



EXECUTIVE SUMMARY

OLD TOWN CLIFTON MESA COUNTY, COLORADO

**PREPARED FOR:
MESA COUNTY**



Economic & Market Research / Land & Development Planning
Landscape Architecture / Community Planning & Design
Golf Feasibility Analysis

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**PREPARED FOR:
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PREPARED BY:



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This summary provides an overview of the development potentials and recommended land plan for the Old Town area in Clifton, Colorado. The study has examined potentials for attached single-family residential, multi-family residential, retail/commercial, office, hotel and medical uses.

The town of Clifton is located approximately ten miles to the east of Grand Junction. The Old Town area is on the west side of the town and is strategically located near the convergence of the I-70 business loop and Colorado Highway 141 just before its intersection with I-70.

Methodologies and Assumptions

In order to determine the re-development potentials for the Old Town Clifton study area a number of data sources and methodologies were utilized. Data sources include the Colorado Department of Labor, Colorado Department of Revenue, U.S. Census, Claritas, private real estate brokerage firms, and physical inspection of the area. This base line data has been used to project future employment, as well as population and household growth. Population and household growth are tied to the economic/employment growth in the area. Household growth is the primary indicator of new housing demand. New households, combined with secondary support and tourism are the basis for retail expenditures. Population increases create new demand for public and cultural amenities. Employment growth primarily fuels office, industrial, and hotel growth, along with visitors.

Mesa County Market Area Employment and Population Growth Trends

Old Town Clifton is located within Mesa County. Key statistical findings are as follows:

- Current employment totals approximately 83,582 persons in the Mesa County market area.
- From 1996 to 2006, the Mesa County market area added an average of 2,207 jobs annually for an annual average growth rate of 3.1%. Perhaps more notably, the region has experienced positive job growth in each of the last 18 consecutive years.
- Projected employment for 2017 is estimated at approximately 117,009 persons for the Mesa County market area.
- From 2007 to 2017, the Mesa County market area is projected to add an average of 3,090 jobs annually for an annual average growth rate of 3.1%.
- Currently, the Mesa County market area has a population of 145,910 persons in 57,970 households.
- Projected population for 2017 is estimated at 195,260 persons in 79,930 households for the Mesa County market area. These projects reflect an annual average addition of 4,940 persons and 2,200 households from 2007 to 2017.

Residential Market Analysis

The projected population and household statistics for the Mesa County market area and Old Town Clifton primary trade area will provide the baseline data needed to formulate the demand for new housing units over the next decade. Projected residential demand is as follows:

- The overall Mesa County market area's households have been growing by 1,159 or 2.9%, annually since 1980.
- Within the Old Town Clifton primary trade area, current population and household levels of 115,077 and 46,148 respectively will increase by nearly 3% annually to roughly 153,159 people residing in 63,234 households by 2017.
- The Old Town Clifton trade area is projected to have an annual demand for 1,797 permanent and seasonal housing units over the next ten years. This total includes 303 attached single-family units, and 268 rental multi-family units.
- In 2007, the median household income in the Old Town Clifton trade area is just over \$41,777, which suggests that the median household in the area could afford a \$229,500 home.
- THK projects that the Old Town Clifton site could absorb a total of 264 townhome units, and 260 rental multi-family units starting in 2009 and continuing until build-out in 2013.
- With density considerations for the Old Town Clifton Site, THK has recommended 102 townhome/condo units and 118 rental units for a total of 220 residential units. These units would be demanded in various price bands, as shown in the residential market potentials section of the market study.
- Price bands are reliant on market rates for support and incentives such as density, revenue sharing, infrastructures, etc. would be required to compete in lower rent ranges.

Retail/Commercial Market Analysis

This section of the report examines future demand for retail/commercial space at the Old Town Clifton site. A summary of key findings follows:

- The Old Town Clifton retail trade radius currently has demand for nearly 545,000 square feet of retail space. By 2017 over 1.25 million square feet of retail space will be demanded within the trade radius.
- The subject is expected to capture approximately 35% of the trade radius's retail demand.
- In total, approximately 157,500 square feet of retail/commercial space will be needed at the subject site by 2017 and would require 16.4 acres of land at a coverage ratio of 22%.

