

Draft Report

The Economics of Land Use



City of Durango and La Plata County Retail Market Analysis

Prepared for:

City of Durango

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October 14, 2011

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1. LA PLATA COUNTY COMMERCIAL DEVELOPMENT POTENTIALS

Introduction

The purpose of this report is to identify the retail expenditure potential for La Plata County, to document the degree of leakage that occurs from the trade area, and to project the future supportable floor area potential for retail development over a 20-year planning horizon.

The findings from this analysis will be used to gauge the level of market demand for retail land uses along the proposed Wilson Gulch Road and to determine the mix of retail and non-retail commercial uses that may develop on the parcels currently under review for annexation.

With information regarding the use and extent of development for the Wilson Gulch Road corridor, the City of Durango will be in a position to allocate benefit and corresponding cost commitments by parcel as a basis to form an improvement district.

Population and Growth Forecast

As of 2010, the population of La Plata County was 51,334. As shown in **Table 1**, EPS has provided a high and low growth forecast for a 20-year planning horizon, from 2010 through 2030. By 2030, the county population is estimated to range between 66,000 and 75,000, based on the addition of 15,000 to 24,000 new residents.

The primary factors used to drive the population forecast include the historical record of building permits and the assumptions related to the timing for economic recovery. The future population estimates are based on permit activity, adjusted for vacancy (including second homeownership and standard vacancy rates due to rental and ownership turnover), and multiplied by the average household size to reach estimated future population.

Residential development activity in La Plata County (which includes all municipal activity such as Durango and Bayfield for the purposes of this analysis) averaged 420 dwelling units per year from 2001 through 2011. This factor has been used as the basis of the low forecast. The high forecast is also grounded in historical permit records, but captures the years 1999 through 2007. This period was selected as it includes market expansion and contraction, but eliminates the recent past in which the market generated very little development. An optimistic view of the La Plata County market would assume comparable performance to the nine-year period prior to the recent recession. The annual permitting activity averaged 557 units per year.

The timing of economic recovery differs between the two scenarios. In the low growth scenario, a full decade is required prior to reaching the historical averages from the past decade. For the high growth scenario, this level of performance is attained by 2015. Neither scenario calls for strong growth in the near term.

Table 2 shows the EPS projections in comparison with those of other agencies. Based on the outlook of others, including the Department of Local Affairs (DOLA), the EPS forecasts are conservative.

Retail Potentials

The following section provides an incremental analysis of the La Plata County retail market potentials. A series of retail definitions is provided, followed by an evaluation of the local income available to support retail sales, concluding with an evaluation of sales flows within and outside the immediate trade area.

Retail Definitions

For analysis purposes, retail stores are categorized based on shopping and trade area characteristics listed below. Each is described with examples to clarify the types of retail stores included in each of the categories.

- **Convenience Goods** – This category includes supermarkets and other grocery stores, convenience stores, as well as liquor, drug, and other specialty food stores. These stores sell frequently purchased, low cost items with little product differentiation. The primary locations for Convenience Goods stores are the supermarket-anchored neighborhood shopping centers and smaller convenience centers, as these items are most often bought close to home.
- **Shoppers Goods** – This category includes general merchandise, apparel, sporting goods, and furniture, appliance, and specialty goods stores. General merchandise stores include traditional department stores (e.g., JCPenney, Sears, Dillard's) as well as discount department stores (e.g., Wal-Mart, Target, and Kmart). The product lines of these stores are generally more expensive, less frequently purchased items. In general, people are more likely to comparison shop for Shoppers Goods and are often more willing to travel farther to buy them. In urban/suburban settings, the primary locations for regional Shoppers Goods are traditional downtown shopping districts, regional shopping centers, power centers, and free-standing large format stores. In most communities, there is also a larger collection of specialty stores in the apparel, sporting goods, and specialty/miscellaneous retail categories.
- **Eating and Drinking Establishments** – This category covers restaurants including conventional sit-down and fast food, and bars. Businesses in this category exhibit some of the characteristics of convenience stores in that many restaurant expenditures are made at establishments close to home and on a frequent basis. However, some higher quality restaurants, unique in the marketplace, can have a regional draw.
- **Building Materials/Nurseries** – This category is made up of stores selling lumber, paint, glass, hardware, plants and garden supplies, and other retail items related to home improvement. Home improvement centers such as Home Depot and Lowe's are the largest stores in this category. Hardware stores such as Ace Hardware, True Value, and Do It Best are also represented in this category.

