



North Broadway Market Study

Presented to:

City of Boulder, Colorado

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Table of Contents

I.	Executive Summary	1
II.	Introduction	5
III.	Economic and Demographic Framework	9
3.1	General Economic Background	9
3.2	Population and Demographic Characteristics	12
3.3	Market Area Demographic Characteristics	13
3.4	NoBo Psychographics	17
3.5	Employment and Commercial Real Estate Characteristics	18
3.6	Population and Household Forecasts	20
3.7	Employment Forecasts	22
3.8	High Hazard Zone	22
IV.	Retail Market Analysis	25
4.1	Retail Demand Analysis	25
4.2	Current and Future Demand for North Broadway Area Grocery Store	25
4.3	Current and Future Demand for Full-Service Grocery	27
4.4	Retail Supply Characteristics	29
4.5	Impact of New Supermarket / Grocer	31
4.6	North Broadway Inventory	33
4.7	Retail Demand without an Anchor	34
4.8	Retail Demand with an Anchor	36
4.9	Retail Market Analysis Conclusions	37
V.	Office and light Industrial Analysis	38
5.1	Office Development Trends	38
5.2	Office Development Potential	39
5.3	Current Industrial Uses	41

5.4	Industrial Demand	41
5.5	Artists	43
5.6	Potential Office and Industrial Demand Capture	45
VI.	North Broadway Barriers	46
6.1	Village Center	46
6.2	Public Storage	47
6.3	Flood Plain.....	47
6.4	Annexation.....	47
VII.	North Boulder Subcommunity Plan Update Opportunities	48

Tables

Table 1	North Broadway Zoning Summary	7
Table 2	Boulder County Employment, 2002-2012	11
Table 3	Population and Households in Market Areas, 2013.....	13
Table 4	Housing Tenure.....	13
Table 5	Median Household Incomes, 2013	14
Table 6	Median Owner-Occupied Housing Values, 2013	15
Table 7	Median Age, 2013	15
Table 8	Full and Part Time Employment at North Broadway Businesses, 2013.....	19
Table 9	1-Mile, Regional, and Tertiary Market Areas Population and Household Forecasts, 2013-2035	20
Table 10	Major Developments in North Broadway Area (1995-2013).....	21
Table 11	1-Mile, Regional and Tertiary Market Areas Employment Forecasts, 2013-2035.....	22
Table 12	Total Household Incomes in the 1-Mile Market Area.....	26
Table 13	Grocery Demand in 1-Mile Market Area.....	26
Table 14	Total Household Incomes in the Regional and Tertiary Market Areas.....	27
Table 15	Grocery Store Demand in Regional and Tertiary Market Areas	28
Table 16	Grocery Stores and Supermarkets	30
Table 17	Households in 1-Mile Radius Around Independent Grocery Stores	31
Table 18	Current Market Area Grocery Store Estimated Share of Sales in the Regional Market Area	32
Table 19	Potential Sales Impact of New Grocery Store	33
Table 20	Commercial Establishments North to South (in the Uptown Broadway and Holiday Developments).....	33
Table 21	Retail Demand in 1-Mile Market Area	35
Table 22	Unmet Retail Demand by 2035 (Non-Grocery).....	36

Table 23 Potential Office Space Demand, 2010-2035	40
Table 24 Potential Light Industrial Flex Demand	42
Table 25 North Boulder Subcommunity Plan Update Opportunities.....	49

Figures

Figure 1 Grocery Store / Supermarket Market Areas	2
Figure 2 North Broadway Area.....	6
Figure 3 North Broadway Area Zoning Map.....	8
Figure 4 Boulder County Jobs and Unemployment Rate, 2002-2012	9
Figure 5 1-Mile, Regional and Tertiary Market Areas	12
Figure 6 Household Income Breakdowns, 2013	14
Figure 7 Owner-Occupied Housing Values, 2013	15
Figure 8 Age Breakdowns	16
Figure 9 Race and Ethnicity, 2013.....	16
Figure 10 Major Developments in North Broadway Area (1995-2013)	21
Figure 11 High Hazard Zones in North Broadway	23
Figure 12 City of Boulder Sales Tax Collections, 2005-2012	29
Figure 13 City of Boulder Sales Tax Collections by Industry, 2005-2012	29
Figure 14 Grocery Stores and Supermarkets	30
Figure 15 Boulder Office Development Trends	38
Figure 16 North Broadway Artists and Creatives	43

I. EXECUTIVE SUMMARY

ArLand Land Use Economics (ArLand) was retained by the City of Boulder in the summer and fall of 2013 to prepare a market analysis for the North Broadway area. ArLand prepared this technical report summarizing the economic conditions and market potentials of the area. The report serves as a framework and background for the development of the North Boulder Subcommunity Plan update.

Project Scope

The purpose of the market study is to act as the foundation to evaluate the feasibility of developing the Village Center as currently depicted in the North Boulder Subcommunity Plan (1995 Plan), with a focus on the feasibility of a retail anchor land use, and to evaluate the redevelopment potential on North Broadway as it relates to the 1995 Plan's vision. The information is a basis for planning the types and intensities of uses, development scenarios and preferred alternatives. As with any plan and ultimate development project, the actual mix and timing of development is going to vary.

Existing Conditions and Findings

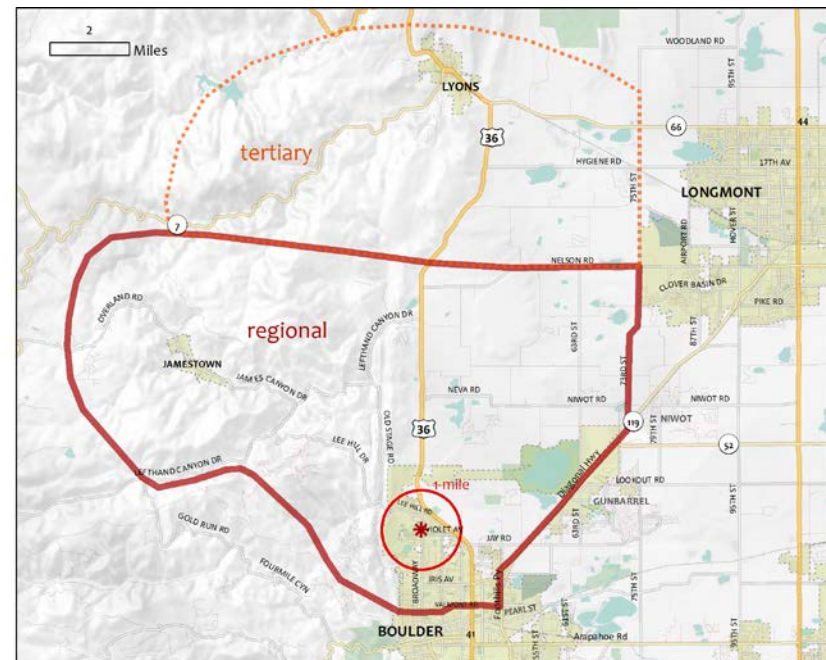
- The **North Boulder Subcommunity Plan**, adopted in 1995, **helped facilitate a tremendous amount of change and redevelopment** in the North Boulder area. While the Holiday neighborhood and Uptown Broadway followed the subcommunity's planning process, **a few significant areas have not redeveloped** and outstanding questions remain regarding the Village Center and anchor land uses; role and location of a grocery store; the future of the Armory site; and the increased prominence and role of the arts in the area.
- Because the North Boulder Subcommunity is at the northern edge of Boulder and adjacent to open space, **several market areas were examined** including the immediate neighborhood market area (1-Mile Market Area¹), as well as Regional and Tertiary Market Areas which include households in communities like Jamestown, Lake of the Pines, and county areas beyond City limits. This report closely examines the potential for a grocery store in the North Broadway area. Boulder is a jobs center and attracts a significant number of commuters, some of whom will shop while in the City. At the same time, **communities like Longmont and Louisville have grown enough to support their own specialty stores**, like Lucky's and Alfalfa's, reducing the number of residents from these communities who would shop in Boulder for specialty grocery items.
- **There are higher income households in the 1-Mile Market Area**, and a solid mix of income types and households. The majority of households in the 1-Mile Market Area earn between \$100,000 and \$200,000 annually. There are a significant percentage of households with higher incomes and higher housing values in the market areas examined relative to the City of Boulder and Boulder County. Other characteristics of the 1-Mile Market Area include a greater percentage of residents of Hispanic origin, a larger

¹ For the purposes of this report, the neighborhood market area is a 1-mile radius from the intersection of Yarmouth Avenue and Broadway in North Boulder.

percentage of residents aged 0-17 years, and a greater percentage of homes valued at less than \$150,000 based on estimates of the current population.

- **There are an estimated 1,200 to 1,300 full and part time employees in the North Broadway area** (immediate NoBo neighborhood) with employees in manufacturing, landscaping and construction-related fields, wholesale and retail trades, and personal and business services. There are an estimated 225 artists and others in the creative industries located in the area, according to the NoBo Art District.
- Neighborhood-oriented retail such as grocery stores is heavily dependent on the number of neighborhood rooftops. **There is a significant amount of grocery store retail square feet in the Boulder market area** (over 673,000 square feet in 20 stores), however, much of it is more centrally located and in neighborhoods south and east of the North Broadway area, highlighting why **some North Broadway residents feel that there is a lack of grocery services** in the neighborhood. At the same time, most grocery stores, while serving a neighborhood need, also serve residents from a wide-ranging area.
- Under current conditions, the analysis indicates that there is **unmet neighborhood demand for 17,000 to 28,000 square feet of grocery uses** in the 1-mile radius. In evaluating the market, many stores would also evaluate potential demand in the wider Regional and Tertiary market areas which would include serving communities in the broader area such as Jamestown and Lyons shown in Figure 1. In this area, under current conditions, there is broader unmet demand for **25,700 to 42,900 square feet of grocery uses**, assuming that residents here would drive to Boulder for their grocery store needs.
- At the same time, potential developers and retailers evaluating the North Boulder market have expressed concern about the **significant amount of grocery retail** already existing in the Boulder market, as well as the North Broadway area's proximity to open space and lack of density relative to other Boulder neighborhoods. Potential developers and retailers have also indicated concern

Figure 1
Grocery Store / Supermarket Market Areas



Source: ArLand

about the **potential impact that an additional neighborhood or full-service grocery store** would have on existing grocery store retailers in the area. Conversations and an impact analysis estimate that the impact would be 20-25% of current estimated revenues for those stores closest to the North Broadway area. Lucky's, because of its geographic proximity to the North Broadway area, would potentially be the most heavily impacted.

- From now through 2035, this analysis forecasts **demand for approximately 85,000 to 195,000 square feet of additional retail and restaurant development** in the 1-Mile Market area, in addition to demand for grocery store retail. However, without an anchor or additional redevelopment activity, absorption is likely to be slow. Grocery store development could propel demand for commercial development adjacent to or in easy proximity to the grocery store. Without additional activities supporting redevelopment west of Broadway, Armory redevelopment would not be enough to help bolster commercial redevelopment mid-block or at the Broadway and Yarmouth Village Center intersection. Additional activities would include any activity that would accentuate the role of Yarmouth and Broadway as the Village Center in the area.
- From now through 2035, this analysis forecasts **demand for approximately 25,000 to 30,000 square feet of additional office and 30,000 to 35,000 square feet of additional light industrial / flex space**. Small office space has been popular in the area for business and professional services, many in the creative arena. Some of the industrial demand could be met at properties zoned industrial in the northern portion of the North Broadway area. Small office space demand could be met at redeveloped properties on the west side of Broadway.
- **The Armory site and Village Center area have the greatest potential for a retail anchor land use or grocery store location, but both have significant constraints.** The Armory is not as centrally located (relative to the Village Center area) and is not currently zoned to accommodate a traditional grocery store or other major retail anchor. The Village Center has not materialized as the neighborhood center and intersection as the North Boulder Subcommunity Plan identifies. There are also flood plain issues for some of the properties west of Broadway.
- At this point in time, without the addition of a significant number of households in the area, **the addition of a neighborhood or full-service grocery store would potentially impact the viability of other grocery stores including Lucky's**, which is approximately one mile from Broadway and Yarmouth. There has also been an ongoing desire for neighborhood commercial services. The market for these services would be bolstered with an increased number of households in the market area which would strengthen demand.
- The NoBo Art District has a significant and growing presence in the North Broadway community.² With **an estimated 225 artists and creatives** in the area, it is a potential avenue to create a brand and niche distinct from other parts of Boulder. The District has indicated a strong interest in assisting with branding, public improvements, and other activities which could potentially help the

² The NoBo Art District is not an officially designated arts district, but is currently pursuing state and local designation.

District as well as their businesses. They have organized First Friday events as well as other activities in the area. There is a particularly strong clustering of artists at 4949 Broadway and 4593 Broadway.

- Broadway can be wide and intimidating. Yarmouth doesn't go through on the west side of Broadway. While the North Boulder Subcommunity Plan calls for Yarmouth to extend through to the west side of Broadway, that extension will be facilitated when redevelopment occurs on the affected properties. **An intersection and pedestrian crossing at the Yarmouth and Broadway location will help ground the location as the neighborhood Village Center and create a better connection between the east and west sides of Broadway.** Without additional improvements to the intersection of Yarmouth and Broadway like these, it is unlikely that any commercial redevelopment at the Armory would benefit the Village Center area and vice-versa. Limited retail development at the Armory should not impact any commercial development potentials at the Village Center area.
- **On the west side of Broadway, there are a large number of public storage units, auto service centers, and industrial buildings, many of which house artists, construction, and other related businesses.** Some of the buildings are poorly maintained and were significantly impacted by the September 2013 flood. Storage, in particular, provides income to current property owners and can be a difficult land use to transition from.
- Many of the properties in the North Broadway area were heavily impacted by the September 2013 flood. A flood study completed prior to this flood event in 2008 **estimated over \$5 million needed for flood plain mitigation on properties on the west side of Broadway near Four Mile Canyon Creek³.** The 2013 flood event has triggered the need to reassess the flood boundaries and required mitigation which will affect this estimate. At this time, any redevelopment activity would need to address the flood plain improvement with the first redevelopment responsible for paying all the costs.
- On the west side of Broadway in the Village Center area, there are a variety of **properties within County enclaves.** For redevelopment to occur in accordance with the North Boulder Subcommunity Plan, the properties must annex into the City. Through annexation, city water and sewer will be provided to the properties and additional development potential is allowed. Annexation and connection to city utilities is expensive, and many of these county enclaves have additional challenges, in particular high hazard floodplain designation. Therefore, **annexation and redevelopment of the properties is particularly challenging.**

³ Source: City of Boulder/Urban Drainage and Flood Control District – Fourmile Canyon Creek and Wonderland Creek Major Drainageway Planning (Final Plan), May 2011, page18.

