8,540 | 8,821 | 9,092 | 9,533 | 10,090 | 11,403 | 13,590 | 15,446 | 15,889 | 20,359 | 13.2% | 11,992 | 9.3% |
| Arts, Entertainment, and Recreation | 1,433 | 1,529 | 1,512 | 1,493 | 1,594 | 1,604 | 1,463 | 1,532 | 1,427 | 1,349 | 1,294 | 0.8% | -139 | -1.0% |
| Accommodation and Food Services | 10,463 | 10,535 | 10,172 | 10,520 | 10,947 | 11,323 | 11,949 | 12,578 | 12,313 | 12,011 | 12,272 | 8.0% | 1,809 | 1.6% |
| Other Services, Ex. Public Admin | 4,217 | 4,218 | 4,148 | 4,340 | 4,652 | 4,877 | 4,885 | 4,870 | 4,653 | 4,459 | 4,657 | 3.0% | 440 | 1.0% |
| Public Administration | 6,343 | 6,519 | 6,583 | 6,859 | 6,833 | 6,943 | 7,046 | 7,278 | 7,320 | 7,385 | 7,217 | 4.7% | 874 | 1.3% |
| Unclassified | 2 | *** | 5 | 1 | 4 | 14 | 12 | 16 | 9 | 10 | 2 | 0.0% | 0 | 0.0% |

Source: Colorado State Dept of Labor and Employment

Table 8: Jefferson County Non-farm Employment Growth

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | Percent of Total 2011 | 2001 - 2011 Abs Change | CAGR |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------------------|---------------------------|-------|
| Total, All Industries | 210,375 | 205,990 | 203,139 | 203,512 | 205,967 | 206,872 | 211,091 | 211,493 | 203,857 | 202,559 | 204,998 | | | |
| Agriculture, Forestry, Fishing & Hunting | 483 | 449 | 391 | 373 | 379 | 360 | 289 | 294 | 289 | 306 | 335 | | | |
| Total Nonfarm | 209,892 | 205,541 | 202,748 | 203,139 | 205,588 | 206,512 | 210,802 | 211,199 | 203,568 | 202,253 | 204,663 | 100.0% | -5,229 | -0.3% |
| Annual Change | -149 | -4,351 | -2,793 | 391 | 2,449 | 924 | 4,290 | 397 | -7,631 | -1,315 | 2,410 | | | |
| Annual Percentage Change | -0.1% | -2.1% | -1.4% | 0.2% | 1.2% | 0.4% | 2.1% | 0.2% | -3.6% | -0.6% | 1.2% | | | |
| Mining | 458 | 420 | 275 | 271 | 280 | 380 | 592 | 570 | 433 | 402 | 404 | 0.2% | -54 | -1.2% |
| Utilities | 859 | 903 | 903 | 928 | 978 | 1,023 | 1,013 | 1,048 | 1,068 | 1,040 | 1,029 | 0.5% | 170 | 1.8% |
| Construction | 16,677 | 15,889 | 14,968 | 15,097 | 15,240 | 15,480 | 15,232 | 14,384 | 11,766 | 10,867 | 10,670 | 5.2% | -6,007 | -4.4% |
| Manufacturing | 21,491 | 18,700 | 18,187 | 18,490 | 18,541 | 18,381 | 18,790 | 19,029 | 17,824 | 17,345 | 17,322 | 8.5% | -4,169 | -2.1% |
| Wholesale Trade | 6,589 | 6,175 | 5,762 | 5,981 | 5,944 | 6,067 | 6,651 | 6,672 | 6,543 | 6,610 | 6,604 | 3.2% | 15 | 0.0% |
| Retail Trade | 29,626 | 29,170 | 28,835 | 28,607 | 29,520 | 29,641 | 30,261 | 30,057 | 27,929 | 28,047 | 28,261 | 13.8% | -1,365 | -0.5% |
| Transportation and Warehousing | 2,985 | 2,701 | 2,738 | 2,762 | 2,852 | 2,856 | 2,852 | 3,131 | 3,002 | 3,020 | 3,014 | 1.5% | 29 | 0.1% |
| Information | 4,583 | 4,389 | 4,218 | 4,071 | 4,223 | 4,448 | 4,614 | 4,261 | 4,093 | 3,697 | 3,650 | 1.8% | -933 | -2.3% |
| Finance and Insurance | 8,202 | 8,326 | 8,756 | 8,558 | 8,421 | 8,379 | 8,086 | 7,698 | 8,073 | 7,791 | 7,455 | 3.6% | -747 | -1.0% |
| Real Estate and Rental and Leasing | 4,115 | 4,022 | 4,030 | 4,204 | 4,207 | 4,022 | 4,262 | 4,128 | 3,613 | 3,499 | 3,478 | 1.7% | 637 | -1.7% |
| Professional and Technical Services | 16,425 | 15,642 | 14,985 | 15,004 | 15,629 | 16,152 | 17,384 | 18,486 | 18,810 | 19,481 | 20,012 | 9.8% | 3,587 | 2.0% |
| Management of Companies and Enterprises | 1,255 | 1,399 | 1,587 | 1,752 | 2,376 | 2,519 | 2,699 | 2,722 | 2,701 | 2,581 | 2,678 | 1.3% | 1,423 | 7.9% |
| Administrative and Waste Services | 16,641 | 16,363 | 15,964 | 15,490 | 14,855 | 13,777 | 13,549 | 12,722 | 11,657 | 10,970 | 11,164 | 5.5% | -5,477 | -3.9% |
| Educational Services | 15,530 | 16,272 | 16,242 | 16,012 | 16,300 | 16,195 | 16,466 | 17,192 | 16,956 | 16,889 | 16,879 | 8.2% | 1,349 | 0.8% |
| Health Care and Social Assistance | 18,156 | 18,344 | 18,717 | 19,250 | 19,400 | 19,877 | 20,473 | 21,212 | 21,766 | 22,563 | 24,386 | 11.9% | 6,230 | 3.0% |
| Arts, Entertainment, and Recreation | 4,155 | 4,206 | 4,311 | 4,572 | 4,547 | 4,435 | 4,328 | 4,238 | 4,190 | 4,201 | 4,150 | 2.0% | -5 | 0.0% |
| Accommodation and Food Services | 19,903 | 19,634 | 19,387 | 19,421 | 19,761 | 20,300 | 20,706 | 20,547 | 19,594 | 19,335 | 19,863 | 9.7% | -40 | 0.0% |
| Other Services, Ex. Public Admin | 6,458 | 6,474 | 6,408 | 6,257 | 6,162 | 6,196 | 6,398 | 6,445 | 6,270 | 6,185 | 6,331 | 3.1% | -127 | -0.2% |
| Public Administration | 15,777 | 16,505 | 16,471 | 16,399 | 16,346 | 16,369 | 16,438 | 16,636 | 17,269 | 17,727 | 17,307 | 8.5% | 1,530 | 0.9% |
| Unclassified | 7 | 8 | 3 | 13 | 8 | 14 | 7 | 21 | 12 | 8 | 9 | 0.0% | 2 | 2.5% |

Source: Colorado State Dept of Labor and Employment

Table 9: Denver MSA Employment Forecast

| | 2010 | 2015 | 2020 | 2025 | 2030 | 2010 - 2030 | |
|------------------|-----------|-----------|-----------|-----------|-----------|-------------|-------|
| | | | | | | Abs Growth | CAGR |
| MSA Population | 2,543,482 | 2,732,662 | 2,942,481 | 3,153,423 | 3,342,357 | 798,875 | 1.38% |
| Percent Employed | 46.9% | 48.0% | 48.6% | 48.6% | 48.6% | | |
| MSA Employment | 1,193,500 | 1,311,678 | 1,430,046 | 1,532,563 | 1,624,385 | 430,885 | 1.55% |

Source: US Census Bureau, Colorado State Department of Local Affairs and BLLE

Table 10: New, Privately-Owned Residential Building Permits (number of units)

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | Total | Avg 01-11 |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|---------------|--------------|
| Westminster City | | | | | | | | | | | | | |
| Single Family | 353 | 352 | 484 | 477 | 302 | 243 | 146 | 62 | 32 | 40 | 96 | 2,587 | 235 |
| Multi Family | 617 | 484 | 102 | 141 | 41 | 77 | 22 | 26 | 12 | 8 | 0 | 1,530 | 139 |
| Westminster Total | 970 | 836 | 586 | 618 | 343 | 320 | 168 | 88 | 44 | 48 | 96 | 4,117 | 374 |
| Broomfield City / County | | | | | | | | | | | | | |
| Single Family | 541 | 514 | 405 | 567 | 626 | 916 | 584 | 190 | 160 | 232 | 229 | 4,964 | 451 |
| Multi Family | 559 | 368 | 232 | 167 | 145 | 166 | 476 | 637 | 0 | 0 | 0 | 2,750 | 250 |
| Broomfield Total | 1,100 | 882 | 637 | 734 | 771 | 1,082 | 1,060 | 827 | 160 | 232 | 229 | 7,714 | 701 |
| Thornton City | | | | | | | | | | | | | |
| Single Family | 1,672 | 1,513 | 1,435 | 1,109 | 1,256 | 1,000 | 484 | 295 | 240 | 185 | 245 | 9,434 | 858 |
| Multi Family | 709 | 616 | 415 | 452 | 120 | 45 | 342 | 49 | 0 | 75 | 15 | 2,838 | 258 |
| Thornton Total | 2,381 | 2,129 | 1,850 | 1,561 | 1,376 | 1,045 | 826 | 344 | 240 | 260 | 260 | 12,272 | 1,116 |
| Adams County | | | | | | | | | | | | | |
| Single Family | 4,392 | 3,916 | 4,023 | 4,384 | 4,177 | 2,754 | 1,431 | 650 | 477 | 558 | 546 | 27,308 | 2,483 |
| Multi Family | 1,738 | 1,915 | 655 | 674 | 395 | 154 | 378 | 132 | 16 | 104 | 19 | 6,180 | 562 |
| Adams Total | 6,130 | 5,831 | 4,678 | 5,058 | 4,572 | 2,908 | 1,809 | 782 | 493 | 662 | 565 | 33,488 | 3,044 |
| Jefferson County | | | | | | | | | | | | | |
| Single Family | 1,524 | 1,312 | 1,203 | 1,599 | 1,589 | 991 | 682 | 374 | 288 | 471 | 440 | 10,473 | 952 |
| Multi Family | 785 | 612 | 223 | 745 | 505 | 1,053 | 380 | 215 | 91 | 106 | 518 | 5,233 | 476 |
| Jefferson Total | 2,309 | 1,924 | 1,426 | 2,344 | 2,094 | 2,044 | 1,062 | 589 | 379 | 577 | 958 | 15,706 | 1,428 |
| Boulder City | | | | | | | | | | | | | |
| Single Family | 51 | 74 | 87 | 83 | 77 | 55 | 41 | 101 | 43 | 115 | 59 | 786 | 71 |
| Multi Family | 163 | 219 | 76 | 133 | 107 | 124 | 99 | 431 | 76 | 338 | 56 | 1,822 | 166 |
| Boulder Total | 214 | 293 | 163 | 216 | 184 | 179 | 140 | 532 | 119 | 453 | 115 | 2,608 | 237 |
| Denver City / County | | | | | | | | | | | | | |
| Single Family | 1,011 | 1,641 | 2,122 | 4,098 | 2,029 | 1,800 | 1,215 | 837 | 485 | 632 | 703 | 16,573 | 1,507 |
| Multi Family | 3,447 | 2,985 | 914 | 0 | 1,135 | 2,052 | 2,467 | 2,343 | 403 | 600 | 1,982 | 18,328 | 1,666 |
| Denver Total | 4,458 | 4,626 | 3,036 | 4,098 | 3,164 | 3,852 | 3,682 | 3,180 | 888 | 1,232 | 2,685 | 34,901 | 3,173 |

Source: US Census Bureau

Conclusion

Population, employment and housing construction trends in the City of Westminster indicate the need to intensify development in select urban districts. This land use intensification will be accompanied by employment intensification as the City pursues its economic strategy of expanding bio-medical and high technology industries. Maintaining its role as a regional retail center is also of importance to the City, particularly along US- 36 and I-25 corridors.

IV. Demand for Office Space

Historic Office Market Performance

The Denver Metro Area

The best measure of long-term regional office space demand is the growth in occupied space. In the Denver Metro Area, the amount of occupied office space has increased from 127 million square feet at the end of 1999 to 149 million square feet during the fourth quarter of 2012. Over this 13-year period, this Metro Area added 22 million square feet of occupied office space for an annual average of 1.7 million square feet per year. The growth was particularly strong from 2002 through 2007 and essentially flat from 2007 through 2009. From the end of 2009 to the fourth quarter of 2012, occupied space grew by over six million square feet (see Table 11).

Simply looking at occupied space actually understates true demand. This is because an office market needs a certain amount of vacant space for fluidity. Without vacant space, tenants that wish to contract or expand are not able to move even if there is no overall demand growth. The market equilibrium vacancy rate varies and depends upon the velocity of market expansion. A rapidly expanding market is able to sustain a higher vacancy rate than a stagnant market. For the Denver Metro office market, a 12 percent vacancy rate is deemed to be a reasonable market equilibrium vacancy rate. When this 12 percent vacancy rate is added to the occupied space, the regional demand increase was 25 million square feet over the last 13 years for an annual average of just under two million square feet per year. This average annual demand spans two recessions.

The US 36 Corridor

The US 36 corridor through the cities of Westminster, Broomfield, Superior and Louisville is one of the strongest growth corridors in the nation for technology firms (see map of US 36 corridor). Firms like Ball Corporation, Sun Microsystems, Oracle and Staples have major facilities in this corridor. Office space demand in this corridor, including the equilibrium vacancy rate, totaled 3.5 million square feet over the past 13 years for an average annual demand of 274,000 square feet. The corridor's share of the Metro Area office space climbed from 3.6 percent at the end of 1999 to 5.1 percent by 2006. Its share has remained around this 5.1 percent for the last five years. By being between the cities of Denver and Boulder, this corridor is able to tap into the sizable labor market available in the Denver Metro Area and the exceptional intellectual capital that is available in Boulder. The Rocky Mountain Metropolitan Airport, located in the heart of this corridor, allows convenient executive access in corporate or private aircraft.

Office Demand in Westminster

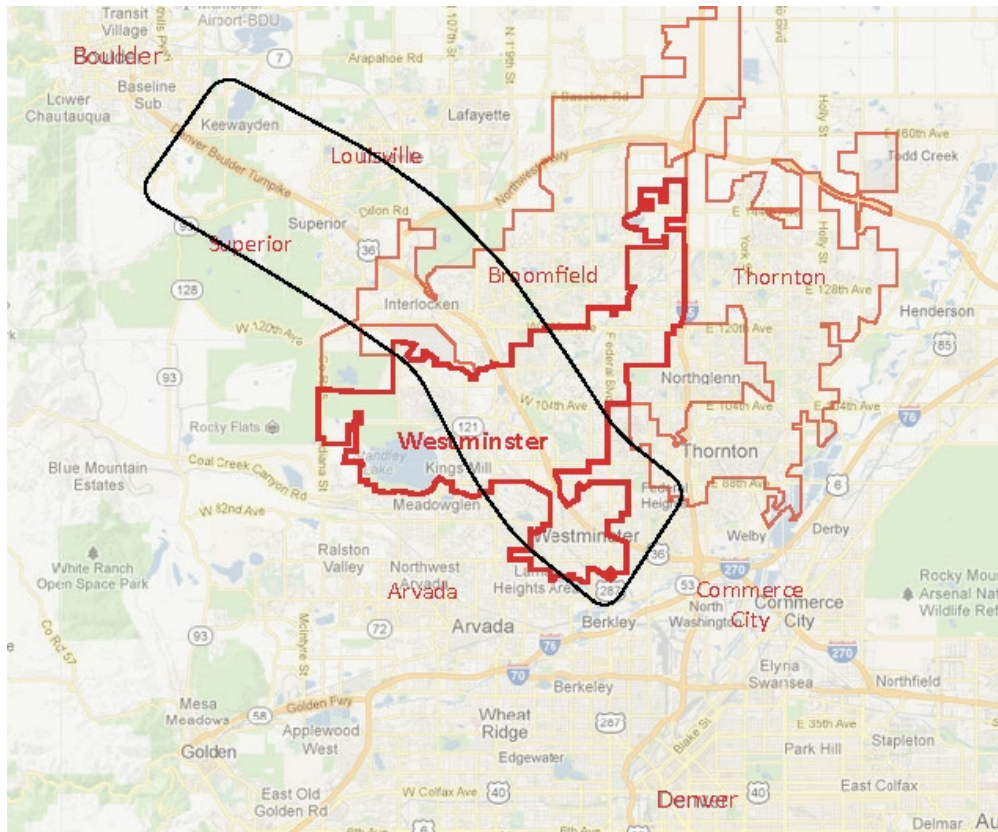
While absorption has been modest since 2007 due to the recession, the longer-term historical perspective for Westminster has been reasonably positive. This city's share of the Metro Area office market has climbed from 1.5 percent in 1999 to 2.2 percent by 2012. Including the years in this recent severe recession, average annual office space demand was 126,600 square feet in Westminster through this period. Assuming a Floor Area Ratio (FAR) of 0.22 for this corridor, this amount of space absorption translates into office land absorption of 13 acres per year. FAR is the relationship between the above-ground floor area of a building (excluding structured parking), and the land area it stands on, expressed as a decimal. An FAR of 0.22 indicates that the building floor area 22 percent of the total land area.