Community serving retail includes most convenience store and eating and drinking store space. Regional retail space is comprised primarily of Shoppers Goods and Building Material stores. For purposes of this study, large format retailers (also called big box stores) are defined as regional retail stores of about 80,000 square feet of space or greater. These stores generally include discount department stores (e.g., Target and Wal-Mart), supercenters (discounter with grocery store space), membership warehouse stores (e.g., Costco and Sam's Club), and home

improvement centers (e.g., Lowe's and Home Depot). Other regional retail stores include mass merchandisers (also called mid box stores) in the 20,000 to 40,000 square foot range that concentrate on a more narrow line of merchandise, such as home furnishings, office, electronics, apparel and sporting goods stores.

Trade Area

A retail trade area is a geographic area from which a store or collection of stores draws the majority of its business. For this analysis, La Plata County as a whole is considered to be the trade area. While the vast majority of the county's retail inventory is located within the City of Durango, much of the support for this retail comes from county residents who view the City as a retail hub. While some convenience retail exists in the communities of Bayfield and Ignacio, both communities support the concentration of retail found in Durango.

In addition to residents (both within the city and in the unincorporated county), the La Plata trade area benefits from expenditure from transient tourists, second homeowners, and residents from Archuleta and Montezuma counties. Sales from visitors and residents who live outside the primary trade area are referred to as "inflow." Purchases made outside the trade area by residents living within the trade area are referred to as "outflow" or "leakage."

Total Personal Income

The Total Personal Income (TPI) for La Plata County is estimated to calculate retail spending potential. TPI is estimated at \$1,538 million, as shown in **Table 3**. TPI is calculated based on the population multiplied by the average per capita income. TPI grows proportionally to population growth and wage expansion. The projected TPI is provided in **Table 3** from 2010 through 2030 in five-year increments.

Because the growth forecast brackets a low and high growth scenario, the TPI expands accordingly. By 2030, the low forecast shows a TPI of \$2,204 million and the high forecast projects a TIP of \$2,490 million.

Retail Sales and Spending Patterns

To estimate the spending and sales flows patterns in La Plata County, retail sales by store type are estimated first. Store sales were estimated from the U.S. Census of Retail Trade, City of Durango data, and EPS estimates. Retail sales in these major retail categories, comprised of stores located largely in Durango, total approximately \$621 million, as shown in **Table 4**. Convenience Goods is the largest category, with \$160 million in sales. General Merchandise achieves approximately \$109 million in sales with Shoppers Goods at \$124 million. Eating and Drinking generates \$117 million, and Building Material and Garden is at \$110 million. The U.S. Census of Retail Trade provides a comprehensive data set for the County. Due to an insufficient number of large-format retailers, the Census data is undisclosed. The data were supplemented with information from the City of Durango, provided in aggregate for the entire store category to ensure anonymity among retailers.

Regional Capture and Leakage

TPI is multiplied by the percentage of household income spent on retail goods to calculate retail expenditure potential, as shown in columns A and B of **Table 5**. In column C, the percentage of expenditures in each category made in La Plata County is estimated to calculate resident expenditures. Resident expenditures are equal to store sales from local residents.

The market has relatively low leakage, with an estimated capture of 83 percent of all potential sales. The higher categories include Convenience Goods, at 88 percent, and Eating and Drinking and Building Materials and Garden at 95 percent. Shopper's Goods captures 80 percent of potential sales.

General Merchandise experiences significant leakage, with only 61 percent of sales captured locally. With 39 percent of expenditure potential leaving the trade area, nearly \$40 million in sales are lost annually. General Merchandise includes Discount Department stores, traditional Department Stores, Warehouse Clubs and Super Centers. The data show that the La Plata County trade area could support a significantly higher amount of General Merchandise floor area than currently exists.

As a point of reference, EPS evaluated the Farmington, New Mexico sales flows and estimated that its General Merchandise stores capture \$125 million from outside its immediate trade area. Given the regional nature of Farmington's retail store mix, this is to be expected. EPS believes that approximately two-thirds of this in-flow is generated from surrounding communities within New Mexico and one-third is provided by La Plata County shoppers. The resulting \$41 million aligns with the \$40 million estimate of leakage in this category.

It should be noted that leakage from La Plata County includes shopping trips elsewhere, such as the Denver metro area and Albuquerque, in addition to trips to Farmington. Thus, there is not an exact match between local out-flow and Farmington in-flow. Nevertheless, the sales flows are generally consistent and show a significant opportunity for retail development within La Plata County.

Composition of Local Sales

The store sales for La Plata County are listed in **Table 6**, which shows the composition of local resident shoppers in proportion to in-flow. La Plata County is an effective retail market, as it imports approximately 29 percent of its sales from out-of-county income. EPS estimated that approximately 18 to 20 percent can be attributed to transient guests as well as second homeowners (estimated to occupy approximately 13 percent of the County's housing inventory). The balance of approximately 9 percent of inflow can be attributed to residents from surrounding communities, such as Archuleta and Montezuma counties.

