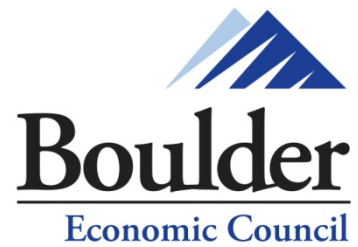


# Economic Profile

## Boulder, Colorado

December 2009



*Economic Sustainability through Collaboration*

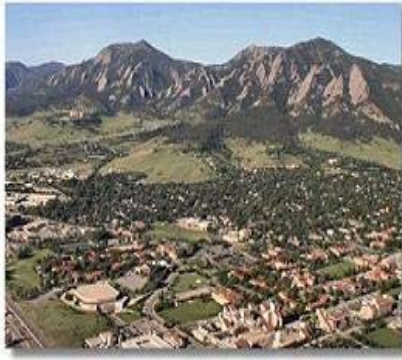
Boulder Economic Council  
*An affiliate of the Boulder Chamber*  
2440 Pearl Street  
Boulder, CO 80302  
303.442.1044  
[www.BoulderEconomicCouncil.org](http://www.BoulderEconomicCouncil.org)

*This report summarizes recent data on the city of Boulder’s economy including population, employment and job growth, top industries and employers, retail sales, commercial and residential real estate trends, venture capital investment and tourism.*

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*The data in this report has been compiled from multiple sources and is intended for informational purposes only. The Boulder Economic Council and Boulder Chamber of Commerce assume no responsibility or legal liability for the accuracy, completeness or usefulness of any information in this report. For more information, contact the Boulder Economic Council at 303.442.1044 or [www.boulderbusiness.org](http://www.boulderbusiness.org).*



Home to a world-class research university, major government research facilities, visionary entrepreneurs and the nation's most highly educated population, Boulder is a center of innovation for Colorado. Nestled at the base of the Rocky Mountains, Boulder is surrounded by the scenic beauty and recreational opportunities afforded by over 45,000 acres of open space and 150 miles of biking and hiking trails. Boulder offers an impressive choice of art, cultural, dining, entertainment and shopping options, as well as excellent schools, high-quality healthcare, and earth-friendly policies.

The city of Boulder is located in Boulder County, part of the seven-county Denver metro area and the only county in the Boulder-Longmont metropolitan statistical area (MSA). Only 30 minutes from downtown Denver and 45 minutes from one of the nation's largest international airports, Boulder offers the advantages of a small city with big-city convenience and amenities. Its location in the Mountain Time Zone provides same-day telephone access to major markets throughout the world.



The following report highlights economic information for the city of Boulder and Boulder County.

## Population & Growth

The city of Boulder has a total population of approximately 102,800. This figure includes University of Colorado (CU) students who live in Boulder. CU Boulder students represent over one-fifth of Boulder's population.

The university's presence has a significant effect on the demographic characteristics of Boulder residents, evidenced by a higher than average percentage of residents in the 18 to 24 age group, high rate of renter-occupied housing, relatively high percentage of residents with annual household incomes under \$25,000, and significantly higher levels of educational attainment.

| <b>City of Boulder</b> |         |
|------------------------|---------|
| 2009 Population*       | 102,800 |
| 2009 Housing Units     | 43,490  |

Source: City of Boulder Planning Department for 1/1/2009 (revised)  
*\*Population estimate includes CU students living in Boulder either on- or off-campus.*

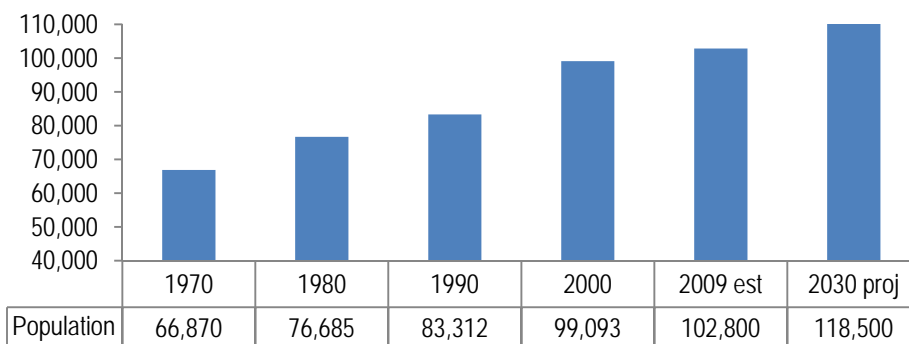
| <b>University of Colorado at Boulder Enrollment</b><br><i>(included in population numbers above)</i> |        |
|--|--------|
| Fall 2009 Enrollment   | 30,196 |
| Students living in Boulder <i>(estimate including on-campus students)</i>                            | 22,949 |

Source: University of Colorado; fall 2008 estimates indicate approx. 76% of Boulder campus students live in the city of Boulder.

Note: Census Bureau estimates of Boulder's population, housing units and households are lower than local government estimates. In 2001, the City of Boulder filed a challenge to the 2000 Census count based on housing units that were not identified or included in census figures. The challenge was not accepted by the Census Bureau or Colorado State Demography Office and no adjustments to their population estimates for the city of Boulder were made. Population estimates made by the city of Boulder and Denver Regional Council of Governments include the additional housing units not included in 2000 Census data and subsequent updates.

Between 1970 and 2000, Boulder's population increased from 66,870 to 99,093 for an average annual growth rate of 1.6%. From 2000 to 2009, population growth slowed to less than .5% per year. The city's population is expected to grow by an average of .7% a year to 118,500 by 2030.

**Total Population: Boulder, Colorado**



Source: US Census Bureau, City of Boulder

Boulder County has approximately 300,000 residents. Between 2000 and 2008, the county's population grew an average of 0.3% a year. From 2007 to 2008, county population grew 1.4%. According to the Colorado State Demography Office forecasts, the Boulder County's population will increase to 389,257 by 2030.

State estimates indicate that within the county, Boulder (33.6% of county population), Longmont (28.8%), Lafayette (8.5%) and Louisville (6.4%) remain the largest municipalities. Between 2007 and 2008, the highest rate of population growth occurred in Lyons (8.1%) and Erie (6.8%). Boulder (1,278) and Longmont (1,008) experienced the largest increases in population.

|                       | Population Estimate |                |                |                |                |                | Average Annual Change |             |             |
|-----------------------|---------------------|----------------|----------------|----------------|----------------|----------------|-----------------------|-------------|-------------|
|                       | 1980                | 1990           | 2000           | 2006           | 2007           | 2008           | 1990-00               | 2000-08     | 07-08       |
| Boulder               | 76,685              | 85,127         | 94,673         | 98,396         | 99,140         | 100,418        | 1.1%                  | 0.8%        | 1.3%        |
| Longmont*             | 42,942              | 51,976         | 71,069         | 83,489         | 85,008         | 86,016         | 3.7%                  | 2.6%        | 1.2%        |
| Lafayette             | 8,985               | 14,708         | 23,197         | 24,498         | 25,026         | 25,258         | 5.8%                  | 1.1%        | 0.9%        |
| Louisville            | 5,593               | 12,363         | 18,937         | 18,715         | 18,890         | 19,237         | 5.3%                  | 0.2%        | 1.8%        |
| Erie*                 | 23                  | 14             | 4,282          | 6,996          | 7,160          | 7,646          | 3048.6%               | 9.8%        | 6.8%        |
| Superior*             | 208                 | 255            | 9,008          | 10,248         | 10,333         | 10,398         | 343.3%                | 1.9%        | 0.6%        |
| Lyons                 | 1,137               | 1,227          | 1,585          | 1,760          | 1,810          | 1,957          | 2.9%                  | 2.9%        | 8.1%        |
| Nederland             | 1,212               | 1,099          | 1,394          | 1,462          | 1,474          | 1,489          | 2.7%                  | 0.9%        | 1.0%        |
| Jamestown             | 223                 | 251            | 205            | 293            | 289            | 293            | -1.8%                 | 5.4%        | 1.4%        |
| Ward                  | 129                 | 159            | 169            | 170            | 171            | 172            | 0.6%                  | 0.2%        | 0.6%        |
| Unincorporated        | 37,974              | 41,770         | 45,295         | 44,720         | 45,353         | 45,801         | 0.8%                  | 0.1%        | 1.0%        |
| Broomfield**          | 14,514              | 16,390         | 21,474         | n/a            | n/a            | n/a            |                       |             |             |
| <b>BOULDER COUNTY</b> | <b>189,625</b>      | <b>225,339</b> | <b>291,288</b> | <b>290,747</b> | <b>294,654</b> | <b>298,685</b> | <b>2.9%</b>           | <b>0.3%</b> | <b>1.4%</b> |

Source: Colorado State Demography Office

\*Cities in more than one county; figures include Boulder County only.

\*\*In 2001, Broomfield became a separate county.

## Demographic Snapshot

The table below includes select data from the US Census Bureau's 2008 American Community Survey for the city of Boulder, Boulder County (Boulder-Longmont MSA), Colorado and the US. More detailed information is available on the American Fact Finder website at <http://factfinder.census.gov>. As noted, population data is from the Census Bureau's Population Estimates Program and City of Boulder.

