



June 2016
Communication Packet



Jefferson County, Colorado

Quarterly Economic Report – First Quarter 2016



JEFFERSON COUNTY
ECONOMIC DEVELOPMENT CORPORATION

Jefferson County's economic situation was mixed through the first quarter of the 2016, with continued employment gains and low unemployment, but generally declining residential real estate trends. Employment in the county increased 2.7 percent between the third quarters of 2014 and 2015, generating an additional 6,100 jobs. The Jefferson County unemployment rate fell to 2.9 percent in the fourth quarter of 2015, a decline of 0.8 percentage points from the prior year. Consumer confidence rose in the mountain region during the fourth quarter of 2015, increasing 13.8 percent over-the-year.

The residential real estate market reported mixed trends during the fourth quarter of 2015. Sales of single-family detached homes decreased between the fourth quarters of 2014 and 2015, falling 2.7 percent, while single-family attached home sales decreased 1.7 percent during the same period. The average sales price in both the single-family detached and the single-family attached markets increased over-the-year, rising 9.4 percent and 22.2 percent, respectively. The county reported an apartment vacancy rate of 5.3 percent, which was the lowest of the Metro Denver counties. The average rental rate for an apartment in Jefferson County rose 12.7 percent over-the-year to \$1,266 per month in the fourth quarter.

The commercial real estate markets in Jefferson County continued to record generally tightening vacancy and rising average lease rates during the fourth quarter of 2015. The market for Class C office space continued to be the only market to report an increase in vacancy, but recorded increasing average lease rates. The industrial warehouse market was the most constricted of the market types, reporting 1.1 percent vacancy. Class A office space continued to command the highest average lease rate, charging \$25.64 per square foot during the fourth quarter of 2015.

Jefferson County Economic Headlines

- ◆ **CoorsTek**, the Golden-based engineered ceramics leader, is building a new \$120 million facility that will feature a state-of-the-art research and development hub, a sophisticated analytical laboratory, and a world-class materials facility. CoorsTek plans to create 46 new high-paying jobs with an average salary of \$75,000.
- ◆ **3D Systems** relocated and expanded its operations into a 70,000 square-foot facility in unincorporated Jefferson County. The company expects to nearly double its employment to 120 and bring millions in new capital investment. The company has plans to expand in the future, and the new facility allows room for growth. 3D Systems provides comprehensive 3D products and services.
- ◆ **Lockheed Martin Space Systems** secured a contract with Sky Perfect JSAT Corp., a Japanese satellite and broadcasting company. The contract is for JCSAT-17, which will include a flexible processor to allow Sky Perfect to adjust the satellite's position to focus on an area of high need. Lockheed plans to hire at least 25 additional employees to support the project.
- ◆ **Reed Group** announced plans to add up to 180 employees at its Westminster location. The employee absence management company recently acquired a division of Aon Hewitt.
- ◆ **CAMP USA**, an Italian outdoors company, plans to relocate its operations from Broomfield to Golden. The new location is at 16050 Table Mountain Parkway and is 150 percent larger than the previous location.
- ◆ Golden is home to a new gluten-free brewery called **Holidaily Brewing Co.** The company opened the 3,000-square-foot facility at 801 Brickyard Circle.
- ◆ A new business accelerator aimed at startup companies in the scientific community opened up in Golden. **Traxion** is a 12-week accelerator program that strives to get startups in the scientific community ready to meet with investors. The accelerator will invest seed capital in exchange for common stock and will connect startup founders with experienced business mentors and strategic partners.
- ◆ The **Colorado Office of Economic Development and International Trade** awarded \$4.35 million in Infrastructure Funding grants under the Advanced Industry Accelerator Grant Program. Manufacturer's Edge

received \$2.5 million to build infrastructure that enables 3-D metals printing standardization and qualification for businesses of all sizes and will facilitate a Colorado consortium between Ball Aerospace, **Lockheed Martin, Faustson**, and the **Colorado School of Mines**. An R&D center will be built at Mines, dedicated to performing applied research and creating database infrastructure needed to qualify printers and their parts.

- ◆ According to a study by Smart Assets, **Colorado School of Mines** is ranked the as one of the top schools in the country where students receive the most return on investment. The average salary of a Mine's graduate is \$65,000 and the retention rate of students is 94 percent.
- ◆ Healthgrades released the 2016 list of America's best hospitals and three Metro Denver hospitals were included among the top 100 hospitals: Good Samaritan Medical Center in Lafayette, **Lutheran Medical Center** in Wheat Ridge, and Saint Joseph Hospital in Denver. Hospitals included on the list exhibit exceptional, comprehensive, and consistent quality and patients are more likely to have a successful treatment without major complications.
- ◆ Headlight released analysis of U.S. Bureau of Labor Statistics data and reported that Jefferson County had the **seventh most improved unemployment rate in the nation**. The company analyzed unemployment statistics between 2005 and 2015 for 135 large counties, which includes counties with populations larger than 500,000 people. Jefferson County also had the third-lowest unemployment rate of the large counties.

Metropolitan Region and State Economic Headlines

- ◆ Bloomberg ranked the **most innovative states** in the country and Colorado ranked eighth overall. The company scored states across six measures including R&D intensity, productivity, and high-tech density. Colorado ranked fifth for STEM concentration and sixth for science and engineering degree holders.
- ◆ WalletHub ranked the Denver-Aurora-Lakewood metropolitan statistical area (MSA) as the **fourth best market for science, technology, engineering, and mathematics (STEM) professionals**. The company ranked the 100 largest metropolitan areas in the country based on criteria including STEM-employment growth, research and development spending, tech startup density, and housing affordability.
- ◆ Zillow ranked Denver the **hottest housing market of 2016**. The company stated Denver has a healthy mix of home price appreciation, low unemployment, and a tech industry focus. The company ranked cities based on criteria including home price appreciation, jobless rate, and income growth.

Employment Activity

The number of businesses throughout Jefferson County increased 4.6 percent between the third quarters of 2014 and 2015, a net gain of over 840 businesses. Twelve of the 13 supersectors reported growth in the number of businesses between the third quarters of 2014 and 2015. The largest percentage increase of businesses were in the mining and logging sector and the professional and business services supersector, both increasing 7.1 percent over-the-year. The transportation, warehousing, and utilities supersector also reported a significant increase in businesses, rising 5.8 percent over-the-year, and creating 15 new businesses. The professional and business services supersector added the most new businesses, creating over 360 new establishments. The government sector was the only sector to shed establishments during the period, losing seven business units.