Supportable Retail Development

Future TPI expenditure is broken out by store category in **Tables 7 and 8** for the low and high growth scenarios, respectively. The population and per capita income multiple is applied to each store category percentage, based on the distribution of sales provided by the U.S. Census of Retail Trade. The increased expenditure on retail goods for the 20-year planning horizon ranges from \$230 million to \$330 million, based on each of the bracketed forecasts.

The expenditures are translated into retail floor area in **Tables 9 and 10**. Total projected dollar volume by store category is divided by industry standards for sales per square foot. The resulting figures identify the potential development that the market could support. For example, market supports for Convenience Goods (which include Grocery) are predicted to expand by 300,000 square feet over the planning horizon. General Merchandise and Shopper's Goods could expand by 200,000 square feet and 260,000 square feet, respectively. Eating and Drinking has the potential for additional market support of 210,000 square feet, with Building Materials supporting another 130,000 square feet. (Note, these figures reflect the high-growth scenario.)

Given the current concept to develop a Target in the Wilson Gulch corridor, the sales flow analysis indicates that the market could support 107,000 square feet of floor area based on capturing 80 percent of the current leakage ($80\% * \$40,000,000 / (\$300/\text{sq. ft.})$). Because no market fully captures all sales potential, it is assumed that 20 percent of expenditure potential will continue to flow outside the county. In addition to this base figure, growth in TPI could support an additional 36,000 square feet by 2015, totaling 143,000 square feet. The planning level figures indicate that a store in the range of 120,000 to 150,000 square feet (not including grocery) is reasonable, given the market conditions and growth potential of the County trade area.

As a final note regarding the sales flow model, as of 2010, the model shows countywide market support for 1.79 million square feet of retail floor area. This aligns well with the 1.67 million square feet of retail shown by the La Plata County Assessor's Office.

Table 1
La Plata County Population Forecast
City of Durango and La Plata County Retail Market Analysis

	2010	2011	2012	2013	2014	2015	2020	2025	2030	2011-2031			Ann. % Change		
										Total	Ann. #	Ann. %	2011-2015	2015-2020	2020-2030
Low Residential Forecast															
County Housing Units	25,860	26,070	26,280	26,490	26,700	27,015	28,695	30,900	33,525	7,455	392	1.3%	0.9%	1.2%	1.6%
Occupancy Rate [1]	82%	82%	82%	83%	83%	83%	85%	85%	85%	---	---	---	---	---	---
Occupied (Households)	21,100	21,271	21,443	21,614	21,785	22,042	23,413	25,212	27,354	6,083	320	1.3%	0.9%	1.2%	1.6%
Vacant (Second Homeowners / Vacant)	4,760	4,799	4,837	4,876	4,915	4,973	5,282	5,688	6,171	1,372	72	1.3%	0.9%	1.2%	1.6%
Average Household Size [2]	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	---	---	---	---	---	---
County Population	51,334	51,751	52,168	52,585	53,001	53,627	56,962	61,339	66,550	14,799	779	1.3%	0.9%	1.2%	1.6%
High Residential Forecast															
County Housing Units	25,860	26,139	26,557	26,975	27,532	28,089	31,210	34,527	37,872	11,733	618	2.0%	1.8%	2.1%	2.0%
Occupancy Rate [1]	82%	82%	82%	83%	83%	83%	85%	85%	85%	---	---	---	---	---	---
Occupied (Households)	21,100	21,328	21,669	22,010	22,464	22,919	25,465	28,172	30,901	9,573	504	2.0%	1.8%	2.1%	2.0%
Vacant (Second Homeowners / Vacant)	4,760	4,811	4,888	4,965	5,068	5,170	5,745	6,355	6,971	2,160	114	2.0%	1.8%	2.1%	2.0%
Average Household Size [2]	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	---	---	---	---	---	---
County Population	51,334	51,888	52,718	53,547	54,653	55,759	61,954	68,539	75,179	23,291	1,226	2.0%	1.8%	2.1%	2.0%

[1] Historic occupancy rate is closer to mid-80% range. The 2010 Census 82% is low due to larger presence of vacant units / standing inventory.

[2] Average household size is reported by the U.S. Census 2010 and held constant for the duration of the forecast period.

