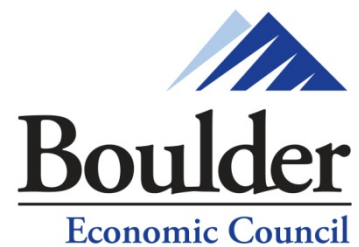


Economic Profile

Boulder, Colorado

August 2010



Economic Sustainability through Collaboration

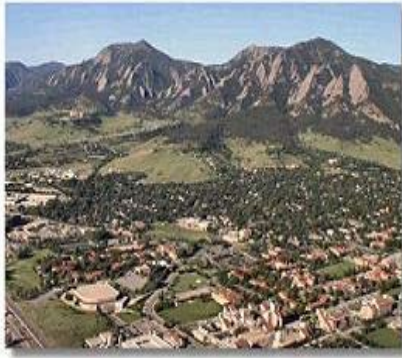
Boulder Economic Council
An affiliate of the Boulder Chamber
2440 Pearl Street
Boulder, CO 80302
303.442.1044
www.BoulderEconomicCouncil.org

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 303.938.2081 or www.bouldereconomiccouncil.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 the largest municipality in Boulder County, part of the seven-county Denver metro area and the only county in the Boulder-Longmont MSA (metropolitan statistical area).

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 103,606. 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.

City of Boulder	
2010 Population*	103,606
2010 Housing Units	43,878

Source: City of Boulder Planning Department

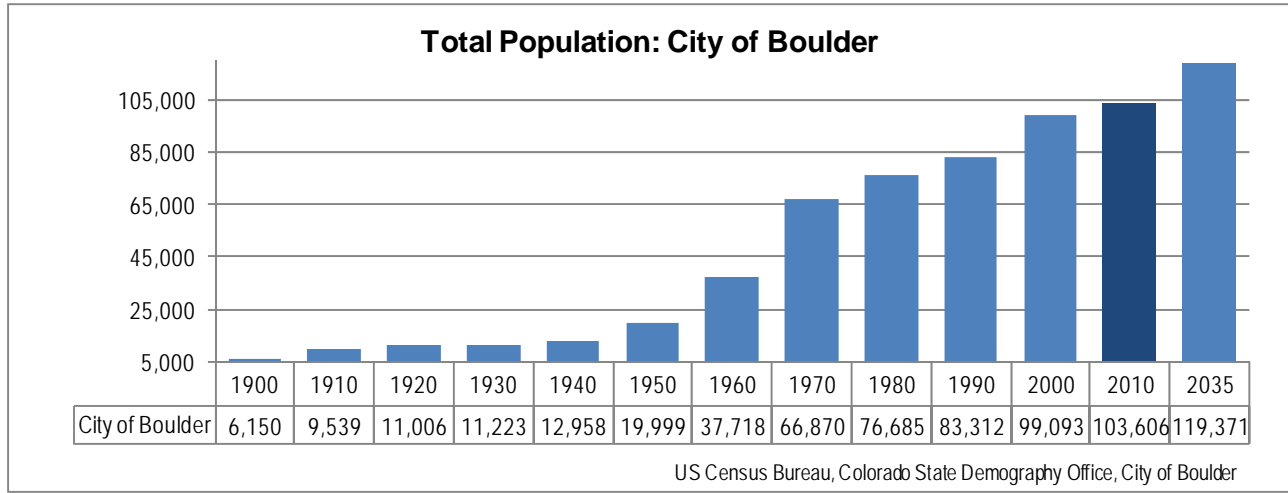
*Population estimate includes CU students living in Boulder either on- or off-campus. CU Boulder estimates indicate approximately 76% of students live in the city of Boulder.

University of Colorado at Boulder Enrollment (included in population numbers above)	
Fall 2009 Enrollment	30,196
Students living in Boulder (estimate includes students living on campus)	22,949

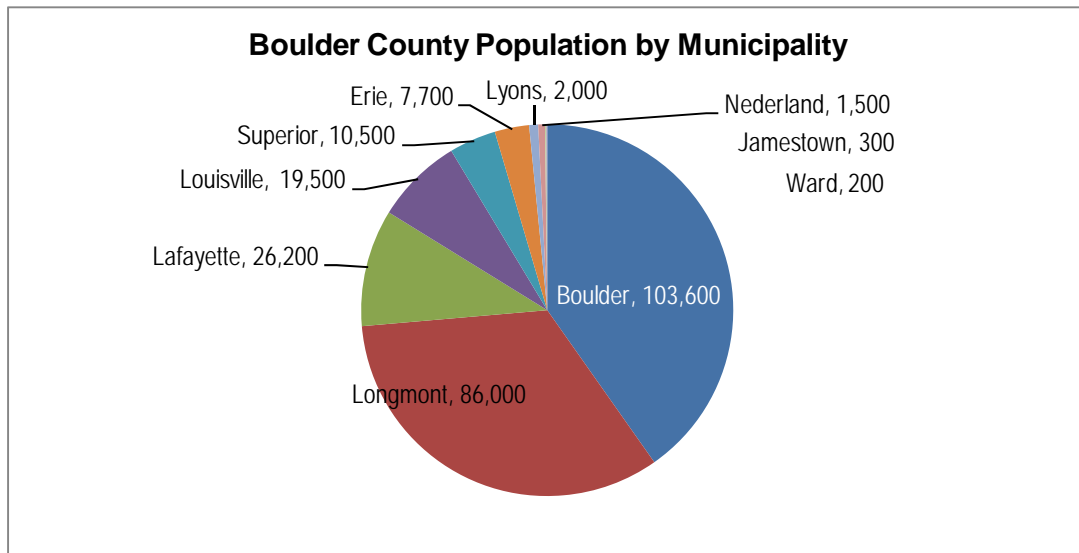
Source: University of Colorado

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 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 2010, the city’s population growth slowed to less than .5% per year. The city’s population is expected to grow by roughly 15% over the next 25 years.



Boulder is the largest city in the Boulder MSA (Boulder County) with roughly one-third of the county’s population, currently estimated at 305,268 residents.



Between 1970 and 2000, Boulder County’s population increased from 131,889 to 291,288 for an average annual growth rate of 4.0%. From 2000 to 2010, the county’s population growth slowed to approximately .5% per year and is expected to grow by roughly 28% over the next 25 years to nearly 390,000.

Boulder is the 11th largest city in Colorado, with approximately two percent of Colorado’s population, currently estimated at 5,171,798 residents. State population increased by 3.2% a year between 1970 and 2000 (2,209,596 to 4,301,261). From 2000 to 2010, the state’s population growth slowed to approximately 2% per year. Colorado’s population is expected to grow to 7,699,126 (49%) over the next 25 years.

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>.

2008 Demographic Snapshot

Population Characteristics	City of Boulder	Boulder County	Colorado	US
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

*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
Biotech
Clean Tech/Renewable energy and energy research
Computer storage and peripherals
Nanotechnology
Natural and organic products
Outdoor products and active living
Photonics
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
City of Boulder
UCAR

500-999 employees

InfoPrint Solutions
Crispin Porter + Bogusky
Whole Foods
Lockheed Martin

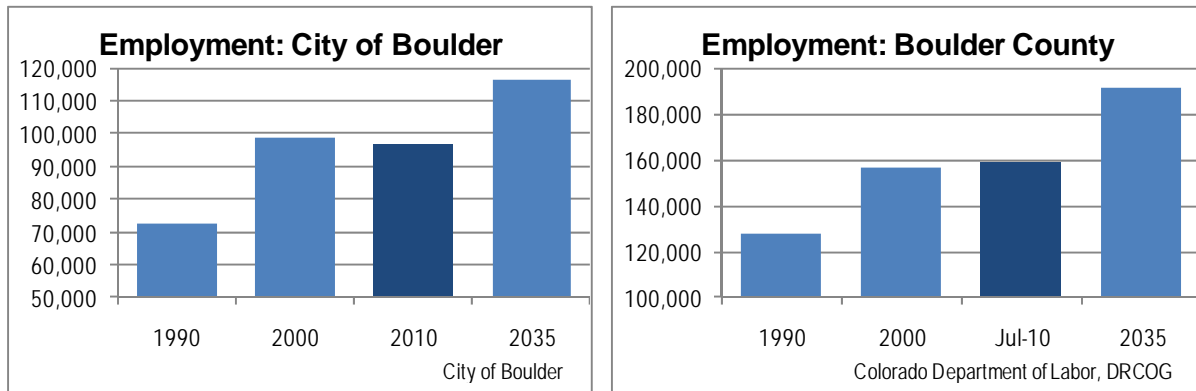
200-499 employees

NOAA
Amgen
Emerson Process Management/Micro Motion
Wall Street on Demand
Array BioPharma
Naropa Institute
NIST
Polycom
Crocs
Roche Colorado Corporation
Spectra Logic
Celestial Seasonings
Research Electro Optics Inc
Ericsson
Cisco Systems
YMCA of Boulder Valley