### 2008 Demographic Snapshot

| Population Characteristics              | City of Boulder      | Boulder County | Colorado     | US           |
|---|----------------------|----------------|--------------|--------------|
| Total Population <sup>1</sup>           | 103,650 <sup>2</sup> | 293,161        | 4,939,456    | 304,059,724  |
| Number of Households (calculated)       | 47,114               | 123,177        | 1,937,042    | 116,053,330  |
| Housing Units <sup>1</sup>              | 44,970 <sup>2</sup>  | 124,087        | 2,152,040    | 129,065,264  |
| Average Household Size                  | 2.20                 | 2.38           | 2.55         | 2.62         |
| Average Family Size                     | 2.92                 | 3.02           | 3.17         | 3.22         |
| % Family Households (families)          | 41.8%                | 57.2%          | 63.7%        | 66.3%        |
| % Households with children under 18     | 20.2%                | 28.6%          | 33.0%        | 33.9%        |
| Male                                    | 50.7%                | 50.6%          | 50.4%        | 49.3%        |
| Female                                  | 49.3%                | 49.4%          | 49.6%        | 50.7%        |
| Age                                     |                      |                |              |              |
| Median age                              | 28.7 years           | 36.3 years     | 35.8 years   | 36.9 years   |
| Under 5 years old                       | 5.1%                 | 6.1%           | 7.2%         | 6.9%         |
| 18 years or older                       | 84.5%                | 78.9%          | 75.6%        | 75.7%        |
| 65 years or older                       | 8.3%                 | 8.7%           | 10.4%        | 12.8%        |
| Education (Population 25 or older )     |                      |                |              |              |
| High school graduate or higher          | 94.3%                | 92.7%          | 88.9%        | 85.0%        |
| Bachelor's degree or higher             | 69.2%                | 57.0%          | 35.6%        | 27.7%        |
| Graduate or professional degree         | 33.4%                | 23.9%          | 12.7%        | 10.2%        |
| Civilian labor force (16 or older)      | 53,756               | 162,271        | 2,583,902    | 146,266,253  |
| Occupation                              |                      |                |              |              |
| Managerial, professional, related       | 54%                  | 51%            | 38%          | 35%          |
| Sales and office                        | 19%                  | 21%            | 25%          | 26%          |
| Service                                 | 18%                  | 15%            | 16%          | 17%          |
| Construction, maintenance, repair       | 4%                   | 6%             | 11%          | 9%           |
| Production, transportation, related     | 5%                   | 7%             | 9%           | 13%          |
| Farming, fishing, forestry              | *                    | *              | 1%           | 1%           |
| Mean travel time to work                | 18.9 minutes         | 21.3 minutes   | 24.6 minutes | 25.5 minutes |
| Drive alone to work                     | 53.6%                | 67.1%          | 73.7%        | 75.5%        |
| Work in county of residence             | 84.7%                | 79.4%          | 66.1%        | 72.6%        |
| Work in place of residence              | 73.1%                | 42.7%          | 37.3%        | 31.1%        |
| Income                                  |                      |                |              |              |
| Median household income                 | \$57,231             | \$66,463       | \$56,993     | \$52,029     |
| Median family income                    | \$94,890             | \$89,164       | \$70,164     | \$63,366     |
| Median non-family income                | \$33,080             | \$39,532       | \$36,368     | \$31,649     |
| Per capita income                       | \$39,659             | \$38,652       | \$30,471     | \$27,589     |
| Housing                                 |                      |                |              |              |
| 1-unit detached housing (single family) | 41.5%                | 60.9%          | 63.3%        | 61.9%        |
| Built 2000 or later                     | 5.8%                 | 12.5%          | 16.1%        | 12.3%        |
| Owner-occupied housing units            | 49.4%                | 65.1%          | 67.5%        | 66.6%        |
| Renter-occupied housing units           | 50.6%                | 34.9%          | 32.5%        | 33.4%        |
| Vacant housing units                    | 3.6%                 | 4.5%           | 11.8%        | 12.4%        |
| Median value owner-occupied homes       | \$530,100            | \$358,600      | \$242,200    | \$197,600    |
| Average Rent                            | \$976                | \$971          | \$848        | \$824        |

Source: 2008 American Community Survey; <sup>1</sup>Census Bureau's Population Estimates Program; <sup>2</sup>City of Boulder

\*Less than 0.5%

## Key Industries

Boulder has a diverse and thriving economy, supported by the presence of the University of Colorado, major federally-funded research facilities, businesses in primary and secondary industries, and tourism.

### Primary Industries

Professional, scientific, and technical services  
Manufacturing  
Information  
Management of companies and enterprises  
Arts, entertainment, and recreation  
Accommodation and food services

### Key Industry Clusters

Aerospace  
Bioscience  
Computer storage and peripherals  
Nanotechnology  
Natural and organic products  
Outdoor products and active living  
Photonics  
Renewable energy and energy research  
Software development  
Tourism

## Major Employers

Employers in the city of Boulder with 200 or more local employees are listed below.

### 1,000+ employees

University of Colorado at Boulder  
Boulder Valley School District  
IBM Corporation  
Boulder Community Hospital  
Ball Aerospace  
Covidien  
Boulder County  
University Corporation for Atmospheric Research (UCAR)  
City of Boulder

### 500-999 employees

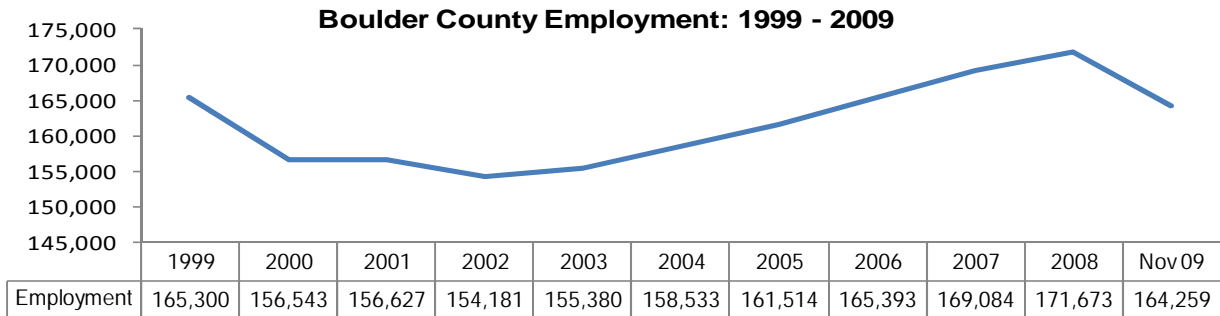
InfoPrint Solutions  
Emerson Process Management – Micro Motion Division  
Crispin Porter + Bogusky  
Whole Foods

### 200-499 employees

Lockheed Martin  
National Oceanic & Atmospheric Administration (NOAA)  
Amgen  
Array BioPharma  
Wall Street on Demand  
Naropa Institute  
National Institute of Standards & Technology (NIST)  
Crocs  
Roche Colorado Corporation  
Spectra Logic  
Celestial Seasonings  
Research Electro Optics Inc  
Ericsson  
Leanin' Tree  
YMCA of Boulder Valley

## Area Employment

Approximately 164,000 individuals are employed in Boulder County, excluding self-employed and contract workers. County employment steadily increased from 2002 through 2008. The recent decrease in jobs reflects the recent economic downturn. Since August 2009, total employment in the county has increased from 161,003 to 164,259.



Source: Colorado Department of Labor. 1999-2008 reflects annual average employment. Does not include self-employed or contract labor.

The most recent data available at a municipal level indicates there are 6,687 employers in the city of Boulder distributed widely across industries. The largest percent of employers (26%) are in the professional, scientific and technical services industry (2.37 times the national average). The overall number of employers in the city increased by 44 (0.7%) between 2007 and 2008. The largest increase occurred in the professional, scientific and technical services industry.

| Number of Firms: Boulder, Colorado               |              |             |            |              |              |                  |              |
|--|--------------|-------------|------------|--------------|--------------|------------------|--------------|
| Number of Firms by Industry                      | 2008         |             |            | 2007         | 2006         | 2007-2008 Change |              |
|  | Firms        | %           | LQ         |              |              | Firms            | %            |
| Professional, Scientific, and Technical Services | 1,738        | 26%         | 2.37       | 1,668        | 1,588        | +70              | +4.2%        |
| Retail Trade                                     | 630          | 9%          | .82        | 648          | 639          | -18              | -2.8%        |
| Health Care and Social Assistance                | 606          | 9%          | 1.09       | 587          | 569          | +19              | +3.2%        |
| Other Services                                   | 485          | 7%          | .56        | 481          | 478          | +4               | +0.8%        |
| Wholesale Trade                                  | 428          | 6%          | .93        | 424          | 412          | +4               | +0.9%        |
| Accommodation and Food Services                  | 400          | 6%          | .89        | 405          | 395          | -5               | -1.2%        |
| Real Estate and Rental and Leasing               | 399          | 6%          | 1.46       | 403          | 401          | -4               | -1.0%        |
| Finance and Insurance                            | 392          | 6%          | 1.09       | 386          | 372          | +6               | +1.6%        |
| Construction                                     | 364          | 5%          | .56        | 364          | 378          | --               | --           |
| Administrative and Waste Mgmt Services           | 300          | 4%          | .88        | 306          | 296          | -6               | -2.0%        |
| Manufacturing                                    | 276          | 4%          | 1.05       | 286          | 292          | -10              | -3.5%        |
| Information                                      | 223          | 3%          | 2.09       | 227          | 234          | -4               | -1.8%        |
| Educational Services**                           | 148          | 2%          | 2.27       | 150          | 144          | -2               | -1.3%        |
| Arts, Entertainment, and Recreation              | 129          | 2%          | 1.40       | 135          | 125          | -6               | -4.4%        |
| Management of Companies and Enterprises          | 55           | 1%          | 1.47       | 57           | 54           | -2               | -3.5%        |
| Transportation and Warehousing                   | 46           | 1%          | .28        | 47           | 49           | -1               | -2.1%        |
| Government (Federal, State, Local)               | 36           | 1%          | .17        | 36           | 38           | --               | --           |
| <b>TOTAL – City of Boulder employers</b>         | <b>6,687</b> | <b>100%</b> | <b>n/a</b> | <b>6,643</b> | <b>6,500</b> | <b>44</b>        | <b>+0.7%</b> |

Source: Colorado Department of Labor and Employment (QCEW 2006-2008), Business Research Division, University of Colorado

Notes: \* Less than 0.5%. \*\* Does not include public universities or school districts. LQ = Location Quotient (indicator of concentration of employers in select industries based on comparison of local and national percentages). Agricultural, Forestry, Fishing & Hunting, Mining, and Utilities industries data not reported for the city of Boulder due to small population size. Self-employed and contract labor excluded.