Source: U.S. Census 2010; Economic & Planning Systems

Table 2
La Plata County Comparative Forecasts
City of Durango and La Plata County Retail Market Analysis

	2000 [1]	2005	2010	2015	2020	2025	2030	2010-2030		% Change			
								Total	Ann. #	2010-2015	2015-2020	2020-2030	2010-2030
Population													
Woods & Poole	43,941	48,479	53,017	60,805	68,665	76,578	84,499	31,482	1,574	2.8%	2.5%	2.1%	2.4%
Colorado Water Conservation Board	43,941	48,471	53,000	60,100	67,600	74,800	81,500	28,500	1,425	2.5%	2.4%	1.9%	2.2%
DOLA	43,941	48,236	52,530	58,921	66,720	73,983	80,772	28,242	1,412	2.3%	2.5%	1.9%	2.2%
EPS Low Forecast	43,941	47,638	51,334	53,627	56,962	61,339	66,550	15,216	761	0.9%	1.2%	1.6%	1.3%
EPS High Forecast	43,941	47,638	51,334	55,759	61,954	68,539	75,179	23,845	1,192	1.7%	2.1%	2.0%	1.9%
Households													
Woods & Poole	17,426	19,483	21,540	25,029	28,514	31,916	35,198	13,658	683	3.0%	2.6%	2.1%	2.5%
DOLA [2]	17,426	19,430	21,434	24,655	28,468	31,750	34,901	13,467	673	2.8%	2.9%	2.1%	2.5%
EPS Low Forecast	17,426	19,263	21,100	22,042	23,413	25,212	27,354	6,254	313	0.9%	1.2%	1.6%	1.3%
EPS High Forecast	17,426	19,263	21,100	22,919	25,465	28,172	30,901	9,801	490	1.7%	2.1%	2.0%	1.9%

[1] For comparison purposes, each of the forecasts begins with Census data from 2000.

[2] DOLA produces forecasts of households by Region. This household forecast is interpolated from a Region 9 household forecast and the La Plata County portion of the Region 9 population forecast.

Source: Woods & Poole; Harvey Economics; DOLA; Economic & Planning Systems

C:\Users\AKNUDT-1\AppData\Local\Temp\[X10000037.xls]TABLE 1 FORECAST COMPARISONS

Table 3
La Plata County Total Personal Income
City of Durango and La Plata County Retail Market Analysis

Description	2000	2010	2015	2020	2025	2030	Increase			
							2010-2015	2015-2020	2020-2030	2010-2030
La Plata County										
Low Residential Forecast										
Population (U.S. Census 2010)	43,941	51,334	53,627	56,962	61,339	66,550	0.9%	1.2%	1.6%	1.3%
Per Capita Income (ACS 2009 5-Year)	<u>\$21,534</u>	<u>\$29,980</u>	<u>\$30,737</u>	<u>\$31,513</u>	<u>\$32,309</u>	<u>\$33,125</u>	<u>0.5%</u>	<u>0.5%</u>	<u>0.5%</u>	<u>0.5%</u>
Total Personal Income (\$'000s)	\$946,225	\$1,538,993	\$1,648,327	\$1,795,044	\$1,981,790	\$2,204,440	1.4%	1.7%	2.1%	1.8%
High Residential Forecast										
Population (U.S. Census 2010)	43,941	51,334	55,759	61,954	68,539	75,179	1.7%	2.1%	2.0%	1.9%
Per Capita Income (ACS 2009 5-Year)	<u>\$21,534</u>	<u>\$29,980</u>	<u>\$30,737</u>	<u>\$31,513</u>	<u>\$32,309</u>	<u>\$33,125</u>	<u>0.5%</u>	<u>0.5%</u>	<u>0.5%</u>	<u>0.5%</u>
Total Personal Income (\$'000s)	\$946,225	\$1,538,993	\$1,713,858	\$1,952,372	\$2,214,410	\$2,490,277	2.2%	2.6%	2.5%	2.4%
Durango										
Population (U.S. Census 2010)	13,922	16,887	18,192	19,502	20,803	22,190	1.5%	1.4%	1.3%	1.4%
Per Capita Income (ACS 2009 5-Year)	<u>\$19,352</u>	<u>\$28,738</u>	<u>\$29,464</u>	<u>\$30,967</u>	<u>\$32,546</u>	<u>\$34,206</u>	<u>0.5%</u>	<u>1.0%</u>	<u>1.0%</u>	<u>0.9%</u>
Total Personal Income	\$269,419	\$485,299	\$536,006	\$603,902	\$677,049	\$759,057	2.0%	2.4%	2.3%	2.3%

Source: 2010 US Census; 2005-2009 American Community Survey 5-Year Estimates; Economic & Planning Systems

H:\21873-Durango Retail Study & Infrastructure Financing\Models\21873-SalesFlows-TPI-Oct 11.xls\TABLE 1 TPI TRADE AREA

Table 4
La Plata County Retail Sales
City of Durango and La Plata County Retail Market Analysis