Employment & Growth

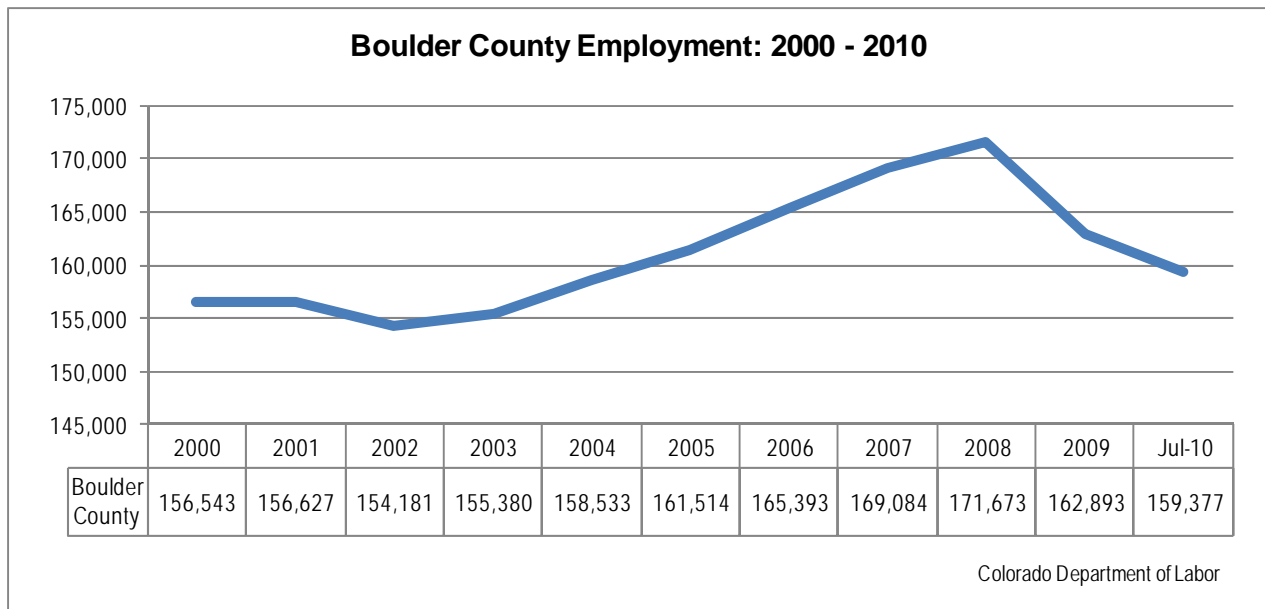
The city of Boulder is an important employment center for Boulder County, representing approximately 56% of the individuals employed in the county.

According to the City of Boulder's latest estimates, there are approximately 96,800 individuals employed in Boulder and employment in the city is expected to increase to 116,230 (+20%) over the next 25 years. Colorado Department of Labor estimates indicate there are nearly 160,000 employed in Boulder County. Over the next 25 years, county employment is expected to grow to more than 190,000 for an increase of 17.7%.



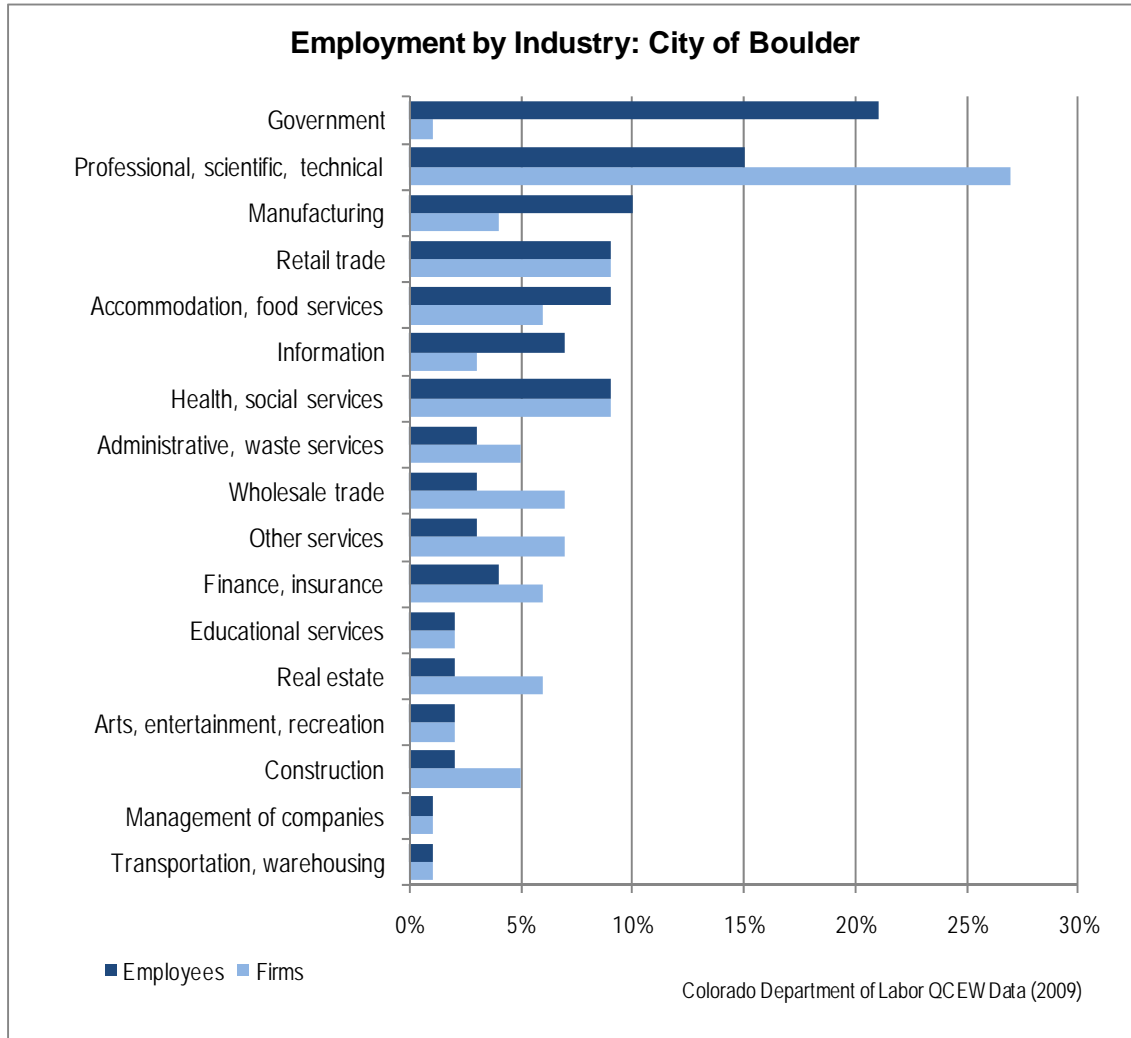
Between 1990 and 2000, employment in the city increased from 72,691 to 98,858 for an average annual increase of 1.8% and county employment increased from 127,654 to 156,543 for an average annual increase of 2.2%.

Over the past decade, Boulder County employment fell between after 2001 and then steadily rose from 2002 to 2008 before dropping in 2009 and 2010.



Employment by Industry

The largest percent of employers (27%) in the city of Boulder are in the Professional, Scientific and Technical Services industry (2.39 times the national average). The largest percent of workers (21%) are employed by the University of Colorado, federal research facilities or other governmental entities.



Employment by Industry: City of Boulder					
	# Employees	% of Employees	# Firms	% of Firms	Average Wages
Government (includes public universities and schools)	18,582	21%	36	1%	\$51,525
Professional, Scientific, and Tech Services	13,003	15%	1,789	27%	\$80,898
Manufacturing	8,564	10%	268	4%	\$75,941
Accommodation and Food Services	8,278	9%	403	6%	\$17,405
Health Care and Social Assistance	7,731	9%	618	9%	\$43,108
Retail Trade	7,593	9%	604	9%	\$27,975
Information	6,595	7%	220	3%	\$92,780
Finance and Insurance	3,154	4%	385	6%	\$79,259
Other Services	2,683	3%	495	7%	\$37,453
Administrative and Waste Mgmt Services	2,670	3%	300	5%	\$35,989

Employment by Industry (Continued)	# Employees	% of Employees	# Firms	% of Firms	Average Wages
Wholesale Trade	2,594	3%	438	7%	\$70,840
Arts, Entertainment, and Recreation	1,641	2%	128	2%	\$19,821
Construction	1,516	2%	343	5%	\$46,154
Real Estate and Rental and Leasing	1,343	2%	382	6%	\$40,377
Educational Services	1,337	2%	139	2%	\$26,902
Transportation and Warehousing	633	1%	43	1%	\$41,777
Management of Companies and Enterprises	410	1%	55	1%	\$90,347
TOTAL – City of Boulder (2009)	88,638	100%	6,675	100%	\$54,924

Source: Colorado Department of Labor and Employment (OCEW 2009), Business Research Division, University of Colorado Notes: Location Quotient is an indicator of concentration of employment 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.

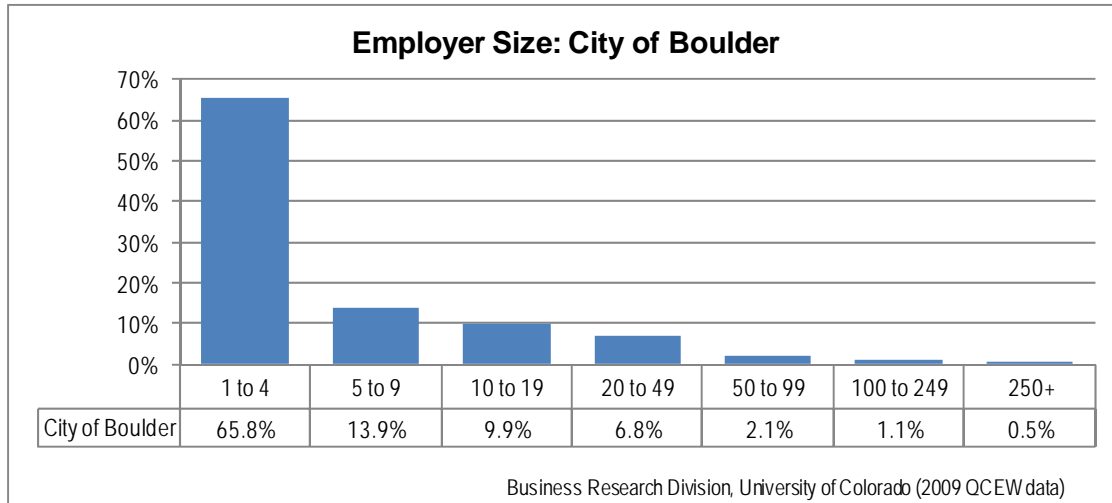
A comparison of employment by industry for the city of Boulder, Boulder County and Colorado shows the Boulder area has higher than average concentrations of workers in the Information, Professional, Scientific and Technical Services; Arts, Entertainment and Recreation; Accommodation and Food Services; and Manufacturing industries.