II. INTRODUCTION

The City of Boulder retained ArLand Land Use Economics (ArLand) in the summer and fall of 2013 to prepare a market study for the North Broadway area in preparation for the City's planned update of the North Boulder Subcommunity plan. The purpose of the market study is to help analyze the feasibility of developing the Village Center as currently depicted in the North Boulder Subcommunity Plan and to evaluate the development potential along North Broadway. Data analysis was completed and interviews were conducted in the summer of 2013. The report is intended to serve as a framework and background for the development of an update to the subcommunity plan.

Project Background

The North Boulder Subcommunity Plan, adopted in 1995, helped facilitate a tremendous amount of change and redevelopment in the North Boulder area. At the time, the area contained nearly half of the city's total vacant residential land and several prominent vacant or under-developed commercial sites. While the Holiday Neighborhood is a result of the subcommunity planning process which envisioned an integrated, mixed-use, mixed-income community, a few significant sites in the Village Center and in the Yarmouth North areas have not redeveloped. It appears that the 100 year flood plain has impeded redevelopment in parts of the area west of Broadway. The Village Center concept, intended to be the "heart of the subcommunity" has not fully materialized. A number of questions have surfaced since the development of the 1995 Plan, relating to:

- Village Center location and anchor land uses
- Role and location of a grocery store

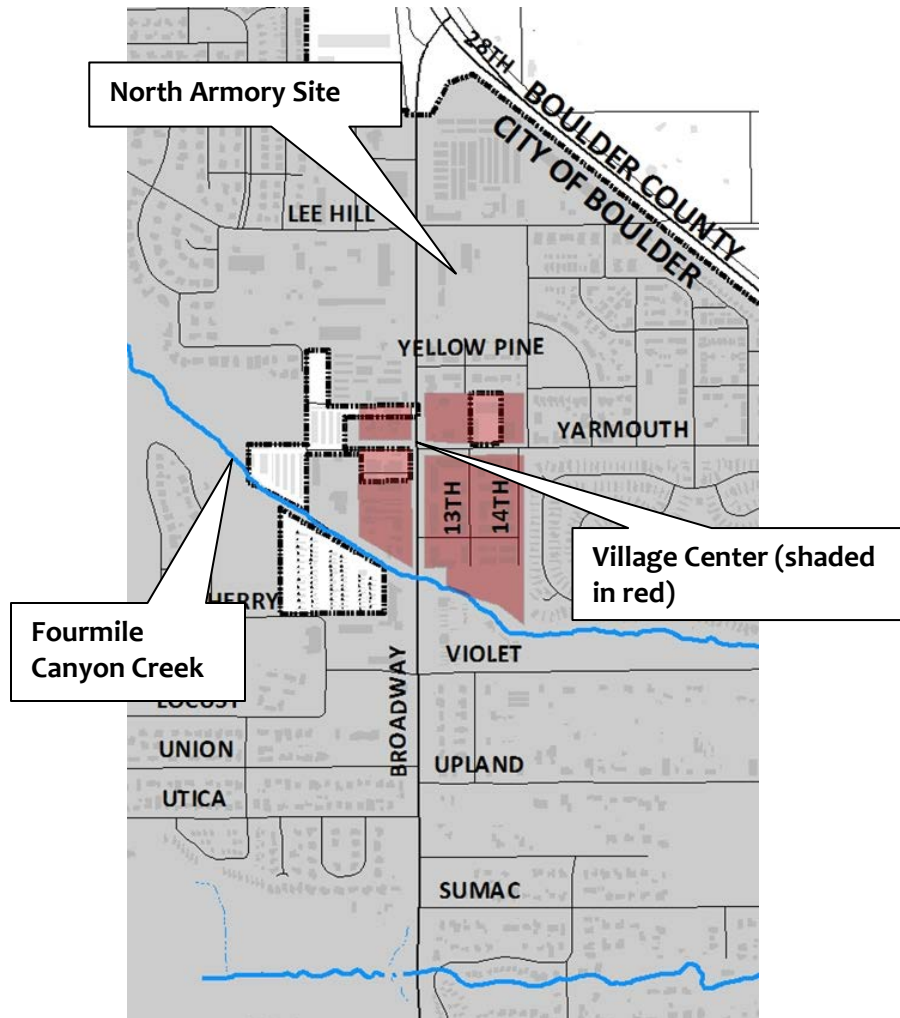
- Future plans for the National Armory site
- Increased prominence and role of arts in the area

Current Conditions

The North Broadway area is located at the northern gateway of the City of Boulder (Figure 2). The area is bordered by residential development and open space to the north. Industrial, storage and commercial uses can be found on the northern end of Broadway. The area transitions to the Holiday neighborhood on the east side of Broadway and Uptown Broadway. While there have been a few scattered redevelopment projects on the west side of Broadway, it retains its primarily industrial and warehouse orientation. Fourmile Canyon Creek also runs through the neighborhood, south of Yarmouth. It flooded significantly in September, 2013, and as a result, the City will conduct further assessments in the area to determine the need for any new mitigation strategies.

The upcoming North Boulder Subcommunity Plan update and this market study are intended to set the policy framework for the future of this area. Many in the community maintain their support for the original subcommunity plan. While there has been some disappointment that some of the original tenets of the plan have not been implemented, a clearer understanding of current market constraints and opportunities will enable a realistic update and implementation of the plan.

Figure 2
North Broadway Area



Source: City of Boulder

1995 North Boulder Subcommunity Plan North Broadway Vision

While the original North Boulder Subcommunity Plan (1995 Plan) encompasses a much broader geographic area in North Boulder, this market study, and the subsequent North Boulder Subcommunity Plan update is a much more focused examination and plan for the North Broadway area (Figure 2).

The 1995 Plan calls for a Village Center on both sides of Broadway at Yarmouth, extending to Fourmile Canyon Creek to the south. The Center is intended to serve as the subcommunity's core retail area and heart of the subcommunity. While the east side of the Village Center has built out, the west side has not. The areas north of the Village Center are intended for valuable service industrial uses, with some residential, neighborhood-serving small-scale retail, and office.

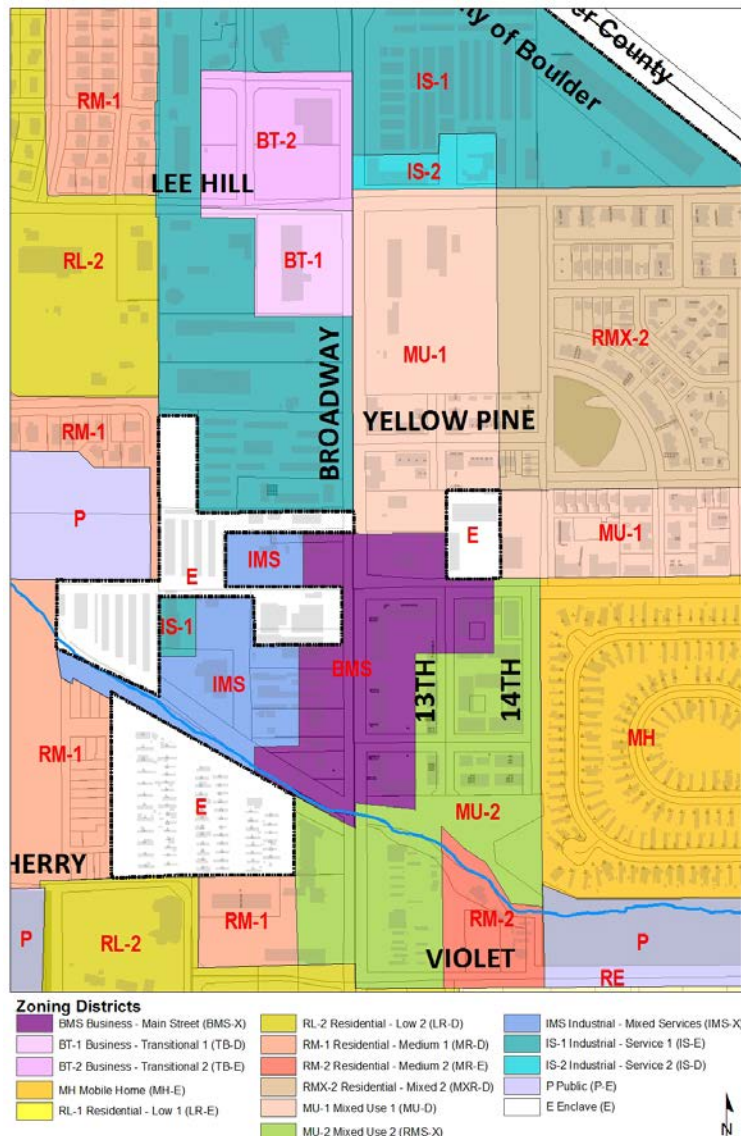
Following adoption of the 1995 Plan, the City initiated a rezoning process to align current zoning with the 1995 Plan's future land use categories on several key properties along North Broadway. These properties include the Village Center and Yarmouth North (Armory site area) areas. Table 1 below summarizes select development standards and use regulations for the three zone districts that encompass most of the Village Center area and Armory site. The zoning map for the area is shown in Figure 3.

Table 1
North Broadway Zoning Summary

Zoning District/Description	Building Size Restrictions		Select Use Restrictions
Business Main Street (BMS) Business areas generally anchored around a Main Street that are intended to serve the surrounding residential neighborhoods.	Maximum Building Size	15,000 s.f.	<ul style="list-style-type: none"> Detached and attached dwelling units allowed Restaurants < 1,500 s.f. allowed (> 1,500 sf requires use review) A variety of office uses allowed All convenience retail allowed, over 20,000 s.f. requires use review
	Floor Area Ratio (FAR)	.67	
	Maximum Building Height	38'	
	Maximum # Stories	3	
Mixed Use 1 (MU-1) Mixed use areas which are primarily intended to have a mix of residential and nonresidential land uses within close proximity to each other.	Maximum Building Size	15,000 s.f.	<ul style="list-style-type: none"> Attached dwelling units allowed Detached dwelling units requires use review No retail over 5,000 square feet Restaurants < 1,500 s.f. allowed Office uses allowed provided more of the building is used for residential (otherwise requires use review) Retail restricted primarily to convenience retail with at least 50% of building used as residential.
	Floor Area Ratio (FAR)	.6	
	Maximum Building Height	35'	
	Maximum # Stories	2	
Mixed Use 2 (MU-2) Mixed use residential areas adjacent to a redeveloping main street area, which are intended to provide a transition between a main street commercial area and established residential districts.	Maximum Building Size	15,000 s.f.	<ul style="list-style-type: none"> Attached residential units allowed Detached residential units require use review Convenience retail < 2,000 s.f. allowed Most other retail sales < 5,000 s.f. requires use review No retail over 5,000 square feet Restaurants < 1,000 s.f. allowed Office uses allowed provided more of the building is used for residential (otherwise requires use review)

Source: City of Boulder

Figure 3
North Broadway Area Zoning Map



Source: City of Boulder

The intent of the 1995 Plan's future land use categories and subsequent rezonings was to keep the commercial services in the Village Center area at a smaller, more neighborhood scale. However, interviews indicate that the size (square footage) limitations, in particular, for retail and restaurant uses, have been disincentives to development in some areas along North Broadway.

Market Study Scope

The market study's scope examines local and regional economic and demographic trends and projections impacting the North Broadway area with a particular focus on the potential for commercial development as it supports a Village Center. It is organized into the following sections.

- *Economic and Demographic Framework* discusses relevant local, regional and market area population, demographic and employment trends and projections impacting the market potential for the North Broadway area.
- *Retail Market Analysis* examines the retail market and potential retail uses appropriate for the neighborhood.
- *Office and Flex Analysis* discusses small office potential. It also discusses the current industrial market and its role in the area's redevelopment.
- *North Broadway Barriers* discusses some of the area's redevelopment constraints as well as discusses potential tools.
- *North Boulder Subcommunity Plan Update Opportunities* summarizes and discusses overall land use potentials and next steps.

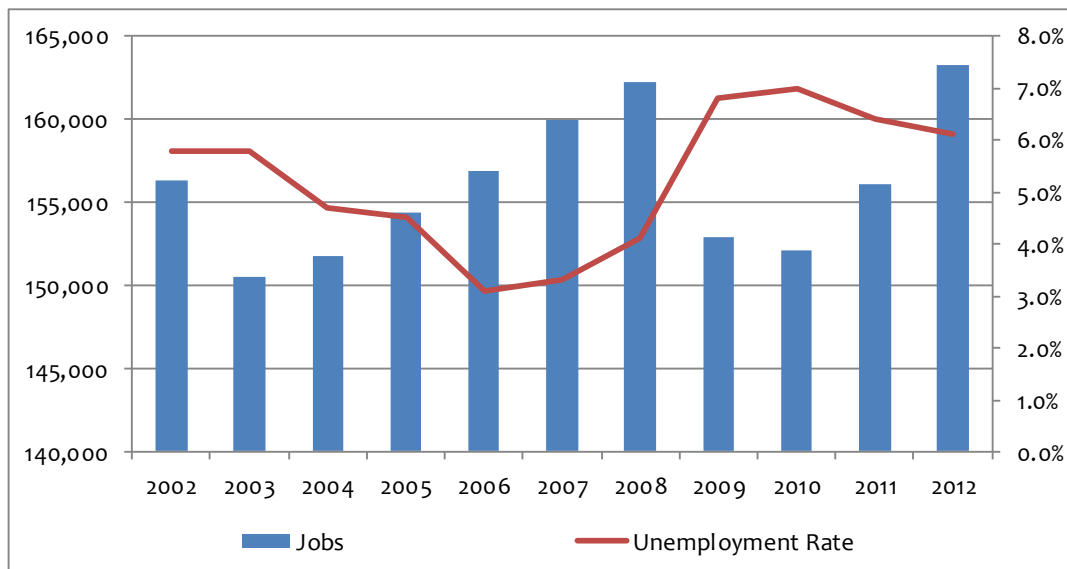
III. ECONOMIC AND DEMOGRAPHIC FRAMEWORK

This section describes the economic and demographic trends for the North Broadway area, the market area(s), the City of Boulder, and the region. The background information is intended to help depict North Broadway's place within the larger economy and provide information to help inform future planning and land use opportunities in the area.

3.1 General Economic Background

Like much of the nation and the larger metropolitan region, Boulder County has seen a great fluctuation of jobs in the last decade. All aspects of the local economy have been affected, including real estate and development. After the terrorist attacks of 2001, the number of jobs declined locally and then rebounded through 2008. The County again lost jobs during the Great Recession and is now in the midst of a recovery as can be seen in Figure 4. While the national recession has officially ended, economic recovery has lagged somewhat plagued by continued relatively high levels of unemployment. Boulder County and the larger Denver-Boulder metropolitan region, in general, have fared relatively well in comparison to the rest of the country.