Convenience Goods	
Supermarkets and Other Food Stores	\$95,044
Convenience Stores [1]	\$23,030
Beer, Wine, & Liquor Stores	\$22,001
Health and Personal Care	\$20,806
Total Convenience Goods	\$160,881
Shopper's Goods	
	\$109,423
General Merchandise ¹	D
Traditional Department Stores	D
Discount Department Stores	D
Warehouse Clubs & Supercenters, Other	D
Total General Merchandise	\$109,423
Other Shopper's Goods	
	\$0
Clothing & Accessories	\$26,332
Furniture & Home Furnishings	\$33,655
Electronics & Appliances	\$17,501
Sporting Goods, Hobby, Book, & Music Stores	\$31,005
Miscellaneous Retail	\$15,619
Total Other Shopper's Goods	\$124,112
Eating and Drinking	\$117,045
Building Material & Garden	\$110,368
Total	\$621,829

¹ Due to disclosure issues data not available

Source: City of Durango, US Census of Retail Trade, Economic & Planning Systems

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Table 5
Retail Capture and Leakage
City of Durango and La Plata County Retail Market Analysis

Store Type	A	B	C		D		E		F	
	State of CO Pct. of TPI	La Plata County Resident Expend. Poten.	Local Capture		Outflow/Leakage		Pct. of		Resident	
			Pct. of Expenditures	Resident Expenditures	Pct. of Expenditures	Resident Expenditures				
2007 City of Durango, TPI	100.0%	\$1,538,993,320								
Convenience Goods										
Supermarkets and Other Food Stores	6.2%	\$95,010,479	90%	\$85,509,431	10%	\$9,501,048				
Convenience Stores [1]	1.9%	\$29,007,842	90%	\$26,107,058	10%	\$2,900,784				
Beer, Wine, & Liquor Stores	0.9%	\$13,822,607	90%	\$12,440,347	10%	\$1,382,261				
Health and Personal Care	<u>1.7%</u>	<u>\$25,530,374</u>	<u>80%</u>	<u>\$20,424,299</u>	<u>20%</u>	<u>\$5,106,075</u>				
Total Convenience Goods	10.6%	\$163,371,303	88%	\$144,481,135	12%	\$18,890,168				
Shopper's Goods										
General Merchandise										
Traditional Department Stores	0.7%	\$10,833,188	65%	\$7,041,573	35%	\$3,791,616				
Discount Department Stores	1.1%	\$17,106,287	60%	\$10,263,772	40%	\$6,842,515				
Warehouse Clubs & Supercenters, Other	<u>4.7%</u>	<u>\$72,659,311</u>	<u>60%</u>	<u>\$43,595,587</u>	<u>40%</u>	<u>\$29,063,725</u>				
Total General Merchandise	6.5%	\$100,598,786	61%	\$60,900,931	39%	\$39,697,855				
Other Shopper's Goods										
Clothing & Accessories	2.3%	\$34,703,430	80%	\$27,762,744	20%	\$6,940,686				
Furniture & Home Furnishings	1.5%	\$23,401,417	70%	\$16,380,992	30%	\$7,020,425				
Electronics & Appliances	1.3%	\$20,327,225	80%	\$16,261,780	20%	\$4,065,445				
Sporting Goods, Hobby, Book, & Music Stores	1.4%	\$20,838,655	85%	\$17,712,856	15%	\$3,125,798				
Miscellaneous Retail	<u>1.4%</u>	<u>\$21,212,905</u>	<u>85%</u>	<u>\$18,030,969</u>	<u>15%</u>	<u>\$3,181,936</u>				
Total Other Shopper's Goods	7.8%	\$120,483,631	80%	\$96,149,341	20%	\$24,334,290				
Eating and Drinking	5.6%	\$85,711,111	95%	\$81,425,555	5%	\$4,285,556				
Building Material & Garden	4.2%	\$64,071,954	95%	\$60,868,357	5%	\$3,203,598				
Total Retail Goods	34.7%	\$534,236,785	83%	\$443,825,319	17%	\$90,411,466				

¹Does Not Include Gas Sales

Source: US Economic Census; Economic & Planning Systems

H:\21873-Durango Retail Study & Infrastructure Financing\Models\21873-SalesFlows-TPI-Oct 11.xls\TABLE 3 INFLOW OUTFLOW

Table 6
Retail Spending Inflow
City of Durango and La Plata County Retail Market Analysis