Employment by Industry: City, County and State						
	City of Boulder Employees/LQ		Boulder County Employee/LQ		Colorado Employees/LQ	
Government (includes public universities and schools)	18,582	1.2	25,832	1.0	372,472	1.0
Professional, Scientific, and Tech Services	13,003	2.5	21,387	2.4	169,561	1.3
Manufacturing	8,564	1.1	15,335	1.1	129,635	.6
Accommodation and Food Services	8,278	1.1	14,080	1.1	217,785	1.1
Health Care and Social Assistance	7,731	.7	17,585	.9	225,933	.8
Retail Trade	7,593	.8	15,521	.9	238,417	1.0
Information	6,595	3.4	8,780	2.6	74,679	1.6
Finance and Insurance	3,154	.81	4,998	.8	100,856	1.0
Other Services	2,683	.9	4,337	.8	65,701	.9
Administrative and Waste Mgmt Services	2,670	.5	5,651	.7	132,028	1.1
Wholesale Trade	2,594	.7	4,920	.7	93,275	1.0
Arts, Entertainment, and Recreation	1,641	1.2	2,663	1.2	44,555	1.4
Construction	1,516	.4	4,523	.6	131,001	1.3
Real Estate and Rental and Leasing	1,343	1.0	2,149	.9	42,930	1.3
Educational Services	1,337	.8	2,003	.7	28,049	.7
Transportation and Warehousing	633	.2	1,061	.2	59,072	.9
Management of Companies and Enterprises	410	.3	994	.5	28,550	.9
Mining (includes oil and gas extraction)	n/a	n/a	485	.6	24,004	2.2
Agriculture, Forestry, Fishing and Hunting	n/a	n/a	355	.3	13,737	.7
Utilities	n/a	n/a	242	.4	8,404	.9
Total (2009)	88,638		152,901		2,200,644	

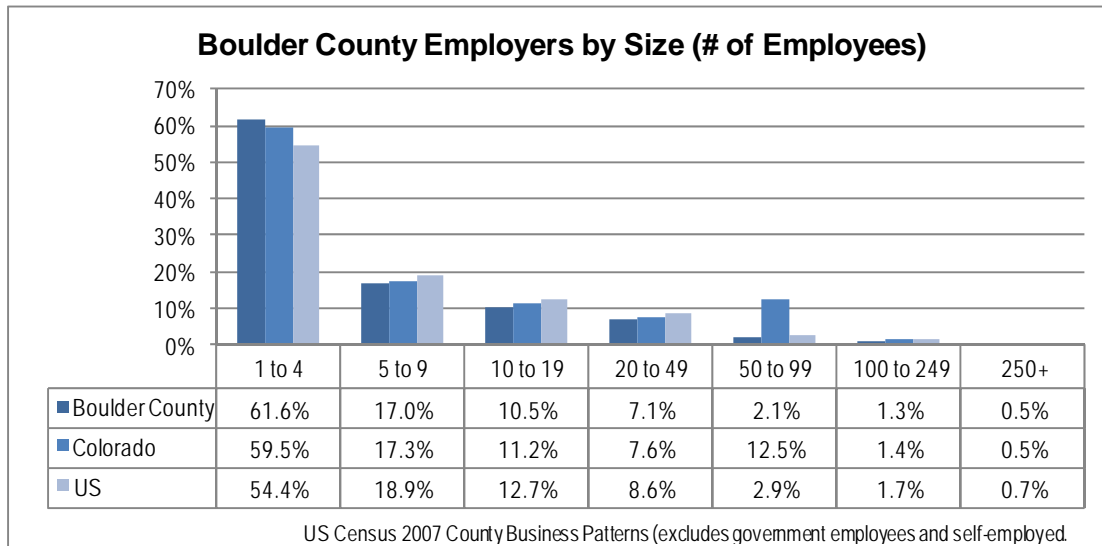
Source: Colorado Department of Labor and Employment (OCEW 2009), Business Research Division, University of Colorado Notes: Location Quotient is an indicator of concentration of employment in select industries based on comparison of local and national percentages. Agricultural, Forestry, Fishing & Hunting, Mining, and Utilities industries data not reported for the city of Boulder due to small population size. Self-employed and contract labor excluded.

Employer Size

The vast majority of employers in the city of Boulder are small businesses. Eight in ten have fewer than ten employees. Ninety-six percent have fewer than 50 employees and 98% have fewer than 100 employees.



Data from the Census Bureau's latest County Business Patterns report shows a similar distribution of employers by size for Boulder County, Colorado and the US.



Average Wages

The average annual wages for employees in the city of Boulder (excluding self-employed and contract labor) is \$54,924 and varies widely by industry. Average wages range from a low of \$17,405 for the Accommodation and Food Services industry to a high of \$92,780 for the Information industry. Other industries that pay higher than average wages include Management of Companies and Enterprises; Professional, Scientific, and Technical Services; Finance and Insurance, Manufacturing, and Wholesale Trade.

Average Annual Wages by Industry: City of Boulder, Boulder County and Colorado						
Note: includes both full- and part-time workers	City of Boulder Average Wage/LQ		Boulder County Average Wage/LQ		Colorado Average Wage/LQ	
Information	\$92,780	3.68	\$90,194	2.90	\$77,613	1.60
Management of Companies and Enterprises	\$90,347	.26	\$82,405	.40	\$116,401	1.10
Professional, Scientific, and Tech Services	\$80,898	2.26	\$84,208	2.40	\$77,599	1.30
Finance and Insurance	\$79,259	.67	\$70,517	.60	\$68,767	.90
Manufacturing	\$75,941	1.21	\$71,165	1.20	\$58,019	.70
Wholesale Trade	\$70,840	.65	\$72,052	.80	\$65,469	1.00
Government (includes public universities and schools)	\$51,525	1.12	\$49,632	.90	\$47,062	1.0
Construction	\$46,154	.29	\$42,749	.50	\$47,825	1.20
Health Care and Social Assistance	\$43,108	.58	\$45,587	.90	\$44,248	.80
Transportation and Warehousing	\$41,777	.19	\$38,087	.20	\$41,839	.80
Real Estate and Rental and Leasing	\$40,377	.78	\$38,019	.70	\$40,858	1.20
Other Services	\$37,453	.96	\$34,126	.90	\$32,719	1.00
Administrative and Waste Mgmt Services	\$35,989	.50	\$33,135	.60	\$33,240	1.10
Retail Trade	\$27,975	.67	\$26,836	.80	\$26,694	.90
Educational Services	\$26,902	.43	\$27,445	.40	\$36,756	.60
Arts, Entertainment, and Recreation	\$19,821	.64	\$18,530	.60	\$30,455	1.30
Accommodation and Food Services	\$17,405	.94	\$16,298	.90	\$17,192	1.10
Utilities	n/a	n/a	\$77,165	.30	\$79,228	.80
Mining (includes oil and gas extraction)	n/a	n/a	\$59,565	.40	\$90,185	2.20
Agriculture, Forestry, Fishing and Hunting	n/a	n/a	\$29,883	.30	\$28,615	.80
Total	\$54,924		\$52,433		\$46,861	

Source: Colorado Department of Labor and Employment (OCEW 2009), Business Research Division, University of Colorado Notes: Location Quotient is an indicator of concentration 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.

In the Boulder area, Management occupations earn the highest annual average wages. Legal, Computer and Mathematical science; Architecture and Engineering; Life, Physical and Social Science; Business and Financial Operations; and Healthcare Practitioner occupations also earn higher than average wages.

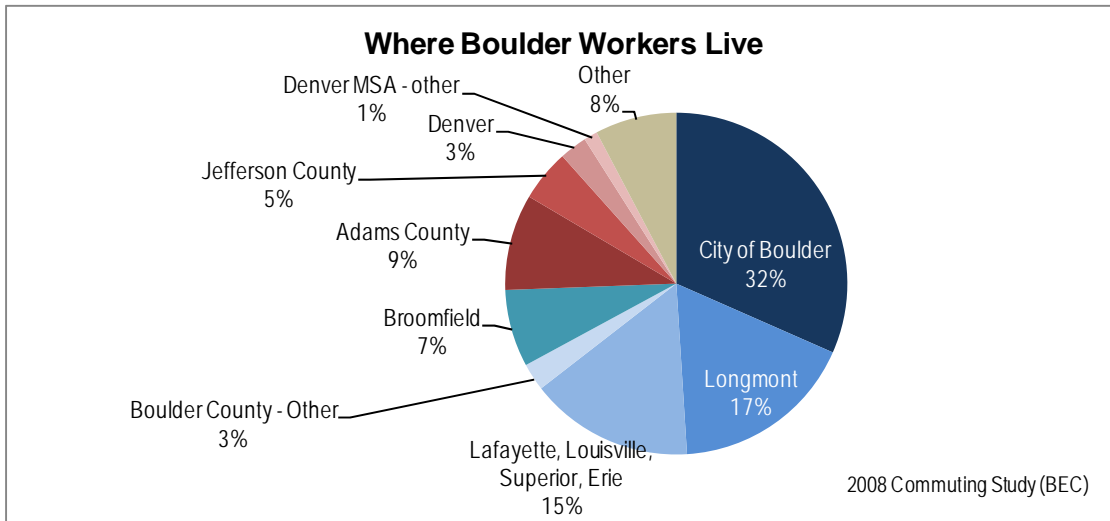
Average Annual Wages by Occupation: Boulder County, Colorado and US			
Mean Annual Wage (May 2009)	Boulder County	Colorado	US
Management Occupations	\$114,860	\$102,560	\$102,900
Legal Occupations	\$92,400	\$94,020	\$95,820
Computer and Mathematical Science Occupations	\$89,500	\$81,830	\$76,290
Architecture and Engineering Occupations	\$87,600	\$79,700	\$73,590
Life, Physical and Social Science Occupations	\$81,610	\$69,180	\$65,660
Business and Financial Operations Occupations	\$77,570	\$67,950	\$65,900
Healthcare Practitioner and Technical Occupations	\$76,690	\$71,520	\$69,690
Education, Training and Library Occupations	\$51,080	\$47,580	\$49,530
Arts, Design, Entertainment, Sports and Media Occupations	\$50,700	\$49,250	\$51,720
Installation, Maintenance, and Repair Occupations	\$44,340	\$43,550	\$42,210
Protective Service Occupations	\$44,150	\$43,570	\$41,740
Sales and Related Occupations	\$42,910	\$39,190	\$36,020
Construction and Extraction Occupations	\$41,930	\$42,050	\$43,350
Community and Social Services Occupations	\$41,330	\$41,470	\$42,750
Transportation and Material Moving Occupations	\$36,670	\$33,870	\$32,180
Office and Administrative Support Occupations	\$35,710	\$34,850	\$32,990
Production Occupations	\$35,590	\$34,000	\$33,290
Healthcare Support Occupations	\$31,740	\$29,550	\$26,710