The average weekly wage for Jefferson County was \$992 during the third quarter of 2015. The manufacturing sector (\$1,662) recorded the highest average weekly wage during the period and the second largest increase (+6.8 percent) in wages between the third quarters of 2014 and 2015. The information sector posted the smallest increase in wages over-the-year, rising 1.6 percent to \$1,334 per week, while the financial activities sector reported the largest increase (+10.5 percent). The lowest average wage was in the leisure and hospitality supersector, with an average weekly wage of \$364. The mining and logging sector reported the only over-the-year decline in the average weekly wage, falling 6.7 percent or \$77 per week.

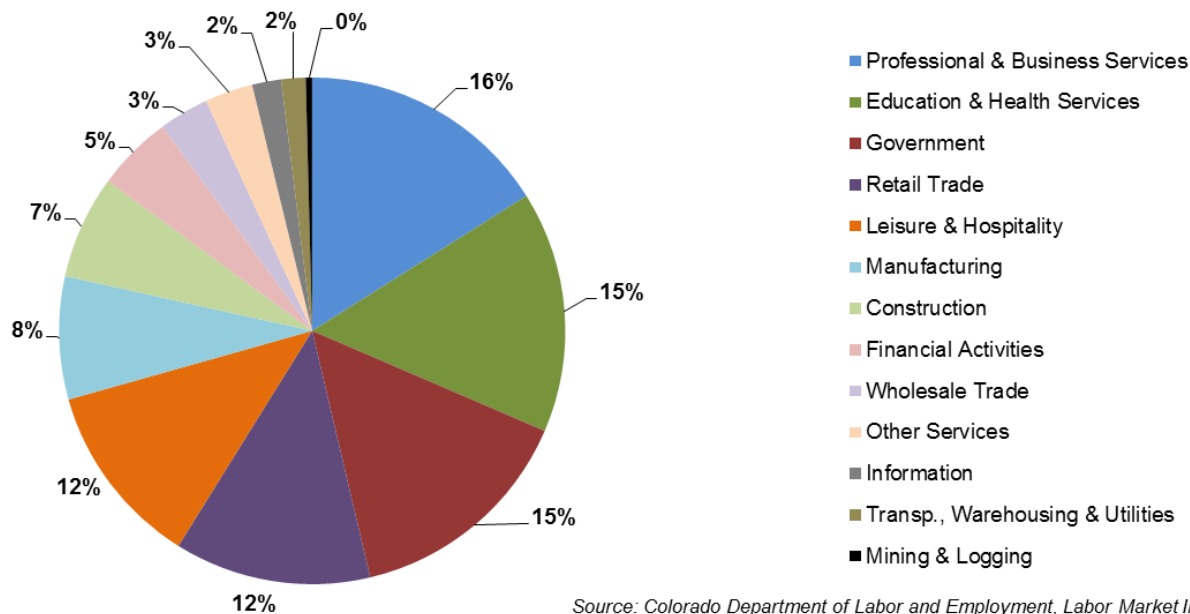
Business and Employment Indicators by Supersector

	Jefferson County						Metro Denver	
	Quarterly Business Count		Average Weekly Wage		Quarterly Employment Level		Quarterly Employment Level	
	3Q 2015	3Q 2014	3Q 2015	3Q 2014	3Q 2015	3Q 2014	3Q 2015	3Q 2014
Total All Industries	19,195	18,351	\$992	\$951	230,252	224,155	1,551,489	1,497,388
Private Sector								
Mining & Logging	150	140	\$1,080	\$1,157	946	878	14,379	15,220
Construction	2,009	1,912	\$1,069	\$1,008	15,185	14,166	88,730	84,838
Manufacturing	499	487	\$1,662	\$1,556	18,059	17,005	86,184	83,263
Wholesale Trade	1,567	1,525	\$1,660	\$1,578	7,325	7,433	75,741	73,806
Retail Trade	1,759	1,734	\$565	\$536	28,886	28,363	152,437	147,642
Transp., Warehousing & Utilities	273	258	\$1,288	\$1,236	3,575	3,429	51,506	50,085
Information	296	284	\$1,334	\$1,313	4,260	3,925	53,956	53,237
Financial Activities	2,115	2,038	\$1,202	\$1,088	11,173	10,951	106,855	102,196
Professional & Business Services	5,430	5,069	\$1,279	\$1,243	36,974	36,712	288,101	279,545
Education & Health Services	1,939	1,842	\$806	\$772	35,459	34,326	197,037	187,519
Leisure & Hospitality	1,434	1,395	\$364	\$352	27,077	26,239	175,781	167,975
Other Services	1,518	1,438	\$685	\$673	7,090	6,837	47,461	46,346
Government	177	184	\$1,119	\$1,096	34,192	33,850	213,047	205,446

Note: Industry data may not add to all-industry total due to rounding, suppressed data, and employment that cannot be assigned to an industry.

Source: Colorado Department of Labor and Employment, Labor Market Information. Quarterly Census of Employment and Wages (QCEW).

Jefferson County Employment by Supersector
Third Quarter 2015



Source: Colorado Department of Labor and Employment, Labor Market Information. Quarterly Census of Employment and Wages (QCEW).

Jefferson County employment increased 2.7 percent in the third quarter of 2015 compared with the prior year, representing an additional 6,100 jobs. The sector that reported the largest percentage increase in employment was information, which rose 8.5 percent or about 340 jobs between the third quarters of 2014 and 2015. Professional and business services, the largest supersector by employment, reported a 0.7 percent increase over-the-year, representing about 260 new jobs. The educational and health services supersectors reported the largest absolute increase in employment during the period, generating over 1,130 jobs. The wholesale trade sector reported the only decrease in employment during the period, falling 1.5 percent or about 110 fewer jobs.

The Metro Denver area recorded stronger employment growth than Jefferson County, with total employment rising 3.6 percent between the third quarters of 2014 and 2015. The education and health services supersector reported the largest percentage increase and the largest absolute increase in employment during the period, rising 5.1 percent or 9,520 jobs. The professional and business services supersector (+3.1 percent) created the second most jobs during the period, creating nearly 8,560 positions. The mining and logging sector recorded the only decline in employment over-the-year, decreasing 5.5 percent over-the-year or 840 jobs.