Table 11: Metro Denver Office Space Trends and Market Share

| Period | Denver Metro Occupied SF | US-36 Corridor Occupied Space | Westminster Occupied Space | US-36 Corridor as Share of Metro | Westminster as Share of Metro | Westminster to Corridor Comparison |
|---|--------------------------|-------------------------------|----------------------------|----------------------------------|-------------------------------|------------------------------------|
| 2012 4QTD | 148,627,378 | 7,602,597 | 3,302,973 | 5.12% | 2.22% | 43.45% |
| 2011 4Q | 146,913,309 | 7,460,226 | 3,253,642 | 5.08% | 2.21% | 43.61% |
| 2010 4Q | 145,042,288 | 7,439,430 | 3,255,810 | 5.13% | 2.24% | 43.76% |
| 2009 4Q | 142,442,892 | 7,504,162 | 3,116,097 | 5.27% | 2.19% | 41.52% |
| 2008 4Q | 142,411,024 | 7,403,604 | 3,177,528 | 5.20% | 2.23% | 42.92% |
| 2007 4Q | 142,297,229 | 7,282,760 | 3,169,617 | 5.12% | 2.23% | 43.52% |
| 2006 4Q | 138,864,559 | 7,079,755 | 3,102,293 | 5.10% | 2.23% | 43.82% |
| 2005 4Q | 136,151,628 | 6,902,061 | 2,983,300 | 5.07% | 2.19% | 43.22% |
| 2004 4Q | 132,371,519 | 6,160,820 | 2,690,499 | 4.65% | 2.03% | 43.67% |
| 2003 4Q | 130,716,526 | 6,218,253 | 2,854,251 | 4.76% | 2.18% | 45.90% |
| 2002 4Q | 129,535,188 | 5,897,326 | 2,580,878 | 4.55% | 1.99% | 43.76% |
| 2001 4Q | 131,905,383 | 6,085,166 | 2,582,962 | 4.61% | 1.96% | 42.45% |
| 2000 4Q | 132,730,477 | 5,879,876 | 2,359,060 | 4.43% | 1.78% | 40.12% |
| 1999 4Q | 126,590,232 | 4,515,437 | 1,876,744 | 3.57% | 1.48% | 41.56% |
| Net Change in Occupied Space 1999-2012 | | | | | | |
| Total | 22,037,146 | 3,087,160 | 1,426,229 | 14.01% | 6.47% | 46.20% |
| Annual Average | 1,721,652 | 241,184 | 111,424 | | | |
| Net Change in Demand @ 12% Equilibrium Vacancy 1999-2012 | | | | | | |
| Total | 25,042,211 | 3,508,136 | 1,620,715 | 14.01% | 6.47% | 46.20% |
| Annual Average | 1,956,423 | 274,073 | 126,618 | | | |

Source: CoStar and BLLE

Figure 4: US 36 Corridor Map



Forecast of Office Demand

Denver Metropolitan Statistical Area

Strong statistical correlations exist between population, employment, office employment and occupied office space. By understanding these correlations, future demand for office space in the Metropolitan Statistical Area (MSA) can be estimated from population and employment forecasts using historic data provided by the Colorado State Department of Employment. Office employment was estimated by taking all of the employment in the information, financial activities, professional and business services sectors plus ten percent of the employment in education services, health services and government. Using these estimates office employment has been consistently 31 to 32 percent of total MSA employment over the last decade. Total occupied office space generated by CoStar was then divided by this estimated office employment to calculate an occupied space per employee factor (see Table 12). This factor has increased steadily from 343 square feet per office employee in 2001 to 391 square feet in 2010. This increase at least in part reflects the recent recession because with a reduction in business volume firms are able to shed employees more readily than office space under lease. By 2011 as the Denver regional economy shifts to recovery mode, this factor dropped a notch to 389 square feet per employee.

Future Denver MSA demand can be estimated from employment growth as indicated in Table 13. Using the State of Colorado's population forecasts and the historic pattern of labor force participation, BLLE was able to forecast Denver MSA total employment growth. This total employment was then factored down to office employment using the historically very consistent factor of approximately 31 percent. A declining space per employee factor was then used to reflect recovery of the MSA economy and employers striving to use space more efficiently as the business volume increases. The equilibrium vacancy rate of 12 percent was then applied to the estimated occupied space to create overall MSA office space demand forecast. According to this forecast, MSA office space demand totaled 161 million square feet in 2012 and increases to 189 million square feet by 2022 and 210 million square feet by 2032.

The MSA demand growth is then nearly 28 million square feet in the 2012 to 2022 period and 21 million square feet in the 2022 to 2032 decade. However, because the current supply is 170 million square feet¹, the current market has an excess supply of office space by about nine million square feet. At the historic rate of absorption, this supply overhang in the MSA will required four years to eliminate. At the projected MSA absorption rate of 2.8 million square feet for the next decade, it is a three-year supply overhang. Because of this three- to four-year supply overhang which will keeps rents low, developers have little enthusiasm for new office development at this time. Their attitudes will likely be different in four years.

Westminster and the US 36 Corridor

Over the past 13 years, the US 36 corridor captured 14 percent of the regional Denver MSA office market growth. With the momentum this corridor has established within the technology sector and an abundance of both entitled and un-entitled business park lands, BLLE estimates that this corridor will capture 15 to 18 percent of the regional office market for new construction over the next two decades, depending on the rate of employment growth in the region. The 20-year absorption estimate then ranges from a low of 6.1 million square feet to a high of 7.3 million square feet for the US 36 corridor.

The City of Westminster has the potential to capture approximately one half of the corridor demand or eight to ten percent of the MSA demand assuming ample entitled office land is provided within the city's portion of the US 36 corridor. The citywide demand forecast is then 1.5 to 1.9 million square feet for the 2012 to 2022 decade and 1.7 to 2.1 million square feet for the 2022 to 2032 decade. For the two decades combined, the citywide demand ranges from 3.2 to 4.0 million square feet. As previously discussed, office demand is very location sensitive, and therefore 75 to 80 percent of this citywide demand is projected to be in the US 36 corridor. Using an FAR of 0.25 to reflect a combination of urban scale office development with some structured parking and suburban business park type development, these square footage demand forecasts translates into the need for 296 to 371 additional office acres by 2032.

¹ CoStar

Table 12: Denver-Aurora MSA Total and Office Employment Growth

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | <u>2001 - 2011</u> | |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------------|-------|
| | | | | | | | | | | | | Abs Change | CAGR |
| MSA Population | 2,246,785 | 2,276,250 | 2,297,441 | 2,321,712 | 2,353,518 | 2,399,620 | 2,449,476 | 2,500,384 | 2,552,195 | 2,543,482 | 2,599,504 | 352,719 | 1.5% |
| Percent Employed | 53.8% | 51.5% | 50.4% | 50.3% | 50.6% | 50.6% | 50.7% | 50.1% | 47.0% | 46.9% | 46.6% | | |
| Total Nonfarm Employment | 1,209,000 | 1,172,300 | 1,158,100 | 1,167,300 | 1,190,100 | 1,215,100 | 1,241,200 | 1,253,100 | 1,199,800 | 1,193,500 | 1,211,600 | 2,600 | 0.0% |
| Percentage Office Employment | 31.9% | 31.0% | 31.0% | 31.1% | 31.0% | 31.0% | 31.3% | 31.2% | 31.1% | 31.1% | 31.2% | | |
| Estimated Office Employment | 385,120 | 363,470 | 359,400 | 362,470 | 368,690 | 377,160 | 388,860 | 391,550 | 373,220 | 370,900 | 377,910 | (7,210) | -0.2% |
| Information | 69,000 | 59,100 | 54,300 | 51,400 | 48,200 | 47,600 | 48,000 | 48,400 | 46,300 | 45,000 | 44,500 | (24,500) | -4.3% |
| Financial Activities | 95,600 | 94,800 | 98,100 | 98,000 | 99,700 | 100,600 | 99,600 | 97,100 | 92,800 | 90,800 | 90,400 | (5,200) | -0.6% |
| Professional and Business Svcs | 194,000 | 182,200 | 179,300 | 185,100 | 192,400 | 200,000 | 211,500 | 215,300 | 202,700 | 203,000 | 210,500 | 16,500 | 0.8% |
| Educational and Health Svcs @ 10% | 10,660 | 11,000 | 11,310 | 11,640 | 11,940 | 12,310 | 12,800 | 13,370 | 13,800 | 14,280 | 14,770 | 4,110 | 3.3% |
| Government @ 10% | 15,860 | 16,370 | 16,390 | 16,330 | 16,450 | 16,650 | 16,960 | 17,380 | 17,620 | 17,820 | 17,740 | 1,880 | 1.1% |
| Occupied Office Space (1,000 SF) | 131,905 | 129,535 | 130,717 | 132,372 | 136,152 | 138,865 | 142,297 | 142,411 | 142,443 | 145,042 | 146,913 | 15,008 | 1.1% |
| Occupied Space Per Employee | 343 | 356 | 364 | 365 | 369 | 368 | 366 | 364 | 382 | 391 | 389 | 46 | 1.3% |
| Average Space per Employee 2001-11 | | | | | | | | | | | | 369 | |

Source: Colorado State Dept of Labor and Employment, CoStar and BLLE

Table 13: Forecast of MSA and Westminster Office Demand 2012 to 2032

| New Office Construction Demand in MSA | 2012 | 2022 | 2032 | |
|---|-------------|----------------|----------------|----------------|
| MSA Employment | 1,230,986 | 1,471,000 | 1,659,400 | |
| Percentage Office Employment | 31.2% | 31.0% | 31.0% | |
| Estimated MSA Office Employment | 384,068 | 456,010 | 514,414 | |
| Space Needed Per Employee (SF) | 370 | 365 | 360 | |
| Occupied Office Space Needed in MSA (SF) | 142,104,978 | 166,443,650 | 185,189,040 | |
| Equilibrium Vacancy Allowance @ 12% | 19,377,951 | 22,696,861 | 25,253,051 | |
| Total Office Space Demand in MSA (SF) | 161,482,929 | 189,140,511 | 210,442,091 | |
| Current Stock of Space (SF) | 170,087,637 | | | |
| | | 2012-22 | 2022-32 | Total |
| Office Construction Needed in Denver MSA (SF) | (8,604,708) | 19,052,874 | 21,301,580 | 40,354,454 |
| Estimated US-36 Corridor and City of Westminster Demand Increase | | 2012-22 | 2022-32 | Total |
| US-36 Corridor Market Share (SF) | | | | 2012-32 |
| High @ 18% | | 3,429,517 | 3,834,284 | 7,263,802 |
| Low @ 15% | | 2,857,931 | 3,195,237 | 6,053,168 |
| City of Westminster Market Share of MSA (SF)¹ | | | | |
| High @ 10% | | 1,905,287 | 2,130,158 | 4,035,445 |
| Low @ 8% | | 1,524,230 | 1,704,126 | 3,228,356 |
| City of Westminster Office Land Absorption Forecast @ 0.25 FAR (Acres) | | | | |
| High @ 10% | | 175 | 196 | 371 |
| Low @ 8% | | 140 | 156 | 296 |
| Recommended Comp Plan Office Land Requirement to Facilitate Land Market Competition in Acres | | | | |
| High | | | | 500 |
| Low | | | | 450 |

¹ Includes Westminster outside of the US-36 Corridor

Source: Bill Lee Land Econ Consultants

Supply of Available Office Land in the US 36 Corridor

This corridor has considerable land available for future office development. According to information compiled by CBRE², 438 acres are available for development in currently developed business parks, with the greatest availability in Interlocken Technology Park in Broomfield with 156 acres. An additional 154 acres, mostly in Broomfield, are entitled but undeveloped. The Rocky Mountain Metropolitan Airport has an additional 400 to 500 acres that could be developed for office or industrial use and an additional 100 to 200 acres for aviation related uses.

Of the total 594 available acres that are either in developed parks or are already entitled, only 133 acres or 22 percent are in Westminster. This acreage is in Westmoor (77 acres), Circle Point (41 acres) and Church Ranch Corporate Park (15 acres). With only a slight acceleration of office space absorption over

² CBRE Northwest Denver Market Overview, 3rd Quarter 2012

historic rates that included two recessions, Westminster has no more than a ten-year supply of entitled office land. The challenge for Westminster in the decades ahead is having sufficient supply of well located office land in the US 36 corridor to offer both suburban campus types sites and urban sites which are becoming increasingly attractive to the new Colorado labor force. Well-located office lands are properties that provide peak commute hour access to the largest possible labor pool. With such access, companies are able to recruit employees from the largest possible pool of talent, allowing them to maximize output for each unit of salary input. However, because of the strong technology based component of office demand in this corridor and the disproportionate availability of such talent in Boulder, companies locate along the US 36 Corridor to maximize the combination of two functions, with the first being peak hour access to the large regional Denver labor market and the second being access to the more highly trained and technology savvy labor market concentrated in Boulder.

Westminster and the I-25 Corridor

The I-25 corridor from approximately 136th Avenue to E-470 has the potential to capture demand for a wide range of office development. The area is far enough removed from the US 36 technology corridor that buildout of the corridor will continue to occur in cities like Broomfield, Superior and Louisville—which combined will have sufficient property to accommodate at least 20 years of technology demand growth. As such, properties along the I-25 corridor will serve an entirely different office market over the next two decades.

The recently completed full freeway interchange of the Northwest Parkway (E-470) and I-25 will create a future subregional commercial node in the vicinity of this interchange. This commercial node will mature with residential growth in its surrounding market area including Thornton to the east and Broomfield to the north. The fact that the Northwest Parkway provides a faster alternative to Denver International Airport only adds to the strength in location of this node.

Office or other commercial development wishing to take advantage of the regional access provided by this full freeway interchange will have a choice of four locations as points of focus: 1) the Sheridan Parkway interchange to the west, which is closest to Boulder, 2) the 168th Avenue interchange to the north, 3) the York Street interchange on the east, and 4) the 144th Avenue interchange to the south, which is closest to Denver. Since the largest labor pool is to the south and the development of the Orchard Town Center has created a strong amenity for future office development, this southern interchange at 144th Avenue will be the preferred location for some years into the future. Westminster will share the benefits of this strong regional location with Thornton to the east and Broomfield to the northwest. Future office demand along the I-25 corridor will likely be enterprises that serve the local and regional population such as those in financial services, insurance, real estate and health services. The planned expansion of St. Anthony's medical complex by 350,000 square feet, as well as the planned expansion of Children's North Campus and the 66-acre University of Colorado Health Center at Highway 7 and I-25, is indicative of the type of major land user likely to be important in this corridor. The planned 150-acre research and science park as part of Broomfield's North Park development may also influence and create office demand and users along the corridor.

Recommendation for Office Land Allocation

Since it is the City's objective to encourage employment development to strengthen local income and tax base and to achieve a citywide jobs versus housing balance more like the region as a whole, simply planning for projected market demand is likely insufficient for several reasons:

- A market forecast is still a forecast based upon reasonable and foreseeable expectations about the future. Actual events in the global, national, regional or local economies could cause demand to vary significantly from any forecast.
- Some well located, serviced and entitled business park properties may show as vacant and available on a zoning map but is in fact held off the market for various reasons. The Ball Corporation 47-acre parcel located at the northwest corner of the 108th and Wadsworth Parkway intersection is an excellent example of such a property.
- In a market economy, supply of available land affects price; and high price discourages local absorption. For example, as a majority of the Comprehensive Plan designated office park properties in the city are sold and developed, the remaining acreage will climb in price because of scarcity. Those higher prices will cause users searching for sites in the US 36 corridor to more frequently select equally desirable sites in neighboring communities if the land prices are lower. Having a supply that is well in excess of demand is essential for land market competition. That competition makes it more likely that Westminster will actually reach the projected nine percent regional market share.

For these reasons, BLLE recommends that the City of Westminster Comprehensive Plan allocate 450 to 500 acres of additional office or business park land. The currently developed and entitled supply of business park acreage plus the office sites created in the new WURP will only accommodate approximately ten to twelve years of office development. In seven to eight years, the shortage will begin to constrain absorption within the city. It is not too early for the City of Westminster to begin planning for the development of its next Westmoor Technology Park if the City wishes to remain competitive in the US 36 corridor technology market as well as any emerging market along I-25.

V. Demand for Industrial and Flex Space

Historic Industrial Market Performance

The Denver Metro Area

In the Denver Metro Area, the amount of occupied industrial and flex space has increased from 212 million square feet at the end of 1999 to 246 million square feet during the fourth quarter of 2012. The growth was particularly strong from 2005 through 2007, when over 11 million square feet were absorbed in two years. With a six percent equilibrium vacancy rate, the regional demand increase was 36 million square feet over the last 13 years for an annual average of 2.8 million square feet per year (see Table 14).