Average Annual Wage by Occupation (Continued)	Boulder County	Colorado	US
Farming, Fishing, and Forestry Occupations	\$30,080	\$26,770	\$23,990
Personal Care and Service Occupations	\$29,130	\$26,220	\$24,680
Building and Grounds Cleaning and Maintenance Occupations	\$27,540	\$24,880	\$24,970
Food Preparation and Serving Related Occupations	\$23,110	\$21,920	\$20,880
All Occupations	\$53,640	\$45,990	\$43,460

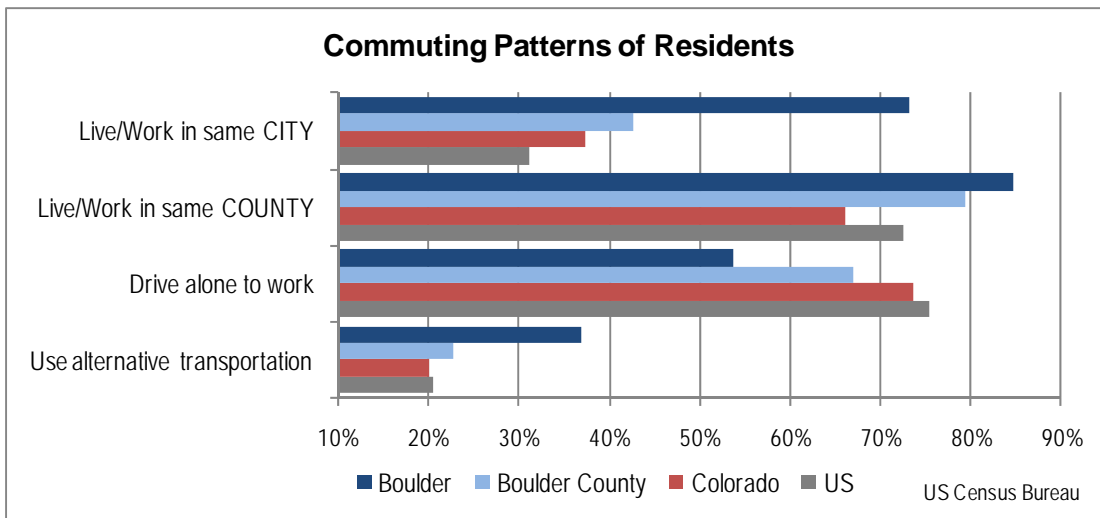
Source: Bureau of Labor Statistics

Commuting Patterns

Boulder Employees – Nearly three-fourths of the individuals who are employed in the city of Boulder live in Boulder County (67%) or Broomfield County (7%). One in three (32%) live in the city of Boulder.



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 average. According to US Census data, 85% of employed city of Boulder residents work within Boulder County including 73% who work in the city of Boulder. Almost half (46%) use alternative modes of transportation to get to work, nearly twice the national average (24%).

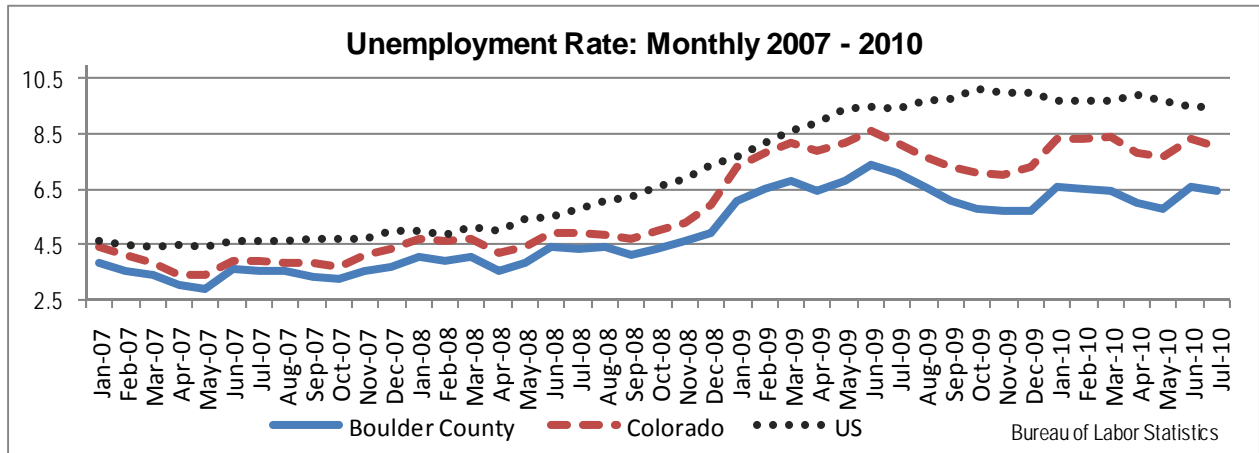


Commuting to Work	City of Boulder Residents	Boulder County Residents	Colorado Residents	National Average
Work in county of residence	84.7%	79.4%	66.1%	72.6%
Work in place (city/town) of residence	73.1%	42.7%	37.3%	31.1%
Mean travel time to work	18.9 minutes	21.3 minutes	24.6 minutes	25.5 minutes
Drive 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%

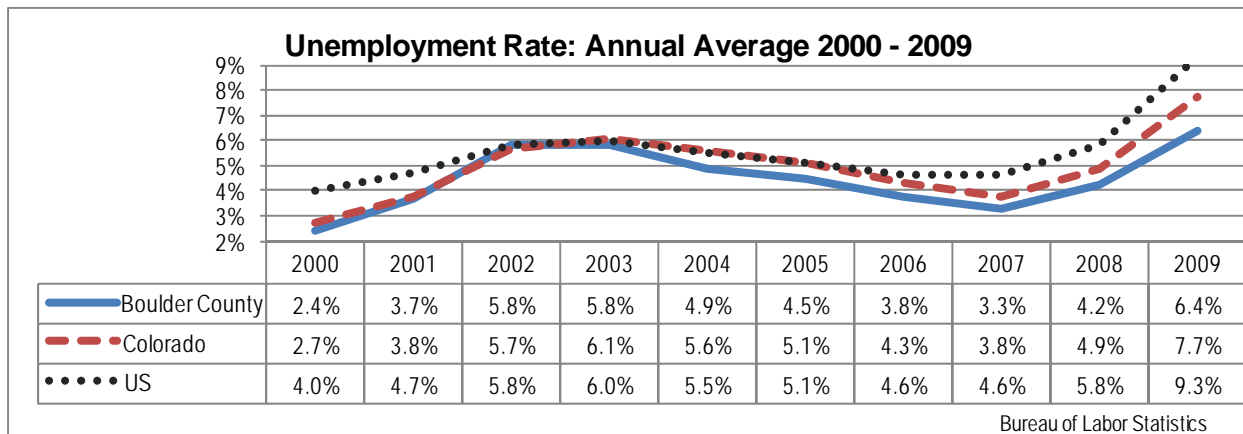
Source: 2008 American Community Survey, US Census Bureau

Unemployment Rate

The unemployment rate in Boulder County has increased since late 2007, reflecting the economic downturn. However, it has remained below state and national rates.

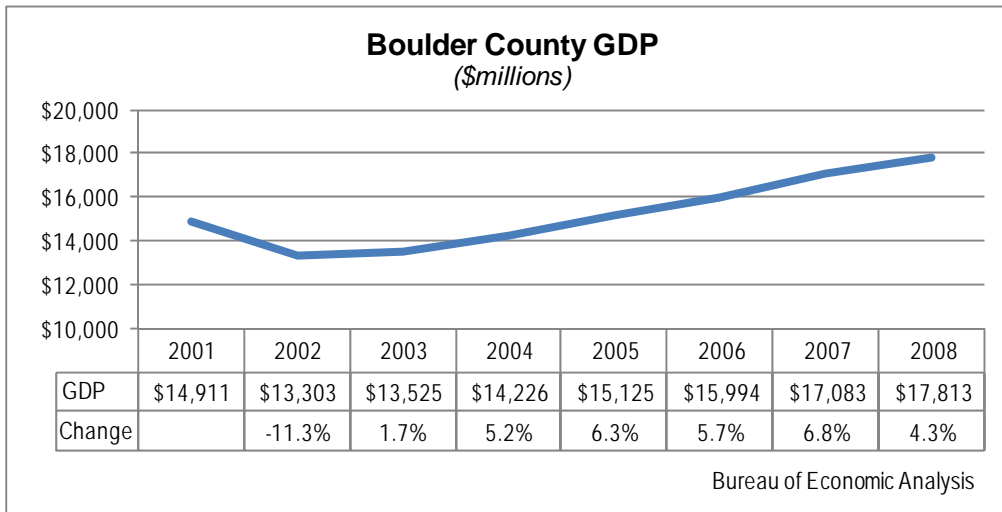


After rising in 2002, Boulder County's unemployment rate fell in 2004 through 2007 before increasing in 2008 and 2009.