Labor Force and Unemployment

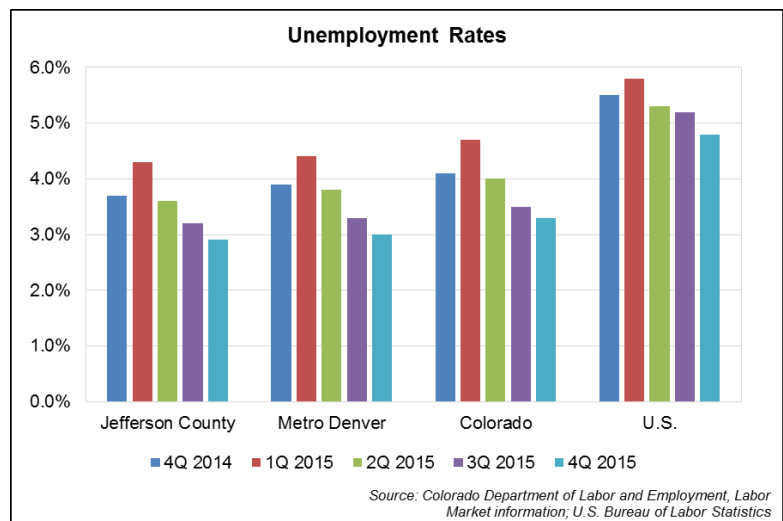
Unemployment in Jefferson County decreased by 0.8 percentage points between the fourth quarters of 2014 and 2015, falling from 3.7 percent to 2.9 percent. The area's labor force increased at a rate of 0.3 percent during the same period, with 900 additional individuals working or looking for a job. Of the seven Metro Denver counties, Jefferson County recorded the fourth lowest unemployment rate and the fourth largest over-the-year decrease in the unemployment rate. The Jefferson County fourth quarter 2015 unemployment rate was the lowest fourth quarter

unemployment rate since the fourth quarter of 2000 when the rate was 2.2 percent. Metro Denver unemployment declined over-the-year, falling 0.9 percentage points to 3 percent in the fourth quarter, and the labor force increased at a rate of 0.2 percent over-the-year. The Metro Denver unemployment rate was the lowest fourth quarter rate since the fourth quarter of 2000 when the rate was 2.4 percent.

Colorado reported a 0.3 percent increase in the labor force between the fourth quarters of 2014 and 2015 and the unemployment rate declined 0.8 percentage points to 3.3 percent. The United States recorded a 0.7 percentage point decline in the unemployment rate over-the-year, with 0.7 percent growth in the labor force.

	Labor Force			Unemployment Rate	
	4Q 2015	4Q 2014	Yr/Yr % Change	4Q 2015	4Q 2014
Jefferson County	311,415	310,515	0.3%	2.9%	3.7%
Metro Denver	1,649,826	1,646,924	0.2%	3.0%	3.9%
Colorado	2,829,329	2,822,260	0.3%	3.3%	4.1%
U.S. (000s)	157,299	156,145	0.7%	4.8%	5.5%

Sources: Colorado Department of Labor and Employment, Labor Market Information; U.S. Bureau of Labor Statistics.

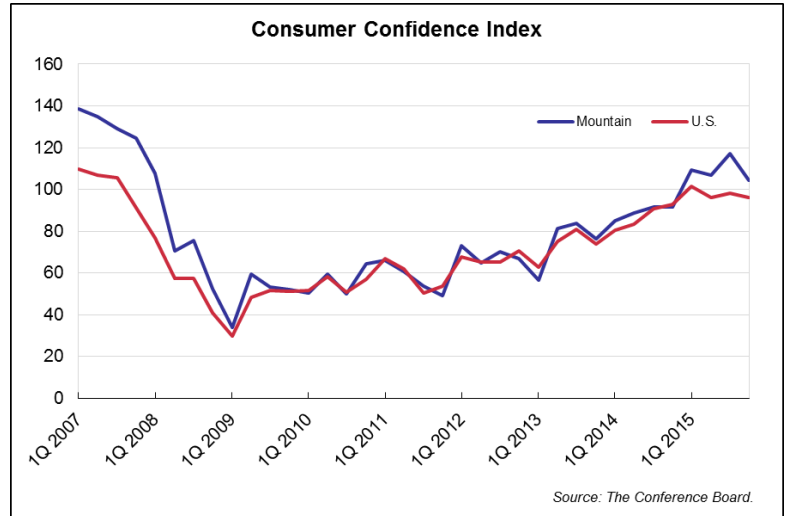


Consumer Activity

Consumer Confidence

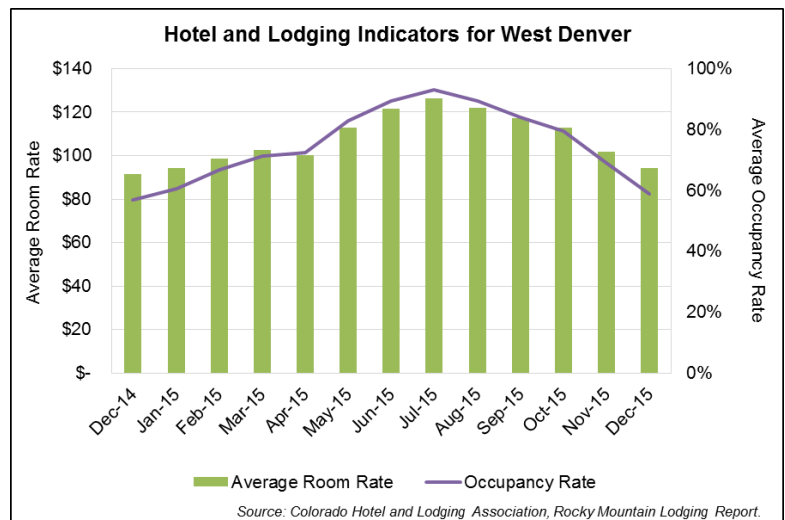
The Conference Board's National Consumer Confidence Index reported increases through the fourth quarter of 2015, rising 3.5 percent over-the-year to 96 for the U.S. index. However, the U.S. index recorded a 2.3 percent decrease in consumer confidence between the third and fourth quarters of 2015. The fourth quarter 2015 level is the highest fourth quarter national consumer confidence level since the fourth quarter of 2006 when the index was at 106.8.

The Mountain Region index, which includes Colorado, also increased compared with the fourth quarter of 2014. The Mountain Region index rose to 104.3, an over-the-year increase of 13.8 percent. Similar to the national index, the mountain index also fell over-the-quarter, declining 10.8 percent. The mountain region continued to report high levels of consumer confidence, signaling strong expectations for the local economy.