Figure 4
Boulder County Jobs and Unemployment Rate, 2002-2012



Source: BLS, ArLand

In 2012, there were over 160,000 jobs in the County (Table 2). More than half are located in the City. Top industries include Professional, Scientific and Technical Services, Educational Services, Health Care and Social Assistance. Significant industry clusters include aerospace, bioscience, data storage, light manufacturing, natural and organic products, outdoor recreation, photonics, renewable energy and energy research, software and tourism. A survey conducted by the Boulder Economic Council in 2012 found that the vast majority (83%) of individuals employed in the City live within a 20 to 30 minute drive or approximately 20-mile radius of the City. This would include residents commuting to homes in Boulder County north of the North Broadway area in areas such as Jamestown, Lyons, Longmont, and other communities.

Table 2
Boulder County Employment, 2002-2012

Industry	2002	2006	2012	2012	Change 2002-	Percentage
				Percentage of Total	2012	Change 2002-2012
Agriculture, Forestry, Fishing and Hunting	400	334	374	0.2%	-26	-6.5%
Mining	237	630	250	0.2%	13	5.5%
Utilities	322	307	288	0.2%	-34	-10.6%
Construction	7,148	5,706	4,192	2.6%	-2,956	-41.4%
Manufacturing	22,345	18,652	16,824	10.3%	-5,521	-24.7%
Wholesale Trade	5,073	5,504	5,439	3.3%	366	7.2%
Retail Trade	16,555	16,162	16,455	10.1%	-100	-0.6%
Transportation and Warehousing	3,169	2,148	2,013	1.2%	-1,156	-36.5%
Information	10,822	8,863	8,683	5.3%	-2,139	-19.8%
Finance and Insurance	4,375	4,677	4,807	2.9%	432	9.9%
Real Estate and Rental and Leasing	2,848	2,409	2,271	1.4%	-577	-20.3%
Professional, Scientific, and Technical Services	18,256	21,833	24,112	14.8%	5,856	32.1%
Management of Companies and Enterprises	618	1,477	1,071	0.7%	453	73.3%
Administrative and Support and Waste Management	7,211	6,571	6,602	4.0%	-609	-8.4%
Educational Services	16,656	17,555	20,286	12.4%	3,630	21.8%
Health Care and Social Assistance	13,643	16,050	19,120	11.7%	5,477	40.1%
Arts, Entertainment, and Recreation	2,214	2,529	2,712	1.7%	498	22.5%
Accommodation and Food Services	13,483	14,141	15,645	9.6%	2,162	16.0%
Other Services (except Public Administration)	4,586	4,139	4,671	2.9%	85	1.9%
Public Administration	6,392	7,200	7,473	4.6%	1,081	16.9%
Total	156,353	156,887	163,288	100.0%	6,935	4.4%

Source: Colorado Department of Labor & Employment, BLS ArLand

3.2 Population and Demographic Characteristics

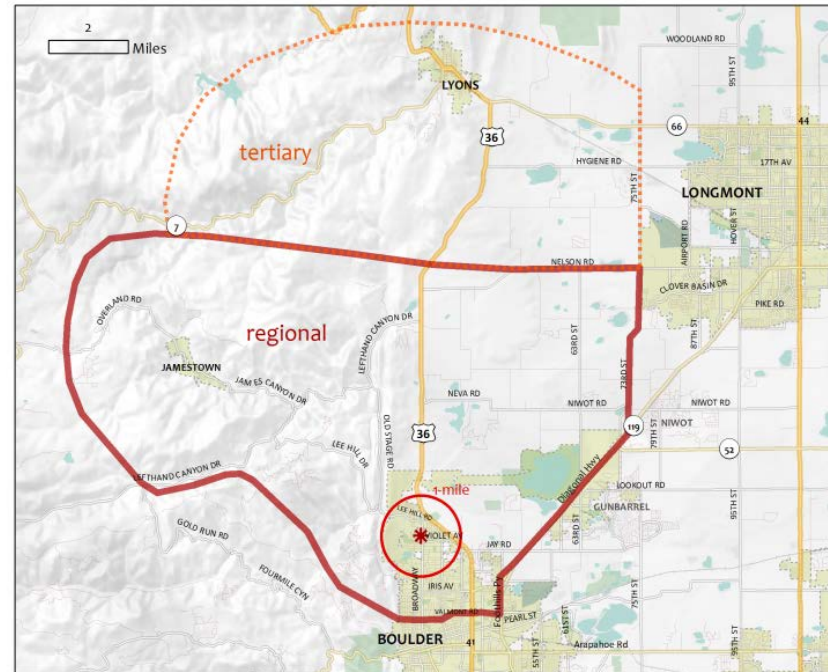
The City of Boulder is one of ten incorporated cities and towns located in Boulder County. It is the largest City and the jobs center for the immediate region. While the City attracts commuters from throughout the County, the North Broadway area is the northern gateway to the City of Boulder particularly for travelers and commuters living in Jamestown, Lyons and other County locations to the north.

For purposes of the retail market analysis, 1-Mile, Regional and Tertiary Market Areas were designated as shown in Figure 5. The market areas are the areas from which a project will draw the majority of its retail customers. Boundaries of market areas are often irregular because they can be influenced by geographic barriers, commuting patterns, and the presence of competing or complementary retailers. Typically neighborhood oriented retail encompasses a 1 to 2 mile radius, community level retail encompasses a 3 mile radius, and regional level retail encompasses an approximate 5 mile (or larger) radius around a potential site.

The 1-Mile Market Area is the area within an approximate 1-mile radius from the intersection of Broadway and Yarmouth and represents the neighborhood market area for the North Broadway area. It also represents the market area for a neighborhood-level grocery store. It includes most of the residential areas at the northern edge of the City.

A larger supermarket or grocery store would also likely attract shoppers in a wider ranging area; not only the immediate North Broadway neighborhood, but parts of the County as shown in Figure 5 designated as the Regional Market Area. It would also

Figure 5
1-Mile, Regional and Tertiary Market Areas



Source: ArLand

likely attract commuters travelling to Boulder for jobs and services. The Regional Market Area includes Jamestown, the larger north Boulder community, as well as communities in the County like Lake Valley and Lake of the Pines.

The Tertiary Market Area includes communities further north such as Lyons in Figure 5 and does not include the 1-Mile and Regional Market Area. While it is possible to shop at the local grocery stores in town, for larger items and greater selection, households in these areas are likely to travel to Boulder (as well as Longmont). Although Boulder is a jobs and services center, Longmont is attractive to these shoppers because of the presence of a full-size Walmart. Our analysis assumes that a North Broadway grocer would only be able to attract a portion of the potential spending that might be available in this area.

3.3 Market Area Demographic Characteristics

There are over 8,000 persons in 3,200 households in the 1-Mile Market Area (Table 3). The Regional Market Area (which incorporates all of the 1-Mile Market Area) is estimated at 36,800 persons in nearly 16,000 households. There are nearly 3,300 persons in 1,400 households in the Tertiary Market Area. In comparison, the City of Boulder's 2013 population is over 100,000 persons in 43,400 households. Average household sizes in the North Broadway market areas are higher, in general, than the City as a whole, which is reflective of the household nature of the area and the higher concentrations of students in other areas of the City.

Table 3
Population and Households in Market Areas, 2013

	Persons	Households	Persons / Households
1-Mile Market Area	8,185	3,231	2.6
Regional Market Area	36,830	15,926	2.4
Tertiary Market Area	3,262	1,412	2.3
City of Boulder	100,493	43,433	2.2
Boulder County	305,015	124,233	2.5

Source: Claritas, ArLand

Table 4 shows housing tenure within the 1-Mile, Regional, Tertiary Market Areas, the City of Boulder, and Boulder County. Although there is rental housing in the immediate 1-Mile Market Area, the vast majority of housing is owner occupied. Owner occupancy in the market areas and the County is much higher than the City as a whole, which is about 50% owner-occupied and 50% renter-occupied.

Table 4
Housing Tenure

	Owner Occupied	Renter Occupied
1-Mile Market Area	87.3%	12.7%
Regional Market Area	71.0%	29.0%
Tertiary Market Area	77.5%	22.5%
City of Boulder	50.1%	49.9%
Boulder County	64.4%	35.6%

Source: Claritas, ArLand

Median household incomes are shown in Table 5 and income breakdowns are shown in Figure 6. In general, market area household incomes are much higher than the City as a whole. Average and median household incomes in the 1-Mile Market Area are estimated at nearly \$112,000, indicating the presence of a number of higher income households within this market area.

Figure 6 indicates that the greatest percentage of households in all areas earn between \$100,000 and \$200,000 (2013).

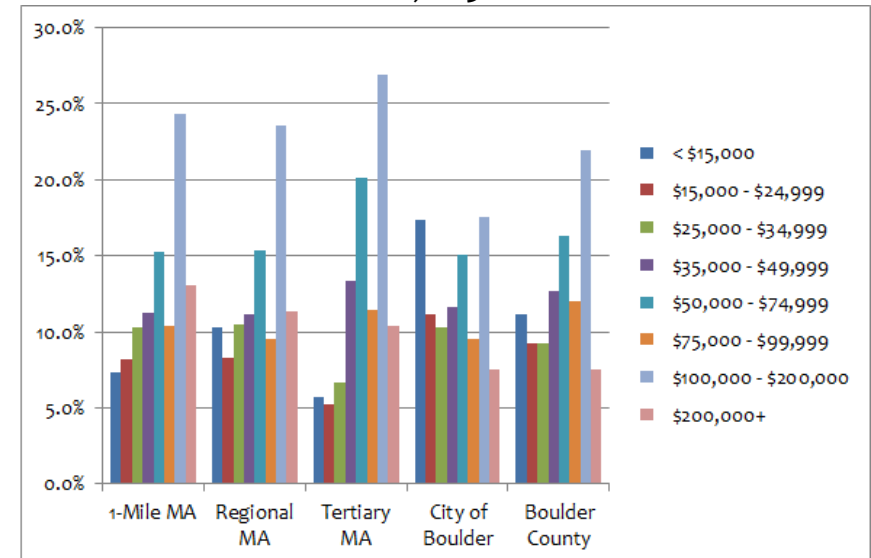
Table 5
Median Household Incomes, 2013

	Median HH Income	Avg HH Income
1-Mile Market Area	\$71,314	\$111,816
Regional Market Area	\$65,929	\$103,865
Tertiary Market Area	\$73,544	\$106,775
City of Boulder *	\$56,274	\$84,225
Boulder County *	\$66,989	\$92,308

Source: Claritas, ArLand

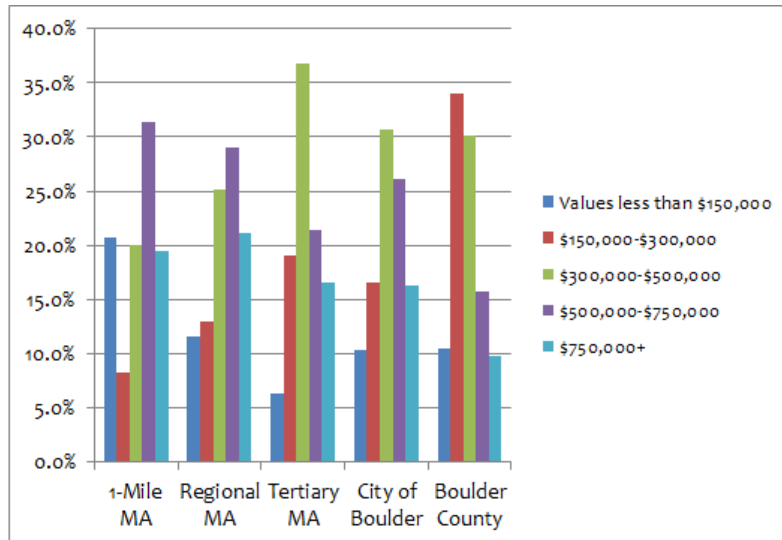
* 2012 American Community Survey

Figure 6
Household Income Breakdowns, 2013



Source: Claritas, ArLand

Figure 7
Owner-Occupied Housing Values, 2013



Source: Claritas, ArLand

Figure 7 above indicates that the highest percentage of owner occupied houses in the 1-Mile and Regional Market Areas are homes valued between \$500,000 and \$750,000. Both Market Areas have a significant percentage of homes valued at \$300,000 and up. The 1-Mile Market Area also has a high percentage of homes valued at less than \$150,000.

Table 6 shows median owner occupied housing values. Of all the market areas analyzed, the 1-Mile Market Area has the highest values.

Table 6
Median Owner-Occupied Housing Values, 2013

	Median Owner-Occupied Housing Values
1-Mile Market Area	\$507,034
Regional Market Area	\$501,943
Tertiary Market Area	\$425,330
City of Boulder	\$447,204
Boulder County	\$329,450

Source: Claritas, ArLand

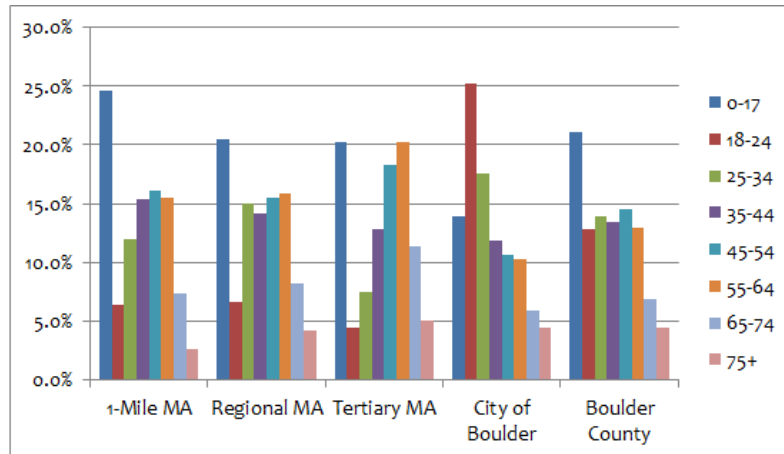
The median ages in the market areas are older than the City and County, respectively, as shown in Table 7 at 39.5 in the 1-Mile Market Area and over 40 in the Regional and Tertiary Market Areas.

Table 7
Median Age, 2013

	Median Age
1-Mile Market Area	39.5
Regional Market Area	40.5
Tertiary Market Area	47.7
City of Boulder	31.1
Boulder County	36.7

Source: Claritas, ArLand

Figure 8
Age Breakdowns



Source: Claritas

Figure 8 shows that the 1-Mile Market Area has a much higher percentage of children between 0-17 relative to the rest of the population in the area. The City's university population shows up in the high percentage of residents in the 18-24 age categories.