GDP

According to the most recent information available 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%.

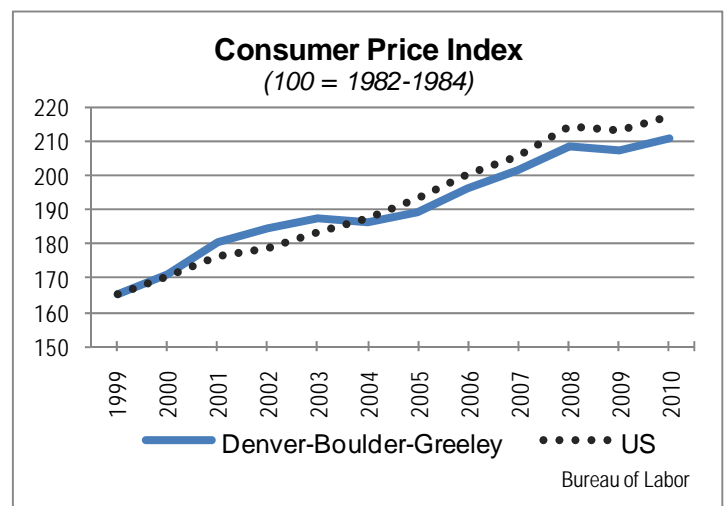


Cost of Living

For the past several years, the cost of living in the Boulder area has increased at a lower rate than the national average. The Denver-Boulder-Greeley area Consumer Price Index increased by 1.7% from mid-year 2009 to 2010 compared to an average national increase of 2.1%.

Consumer Price Index				
1 st 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%
2010	211.0	+1.7%	217.5	+2.1%

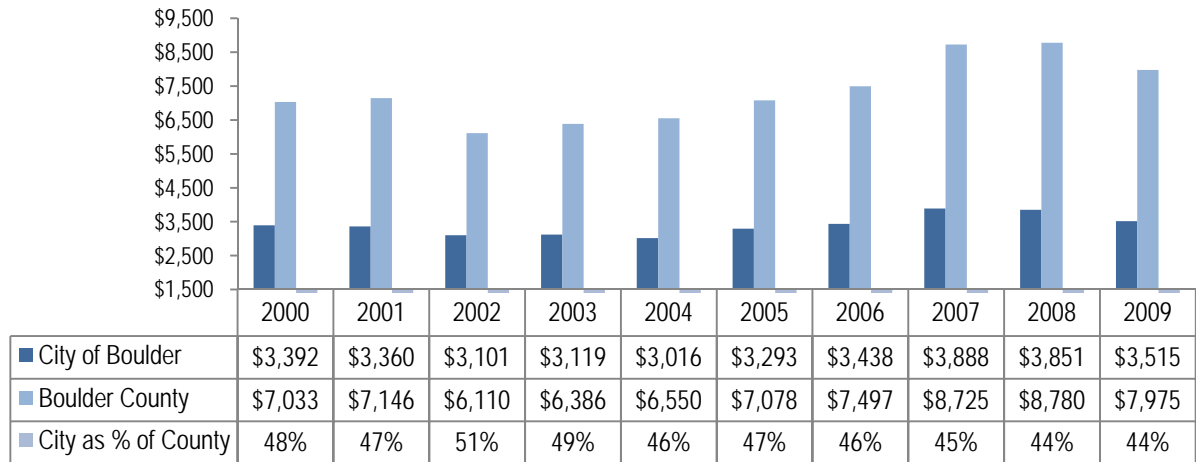
Source: Bureau of Labor Statistics, All items, not seasonally adjusted, 100=1982-1984



Retail Sales

Retail sales in the city of Boulder represent 44% of sales in Boulder County. Between 2008 and 2009, the city's retail sales continued to reflect the economic downturn with a decrease of 8.7%.

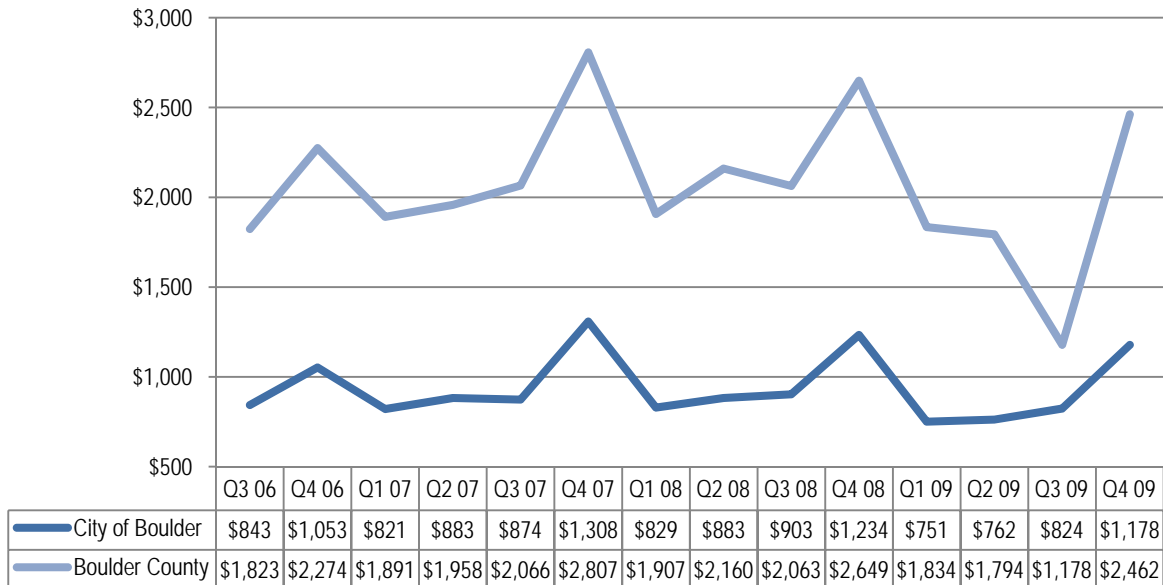
Retail Sales: City of Boulder (\$millions)



Colorado Department of Revenue

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

Retail Sales by Quarter: 2006 - 2009



Colorado Department of Revenue

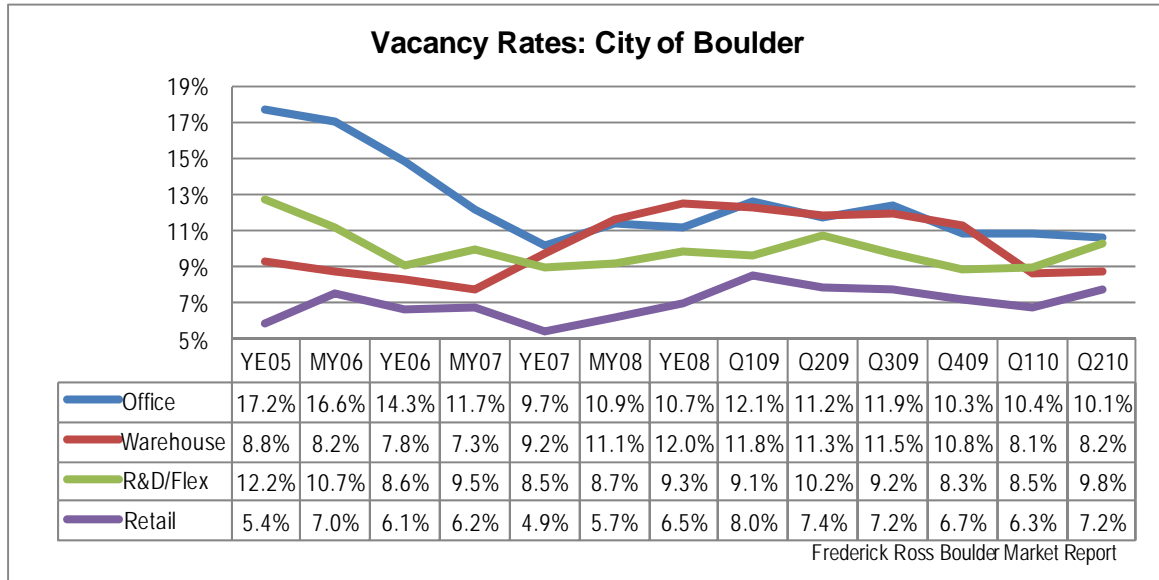
Commercial Real Estate

According to the Frederick Ross Company Boulder Market Report, there is approximately 6.7 million square feet of rentable office space, 6.2 million square feet of industrial/warehouse space, 4.5 million square feet of R&D/flex space, and 4.4 million square feet of retail space within the city of Boulder (excluding buildings smaller than 10,000 sq ft and owner-occupied, government and medical buildings). Vacancy and lease rates vary by space location and type.

