

North Ridge Economic Analysis

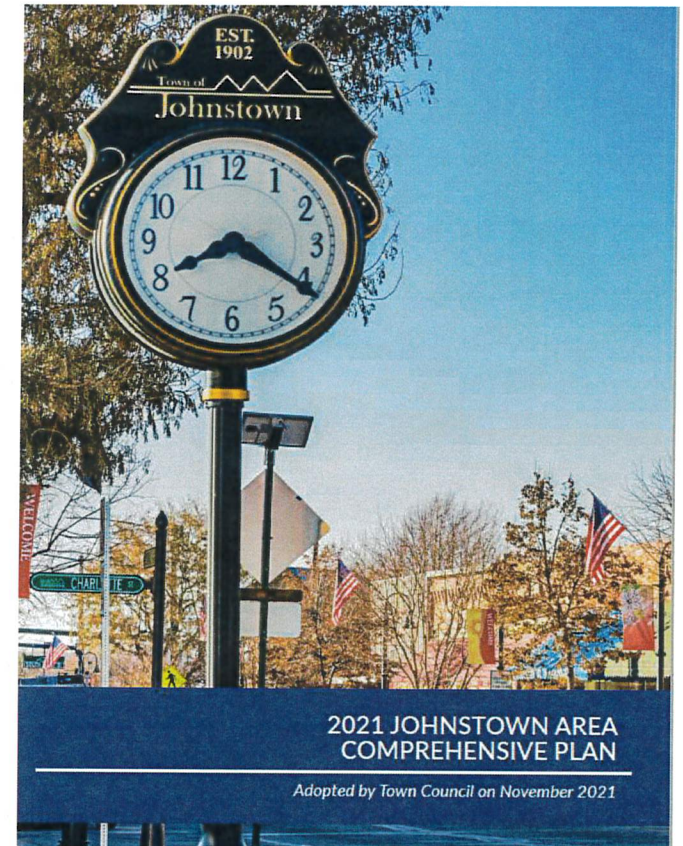
Johnstown, Colorado

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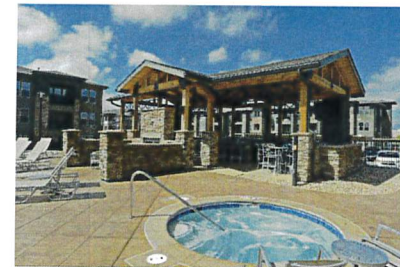
Johnstown Comprehensive Plan (“Comp Plan”)

- “The Comprehensive Plan is to be used as a long-range *guiding* document that provides the policy framework for implementing regulatory tools.....”
- The Comp Plan must be relevant.
- The Comp Plan “is intended to be flexible, adapting to changing conditions and unanticipated events.”
- The Comp Plan is visionary and ideally combines community aspirations with reality.
- “Colorado’s law identifies Comprehensive Plans as Advisory only.”



National Trends

- National office trends: decreased office space demand
- National retail: increased online sales, smaller store sizes and fewer stores
- Mixed Use: commercial centers transitioning to mixed use and adding residential
- National multifamily: continued positive demand



Regional Commercial Centers

	Concept	Sq. Ft. including anchors	No. of Anchors	Description	Demographics
Convenience Center	Convenience	10,000 to 30,000	1 or more	Goods and services geared towards the daily needs of surrounding neighborhoods. Bakery, bank, coffee, dry cleaner, financial services, small grocery, liquor, personal services are typical tenants.	Need 2,000 households in a trade area that extends to a 1.5 mile radius
Neighborhood Center	Neighborhood Services	70,000 to 90,000	1 or more	Anchored with a supermarket or pharmacy, offer a fuller depth of goods and services for neighborhoods including some of the services offered at Convenience Centers.	Needs at least 6,000 to 8,000 households in a 1 to 2 mile radius.
Community Centers	General merchandise	250,000 to 350,000	2 or more	Discount department stores home improvement, sporting goods, restaurants, supermarkets	50,000+ population in 4 to 6 mile trade area
Power Center	Category dominant anchors	250,000 to 600,000	3 or more	Home improvement, discount department stores, warehouse club stores	5 to 10 mile trade area; requirements driven by retailers. Home Depot, for example, likes 50,000 population in 10 mile trade area with majority homeowners
Regional Mall / Center	General merchandise, fashion, restaurants	900,000 to 2 Million	3 or more	Department stores, junior department stores, mass merchant, fashion apparel	150,000 population in 10 to 12 mile trade area
Lifestyle Center	National chain specialty stores with dining and entertainment in an outdoor setting	150,000 to 500,000	3 or more	Upscale specialty	8 to 12 mile trade area; requirements driven by retailers and presence of similar stores.