There are approximately 91,500 individuals employed in the city. The largest percent work for government entities including University of Colorado and federal labs (20%) and professional,

scientific and technical services businesses (15%). The city has a very high concentration of information industry employment (nearly 3.5 times the national average).

| <b>Number of Employees: Boulder, Colorado</b>    |           |      |      |        |        |                  |         |
|--|-----------|------|------|--------|--------|------------------|---------|
| Number of Employees by Industry                  | 2008      |      |      | 2007   | 2006   | 2007-2008 Change |         |
|  | Employees | %    | LQ   |        |        | Employees        | %       |
| Government (Federal, State, Local)               | 17,850    | 20%  | 1.22 | 17,584 | 17,353 | 266              | 1.51%   |
| Professional, Scientific, and Technical Services | 13,386    | 15%  | 2.52 | 12,933 | 12,326 | 453              | 3.50%   |
| Manufacturing                                    | 8,968     | 10%  | .99  | 8,845  | 8,806  | 123              | 1.39%   |
| Accommodation & food services                    | 8,577     | 9%   | 1.11 | 8,522  | 8,091  | 55               | 0.65%   |
| Retail trade                                     | 8,001     | 9%   | .77  | 7,966  | 7,805  | 35               | 0.44%   |
| Health & social services                         | 7,695     | 8%   | .73  | 7,601  | 7,557  | 94               | 1.24%   |
| Information                                      | 7,022     | 8%   | 3.46 | 7,124  | 7,180  | -102             | -1.43%  |
| Administrative & waste services                  | 3,409     | 4%   | .63  | 3,306  | 3,371  | 103              | 3.12%   |
| Finance & insurance                              | 3,178     | 3%   | .80  | 3,432  | 3,202  | -254             | -7.40%  |
| Other services                                   | 2,773     | 3%   | .91  | 2,713  | 2,652  | 60               | 2.21%   |
| Wholesale Trade                                  | 2,594     | 3%   | .64  | 2,837  | 3,198  | -243             | -8.57%  |
| Construction                                     | 1,795     | 2%   | .37  | 1,820  | 1,851  | -25              | -1.37%  |
| Arts- entertainment & recreation                 | 1,679     | 2%   | 1.25 | 1,552  | 1,551  | 127              | 8.18%   |
| Real estate & rental                             | 1,480     | 2%   | 1.03 | 1,516  | 1,400  | -36              | -2.37%  |
| Educational services**                           | 1,454     | 2%   | .90  | 1,450  | 1,437  | 4                | 0.28%   |
| Transportation & Warehousing                     | 742       | 1%   | .26  | 660    | 623    | 82               | 12.42%  |
| Management of Companies and Enterprises          | 588       | 1%   | .46  | 824    | 764    | -236             | -28.64% |
| Total  | 91,531    | 100% |      | 90,997 | 89,461 | 533              | 0.59%   |

Source: Colorado Department of Labor and Employment (QCEW 2006-2008), Business Research Division, University of Colorado (See additional notes on page 6.)

Boulder is an important employment center for the county; over half of all employees in Boulder County work in the city of Boulder.

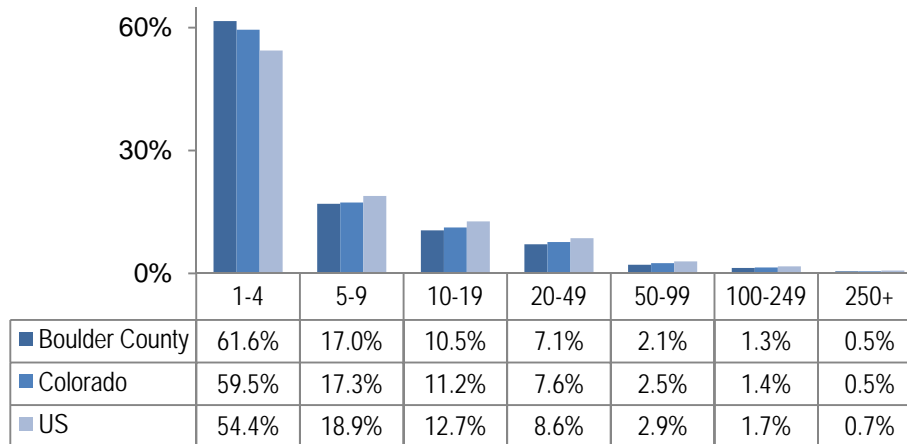
| <b>Number of Employees: Boulder County, Colorado</b> |                 |      |      |                |      |      |  |
|--|-----------------|------|------|----------------|------|------|--|
| Number of Employees by Industry (2008)               | City of Boulder |      |      | Boulder County |      |      | City of Boulder as % of Boulder County |
|  | Employees       | %    | LQ   | Employees      | %    | LQ   |  |
| Government (Federal, State, Local)                   | 17,850          | 20%  | 1.22 | 25,438         | 16%  | .98  | 70%                                    |
| Professional, Scientific, and Technical Services     | 13,386          | 15%  | 2.52 | 22,800         | 14%  | 2.42 | 59%                                    |
| Manufacturing  | 8,968           | 10%  | .99  | 17,904         | 11%  | 1.11 | 50%                                    |
| Accommodation & food services                        | 8,577           | 9%   | 1.11 | 14,698         | 9%   | 1.07 | 58%                                    |
| Retail trade   | 8,001           | 9%   | .77  | 16,488         | 10%  | .89  | 49%                                    |
| Health & social services                             | 7,695           | 8%   | .73  | 17,217         | 11%  | .92  | 45%                                    |
| Information  | 7,022           | 8%   | 3.46 | 9,193          | 6%   | 2.56 | 76%                                    |
| Administrative & waste services                      | 3,409           | 4%   | .63  | 6,768          | 4%   | .70  | 50%                                    |
| Finance & insurance                                  | 3,178           | 3%   | .80  | 5,170          | 3%   | .73  | 61%                                    |
| Other services                                       | 2,773           | 3%   | .91  | 4,390          | 3%   | .81  | 63%                                    |
| Wholesale Trade                                      | 2,594           | 3%   | .64  | 5,370          | 3%   | .75  | 48%                                    |
| Construction   | 1,795           | 2%   | .37  | 5,587          | 3%   | .65  | 32%                                    |
| Arts- entertainment & recreation                     | 1,679           | 2%   | 1.25 | 2,742          | 2%   | 1.15 | 61%                                    |
| Real estate & rental                                 | 1,480           | 2%   | 1.03 | 2,343          | 1%   | .92  | 63%                                    |
| Educational services**                               | 1,454           | 2%   | .90  | 2,172          | 1%   | .76  | 67%                                    |
| Transportation & Warehousing                         | 742             | 1%   | .26  | 1,215          | 1%   | .24  | 61%                                    |
| Management of Companies and Enterprises              | 588             | 1%   | .46  | 1,330          | 1%   | .58  | 44%                                    |
| Total  | 91,531          | 100% |      | 162,243        | 100% |      | 56%                                    |

Source: Colorado Department of Labor and Employment (QCEW 2006-2008), Business Research Division, University of Colorado (See additional notes on page 6.)

## Employer Size

Most of the area's employers are small businesses. Over 95% of Boulder County's non-government employers have fewer than 50 employees; 98% have fewer than 100 employees.

### Employers by Number of Employees



Source: US Census, 2007 County Business Patterns (Excludes most government and railroad employees, self-employed persons)

## Average Wages

The average yearly wages for employees in the city of Boulder (excluding self-employed and contract labor and including both full-time and part-time workers) is \$54,861 and varies widely by industry from a low of \$17,255 for the accommodation and food services industry to a high of \$99,312 for the management industry. Other industries with higher wages include information, professional, scientific, and technical services, finance and insurance, manufacturing, and wholesale trade.

Between 2007 and 2008, the average wage paid to Boulder employees increased by 3%. Changes in wages also varied by industry; the real estate and rental industry experienced a 7% decline while the wholesale trade industry had a 41% increase in average wages.