Store Type	La Plata County Store Sales	Sales to Residents		Inflow and Visitor Sales	
		B % of Sales	C Sales	D % of Sales	E Sales
2007 City of Durango, TPI					
Convenience Goods					
Supermarkets and Other Food Stores					
Convenience Stores [1]					
Beer, Wine, & Liquor Stores					
Health and Personal Care					
Total Convenience Goods	\$160,881,000	90%	\$144,481,135	10%	\$16,399,865
Shopper's Goods					
General Merchandise					
Traditional Department Stores					
Discount Department Stores					
Warehouse Clubs & Supercenters, Other					
Total General Merchandise	\$109,423,459	56%	\$60,900,931	44%	\$48,522,528
Other Shopper's Goods					
Clothing & Accessories					
Furniture & Home Furnishings					
Electronics & Appliances					
Sporting Goods, Hobby, Book, & Music Stores					
Miscellaneous Retail					
Total Other Shopper's Goods	\$124,112,000	77%	\$96,149,341	23%	\$27,962,659
Eating and Drinking	\$117,045,000	70%	\$81,425,555	30%	\$35,619,445
Building Material & Garden	<u>\$110,368,000</u>	<u>55%</u>	<u>\$60,868,357</u>	<u>45%</u>	<u>\$49,499,643</u>
Total Retail Goods	\$621,829,459	71%	\$443,825,319	29%	\$178,004,140

¹Does Not Include Gas Sales

Source: US Economic Census; Economic & Planning Systems

Table 7
Expenditure Potential, Low Growth Scenario, 2000-2030
City of Durango and La Plata County Retail Market Analysis

Store Type	Pct. Of TPI	2000	2010	2015	2020	2025	2030	2010-2030
		(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)
Total Personal Income (Low Residential Forecast)		\$946,225	\$1,538,993	\$1,648,327	\$1,795,044	\$1,981,790	\$2,204,440	\$665,446
Convenience Goods								
Supermarkets and Other Food Stores	6.2%	\$58,416	\$95,010	\$101,760	\$110,818	\$122,347	\$136,092	\$41,082
Convenience Stores [1]	1.9%	\$17,835	\$29,008	\$31,069	\$33,834	\$37,354	\$41,551	\$12,543
Beer, Wine, & Liquor Stores	0.9%	\$8,499	\$13,823	\$14,805	\$16,122	\$17,800	\$19,799	\$5,977
Health and Personal Care	1.7%	<u>\$15,697</u>	<u>\$25,530</u>	<u>\$27,344</u>	<u>\$29,778</u>	<u>\$32,876</u>	<u>\$36,569</u>	<u>\$11,039</u>
Total Convenience Goods	10.6%	\$100,446	\$163,371	\$174,978	\$190,552	\$210,376	\$234,012	\$70,640
Shopper's Goods								
General Merchandise								
Traditional Department Stores	0.7%	\$6,661	\$10,833	\$11,603	\$12,636	\$13,950	\$15,517	\$4,684
Discount Department Stores	1.1%	\$10,518	\$17,106	\$18,322	\$19,952	\$22,028	\$24,503	\$7,397
Warehouse Clubs & Supercenters, Other	4.7%	<u>\$44,673</u>	<u>\$72,659</u>	<u>\$77,821</u>	<u>\$84,748</u>	<u>\$93,565</u>	<u>\$104,077</u>	<u>\$31,417</u>
Total General Merchandise	6.5%	\$61,852	\$100,599	\$107,746	\$117,336	\$129,543	\$144,097	\$43,498
Other Shopper's Goods								
Clothing & Accessories	2.3%	\$21,337	\$34,703	\$37,169	\$40,477	\$44,688	\$49,709	\$15,005
Furniture & Home Furnishings	1.5%	\$14,388	\$23,401	\$25,064	\$27,295	\$30,134	\$33,520	\$10,119
Electronics & Appliances	1.3%	\$12,498	\$20,327	\$21,771	\$23,709	\$26,176	\$29,117	\$8,789
Sporting Goods, Hobby, Book, & Music Stores	1.4%	\$12,812	\$20,839	\$22,319	\$24,306	\$26,834	\$29,849	\$9,010
Miscellaneous Retail	1.4%	<u>\$13,042</u>	<u>\$21,213</u>	<u>\$22,720</u>	<u>\$24,742</u>	<u>\$27,316</u>	<u>\$30,385</u>	<u>\$9,172</u>
Total Shopper's Goods	14.4%	\$135,929	\$221,082	\$236,789	\$257,865	\$284,692	\$316,676	\$95,594
Eating and Drinking	5.6%	\$52,698	\$85,711	\$91,800	\$99,971	\$110,372	\$122,772	\$37,061
Building Material & Garden	4.2%	\$39,394	\$64,072	\$68,624	\$74,732	\$82,507	\$91,776	\$27,704
Total Retail Goods	34.7%	\$328,467	\$534,237	\$572,190	\$623,121	\$687,947	\$765,236	\$230,999

Source: 2007 Census of Retail Trade; City of Durango; Economic & Planning Systems

H:\21873-Durango Retail Study & Infrastructure Financing\Models\21873-SalesFlows-TPI-Oct 11.xls\TABLE 4.1 LOW EXP GROWTH