Figure 9
Race and Ethnicity, 2013

	1-Mile Market Area	Regional Market Area	Tertiary Market Area	City of Boulder	Boulder County
White	82.5%	87.8%	94.0%	87.7%	86.6%
Black	0.8%	0.7%	0.4%	0.8%	0.8%
American Indian	0.5%	0.5%	0.3%	0.4%	0.6%
Asian/Pacific Islander	4.4%	3.4%	1.5%	4.9%	4.4%
Other / Two or more	11.8%	7.6%	3.7%	6.2%	7.5%
Hispanic Origin*	18.5%	11.5%	5.5%	8.9%	13.9%

Source: Claritas, ArLand

* can be of any race

The 1-Mile Market Area has a greater percentage of residents of Hispanic origin compared to the other market areas, the City and County, as a whole (Figure 9).

3.4 NoBo Psychographics

Psychographics is a term to describe characteristics of people and neighborhoods, which instead of being purely demographic, reflect attitudes, interests, opinion, and lifestyles. Nielsen / Claritas is a leading system for characterizing neighborhoods into one of 66 distinct market segments. Psychographic studies of individuals or communities can be valuable in the fields of marketing, demographics, opinion research, and social research. Commercial and residential developers are increasingly interested in understanding a community's psychographic profile. The categories and terms described below are used to describe psychographic segments nationally. The psychographic information is derived from Census data, leading consumer surveys, and other public and private sources of demographic and consumer information.

Households living in the NoBo neighborhood (1-Mile Radius) fall into the following market segments:

- *The Affluentials*: These residents enjoy comfortable, suburban lifestyles. The median incomes and home values are well above the U.S. median values and members of this group tend to have college degrees and white collar jobs. The Affluentials are big fans of health foods, computer equipment, consumer electronics, and the like. They are drawn to comfortable homes and apartments with a manageable commute to downtown jobs, restaurants, and entertainment.
- *Inner Suburbs*: Residents tend to be high school educated and downscale. This group is racially diverse, divided evenly between homeowners and renters, and filled with households that are either young or aging in place.
- *Elite Suburbs*: The most affluent social group, this group makes six figure incomes, have post graduate degrees, own single family homes, and are in managerial and professional occupations. They are home to America's up and coming business class. They rank highly for owning a small business and having a home office.
- *Middleburbs*: The group includes a mix of homeowners and renters as well as high school and college graduates. They tend to have good jobs and discretionary incomes to visit casual-dining restaurants, shop at midscale department restaurants, and travel across the U.S. and Canada.
- *Landed Gentry*: This group consists of wealthy Americans who migrated to the smaller boomtowns. Many of the households contain Boomer families and couples with college degrees, expansive homes and professional jobs. They're twice as likely as average Americans to telecommute. They can afford to spend heavily on consumer electronics, wireless and computer technology, and the like. This group tries to maintain a balanced lifestyle between high power jobs and laid-back leisure.

3.5 Employment and Commercial Real Estate Characteristics

According to Info USA, there are approximately 1,200 to 1,300 full- and part-time employees in the commercial areas in an approximately ½ mile radius from the intersection of Broadway and Yarmouth.⁴ The commercial areas include the newer commercial east of Broadway, found mostly in the Holiday neighborhood and Uptown Broadway developments, as well as the older, industrial, warehouse area west of Broadway. Most of the businesses are small, averaging 6 or fewer employees each.

There are several landscaping and construction related firms in the area. There is manufacturing in the area although much of it has transitioned to artists working with metals, textiles, and leather. Namaste Solar is included in the Wholesale Trade category, along with several other wholesale businesses in the area. Within the retail category, restaurants have hired the most full- and part-time employees at an estimated 165 workers, according to Table 8. There are a number of businesses in the miscellaneous retail categories with many of the artists falling into these categories. There is a 1st Bank, along with small offices of insurance agents, financial advisors, and others in the Finance category. There are a number of different services in the area, including a number of personal services as well as business services, auto repair and others.

⁴ The ½ mile radius was chosen here to primarily analyze employment in the immediate North Broadway corridor area.
Page 18

Table 8
Full and Part Time Employment at North Broadway Businesses, 2013

Industries	2013 Estimated Employment	Industries	2013 Estimated Employment
Agricultural Services	33	Finance, Insurance, Real Estate	60
Construction	61	Services	553
Manufacturing	19	Lodging	40
Food	1	Personal Services	49
Printing, Publishing	2	Business Services	42
Leather / Textile Products	11	Auto Repair	69
Fabricated Metals	1	Misc. Repair	2
Machinery	3	Misc. Entertainment	72
Transportation Equipment	1	Health Services	36
Transportation		Legal Services	5
Motor Freight Transportation & Warehousing	33	Educational Services	74
Wholesale Trade	106	Social Services	100
Retail Trade	311	Museums / Galleries	2
Building Materials	14	Membership Organizations	2
General Merchandise	6	Engineers, Architects, Accountants	54
Food	33	Misc. Services	6
Auto Parts	11	Public Administration	93
Clothing	2		
Furniture and furnishings	28		
Restaurants	165		
Misc. Retail	52		
		Total	1,269

Source: InfoUSA, ArLand

Note: Businesses in an approximately 1/2 mile radius from the Yarmouth and Broadway intersections.

3.6 Population and Household Forecasts

In order to begin developing projections for future supportable grocery and other commercial development, forecasts for the market areas are developed based on population, household, and employment projections. Table 9 shows the population and households in the 1-Mile, Regional, and Tertiary Market Areas and the forecasts for population and household growth in these areas. Any developments currently under construction or in the planning pipeline are not included in the 2013 estimates. Figure 10 and Table 10 (following) provides a summary of the key developments under review or approved for construction.

Table 9
1-Mile, Regional, and Tertiary Market Areas Population and Household Forecasts, 2013-2035

	2013	2035	2013-2035	CAGR 2013-2035
<i>1 Mile Market Area</i>				
Population	8,185	9,386	1,201	0.6%
Households	3,231	3,787	556	0.7%
Persons/ HH	2.5	2.5	2.2	
<i>Regional Market Area</i>				
Population	36,830	38,731	1,901	0.2%
Households	15,926	17,179	1,253	0.3%
Persons/ HH	2.4	2.3	1.5	
<i>Tertiary Market Area</i>				
Population	3,262	3,432	170	0.2%
Households	1,412	1,517	105	0.3%
Persons/ HH	2.3	2.3	1.6	

Source: Claritas, DRCOG, City of Boulder, ArLand

Current projections show relatively modest additions to the household count through 2035. The 1-Mile Market Area is projected to add approximately 550 new households, while the Regional Market Area is projected to add almost 1,300 households. Forecast annual growth rates are less than 1% per year.

Figure 10
Major Developments in North Broadway Area (1995-2013)



Source: City of Boulder, ArLand

Page 21

Table 10
Major Developments in North Broadway Area (1995-2013)

Map ID	Name	Date	Approx. Site Size	Description
1	Holiday	2003-2005	27 acres	324 residential units (187 market rate units and 137 permanently affordable units), 55,000 square feet of non-residential space and a 1.7 acre park
2	Dakota Ridge	2001-present	42 acres	420 residential units (300 market rate and 120 permanently affordable units.)
3	Uptown Broadway	2003, 2008	8.5 acres	223 residential units (185 market rate and 38 permanently affordable) and 40,337 square feet of mixed use commercial space
4	Westview	2011-2012	1 acre	34 permanently affordable units
5	Foothills	2001-2002	5 acres	74 residential units (22 market rate and 52 permanently affordable units)
UNDER REVIEW / UNDER CONSTRUCTION				
6	820 Lee Hill	2014	6 acres	32 single family detached homes
7	Violet Crossing	2013	4.7 acres	98 market rate residential units
8	1000 Rosewood	2013	4.5 acres	18 residential units (16 single family units, 2 duplex units), 50% permanently affordable
9	1175 Lee Hill	2014	1.2 acres	31 residential units (market rate and 31 permanently affordable transitional housing units)
Units Under Review / Under Construction				179

Source: City of Boulder

Between 1995 and 2013, a significant number of residential units were added to the North Broadway area as shown in Figure 10 in Map ID numbers 1 through 5. These select developments added 1,076 residential units to the North Broadway area during this time period.

Areas 6 through 10 in Figure 10 and Table 10 show 179 units in planned residential projects that are currently under review, or are under construction.

3.7 Employment Forecasts

Employment forecasts are also relatively modest for the area. Table 11 indicates that the market areas are forecast for jobs growth with the addition of approximately 117 jobs in the 1-Mile Market Area, 247 jobs in the Regional Market Area and 36 jobs in the Tertiary Market Area. There is a slight discrepancy between the estimates for North Broadway jobs found in Table 9 and 1-Mile Market Area estimates because of slightly different geographic areas.

Table 11
1-Mile, Regional and Tertiary Market Areas Employment Forecasts, 2013-2035

	2013	2035	2013-2035	CAGR 2013- 2035
1 Mile Market Area	1,570	1,687	117	0.3%
Regional Market Area	17,989	18,236	247	0.1%
Tertiary Market Area	964	1,000	36	0.2%

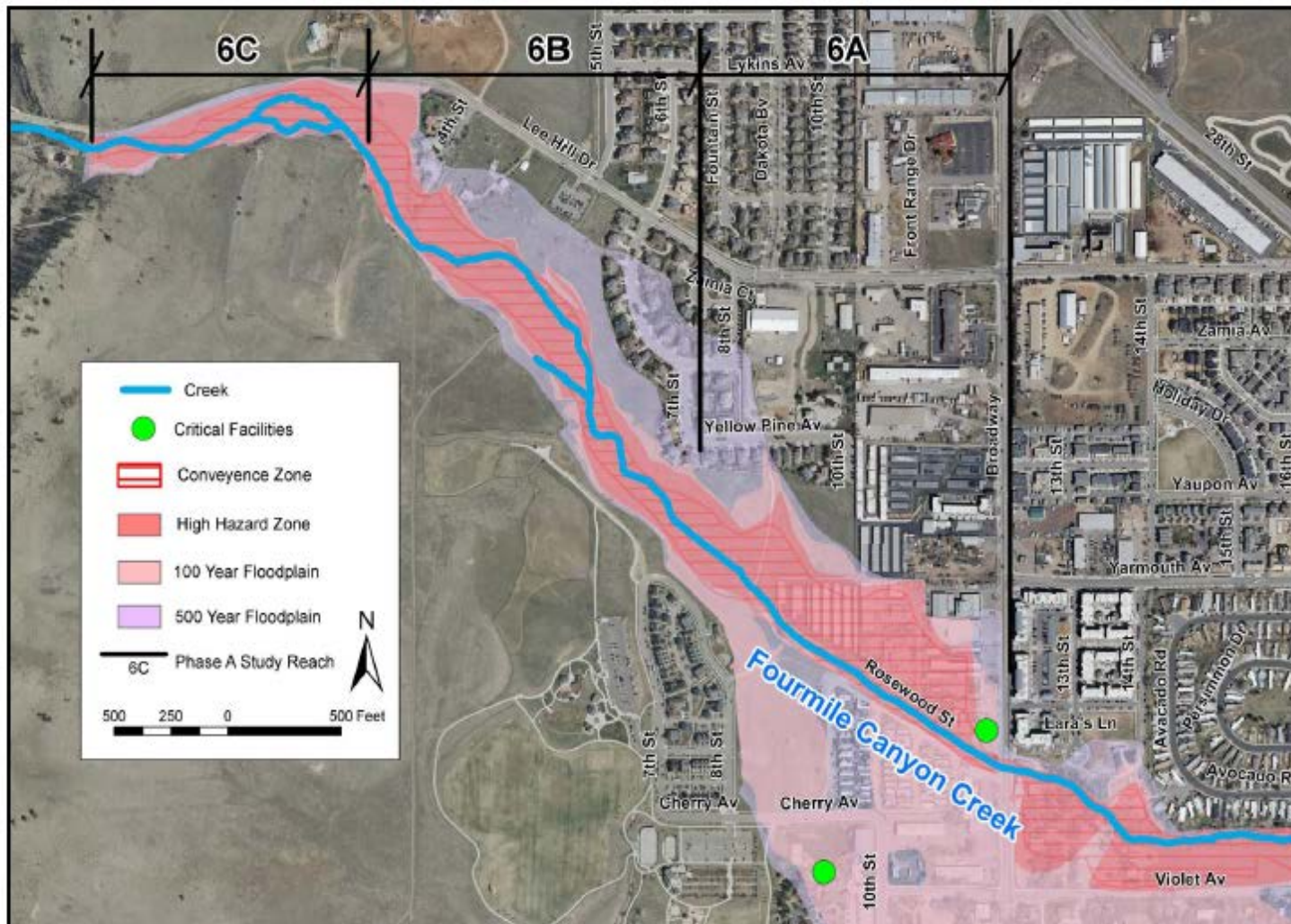
Source: DRCOG, ArLand

3.8 High Hazard Zone

Figure 11 depicts the High Hazard Zone in the North Broadway area which encompasses a significant portion of the area north of Rosewood Street. There are a variety of storage and industrial uses and artists located in the area. No redevelopment is allowed in the high hazard areas without significant flood mitigation.

Figure 11
High Hazard Zones in North Broadway

Figure 10.2 Existing Conditions Fourmile Canyon Creek Reaches 6C, 6B, 6A



Source: City of Boulder

The flood of September 2013 affected a number of properties in the area. The City is assessing the event and will reevaluate the need for remapping and mitigation strategies along Fourmile Canyon Creek. The City's estimated costs for flood mitigation in the Village Center area west of Broadway (before the flood in 2008) were about \$2.7 million with an additional approximately \$3.1 million in estimated building flood mitigation costs. It is unclear how the September 2013 flood event will impact these estimates. The City has no current funds to help offset the costs of flood mitigation. At this time, anyone interested in redeveloping the area would be fully responsible for offsetting these expenses up-front.

Although there are a number of reasons why the area west of Broadway has not redeveloped, the lack of funding to pay for flood plain improvements is a significant barrier. Although Violet Crossing, a 98-unit multi-family apartment project at Violet and Broadway is currently under construction, some of the public flood plain mitigation funds used to improve the property were agreed upon and allocated a number of years ago. Similar funds would be unavailable now for any new flood plain improvements since the program is now focused on mitigation of flood hazards associated with existing development.

IV. RETAIL MARKET ANALYSIS

This section discusses the retail market potential for the North Broadway area. It examines current and future retail demand and supply in the market areas.