Table 14: Metro Denver Industrial Space Trends and Market Share – Occupied Space

| Period | Metro Denver Industrial & Flex | US-36 Industrial & Flex | Westminster Industrial & Flex | US-36 Corridor as Share of Metro | Westminster as Share of Metro | Westminster to Corridor Comparison |
|--|--------------------------------|-------------------------|-------------------------------|----------------------------------|-------------------------------|------------------------------------|
| 2012 4QTD | 245,507,658 | 7,795,172 | 10,246,181 | 3.18% | 4.17% | 131.44% |
| 2011 4Q | 242,729,182 | 7,711,337 | 10,180,805 | 3.18% | 4.19% | 132.02% |
| 2010 4Q | 242,636,050 | 7,685,199 | 10,067,050 | 3.17% | 4.15% | 130.99% |
| 2009 4Q | 239,716,419 | 7,819,578 | 10,199,952 | 3.26% | 4.26% | 130.44% |
| 2008 4Q | 240,001,519 | 7,681,377 | 10,123,851 | 3.20% | 4.22% | 131.80% |
| 2007 4Q | 238,400,365 | 7,534,929 | 9,866,938 | 3.16% | 4.14% | 130.95% |
| 2006 4Q | 232,429,624 | 7,107,769 | 9,395,160 | 3.06% | 4.04% | 132.18% |
| 2005 4Q | 227,368,961 | 6,962,740 | 8,738,382 | 3.06% | 3.84% | 125.50% |
| 2004 4Q | 223,185,783 | 6,887,071 | 8,637,948 | 3.09% | 3.87% | 125.42% |
| 2003 4Q | 220,493,407 | 6,590,448 | 8,351,286 | 2.99% | 3.79% | 126.72% |
| 2002 4Q | 220,581,495 | 6,783,799 | 8,499,306 | 3.08% | 3.85% | 125.29% |
| 2001 4Q | 218,784,086 | 6,866,354 | 8,630,865 | 3.14% | 3.94% | 125.70% |
| 2000 4Q | 215,283,548 | 7,067,633 | 9,295,304 | 3.28% | 4.32% | 131.52% |
| 1999 4Q | 211,604,399 | 7,133,251 | 9,311,316 | 3.37% | 4.40% | 130.53% |
| Net Change in Occupied Space 1999-2012 | | | | | | |
| Total | 33,903,259 | 661,921 | 934,865 | 1.95% | 2.76% | 141.24% |
| Annual Average | 2,648,692 | 51,713 | 73,036 | | | |
| Net Change in Demand @ 6% Equilibrium Vacancy 1999-2012 | | | | | | |
| Total | 36,067,297 | 704,171 | 994,537 | 1.95% | 2.76% | 141.24% |
| Annual Average | 2,817,758 | 55,013 | 77,698 | | | |

Source: CoStar and BLUE

The US 36 Corridor

Occupied Industrial space in the US 36 corridor, including the equilibrium vacancy rate, increased by a total of 704,000 square feet over the past 13 years for an average annual demand of 55,000 square feet. The corridor's share of the Metro Area industrial space fell from 3.4 percent at the end of 1999 to 3.0 percent by 2003. Its share has since grown to 3.2 percent in the last three years. The US 36 corridor is not a primary area for industrial land use due to high land cost.

Industrial Demand in Westminster

This city's share of the Metro Area industrial market has dropped slightly from 4.4 percent in 1999 to 4.2 percent by 2012. Including the years in this recent severe recession, average annual industrial space demand was 77,700 square feet in Westminster through this period. While maintaining some industrial property within the city is healthy, for offering a diverse array of job opportunities and for providing local services, land in Westminster has become too costly for industrial space. The demand for land for residential and technology office development and the resulting increase in land prices are pushing out industrial uses.

The MSA demand growth is then 36 million square feet between 2012 and 2022 and 23 million square feet from 2022 through 2032. According to CoStar, the current supply is 263 million square feet; therefore, the current market has an excess supply of approximately 860,000 square feet of industrial space. This supply overhand will be absorbed within one year, based on the historic rate of absorption in the MSA.

Westminster and the US 36 Corridor

BLLE estimates that the US 36 corridor will capture 1.5 to 3.0 percent of the regional industrial market for new construction over the next two decades. The 20-year absorption estimate then ranges from a low of 866,000 square feet to a high of 1.7 million square feet for the corridor.

Forecast of Industrial and Flex Demand

(The following forecast is not a recommendation for land allocation. The total forecasted demand does not account for land availability, which is limited within the city. The City of Westminster will allocate land by use based on City objectives and policy direction established by the Comprehensive Plan.)

The City of Westminster has the potential to capture at least as much as the US 36 corridor demand. BLLE estimates Westminster will capture 2.0 to 3.0 percent of the MSA demand. The citywide demand forecast is then 690,000 to 1.0 million square feet for the 2012 to 2022 decade and 461,000 to 691,000 square feet for the 2022 to 2032 decade. Citywide demand for the two decades combined ranges from 866,000 to 1.7 million square feet. Using an FAR of 0.25 to reflect a combination of urban scale industrial/flex development with some industrial park type development, these square footage demand forecasts translates into the need for 150 to 200 additional industrial acres by 2032 (see Table 16). Because of the high cost of land in the US 36 corridor, much of this demand is likely in the I-25 corridor.

Table 15: Denver-Aurora MSA Industrial Employment Growth

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | <u>2001 - 2011</u> | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------|-------|
| | | | | | | | | | | | | Abs Change | CAGR |
| Total Nonfarm Employment | 1,209,000 | 1,172,300 | 1,158,100 | 1,167,300 | 1,190,100 | 1,215,100 | 1,241,200 | 1,253,100 | 1,199,800 | 1,193,500 | 1,211,600 | 2,600 | 0.0% |
| Percentage Industrial Employment | 18.7% | 17.9% | 17.6% | 17.4% | 17.3% | 17.2% | 17.0% | 16.7% | 16.0% | 15.5% | 15.4% | | |
| Estimated Industrial Employment | 226,610 | 210,150 | 203,570 | 203,530 | 206,030 | 209,490 | 210,940 | 209,550 | 191,440 | 184,690 | 186,110 | (40,500) | -1.9% |
| Mining, Logging and Construction @ 30% | 29,250 | 27,840 | 25,860 | 25,710 | 27,060 | 28,320 | 27,870 | 27,450 | 23,010 | 20,910 | 20,910 | (8,340) | -3.3% |
| Manufacturing | 81,000 | 74,000 | 71,400 | 71,800 | 72,200 | 72,200 | 71,500 | 69,900 | 63,100 | 61,100 | 61,800 | (19,200) | -2.7% |
| Wholesale Trade | 68,400 | 64,700 | 62,700 | 62,000 | 62,800 | 64,900 | 66,300 | 66,800 | 62,500 | 61,300 | 62,200 | (6,200) | -0.9% |
| Transp, Warehsg and Utils @ 80% | 43,600 | 39,200 | 39,200 | 39,520 | 39,440 | 39,440 | 40,560 | 40,560 | 38,080 | 36,640 | 36,320 | (7,280) | -1.8% |
| Other Services @ 10% | 4,360 | 4,410 | 4,410 | 4,500 | 4,530 | 4,630 | 4,710 | 4,840 | 4,750 | 4,740 | 4,880 | 520 | 1.1% |
| Occupied Industrial & FlexSpace (1,000 SF) | 218,784 | 220,581 | 220,493 | 223,186 | 227,369 | 232,430 | 238,400 | 240,002 | 239,716 | 242,636 | 242,729 | 23,945 | 1.0% |
| Occupied Space Per Employee | 965 | 1,050 | 1,083 | 1,097 | 1,104 | 1,110 | 1,130 | 1,145 | 1,252 | 1,314 | 1,304 | 339 | 3.1% |
| Average Space per Employee 2001-11 | | | | | | | | | | | | 1,141 | |

Source: Colorado State Dept of Labor and Employment, CoStar and BLE

Table 16: Forecast of MSA and Westminster Industrial and Flex Space Demand 2012 to 2032

| MSA Demand for Industrial and Flex Space | 2012 | 2022 | 2032 | |
|--|-------------|----------------|----------------|--------------------------|
| MSA Employment | 1,230,986 | 1,471,000 | 1,659,400 | |
| Percentage Industrial Employment | 15.4% | 13.4% | 11.8% | |
| Estimated MSA Industrial Employment | 189,572 | 197,114 | 195,809 | |
| Space Needed Per Employee (SF) | 1,300 | 1,420 | 1,540 | |
| Occupied Industrial Space Needed in MSA (SF) | 246,443,317 | 279,901,880 | 301,546,168 | |
| Equilibrium Vacancy Allowance @ 6% | 15,730,424 | 17,866,077 | 19,247,628 | |
| Total Industrial Space Demand in MSA (SF) | 262,173,742 | 297,767,957 | 320,793,796 | |
| Current Stock of Space (SF) | 263,037,554 | | | |
| | | 2012-22 | 2022-32 | Total 2012-32 |
| Industrial Construction Needed in Denver MSA (SF) | (863,812) | 34,730,403 | 23,025,838 | 57,756,242 |
| Estimated US-36 Corridor and City of Westminster Demand Increase | | 2012-22 | 2022-32 | Total 2012-32 |
| US-36 Corridor Market Share (SF) | | | | |
| High @ 3.0% | | 1,041,912 | 690,775 | 1,732,687 |
| Low @ 1.5% | | 520,956 | 345,388 | 866,344 |
| City of Westminster Market Share of MSA (SF) ¹ | | | | |
| High @ 3% | | 1,041,912 | 690,775 | 1,732,687 |
| Low @ 2% | | 694,608 | 460,517 | 1,155,125 |
| City of Westminster Industrial Land Absorption Forecast @ 0.25 FAR (Acres) | | | | |
| High @ 3% | | 96 | 63 | 159 |
| Low @ 2% | | 80 | 53 | 133 |
| Recommended Comp Plan Industrial Land Reserve in Acres | | | | |
| High | | | | 200 |
| Low | | | | 150 |

¹ Includes Westminster outside of the US-36 Corridor

Source: Bill Lee Land Econ Consultants

VI. Long-term Hotel Market

Since the City of Westminster does not have either natural or manmade attractions that draw visitors to stay overnight, its hotel demand is and will be a function of economic activity. The strongest economic driver of future development in Westminster will be the growth of the technology enterprises focused on the US 36 Corridor. The City of Westminster's hotel inventory has 2,204 rooms, including the 212-room full service Marriott Hotel currently under construction. As shown in Table 17, Westminster hotel sizes range from the 59 unit La Quinta Inn & Suites to the Westin with 371 with an average property size of 138 rooms. In addition, the balance of the corridor has another 1,809 hotel rooms primarily in the cities of Broomfield and Louisville. The US 36 Corridor currently is able to support a total of 4,013.

Table 17: City of Westminster and US 36 Corridor Hotel Inventory

| Hotels in Westminster (Citywide) | | Room Count | Other US 36 Corridor Hotels | | Room Count |
|---|------------------------|-------------------|---|--------------|-------------------|
| Address | | | Jurisdiction | | |
| Comfort Inn Northwest | 8500 Turnpike Dr | 66 | Hyatt House - Broomfield/Boulder | Broomfield | 123 |
| Double Tree Hotel Denver North | 8773 Yates Dr | 180 | Omni Hotel Interlocken | Broomfield | 390 |
| Drury Inn & Suites | 10393 Reed St | 180 | Hilltop Inn | Broomfield | 16 |
| La Quinta Inn | 345 W 120th Ave | 130 | Loft Broomfield | Broomfield | 139 |
| La Quinta Inn | 8701 Turnpike Dr | 130 | Renaissance Boulder Flatiron | Broomfield | 232 |
| La Quinta Inn & Suites | 10179 Church Ranch Way | 59 | Towne Place Suites - Broomfield | Broomfield | 150 |
| Springhill Suites Westminster | 6845 W 103rd Ave | 164 | Residence Inn Boulder/Louisville | Louisville | 88 |
| Westin Westminster Hotel | 10600 Westminster Blvd | 371 | La Quinta Inn & Suites Denver/Louisville/Boulde | Louisville | 120 |
| Westminster Hampton Inn | 5030 W 88th Pl | 107 | Hampton Inn Louisville | Louisville | 82 |
| Westminster Residence Inn | 5010 W 88th Pl | 96 | Courtyard Boulder Louisville | Louisville | 154 |
| Marriott ¹ | 7000 Church Ranch Blvd | <u>212</u> | Best Western Plus Louisville | Louisville | 61 |
| Subtotal Westminster US 36 Corridor | | 1,695 | Quality Inn Denver-Boulder Turnpike | Louisville | 68 |
| City Inn ² | 7151 Federal Blvd | 18 | Days Hotel Boulder | Boulder | 74 |
| Comfort Suites Westminster | 12085 Delaware St | 78 | Homewood Suites by Hilton | Boulder | 112 |
| Denver North Super 8 Motel | 12055 Melody Dr | 116 | Venture Inn | Adams County | <u>50+</u> |
| Extended Stay | 1291 W 120th Ave | 103 | Subtotal Other uS 36 Corridor Cities | | 1,809 |
| Fairfield Inn & Suites | 12080 Melody Drive | 82 | Subtotal Westminster US 36 Corridor | | 1,695 |
| Savannah Suites Westminster | 12095 Mariposa St | 130 | | | |
| Total Westminster Citywide | | 2,222 | | | |
| Average Property Size Excluding City Inn | | 154 | Total Inventory in US-36 Corridor | | 3,504 |

¹ Currently under construction and entitled for 85 additional rooms.

² Entitled for 20-room addition

Source: City of Westminster

Actual demand for hotels in Westminster can be determined by City's seven percent gross accommodations tax collections. Room revenues have fluctuated with economic cycles. It climbed from \$24.8 million in 2003 as the region recovered from the recession of 2001-02 to a peak of \$38 million in 2007. Room revenue peaked in 2007 and 2008, and fell by over 21 percent in 2009 due to the recession. In the two years following, room revenues have begun to rebound (see Table 18). The dramatic fall off in demand during 2009 would have discouraged interest in new hotel construction due to the total lack of available financing. With steady economic recovery from 2010 to 2012, interest in hotel development has thawed from the recent deep freeze. The construction of the 212 room Marriott on Church Ranch Boulevard is a strong indicator of a recovering hotel market in the US 36 Corridor.

Table 18: City of Westminster Accommodations Tax and Room Revenue (cash basis)

| Year | Gross Accommodations Tax (7.0%) Collections | Room Revenue | Annual Change |
|-------------|--|---------------------|----------------------|
| 2002 | \$1,834,024 | \$26,200,343 | |
| 2003 | 1,732,570 | 24,751,000 | -5.5% |
| 2004 | 1,804,209 | 25,774,414 | 4.1% |
| 2005 | 2,096,764 | 29,953,771 | 16.2% |
| 2006 | 2,359,631 | 33,709,014 | 12.5% |
| 2007 | 2,663,351 | 38,047,871 | 12.9% |
| 2008 | 2,652,553 | 37,893,614 | -0.4% |
| 2009 | 2,081,828 | 29,740,400 | -21.5% |
| 2010 | 2,227,686 | 31,824,086 | 7.0% |
| 2011 | 2,332,147 | 33,316,386 | 4.7% |

Source: City of Westminster

Forecast of Long-term Hotel Demand

(The following forecast is not a recommendation for land allocation. The total forecasted demand does not account for land availability, which is limited within the city. The City of Westminster will allocate land by use based on City objectives and policy direction established by the Comprehensive Plan.)

Over the next 20 years, hotel demand in Westminster will be powered primarily by economic activity and job growth in the US 36 Corridor. The I-25 hotel market is expected to mature later by a decade or more as that corridor becomes more fully developed. The US 36 Corridor has 7.6 million square feet of occupied office space in 2012, according to CoStar data analyzed in the preceding office market section. At a calculated occupancy factor of 370 square feet per employee based upon MSA employment data and BLLE's estimate of office employment, the US 36 Corridor currently has approximately 20,500 office employees. The economic activity represented by this level of office employment, primarily in the technology sector, currently supports 3,504 hotel rooms. The calculated ratio of office employees per supportable hotel room is 5.9.

Over the next 20 years, using the high demand forecast which reflects a gradual acceleration of economic activity from the 2009 recession, office space and office employment in the US 36 Corridor is expected to more than double. Based upon observing metropolitan area growth for more than four decades, BLLE expects corridor hotel demand to at least keep pace. As shown in the top half of Table 19, this corridor will be able to support approximately 5,900 hotel rooms by 2022 and 8,100 by 2032 from the 3,504 rooms today.

The City of Westminster currently has 48 percent of the hotel rooms in this corridor. Its largest property is the 371-room Westin, which is one of the top properties in the corridor along with the 390-room Omni and 232-room Renaissance. With construction of the planned 115-room Hyatt Place and 85-room second phase of the Marriott, Westminster is likely to be able to maintain its historic market share of slightly over 50 percent in the next decade (2012 to 2022). In the second decade, as the larger scale technology developments roll on to the vacant lands in Broomfield, Louisville, Superior and perhaps the Rocky Mountain Metropolitan Airport properties, Westminster's market share will likely decrease. Since

Westminster has restaurants and shops appealing to hotel guests, the extent of market share decline can be offset to some extent by aggressive City policy of preserving and promoting hotel sites.

The calculations in the lower half of Table 19 show that at the current 48 percent market share, Westminster will be able to support an additional 792 rooms over the 2012 to 2022 decade. The planned 115-unit Hyatt Place and the 85-room Marriott expansion are included in this total. For the 2022-32 decade, at a reduced market share of 45 percent, Westminster will likely have demand for 850 additional rooms in the US 36 Corridor. The total new demand in Westminster's portion of the US 36 Corridor is 1,642 rooms from 2012 through 2032.