The average wage paid to employees working in Boulder County is \$53,455. While the overall average wages for employees in the city of Boulder are 2.6% higher, there are differences by industry. The average wages paid to Boulder workers in the management, professional, scientific and technical services, health and social services, transportation and warehousing, and private educational services industries are lower than the county average.

| Average Wages: Boulder County, Colorado          |                 |           |          |                |                     |
|--|-----------------|-----------|----------|----------------|---------------------|
| Average Annual Wages (2008)                      | City of Boulder |           |          | Boulder County |                     |
| INDUSTRY   | 2008            | 2007      | % Change | 2008           | City as % of County |
| Management of Companies and Enterprises          | \$99,312        | \$101,424 | -2.1%    | \$100,985      | 98.3%               |
| Wholesale Trade                                  | \$97,084        | \$68,707  | 41.3%    | \$86,007       | 112.9%              |
| Information                                      | \$90,366        | \$88,718  | 1.9%     | \$88,247       | 102.4%              |
| Professional, Scientific, and Technical Services | \$81,717        | \$80,069  | 2.1%     | \$87,110       | 93.8%               |
| Finance & insurance                              | \$78,312        | \$74,543  | 5.1%     | \$69,795       | 112.2%              |
| Manufacturing                                    | \$75,880        | \$74,203  | 2.3%     | \$72,479       | 104.7%              |

| Average Wages: Boulder County, Colorado (continued) |                 |          |          |                |                     |
|---|-----------------|----------|----------|----------------|---------------------|
| Average Annual Wages (2008)                         | City of Boulder |          |          | Boulder County |                     |
| INDUSTRY  | 2008            | 2007     | % Change | 2008           | City as % of County |
| Government (Federal, State, Local)                  | \$49,039        | \$48,080 | 2.0%     | \$48,651       | 100.8%              |
| Construction  | \$47,769        | \$48,424 | -1.4%    | \$44,499       | 107.3%              |
| Health & social services                            | \$42,297        | \$41,204 | 2.7%     | \$43,965       | 96.2%               |
| Real estate & rental                                | \$40,408        | \$43,658 | -7.4%    | \$37,961       | 106.4%              |
| Other services                                      | \$36,821        | \$34,032 | 8.2%     | \$33,923       | 108.5%              |
| Administrative & waste services                     | \$34,174        | \$34,124 | .1%      | \$32,777       | 104.62              |
| Transportation & Warehousing                        | \$34,052        | \$32,518 | 4.7%     | \$34,754       | 98.0%               |
| Retail trade  | \$27,837        | \$27,609 | .8%      | \$26,704       | 104.2%              |
| Educational services**                              | \$25,221        | \$24,974 | 1.0%     | \$26,329       | 95.8%               |
| Arts, entertainment & recreation                    | \$20,306        | \$19,415 | 4.6%     | \$19,047       | 106.6%              |
| Accommodation & food services                       | \$17,255        | \$16,776 | 2.9%     | \$16,138       | 106.9%              |
| Utilities   | n/a             | n/a      | n/a      | \$70,531       | n/a                 |
| Mining  | n/a             | n/a      | n/a      | \$66,763       | n/a                 |
| Agriculture, Forestry, Fishing and Hunting          | n/a             | n/a      | n/a      | \$32,118       | n/a                 |
| Total   | \$54,861        | \$53,253 | 3.0%     | \$53,455       | 102.6%              |

Source: Colorado Department of Labor and Employment (QCEW 2007-2008), Business Research Division, University of Colorado  
Notes: \* Less than 0.5%. \*\* Does not include public universities or school districts. LQ = Location Quotient (indicator of concentration of employers in select industries based on comparison of local and national percentages). Agricultural, Forestry, Fishing & Hunting, Mining, and Utilities industries data not reported for the city of Boulder due to small population size. Self-employed and contract labor excluded.

## Commuting Patterns

**Boulder Employees** – Most of the individuals who are employed in the city of Boulder live within the county or in nearby communities.

- 63.5% of Boulder employees live in Boulder County, including 32% who live in the city of Boulder. (Source: 2006 Labor Shed Analysis, Colorado Department of Labor/Census Bureau)
- Approximately 20% of Boulder employees live in nearby communities (e.g., Broomfield, Westminster, Arvada, etc.) located in neighboring counties. (Source: 2008 Boulder Economic Council Employer Survey)

**Boulder Residents** – Boulder residents are more likely to work near home, have shorter commuting distances and commute times, and are much more likely to use alternative transportation to travel to work than the national norm. Nearly three-fourths of employed Boulder residents report they work in the city of Boulder; 85% work in Boulder County. Nearly half use alternative modes of transportation to get to work.

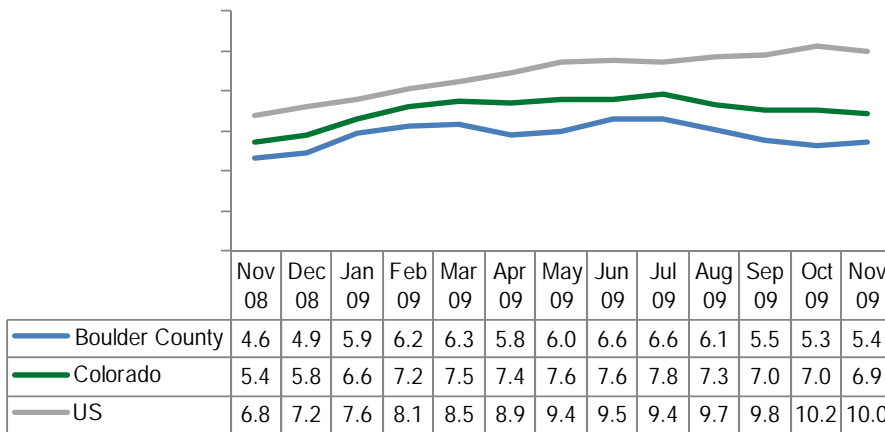
| Commuting to Work                         | City of Boulder Residents | Boulder County Residents | Colorado Residents | National Average |
|---|---------------------------|--------------------------|--------------------|------------------|
| Work in county of residence               | 84.7%                     | 79.4%                    | 66.1%              | 72.6%            |
| Work in place (city/town) of residence    | 73.1%                     | 42.7%                    | 37.3%              | 31.1%            |
| Mean travel time to work (minutes)        | 18.9                      | 21.3                     | 24.6               | 25.5             |
| Drive alone to work (car, truck, van)     | 53.6%                     | 67.1%                    | 73.7%              | 75.5%            |
| Public transportation (excluding taxicab) | 10.6%                     | 5.5%                     | 2.7%               | 5.0%             |
| Carpooled                                 | 6.9%                      | 8.5%                     | 3.4%               | 10.7%            |
| Walked                                    | 8.3%                      | 3.8%                     | 2.7%               | 2.8%             |
| Other (bicycle, etc.)                     | 11.0%                     | 5.0%                     | 2.6%               | 1.8%             |
| Worked at home                            | 9.6%                      | 10.1%                    | 6.3%               | 4.1%             |

Source: 2008 American Community Survey, Census Bureau

## Unemployment Rate

In November 2009 the unemployment rate in Boulder County was 5.4%. While the county's jobless rate has increased significantly over the past several months, it remains below the unemployment rate for Colorado (6.9%) and the US (10%).

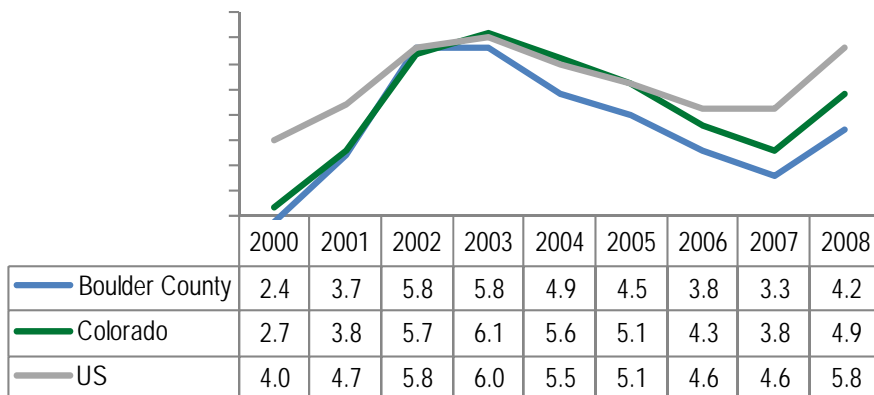
**Unemployment Rate: November 2008 - 2009**



Source: Bureau of Labor Statistics (Boulder County not seasonally adjusted)

The annual average unemployment rate for Boulder County has remained consistently lower than state and national rates since 2003. Over the past decade, jobless rates fell after peaking in 2002 and 2003. Rates increased through 2008 and into 2009.

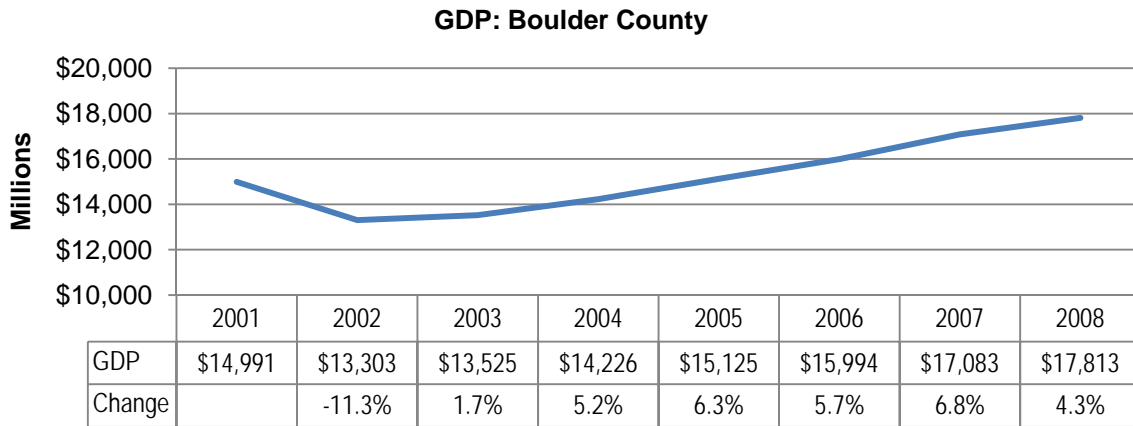
**Unemployment Rate: Annual Average 2000 - 2008**



Source: Colorado Department of Labor (Boulder County not seasonally adjusted)

## GDP

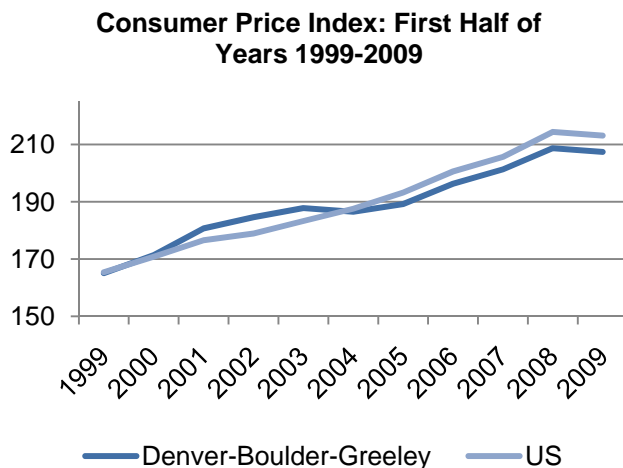
According to information from the Bureau of Economic Analysis, the gross domestic product for Boulder County increased 4.3% to \$17.8 billion in 2008. In 2001 dollars, the area experienced a 3.2% increase compared to national growth of 0.8%).