4.1 Retail Demand Analysis

Retail demand is calculated by:

- Estimating households and incomes in the market area in order to derive total incomes potentially available for retail expenditures; and,
- Based on current expenditure patterns, calculating the income percentage spent in retail categories by residents within the market area. This results in estimated demand by retail category.

By comparing estimated demand (both current and future) to an estimate of supply or sales by retail category, an estimate of unmet retail demand can be calculated by:

- Subtracting supply from demand to obtain an estimate of unmet demand; and
- Incorporating sales per square foot averages by retail category in order to arrive at the approximate square footage of unmet retail demand.

The estimate of unmet retail demand is considered by retailers along with other criteria in making location decisions. Retailers also consider other factors including the overall retail project format, synergy with other tenants, and location relative to other stores. Retailers locate in different types of centers, and each retailer has its own location criteria.

The next sections will focus on demand and supply for a grocery store in the neighborhood first, followed by a discussion of general retail in the North Broadway area.

4.2 Current and Future Demand for North Broadway Area Grocery Store

Table 12 shows the estimated total household incomes in the 1-Mile Market Area currently, in 2020, 2025, and 2035, based on estimated potential growth in households and average household incomes. The analysis conservatively estimates that average household incomes will remain constant. Total incomes potentially available, a portion of which will be available for retail expenditures, are currently \$361 million and projected to increase to (in today's dollars) \$423 million by 2035.

Table 12
Total Household Incomes in the 1-Mile Market Area

	2013	2020	2025	2035	Growth 2013-2035	CAGR % Growth 2013-2035
<i>1 Mile Market Area</i>						
Households	3,231	3,377	3,494	3,787	556	0.7%
Average Household Income	\$111,816	\$111,816	\$111,816	\$111,816	\$111,816	--
Total Household Incomes	\$361,277,496	\$377,612,485	\$390,728,170	\$423,490,663	\$62,213,167	0.7%

Source: DRCOG, City of Boulder, ArLand

Table 13 compares expenditure potential to retail capture by existing grocery store retailers to estimate unmet retail demand for groceries. Demand is calculated by multiplying total household incomes by potential household expenditures for groceries. An estimate of current sales is subtracted out. Table 13 shows that there is current unmet demand for 17,000 to 28,000 square feet of grocery store space. By 2035, that increases to 23,000 to 34,000 square feet.

Table 13
Grocery Demand in 1-Mile Market Area

2013 Households	3,231
Avg Household Income	\$111,816
Total Household Income	\$361,277,496
Annual HH Growth Rate through 2035	0.7%
% Expenditures on Groceries	5.50%
Grocery Demand	\$19,870,262
Est. Sales	\$9,613,571
Current Retail Void	\$10,256,691
Est. Sales / SF	\$450
<i>Current Retail Void (S.F.)</i>	<i>17,094 - 28,491</i>
<i>Additional Demand from Household Growth (S.F.)</i>	<i>7,604</i>
<i>Total Demand 2035 (S.F.)</i>	<i>22,797 - 33,796</i>

Source: Claritas, Census of Retail Trade for CO, ULI, ArLand

4.3 Current and Future Demand for Full-Service Grocery

Table 14 shows the estimated total household incomes in the Regional and Tertiary Market Areas, in 2020, 2025, and 2035, based on estimated potential growth in households and average household incomes. The Regional and Tertiary Market Areas represent the areas that a conventional full service grocery store (60,000 square foot store and larger) would examine as part of their potential customer base.

The analysis conservatively estimates that average household incomes will remain constant at the household incomes shown. Total incomes in the Regional Market Area, a portion of which will be available for grocery store expenditures are currently \$1.6 billion increasing to (in today's dollars) nearly \$1.8 billion by 2035. In the Tertiary Market Area, total incomes estimated (based on ¼ of the households in the Tertiary Market Area) are \$37 million increasing to over \$40 million by 2035.

Table 14
Total Household Incomes in the Regional and Tertiary Market Areas

	2013	2020	2025	2035	Growth 2013-2035	CAGR % Growth 2013-2035
<i>Regional Market Area</i>						
Households	15,926	16,256	16,519	17,179	1,253	0.3%
Average Household Income	\$103,865	\$103,865	\$103,865	\$103,865	\$103,865	--
Total Household Incomes	\$1,654,153,990	\$1,688,434,697	\$1,715,793,338	\$1,784,276,900	\$130,122,910	0.3%
<i>Tertiary Market Area (1/4 of Households)</i>						
Households	353	360	366	379	26	0.3%
Average Household Income	\$106,775	\$106,775	\$106,775	\$106,775	\$106,775	--
Total Household Incomes	\$37,691,575	\$38,440,414	\$39,033,245	\$40,499,676	\$2,808,101	0.3%

Source: DRCOG, ArLand

Table 15
Grocery Store Demand in Regional and Tertiary Market Areas

2013 Households	16,014
Avg Household Income	\$103,881
Total Household Income	\$1,663,576,884
Annual HH Growth Rate through 2035	0.3%
% Expenditures on Groceries	5.50%
Grocery Demand	\$91,496,729
Est. Sales	\$76,068,000
Current Retail Void	\$15,428,729
Est. Sales / SF	\$450
<i>Current Retail Void (S.F.)</i>	<i>25,714 - 42,858</i>
<i>Additional Demand from Household Growth (S.F.)</i>	<i>35,013</i>
<i>Total Demand 2035 (S.F.)</i>	<i>51,974 - 86,624</i>

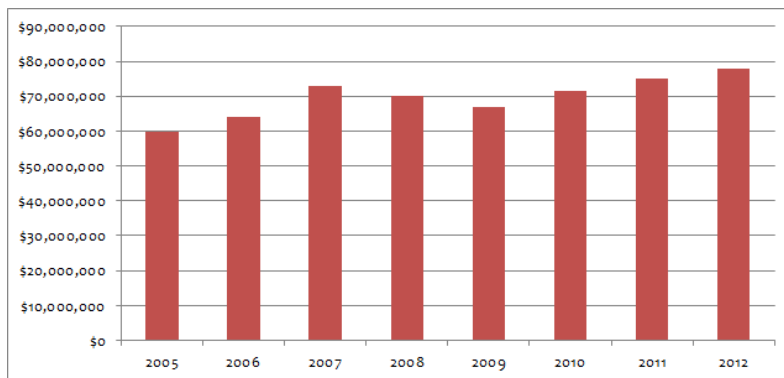
Source: Claritas, Census of Retail Trade for CO, ULI, ArLand

The analysis in Table 15 includes an estimate of Walmart Neighborhood grocery sales. It indicates that there is a current retail grocery void of approximately 25,700 square feet to 42,900 square feet in the Regional and Tertiary Market Areas. By 2035, assuming no additional grocery store in the wider regional area, that demand increases to 52,000 square feet to 86,600 square feet.

4.4 Retail Supply Characteristics

Despite a dip in sales tax collections in 2009 corresponding to the period of the Great Recession, the City's retail sales tax collections have rebounded according to Figure 12. City sales taxes are 3.41% of retail sales revenues in the City of Boulder. Retail in the North Broadway area has generated 1.5% to 1.7% of overall City sales tax revenues in the last seven years.

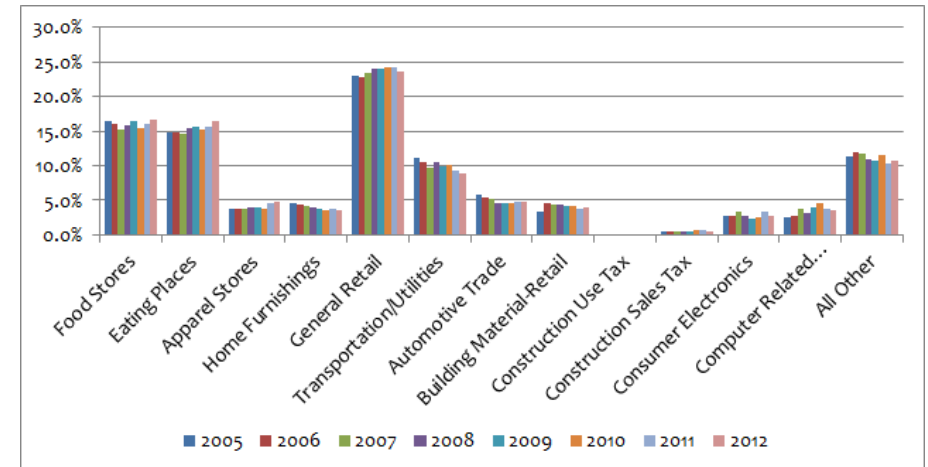
Figure 12
City of Boulder Sales Tax Collections, 2005-2012



Source: City of Boulder, ArLand

Food and grocery stores are a consistent source of sales tax revenues for the City of Boulder. While General Retail generates the majority of sales taxes, food stores (groceries) and eating places (restaurants) fall closely behind (Figure 13).

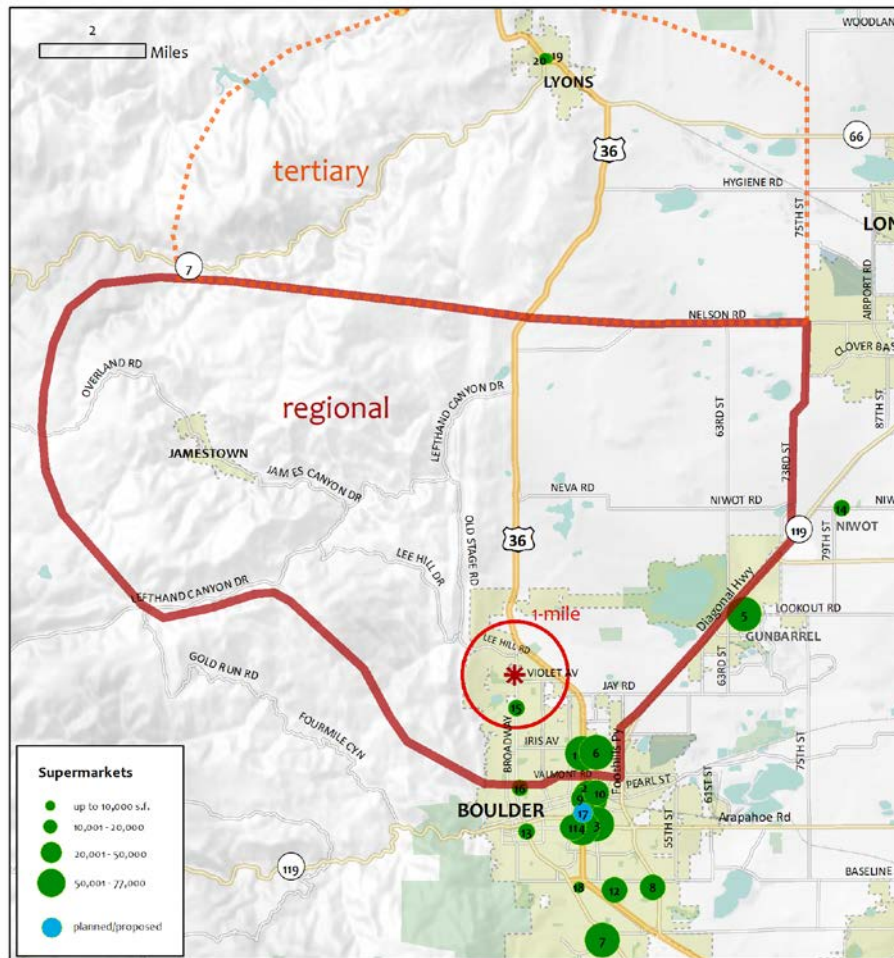
Figure 13
City of Boulder Sales Tax Collections by Industry, 2005-2012



Source: City of Boulder, ArLand

Figure 14 shows grocery store supply in the area. The significant amount of grocery, centrally located and in Boulder's major commercial corridors south and east of the North Broadway area highlights why some residents feel there is a grocery store void in the neighborhood. At the same time, these grocery stores serve a wide-ranging area, including North Broadway households.

Figure 14
Grocery Stores and Supermarkets



Source: ArLand

Table 16
Grocery Stores and Supermarkets

ID	Name	Address	City	Est. Grocery SF
1	Safeway	3325 28th St.	Boulder	77,000
2	Whole Foods Market	2905 Pearl St.	Boulder	77,000
3	King Soopers	1650 30th St.	Boulder	58,000
4	Safeway	2798 Arapahoe Ave.	Boulder	55,000
5	King Soopers	6550 Lookout Rd.	Boulder	55,000
6	Walmart Neighborhood Market	3303 30th St.	Boulder	52,000
7	King Soopers	4600 Table Mesa Dr.	Boulder	52,000
8	Safeway	4800 Baseline	Boulder	50,000
9	Target (with Fresh Grocery)	2800 Pearl St.	Boulder	30,000
10	Natural Grocers/Vitamin Cottage	2355 30th St.	Boulder	25,000
11	Sprouts	2525 Arapahoe Ave.	Boulder	25,000
12	Sprouts	2950 Baseline	Boulder	24,000
13	Alfalfa's Market	1651 Broadway St.	Boulder	20,000
14	Niwot Market	7980 Niwot Rd.	Longmont	15,000
15	Lucky's Market	3960 Broadway St.	Boulder	14,000
16	Ideal Market (Whole Foods)	1275 Alpine Ave.	Boulder	14,000
17	Trader Joe's	28th & Walnut.	Boulder	14,000
18	Whole Foods	2584 Baseline Dr.	Boulder	10,000
19	St. Vrain Market, Deli, Bakery	455 Main St.	Lyons	3,000
20	Steamboat Mtn. Natural Foods	454 Main St.	Lyons	3,000
TOTAL				673,000

Source: ArLand, City of Boulder

4.5 Impact of New Supermarket / Grocer

There is over 670,000 square feet of grocery store space in the City of Boulder and in nearby communities (in the Regional and Tertiary Market Areas) in an estimated 20 grocery stores and supermarkets. Interviews indicate concern over the great number of grocery options in the Boulder market and the impact that new stores will have, particularly on the independent grocery stores. There has also been concern expressed about the proximity of open space and fewer numbers of households in the North Broadway area.

- Grocery stores prefer to be located in areas where there are households completely surrounding them. North Broadway is at the edge of North Boulder and adjacent to a significant amount of open space. Any larger or full-service grocery store would need to depend on potential grocery store demand and regular shopping from households in the Regional and Tertiary Market Areas. While some of these households have been affected by the flood of September 2013, the analysis assumes that households will be rebuilt in the same communities.
- There are fewer households in the immediate North Broadway area. As a point of comparison, Lucky's is approximately one mile from the intersection of Broadway and Yarmouth (Table 17). Some of the households in Lucky's 1-Mile ring overlap with the count of households in the 1-Mile ring around Broadway and Yarmouth. There are nearly 1,400 more households in the Lucky's 1-Mile ring compared to the number of households in the 1-Mile ring at the intersection of Broadway and Yarmouth. There are more than 5,500

households in the same geographic area around the Ideal Market.