In addition to the demand in the US 36 Corridor, Westminster has the potential for future demand along the I-25 corridor. The Orchard Town Center with its numerous restaurants in a pedestrian environment will attract future hotels to the 144th Avenue and the 136th Avenue interchanges. When completed, the major new St. Anthony's medical complex will also generate some hotel demand. Given that the I-25 corridor is still in the early stages of transition from raw land to suburban development and much land is still vacant inside and outside the city, BLLE expects this hotel market to mature in eight to ten years or in the next up economic cycle following the current one. However, we do recommend that the City reserve two or three sites for future hotel development in this corridor. The sites should be convenient from the interchanges, close to Orchard Town Center and offer visibility from I-25. Our demand estimate is 240 rooms by 2032, likely an initial limited service property in the 80- to 100-room range and later a full service hotel in the 100- to 150-room range. With this 240-room estimate for the I-25 corridor, the projected demand for the city as a whole climbs to 1,882 by 2032. Assuming an average density of 43 units per acre, this room demand translates into 44 acres.

Because of the solid market potential, fiscal desirability of hotels, and the fact that they don't generate much peak hour traffic, it would be in the City's interest to promote hotel development. Since hotel development is very site sensitive, the reservation of the best hotel sites for such development is an obvious strategy. If the City should choose to allocate land to accommodate the forecasted demand for hotel uses, BLLE recommends reserving 80 acres using the high US 36 corridor growth forecast and 65 acres using the low forecast.

Table 19: City of Westminster Long Term Hotel Demand Forecast

| Total Corridor Demand | 2012 | 2022 | 2032 |
|---|-------------|-------------|-------------|
| Occupied Office Space in US 36 Corridor (High Forecast) | 7,602,597 | 11,032,114 | 14,866,399 |
| Estimated Employment Density | 370 | 365 | 360 |
| Office Employees in uS 36 Tech Corridor | 20,548 | 30,225 | 41,296 |
| Number of Office Employees per Room | 5.9 | 5.9 | 5.9 |
| uS 36 Corridor Supportable Rooms | 3,504 | 5,154 | 7,042 |

| Estimated Westminster Hotel Demand Increase by Decade | 2012-22 | 2022-32 | Total 2012-32 |
|---|----------------|----------------|----------------------|
| Additional Hotel Rooms Supportable in uS 36 Corridor | 1,650 | 1,888 | 3,538 |
| Estimated Westminster Share of uS 36 Corridor | 48% | 45% | 46% |
| Additional Hotel Rooms Supportable in Westminster Portion of US 36 Corridor | 792 | 850 | 1,642 |
| Allowance for Future Demand in I-25 Corridor | | 240 | 240 |
| Additional Hotel Rooms Supportable in Entire City of Westminster | 792 | 1,090 | 1,882 |
| Estimated Rooms per Acre | 40 | 45 | 43 |
| Hotel Acreage Demand | 20 | 24 | 44 |

| Recommended Citywide Land Reservation in Acres | |
|---|-----------|
| High | 80 |
| Low | 65 |

Source: City of Westminster, CoStar and BLLE

VII. Housing Market Analysis

According to MPF Research's Denver Apartment Market Report from the third quarter of 2012, the Metro Area's apartment market was in the best shape since the tech boom in 2000 and 2001. With impressive job growth in the region, apartment occupancy rates were at their highest since 2001, at 96.3 percent. Rents were also surging, with suburban areas leading the rent growth. MPF Research reported annual rent growth of 7.4 percent in Thornton, 7.3 percent in Broomfield and 6.8 percent in Westminster. New supply levels have been modest and apartment developers have been taking notice. In the past year, the number of multifamily units permitted has increased beyond the 2003 peak level of the past development cycle. Current housing development interest is also indicated by the 1,800 multifamily and single-family units in the city's development pipeline (see Table 20).

Forecast of Housing Demand

(The following forecast is not a recommendation for land allocation. The total forecasted demand does not account for land availability, which is limited within the city. The City of Westminster will allocate land by use based on City objectives and policy direction established by the Comprehensive Plan.)

BLLE's forecast of housing demand is based on projected population growth in the City of Westminster. Factors for population per occupied housing unit and estimated vacancy rates that range from 2.5 to 4.4 percent were applied to forecast total units of housing demand and additional housing construction required from 2012 to 2032. Additional housing construction required was calculated at 5,400 units for the period from 2012 to 2022 and 4,000 units for the period from 2022 to 2032, for a total of 9,400 to 9,500 units over the two decades.

The total housing units demand was then broken down into single-family units, townhouses and multifamily units. Total demand for residential acres were then estimated based on residential densities of 3.5 units per acre for single-family units, 8.0 units per acre for townhouses, and 16 units per acre for multifamily units. These residential densities were based upon a slight increase over actual densities of recently completed projects and currently in the development pipeline. The resulting recommended residential acreage required to accommodate demand through 2032 range from 1,540 to 1,830 acres total. Of this, approximately 1,200 to 1,400 acres will be for single-family homes, 120 to 150 acres for townhomes and 220 to 280 acres for multifamily units. (Higher density developments in the WURP site and Westminster Station areas, as well as other activity nodes in the city, could result in less total acreage demand for multifamily units.) The City of Westminster housing demand forecast is presented in Table 21.

Table 20: City of Westminster Development Pipeline

| Description | Location | Gross Acres | Proposed New | Remaining to be | | Density |
|--|-------------------------------|--------------|--------------------------------------|-----------------------------------|-------------------------|-------------|
| | | | Units | Built | (rooms) | |
| Group Residential | | | | | | |
| Anthem Senior Housing | Church Ranch & Wadsworth Blvd | 4.8 | 72 | 72 | | n/a |
| Single Family Residential | | | | | | |
| Cedar Bridge (Fatch Enterprises) | 111th Ave & Bryant Ct | 2.8 | 12 | 3 | | 4.3 |
| Country Club Highlands (Century Homes) | 120th Ave & Zuni St | 36.6 | 118 | 102 | | 3.2 |
| Huntington Trails (various) | 144th Ave & Huron St | 78.2 | 210 | 64 | | 2.7 |
| Shoenberg Farms (Century) | 72nd Ave & Depew St | 8.5 | 79 | 28 | | 9.3 |
| Tuscany Trails (Standard Pacific) | 95th Ave & Westminster Blvd | 20.3 | 100 | 2 | | 4.9 |
| Amberwood Estates (NCF Construction & Design) | 101st Ave & Sheridan Blvd | 4.8 | 13 | 13 | | 2.7 |
| Bradburn East (Century Homes) | 120th Ave & Lowell Blvd | 10.1 | 62 | | | 6.1 |
| Single Family Total/Average | | 151.2 | 532 | 212 | | 3.5 |
| Multifamily Residential | | | | | | |
| | | | | (units) | | |
| Cottonwood Village (Fairfield Homes) | 88th Ave & Federal Blvd | 8.7 | 82 | 62 | | 9.4 |
| East Bay Senior Housing (East Bay LLC) | 68th Ave & Lowell Blvd | 4.2 | 60 | 54 | | 14.2 |
| Legacy Villas at Green Acres (Nuszer - Kopatz) | 113th Ave & Sheridan Blvd | 11.6 | 94 | 62 | | 8.1 |
| The Orchard (McWhinney) | 148th Ave & Huron St | 27.0 | 394 | 394 | | 14.6 |
| Orchard Lakes, Blocks 1 & 2 (Orchard Lakes LLC) | 142nd Ave & Huron St | 23.9 | 320 | 320 | | 13.4 |
| The Registry / LongsView (Corum) | Federal Pkwy & Zuni St | 25.1 | 312 | 312 | | 12.4 |
| Multifamily Total/Average | | 100.5 | 1,262 | 1,204 | | 12.6 |
| SubTotal/Averages | | 251.7 | 1,794 | 1,416 | | 7.1 |
| Hotel | | | | | | |
| Description | Location | Gross Acres | Proposed New Bldg Sqft (rooms) | Built Units / Sqft. (rooms) | Intensity Rooms/Acre | |
| City Inn Expansion (JJLL, LLC) | 7150-7151 Federal Blvd. | 0.0 | 20 | 20 | | n/a |
| Hyatt Place Hotel (Etkin Johnson) | 6865 W. 103rd Ave | 2.8 | 115 | 115 | | 41 |
| Marriott Hotel (Etkin Johnson) | Church Ranch Blvd and US 36 | 5.0 | 297 | 297 | | 59 |
| Hotel Total/Average | | 7.8 | 432 | 432 | | 50 |
| Retail | | | | | | |
| | | | (square feet) | (square feet) | Floor Area Ratio | |
| Bradburn Commercial | Tennyson St & Main St | 1.0 | 3,500 | 3,500 | | 0.08 |
| Country Club Village (Byrne) | 120th Ave & Federal Blvd | 5.0 | 20,600 | 20,600 | | 0.09 |
| Jiffy Lube | 72nd Ave & Sheridan Blvd | 1.2 | 3,500 | 3,500 | | 0.07 |
| Orchard Town Center (Forest City) | 144th Ave & Huron St | 110.0 | 1,200,000 | 117,859 | | 0.25 |
| Westminster Gateway (Church Ranch Development LLC) | Church Ranch Blvd & Reed St | 0.7 | 5,000 | 5,000 | | 0.16 |
| Retail Total/Average | | 117.9 | 1,232,600 | 150,459 | | 0.24 |
| Office | | | | | | |
| | | | | (square feet) | | |
| Benton Park (Covenant Development) | 112th Ave & Sheridan Blvd | 11.9 | 84,300 | 84,300 | | 0.16 |
| Saint Anthony's North Health Campus | 144th Ave & Huron St | 33.0 | 397,700 | 349,972 | | 0.28 |
| Trimble at Westmoor Technology Park | 110th St & Westmoor Dr | 14.8 | 125,425 | 125,425 | | 0.19 |
| Village at Standley Lake (various) | 100th Ave & Wadsworth Pkwy | 1.4 | 24,026 | 24,026 | | 0.40 |
| Office Total/Average | | 61.2 | 631,451 | 583,723 | | 0.24 |
| Industrial/Flex | | | | | | |
| | | | | (square feet) | | |
| Avaya Industrial (Reuse of Existing Building) | 120th Ave & Huron St | | 0 | 0 | | 0.29 |
| My Business Park at Mandalay (My Reality LLC) | 108th Ave & Wadsworth Blvd | 4.4 | 62,969 | 46,905 | | 0.33 |
| Industrial/Flex Total/Average | | 4.4 | 62,969 | 46,905 | | 0.29 |
| Total/Average* | | | 2,206,020 | 1,060,087 | | 0.26 |

*Hotels comprise an additional 279,000 square feet of building space. The Marriott will be built in two phases: the first comprises 212 rooms and 156,000 sqft.

Table 21: City of Westminster Long Term Housing Demand Forecast

| Total Units Demand | 2000 | 2010 | 2012 | 2022 | 2032 |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| Population | 100,940 | 106,114 | 108,723 | 117,158 | 125,000 |
| Population per Occupied Unit | 2.63 | 2.52 | 2.53 | 2.45 | 2.41 |
| Occupied Housing Units | 38,343 | 42,041 | 42,973 | 47,819 | 51,867 |
| Vacant Units | 975 | 1,927 | 1,147 | 1,734 | 1,715 |
| Vacancy Rate | 2.48% | 4.38% | 2.60% | 3.50% | 3.20% |
| Total Units | 39,318 | 43,968 | 44,120 | 49,554 | 53,582 |

| Demand for Housing Type | 2012-22 | 2022-32 | Total 2012-32 |
|--|----------------|----------------|----------------------|
| Additional Housing Construction Required (Total Units) | 5,434 | 4,028 | 9,462 |
| Single Family Percentage | 50% | 42% | 47% |
| Townhouse Percentage | 10% | 12% | 11% |
| Multi Family Percentage | 40% | 46% | 43% |
| Single Family Unit Demand | 2,717 | 1,692 | 4,409 |
| Townhouse Unit Demand | 543 | 483 | 1,027 |
| Multi Family Unit Demand | 2,174 | 1,853 | 4,026 |
| Single Family Acreage Demand @ 3.5 Units per Acre | 776 | 483 | 1,260 |
| Townhouse Unit Demand @ 8 Units per acre | 68 | 60 | 128 |
| Multi Family Unit Demand @ 16 Units per Acre | <u>136</u> | <u>116</u> | <u>252</u> |
| Total Demand for Residential Acres | 980 | 660 | 1,640 |

| Recommended Comp Plan Residential Acreage | Low | High |
|--|-------------------|-------------------|
| Single Family | 1,200 | 1,400 |
| Townhouse | 120 | 150 |
| Multi Family | <u>220</u> | <u>280</u> |
| Total Residential | 1,540 | 1,830 |

Source: US Census Bureau and BLLE

VIII. Retail Demand

History of Regional Retail in Westminster

The City of Westminster has been proactive about regional retail development because of its contribution to the City's General Fund revenue is critical for providing quality municipal services. Starting a decade ago, the City purchased property, secured anchor tenants with the assistance of real estate professionals, and committed to the construction of the I-25 interchanges at 144th and 136th avenues. With these three trump cards in hand, the City was able to solicit shopping center developers and secured the development of the Orchard Town Center by Forest City Development. By being aggressive, the City pre-empted six or seven competing shopping center sites in the I-25 corridor and secured the shopping center within its city limits. Unfortunately for the developer of Orchard Town Center, it opened in 2008 as the national and regional economies were in free fall. As the economy recovers and rooftops are added to the I-25 corridor, performance of this regional center will improve to its expected level.

With that project accomplished, the City then moved to address the Westminster Mall, an aging 1970s style enclosed mall in need of major reinvestment. When Macy's finally closed in March of 2009, the City moved to acquire most of the mall property. The City currently owns approximately 85 acres, or 80 percent of the site. The City's intent is to work with a developer to create a new city center offering regional retail, office, hotel and residential development on this 100-plus-acre site.

City Strategy Responds to Growth Trends

The City of Westminster is located in both Adams County and Jefferson County. The dividing line is essentially Sheridan Boulevard with the area to the west being Jefferson County and the area to the east being Adams County. While it is the larger county in terms of population, Jefferson County is growing very slowly, adding only 11,000 people over the 2001 to 2011 decade. In contrast, Adams County is growing much faster and added nearly 92,000 people over the same decade. According to forecasts by the State of Colorado, in the 20 years from 2010 to 2030 Adams County will add 177,000 people while Jefferson County will add only 81,000. By 2030, Adams County is projected to have 618,000 residents and exceed Jefferson County's 615,000 residents. Weld County is expected to grow to 445,000—adding an additional 191,000 residents. The portion of Westminster along the I-25 corridor is well suited to retail development because of the higher rate of population growth in Adams County, which is primarily occurring to the east of I-25, and in Weld County to the north.

The retail store sales trends in the two counties (Table 22 and Table 23) verify this geographic difference in retail market opportunity. In Adams County from 2002 to 2011 total sales increased by 44 percent or \$1.9 billion. General Merchandise (department and variety stores) sales increased by \$515 million or more than doubled and food service (restaurants) sales increased by \$209 million or 60 percent. The impact of the recession was partially offset by the opening of the Orchard Town Center in 2008, and Adams County suffered only one year of sales decline. In contrast Jefferson County's sales gain over this same period was only 16 percent, and a number of its retail sectors suffered a decline in sales. Jefferson County experienced two years of sales decline during the 2007 to 2009 recession, and its recovery has been slower reflecting in part the closure of Westminster Mall. As the WURP site is redeveloped, Jefferson County retail store sales can be expected to climb noticeably. The success of the WURP could have a competitive impact on the marginal retail in the Wadsworth/92nd Avenue vicinity.

Table 22: Adams County Retail Store Sales (thousands of dollars)

| | NAICS | 2002 | 2007 | 2008 | 2009 | 2010 | 2011 | Abs Change 2002-2011 | | |
|--------------------------|-------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------|------------|-------|
| | | | | | | | | \$ thousands | Percentage | CAGR |
| MV/Parts & Dealers | 441 | 1,160,544 | 1,479,569 | 1,320,771 | 1,164,006 | 1,270,038 | 1,557,808 | 397,264 | 34.2% | 3.3% |
| Furniture | 442 | 185,602 | 177,950 | 167,459 | 142,206 | 156,814 | 172,316 | (13,286) | -7.2% | -0.8% |
| Elect/Appli | 443 | 101,043 | 138,126 | 163,272 | 115,965 | 125,945 | 130,781 | 29,738 | 29.4% | 2.9% |
| Bldg/Nursery | 444 | 485,016 | 546,154 | 467,353 | 394,664 | 412,789 | 412,606 | (72,410) | -14.9% | -1.8% |
| Food/Beverage | 445 | 674,917 | 835,490 | 943,803 | 920,942 | 970,272 | 1,107,465 | 432,548 | 64.1% | 5.7% |
| Health Care* | 446 | 78,728 | 121,583 | 127,151 | 125,395 | 125,395 | 128,500 | 49,772 | 63.2% | 5.6% |
| Gas Stations | 447 | 359,342 | 620,453 | 656,375 | 432,140 | 504,923 | 601,678 | 242,336 | 67.4% | 5.9% |
| Clothing | 448 | 83,652 | 97,856 | 126,660 | 137,326 | 128,131 | 139,552 | 55,900 | 66.8% | 5.9% |
| Sports/Hob | 451 | 90,649 | 103,409 | 126,849 | 99,984 | 101,685 | 117,974 | 27,325 | 30.1% | 3.0% |
| Gen Merch | 452 | 477,390 | 871,747 | 935,980 | 928,084 | 943,897 | 992,771 | 515,381 | 108.0% | 8.5% |
| Misc Stores | 453 | 238,840 | 175,740 | 207,755 | 248,569 | 254,567 | 241,221 | 2,381 | 1.0% | 0.1% |
| Food Srvc | 722 | 349,304 | 492,838 | 521,998 | 507,677 | 525,894 | 558,617 | 209,313 | 59.9% | 5.4% |
| Total (\$ thousands) | | 4,285,027 | 5,660,915 | 5,765,426 | 5,216,958 | 5,520,350 | 6,161,289 | 1,876,262 | 43.8% | 4.1% |
| Annual Percentage Change | | | 6.0% | 1.8% | -9.5% | 5.8% | 11.6% | | | |

* 2009 to 2011 estimated because actual sales cannot be disclosed due to statutory taxpayer confidentiality requirements.