Lodging

According to the *Rocky Mountain Lodging Report*, the West Denver market recorded an occupancy rate of 58.8 percent in December 2015. This rate was 1.9 percentage points higher than the prior year's occupancy rate. The average room rate for the West Denver market was \$94.20 per night in December, a 3 percent increase from the previous year (\$91.45 per night). The average occupancy rate in Metro Denver decreased to 55.5 percent in December, down from 58.3 percent in the same month last year, and the average room rate rose 5.3 percent to \$115.63 per night.



Retail Sales

Jefferson County retail sales increased 7.6 percent between the first quarters of 2014 and 2015, representing an additional \$281 million in sales over-the-year. Of the 13 cities/subareas within Jefferson County, 12 areas reported over-the-year growth in retail sales. Edgewater recorded the largest increase in retail sales during the period, rising 25.6 percent or \$8.2 million. Morrison (+16.3 percent) and Unincorporated Jefferson County (+12 percent) also reported significant increases in retail sales between the first quarters of 2014 and 2015. Evergreen reported the smallest increase in sales over-the-year, rising 2.7 percent to \$34.7 million. Kittredge reported the only decrease over-the-year, falling 6.4 percent and generated \$148,000 less in retail sales. Lakewood reported an

additional \$115 million in total retail sales between the first quarters of 2014 and 2015, the largest increase in sales volume in the county.

Total retail sales in the seven-county Metro Denver area increased 3.5 percent between the first quarters of 2014 and 2015. Six of the seven counties in Metro Denver reported growth in retail sales during the period. Jefferson and Arapahoe counties recorded the largest percentage increases, both rising 7.6 percent in the first quarter of 2015 compared with the previous year. The City and County of Denver recorded the largest increase in retail sales volume, generating an additional \$449.3 million in sales. Adams County reported the only decline in retail sales during the same period, falling 9.1 percent to nearly \$4.8 billion.

Residential Real Estate

- ◆ Resmark Apartment Living and Lennar Multifamily Communities plan to build 13 three-story apartment buildings on a 16-acre site in Westminster. The Axis Westminster garden-style complex will have 374 apartments units with quick access to public transportation. The completed project is expected in 2017.
- ◆ Atlanta-based Wood Partners plans to build a 350-unit apartment complex at 3950 S. Wadsworth Boulevard in Lakewood. Located near the Pinehurst Country Club, the units will average 965 square feet and will be ready for occupation by fall 2017.
- ◆ Denver-based Momentum Development LLC and Illinois Inland National Development broke ground on a 155-unit transit-oriented apartment complex along RTD's West Line. Construction is expected to take 14 to 16 months to complete. West Line Flats was designed by 359 Design and the proposed plan includes studios, one-, and two-bedroom units. Amenities at the development will include 925 bike spaces, community clubhouse, fitness center, and a rooftop deck clubhouse.

Home Sales

Jefferson County reported declining trends in both the single-family detached and single-family attached existing home markets. The number of single-family detached homes sold decreased between the fourth quarters of 2014 and 2015, falling 2.7 percent to 1,934 homes sold. Prices of single-family detached homes continued to appreciate, leading to a 9.4 percent increase in the average sales price to \$388,660 during the period. Of the seven counties in Metro Denver, Jefferson County recorded the fifth highest average sales price and was third for the number of homes sold. Arapahoe County posted the most homes sold during the quarter, selling 2,100 homes, and reported an over-the-year increase in sales of 8.7 percent. Boulder County recorded the highest average sales price (\$528,540) and the largest increase in the average sales price of the seven counties, rising 14.7 percent over-the-year.

Sales of single-family attached homes in Jefferson County decreased 1.7 percent between the fourth quarters of 2014 and 2015, to 702 homes sold or 12 fewer homes sold. The average sales price of a single-family attached home rose, recording a 22.2 percent increase to \$211,990 during the same period. Compared with the other six

Metro Denver Total Retail Sales (\$000s)

County	City	1Q 2015	1Q 2014	Yr/Yr % change
Adams		\$4,791,426	\$5,273,570	-9.1%
Arapahoe		\$5,053,164	\$4,696,539	7.6%
Boulder		\$2,379,039	\$2,224,696	6.9%
Broomfield		\$530,854	\$511,827	3.7%
Denver		\$6,463,403	\$6,014,146	7.5%
Douglas		\$1,949,150	\$1,881,645	3.6%
Jefferson		\$4,010,572	\$3,728,605	7.6%
	Arvada	\$568,717	\$539,153	5.5%
	Conifer	\$35,588	\$32,328	10.1%
	Edgewater	\$40,142	\$31,950	25.6%
	Evergreen	\$34,696	\$33,796	2.7%
	Golden	\$356,337	\$340,875	4.5%
	Kittredge	\$2,163	\$2,311	-6.4%
	Lakeside	\$20,286	\$18,387	10.3%
	Lakewood	\$1,497,206	\$1,382,028	8.3%
	Littleton	\$155,157	\$145,866	6.4%
	Morrison	\$15,524	\$13,349	16.3%
	Westminster	\$335,438	\$309,699	8.3%
	Wheat Ridge	\$443,776	\$427,464	3.8%
	Unincorporated	\$505,541	\$451,400	12.0%

Note: Jefferson County city totals may not sum to Jefferson County total due to rounding.

Source: Colorado Department of Revenue.

counties in Metro Denver, Jefferson County recorded the third highest number of homes sold and reported the fifth highest average sales price in the single-family attached market. Arapahoe County posted the most single-family attached home sales (1,169 sales) and Boulder County reported the highest average sales price (\$299,280) during the fourth quarter.

Existing Home Sales

	Metro Denver County Markets							Metro Denver Total
	Adams	Arapahoe	Boulder	Broomfield	Denver	Douglas	Jefferson	
Home Sales								
<i>Single-Family Detached</i>								
4Q 2015	1,753	2,100	968	237	2,047	1,500	1,934	10,539
4Q 2014	1,619	1,932	973	227	2,240	1,325	1,988	10,304
<i>Single-Family Attached</i>								
4Q 2015	457	1,169	199	24	953	337	702	3,841
4Q 2014	413	1,018	268	34	999	314	714	3,760
Average Sold Price								
<i>Single-Family Detached</i>								
4Q 2015	\$289,961	\$365,778	\$528,538	\$391,399	\$420,544	\$448,424	\$388,657	\$393,010
4Q 2014	\$257,957	\$330,870	\$460,907	\$373,343	\$386,859	\$425,008	\$355,385	\$361,030
<i>Single-Family Attached</i>								
4Q 2015	\$184,515	\$195,727	\$299,284	\$262,121	\$284,965	\$290,307	\$211,992	\$230,382
4Q 2014	\$175,090	\$166,379	\$278,421	\$209,944	\$254,545	\$252,053	\$173,483	\$206,891

Source: ColoradoComps.