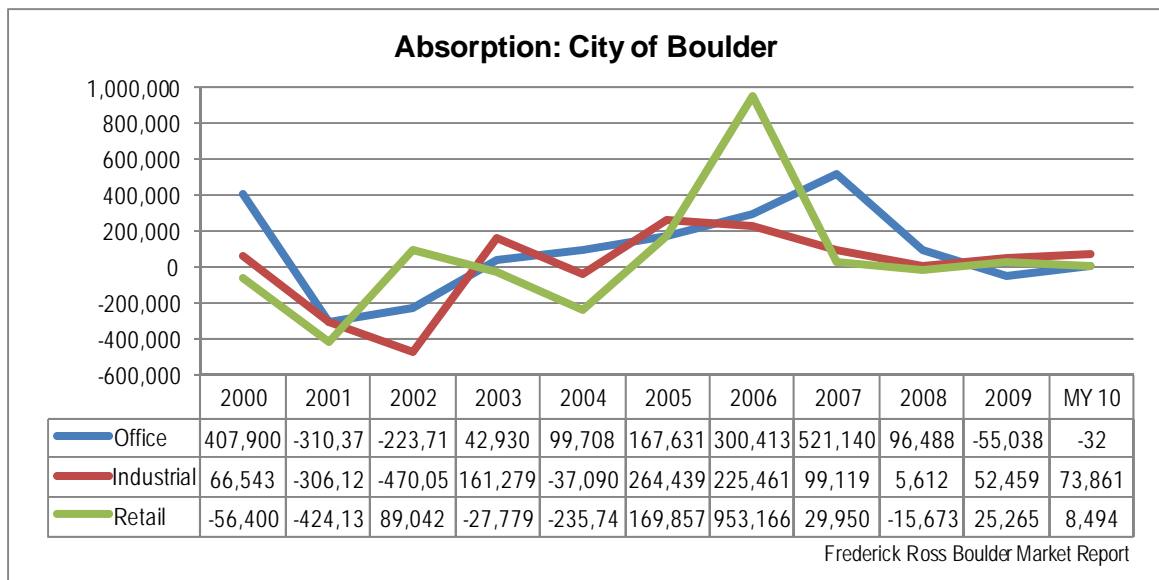
Commercial Market – Second Quarter 2010				
City of Boulder Total	Office	Warehouse	R&D/Flex	Retail
Total square feet	6,784,454	6,223,234	4,540,811	4,458,569
Vacant square feet	682,342	511,055	446,706	321,885
Vacancy rate	10.1%	8.2%	9.8%	7.2%
Absorption	(32)	117,469	(21,763)	8,494
Lease rate (NNN)	\$7.50-\$22.00	\$4.95-\$9.50	\$6.00-\$12.50	\$11.00-\$38.00
Median rate (NNN)	\$12.67	\$6.60	\$8.31	\$19.89
Central	Office	Warehouse	R&D/Flex	Retail
Total square feet	1,995,821	943,699	761,377	2,591,161
Vacancy rate	10.8%	7.8%	16.0%	8.3%
Lease rate (NNN)	\$11.00-\$18.00	\$6.00-\$8.00 single \$5.50-\$8.50 multi	\$7.25-\$12.50 multi	\$11.00-\$23.00 small strip \$15.00-\$30.00 large strip \$24.00-\$38.00 regional mall
Median rate (NNN)	\$13.00	\$6.50 single; \$7.50 multi	\$9.25 multi	\$17.50 small strip; \$24.00 large strip; \$25.00 regional
Downtown	Office	Warehouse	R&D/Flex	Retail
Total square feet	1,543,094	--	--	580,983
Vacancy rate	11.2%	--	--	11.9%
Lease rate (NNN)	\$11.50-\$22.00	--	--	\$15.00-\$30.00 small strip \$24.00-\$39.50 regional mall
Median rate (NNN)	\$17.00	--	--	\$24.00 small strip; \$27.00 regional mall
East	Office	Warehouse	R&D/Flex	Retail
Total square feet	1,900,012	2,785,069	1,873,666	--
Vacancy rate	12.5%	7.4%	8.7%	--
Lease rate (NNN)	\$9.25-\$14.00	\$6.75-\$8.00 single \$6.25-\$9.50 multi	\$8.00-\$12.00 multi	--
Median rate (NNN)	\$12.00	\$7.00 single; \$8.00 multi	\$9.50 multi	--
Gunbarrel	Office	Warehouse	R&D/Flex	Retail
Total square feet	769,017	2,014,690	1,743,186	155,200
Vacancy rate	1.8%	10.6%	8.7%	2.0%
Lease rate (NNN)	\$7.50-\$12.00	\$4.95-\$6.00 single \$4.95-\$7.50 multi	\$6.00-\$8.00 single \$6.50-\$8.00 multi	\$11.00-\$16.00 small strip
Median rate (NNN)	\$10.00	\$6.00 single or multi	\$7.00 single or multi	\$13.50 small strip
North	Office	Warehouse	R&D/Flex	Retail
Total square feet	55,645	387,330	137,830	257,470
Vacancy rate	0%	5.0%	7.1%	1.1%
Lease rate (NNN)	n/a	n/a	n/a	\$12.00-\$24.00 small strip
Median rate (NNN)	n/a	n/a	n/a	\$18.00 small strip
South	Office	Warehouse	R&D/Flex	Retail
Total square feet	520,865	92,446	24,752	873,755
Vacancy rate	8.3%	0%	3.4%	3.8%
Lease rate (NNN)	\$9.00-\$16.00	n/a	n/a	\$13.00-\$18.00 small strip \$13.00-\$18.00 large strip
Median rate (NNN)	\$12.00	n/a	n/a	\$15.00 small strip \$15.00 large strip

Source: Frederick Ross Company, Ross Research Services, Boulder Market Report, Second Quarter 2010 (Excludes Longmont)

Vacancy rates for commercial space in the city of Boulder current range from 7.2% for retail space to 10.1% for office space.



Net absorption improved for office and industrial space during the first half of 2010.



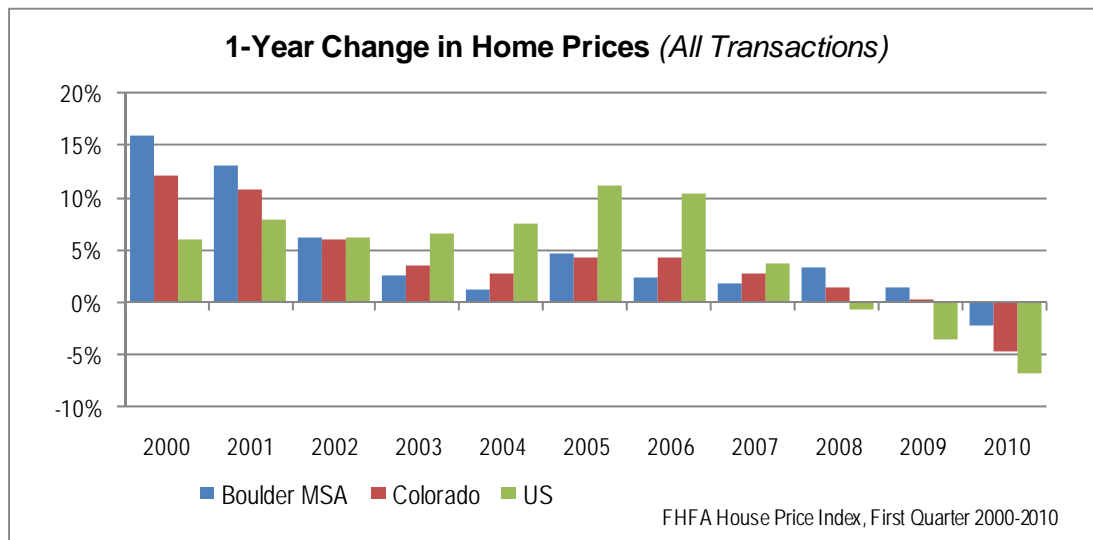
Note: Absorption (defined as net increase or decrease in physically occupied space between two points in time) does not include space that is leased, but not occupied.

Residential Real Estate

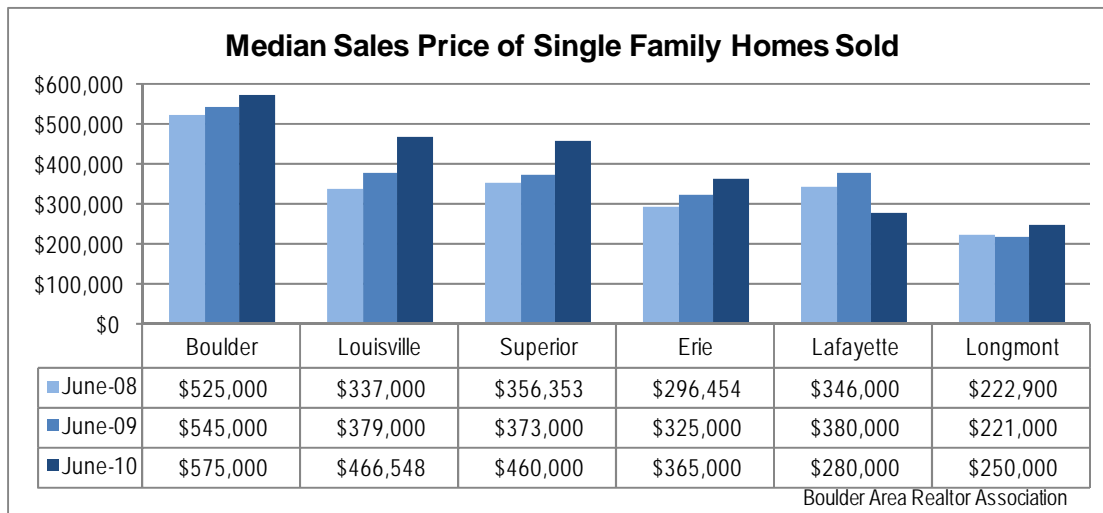
After a two year period of relatively high rates of appreciation from 1999 to 2001, housing values have remained relatively stable in the Boulder area. According to the Federal Housing Finance Agency's House Price Index, which is based on repeat sales or refinancing of same single family properties, homes in Boulder County appreciated at a lower rate from 2003 through 2007 and have held their value better than the national average during the recession.