Source: Bureau of Economic Analysis

## Cost of Living

For the past several years, the cost of living in the Boulder area has increased at a rate below the national average. Between 2008 and 2009, the annual Consumer Price Index for the Denver-Boulder-Greeley area decreased by 0.6% (first half index, not seasonally adjusted).



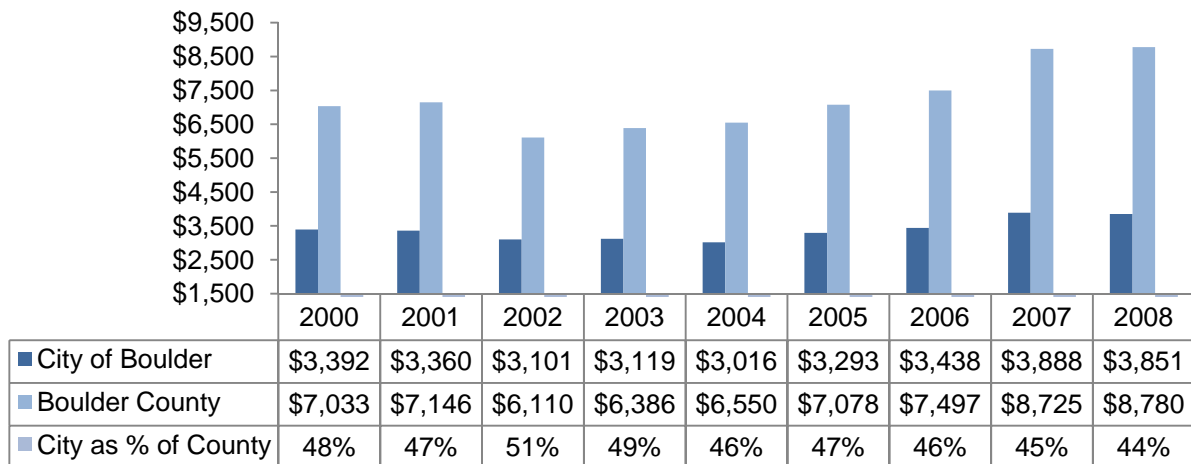
| <b>Consumer Price Index</b> |                        |       |       |       |
|-----------------------------|------------------------|-------|-------|-------|
| 1 <sup>st</sup> Half        | Denver-Boulder-Greeley |       | US    |       |
| 1999                        | 165.1                  |       | 165.4 |       |
| 2000                        | 171.4                  | 3.8%  | 170.8 | 3.3%  |
| 2001                        | 180.7                  | 5.4%  | 176.6 | 3.4%  |
| 2002                        | 184.6                  | 2.2%  | 178.9 | 1.3%  |
| 2003                        | 187.8                  | 1.7%  | 183.3 | 2.5%  |
| 2004                        | 186.5                  | -0.7% | 187.6 | 2.3%  |
| 2005                        | 189.2                  | 1.4%  | 193.2 | 3.0%  |
| 2006                        | 196.3                  | 3.8%  | 200.6 | 3.8%  |
| 2007                        | 201.3                  | 2.5%  | 205.7 | 2.5%  |
| 2008                        | 208.7                  | 3.7%  | 214.4 | 4.2%  |
| 2009                        | 207.4                  | -0.6% | 213.1 | -0.6% |

Source: Bureau of Labor Statistics, All items, not seasonally adjusted, 100=1982-1984

## Retail Sales

Retail sales in the city of Boulder represent 44% of sales in Boulder County. Retail sales in the city of Boulder decreased nearly 1% between 2007 and 2008, reflecting the economic downturn. Sales growth between 2006 and 2007 reflects the opening of the Twenty Ninth Street Shopping District in October 2006.

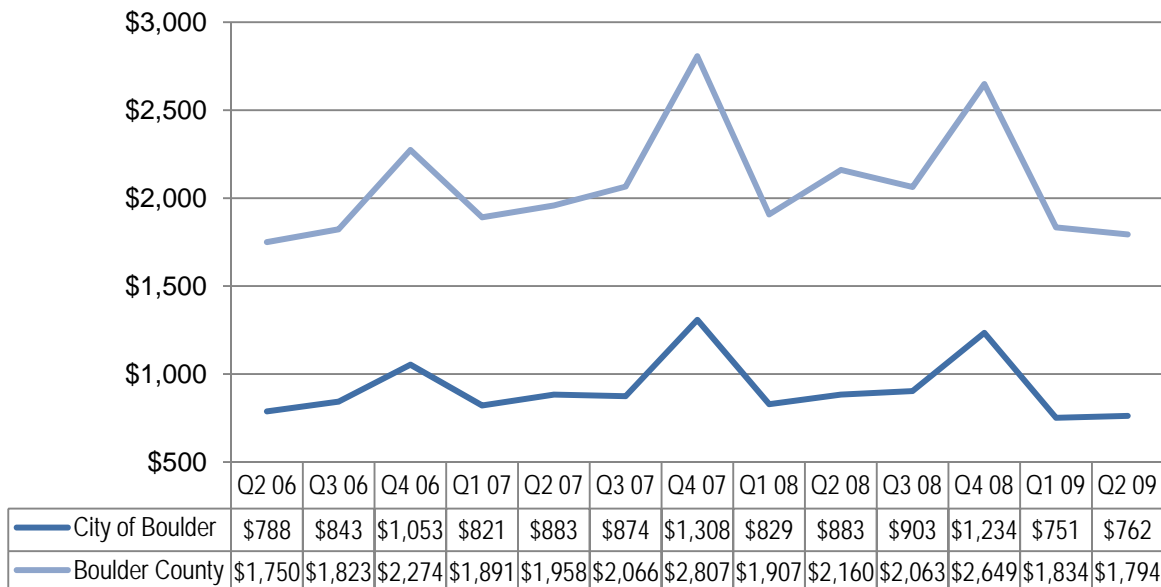
**Retail Sales: City of Boulder (\$millions)**



Source: Colorado Department of Revenue

Retail sales in the second quarter of 2009 were lower than the same quarter in 2008, but slightly higher than first quarter 2009 sales, reflecting a typical seasonal pattern.

**Retail Sales by Quarter: 2006 - 2009**



Source: Colorado Department of Revenue

## Commercial Real Estate

According to the Frederic Ross Company Boulder Market Report, there is approximately 7 million square feet of rentable office space, 6 million square feet of industrial/warehouse space, 4 million square feet of R&D/flex space, and 4 million square feet of retail space within the city of Boulder (excluding buildings smaller than 10,000 sq ft and exclude owner-occupied, government and medical buildings). Vacancy and lease rates vary by type of space and location within the city.