- Communities outside of Boulder, such as Louisville and Longmont are building their own specialty and independent grocery stores. Although this potentially reduces traffic and trip generation, it also means that these shoppers are not purchasing as much at Boulder outlets as they may have been previously when these stores did not exist in their areas.

Table 17
Households in 1-Mile Radius Around Independent Grocery Stores

	Households in 1- Mile Radius	Difference in Household Numbers
Intersection of Broadway and Yarmouth	3,231	--
Lucky's Market	4,625	1,394
Ideal Market	8,806	5,575
Alfalfa's Market	10,789	7,558

Source: Claritas, ArLand

A gravity model approach was used to help estimate the likely impacts on nearby competing supermarkets of a new Broadway store. A new grocery store locating along north Broadway in Boulder would draw only a small fraction of its eventual customer base from future household growth, which is projected to be relatively slow. Most spending would instead come from a shift in spending patterns already present in the market area. In other words, some grocery spending currently going to other existing market area stores would be shifted to

a new Broadway store based, primarily, on convenience and product selection.

This spatially-driven technique begins with an over-simplification of the competitive environment. Only households within the Regional Market Area are considered as potential customers and only those stores within the market area are considered as potential destinations. Obviously, household shopping behavior differs, however, of all the retail categories, households tend to regularly enjoy going to a neighborhood grocery store or supermarket out of habit and familiarity. It is assumed that households will allocate their supermarket spending across the handful of competing stores based solely on the distance to each store and the size (attractiveness) of each store. The model is termed a gravity model because, gravitational “pull” decreases as a function of the distance. Thus, nearby stores are much more likely to attract spending than more distant stores of a similar size.

Table 18 shows the current estimated share of market by the grocery stores in the Regional Market Area. It should be noted that these are estimates based on size of store, location of market area households and their willingness to spend at these stores based on the geographic proximity to the store.

Table 18

Current Market Area Grocery Store Estimated Share of Sales in the Regional Market Area

Name	Estimated SF	Est. Sales from Market Area	Market Area Share
Lucky's Market	13,000	\$9,618,000	11%
Ideal Market	14,000	\$8,400,000	9%
Safeway	77,000	\$34,650,000	38%
Walmart Nbhd. Mkt.	52,000	\$23,400,000	26%
New Market Area Store	0	\$0	0%
Stores Outside Market Area		\$15,428,729	17%
Total	156,000	\$91,496,729	100%

Source: ArLand

It is assumed that there is over \$90 million of grocery store spending available across these stores in the market area based on households, incomes and spending of households in the market area. Stores and other grocery venues outside of the immediate market area at grocery stores not listed also receive some market area spending.

Assuming that a new store of approximately 40,000 square feet was constructed in the market and assuming that a new store would fare relatively well in capturing market share, Table 19 assumes that all existing stores would be equally impacted⁵. In reality, Lucky's would potentially be hardest hit, given its geographic proximity and smaller size. However, in this more conservative model, all stores would suffer equally with a 20% decrease in sales. Lucky's has estimated that a new store would affect revenues negatively by up to 25%.

⁵ A 40,000 square foot store was used as an example as it represents the average size of the stores listed in the table.

Table 19
Potential Sales Impact of New Grocery Store

Name	Estimated SF	Est. Sales from Trade Area Households	Market Area Share of Sales	Change in Sales
Lucky's Market	13,000	\$7,739,269	8%	-20%
Ideal Market	14,000	\$6,759,187	7%	-20%
Safeway	77,000	\$27,881,647	30%	-20%
Walmart Nbhd. Mkt.	52,000	\$18,829,164	21%	-20%
New Market Area Store	40,000	\$17,872,501	20%	N/A
Stores Outside Market Area		\$12,414,960	14%	-20%
Total	196,000	\$91,496,729	100%	

Source: ArLand

4.6 North Broadway Inventory

Table 20 summarizes the retail tenants currently in the North Broadway area by type of business in the Holiday and Uptown Broadway developments. While there are a few scattered retail establishments west of Broadway, they tend to be construction and auto oriented establishments. Some of the artists located in these areas sell from their locations, although the majority of them do not use these locations as primary retail outlets. The newer retail space in the area (east of



Broadway) houses office, business and personal services, and restaurant uses. There is a small specialty retail niche in fitness and cycling serving patrons of the sport. North Broadway,

particularly Amante's Coffee, is a convenient de-facto gathering spot for cycling enthusiasts.

Table 20
Commercial Establishments North to South (in the Uptown Broadway and Holiday Developments)

Business Name	Category
Acqua Fleur Day Spa	Personal Service
MIG Winston	Business Service
Spruce Café	Restaurant
Winter & Company	Business Service
Alice Cohen CPA	Personal / Business Service
North Boulder Studio	Personal / Business Service
Oblique	Business Service
North Boulder Chiropractic	Personal / Business Service
Lawrence & Associates CPAs	Personal / Business Service
Caledonia Wealth Management	Personal / Business Service
Proto's Pizzeria	Restaurant
Iron Works Fitness	Wellness
Red Pine Studios	Business Service
Bacco Mozzarella Bar	Restaurant
Amante Coffee	Restaurant
Boulder Cycle Sport	Wellness
4580 Restaurant	Restaurant
Subway	Restaurant
1st Bank	Personal / Business Service
FasCat Coaching / Performance Cycling	Wellness / Retail
Gamers Guild	Retail
Chicago Hair	Personal Service
Pupusas Restaurant	Restaurant
Boulder Cycle Sport	Wellness / Retail
Boulder Dental Arts	Personal Service
Red Tail Wellness	Wellness

Source: ArLand

The Holiday Neighborhood

The Holiday neighborhood is a 324-unit community in the North Broadway area that was developed by Boulder Housing Partners in partnership with seven developers and a variety of non-profit organizations on a site in the City that was originally slated for development as big box retail.

Main Street North is a mixed-use development at the gateway to the Holiday Neighborhood with buildings and uses arranged around Broadway and Yellow Pine Avenue. The non-residential space is comprised of approximately 55,000 square feet. Commercial tenants include Spruce Confections, Proto's Pizzeria, and other shops and offices. Well-defined common areas provide places for café seating and outdoor gathering. The architecture provides a traditional "Main Street" two-story scale. Office and retail spaces range in size from as small as 630 square feet to as large as 4,000 square feet.

Uptown Broadway

In 2003, while the Holiday neighborhood was building out, Uptown Broadway also commenced development on the east side of Broadway and Yarmouth. The development is comprised of approximately 40,000 square feet of mixed use commercial space and 233 residential units. Although the residential development was successful, the retail struggled for a variety of reasons. The commercial part of the development was subsequently converted to retail condos. Although approximately 800 square feet remains to be sold and is currently vacant, it has taken a number of years for the commercial space to be fully occupied.

Speculation on why the commercial development has been unsuccessful include: lack of critical mass of retail in the area,

zoning restrictions on size of retail and lack of easy parking, among other reasons.



4.7 Retail Demand without an Anchor

The relatively slow absorption of the Uptown Broadway neighborhood has been a concern and recently approved projects such as Violet Crossing and Westview have little or no ground floor commercial space. Without a strong retail anchor, more area households, or activities to help bring people into the neighborhood to shop, future retail demand would tend to be more limited with slow absorption of space.

Tables 21 and 22 shows potential retail demand in the neighborhood or 1-Mile Market Area.

Table 21
Retail Demand in 1-Mile Market Area

2013 Households 3,231
Avg Household Income \$111,816
Total Household Income \$361,277,496
Annual HH Growth Rate 0.7%

Category	% Retail Expenditures [1]	Demand (retail potential)	Est. Sales	Current Retail Void (\$)	Est. Sales / s.f. [2]	Current Retail Void (s.f.)	Additional Demand from Household Growth (s.f.) (22-yr)	Total Demand 2035
<i>Convenience Goods</i>								
Grocery Stores	5.50%	\$19,870,262	\$9,613,571	\$10,256,691	\$450	22,793	7,604	30,396
Specialty Food Stores	0.30%	\$1,075,811	\$578,638	\$497,173	\$350	1,420	529	1,950
Beer, Wine, and Liquor Stores	0.42%	\$1,503,268	\$4,084,463	-\$2,581,195	\$300	--	863	--
Health & Personal Care Stores	1.96%	\$7,072,874	\$3,375,045	\$3,697,829	\$350	10,565	3,480	14,045
<i>Shopper's Goods</i>								
General Merchandise Stores	5.53%	\$19,978,872	\$5,727,434	\$14,251,438	\$500	28,503	6,881	35,384
Furniture & Home Furnishings Stores	1.02%	\$3,679,110	\$735,036	\$2,944,074	\$250	11,776	2,534	14,311
Clothing and Clothing Accessories	2.13%	\$7,679,414	\$2,781,159	\$4,898,255	\$250	19,593	5,290	24,883
Sport. Goods, Hobby, Book, & Music	0.92%	\$3,333,981	\$1,324,352	\$2,009,629	\$250	8,039	2,296	10,335
Miscellaneous Store Retailers	1.14%	\$4,117,314	\$3,486,893	\$630,421	\$250	2,522	2,836	5,358
<i>Food Services & Drinking Places</i>								
Full-Service Restaurants	2.13%	\$7,691,247	\$4,309,595	\$3,381,652	\$350	9,662	3,784	13,446
Limited-Service Eating Places	1.86%	\$6,713,916	\$1,541,576	\$5,172,340	\$325	15,915	3,557	19,472
Special Food Services	0.36%	\$1,289,823	\$1,266	\$1,288,557	\$250	5,154	888	6,043
Drinking Places (Alcoholic Bevs.)	0.22%	\$786,411	\$1,156,314	-\$369,903	\$250	--	542	--
<i>Durable Goods</i>								
Auto Parts, Accessories, and Tires	0.68%	\$2,472,788	\$352,252	\$2,120,536	\$250	8,482	1,703	10,185
Bldg Mater., Garden Equip. & Supply	4.42%	\$15,954,058	\$11,483,217	\$4,470,841	\$300	14,903	9,158	24,061
Electronics & Appliance Stores	0.98%	\$3,529,721	\$492,881	\$3,036,840	\$250	12,147	2,431	14,579
Total (without Groceries)	24.05%	\$86,878,606	\$41,430,121	\$45,448,485		148,681		194,050

Source: Claritas, Census of Retail Trade for CO, ULI, ArLand

[1] Demand percentages based on national and state averages

[2] National averages per Urban Land Institute, research and retailer interviews

Table 22
Unmet Retail Demand by 2035 (Non-Grocery)

	1-Mile Market Area (s.f.) 2013	1-Mile Market Area (s.f.) 2035
<i>Convenience Goods</i>		
Specialty Food Stores	1,420	1,950
Beer, Wine, and Liquor Stores	--	--
Health & Personal Care Stores	10,565	14,045
<i>Shopper's Goods</i>		
General Merchandise Stores	---	---
Furniture & Home Furnishings Stores	11,776	14,311
Clothing and Clothing Accessories	19,593	24,883
Sport. Goods, Hobby, Book, & Music	8,039	10,335
Miscellaneous Store Retailers	2,522	5,358
<i>Food Services & Drinking Places</i>		
Full-Service Restaurants	9,662	13,446
Limited-Service Eating Places	15,915	19,472
Special Food Services	5,154	6,043
Drinking Places (Alcoholic Bevs.)	--	--
Total	84,646	194,488

Source: Claritas, Census of Retail Trade for CO, ULI, ArLand

The analysis shows demand for 85,000 to 195,000 square feet in retail categories appropriate for the North Broadway area. This demand figure does not include grocery store demand.

Categories most appropriate would include:

- Specialty Food Stores
- Health and Personal Care
- Furniture and Home Furnishings
- Clothing and Accessories
- Sporting Goods, Hobby, Books and Music
- Miscellaneous Store Retailers
- Full-Service Restaurants
- Limited Service Eating Places

Without the addition of catalyst activities, public investment, or anchor tenants to help galvanize commercial activities, potential lease up would likely be slow and incremental.

4.8 Retail Demand with an Anchor

The 8.5 acre Armory site is relatively small for a conventional grocery store anchored center; however, it is among a handful of North Broadway sites that have the potential to generate interest among retailers for a grocery store co-location. Grocery stores in conventional centers typically have square footage requirements, and developers of these centers typically add additional retail and commercial services within these centers to help with financial feasibility. Smaller, more urban grocery stores also have square footage requirements and developers of these centers will often add additional retail and commercial uses because there is strong interest among many retailers in co-location with a grocery store. For example, the planned urban grocery store at 20th and Chestnut in the

LoDo neighborhood of downtown Denver has an estimated 10,000 to 20,000 square feet of additional retail and office.

Banks, restaurants, dry cleaners, and other personal and business services like to be located next to grocery stores. Grocery stores may bring in a householder 2 to 3 times per week, at which time the householder is taking care of other business during the same shopping trip. A grocery store on the east side of Broadway would help support commercial activities on the Armory site and on the east side of the street, primarily.

4.9 Retail Market Analysis Conclusions

While there is grocery demand, there are trade-offs and questions regarding the feasibility of a grocery store in the neighborhood.

- Grocery stores prefer to be located in areas where there are households completely surrounding them. North Broadway is at the edge of North Boulder and adjacent to a significant amount of open space. This situation will not change.
- There is concern about the limited number of households in the North Broadway area. Additional households would make retailers more comfortable about a potential North Broadway location.
- There is ongoing concern about cannibalization of the existing and popular Lucky's market. It is located about one-mile from the Broadway and Yarmouth intersection. Depending on the market niche of a new grocery store, the impact analysis and conversations estimate that the impact would be in the range of 20 to 25% of overall store revenues at Lucky's. Given the thin margins under which grocery stores operate, Lucky's could find it difficult to survive under such conditions.

- Lucky's is currently not interested in a Lucky's annex or a smaller store in the North Broadway area at this time.
- Locally-based retailers, in particular, are anxiously awaiting the effect of the Walmart and Trader Joe's openings.
- Other alternatives include a smaller convenience store, offering limited fresh produce, a food co-op, and the like. There are two very limited stores in the neighborhood, which may potentially be a base for expanding neighborhood offerings.
- Grocery store development on the Armory site could propel demand for commercial development adjacent to or in easy proximity to the grocery store. However, the North Boulder Subcommunity Plan and current zoning on the Armory site are not conducive to construction of a conventional grocery store.
- Commercial development likes corners for easy accessibility. Lee Hill and Broadway is the closest intersection to the Armory, and there is development already slated for, or currently existing on these corners. However, without additional activities supporting redevelopment west of Broadway, it is unclear whether Armory redevelopment would be enough to help propel or bolster commercial redevelopment, mid-block or further south on the west side of Broadway.
- There is demand for an additional 85,000 to 195,000 square feet in retail categories appropriate for the North Broadway area, including specialty retail, restaurants, and the like. In order to facilitate lease-up, there would be the need to add catalyst activities or anchor tenants to the area such as art galleries (in conjunction with local artists), destination restaurants, entertainment offerings, brewpubs, musical venues, etc.