Apartment Market

Jefferson County recorded the lowest apartment vacancy rate of the six Metro Denver county market groups for the fourth quarter of 2015. The Jefferson County vacancy rate rose 1.5 percentage points between the fourth quarter of 2014 and 2015 to 5.3 percent vacancy. The vacancy rate also rose 0.2 percentage points over-the-quarter. The Jefferson County fourth quarter vacancy rate was 1.5 percentage points below the Metro Denver average (6.8 percent). The average rental rate in the county for all apartment types (\$1,266 per month) fell 0.2 percent between the third and fourth quarters of 2015, recording the second smallest over-the-quarter decrease in the average lease rate of the six county market groups. The county reported a 12.7 percent increase over-the-year in the average rental rate, rising from \$1,124 per month in the fourth quarter of 2014.

Metro Denver Average Apartment Rents and Vacancy

Fourth Quarter 2015

County	Vacancy Rate	Efficiency	1 Bed	2 Bed 1 Bath	2 Bed 2 Bath	3 Bed	Other	All
Adams	5.6%	\$757	\$1,041	\$1,187	\$1,384	\$1,730	\$1,391	\$1,197
Arapahoe	6.2%	\$914	\$1,070	\$1,168	\$1,412	\$1,810	\$1,647	\$1,229
Boulder/Broomfield	7.6%	\$1,241	\$1,340	\$1,398	\$1,693	\$1,987	\$1,456	\$1,494
Denver	7.6%	\$1,108	\$1,199	\$1,229	\$1,647	\$1,860	\$1,463	\$1,314
Douglas	9.3%	\$1,030	\$1,253	\$1,430	\$1,586	\$1,925	\$2,063	\$1,446
Jefferson	5.3%	\$891	\$1,132	\$1,154	\$1,439	\$1,674	\$1,385	\$1,266
Metro Average	6.8%	\$1,061	\$1,148	\$1,218	\$1,508	\$1,808	\$1,461	\$1,292

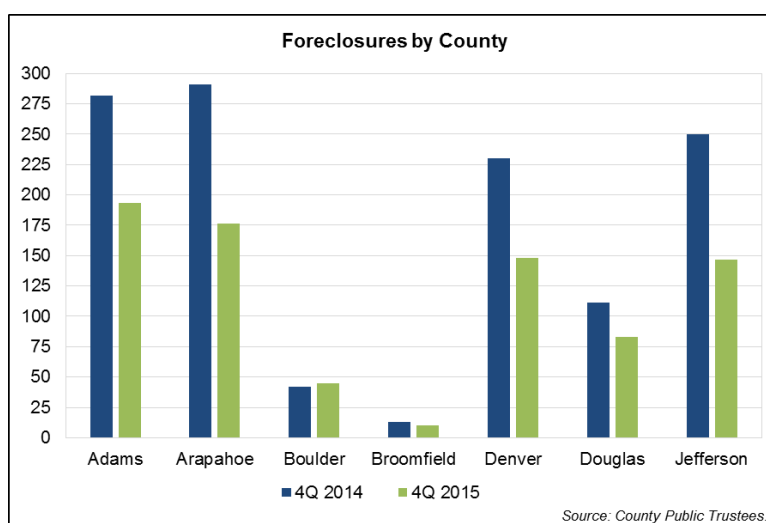
Source: Denver Metro Apartment Vacancy and Rent Survey.

The Metro Denver apartment rental market continued to loosen between the fourth quarters of 2014 and 2015, with the vacancy rate rising 2.1 percentage points to 6.8 percent. All six county market groups in Metro Denver reported over-the-year increases in the vacancy rate and in the average rental rate. The City and County of Denver and Douglas County recorded significant over-the-year increases in the vacancy rate, rising 3 percentage points and 5.3 percentage points, respectively. The Metro Denver average rental rate of \$1,292 per month for all apartment types increased 10.5 percent over-the-year. The largest over-the-year increase in the average rental rate was in Jefferson County (+12.7 percent) followed by the Boulder/Broomfield subarea (+12.3 percent). Douglas County reported the smallest over-the-year increase in the average rental rate, rising 4.4 percent to \$1,446 per month for all apartment types.

Foreclosures

Foreclosure filings in Jefferson County decreased between the fourth quarters of 2014 and 2015. Foreclosure filings in the county fell 41.2 percent compared with the previous year to 147 total filings. Jefferson County recorded the largest over-the-year decrease in foreclosures of the seven Metro Denver counties. Foreclosure filings also decreased between the third and fourth quarters of 2015, falling 3.3 percent.

Metro Denver recorded a 34.2 percent decrease over-the-year and an 8.7 percent decrease over-the-quarter, reporting 802 total foreclosure filings during the fourth quarter of 2015. Fourth quarter foreclosures marked the lowest level in Metro Denver since data records going back to the first quarter of 2002.



Residential Construction

Residential building permits in Jefferson County decreased 13.7 percent between the fourth quarters of 2014 and 2015. Single-family detached permits accounted for 98.5 percent of the total permits issued during the fourth quarter of 2015. There was a 16.7 percent increase over-the-year in single-family detached permits issued throughout Jefferson County. Multi-family building permits fell from 105 permits issued during the fourth quarter 2014 to no permits issued during the fourth quarter of 2015. There were five single-family attached permits issued during the fourth quarter 2015, three more permits than the same quarter the previous year.

Jefferson County Residential Building Permits

	Single-Family Detached		Single-Family Attached		Multi-Family		Total Units	
	4Q 2015	4Q 2014	4Q 2015	4Q 2014	4Q 2015	4Q 2014	4Q 2015	4Q 2014
Unincorp. Jefferson County	73	83	2	2	-	-	75	85
Arvada	150	136	-	-	-	-	150	136
Edgewater	2	1	-	-	-	-	2	1
Golden	1	1	-	-	0	10	1	11
Lakewood	56	48	-	-	0	95	56	143
Westminster*	42	5	-	-	-	-	42	5
Wheat Ridge	11	13	3	-	-	-	14	13
Total Units	335	287	5	2	0	105	340	394

*Westminster included in Adams and Jefferson Counties. Total may reflect construction not in Jefferson County. Source: U.S. Census Bureau.