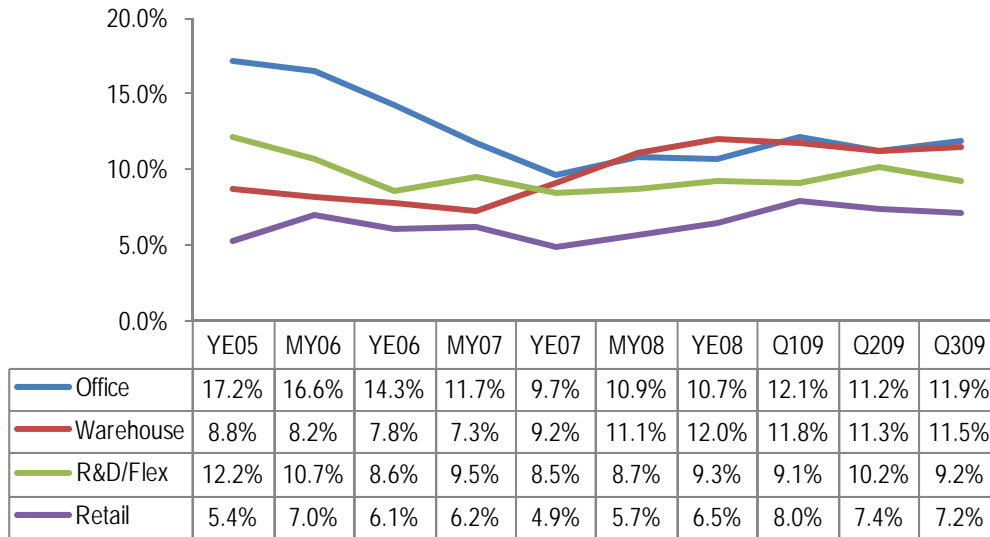
| <b>Commercial Market – Second Quarter 2009</b> |                 |                  |                     |  |
|--|-----------------|------------------|---------------------|--|
| <b>City of Boulder Total</b>                   | <b>Office</b>   | <b>Warehouse</b> | <b>R&amp;D/Flex</b> | <b>Retail</b>  |
| Total square feet                              | 7,043,662       | 6,366,710        | 4,249,370           | 4,336,007  |
| Vacant square feet                             | 839,571         | 735,013          | 389,233             | 313,969  |
| Vacancy rate                                   | 11.9%           | 11.5%            | 9.2%                | 7.2%   |
| Absorption                                     | (9,339)         | (19,441)         | 14,501              | (17,961)   |
| Lease rate (NNN)                               | \$7.50-\$23.00  | \$5.50-\$9.50    | \$6.50-\$11.00      | \$13.00-\$26.00  |
| Median rate (NNN)                              | \$13.96         |                  | \$9.50              |  |
| <b>Central</b>                                 | <b>Office</b>   | <b>Warehouse</b> | <b>R&amp;D/Flex</b> | <b>Retail</b>  |
| Total square feet                              | 2,075,489       | 1,054,809        | 592,412             | 2,663,315  |
| Vacancy rate                                   | 12.8%           | 13.6%            | 0%                  | 7.8%   |
| Lease rate (NNN)                               | \$11.00-\$20.00 | \$5.50-\$8.00    |                     | \$13.00-\$23.00 small strip<br>\$15.00-\$31.00 large strip |
| Median rate (NNN)                              | \$15.00         |                  |                     | \$17.50 small strip<br>\$25.00 large strip                 |
| <b>Downtown</b>                                | <b>Office</b>   | <b>Warehouse</b> | <b>R&amp;D/Flex</b> | <b>Retail</b>  |
| Total square feet                              | 1,621,032       | --               | --                  | 519,908  |
| Vacancy rate                                   | 11.9%           | --               | --                  | 2.1%   |
| Lease rate (NNN)                               | \$14.00-\$23.00 | --               | --                  | \$15.00-\$35.00 small strip                                |
| Median rate (NNN)                              | \$19.00         | --               | --                  | \$26.00 small strip  |
| <b>East</b>                                    | <b>Office</b>   | <b>Warehouse</b> | <b>R&amp;D/Flex</b> | <b>Retail</b>  |
| Total square feet                              | 1,900,012       | 2,774,269        | 1,833,330           | --   |
| Vacancy rate                                   | 10.1%           | 9.6%             | 9.2%                | --   |
| Lease rate (NNN)                               | \$9.50-\$14.00  | \$6.25-\$9.50    | \$8.00-\$11.00      | --   |
| Median rate (NNN)                              | \$11.95         |                  |                     | --   |
| <b>Gunbarrel</b>                               | <b>Office</b>   | <b>Warehouse</b> | <b>R&amp;D/Flex</b> | <b>Retail</b>  |
| Total square feet                              | 903,173         | 2,090,340        | 1,743,868           | 155,200  |
| Vacancy rate                                   | 14.8%           | 15.4%            | 12.6%               | 2.0%   |
| Lease rate (NNN)                               | \$7.50-\$12.00  | \$6.00-\$7.00    | \$6.50-\$9.50       | \$13.00-\$16.00 small strip                                |
| Median rate (NNN)                              | \$10.00         |                  |                     | \$14.25 small strip  |
| <b>North</b>                                   | <b>Office</b>   | <b>Warehouse</b> | <b>R&amp;D/Flex</b> | <b>Retail</b>  |
| Total square feet                              | 68,500          | 354,846          | 135,008             | 178,437  |
| Vacancy rate                                   | 0%              | 1.1%             | 0%                  | 5.0%   |
| Lease rate (NNN)                               | \$12.00-\$14.50 | n/a              | n/a                 | \$15.00-\$25.00 small strip                                |
| Median rate (NNN)                              | \$13.00         | n/a              | n/a                 | \$23.50 small strip  |
| <b>South</b>                                   | <b>Office</b>   | <b>Warehouse</b> | <b>R&amp;D/Flex</b> | <b>Retail</b>  |
| Total square feet                              | 499,416         | 92,446           | 24,446              | 819,147  |
| Vacancy rate                                   | 11.8%           | 0%               | 3.4%                | 10.1%  |
| Lease rate (NNN)                               | \$10.00-\$16.00 | n/a              | n/a                 | \$15.00-\$18.00 small strip<br>\$15.00-\$18.00 large strip |
| Median rate (NNN)                              | \$13.00         | n/a              | n/a                 | \$16.00 small strip<br>\$16.50 large strip                 |

Source: Frederick Ross Company, Ross Research Services, Boulder Market Report, Mid-Year 2009 (Excludes Longmont)

*Warehouse space: less than 30% finished space with lease rates usually in lower half of market; R&D/Flex space: 30% or more finished space with lease rates usually in upper half of market. Small strip centers: under 75,000 sq ft; no enclosed common area; Large strip centers: over 75,000 sq ft; no enclosed common area.*

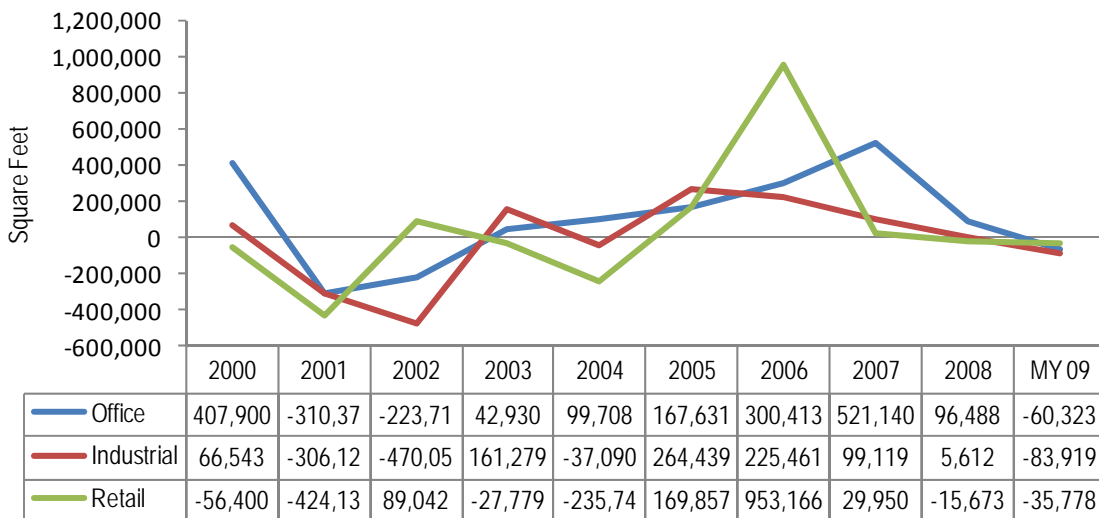
Vacancy rates for commercial space in the city of Boulder, while higher in 2009 than 2008, remain lower than 2005 and 2006. Between the second and third quarters of 2009, the vacancy rate for decreased in most categories.

### Vacancy Rates: City of Boulder



Source: Frederick Ross Company, Ross Research Services, Boulder Market Reports

### Absorption: City of Boulder



Source: Frederick Ross Company, Ross Research Services, Boulder Market Reports; Note: Absorption (defined as net increase or decrease in physically occupied space between two points in time) does not include space that is leased, but not occupied.

## Residential Real Estate

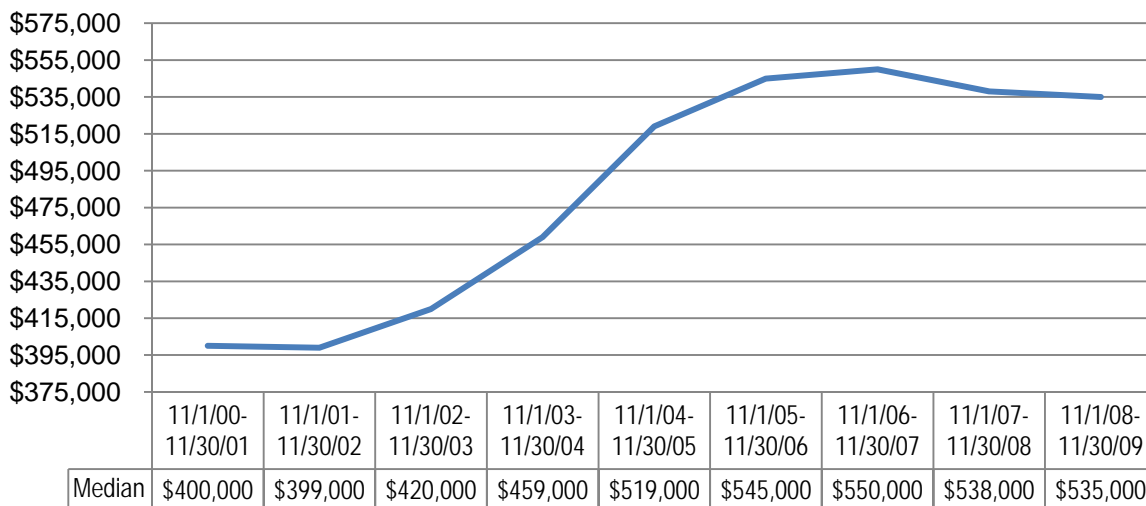
Over the 12-month period ending 11/30/09, a total of 529 single family homes were sold in the city of Boulder with a median sales price of \$535,000. A year-to-year comparison shows a significant decrease in sales activity (-32.5%), a small decrease in median price (-0.6%) and increase in average time on the market (9%).

| Single Family Homes, Boulder, CO | 11/1/07 to 11/30/08 | 11/1/08 to 11/30/09 | % Change |
|----------------------------------|---------------------|---------------------|----------|
| Median sales price               | \$538,000           | \$535,000           | -0.6%    |
| Total sold                       | 784                 | 529                 | -32.5%   |
| Average days to contract         | 68                  | 74                  | 8.8%     |

Source: Boulder Area Realtor Association (Note: represents homes sold in the city of Boulder during period listed)

The median price of homes sold in the city of Boulder rose steadily over the past several years before dropping in the past few months. Anecdotal information suggests the drop in median sales price reflects a slowdown in sales of high-end properties rather than a significant decline in area home values.