Source: Colorado Department of Revenue

Table 23: Jefferson County Retail Store Sales (thousands of dollars)

| | NAICS | 2002 | 2007 | 2008 | 2009 | 2010 | 2011 | Abs Change 2002-2011 | | |
|--------------------------|-------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------|------------|------------|
| | | | | | | | | \$ thousands | Percentage | Percentage |
| MV/Parts & Dealers | 441 | 1,430,033 | 1,493,230 | 1,269,566 | 1,022,190 | 1,107,814 | 1,221,775 | (208,258) | -14.6% | -1.7% |
| Furniture | 442 | 255,579 | 324,423 | 301,010 | 241,404 | 171,809 | 174,476 | (81,103) | -31.7% | -4.2% |
| Elect/Appli | 443 | 282,666 | 301,552 | 286,480 | 244,784 | 236,260 | 243,481 | (39,185) | -13.9% | -1.6% |
| Bldg/Nursery | 444 | 404,650 | 460,420 | 448,938 | 412,487 | 446,502 | 436,845 | 32,195 | 8.0% | 0.9% |
| Food/Beverage | 445 | 1,272,759 | 1,508,736 | 1,569,692 | 1,529,225 | 1,607,582 | 1,717,830 | 445,071 | 35.0% | 3.4% |
| Health Care | 446 | 189,064 | 277,844 | 294,429 | 321,421 | 313,831 | 293,507 | 104,443 | 55.2% | 5.0% |
| Gas Stations | 447 | 354,170 | 704,622 | 750,271 | 481,309 | 528,870 | 539,001 | 184,831 | 52.2% | 4.8% |
| Clothing | 448 | 238,303 | 340,326 | 320,557 | 301,112 | 312,507 | 336,544 | 98,241 | 41.2% | 3.9% |
| Sports/Hob | 451 | 292,310 | 312,484 | 289,151 | 262,626 | 290,518 | 270,231 | (22,079) | -7.6% | -0.9% |
| Gen Merch | 452 | 1,105,016 | 1,389,009 | 1,402,377 | 1,383,343 | 1,427,530 | 1,409,087 | 304,071 | 27.5% | 2.7% |
| Misc Stores | 453 | 318,224 | 256,816 | 247,987 | 227,589 | 252,144 | 311,081 | (7,143) | -2.2% | -0.3% |
| Food Srvc | 722 | 633,221 | 824,930 | 836,756 | 802,862 | 830,335 | 876,687 | 243,466 | 38.4% | 3.7% |
| Total (\$ thousands) | | 6,775,995 | 8,194,392 | 8,017,214 | 7,230,352 | 7,525,702 | 7,830,545 | 1,054,550 | 15.6% | 1.6% |
| Annual Percentage Change | | | 4.5% | -2.2% | -9.8% | 4.1% | 4.1% | | | |

Source: Colorado Department of Revenue

When the City of Westminster is considered as a whole, its retail store sales trend over this period, spanning the most severe national recession since the Great Depression, has been impressive (see Table 24). Overall store sales increased by \$528 million with the high growth sectors being General Merchandise (\$227 million), Motor Vehicle Dealerships and Parts (\$171 million), Building Materials and Nurseries (\$71 million) and Food Service (\$67 million). Of the Food Service sector volume increase, 60 percent was accounted for by sit-down restaurants. As the robust technology sector continues to drive education levels, household incomes and workforce sophistication upward, sit-down restaurants (both national chains and independents) are an area of market opportunity in the US 36 and I-25 corridors.

Westminster Share of Regional Market

According to data compiled by CoStar and displayed in Table 25, the Denver Metro Area now has 149 million square feet of occupied retail space. The Metro Area absorbed 12.5 million square feet of retail space from 2006 to 2012 for an average annual absorption of 2.2 million square feet, impressive considering this period was dominated by the 2007 to 2009 recession. The City of Westminster absorbed one million square feet during this period for an annual average of 178,500 square feet. Its share of the regional market has climbed from 4.1 percent in 2006 to 4.5 percent in 2012. However, the US 36 corridor gained essentially no retail space on a net basis during this period, reflecting the closure of Westminster Mall.

Supportable Retail Space Per Capita

With solid population and occupied retail space data, actual retail space supportable per person can be calculated. As shown in Table 26, the Denver MSA supports about 61 square feet of retail space per resident. The City of Westminster is now able to support about 65 square feet of retail space per resident for three reasons:

- The median household income in Westminster is slightly higher than the MSA median.
- The City pursues aggressive retail development policies.
- The geographic shape of the city includes appendages that reach into surrounding communities, and retail development near the tip of these appendages allows capture of spending from neighboring cities. Orchard Town Center is one example and the South Westminster Area is another.

Table 24: City of Westminster Retail Store Sales (thousands of dollars)

| | NAICS | 2002 | 2007 | 2008 | 2009 | 2010 | 2011 | Abs Change 2002-2011 | | |
|---------------------------------|-------|------------------|------------------|------------------|------------------|------------------|------------------|----------------------|--------------|-------------|
| | | | | | | | | \$ thousands | Percentage | Percentage |
| MV/Parts & Dealers | 441 | 49,011 | 266,379 | 224,927 | 170,023 | 188,622 | 220,238 | 171,227 | 349.4% | 18.2% |
| Furniture | 442 | 43,952 | 51,337 | 50,293 | 39,155 | 37,812 | 43,778 | (174) | -0.4% | 0.0% |
| Elect/Appli | 443 | 76,969 | 85,835 | 62,560 | 46,812 | 44,706 | 58,622 | (18,347) | -23.8% | -3.0% |
| Bldg/Nursery | 444 | 9,765 | 84,203 | 82,943 | 81,720 | 83,404 | 80,678 | 70,913 | 726.2% | 26.4% |
| Food/Beverage | 445 | 227,209 | 221,379 | 232,219 | 221,149 | 223,593 | 227,554 | 345 | 0.2% | 0.0% |
| Health Care | 446 | 29,808 | 33,684 | 33,785 | 10,368 | 10,541 | 15,050 | (14,758) | -49.5% | -7.3% |
| Gas Stations | 447 | 48,637 | 80,691 | 79,288 | 59,313 | 71,969 | 88,925 | 40,288 | 82.8% | 6.9% |
| Clothing | 448 | 102,429 | 109,586 | 116,267 | 116,349 | 116,407 | 123,081 | 20,652 | 20.2% | 2.1% |
| Sports/Hob | 451 | 86,401 | 68,723 | 62,346 | 59,100 | 62,479 | 60,254 | (26,147) | -30.3% | -3.9% |
| Gen Merch | 452 | 315,112 | 486,858 | 540,677 | 550,668 | 525,572 | 542,605 | 227,493 | 72.2% | 6.2% |
| Misc Stores | 453 | 59,123 | 43,886 | 44,829 | 42,599 | 46,978 | 49,129 | (9,994) | -16.9% | -2.0% |
| Food Srvc | 722 | 142,596 | 191,625 | 204,842 | 197,996 | 204,522 | 209,190 | 66,594 | 46.7% | 4.4% |
| Total (\$ thousands) | | 1,191,012 | 1,724,186 | 1,734,976 | 1,595,252 | 1,616,605 | 1,719,104 | 528,092 | 44.3% | 4.2% |
| Annual Percentage Change | | | 7.4% | 0.6% | -8.1% | 1.3% | 6.3% | | | |

Source: Colorado Department of Revenue

Table 25: Metro Denver Retail Space Trends and Market Share

| Period | Denver Metro Occupied SF | US-36 Corridor Occupied Space | Westminster Occupied Space | US-36 Corridor as Share of Metro | Westminster as Share of Metro | Westminster to Corridor Comparison |
|--|--------------------------|-------------------------------|----------------------------|----------------------------------|-------------------------------|------------------------------------|
| 2012 4Q YTD | 148,565,771 | 9,084,771 | 6,608,620 | 6.11% | 4.45% | 72.7% |
| 2011 4Q | 147,352,034 | 9,282,222 | 6,395,586 | 6.30% | 4.34% | 68.9% |
| 2010 4Q | 145,585,861 | 9,374,287 | 6,385,701 | 6.44% | 4.39% | 68.1% |
| 2009 4Q | 144,042,667 | 9,389,084 | 6,344,506 | 6.52% | 4.40% | 67.6% |
| 2008 4Q | 142,628,354 | 9,365,867 | 6,377,339 | 6.57% | 4.47% | 68.1% |
| 2007 4Q | 140,717,300 | 9,377,343 | 5,731,025 | 6.66% | 4.07% | 61.1% |
| 2006 4Q | 136,953,493 | 9,039,587 | 5,646,050 | 6.60% | 4.12% | 62.5% |
| Net Change in Occupied Space 2006-2012 | | | | | | |
| Total | 11,612,278 | 45,184 | 962,570 | 0.39% | 8.29% | 2130.3% |
| Annual Average | 2,002,117 | 7,790 | 165,960 | | | |
| Net Change in Demand @ 7% Equilibrium Vacancy 2006-2012 | | | | | | |
| Total | 12,486,320 | 48,585 | 1,035,022 | 0.39% | 8.29% | 2130.3% |
| Annual Average | 2,152,814 | 8,377 | 178,452 | | | |

Source: CoStar and BLLE

Table 26: Denver-Aurora MSA Westminster Retail Store Space Per Capita

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2006 - 2012 | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------|
| | | | | | | | | Abs Change | CAGR |
| MSA Occupied Retail Space | 136,953,493 | 140,717,300 | 142,628,354 | 144,042,667 | 145,585,861 | 147,352,034 | 148,565,771 | 11,612,278 | 1.4% |
| MSA Population | 2,399,620 | 2,449,476 | 2,500,384 | 2,552,195 | 2,543,482 | 2,599,504 | 2,641,096 | 241,476 | 1.6% |
| MSA Occupied Retail Space per Capita (SF) | 57.1 | 57.4 | 57.0 | 56.4 | 57.2 | 56.7 | 56.3 | | |
| MSA per Capita Retail Demand @ 7% Vacancy | 61.4 | 61.8 | 61.3 | 60.7 | 61.5 | 61.0 | 60.5 | | |
| Westminster Occupied Retail Space (SF) | 5,646,050 | 5,731,025 | 6,377,339 | 6,344,506 | 6,385,701 | 6,395,586 | 6,608,620 | 962,570 | 2.7% |
| Westminster Population | 104,921 | 105,945 | 107,371 | 109,180 | 106,114 | 107,967 | 108,723 | 3,802 | 0.6% |
| Westminster Retail Space per Capita (SF) | 53.8 | 54.1 | 59.4 | 58.1 | 60.2 | 59.2 | 60.8 | | |
| Westminster per Capita Demand @ 7% Vacancy | 57.9 | 58.2 | 63.9 | 62.5 | 64.7 | 63.7 | 65.4 | | |

Source: Colorado State Dept of Labor and Employment, CoStar and BLLE

Evaluation of Retail Locations in Westminster

Using the City's ESRI Community Analyst database and software, BLLE analyzed the relative strengths of different retail locations within Westminster and compared those location to that of the Flatiron Mall in Broomfield and Larkridge Center in Thornton (see details in Table 26). This analysis examined population and households within both a 10-minute and a 20-minute drive time of specific intersection locations. It also examined the median household incomes within these drive time sheds, growth from 2011 to 2016, and the racial composition of population. The highlights of the analysis are summarized below:

- The Westminster Boulevard and 104th intersection (essentially the US 36 and 104th/Church Ranch interchange area) is the strongest retail location in Westminster when access to population and trade area household incomes are both considered.
- The former Westminster Mall location ranks a close second; it has nearly comparable access to population but suffers from somewhat lower trade area median household income.
- The 72nd Avenue and Federal Boulevard intersection has the best regional population access of all the locations examined, but its primary trade area (10 minute drive time) has household incomes well below the MSA median and its high Hispanic population concentration warrants a more focused examination of retail development opportunities.
- The trade area of the Wadsworth Parkway and 92nd Avenue intersection location overlaps substantially with that of the WURP site, and aggressive redevelopment at one site will likely limit the opportunity at the other.
- The Huron and 144th Avenue (Orchard Town Center) does not currently enjoy access to as large a population base as the sites in the US 36 corridor; however, its primary trade area has higher household incomes and the I-25 corridor is a high population growth corridor.
- Both the Flatiron Mall and the Larkridge Center sites have access to far fewer households within 10 and 20 minutes drive time, but their primary trade areas have considerably higher household incomes.

Table 26: Westminster Retail Location Comparison

| Retail Location | Demographic Data | 2011 | | 2016 | | 2011-16 | | Race and Ethnicity | 2011 | |
|---|------------------|------------------|-----------|------------------|-----------|---------------------|----------|--------------------|------------------|--------|
| | | Drive Time Areas | | Drive Time Areas | | Pop & Income Growth | | | Drive Time Areas | |
| | | 10 min | 20 min | 10 min | 20 min | 10 min | 20 min | | 10 min | 20 min |
| 72nd Ave and Federal Blvd | Population | 264,223 | 1,260,270 | 277,153 | 1,329,751 | 12,930 | 69,481 | White | 75.50% | 75.90% |
| | Households | 103,647 | 505,410 | 108,918 | 535,657 | 5,271 | 30,247 | Black | 1.70% | 4.90% |
| | Median HH Income | \$46,299 | \$50,250 | \$54,900 | \$59,470 | \$8,601 | \$9,220 | Asian | 3.10% | 3.40% |
| | | | | | | | | Hispanic Origin | 39.10% | 29.40% |
| Westminster Center (Harlan and W 88th Ave) | Population | 233,998 | 1,059,831 | 245,601 | 1,117,848 | 11,603 | 58,017 | White | 79.80% | 78.20% |
| | Households | 90,173 | 429,279 | 95,063 | 455,358 | 4,890 | 26,079 | Black | 1.30% | 3.60% |
| | Median HH Income | \$56,504 | \$50,421 | \$67,353 | \$59,812 | \$10,849 | \$9,391 | Asian | 4.00% | 3.40% |
| | | | | | | | | Hispanic Origin | 29.50% | 27.70% |
| Wadsworth Pkwy and 92nd Ave | Population | 207,416 | 924,725 | 215,949 | 974,035 | 8,533 | 49,310 | White | 82.10% | 78.20% |
| | Households | 81,076 | 365,261 | 84,851 | 387,222 | 3,775 | 21,961 | Black | 1.20% | 3.30% |
| | Median HH Income | \$56,613 | \$51,927 | \$67,479 | \$61,743 | \$10,866 | \$9,816 | Asian | 3.70% | 3.40% |
| | | | | | | | | Hispanic Origin | 25.90% | 28.10% |
| Westminster Blvd and 104th Ave | Population | 251,505 | 1,023,925 | 266,777 | 1,079,873 | 15,272 | 55,948 | White | 80.20% | 77.90% |
| | Households | 96,320 | 412,383 | 102,615 | 437,216 | 6,295 | 24,833 | Black | 1.30% | 3.70% |
| | Median HH Income | \$62,020 | \$50,808 | \$75,555 | \$60,419 | \$13,535 | \$9,611 | Asian | 5.10% | 3.40% |
| | | | | | | | | Hispanic Origin | 26.10% | 28.10% |
| Huron and 144th Ave | Population | 202,185 | 876,841 | 222,067 | 934,296 | 19,882 | 57,455 | White | 80.30% | 77.10% |
| | Households | 74,496 | 337,771 | 81,787 | 361,617 | 7,291 | 23,846 | Black | 1.60% | 3.40% |
| | Median HH Income | \$67,415 | \$53,379 | \$78,976 | \$63,914 | \$11,561 | \$10,535 | Asian | 4.90% | 3.50% |
| | | | | | | | | Hispanic Origin | 24.20% | 30.10% |
| Flatiron Mall, Broomfield | Population | 33,546 | 631,335 | 35,343 | 669,563 | 1,797 | 38,228 | White | 83.60% | 82.00% |
| | Households | 13,723 | 244,018 | 14,641 | 259,744 | 918 | 15,726 | Black | 1.20% | 1.30% |
| | Median HH Income | \$80,501 | \$58,911 | \$91,458 | \$72,381 | \$10,957 | \$13,470 | Asian | 8.70% | 4.20% |
| | | | | | | | | Hispanic Origin | 9.90% | 23.40% |
| Larkridge Center, Thornton | Population | 67,183 | 707,976 | 75,620 | 760,286 | 8,437 | 52,310 | White | 84.10% | 79.10% |
| | Households | 24,689 | 262,002 | 27,724 | 281,941 | 3,035 | 19,939 | Black | 1.50% | 1.50% |
| | Median HH Income | \$75,414 | \$59,128 | \$84,021 | \$72,371 | \$8,607 | \$13,243 | Asian | 5.00% | 3.90% |
| | | | | | | | | Hispanic Origin | 16.20% | 29.50% |

Source: ESRI Community Analyst 2012

Forecast of Retail Demand

(The following forecast is not a recommendation for land allocation. The total forecasted demand does not account for land availability, which is limited within the city. The City of Westminster will allocate land by use based on City objectives and policy direction established by the Comprehensive Plan.)