The Jefferson County cities reported mixed trends across the three building permit categories between the fourth quarters of 2014 and 2015. Single-family attached permits were only issued in Lakewood and Unincorporated Jefferson County. Arvada reported the largest number of total single-family detached permits within the county, reporting 150 permits for the quarter, a 10.3 percent increase over the previous year's level. Westminster reported a 740 percent increase in single-family detached permits, the largest percentage increase of the seven submarkets. Unincorporated Jefferson County issued 73 single-family detached home permits during the fourth quarter of 2015, a decrease of 12 percent compared with the prior year.

- Metro West Housing Solutions projects:
 - **CityScape at Belmar:** 130 units of low and moderate income housing for seniors, opened in late November. This LEED Platinum building provides beautiful homes for seniors in a vibrant and walkable neighborhood. It is the only affordable housing built in Belmar and will be a real asset to the community.
 - **Lamar Station Crossing-Phase II:** This phase will complete the campus of the extremely successful TOD community that opened in 2014. It will add 65 units of low and moderate income housing for families for a total of 175 units on the campus. MWHS will apply for funding in 2016 and, if successful, will begin construction in early to mid-2017 and open the following year.
 - **5800 W. Alameda:** Will be 160 units of affordable family housing, both in the existing 7-story office tower and a newly constructed building. The \$35 million project will improve that part of the Alameda corridor through additional residential product and improving a blighted, vacant building. The New America School will remain in the attached retail space. The new property will add a more urban feel and will offer a significantly improved view than the current acres of asphalt parking. MWHS hopes to begin construction in early 2017 and open in mid-2018.

Commercial Real Estate

- ◆ Construction of a 135,000-square-foot Walmart Supercenter is expected in Arvada. The retail center will be located at the former Arvada Plaza, on the southeast corner of Ralston Road and Independence Street, now that demolition is complete. Construction is expected to start this spring and the completed building is expected in spring 2017.
- ◆ Developers broke ground on the Hilton Garden Inn in Arvada. The \$23 million project will redevelop a site at 5445 Olde Wadsworth Boulevard and will have 139 rooms, 3,000 square feet of meeting space, a full-service restaurant, indoor pool, fitness center, and 150 parking spaces. The five-story hotel is expected to employ 80 workers when completed in early 2017.
- ◆ Developers broke ground on a third medical office building for St. Anthony Hospital in Lakewood. The new 106,000 square-foot four-story facility could include an ambulatory surgery center, primary and specialty services on an outpatient basis, and parking.

Note: lease rates for industrial, flex, and retail property are triple-net; office rates are full-service.

Office Market

Vacancy rates for the Jefferson County office market improved for two of the three classes of office space between the fourth quarters of 2014 and 2015. Class B space reported the largest decline in the vacancy rate, falling 1.8 percentage points to 15.5 percent. Class A vacancy declined 0.6 percentage points over-the-year, falling to 8.4 percent. The vacancy rate for Class C space rose 1 percentage point to 9.4 percent.

The average lease rates for office space in Jefferson County rose across two of the three classes of office buildings through the fourth quarter of the year. Class C space reported the largest increase in the average lease rate, rising 2.5 percent to \$15.04 per square foot. The average lease rate for Class B space increased 2.2 percent to \$18.50 per square foot. The average lease rate for Class A space fell 1.2 percent to \$25.64 per square foot.

The Metro Denver office market reported improvements across all three classes of office space between the fourth quarters of 2014 and 2015. Class B space reported the largest decline in the vacancy rate, falling 1.1 percentage points over-the-year to 10.2 percent. Class A and Class C space also recorded declines in the vacancy rate, falling 0.6 percentage point and 0.5 percentage points, respectively. The average lease rate in the office market improved significantly over-the-year. Class B space reported the largest increase in the average lease rate, rising 7.3 percent to \$21.61 per square foot. Class A and Class C office lease rates also reported increases, rising 2.9 percent and 3.3 percent, respectively.

Industrial Market

Industrial vacancy in Jefferson County fell during the fourth quarter of 2015. The industrial warehouse market reported a 0.4 percentage point decline in the vacancy rate between the fourth quarters of 2014 and 2015, falling from 1.5 percent to 1.1 percent. The vacancy rate is among the lowest warehouse vacancy rates since the availability of the data in Jefferson County. The average lease rate in the industrial warehouse market increased 10.5 percent over-the-year to \$8.39 per square foot. The vacancy rate in the flex/R&D market reported an over-the-year decrease of 4.3 percentage points, falling from 5.8 percent to 1.5 percent. The average lease rate rose 2.4 percent during the same period, increasing to \$10.14 per square foot.

The industrial market in Metro Denver reported mixed trends between the fourth quarters of 2014 and 2015. The industrial warehouse market reported a 0.4 percentage point increase in the vacancy rate, rising from 2.9 percent to 3.3 percent. The average lease rate rose 17.1 percent to \$7.04 per square foot. The flex/R&D market in Metro Denver reported a 0.5 percentage point decrease in the vacancy rate over-the-year, falling to 6.3 percent from 6.8 percent. The average lease rate rose 11.6 percent during the period to \$11.04 per square foot.

Retail Market

The Jefferson County retail market reported no change in vacancy during the fourth quarter of 2015, recording a 6.5 percent vacancy rate. The vacancy rate is among the lowest fourth quarter vacancy rates since the availability of the data. The average lease rate increased 1.4 percent between the fourth quarters of 2014 and 2015, rising \$0.19 to \$13.93 per square foot.

The Metro Denver retail market reported more positive trends than Jefferson County through the fourth quarter of the year. The vacancy rate in the area fell 0.2 percentage points to 5 percent during the period, reporting the lowest rate in Metro Denver since the availability of the data in 2006. The average lease rate increased 1.7 percent during the same period, rising from \$15.74 per square foot to \$16.00 per square foot. The average lease rate was the highest fourth quarter rate since 2009 when the rate was \$16.79 per square foot.