### Median Sales Price of Single Family Homes: Boulder, CO



Source: Boulder Area Realtor Association

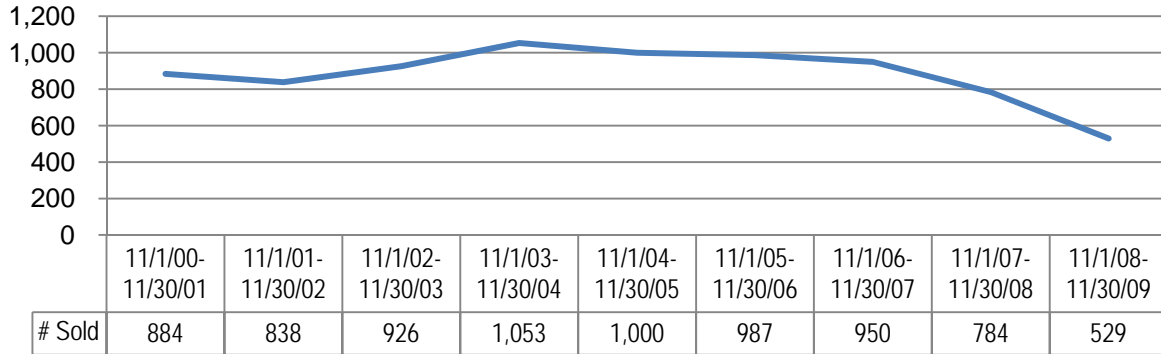
According to the Federal Housing Finance Agency's House Price Index December 2008 report, Boulder had the 17<sup>th</sup> highest rate of appreciation in the nation for the year. The index, based on repeat sales or refinancing of same single family properties, showed homes in the Boulder MSA increased by 2.99% between 2007 and 2008. Homes in the U.S. decreased an average of 3.41% in value over that same period.

| Single Family Home Rate of Appreciation | 2007 – 2008 | Q308 – Q408 | 5 year |
|---|-------------|-------------|--------|
| Boulder MSA                             | 2.99%       | .98%        | 16.00% |
| Colorado                                | -2.61%      | -3.04%      | 9.24%  |
| US                                      | -3.41%      | -8.24%      | 12.74% |

Source: Office of Federal Housing Enterprise Oversight, Federal Housing Finance Agency's House Price Index, December 2008

The number of single family homes sold in the city of Boulder has declined in the past two years after remaining fairly constant between 2004 and 2006.

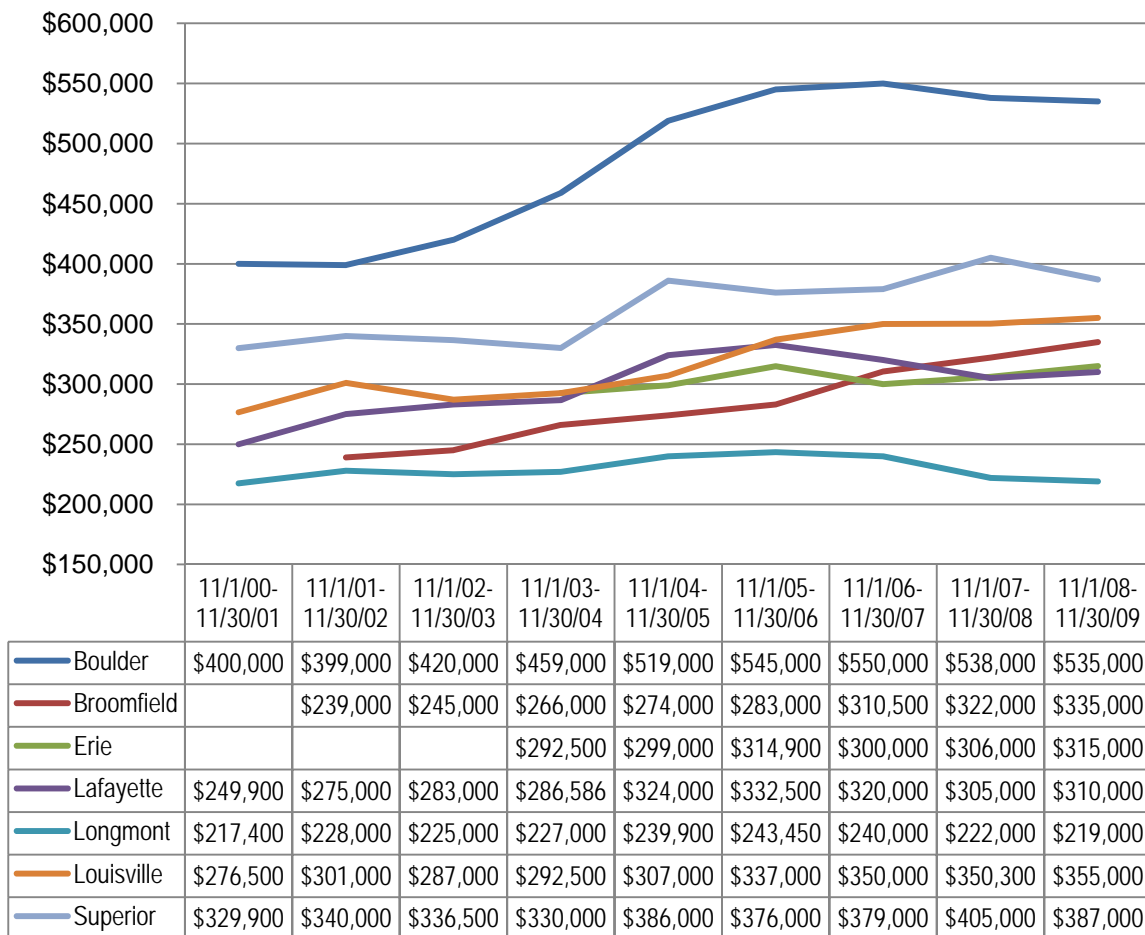
### Total Single Family Homes Sold: Boulder, CO



Source: Boulder Area Realtor Association

Median sales prices for single family homes sold in nearby communities have remained lower than in the city of Boulder.

### Median Sales Price of Single Family Homes Sold

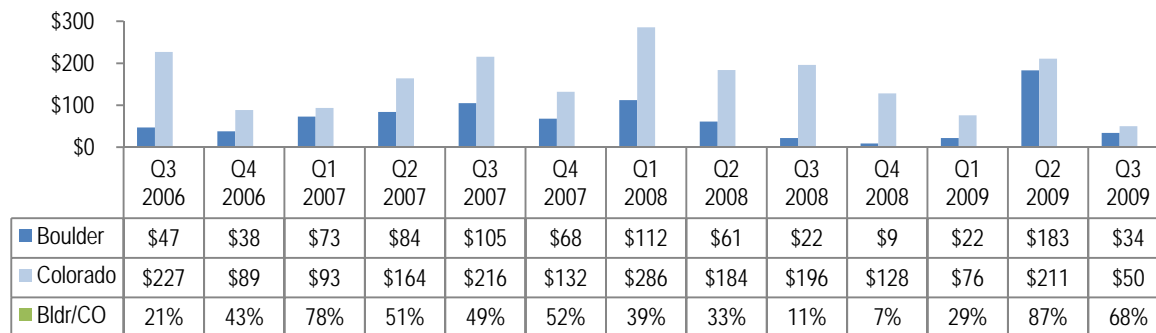


Source: Boulder Area Realtor Association

## Venture Capital Investment

A high concentration of advanced technology industries has helped fuel venture capital investment in firms located in Boulder. In third quarter 2009, companies in Boulder received \$34 million of VC investment (68% of state total) according to the Pricewaterhouse-Cooper/Venture Economics/NVCA MoneyTree™ Report. In second quarter 2009, Boulder-based Clovis Oncology, Inc. had the largest venture capital deal in the nation (\$146 million).