Single Family Home Rate of Appreciation (Sales and Refinancing of Same Homes)	Q1 05 to Q1 06	Q1 06 to Q1 07	Q1 07 to Q1 08	Q1 08 to Q1 09	Q1 09 to Q 1 10
Boulder MSA (Boulder County)	2.4%	1.8%	3.4%	1.5%	-2.3%
Colorado	4.3%	2.8%	1.5%	0.2%	-4.6%
US	10.5%	3.6%	-0.8%	-3.5%	-6.8%

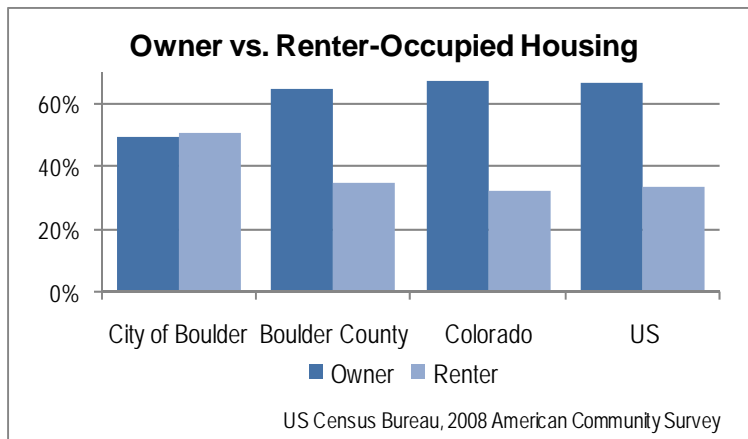
Source: Office of Federal Housing Enterprise Oversight, Federal Housing Finance Agency's House Price Index, May 2010



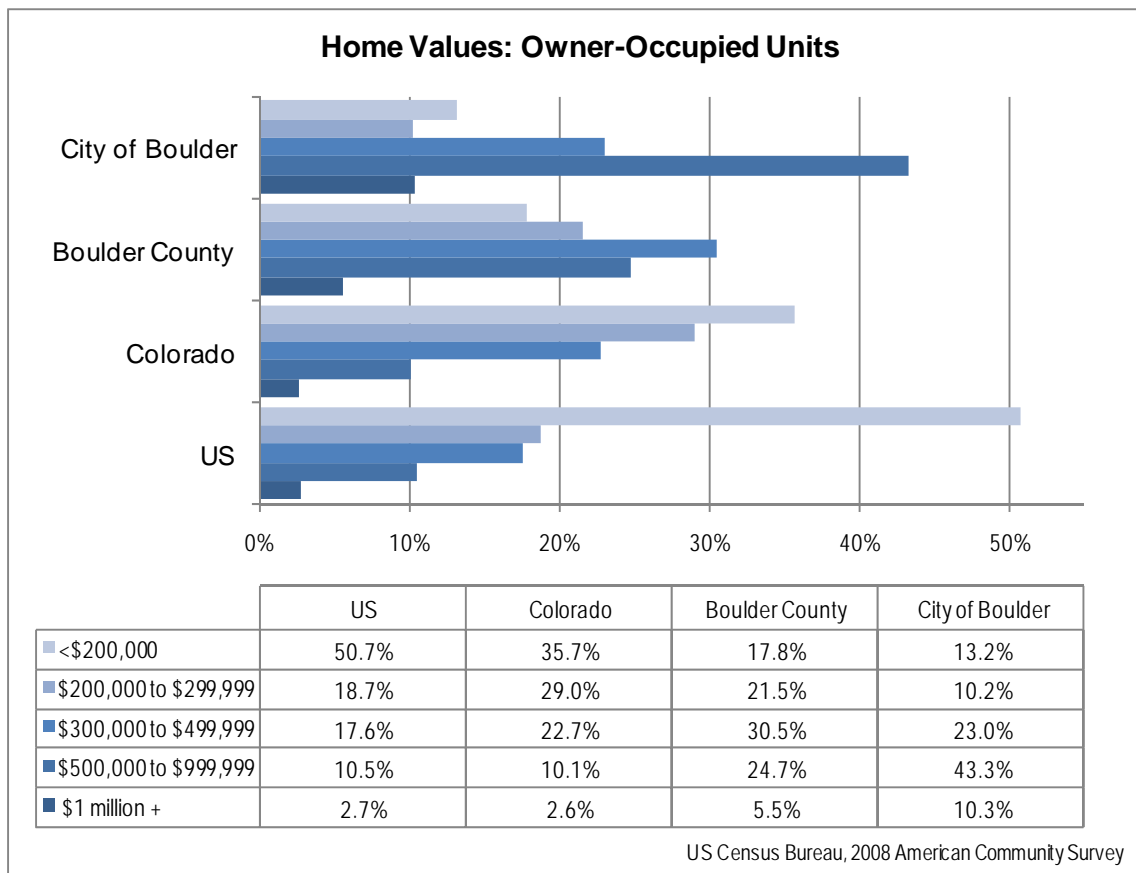
Homes can be found in all price ranges throughout the county, with the highest average sales prices for homes located in the city of Boulder.



The city of Boulder has a lower percentage of owner-occupied units than average, reflecting the demand for rental housing among university students. Just under half (49.4%) of the housing units in the city are owner-occupied, compared to 65.1% of housing units in Boulder County, 67.5% of housing units in Colorado and the national rate of 66.6%.



While Boulder has homes in all price ranges, the city has a higher than average percent of homes valued at \$500,000 or more.

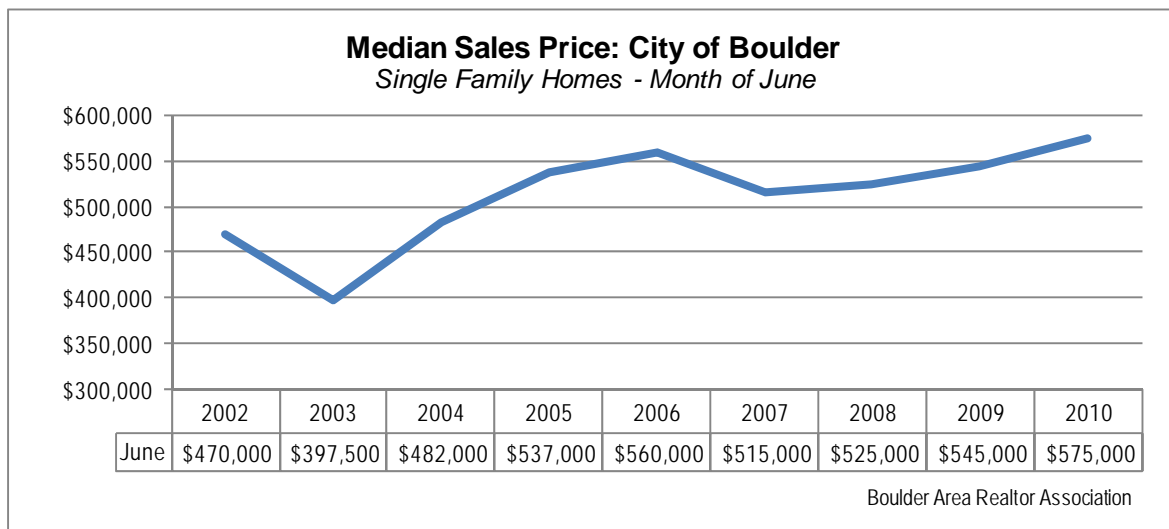


Recent home sales statistics show improvement in the prices and sales activity for single family homes in the city of Boulder over the past year.

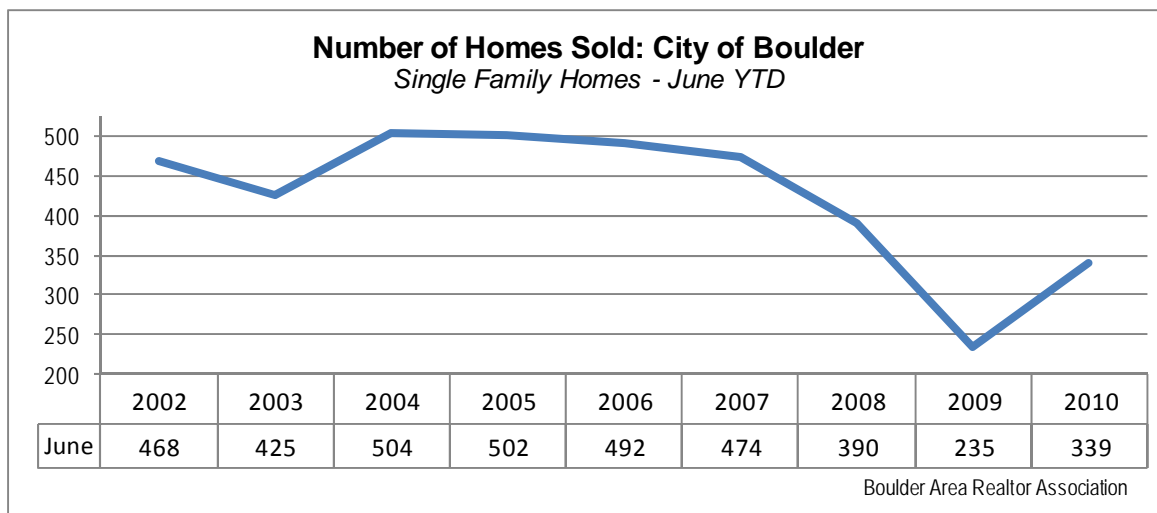
Single Family Homes, Boulder, CO	June 2009	June 2010	% Change
Median sales price	\$545,000	\$575,000	+5.5%
Total sold	71	80	+12.7%
Average days to contract	67	58	-13.4%
Inventory	616	507	-17.7%

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

After rising steadily from 2003 through 2006, the median sales price of homes in the city of Boulder declined in 2007. Based on anecdotal information and appreciation rates, the drop was more likely a reflection of a slowdown in sales of high-end properties than a significant decline in area home values.