Table 8
Expenditure Potential, High Growth Scenario, 2000-2030
City of Durango and La Plata County Retail Market Analysis

Store Type	Pct. Of TPI	2000	2010	2015	2020	2025	2030	2010-2030
		(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)
Total Personal Income (High Residential Forecast)		\$946,225	\$1,538,993	\$1,713,858	\$1,952,372	\$2,214,410	\$2,490,277	\$951,284
Convenience Goods								
Supermarkets and Other Food Stores	6.2%	\$58,416	\$95,010	\$105,806	\$120,531	\$136,708	\$153,738	\$58,728
Convenience Stores [1]	1.9%	\$17,835	\$29,008	\$32,304	\$36,799	\$41,738	\$46,938	\$17,930
Beer, Wine, & Liquor Stores	0.9%	\$8,499	\$13,823	\$15,393	\$17,535	\$19,889	\$22,367	\$8,544
Health and Personal Care	1.7%	\$15,697	\$25,530	\$28,431	\$32,388	\$36,735	\$41,311	\$15,781
Total Convenience Goods	10.6%	\$100,446	\$163,371	\$181,934	\$207,253	\$235,070	\$264,355	\$100,983
Shopper's Goods								
General Merchandise								
Traditional Department Stores	0.7%	\$6,661	\$10,833	\$12,064	\$13,743	\$15,588	\$17,529	\$6,696
Discount Department Stores	1.1%	\$10,518	\$17,106	\$19,050	\$21,701	\$24,614	\$27,680	\$10,574
Warehouse Clubs & Supercenters, Other	4.7%	\$44,673	\$72,659	\$80,915	\$92,176	\$104,547	\$117,572	\$44,912
Total General Merchandise	6.5%	\$61,852	\$100,599	\$112,029	\$127,620	\$144,748	\$162,781	\$62,182
Other Shopper's Goods								
Clothing & Accessories	2.3%	\$21,337	\$34,703	\$38,647	\$44,025	\$49,934	\$56,154	\$21,451
Furniture & Home Furnishings	1.5%	\$14,388	\$23,401	\$26,060	\$29,687	\$33,672	\$37,866	\$14,465
Electronics & Appliances	1.3%	\$12,498	\$20,327	\$22,637	\$25,787	\$29,248	\$32,892	\$12,565
Sporting Goods, Hobby, Book, & Music Stores	1.4%	\$12,812	\$20,839	\$23,206	\$26,436	\$29,984	\$33,719	\$12,881
Miscellaneous Retail	1.4%	\$13,042	\$21,213	\$23,623	\$26,911	\$30,523	\$34,325	\$13,112
Total Shopper's Goods	14.4%	\$135,929	\$221,082	\$246,202	\$280,466	\$318,109	\$357,738	\$136,656
Eating and Drinking	5.6%	\$52,698	\$85,711	\$95,450	\$108,733	\$123,327	\$138,691	\$52,980
Building Material & Garden	4.2%	\$39,394	\$64,072	\$71,352	\$81,282	\$92,191	\$103,676	\$39,604
Total Retail Goods	34.7%	\$328,467	\$534,237	\$594,938	\$677,735	\$768,697	\$864,460	\$330,223

Source: 2007 Census of Retail Trade; City of Durango; Economic & Planning Systems

H:\21873-Durango Retail Study & Infrastructure Financing\Models\21873-SalesFlows-TPI-Oct 11.xls\TABLE 4.2 HIGH EXP GROWTH

Table 9
Supportable Square Footage, Low Growth Scenario, 2000-2030
City of Durango and La Plata County Retail Market Analysis