**Venture Capital Investment: City of Boulder and Colorado (\$millions)**



Source: PwC/NVCA MoneyTree™ Report, Boulder County Business Report

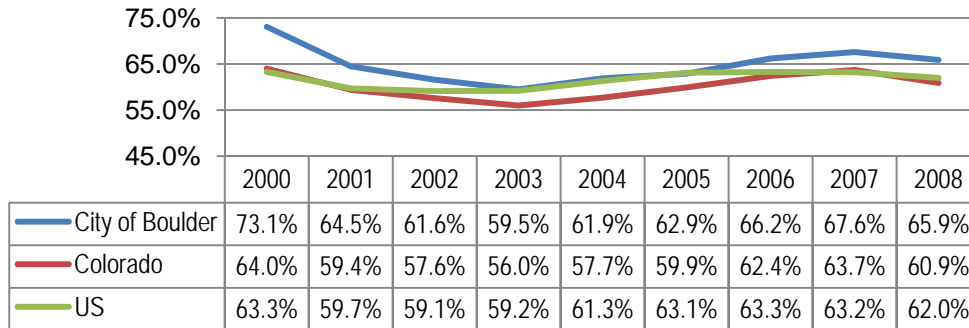
| <b>Venture Capital Investment: Boulder County Companies</b> |                 |                        |                                |
|---|-----------------|------------------------|--------------------------------|
| <b>Third Quarter 2009</b>                                   | <b>Location</b> | <b>Amount Invested</b> | <b>Industry</b>                |
| Aztek Networks, Inc   | Boulder         | \$10,050,000           | Networking and Equipment       |
| OneRiot Inc   | Boulder         | \$6,705,000            | Software                       |
| Pharmaca Integrative Pharmacy                               | Boulder         | \$6,555,100            | Retailing/Distribution         |
| Tri-US LLC  | Boulder         | \$6,000,000            | Consumer Products and Services |
| Copan Systems, Inc  | Longmont        | \$3,027,000            | IT Services                    |
| Mocapay, Inc  | Boulder         | \$3,000,000            | Software                       |
| Crosstrees Medical, Inc                                     | Boulder         | \$1,333,000            | Medical Devices & Equipment    |
| Next Big Sound, Inc   | Boulder         | \$18,000               | Software                       |
| <b>Total</b>  |                 | <b>\$36,688,100</b>    |                                |
| <b>Second Quarter 2009</b>                                  |                 | <b>Amount Invested</b> | <b>Industry</b>                |
| Clovis Oncology, Inc  | Boulder         | \$146,300,000          | Biotechnology                  |
| Tendril Networks, Inc                                       | Boulder         | \$19,150,000           | Networking and Equipment       |
| Miragen Therapeutics, Inc                                   | Boulder         | \$11,999,900           | Biotechnology                  |
| MediVance, Inc  | Louisville      | \$8,100,000            | Medical Devices & Equipment    |
| OPX Biotechnologies, Inc                                    | Boulder         | \$5,403,000            | Biotechnology                  |
| Rebit, Inc  | Longmont        | \$1,000,000            | Computers and Peripherals      |
| Vico Software, Inc  | Boulder         | \$667,000              | Software                       |
| Globelimmune, Inc   | Louisville      | \$571,000              | Biotechnology                  |
| <b>Total</b>  |                 | <b>\$193,190,900</b>   |                                |
| <b>First Quarter 2009</b>                                   | <b>Location</b> | <b>Amount Invested</b> | <b>Industry</b>                |
| Copan Systems, Inc  | Longmont        | \$18,500,000           | IT Services                    |
| OPX Biotechnologies, Inc                                    | Boulder         | \$12,096,900           | Biotechnology                  |
| BiOptix LLC   | Boulder         | \$3,068,000            | Biotechnology                  |
| Aztek Networks, Inc   | Boulder         | \$3,000,000            | Networking and Equipment       |
| Pharmaca Integrative Pharmacy, Inc                          | Boulder         | \$2,978,000            | Retailing/Distribution         |
| LogRhythm, Inc  | Boulder         | \$969,000              | Software                       |
| AgInfoLink Global, Inc                                      | Longmont        | \$669,900              | Software                       |
| <b>Total</b>  |                 | <b>\$41,281,800</b>    |                                |

Source: PwC/NVCA MoneyTree™; Boulder County Business Report

## Tourism

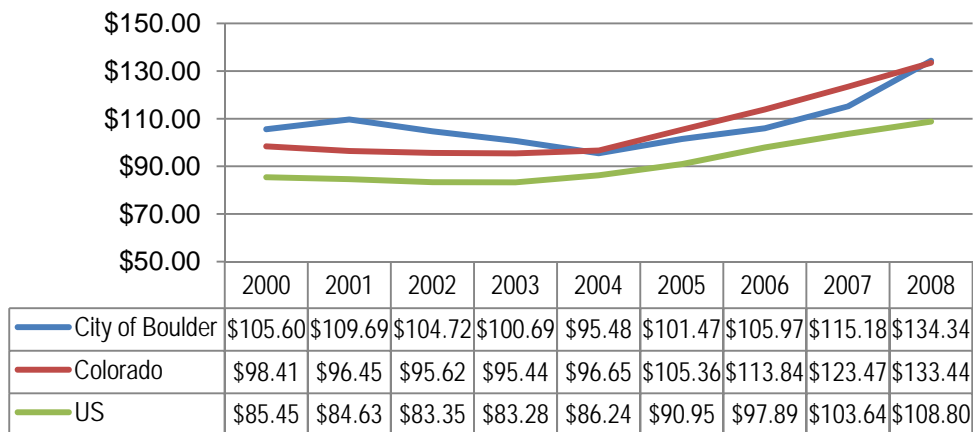
Tourism is the second biggest industry in Colorado and a significant contributor to the Boulder economy. In 2008, both the average hotel occupancy rate in the city (65.9%) and average daily rate (\$134.34) were higher than state and national averages.

### Average Occupancy Rate



Source: Boulder Convention and Visitors Bureau

### Average Daily Rate



Source: Boulder Convention and Visitors Bureau

In 2008, accommodations taxes collected totaled \$3,553,433, a 3.1% increase from 2007. Sales taxes collected on admissions increased 27.5% from 2007 to 2008, and retail sales tax revenues rose 8.1% in areas historically frequented by tourists.

| Net Sales Tax Receipts: City of Boulder |             |             |             |         |         |
|---|-------------|-------------|-------------|---------|---------|
| Category                                | 2006        | 2007        | 2008        | 2006-07 | 2007-08 |
| Accommodations Tax                      | \$3,064,738 | \$3,447,335 | \$3,553,433 | 12.5%   | 3.1%    |
| Admissions Tax                          | \$406,030   | \$430,397   | \$548,958   | 6.0%    | 27.5%   |

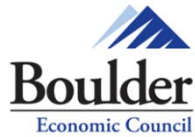
Source: City of Boulder Sales & use Tax Revenue Report

| Net Tax Receipts by Shopping Area: City of Boulder |             |             |             |         |         |
|--|-------------|-------------|-------------|---------|---------|
| Location   | 2006        | 2007        | 2008        | 2006-07 | 2007-08 |
| Downtown   | \$5,353,439 | \$5,705,896 | \$6,111,285 | 2.1%    | -4.4%   |
| 29 <sup>th</sup> Street                            | \$2,089,097 | \$5,241,661 | \$6,083,671 | 140.3%  | 18.0%   |
| Pearl Street Mall                                  | \$2,396,087 | \$2,475,085 | \$2,464,191 | 3.3%    | -2.0%   |
| University of Colorado                             | \$799,404   | \$943,484   | \$991,379   | 13.1%   | .8%     |
| UHGD ("the Hill")                                  | \$1,031,777 | \$1,102,088 | \$1,063,388 | 2.3%    | -5.1%   |

Source: City of Boulder Sales & Use Tax Revenue Report

## About the Boulder Economic Council

This report is an example of the information and support the Boulder Economic Council provides to local businesses and companies interested in relocating to Boulder.



The Boulder Economic Council, an affiliate of the Boulder Chamber, is a group of prominent business and community leaders committed to Boulder and its economic well-being. The council supports the healthy business sector necessary to sustain the cultural amenities, education, transit, open space and other facets of Boulder's outstanding quality of life.

The group helps lead the community in creating an economic vision and strategy that fosters business retention and growth. Boulder Economic Council members are uniquely positioned to help formulate major economic initiatives that shape Boulder's future by virtue of their individual standings in the community, knowledge of the market, familiarity with available resources and the collaborative relationships they have established. Council members and staff work to promote Boulder's economic vitality through work with both emerging and established enterprises.

Boulder Economic Council activities include working to retain Boulder's home-grown businesses that have helped to create the character of our community; supporting organizations that provide entrepreneurs with training, networking, mentoring and access to funding sources; creating a unified voice for a strong local economy through private/public partnerships; providing information and support for local businesses and companies interested in Boulder; and participating in regional and statewide economic initiatives.

### 2009 Boulder Economic Council Members

Amgen · Ball Corporation · Bernardi Real Estate Group · Boulder Area Realtor Association  
Boulder Chamber · Boulder Community Hospital Foundation · Boulder County Business Report  
CBIZ & Mayer Hoffman McCann PC · Celestial Seasonings · City of Boulder  
Colorado Lending Source · Communication Arts, Inc. · Covidien · Daily Camera · EKS&H  
Ellora Energy, Inc. · Elevations Credit Union · Faegre & Benson · Freeman Myre · Gibbons-White, Inc.  
Google, Inc. · Guaranty Bank & Trust · IBM Corporation · JP Morgan Chase · KPMG LLC  
HP – LeftHand Networks Division · Millennium Harvest House Hotel · OZ Architecture ·  
Palmos Development Corporation · Roche Colorado Corporation · Tebo Development Company  
Twenty Ninth Street – a Macerich Company · US Bank · United Western Bank · University of Colorado  
WW Reynolds Companies · Wells Fargo Bank · Wyatt Construction · Xcel Energy

### Boulder Economic Council Staff

Frances Draper, Executive Director; Jennifer Pinsonneault, Director of Research and Marketing

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| <p><i>Our Vision</i></p> <p><i>Establish Boulder as a nexus of creativity and innovation in business -- both emerging and established enterprises.</i></p> <p><i>Our Mission</i></p> <p><i>Grow, retain and attract businesses that reflect Boulder's values and contribute to our community's economic sustainability.</i></p> <p><i>Our Strategy</i></p> <p><i>Create partnerships and connections,</i></p> <p><i>Provide information and support,</i></p> <p><i>Serve as an advocate for Boulder's business community.</i></p> |
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