Jefferson County Commercial Vacancy and Lease Rates by Property Type

		Total Existing Square Footage		Vacancy Rate		Avg Lease Rate (per sq. ft.)	
		4Q 2015	4Q 2014	4Q 2015	4Q 2014	4Q 2015	4Q 2014
Office	Jefferson County						
	Class A	4,857,412	4,857,412	8.4%	9.0%	\$25.64	\$25.94
	Class B	13,820,189	13,693,974	15.5%	17.3%	\$18.50	\$18.10
	Class C	3,458,958	3,458,958	9.4%	8.4%	\$15.04	\$14.68
	Metro Denver						
	Class A	62,756,463	61,120,126	9.6%	10.2%	\$29.74	\$28.90
	Class B	93,799,683	93,358,190	10.2%	11.3%	\$21.61	\$20.14
	Class C	21,495,708	21,495,708	5.1%	5.6%	\$17.01	\$16.46
Industrial	Jefferson County						
	Industrial Warehouse	7,809,183	7,809,183	1.1%	1.5%	\$8.39	\$7.59
	Flex/R&D	1,402,793	1,385,793	1.5%	5.8%	\$10.14	\$9.90
	Metro Denver						
	Industrial Warehouse	130,281,908	129,870,931	3.3%	2.9%	\$7.04	\$6.01
Retail	Flex/R&D	10,273,989	10,256,989	6.3%	6.8%	\$11.04	\$9.89
	Jefferson County						
	Retail	33,729,991	33,596,449	6.5%	6.5%	\$13.93	\$13.74
Retail	Metro Denver						
	Retail	161,949,820	160,789,066	5.0%	5.2%	\$16.00	\$15.74

Note: Vacancy rate and average lease rate are for direct space only (excludes sublet space). Industrial, flex, and retail lease rates are triple-net; office rates are full-service.

Source: CoStar Realty Information, Inc.

Commercial Construction

There was 346,760 square feet of commercial space completed in Jefferson County through the end of 2015, consisting of 133,540 square feet of retail space, 126,220 square feet of office space, and 87,000 square feet of flex space. There were nine buildings completed during the fourth quarter. The largest buildings were the 30,000-square-foot Molly's Liquors in Lakeside and a 70,000-square-foot flex industrial building at 5381 S. Alkire Circle in unincorporated Jefferson County.

There was 606,680 square feet of commercial space under construction through the end of 2015. The industrial market represented the majority of projects in the pipeline, with 246,420 square feet of industrial space under construction during the fourth quarter. There was 234,550 square feet of office space under construction during the same period. The largest building under construction was the 216,000-square-foot FedEx build-to-suit industrial space near the Rocky Mountain Metropolitan Airport.

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FOR IMMEDIATE RELEASE

Denver International Airport Celebrates the Return of Nonstop Service to Munich, Germany

Flight Expected to Boost Statewide Economic Output by \$80 Million Annually

DENVER – May 11, 2016 – Denver International Airport (DEN) today celebrated the launch of Lufthansa’s nonstop service from Denver to Munich, Germany, increasing capacity between Denver and Europe by 15 percent and providing access to one of the most popular cities in Europe.

“This new nonstop service will provide access to Munich International Airport, one of the fastest and most convenient hubs, with just 30-minute connection times to 150 destinations including one-stop access to nearly 30 new cities,” airport CEO Kim Day said. “And while the Mile High City offers many synergies with the Bavarian capital that will attract visitors, passengers on the arriving flight to Denver will also have convenient connections to over 170 nonstop destinations around the world through Denver International Airport’s growing network of airlines and destinations.”

The new flight operates five times per week using an Airbus A330-300, and represents the first time the 236-seat aircraft has been scheduled for regular service at DEN. The eastbound LH 481 service will operate on Tuesdays, Wednesdays, Fridays, Saturdays and Sundays, departing Denver at 4:05 p.m. and arriving in Munich the following morning. The corresponding westbound LH 480 service will also operate on Tuesdays, Wednesday, Fridays, Saturdays and Sundays, departing from Lufthansa’s Munich hub at 11:45 a.m. and arriving in Denver at 2:30 p.m. (all times local) after a 10 hour, 45 minute flight.

The route will begin with a 236-seat Airbus A330-300, but the aircraft will later be “up-gauged” to a 297-seat Airbus A340-600, which will be used during the peak summer travel season from July 19 to Oct. 2. The use of this aircraft will provide a 26-percent increase in capacity for the Munich route, including a 47-percent increase in business class seats and a 52-percent increase in premium economy seats. The decision to up-gauge the aircraft is a clear indication of Lufthansa’s confidence in the route.

“Denver has been an important market for Lufthansa since 2001. The reintroduction of our Denver-Munich route increases capacity by nearly 50 percent, demonstrating the boost in demand we’re receiving from leisure and business travelers to both Munich and Frankfurt,” said Juergen Siebenrock, Vice President The Americas at Lufthansa German Airlines. “With all classes now offering the newest onboard product, our passengers traveling to Munich will experience the highest level of quality, as well as the premium customer service that Lufthansa is known for.”

Munich is rich with culture, old-world charm and modern businesses. Known around the world for its beer gardens, Oktoberfest and Christmas Markets, Munich is also the European headquarters of many international

companies such as Siemens, BMW, Allianz, Linde and Infineon. Additionally, Europe ranks as Denver's largest international market by region, accounting for nearly 30 percent of total passenger volume. Lufthansa's Munich service is estimated to generate more than 700 new jobs and \$24 million in new wages for the state, as well as boost statewide economic output by more than \$80 million annually.

"Denver continues to expand its global reach by providing new connections through nonstop flights that will stimulate economic activity, create new jobs and increase travel to and from Denver," said Denver Mayor Michael B. Hancock. "Lufthansa has been our partner since 2001, and by offering a new service to Munich, it will not only strengthen our partnership, but will help expand travel options between Colorado and Europe."

Round-trip fares on Lufthansa from Denver to Munich will be available starting at approximately \$980.

For additional information and/or bookings visit www.LH.com.

Denver International Airport is the 19th-busiest airport in the world and the sixth-busiest airport in the United States. With more than 54 million passengers traveling through the airport each year, DEN is one of the busiest airline hubs in the world's largest aviation market. DEN is the primary economic engine for the state of Colorado, generating more than \$26 billion for the region annually. For more information visit www.FlyDenver.com, check us out on [YouTube](#), [Pinterest](#), and [Instagram](#), like us on [Facebook](#) and follow us on [Twitter](#).

###

C-470 office/flex park hits ground running

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By [Jill Jamieson-Nichols](#)

2 months ago

1657



A 33,500-square-foot office/flex building recently was completed at 3D Systems Technology Park at Mountain West on C-470 in Littleton.

An office/flex park on the C-470 corridor in Littleton recently landed an anchor tenant and is rolling out additional speculative buildings.

A leading provider of three-dimensional printing solutions, 3D Systems Inc. leased a 70,000-square-foot building at the new 3D Systems Technology Center at Mountain West.

The company provides 3-D printing design-to-manufacturing solutions, including 3-D printers, print materials and cloud-sourced on-demand custom parts.