Store Type	Sale Per SqFt							Net Supportable Square Feet ²
		2000	2010	2015	2020	2025	2030	
Convenience Goods								
Supermarkets and Other Food Stores	\$400	146,039	237,526	254,401	277,045	305,867	340,230	102,704
Convenience Stores [1]	\$300	59,450	96,693	103,562	112,780	124,513	138,502	41,809
Beer, Wine, & Liquor Stores	\$250	33,994	55,290	59,218	64,489	71,199	79,197	23,907
Health and Personal Care	\$250	<u>62,788</u>	<u>102,121</u>	<u>109,376</u>	<u>119,112</u>	<u>131,504</u>	<u>146,278</u>	<u>44,156</u>
Total Convenience Goods		302,000	492,000	527,000	573,000	633,000	704,000	212,000
Shopper's Goods								
General Merchandise								
Traditional Department Stores	\$250	26,642	43,333	46,411	50,542	55,800	62,069	18,737
Discount Department Stores	\$250	42,070	68,425	73,286	79,809	88,112	98,012	29,586
Warehouse Clubs & Supercenters, Other	\$350	<u>127,638</u>	<u>207,598</u>	<u>222,346</u>	<u>242,137</u>	<u>267,328</u>	<u>297,361</u>	<u>89,763</u>
Total General Merchandise		196,351	319,356	342,044	372,489	411,240	457,442	138,087
Clothing & Accessories	\$350	60,962	99,153	106,197	115,649	127,681	142,025	42,873
Furniture & Home Furnishings	\$250	57,552	93,606	100,256	109,179	120,538	134,080	40,474
Sporting Goods, Hobby, Book, & Music Stores	\$300	41,660	67,757	72,571	79,031	87,252	97,055	29,298
Electronics & Appliances	\$250	51,249	83,355	89,276	97,223	107,337	119,396	36,042
Miscellaneous Retail	\$250	<u>52,170</u>	<u>84,852</u>	<u>90,880</u>	<u>98,969</u>	<u>109,265</u>	<u>121,541</u>	<u>36,689</u>
Total Shopper's Goods		459,944	748,078	801,223	872,540	963,314	1,071,540	323,462
Eating and Drinking	\$250	210,792	342,844	367,201	399,885	441,487	491,087	148,243
Building Material & Garden	\$300	131,312	213,573	228,746	249,106	275,022	305,920	92,347
Total Retail Goods		1,104,048	1,796,496	1,924,170	2,094,531	2,312,823	2,572,547	776,052
		\$298	\$297	\$297	\$297	\$297	\$297	

Source: 2007 Census of Retail Trade; City of Durango; Economic & Planning Systems

H:\21873-Durango Retail Study & Infrastructure Financing\Models\21873-SalesFlows-TPI-Oct 11.xls\TABLE 5.1 LOW SQFT

Table 10
Supportable Square Footage, High Growth Scenario, 2000-2030
City of Durango and La Plata County Retail Market Analysis

Store Type	Sale Per SqFt							Net Supportable Square Feet ²
		2000	2010	2015	2020	2025	2030	
Convenience Goods								
Supermarkets and Other Food Stores	\$400	146,039	237,526	264,515	301,327	341,769	384,346	146,820
Convenience Stores [1]	\$300	59,450	96,693	107,679	122,665	139,128	156,461	59,768
Beer, Wine, & Liquor Stores	\$250	33,994	55,290	61,573	70,142	79,556	89,467	34,176
Health and Personal Care	\$250	<u>62,788</u>	<u>102,121</u>	<u>113,725</u>	<u>129,552</u>	<u>146,939</u>	<u>165,245</u>	<u>63,123</u>
Total Convenience Goods		302,000	492,000	547,000	624,000	707,000	796,000	304,000
Shopper's Goods								
General Merchandise								
Traditional Department Stores	\$250	26,642	43,333	48,256	54,972	62,350	70,118	26,785
Discount Department Stores	\$250	42,070	68,425	76,200	86,804	98,455	110,720	42,295
Warehouse Clubs & Supercenters, Other	\$350	<u>127,638</u>	<u>207,598</u>	<u>231,186</u>	<u>263,360</u>	<u>298,706</u>	<u>335,919</u>	<u>128,321</u>
Total General Merchandise		196,351	319,356	355,642	405,136	459,511	516,756	197,401
Clothing & Accessories	\$350	60,962	99,153	110,419	125,785	142,668	160,441	61,288
Furniture & Home Furnishings	\$250	57,552	93,606	104,241	118,748	134,686	151,465	57,860
Sporting Goods, Hobby, Book, & Music Stores	\$300	41,660	67,757	75,456	85,957	97,494	109,640	41,882
Electronics & Appliances	\$250	51,249	83,355	92,826	105,744	119,936	134,878	51,523
Miscellaneous Retail	\$250	<u>52,170</u>	<u>84,852</u>	<u>94,493</u>	<u>107,643</u>	<u>122,090</u>	<u>137,300</u>	<u>52,449</u>
Total Shopper's Goods		459,944	748,078	833,077	949,014	1,076,386	1,210,480	462,403
Eating and Drinking	\$250	210,792	342,844	381,799	434,934	493,308	554,764	211,919
Building Material & Garden	\$300	131,312	213,573	237,840	270,940	307,304	345,587	132,014
Total Retail Goods		1,104,048	1,796,496	1,999,716	2,278,887	2,583,998	2,906,831	1,110,336
		\$298	\$297	\$298	\$297	\$297	\$297	

Source: 2007 Census of Retail Trade; City of Durango; Economic & Planning Systems

H:\21873-Durango Retail Study & Infrastructure Financing\Models\21873-SalesFlows-TPI-Oct 11.xls\TABLE 5.2 HIGH SQFT