V. OFFICE AND LIGHT INDUSTRIAL ANALYSIS

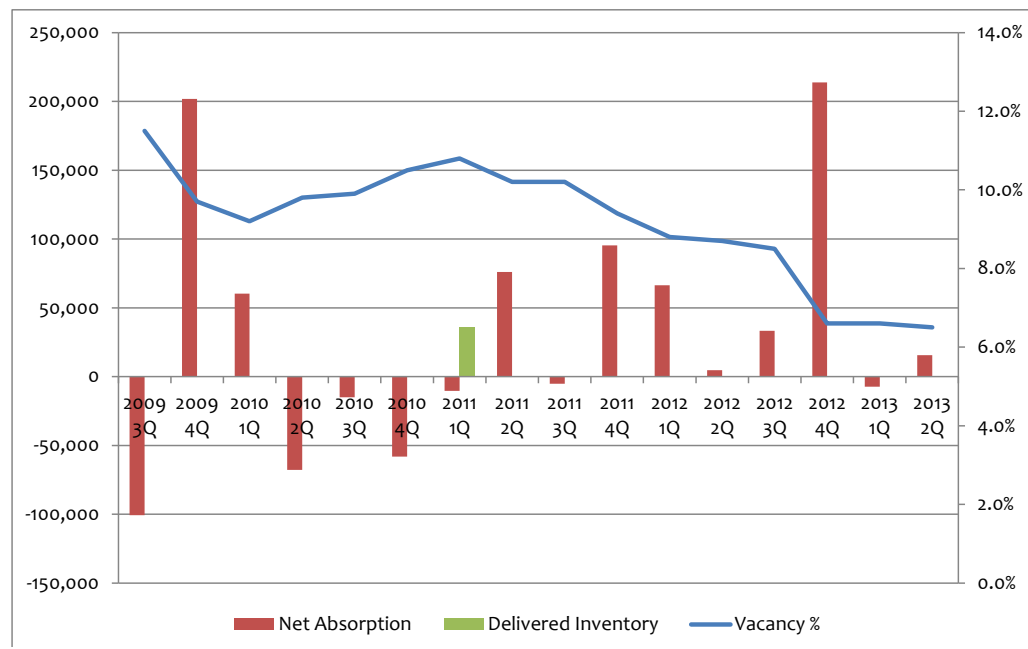
This section examines the office and industrial market in the North Broadway area. There is over 500,000 square feet of non-residential space between Violet and US 36 along Broadway. Of the commercial uses at the Holiday development and Uptown Broadway neighborhoods, small office space has been the most successfully developed. Office helps promote day time activity in residential neighborhoods, and, in the case of Boulder, helps accommodate personal and business services, and other creative industries. There is a significant amount of industrial, warehouse, and storage space west of Broadway. Several of the industrial areas offer smaller, inexpensive space for artists and other craftspeople.

5.1 Office Development Trends

Downtown Boulder, which is a creative office hub for the region, is experiencing very low vacancy rates, resulting in high gross rental rates of \$30 to \$35 per square foot (plus parking), pushing some companies to examine other more inexpensive areas in Boulder. While there are lower lease rates on the US 36 corridor and in Longmont, many companies would prefer to remain in the City as they grow.

As of the second quarter of 2013, the Boulder office vacancy rate at an estimated 6.5% is substantially lower than the 16.5% vacancy rate in the metropolitan Denver region, as a whole. There is about 11 million square feet of office space in Boulder. Recent vacancy rates have declined and there has been recent positive absorption in the market. Office development activity has picked up recently in preparation for an improving economy (Figure 15). There are several projects currently in the planning stage including a potential 70,000 square foot mixed use redevelopment project, including office at 30th and Pearl, and a 45,000 square foot office-flex property at 3200-28th Street.

Figure 15
Boulder Office Development Trends



Source: CoStar



Both the Holiday neighborhood and Uptown Broadway include office space. Studio Mews near Zamia Street within the Holiday neighborhood was intended to be an energizing mix of unique buildings and uses with residences above artists' studios and shops. The studios and shops have been converted to primarily office uses, although many of the businesses are in the creative realm. Dakota Ridge west of the Broadway corridor also has some office space.

5.2 Office Development Potential

The market for office is a function of growth or change in jobs among those industry sectors that typically occupy office space. Table 23 describes the current jobs in the Regional Market Area, which is the market area examined for office space potential. Approximately 250 jobs are forecast for this area.

After calculating the number of potential new jobs during this time period, an estimate was made of the portion of the workforce in industry categories and their requirements for office space. While categories such as Construction and Wholesale Trade may occupy very little traditional office space, industries such as Professional and Technical Services, for example, have an estimated high percentage of their work force in office space. Future jobs growth in the area indicates demand of approximately 25,000 to 30,000 square feet of office space, much of which would be in a small office configuration, similar to what has been developed in the area. Interviews also indicate that increasing demand for small office space has been seen as the economy returns. Studio Mews, which was originally intended to be artists' studios in the Holiday neighborhood, does include a few artists, however, many of the users are more office-oriented.

Table 23
Potential Office Space Demand, 2010-2035

Industry	Estimated Regional Jobs 2013	% Jobs	% of Total Jobs Estimated to be Office	New Regional Market Area Jobs 2013-2035	Office Jobs	Market Area Office Space S.F. Needs[1]
Agriculture, Forestry, Fishing and Hunting	73	0.5%	10%	1	0	32
Mining	40	0.3%	60%	1	0	105
Utilities	33	0.2%	15%	1	0	22
Construction	669	4.7%	5%	12	1	146
Manufacturing	773	5.5%	10%	14	1	338
Wholesale Trade	636	4.5%	10%	11	1	278
Retail Trade	1,424	10.1%	10%	25	2	622
Transportation and Warehousing	58	0.4%	10%	1	0	25
Information	150	1.1%	70%	3	2	459
Finance and Insurance	667	4.7%	95%	12	11	2,768
Real Estate and Rental and Leasing	559	4.0%	95%	10	9	2,319
Professional and Technical Services	1,433	10.1%	95%	25	24	5,946
Management of Companies and Enterprise:	44	0.3%	95%	1	1	183
Administrative and Waste Services	413	2.9%	15%	7	1	271
Educational Services	855	6.0%	25%	15	4	934
Health Care and Social Assistance	2,578	18.2%	65%	45	29	7,319
Arts, Entertainment, and Recreation	415	2.9%	15%	7	1	272
Accommodation and Food Services	961	6.8%	15%	17	3	630
Other Services, Ex. Public Admin	1,058	7.5%	15%	18	3	693
Public Administration	1,299	9.2%	60%	23	14	3,404
Total	14,138	100.0%	43%	247	107	26,763

Source: Claritaas, DRCOG, ArLand

[1] CoStar estimates 250 square foot per office job

5.3 Current Industrial Uses

Boulder has long been a jobs hub for the region, although there is mounting concern about the lack of quality industrial and warehouse space to accommodate growing and innovative businesses. According to interviews and the Xceligent database, lease rates for the industrial space west of Broadway are \$14-\$17 per square foot on a modified gross or gross basis for spaces fronting Broadway and \$9-\$12 per square foot towards the back of the properties. Some of the industrial space, particularly at 4593 and 4949 Broadway, are properties conducive to dividing up into 400-500 square foot spaces, attractive to artists and others in creative, start-up industries. The artists' spaces are primarily rentals.

There are older auto-related uses interspersed among the industrial and retail uses west of Broadway. There are a number of properties used primarily for storage. There are infrastructure and maintenance issues throughout the properties. Access, parking, setbacks, etc. are inconsistent throughout the west side of the street. According to interviews, the heavier industrial uses have slowly moved out. While there have historically been more auto-oriented uses, those uses are not as lucrative anymore and have been replaced by storage, which is. Namaste Solar, the solar panel developer and installer, has their headquarters in the area.

5.4 Industrial Demand

While there is demand for industrial and light industrial flex uses in the Boulder market and the North Broadway area, further significant development of this use is precluded by the mixed use development that has already occurred in the area, and the lack of available space to adequately accommodate Boulder businesses that have outgrown their 'start-up' space.

Although there are more technical definitions, in general, industrial space refers to traditional industrial space with manufacturing or other uses which either need a lot of space or are generally not as desirable in a mixed use environment. Light industrial flex space is intentionally flexible where some of the space can be used for office and other space can be used for light manufacturing and warehousing. This type of space can be popular among startups because of its relatively low cost.

The market for industrial space is a function of growth or change in jobs among those industry sectors that typically occupy industrial space. Table 24 describes the current jobs in the Regional Market Area and the share that are estimated to be industrial jobs.

After calculating the number of potential new jobs forecast to be created by 2035, an estimate was made of the portion of the workforce in industry categories with requirements for light industrial flex space. While there is estimated demand for up to 30,000 square feet in the North Broadway area, it is not anticipated that traditional industrial space for significant processing or manufacturing is appropriate in the North Broadway area. Flexible commercial space appropriate for startups, businesses like Namaste Solar, light research and development, artist's space and potentially some quasi-retail space, would be targeted light industrial users.

The 1995 North Boulder Subcommunity Plan highlights the importance of the industrial uses to the area acknowledging that additional commercial and industrial space provides opportunities for people to work close to where they live. It also acknowledges the importance of upgrading the Broadway corridor, at the same time, stating that light industrial businesses are extremely valuable and should not be displaced. Rents are relatively low compared to the rest of the City, and the current uses generate relatively fewer vehicle trips per square foot of building area. The 1995 Plan also suggests the design of buildings which are structurally flexible to accommodate a mix of uses over their expected lives.

Table 24
Potential Light Industrial Flex Demand

Industry	Estimated Regional Jobs		% of Total Jobs Estimated to be in Industrial Space	New Regional Market Area Jobs 2012-2035	Industrial Jobs	Market Area Industrial Space S. F. Needs ^[1]
	2013	% Jobs				
Agriculture, Forestry, Fishing and Hunting	73	0.5%	60%	1	1	306
Mining	40	0.3%	25%	1	0	70
Utilities	33	0.2%	85%	1	0	196
Construction	669	4.7%	50%	12	6	2,630
Manufacturing	773	5.5%	90%	14	12	4,862
Wholesale Trade	636	4.5%	90%	11	10	12,000
Retail Trade	1,424	10.1%	10%	25	2	995
Transportation and Warehousing	58	0.4%	80%	1	1	973
Information	150	1.1%	30%	3	1	629
Finance and Insurance	667	4.7%	5%	12	1	350
Real Estate and Rental and Leasing	559	4.0%	5%	10	0	244
Professional and Technical Services	1,433	10.1%	5%	25	1	626
Management of Companies and Enterprise:	44	0.3%	5%	1	0	17
Administrative and Waste Services	413	2.9%	40%	7	3	1,299
Educational Services	855	6.0%	5%	15	1	336
Health Care and Social Assistance	2,578	18.2%	5%	45	2	1,013
Arts, Entertainment, and Recreation	415	2.9%	3%	7	0	98
Accommodation and Food Services	961	6.8%	3%	17	1	227
Other Services, Ex. Public Admin	1,058	7.5%	20%	18	4	1,664
Public Administration	1,299	9.2%	20%	23	5	2,042
Total	14,138	100.0%	21%	247	51	30,576

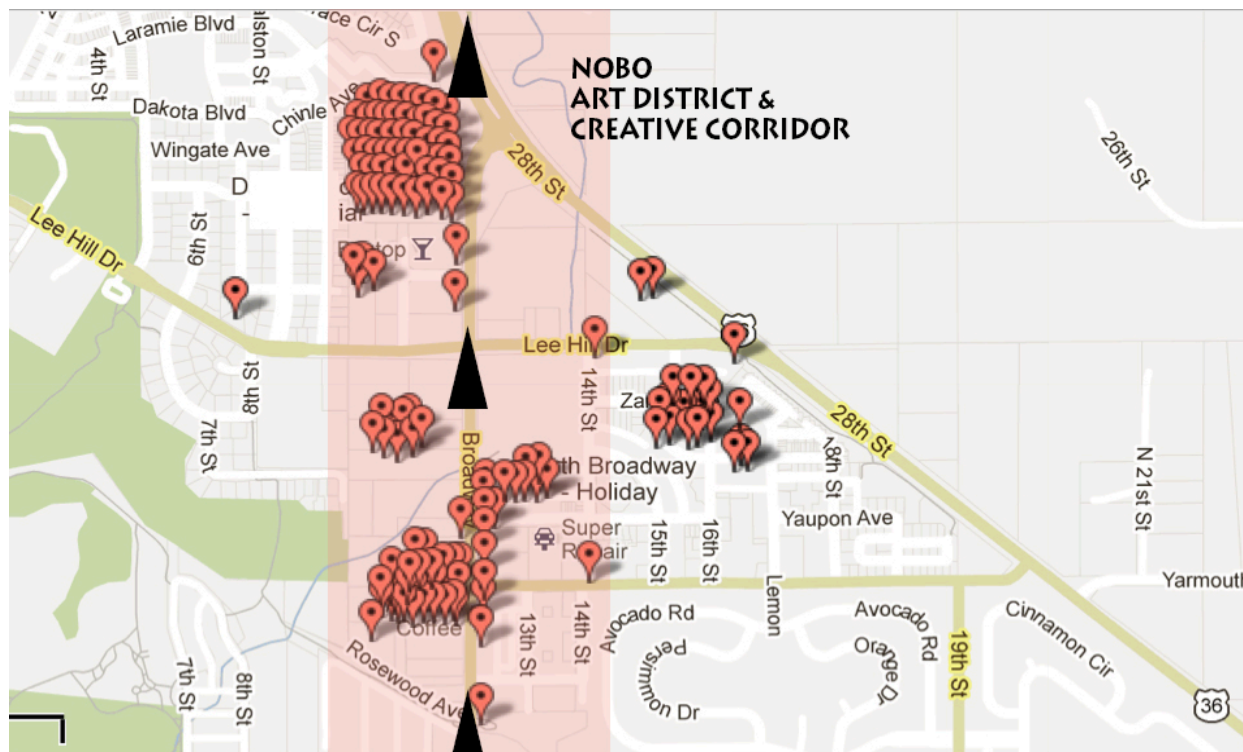
Source: DRCOG, CoStar, Claritas, ArLand

[1] Square foot per job estimates vary from 450 to 1,200 sf depending on industry

5.5 Artists

The NoBo Art District is an artist-run organization dedicated to promoting the artists and creative industries in the North Boulder area. The District has a significant and growing presence in the North Boulder community. The district is not an officially designated arts district at this time, but is pursuing that designation through City and State channels. According to the district, there are over 225 artists and others in the creative industries clustered along Broadway and the North Boulder area. On the west side of Broadway, there is a particularly strong clustering of artists at 4949 Broadway and 4593 Broadway.