Office Market Analysis

This section of the report examines future demand for office space at the Old Town Clifton site. A summary of key findings include:

- The Old Town Clifton Primary Trade Area currently has an estimated 3,650,000 square feet of office space.
- Given that office employment is projected to grow by an average of 1,283 workers annually in Mesa County, there will be an average annual demand for just less than 290,060 square feet of new office space over the next decade.
- Of the roughly 290,000 square feet of average annual demand for new office space in the County, THK estimates that the Old Town Clifton primary trade area, which includes the all of Grand Junction, should experience demand for nearly 90% of that total, or approximately 261,050 square feet annually.
- THK projects that the Old Town Clifton subject site will capture 2.5% of trade area's office demand, garnering approximately 47,265 square feet of office/employment space through 2013. This translates to roughly 6,752 square feet of demand annually, if construction began in 2008.
- In total, the approximately 47,265 square feet of office/employment space at the subject site would require 2.7 acres of land at a coverage ratio of 35%.

Industrial Market Analysis

The analysis projects that the future demand for industrial space in Mesa County will be for 281,570 square feet annually while the Old Town Clifton primary trade area will have a demand of almost 225,000 square feet of occupied industrial space per year over the next decade. However, due to significant space constraints at the Old Town Clifton site, as well as other areas in close proximity that are better equipped to accommodate industrial demand, THK feels that recommending industrial/flex space in the Old Town Clifton study area is an unreasonable land use.

Hotel Market Analysis

This section of the report examines the area tourism and the demand for hotel rooms at the Old Town Clifton site. A summary of key findings include:

- Hotel occupancy rates in the Grand Junction area have increased steadily from 57.6% in 2004 to 70.6% in 2006. The most recent data (as of May 2007) shows occupancy at 88.2%
- An inventory of area hotels and bed and breakfasts shows a total of 1,965 rooms with hotels averaging 47 rooms each.
- Total visitors to the Grand Junction area are projected to increase by 42,154 people annually from 2007-2013. This translates to an annual average increase of 64 new hotel rooms demanded in the Grand Junction Area.

- Assuming the subject site can capture 30% of the new hotel demand, an average of 24 new hotel rooms will be demanded at the subject site annually. This shows the subject site could support 170 new hotel rooms by 2013.

Medical Market Analysis

This section of the report examines the future demand for medical space at the Old Town Clifton site by comparing doctor to population ratios. A summary of key findings include:

- The Primary Trade Area has approximately 1 medical professional for every 210 people
- The immediate Clifton environs has approximately 1 medical professional for every 2,210 people
- This shows a pent up demand in the Clifton environs for an additional 104 medical professionals, or 23,920 square feet of new medical office space today.
- With 3% population growth, by 2012 there will be demand for over 30,000 square feet of medical office space.

Old Town Clifton Potentials

Based on the findings from the market analysis, the following land uses are recommended for the 56-acre Old Town Clifton property:

- In total, residential uses will encompass approximately 220 residential units on 18.1 acres for an average density of 12.2 units per acre.
- Retail/commercial space shall entail approximately 14.7 acres, with 160,000 square feet of retail space. The average coverage ratio for the retail space is approximately 25%.
- Office use is recommended to include roughly 40,000 square feet of space located on approximately 2.6 acres of land. The average coverage ratio for the office/employment space is approximately 35%.
- Hotel uses is recommended to include up to 180 rooms on roughly 72,000 square feet, or 4.5 acres. The coverage ratio for the hotel space is approximately 40%
- An additional 4.6 acres has been recommended to include medical office space and some other cultural/recreational uses. Both uses have average coverage ratios of approximately 25%.
- An additional 7.8 acres would be reserved for right-of-way, recreation, schools, and open space

TABLE X-1: RECOMMENDED DEVELOPMENT ACTIVITY FOR THE OLD TOWN CLIFTON AREA

LAND USE	Units	Sq.Ft.	Rooms	Density	Acres
Residential Uses					
Townhomes					
Under \$192,300	26	--	--	8.0	3.3
\$192,300 to \$274,700	26	--	--	8.0	3.3
Condominiums					
Under \$192,300	25	--	--	10.0	2.5
\$192,300 to \$274,700	25	--	--	10.0	2.5
Rental Apartments					
Under \$780	10	--	--	18.0	0.6
\$780 to \$909	26	--	--	18.0	1.4
\$910 to \$1,039	46	--	--	18.0	2.6
\$1,039 and Above	36	--	--	18.0	2.0
Sub-Total	220	--	--	12.2	18.1
Retail/Commercial	--	160,000	--	0.25	14.7
Office	--	40,000	--	0.35	2.6
Hotel	--	72,000	180	40.0	4.5
Medical	--	30,000	--	0.25	2.8
Cultural/Recreational	--	20,000	--	0.25	1.8
Sub-Total	--	322,000	180	0.28	26.4
ROW and Open	--	--	--	--	7.8
TOTAL	220	322,000	180	--	52.3

Source: THK Associates, Inc.