Because retail development opportunity is site specific and Westminster has retail sites with market areas that serve adjacent communities beyond the city's boundaries, a citywide retail demand analysis needs to be an aggregate of the opportunities at these key retail locations. This analysis is presented in Table 27 and considers the following factors:

- The projected population growth for Adams County, Jefferson County, Weld County, Denver MSA and the City of Westminster as provided by the State of Colorado.
- The population within ten minutes drive time or primary trade area of each these five Westminster retail locations as estimated by ERSI Community Analyst.
- Our projected population growth for each of these primary trade areas for the 2012 to 2022 and 2032 periods.
- The primary trade area incomes as estimated by ESRI.
- The estimated square footage of retail demand per additional person adjusted for household income.
- The aggregate retail demand increase in each primary trade area as determined by multiplying the change in population by the supportable retail square footage per person.
- The estimated percentage capture of the primary market aggregate demand growth recognizing that these market areas overlap and much shopping is done outside the primary market area.
- Since not all of the new retail development in Westminster over the next 20 years will be within these five key areas, we made an estimate that 30 percent of the total citywide retail growth will be in other parts of the city.
- Westminster also has a number of older and fairly marginal retail centers and buildings, some of these buildings and clusters will be demolished for new development. Based upon experience, BLLE estimates that five percent of the current stock will be demolished every decade.
- In addition, the recently built retail developments in the I-25 corridor, particularly Orchard Town Center, have the capacity and the need to absorb future demand growth. For the 2012 to 2022 decade, we have assumed that 80 percent of the demand growth in the primary market area of the Huron and 144th location will be absorbed by existing stores and centers and 20 percent of the new demand will result in the construction of new space.

When all of the above steps are taken into consideration, the City of Westminster has the potential to support about 1.9 million square feet of additional retail and restaurant space over the next 20 years. The estimate by decade is 964,000 square feet during the 2012 to 2022 decade, as the WURP site is redeveloped, and 837,000 square feet during the 2022 to 2032 decade. Allowing some additional acreage for land market competition, BLLE recommends that the Comp Plan provide 200 to 250 acres for retail expansion. The retail portion of the WURP is included in both the 1.9 million square feet and acreage demand numbers. This amount of retail potential, reflecting the City's proactive retail development strategy, is well in excess of that which would be supported simply by the growth of Westminster's population.

Table 27: City of Westminster Retail Trade Area Population Forecast

| | 2010 | 2012 | 2022 | 2032 | Absolute Change | | Annual Growth Rate | |
|--|--------------------|------------------|------------------------|-----------|-------------------|---------|--------------------|---------|
| | | | | | 2012-22 | 2022-32 | 2012-22 | 2022-32 |
| Population Forecast by Jurisdiction | | | | | | | | |
| Westminster | 106,114 | 108,723 | 117,158 | 125,000 | 8,435 | 7,842 | 0.75% | 0.65% |
| Jefferson County | 534,543 | 542,053 | 581,214 | 623,205 | 39,162 | 41,991 | 0.70% | 0.70% |
| Adams County | 441,603 | 456,745 | 540,609 | 639,872 | 83,864 | 99,263 | 1.70% | 1.70% |
| Denver MSA | 2,543,482 | 2,614,166 | 2,998,169 | 3,438,579 | 384,003 | 440,410 | 1.38% | 1.38% |
| Pop Growth by Trade Area (10 min) | | | | | | | | |
| | 2011 | 2012 | 2022 | 2032 | Population Growth | | CAGR | |
| | | | | | 2012-22 | 2022-32 | 2012-22 | 2022-32 |
| 72nd Ave and Federal Blvd | 264,223 | 266,865 | 294,785 | 319,235 | 27,920 | 24,450 | 1.00% | 0.80% |
| Westminster Center | 233,998 | 237,040 | 269,722 | 297,941 | 32,682 | 28,219 | 1.30% | 1.00% |
| Wadsworth Pkwy and 92nd Ave | 207,416 | 208,868 | 223,958 | 240,138 | 15,090 | 16,180 | 0.70% | 0.70% |
| Westminster Blvd and 104th Ave | 251,505 | 254,775 | 289,902 | 323,416 | 35,127 | 33,515 | 1.30% | 1.10% |
| Huron and 144th Ave | 202,185 | 206,431 | 254,116 | 300,775 | 47,685 | 46,659 | 2.10% | 1.70% |
| Household Income and Supportable Retail SF per Capita by Trade Area | | | | | | | | |
| | 2011 HH Income | Retail SF/Person | SF Demand Growth | | | | | |
| | | | 2012-22 | 2022-32 | 2012-32 | | | |
| 72nd Ave and Federal Blvd | \$46,299 | 57 | 1,591,440 | 1,393,660 | 2,985,100 | | | |
| Westminster Center | \$56,504 | 65 | 2,124,318 | 1,834,226 | 3,958,545 | | | |
| Wadsworth Pkwy and 92nd Ave | \$56,613 | 65 | 980,851 | 1,051,714 | 2,032,565 | | | |
| Westminster Blvd and 104th Ave | \$62,020 | 68 | 2,388,634 | 2,279,012 | 4,667,647 | | | |
| Huron and 144th Ave | \$67,415 | 72 | 3,433,332 | 3,359,439 | 6,792,771 | | | |
| Westminster Sites Capture Potential | | | | | | | | |
| | Capture Percentage | | Westminster SF Capture | | | | | |
| | 2012-22 | 2022-32 | 2012-22 | 2022-32 | 2012-32 | | | |
| 72nd Ave and Federal Blvd | 8.0% | 10.0% | 127,315 | 139,366 | 266,681 | | | |
| Westminster Center | 21.0% | 13.0% | 446,107 | 238,449 | 684,556 | | | |
| Wadsworth Pkwy and 92nd Ave | 5.0% | 4.0% | 49,043 | 42,069 | 91,111 | | | |
| Westminster Blvd and 104th Ave | 9.0% | 6.5% | 214,977 | 148,136 | 363,113 | | | |
| Huron and 144th Ave (80% of 2012-22 Demand Absorbed by Built Retail) | 10.0% | 8.0% | 68,667 | 268,755 | 337,422 | | | |
| All Target Areas | | | 906,108 | 836,775 | 1,742,883 | | | |
| Demolition of Existing Retail Space due to Obsolence and Redevelopment | | | (330,431) | (297,388) | (627,819) | | | |
| New Development Outside Target Areas | | | 388,332 | 358,618 | 746,950 | | | |
| Net Increase in Retail Demand Citywide (SF) | | | 964,010 | 898,005 | 1,862,014 | | | |
| Net Increase in Retail Demand Citywide (Acre @ FAR=0.23) | | | 96 | 90 | 186 | | | |
| Recommended Comp Plan Retail Acreage | | | | | | | | |
| High | | | | | 250 | | | |
| Low | | | | | 200 | | | |

Source: US Census Bureau and BLLE

IX. Strategies for Focus Areas

Because real estate market demand is highly sensitive to location, this study examined the market potential for new development for six focus areas within the city. The focus areas were chosen for their potential for significant change over the next 20 years. They include key corridors, employment centers and areas with significant amounts of vacant and/or underutilized land. The demand projections for each focus area are meant to provide a guide for decision making for what types and extent of land uses the city will pursue in each area. A discussion of the opportunities of each is presented below with quantitative estimates of market demand for each land use.

The following demand projections are not recommendations for land allocation. The total forecasted demand does not account for land availability, which is limited within the city. The City of Westminster will allocate land by use based on City objectives and policy direction established by the Comprehensive Plan. As such, the demand projections for each focus area are intended to provide one of several bases for decision making for what types and extent of land uses the city will pursue in each area.

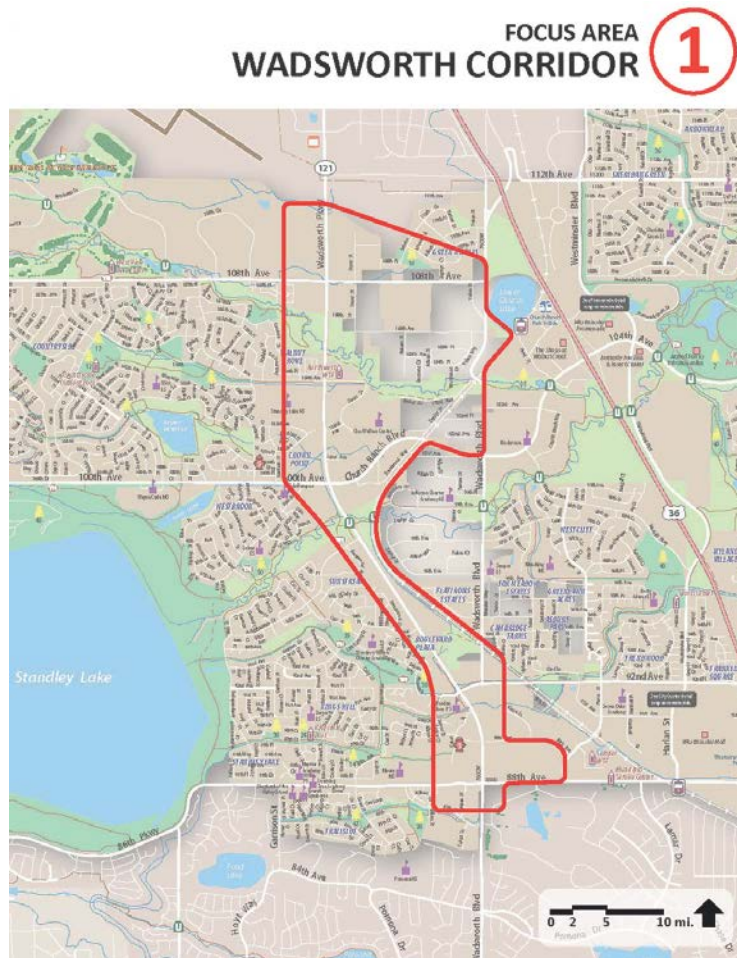
Wadsworth Corridor North (1A)

The Wadsworth Corridor has been defined to be a fairly large area, and to facilitate focused discussion we have divided the area into Wadsworth Corridor North and South. The North Area is generally the area with frontage on or surrounded by Wadsworth Parkway on the west, 108th Avenue on the north, the BNSF rail tracks on the east and Church Ranch Boulevard on the south.

Strengths

- Strategic location in the US 36 Technology Corridor between Westminster's strongest office, retail and hotel location at the Church Ranch Boulevard and US 36 interchange on the east and Westminster's highest quality and most successful business park (Westmoor) on the west.
- In position to capitalize on high quality image established by Westmoor and open space/recreation areas.
- Excellent access from the north through the US 36 and 120th Avenue interchange.
- Very close to Rocky Mountain Metropolitan Airport often used by executives visiting this corridor.
- Close proximity to the restaurants, shops and service at the Shops at Walnut Creek.
- Large enough area to accommodate office, some light industrial and residential development.

Figure 5: Focus Area 1 Map



Challenges

- A Significant portion of the area currently is not part of Westminster but in unincorporated Jefferson County.
- The existing semi-rural residential community may make redevelopment politically difficult.
- Westmoor has sufficient vacant and available office property to accommodate demand growth only for the next seven to ten years.
- Entirely within the Rocky Mountain Airport Influence Area. The eastern portion of the area about a half-mile east of Wadsworth Parkway is within the Runway Protection Zone (which runs at a diagonal from northwest to southeast), which further restricts future land uses.
- The US 36 corridor has no shortage of readily developable office and industrial property to offer competition for the next 20 years, although much of that property is further north in Broomfield, Superior and Louisville.

Development Opportunity

If Westminster wishes to remain a major competitor for the technology companies that are coming to or expanding in the US 36 corridor beyond the next seven to ten years, it should consider planning for a technology district that will succeed Westmoor. The northern portion of this focus area with frontage on 108th Avenue has the market potential to become Westminster's next high prestige technology district. Since it is fairly flat, this area can take on a more urban character as an evolutionary step from Westmoor's suburban character more appropriate for its rolling hillside terrain.

This focus area also has considerable residential development market potential; however, the existing residential community and portions of the property being in the Runway Protection Zone will make large scale residential development challenging. Given the interior nature of this property and the large number of existing homes, carefully planned single family and some townhomes have the best chance of being successful (see Table 28 below).

Table 28: Focus Area 1A: Wadsworth North Development Potential

| 1A: Wadsworth North | | | | |
|----------------------------|---|-------------------|------------------|----------------|
| Land Use | Existing Development¹ | New Demand | | |
| | | 2012-2022 | 2022-2032 | 2012-32 |
| Office (1,000 SF) | 273 | 152 | 596 | 749 |
| Ind/Flex (1,000 SF) | 0 | 167 | 83 | 250 |
| Retail (1,000 SF) | 300 | 39 | 54 | 92 |
| Hotel (Rooms) | 0 | | 108 | 108 |
| Residential (Units) | - | 261 | 193 | 454 |
| Single Family | - | 217 | 135 | 353 |
| Townhouses | - | 43 | 58 | 101 |
| Multi Family | - | | | |

¹ For non-residential land uses only

Source: Bill Lee Land Econ

If the City decides to pursue this development strategy, BLLE would suggest that the City re-examine the location of the commuter rail station, currently planned for the back of the Shops at Walnut Creek to the vicinity of Wadsworth Boulevard. There may be potential for creating a more intensified station area with office uses on two sides of the station in the eastern portion of the focus area. The station may be able to serve as one focal point for the technology district to the northwest and the residential community to the south and southwest.

Wadsworth Corridor South (1B)

Only minor and incremental change is expected for the Wadsworth Corridor South Focus Area, defined as the Wadsworth Parkway frontage from 88th Avenue to 92nd Avenue.

Strengths

- The trade area to the west has fairly high incomes.
- Will benefit from the successful redevelopment of the new WURP. Tenants either priced out of or with floor plates incompatible with the urban character of WURP will find this area to be a reasonable alternative.

Challenges

- The trade area for this Focus Area overlaps to a substantial degree with the trade area for the new WURP.
- The trade area to the west has much open space and low population density.
- Located below the Church Ranch Parkway, the Brookhill V shopping center does not enjoy good visibility from drive by traffic and suffers from substantial vacancies.

Development Opportunity

Assuming successful redevelopment of the WURP site, some loss of retail space can be expected in this focus area. Some or all portions of a local shopping center could convert to multi-family residential use. There is likely some potential for local serving office uses, consisting of medical or dental office, real estate firms, insurance offices and banks (see demand forecast in

Table 29).

Table 29: Focus Area 1B: Wadsworth South Development Potential

| Land Use | 1B: Wadsworth South | | | |
|---------------------|-----------------------------------|-----------|-----------|---------|
| | Existing Development ¹ | 2012-2022 | 2022-2032 | 2012-32 |
| Office (1,000 SF) | 106 | 48 | 64 | 112 |
| Ind/Flex (1,000 SF) | 245 | | | |
| Retail (1,000 SF) | 1,709 | (17) | (17) | (34) |
| Hotel (Rooms) | 0 | | | |
| Residential (Units) | - | 87 | 111 | 198 |
| Single Family | - | | | |
| Townhouses | - | | | |
| Multi Family | - | 87 | 111 | 198 |

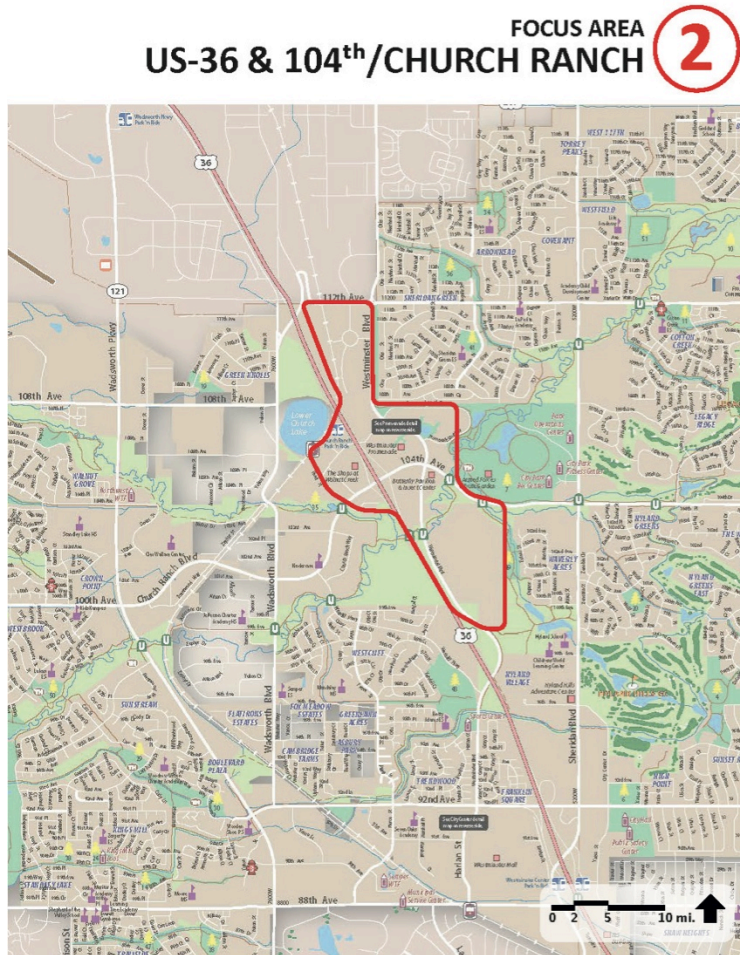
¹ For non-residential land uses only

Source: Bill Lee Land Econ

US 36 & 104th/Church Ranch Interchange (2)

This focus area extends from the Circle Point office development on the north to approximately 100th Avenue to the south. It includes the Shops at Walnut Creek on the west and the Promenade and Westin Hotel on the east. In the retail location assessment, we used the intersection of Westminster Boulevard and 104th Avenue as the centroid for the drive time comparison. This area enjoys the strongest regional location within Westminster for several types of development.