Source: ICSC and CoStar

Commercial Demand

- Office demand is based on growth in office space-using jobs
- Retail demand is based on households and incomes
- Projected 5 mile radius in 2027:

	Location	Population	Households	Average Household Incomes
OVERLAP {	Central Fort Collins	186,000	75,000	\$123,000
	I-25 / Highway 34 (Johnstown Plaza)	58,000	23,000	\$158,000
	The Ridge at I-25 and Highway 402	53,000	22,000	\$148,000
	Ledge Rock Center	25,000	9,000	\$160,000

Scenarios

Category	Scenario 1	Scenario 2	Scenario 3	Scenario 4
	The Ridge Alone	Ledge Rock Center Alone	The Ridge and Ledge Rock Center	The Ridge, Ledge Rock Center and other area retail
Estimated Households	9,057	9,057	9,057	9,057
Estimated Average Household Incomes	\$159,708	\$159,708	\$159,708	\$159,708
Total Household Incomes	\$1,446,475,356	\$1,446,475,356	\$1,446,475,356	\$1,446,475,356
% of Income for Expenditures	33.0%	33.0%	33.0%	33.0%
Current Demand	\$477,336,867	\$477,336,867	\$477,336,867	\$477,336,867
\$ per Sq. Ft. Sales	\$550	\$550	\$550	\$550
Total Demand	867,885	867,885	867,885	867,885
(Minus) Planned Retail (Sq. Ft. at The Ridge)	700,000	0	700,000	700,000
(Minus) Existing Regional Retail (Sq. Ft. in 5 Mile Radius) in Loveland / Johnstown	0	0	0	1,424,324
(Minus) Ledge Rock Center (Sq. Ft.)	0	713,000	713,000	713,000
Remaining Demand [4]	167,885	154,885	(545,115)	(1,969,439)

Source: ESRI, Census of Retail Trade for CO, American Community Survey, ULI, ICSC, CoStar, ArLand

[1] Demand percentages based on national and state averages

[2] National averages per ICSC, CoStar, and research on specific retailers

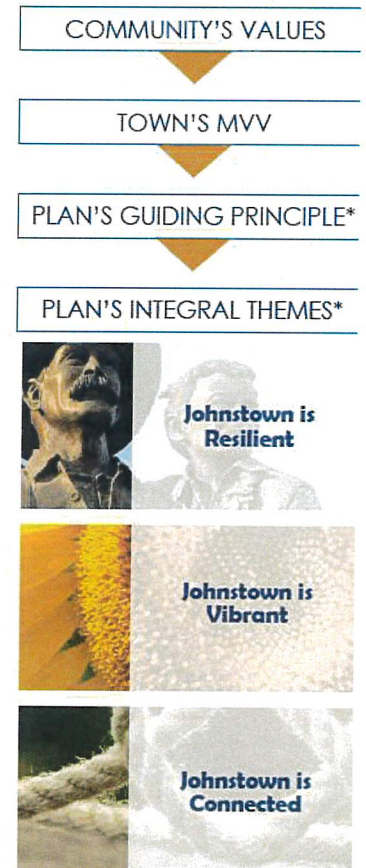
[3] based on ESRI estimates for 2022 and 2027

[4] DOES NOT take into consideration that 20% of sales may be internet-based

- Supportable scenarios
 - The Ridge (alone)
 - Ledge Rock Center (alone)
- Unsupportable scenarios
 - Both The Ridge and Ledge Rock Center
 - The Ridge, Ledge Rock Center and other area retail
- Very competitive retail environment in next 5 years

Conclusions

- The success of all Johnstown retail projects is dependent on:
 - Differentiate itself from other regional retail centers
 - Continued household growth
- Result of Comp Plan recommendations for the HD areas
 - Cannibalize existing retail (Johnstown Plaza at 2534)
 - Cannibalize planned regional retail (Ledge Rock Center)
 - Force The Ridge and others within Johnstown to compete for the same regional retailers
 - Undermine Johnstown’s future economic vibrancy



*Plan's guiding principle and integral themes are described on page III.

Category	Scenario 5	Scenario 6	Scenario 7
	The Ridge, Ledge Rock Center and other area retail	Other Area Retail and Ledge Rock Center	Other Area Retail and The Ridge
Estimated Households	22,500	22,500	22,500
Estimated Average Household Incomes	\$159,708	\$159,708	\$159,708
Total Household Incomes	\$3,593,430,000	\$3,593,430,000	\$3,593,430,000
% of Income for Expenditures	33.0%	33.0%	33.0%
Current Demand	\$1,185,831,900	\$1,185,831,900	\$1,185,831,900
\$ per Sq. Ft. Sales	\$550	\$550	\$550
Total Demand	2,156,058	2,156,058	2,156,058
(Minus) Planned Retail (Sq. Ft. at The Ridge)	700,000	0	700,000
(Minus) Existing Regional Retail (Sq. Ft. in 5 Mile Radius) in Loveland / Johnstown	1,424,324	1,424,324	1,424,324
(Minus) Ledge Rock Center (Sq. Ft.)	713,000	713,000	0
Remaining Demand [4]	(681,266)	18,734	31,734

Source: ESRI, Census of Retail Trade for CO, American Community Survey, ULI, ICSC, CoStar, ArLand

[1] Demand percentages based on national and state averages

[2] National averages per ICSC, CoStar, and research on specific retailers

[3] based on ESRI estimates for 2022 and 2027

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Projected Long Term Employment Growth

Figure 3-13. Employment Growth 2015-2045