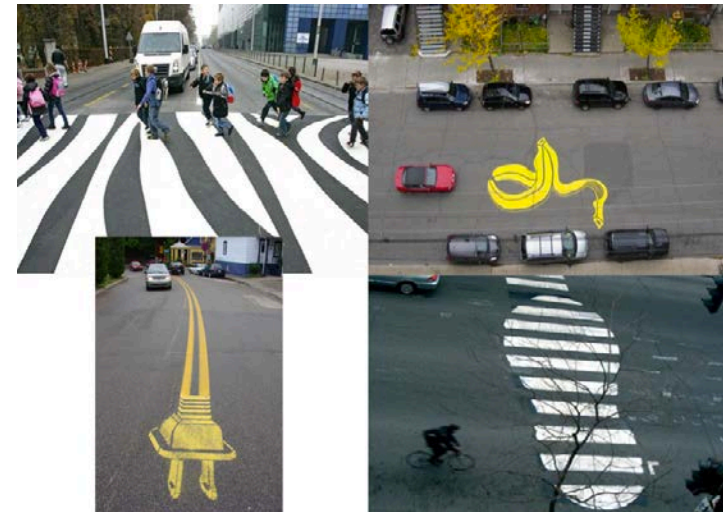
Figure 16
North Broadway Artists and Creatives



Source: NoBo Art District

The district's initiatives include:

- Sponsoring First Friday openings and other events to support local artists;
- Offering PaintAbout classes and scholarships to support access to contemporary art and education;
- Hosting art projects and other community events like the NoBo Little Libraries at various venues within the neighborhood; and,
- Initiating the creation of a vital street-scape enlivened by sculpture, lighting and other art through the creation of a public arts program.



The group is interested in getting more involved in the “branding” of North Broadway through sculpture, lighting, painting of the street, and other activities which would not only help their respective businesses, but would also help brand and distinguish the area from the wide variety of other commercial districts in Boulder. A further description of potential artists’ involvement is discussed in the Opportunities section.

5.6 Potential Office and Industrial Demand Capture

Through 2035, the analysis forecasts demand for approximately 20,000 to 25,000 square feet of office and 30,000 to 35,000 square feet of light industrial / flex space. However, demand capture is going to be dependent on overcoming some of the barriers to redevelopment historically seen in the area and taking advantage of potential area opportunities. This will be discussed in the next sections on Barriers and Next Steps.

VI. NORTH BROADWAY BARRIERS

The potential demand for commercial uses in the North Broadway area is described below, taking into consideration local and regional market trends, feedback from area real estate experts, developers, brokers and property owners. Competitive development projects and trends over the past ten years were examined. As with any plan and ultimate development project, the actual mix and timing of development is going to vary based upon a variety of factors, including the needs of the property owners, the development and financial markets, the timing and cost of public sector improvements and assistance, if any, and level of private sector investment.

6.1 Village Center

One of the primary challenges to the development of a Village Center in the North Broadway area is the perception in the community and in the market that it took a significant amount of time for the existing commercial to absorb. At the same time, there isn't as much retail space to activate the area as is desirable.

- The North Broadway area is on the edge of the City, so it is not an area that many Boulder residents will traverse as they are commuting or running other errands, although some residents of outlying communities do commute through the area. While there are some bicycling shops that are a destination for those in the bicycling community, there aren't other significant clusters of destination retailers or an anchor tenant like a supermarket. Although restaurants like 4580 and Proto's have been successful in attracting people throughout the City, other destinations in the area are few and far between.
- There has been a discussion of a grocery anchored retail shopping center to help activate the retail spaces in the North Broadway area. North Boulder community members have expressed some interest in a grocery store, but over time they have become somewhat split on the level of support for the concept of a new store. While a grocery store with a conventional layout could serve as an anchor tenant for the area, its locational benefit would generally accrue to other retail establishments and intersections closest to the center first.
- While there appears to be market demand for a smaller convenience or grocery store, there has been a longstanding concern on the part of the grocers that there aren't enough households to support another independent local market primarily serving the local neighborhood. Lucky's is very close and it is estimated that another grocery store in the area similar to Lucky's would negatively impact the store.
- Smaller grocery stores tend to carry higher priced merchandise and, although helpful for convenience items, would not be attractive for significant shopping among those with more modest incomes in the neighborhood. The introduction of the Walmart neighborhood grocery store to the Diagonal Plaza area detracts from the ability of a North Broadway grocery store to serve the local neighborhood.
- The width of Broadway, lack of pedestrian crossings, and the traffic volume are also barriers to retail synergy at the Yarmouth and Broadway intersection that includes the Village Center. Property owners on the west side of Broadway have observed that patrons

of restaurants on the east side of Broadway will often park on their properties and then have to cross Broadway to get to their destinations.

6.2 Public Storage

One of the more significant challenges to the redevelopment of the West Broadway area is the number of self-storage units in the area. This particular use has been successful in the area and the growth of smaller residential units and commercial space in the immediate area has contributed to the demand. It can provide significant cash flow to property owners and can be a difficult land use to transition from because it can be financially lucrative.

Conservatively, self-storage facilities generate an estimated \$8 per square foot (NNN) basis⁶. Gross revenues average over \$1 per square foot based on posted price lists for storage facilities in the area. Assuming a capitalization rate of 7.75%, this translates to \$103 per square foot for the building as well as the land on which the building is located. Any redeveloper would need to pay this price in order to acquire land in this area, in addition to paying for other needed public improvements. While prices fluctuate depending on Broadway frontage, prices appear to be in line with recent sales. The Namaste Solar building and land's value is estimated at \$115 to \$125 per square foot, per Boulder County assessor's records.

6.3 Flood Plain

Another difficult issue is the need for significant flood mitigation prior to redevelopment near Yarmouth and Broadway, west of Broadway. The estimated costs in the area west of Broadway, encompassing the commercial area fronting Broadway, are about \$2.7 million. There is also an additional approximately \$3.1 million in estimated building flood mitigation costs. The September 2013 floods have triggered the need to reevaluate the flood plain maps in the area. These estimates may change.

While there may be funds available through the Federal Emergency Management Agency (FEMA) for flood recovery cost reimbursement, it is unlikely that FEMA would reimburse the City for floodplain related redevelopment costs. Redevelopment in the flood plain would need to occur in a manner consistent with FEMA, State, and City of Boulder floodplain development regulations.

6.4 Annexation

Some of the properties west of Broadway in the Village Center area have not been annexed into the City. These properties are all County enclaves. The North Boulder Subcommunity Plan particularly encourages annexation of these County enclaves for a variety of reasons including provision of urban services, given that the properties are already developed at urban densities. Proposed annexations with additional development potential need to demonstrate community benefit consistent with Boulder Valley Comprehensive Plan (BVCP)

⁶ NNN is a triple net lease where, in addition to the stipulated rent, the lessee assumes payment of all expenses associated with the operation of the property including taxes, insurance and other operating expenses, including costs of maintenance and repair.

policies. Annexations that are most strongly encouraged are those that resolve an issue of public health without creating additional development impacts.

VII. NORTH BOULDER SUBCOMMUNITY PLAN UPDATE OPPORTUNITIES

Despite the barriers described throughout this study, there are significant opportunities in the North Broadway market area. The community is interested in ensuring that the intent of the existing plan for the area is carried out, with some modifications to address changing circumstances and existing conditions.

While there has been a longstanding desire for a grocery-anchored center to not only help define and to assist with the commercial activities in the community, other action items could bolster the existing retail and address some of the redevelopment barriers in the area.

Table 25
North Boulder Subcommunity Plan Update Opportunities

	Existing Condition	Opportunity
Village Center	The Village Center is focused on the intersection of Broadway and Yarmouth, some of which overlaps with the high hazard flood zone.	The Village Center geographic area should be re-evaluated to align future land use options with the area's market realities and post-flood assessment and conditions.
Grocery Anchor	Retailers and others are waiting to see how the grocery situation pans out in Boulder. This analysis was conducted as the Walmart Neighborhood grocery recently opened to large crowds. Trader Joe's has yet to open as of the date of this report. While the new retailers will generate a surge in interest in the short term, and while sales and traffic will return to previous levels, there will be some impact on stores and/or merchandise directly competitive with the new offerings.	<p>Grocery stores need rooftops and there is ongoing concern with local service providers about the general lack of rooftops in the North Broadway area. Any number of additional rooftops would help support a convenience type of market.</p> <p>Several North Boulder community members have expressed interest in a convenience oriented grocery in the market area. Working with the existing stores to expand their offerings (there are two very limited stores offering some fresh foods in the North Broadway area), partnering with a food co-op, farmers market, or other alternative form of supplying fresh groceries to the neighborhood would help address demand and have a much more limited impact on other area grocers.</p>

	Existing Condition	Opportunity
NoBo Art District	<p>There are an estimated 225 artists and others in creative industries in the North Broadway area with a strong interest in creating / supporting a brand for the area that reflects their presence and helps bolster their creative activities. This group has indicated a strong interest in being involved in the development of public improvements and related activities.</p> <p>There is also inexpensive industrial space in the North Broadway area, some of which hasn't been well-maintained. Some of the spaces are work spaces for artists. They are sized small enough to be inexpensive rentals.</p>	<p>Incorporate artists into the public process. Evaluate potential for a plan for funding that incorporates art into public spaces and improvements. The NoBo Art District can potentially sponsor competitions for branding ideas and other public improvements with City assistance and other support.</p> <p>While artists are located throughout the area, they tend to be clustered in the more inexpensive industrial spaces on Broadway. Most of the artists do not own their spaces. Work with developers to ensure that inexpensive live / work and other flex space is available to help support the arts community in the North Broadway area.</p>
Other Anchor Tenants / Users	<p>Need for additional “anchors” to support / bolster commercial activities in the area</p>	<p>Branding activities, commercial space to support the brand, working with local brokers and developers to identify additional anchors such as art galleries (in conjunction with local artists), destination restaurants, entertainment offerings, brewpubs, musical venues, and the like. Identify local retailers, based on the categories identified, in other parts of the City or region, with a potential interest in expanding. Continue to support small office space users.</p>

	Existing Condition	Opportunity
Street Improvements	Although Broadway can be busy, it is not a major arterial. However, it can be wide and intimidating to cross. Yarmouth doesn't go through on the west side of Broadway yet. There is some willingness among area property owners for a Yarmouth extension across Broadway to the west.	Evaluate opportunities to create an intersection at Yarmouth and Broadway (or at the center of the geographically defined Village Center, if refined) to enhance the Village Center concept in the 1995 North Boulder Subcommunity Plan. Study the need for a pedestrian signal or other alternatives to ensure that pedestrians can traverse Broadway safely at Yarmouth, or other key intersections that may advance the Village Center concept. Work with the property owner on the west side of Broadway at Yarmouth to ensure that a Yarmouth extension would complement potential future redevelopment plans.
Public Storage And Other Potential Redevelopment Sites	Public storage sites are scattered throughout the area west of Broadway and there are a variety of other underutilized sites in the area west of Broadway including auto service centers, etc.	<p>The economics of public storage are difficult to address. In the short term, there are locations in front of some of the storage and/or industrial facilities that could facilitate some redevelopment.</p> <p>During the North Boulder Subcommunity Plan update and with the help of developers currently located in the neighborhood, reach out to property owners on the west side of Broadway regarding their redevelopment interests and potentials.</p>

	Existing Condition	Opportunity
Flood Plain Mitigation	<p>There is an estimated over \$5 million needed for flood plain mitigation on properties on the west side of Broadway near Four Mile Canyon Creek. While funds may be available from FEMA for flood recovery cost reimbursement, funds for floodplain redevelopment are not available. The funds available may not cover all of the projected needs.</p> <p>At this time, any redevelopment activity would generate the need to address the flood plain improvements with the first redevelopment responsible for paying all the costs. Because of the multiple property owners in the area, this presents a significant barrier towards redevelopment.</p>	<p>Funding for flood plain improvements has been addressed in other jurisdictions through larger regional districts which receive public and private funds to address flood plain improvements needed, however, these funds are typically prioritized to mitigate flood hazards to existing development.</p> <p>In order to help incentivize redevelopment in the area, potential flood mitigation tools might include:</p> <ul style="list-style-type: none"> • The use of special districts, such as urban renewal, or more targeted districts, to address and fund flood plain mitigation improvements needed up front to be repaid through redevelopment tax increment over time. Redevelopment activity would be needed in order to generate the tax increment necessary to pay back the improvements made. • Redevelopment, as a City financial tool, could be focused on public improvements. Explore its use in the area west of Broadway to help facilitate flood plain improvements, and address other infrastructure needs.
Annexation	<p>On the west side of Broadway, there are a variety of properties within County enclaves. For redevelopment to occur, the properties must annex into the City with the inclusion of substantial community benefit. For some of the smaller property owners, this has presented a challenge for redevelopment.</p>	<p>Annexation is a complex, Citywide policy issue. Explore opportunities for flexibility with annexations that would align with overall project goals and desired outcomes for the area.</p>

	Existing Condition	Opportunity
Armory	<p>Developers have entered into an agreement with the Colorado Department of Military and Veterans Affairs (DMVA) to explore the purchase and redevelopment of the Army National Guard Armory. Various site plans and options have been discussed with the community over a number of years.</p> <p>North Boulder community members have expressed some interest in a grocery store, but over time, they have been somewhat split on the level of support for the concept of a new store.</p>	<p>Without additional improvements to the intersection of Yarmouth and Broadway, including improvements that would make Yarmouth a true intersection, it is unlikely that commercial redevelopment at the Armory would benefit the Village Center area. At the same time, allowing limited retail development at the Armory should not negatively impact the market potential for commercial development at the Village Center area since its challenges, in some respects, are unrelated.</p> <p>At this point in time, without a significant number of additional households in the North Broadway area, the addition of a neighborhood or full-service grocery store would potentially impact the viability of other grocery stores including Lucky's, which is less than one mile from Broadway and Yarmouth.</p> <p>With or without the grocery anchor, there has also been an ongoing desire for neighborhood commercial services. While there is a market, their potential viability would be strengthened, in general, with an increased number of households in the North Broadway area.</p>