Figure 6: Focus Area 2 Map



Strengths

- Central location within the US 36 Technology Corridor with great access to the Denver MSA labor pool and to the University of Colorado and the Federal government laboratories in Boulder.
- High quality projects, like the Westin Hotel, Circle Point offices and Shops at Walnut Creek have established the image of this area.
- The park and open space to the east enhance the image of this area.

Challenges

- The east-west circulation to and through the northern portion of this area and some of the internal circulation routes are awkward and of limited capacity.
- Some of the urban entertainment uses at the Promenade are now dated in concept and will struggle in years ahead.
- Weak regional office demand due to the recession has slowed the success of this area.
- A key opportunity parcel just west of Circle Point has been isolated and made difficult to develop by the combination of commuter rail tracks, the US 36 freeway and the 112th Avenue overpass. With the planned improvement to the 112th Avenue Bridge, and subsequent improved access to the site, it is an excellent opportunity for office and/or hotel development.

Development Opportunity

This focus area has market potential for office (corporate and multi tenant), hotel, restaurant and retail development. The portions of this area that are buffered from the freeway (US 36) and major traffic arterials by either distance or another land use would also enjoy strong market support for residential development ranging from single family to townhouses and multi-family apartments and condominiums. The market potential of this area is shown in Table 30 below.

Table 30: Focus Area 2: US 36 & 104th/Church Ranch Interchange Development Potential

| 2: US-36 & 104th/Church Ranch Interchange | | | | |
|--|---|-------------------|------------------|----------------|
| Land Use | Existing Development¹ | New Demand | | |
| | | 2012-2022 | 2022-2032 | 2012-32 |
| Office (1,000 SF) | 295 | 419 | 383 | 803 |
| Ind/Flex (1,000 SF) | 0 | | | |
| Retail (1,000 SF) | 633 | 215 | 148 | 363 |
| Hotel (Rooms) | 551 | 280 | 320 | 600 |
| Residential (Units) | - | 652 | 674 | 1,326 |
| Single Family | - | 326 | 254 | 580 |
| Townhouses | - | 65 | 87 | 152 |
| Multi Family | - | 261 | 334 | 594 |

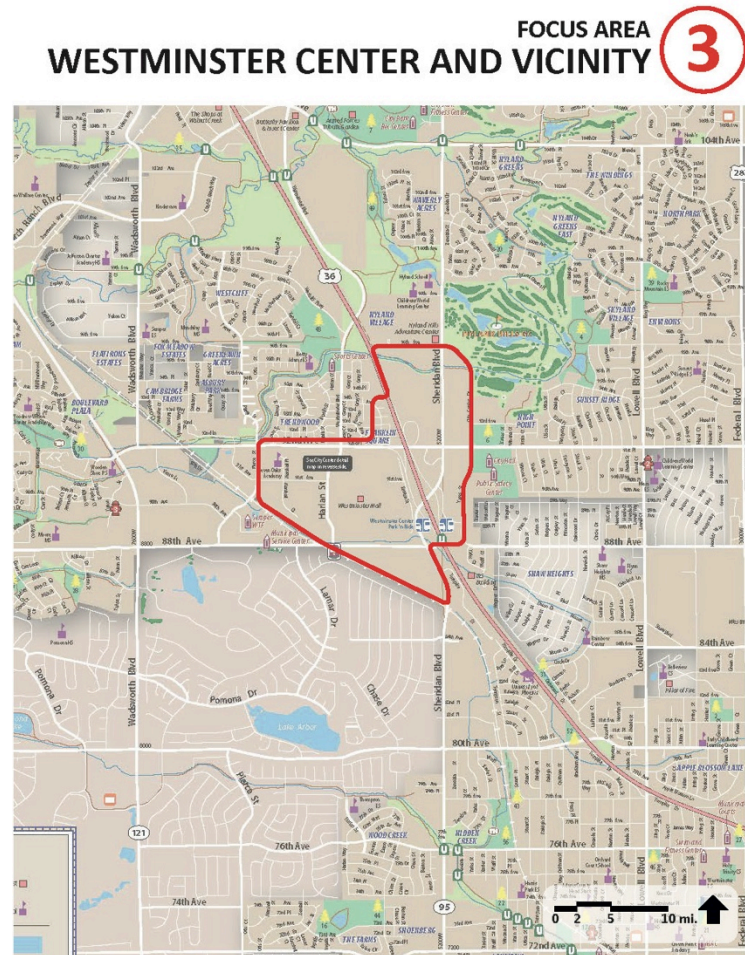
¹ For non-residential land uses only

Source: Bill Lee Land Econ

Westminster Center and Vicinity (3)

The core of this focus area is the WURP site, but the area extends west to the commuter rail tracks and Pierce Street and east to across US 36 and up Sheridan Boulevard to 96th Avenue.

Figure 7: Focus Area 3 Map



Strengths

- The area enjoys very strong regional location being at the Sheridan Boulevard interchange with US 36 with 92nd Avenue and 88th Avenue being important east-west arterial streets.
- It also enjoys excellent transit service with the highly used Westminster Center park-and-ride facility.
- Commuter rail is proposed for 88th Avenue and Harlan Street across from the WURP site.
- The City controls approximately 80 acres of the 100-plus-acre WURP site and plans to redevelop the property.
- Selected major national retailers, with the closure of the former Mall, do not have this subregion of the Denver MSA covered in terms of store location.

- The planned new, wider and more attractive Sheridan Boulevard/US 36 bridge will relieve congestion and improve the image of the area.

Challenges

- Because of aging buildings, the image around the WURP site is less than attractive.
- The trade area to the south tends to be of lower income.
- The regional office market is expected to be weak for another three or four years.
- The pedestrian connections between the planned commuter rail station, Westminster Center Park and Ride, and the WURP site could stand some improvement.
- Lack of connectivity of 88th Avenue over US 36 creates a bottleneck, which may be improved with the Sheridan Boulevard bridge replacement.

Development Opportunity

The market analysis suggests strong potential for comparison shopping (department stores, and apparel and accessory stores), sit down restaurants, and apartment development in the short term and for office and hotel development in the intermediate term for the WURP site (see Table 31 below). Given the size of the property some disaggregation into smaller blocks would better allow project phasing and facilitate development by multiple developers creating a more market responsive urban texture. Additionally, if the City pursues an aggressive approach to redevelopment of the WURP site (through a joint public/private partnership) as planned, additional development potential beyond the natural market demand (described in Table 32) would be possible. Amenities like open space, cultural attractions and other enhancements to the urban fabric and quality of life will attract and support more housing and higher intensity development to the WURP site.

BLLE does not expect the industrial area to the west of Westminster Center to change very much during the next ten years, but during the following ten years market pressure will exist for the transition of this area to multi-family housing provided redevelopment of the WURP site has been highly successful. Little change is expected in the Sheridan Boulevard corridor over the next ten years. There may be tenant turnover as new retailers replace today's retailers that will be passé 15 to 20 years from now.

Table 31: Focus Area 3: Westminster Center Development Potential

| 3: Westminster Center and Vicinity | | | | |
|---|---|-------------------|------------------|----------------|
| Land Use | Existing Development¹ | New Demand | | |
| | | 2012-2022 | 2022-2032 | 2012-32 |
| Office (1,000 SF) | 147 | 229 | 320 | 548 |
| Ind/Flex (1,000 SF) | 468 | 21 | 7 | 28 |
| Retail (1,000 SF) | 1,849 | 446 | 238 | 685 |
| Hotel (Rooms) | 203 | 120 | 240 | 360 |
| Residential (Units) | - | 435 | 371 | 805 |
| Single Family | - | | | |
| Townhouses | - | | | |
| Multi Family | - | 435 | 371 | 805 |

¹ For non-residential land uses only

Source: Bill Lee Land Econ

North I-25 Area (4)

While the US 36 corridor is the rapid technology development and high employment growth corridor, the I-25 corridor is characterized by housing development and population growth. The Orchard Town Center, Wal-Mart and Lowe’s have developed in anticipation of the growth in rooftops and to pre-empt their competition.

Figure 8: Focus Area 4 Map



Strengths

- Fairly rapid housing development and population growth is projected for this corridor.
- The household incomes associated with this new housing development are fairly high.
- Traffic volumes traveling along the I-25 linking Denver to Fort Collins is much higher than on US 36.
- The Orchard Town Center is a strong amenity for future residential or employment development in this vicinity.

- St. Anthony’s medical building and proposed expansion of approximately 350,000 square feet is a potential impetus for similar or supporting development in the surrounding area.
- The area has great access to and visibility from I-25 and E-470 to DIA. The I-25 managed lanes improvement will also improve access to the area.

Challenges

- The retail developments that have been built were built in advance of market maturity, and they are able to absorb considerable additional purchasing power growth before additional retail is required.
- Because of the abundance of entitled and readily developable land in the US 36 corridor and the additional travel time and/or cost for residents of Boulder to come across to the I-25 corridor, we do not expect this focus area or this corridor to be a significant participant in the technology driven office market for at least ten and possibly 20 years.
- Many competing sites are available in neighboring jurisdictions along this I-25 corridor because much of it is still vacant land.
- The lack of planned rail service may place this corridor at a competitive disadvantage in the long term.

Development Potential

Given the large amount of acreage available, the market analysis anticipates demand for a mix of uses on these properties, including office, hotel, retail, townhouses and multi-family apartments or condominiums. The approximate mix and amount of demand for the next 20 years is shown in Table 32 below.

Table 32: Focus Area 4: North I-25 Area Development Potential

| 4: North I-25 Area | | | | |
|---------------------|-----------------------------------|------------|-----------|---------|
| Land Use | Existing Development ¹ | New Demand | | |
| | | 2012-2022 | 2022-2032 | 2012-32 |
| Office (1,000 SF) | 0 | 128 | 383 | 511 |
| Ind/Flex (1,000 SF) | 0 | | | |
| Retail (1,000 SF) | 428 | 69 | 269 | 337 |
| Hotel (Rooms) | 0 | | 240 | 240 |
| Residential (Units) | - | 315 | 382 | 697 |
| Single Family | - | | | |
| Townhouses | - | 54 | 48 | 103 |
| Multi Family | - | 261 | 334 | 594 |

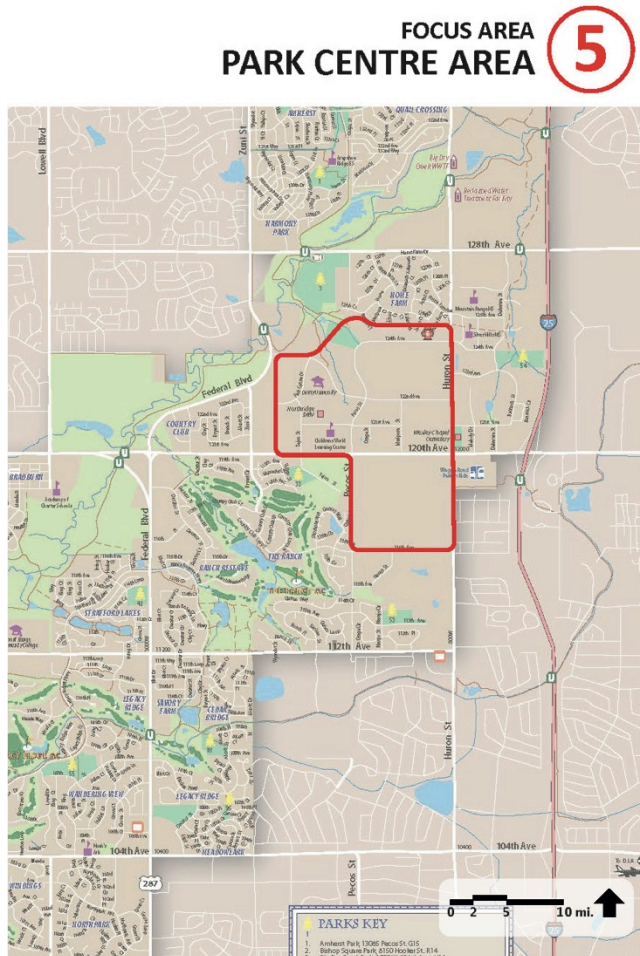
¹ For non-residential land uses only

Source: Bill Lee Land Econ

Park Centre Area (5)

This focus area includes the Park Centre Business Park on the north side of 120th Avenue and the former Avaya property on the south side. This area provides the largest concentration of industrial property within Westminster.

Figure 9: Focus Area 5 Map



Strengths

- Large parcel for large user.
- One of the few areas available for industrial development in Westminster.
- Great regional access via I-25 from the 120th Avenue interchange. The Wagon Road Park and Ride is also adjacent to this area.
- Established quality residential areas with open space to the west with the Ranch Country Club and community.
- Key employers, such as Avaya, are located here. The Avaya R&D facility will be consolidating its workforce and adding another 400 employees to the site.

Constraints

- Low market interest for office use in the I-25 corridor in the short and intermediate term future.

Development Opportunity

For the Park Centre properties, the market analysis suggests continued sales and leasing to industrial and flex space users with increase interest from office users in seven to ten years. For the former Avaya manufacturing facility property, the market indicates industrial reuse with some office intermixed. Minor support retail commercial is likely possible along either the 120th Avenue or the Huron Street frontage. The market would support transition of the western portion of the Avaya manufacturing facility property to multi-family residential use (see Table 33). The estimated development potential is in addition to the existing building space in the area.

Table 33: Focus Area 5: Park Centre Area Development Potential

| 5: Park Center Area | | | | |
|---------------------|-----------------------------------|------------|-----------|---------|
| Land Use | Existing Development ¹ | New Demand | | |
| | | 2012-2022 | 2022-2032 | 2012-32 |
| Office (1,000 SF) | 1,238 | 38 | 213 | 251 |
| Ind/Flex (1,000 SF) | 1,031 | 469 | 380 | 849 |
| Retail (1,000 SF) | 379 | 26 | 46 | 71 |
| Hotel (Rooms) | 0 | | | |
| Residential (Units) | - | 130 | 148 | 280 |
| Single Family | - | | | |
| Townhouses | - | | | |
| Multi Family | - | 130 | 148 | 280 |

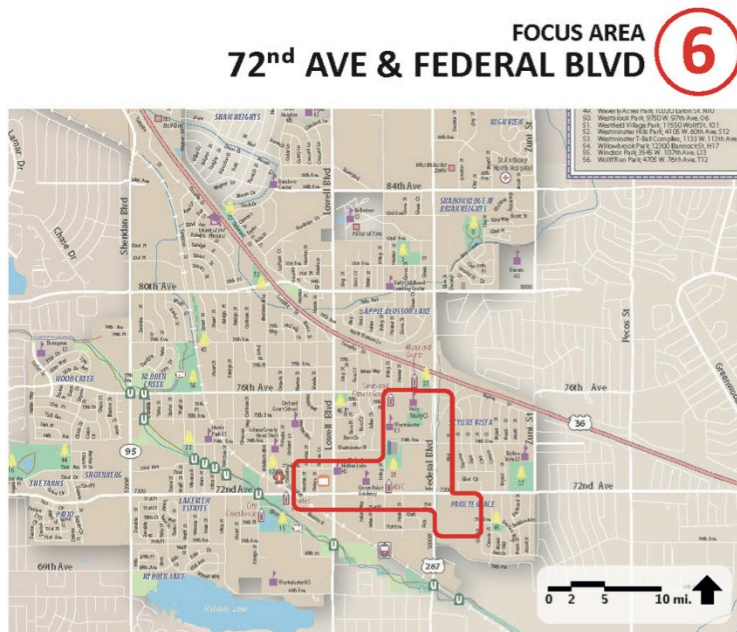
¹ For non-residential land uses only

Source: Bill Lee Land Econ

72nd Avenue and Federal Boulevard Area (6)

This focus area consists of the frontage on 72nd Avenue from the commuter rail tracks to Federal Boulevard and the properties immediately north of the frontage parcels on the north side of 122nd plus the frontage on Federal Boulevard from 72nd Avenue to 76th Avenue. It also includes the Westminster Plaza Shopping Center.

Figure 10: Focus Area 6 Map



Strengths

- With Federal Boulevard having interchanges with US 36, I-76 and I-70 further south and this area being near the hub of the regional freeway system, it has the best regional access of all the retail sites evaluated.
- Commuter rail service soon to arrive at Irving Street south of 70th Avenue will facilitate access to this area. The Westminster Station Transit Oriented Development Area Plan for the area around the future station will provide a framework for higher intensity mixed-use development to the southeast of the focus area, with
- Brookfield Residential is building 1,300 residential units scheduled for completion in 2016 immediately east of this area in unincorporated Adams County.
- High Hispanic population concentration (40 percent within a 10-minute drive) in the primary market area provides market opportunity for retailers and service providers targeting to serve this population.
- Almost 30 acres of vacant land provides development opportunity that could capitalize on the station and future Midtown mixed-use development a half mile to the southeast.