Three-D Systems Technology Center at Mountain West is a 25-acre master-planned park on C-470 between West Bowles and Bellevue avenues. A 33,500-sf spec building recently was completed in the park, and site work for a third building totaling 50,000 sf is underway.

The development eventually will contain 300,000 to 325,000 sf of Class A single-story buildings of various sizes and is the only project of its kind being developed in the west/southwest metro area.

Visible to 64,000 vehicles per day on C-470, the business center will consist of showroom and office/industrial buildings with overhead, grade-level service doors and/or dock-high doors, four-sided architecture and fiber-optic service options.

With flexible design and build-to-suit options, it can accommodate the needs of a wide variety of tenants.

The recently completed 33,500-sf flex building, located at 5365 S. Alkire St., is ready for tenant improvements. It features two grade-level overhead service doors, 14-foot ceiling clearance and glass on all four sides.

Allan Ojala, general partner for the business center, is being assisted in the development by a team that includes Fred Baker and Bob Smith of Ojala & Co., Peter Beugg and Tyler Reed of Jones Lang LaSalle, David Forman of DCF Architecture and DCB Construction Company Inc., the general contractor.

Beugg said Class A construction, C-470 visibility and access, and flexibility make 3D Systems Technology Center at Mountain West a desirable option for tenants in the west/southwest submarkets, where vacancies are at historic lows of 1.9 and 1.7 percent, respectively.

Featured in CREJ's April 6-19, 2016, issue

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FOR IMMEDIATE RELEASE
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Metro West Housing Solutions is Awarded State Tax Credits for *Fifty Eight Hundred* Development

(Lakewood) Metro West Housing Solutions (MWHS) is thrilled to announce they have received the Low Income Housing Tax Credits (LIHTC) award for the planned development of [*Fifty Eight Hundred*](#), an affordable family housing community.

The Colorado Housing and Finance Authority (CHFA) is the allocating agency of federal and state LIHTC in Colorado. Information about the awards can be found on the [CHFA website](#). This highly competitive tax credit program was oversubscribed 3 to 1. For the state credits of \$5 million, there were 19 planned affordable-housing developments requesting a total of \$15.43 million.

Completion of this architecturally stunning affordable housing development in Lakewood will include the adaptive reuse of a blighted, vacant eight-story building, turning it into 54 new affordable rental units for individuals and families. An additional 98 units will be constructed on an oversized parking lot adjacent to the recaptured building, transforming a concrete desert into a lively neighborhood campus. *Fifty Eight Hundred* will include a courtyard area connecting the two buildings with community gardens and play areas. The campus will also encompass the existing New America School, a Jefferson County charter high school. In addition to the extensive on-site amenities and services, additional amenities are located near the project including an elementary school, the Gold Crown Foundation, a nonprofit youth sports complex, and Belmar, Lakewood's walkable downtown shopping area and residential neighborhood.

"The vacant building has been an eyesore since 1981 and we're looking forward to the challenge to transform it into something attractive and vibrant," says Tami J. Fischer, MWHS' executive director and CEO. "I am confident that 5800 will be a great addition to the city and community."

In addition to providing high-quality homes to hundreds of low- to moderate- income families this development will change this area of West Alameda from an antiquated strip retail street into a thriving urban neighborhood.

Project: [*Fifty Eight Hundred*](#)

Address: 5800 W. Alameda Ave., Lakewood CO 80226

Developer: Metro West Housing Solutions

Project cost: \$34 million

Architect: Sprocket Design-Build

General contractor: JHL Constructors

Anticipated completion date: Q2 2018

State credit award: \$800,000

4% federal credit award: \$1,287,726

Apartment count: 152 Units; 7 Studios; 46 One-Bedroom; 78 Two-Bedroom; 21 Three-Bedroom

8 @ 30% AMI; 16 @ 40% AMI; 16 @ 50% AMI; 112 @ 60% AMI

About Metro West Housing Solutions

Metro West Housing Solutions, established in 1974, is a non-profit, affordable housing agency and property developer that owns and manages apartments in Lakewood and Denver, provides Section 8 Housing Choice Vouchers (HCV) to eligible Lakewood residents, and facilitates a wide range of human services for clients.

###

Golden brewers want to explore new terrain with bigger outpost

AMY DIPIERRO MAY 4, 2016 2



Submitted rendering.

The town that Coors built has a new craft brewery.

Husband-and-wife beer makers Kaylee and Josh Robbins are leaving behind Mountain Toad Brewing in downtown Golden to concoct a wider variety of brews three miles away in the Coors Technology Center.

"I think we wanted some more creativity in our lineup (of beers)," Kaylee Robbins said of the 15,000-square-foot facility for the couple's next business, New Terrain Brewing. "At this new space, we're going to have the capability to brew everything we want."

The Robbins used to brew and tap out at Mountain Toad's 2,000 square feet on Washington Avenue.



Kaylee and Josh Robbins. Submitted photo.

That was sufficient to satiate walk-in demand in the taproom and a few local keg customers, Robbins said, but left slim margins to experiment without running short of a house favorite.

“After opening one brewery, the locals want this IPA,” she said. “If you try to change it on them, they’re kind of like, ‘That’s not your IPA.’”

But both Robbinses missed trying out new brews. Originally, Mountain Toad considered opening a second facility at 16401 Table Mountain Parkway, at the foot of North Table Mountain between a bike park, baseball diamonds and a lake.

But when funding fell through, the couple decided to sell its stake in Mountain Toad to finance a new brewery.

(ATR Properties, which is owned by Robbins’ family, purchased the parcel. New Terrain and Kaylee Robbins’ brother, Jon Acuff of Proudfoot Cycles, a custom bicycle frame maker, will be tenants.)

The plan is to open in August with five or six beers, including an IPA, a saison, a fruit beer, an American brown ale and a cream or Kölsch light beer. Then, she said, they plan to start brewing some bigger-flavor and higher-alcohol-content beers.

The Robbinses want the taproom, designed by Studio DH and built by Happel & Associates, to feel cozy. Robbins’ favorite feature is a fireplace she hopes to surround with couches.

The layout also will include four garage bays with beer garden areas on two sides. Wells Fargo is providing a construction loan, Robbins said.

The last of the brewhouse equipment arrived Tuesday and when it’s all set up, New Terrain will have one 30-barrel and one 10-barrel system.

Next year, the Robbinses plan to start using a particularly local ingredient to package beers: metal can manufacturer Ball Corp. is so close, they’ve joked about sending a forklift rather than a truck to pick up orders. “There’s infrastructure built in for beer, because of Coors,” Robbins said. “So our cans will be locally sourced.”