Challenges

- The residents of the primary market area have low median family income and therefore limited purchasing power.
- Much of the area is built out and the existing buildings, while not always attractive, have too much value to facilitate easy redevelopment.
- The hidden location of the commuter rail station away from the major arterials limits the positive impact of the station on this area.

Development Potential

Given the built out nature of much of this area, the market outlook is for incremental intensification of individual properties or from the private assembly of two or three properties. Supportable uses include community retail, small-scale office, in-fill residential consisting of townhouses or small apartment complexes, and possibly even a limited service hotel (see Table 34). In the near term, retailers and food service providers catering to the Hispanic population may have more success than mainstream national chains that take a one formula works everywhere approach. The almost 30-acre vacant parcel (50 acres including unincorporated portions) provides the opportunity for the development of a new community shopping center, possibly anchored by a Hispanic supermarket, at the commercial frontage with townhouses or multi-family apartments in the interior.

Table 34: Focus Area 6: 72nd Avenue and Federal Boulevard Area Development Potential

| 6: 72nd Avenue and Federal Boulevard | | | | |
|--------------------------------------|-----------------------------------|------------|-----------|---------|
| Land Use | Existing Development ¹ | New Demand | | |
| | | 2012-2022 | 2022-2032 | 2012-32 |
| Office (1,000 SF) | 56 | 57 | 85 | 142 |
| Ind/Flex (1,000 SF) | 38 | | | |
| Retail (1,000 SF) | 524 | 127 | 139 | 267 |
| Hotel (Rooms) | 18 | | 80 | 80 |
| Residential (Units) | - | 98 | 123 | 221 |
| Single Family | - | | | |
| Townhouses | - | 54 | 68 | 122 |
| Multi Family | - | 43 | 56 | 99 |

¹ For non-residential land uses only

Source: Bill Lee Land Econ



WESTMINSTER

Staff Report

Information Only Staff Report
May 1, 2013



SUBJECT: 2013 First Quarter City Council Expenditure Report

PREPARED BY: Ben Goldstein, Management Analyst
Valerie White, Administrative Secretary

Summary Statement

This report is for City Council information only and requires no action by City Council.

The attached document is a listing of all 2013 City Council posted expenditures from January 1 through March 31, 2013.

Background Information

The following report is a listing of City Council expenditures by each account for January 1 through March 31, 2013, as posted by March 31, 2013. As of March 31, 2013, 24.7% of 2013 had elapsed and Council spent 13.7%, or \$34,920, of its revised 2013 budget that totals \$254,094.

The budget is a planning tool and represents a best estimate regarding actual expenditures. If you have any questions about items included in this report, please contact Ben Goldstein at 303-658-2007 or at bgoldstein@cityofwestminster.us.

The quarterly expenditure report for City Council ties to the Strategic Plan Goal of a “Financially Sustainable City Government Providing Exceptional Services,” as Staff and Council work together to continually find greater efficiency in City operations.

Respectfully submitted,

J. Brent McFall
City Manager

Attachment

**1st Quarter 2013 City Council Expenditure Report
(as of March 31, 2013)**

| SALARIES - MAYOR/COUNCIL | | (ACCT: 10001010.60800.0000) | |
|---------------------------------|-------------|------------------------------------|--|
| EXPENDITURE | DATE | DESCRIPTION | PAID TO: |
| | | | |
| (\$249.86) | 01/01/13 | 2012 YE Salary Accrual Reversal | Council |
| \$3,498.06 | 01/13/13 | Salaries | Council |
| \$3,498.06 | 01/27/13 | Salaries | Council |
| \$3,498.06 | 02/10/13 | Salaries | Council |
| \$3,498.06 | 02/24/13 | Salaries | Council |
| \$3,498.06 | 03/10/13 | Salaries | Council |
| \$3,498.06 | 03/24/13 | Salaries | Council |
| | | | |
| \$20,738.50 | TOTAL | | <i>% of account budget expended year-to-date</i> |
| | | | 22.44% |
| \$92,400.00 | BUDGET | 2013 APPROVED BUDGET | <i>% of total City Council budget</i> |
| | | | 36.36% |
| \$71,661.50 | BALANCE | | |
| | | | |
| COUNCIL ALLOWANCE | | (ACCT: 10001010.61100.0000) | |
| EXPENDITURE | DATE | DESCRIPTION | PAID TO: |
| | | | |
| \$1,081.50 | 01/13/13 | Council Allowance | Council |
| \$1,081.50 | 01/27/13 | Council Allowance | Council |
| \$1,081.50 | 02/01/13 | Council Allowance | Council |
| \$1,081.50 | 02/10/13 | Council Allowance | Council |
| \$1,081.50 | 02/24/13 | Council Allowance | Council |
| \$1,081.50 | 03/10/13 | Council Allowance | Council |
| | | | |
| \$6,489.00 | TOTAL | | <i>% of account budget expended year-to-date</i> |
| | | | 25.00% |
| \$25,956.00 | BUDGET | 2013 APPROVED BUDGET | <i>% of total City Council budget</i> |
| | | | 10.22% |
| \$19,467.00 | BALANCE | | |
| | | | |

**1st Quarter 2013 City Council Expenditure Report
(as of March 31, 2013)**

| EXPENDITURE | DATE | DESCRIPTION | PAID TO: | |
|------------------------------|----------|---|--|--------------|
| MILEAGE REIMBURSEMENT | | (ACCT: 10001010.61200.0000) | | |
| EXPENDITURE | DATE | DESCRIPTION | PAID TO: | |
| | | none to date | | |
| \$0.00 | TOTAL | | <i>% of account budget expended year-to-date</i> | <i>0.00%</i> |
| \$3,000.00 | BUDGET | 2013 APPROVED BUDGET | <i>% of total City Council budget</i> | <i>1.18%</i> |
| \$3,000.00 | BALANCE | | | |
| | | | | |
| MEETING EXPENSES | | (ACCT: 10001010.61400.0000) | | |
| EXPENDITURE | DATE | DESCRIPTION | PAID TO: | |
| | | | | |
| \$20.00 | 01/09/13 | 1/9 Business After Hours & Expo McNally, Briggs, Major, Lindsey | MNCC | |
| \$1,430.00 | 01/23/13 | 1/23/13 ADCOG Dinner | Legacy Ridge | |
| (\$260.00) | 02/19/13 | 1/23/13 ADCOG Dinner - Commerce City | City of Westminster | |
| (\$130.00) | 02/19/13 | 1/23/13 ADCOG Dinner - ADCO Commissioners | City of Westminster | |
| (\$130.00) | 02/19/13 | 1/23/13 ADCOG Dinner - Arvada | City of Westminster | |
| (\$78.00) | 02/19/13 | 1/23/13 ADCOG Dinner - Aurora | City of Westminster | |
| (\$78.00) | 02/19/13 | 1/23/13 ADCOG Dinner - Bennett | City of Westminster | |
| (\$156.00) | 02/19/13 | 1/23/13 ADCOG Dinner - Brighton | City of Westminster | |
| (\$26.00) | 02/19/13 | 1/23/13 ADCOG Dinner - Broomfield | City of Westminster | |
| (\$130.00) | 02/19/13 | 1/23/13 ADCOG Dinner - Federal Heights | City of Westminster | |
| (\$182.00) | 02/19/13 | 1/23/13 ADCOG Dinner - Northglenn | City of Westminster | |
| \$182.00 | 02/19/13 | 1/23/13 ADCOG Dinner - Northglenn | City of Westminster | |
| (\$130.00) | 02/19/13 | 1/23/13 ADCOG Dinner - Northglenn | City of Westminster | |
| (\$182.00) | 02/19/13 | 1/23/13 ADCOG Dinner - Thornton | City of Westminster | |
| \$68.15 | 02/20/13 | 2/20 Briefing Sen. Tochtrop - McNally, McFall, Smithers, DTomlinson | City Grille | |
| \$46.48 | 02/25/13 | DRCOG Board Workshop - Lodging | Nancy McNally | |
| \$125.34 | 03/12/13 | Digital Printing and Finishing of Community Outreach Postcard | Market Direct | |
| \$30.00 | 03/18/13 | Bouquet for Senior Hub Volunteer Luncheon | Senior Hub | |
| \$21.67 | 03/20/13 | 3/20 Community Summit- fruit | Mary Joy Barajas | |

**1st Quarter 2013 City Council Expenditure Report
(as of March 31, 2013)**

| EXPENDITURE | DATE | DESCRIPTION | PAID TO: | |
|--------------------|-------------|------------------------------------|--|--------------|
| \$212.55 | 03/15/13 | ADCO Executive Committee Breakfast | Mimi's Café | |
| \$227.25 | 03/20/13 | 3/20 Community Summit Dinner | The Garlic Knot | |
| | | | | |
| \$881.44 | TOTAL | | <i>% of account budget expended year-to-date</i> | <i>5.67%</i> |
| \$15,550.00 | BUDGET | 2013 APPROVED BUDGET | <i>% of total City Council budget</i> | <i>6.12%</i> |
| \$14,668.56 | BALANCE | | | |
| | | | | |

**1st Quarter 2013 City Council Expenditure Report
(as of March 31, 2013)**

| EXPENDITURE | DATE | DESCRIPTION | PAID TO: |
|---------------------------|-------------|---|--|
| CAREER DEVELOPMENT | | (ACCT: 10001010.61800.0000) | |
| EXPENDITURE | DATE | DESCRIPTION | PAID TO: |
| | | | |
| \$887.59 | 02/25/13 | 2/12-2/14 DC US 36 MCC Lobbying - Airfare \$426.60; lodging \$419.08; meals\$21.98; misc \$20 | Nancy McNally |
| \$1,803.86 | 03/26/13 | NLC Conference - Reg. \$525; airfare \$602.90; lodging \$586.24; meals \$68.72; misc \$21 | Nancy McNally |
| | | | |
| \$2,691.45 | TOTAL | | <i>% of account budget expended year-to-date</i> |
| \$48,205.00 | BUDGET | 2013 APPROVED BUDGET | <i>5.58%</i> |
| \$45,513.55 | BALANCE | | <i>% of total City Council budget</i> |
| | | | <i>18.97%</i> |

**1st Quarter 2013 City Council Expenditure Report
(as of March 31, 2013)**

| EXPENDITURE | DATE | DESCRIPTION | PAID TO: | |
|---------------------------|-------------|------------------------------------|--|----------------|
| TELEPHONE | | (ACCT: 10001010.66900.0000) | | |
| EXPENDITURE | DATE | DESCRIPTION | PAID TO: | |
| | | | | |
| \$20.00 | 01/03/13 | Council iPad - McNally | Verizon Wireless | |
| \$20.00 | 01/10/13 | Council iPad - Briggs | Verizon Wireless | |
| \$20.00 | 01/10/13 | Council iPad - Lindsey | Verizon Wireless | |
| \$20.00 | 01/10/13 | Council iPad - Kaiser | Verizon Wireless | |
| \$20.00 | 01/18/13 | Council iPad - Major | Verizon Wireless | |
| \$20.00 | 02/03/13 | Council iPad - Atchison | Verizon Wireless | |
| | | | | |
| \$120.00 | TOTAL | | <i>% of account budget expended year-to-date</i> | <i>7.14%</i> |
| \$1,680.00 | BUDGET | 2013 APPROVED BUDGET | <i>% of total City Council budget</i> | <i>0.66%</i> |
| \$1,560.00 | BALANCE | | | |
| | | | | |
| PC REPLACEMENT FEE | | (ACCT: 10001010.66950.0000) | | |
| EXPENDITURE | DATE | DESCRIPTION | PAID TO: | |
| | | | | |
| \$1,470.00 | 01/31/13 | PC Replacement Fee | Cost Allocation/Flex Budget | |
| | | | | |
| \$1,470.00 | TOTAL | | <i>% of account budget expended year-to-date</i> | <i>100.00%</i> |
| \$1,470.00 | BUDGET | 2013 APPROVED BUDGET | <i>% of total City Council budget</i> | <i>0.00%</i> |
| \$0.00 | BALANCE | | | |
| | | | | |

**1st Quarter 2013 City Council Expenditure Report
(as of March 31, 2013)**

| EXPENDITURE | DATE | DESCRIPTION | PAID TO: | |
|----------------------------------|----------|---|---|---------------|
| SPECIAL PROMOTIONS | | | (ACCT: 10001010.67600.0000) | |
| EXPENDITURE | DATE | DESCRIPTION | PAID TO: | |
| | | none to date | | |
| \$0.00 | TOTAL | | <i>% of account budget expended year-to-date</i> | <i>0.00%</i> |
| \$3,500.00 | BUDGET | 2013 APPROVED BUDGET | <i>% of total City Council budget</i> | <i>1.38%</i> |
| \$3,500.00 | BALANCE | | | |
| OTHER CONTRACTUAL SERVICE | | | (ACCT: 10001010.67800.0000) | |
| EXPENDITURE | DATE | DESCRIPTION | PAID TO: | |
| \$200.00 | 01/28/13 | After Prom Sponsorship | Pomona High School | |
| \$62.52 | 02/26/13 | 2/25 Supplies for ACMCYA Reception | Melissa Diaz | |
| \$67.29 | 02/27/13 | 2/25 Dessert for ACMCYA Reception | Costco | |
| \$750.00 | 01/01/13 | 2013 ACMCYA Banquet Sponsorship | Adams County Mayors & Commissioners' Youth Award (ACMCYA) | |
| \$425.00 | 01/27/13 | 2013 Annual Gala Tickets - McNally (2), Briggs (2), Kaiser (2), Lindsey | Metro North Chamber of Commerce (MNCC) | |
| \$1,504.81 | TOTAL | | <i>% of account budget expended year-to-date</i> | <i>2.85%</i> |
| \$52,885.00 | BUDGET | 2013 APPROVED BUDGET | <i>% of total City Council budget</i> | <i>20.81%</i> |
| \$51,380.19 | BALANCE | | | |

**1st Quarter 2013 City Council Expenditure Report
(as of March 31, 2013)**

| EXPENDITURE | DATE | DESCRIPTION | PAID TO: | |
|------------------------------------|--|--|--|---------------|
| SUPPLIES | | | | |
| (ACCT: 10001010.70200.0000) | | | | |
| EXPENDITURE | DATE | DESCRIPTION | PAID TO: | |
| | | | | |
| \$8.50 | 01/28/13 | Name Tag for Atchison | Signs By Tomorrow | |
| \$14.65 | 02/08/13 | Alphabetical Sorter | Office Max | |
| \$136.71 | 02/28/13 | Covers for ACMCYA Certificates | Trainer's Warehouse | |
| \$26.99 | 03/04/13 | Inkjet Ink for Council Family Room Printer | Target | |
| | | | | |
| \$186.85 | TOTAL | | <i>% of account budget expended year-to-date</i> | <i>4.20%</i> |
| \$4,448.00 | BUDGET | 2013 APPROVED BUDGET | <i>% of total City Council budget</i> | <i>1.75%</i> |
| \$4,261.15 | BALANCE | | | |
| | | | | |
| FOOD | | | | |
| (ACCT: 10001010.70400.0000) | | | | |
| EXPENDITURE | DATE | DESCRIPTION | PAID TO: | |
| | | | | |
| \$61.30 | 01/07/13 | 1/7 Council Dinner | Li's Chinese | |
| \$60.00 | 01/14/13 | 1/14 Council Dinner | Dickey's BBQ | |
| \$28.44 | 01/16/13 | Council Dessert/Soda | Melissa Diaz | |
| \$54.45 | 01/28/13 | 1/28 Council Dinner | Papa J's | |
| \$47.05 | 02/04/13 | 2/4 Council Dinner | Black Jack Pizza | |
| \$94.50 | 02/11/13 | 2/11 Council Dinner | Double D's | |
| \$74.35 | 02/25/13 | 2/25 Council Dinner | Los Lagos | |
| \$7.96 | 02/26/13 | Tea for Council | Valerie White | |
| \$64.95 | 03/04/13 | 3/4 Council Dinner | Dickey's BBQ | |
| \$18.50 | 03/04/13 | 3/4 Dessert for Council Dinner | Nothing Bundt Cakes | |
| \$156.39 | 03/06/13 | Council Soda | Canteen Refreshments | |
| \$109.40 | 03/18/13 | 3/18 Council Dinner | The Garlic Knot | |
| \$60.60 | 03/25/13 | 3/25 Council Dinner | Li's Chinese | |
| | | | | |
| \$837.89 | TOTAL | | <i>% of account budget expended year-to-date</i> | <i>16.76%</i> |
| \$5,000.00 | BUDGET | 2013 APPROVED BUDGET | <i>% of total City Council budget</i> | <i>1.97%</i> |
| \$4,162.11 | BALANCE | | | |
| | | | | |
| \$254,094.00 | TOTAL 2013 CITY COUNCIL BUDGET | | | |
| \$34,919.94 | TOTAL 2013 CITY COUNCIL EXPENDITURES THROUGH 03/31/2013 | | | |

**1st Quarter 2013 City Council Expenditure Report
(as of March 31, 2013)**

| EXPENDITURE | DATE | DESCRIPTION | PAID TO: |
|---------------------|--|--------------------|-----------------|
| \$219,174.06 | BALANCE | | |
| | | | |
| 13.7% | PERCENT OF BUDGET EXPENDED THROUGH 03/31/2013 | | |