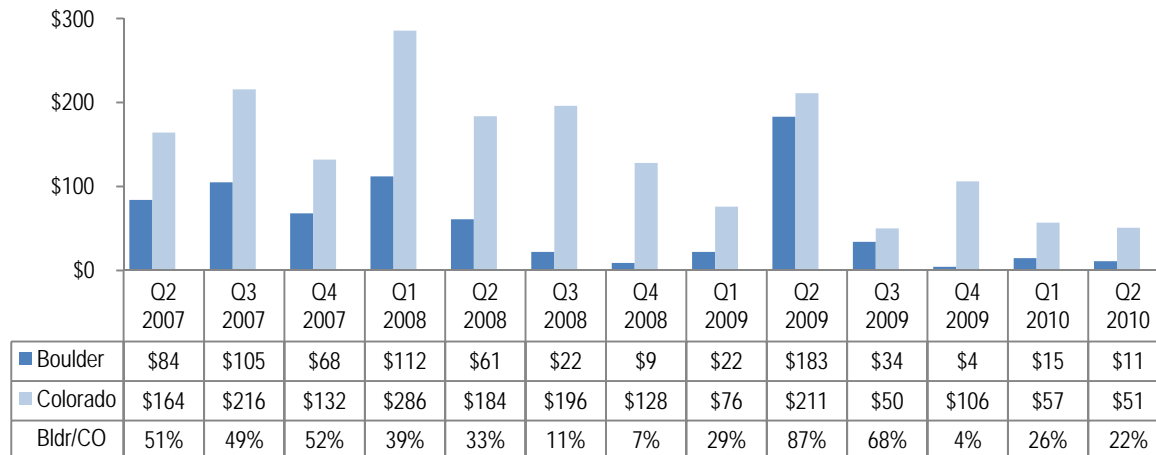
After falling sharply in 2008 (-17.7%) and 2009 (-39.7%), the number of homes sold in the city of Boulder in the first half of 2010 rose by 44.2%.



Venture Capital Investment

A high concentration of advanced technology industries has helped fuel venture capital investment in firms located in Boulder. In second quarter 2010, companies in Boulder received \$11 million of VC investment according to the Pricewaterhouse-Cooper/Venture Economics/NVCA MoneyTree™ Report.

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



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

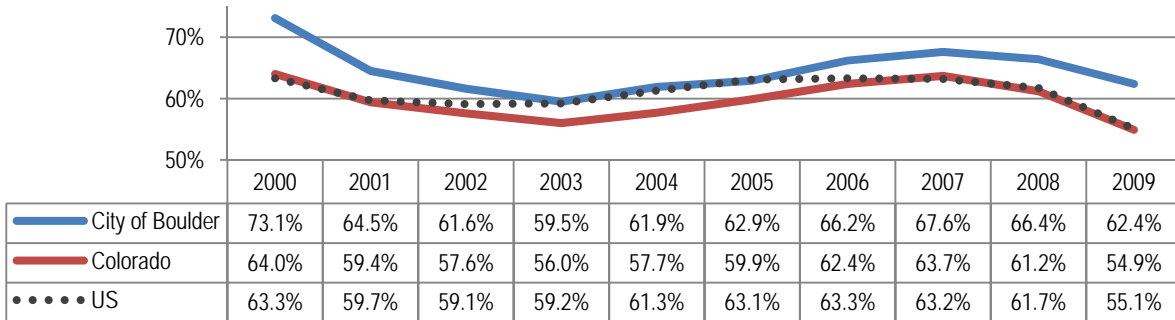
Venture Capital Investment: Boulder County Companies			
Second Quarter 2010	Location	Amount Invested	Industry
SimpleGeo, Inc.	Boulder	\$8,140,000	Software
Cogine, Inc.	Boulder	\$1,050,000	Business Products and Services
TeamSnap, Inc.	Boulder	\$700,000	Media and Entertainment
Graphic.ly	Boulder	\$630,000	Media and Entertainment
Standing Cloud, Inc.	Boulder	\$500,000	Software
Total		\$11,020,000	
First Quarter 2010		Amount Invested	Industry
GlobeImmune, Inc.	Louisville	\$17,508,500	Biotechnology
Intela LLC	Boulder	\$7,250,000	Software
TerraLUX, Inc.	Boulder	\$5,600,000	Semiconductors
Rebit, Inc.	Longmont	\$3,000,000	IT Services
Collective Intellect, Inc.	Boulder	\$1,688,000	IT Services
Total		\$35,046,500	
Fourth Quarter 2009		Amount Invested	Industry
EnVysion LLC	Louisville	\$2,330,000	Computers and Peripherals
SimpleGeo, Inc.	Boulder	\$1,500,000	Software
Graphic.ly	Boulder	\$1,200,200	Media and Entertainment
Next Big Sound, Inc.	Boulder	\$585,000	Media and Entertainment
Mandelbrot Project, Inc.	Boulder	\$500,000	Other
Efficas, Inc.	Boulder	\$500,000	Biotechnology
Everlater, Inc.	Boulder	\$350,000	Telecommunications
Tendril Networks, Inc.	Boulder	0	Networking
Total		\$6,965,200	

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

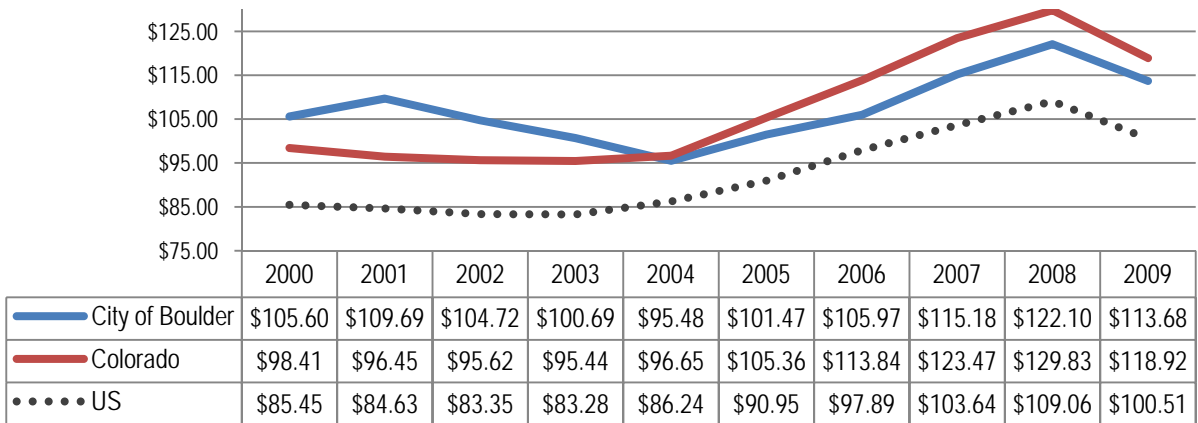
Tourism

Tourism is the second biggest industry in Colorado and a significant contributor to the Boulder economy. Average hotel occupancy rates in the city have been consistently higher than state and national averages. Average daily rates in the city are lower than the Colorado average (includes ski resorts) and higher than the national average.

Average Occupancy Rate



Average Daily Rate



Boulder Convention and Visitors Bureau

Accommodations and admissions taxes for the city and sales tax receipts for areas highly frequented by tourists have increased after experiencing some fluctuation in the past few years.

Net Sales Tax Receipts: City of Boulder (June YTD)						
Category	2005	2006	2007	2008	2009	2010
Accommodations Tax	\$1,166,677	\$1,344,131	\$1,533,018	\$1,669,633	\$1,379,406	\$1,424,906
Admissions Tax	\$215,496	\$197,245	\$175,419	\$274,394	\$287,369	\$290,115

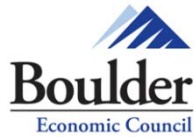
City of Boulder Sales & Use Tax Revenue Report

Net Sales Tax Receipts by Shopping Area: City of Boulder (June YTD)						
Location	2005	2006	2007	2008	2009	2010
Downtown	\$2,280,406	\$2,526,942	\$2,721,680	\$2,646,205	\$2,801,437	\$2,645,618
29 th Street	n/a	n/a	\$2,236,052	\$2,861,423	\$2,835,285	\$3,024,235
Pearl Street Mall	\$1,016,679	\$1,112,828	\$1,106,046	\$1,131,637	\$999,700	\$1,013,872
University of Colorado	\$326,208	\$334,183	\$384,812	\$377,648	\$424,042	\$424,845
UHGID ("the Hill")	\$447,930	\$496,941	\$514,724	\$500,935	\$479,702	\$502,898

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.

2010 Boulder Economic Council Members

Amgen · Ball Corporation · Berg Hill Greenleaf & Ruscitti · 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 · Clifton Gunderson · Colorado Lending Source · Communication Arts, Inc. · Covidien
Crispin Porter + Bogusky · Daily Camera · EKS&H · Elevations Credit Union · Ellora Energy, Inc.
Faegre & Benson · Freeman Myre · Gibbons-White, Inc. · Google · Guaranty Bank and Trust Company
HP – LeftHand Networks Division · Holme Roberts & Owen · IBM Corporation
JP Morgan Chase · KPMG LLC · Millennium Harvest House Hotel · OZ Architecture
Palmos Development Corporation · Roche Colorado Corporation · Tebo Development Company
The WW Reynolds Companies · Twenty Ninth Street – a Macerich Company · US Bank
University of Colorado · Wells Fargo Bank · Wyatt Construction · Xcel Energy

Boulder Economic Council Staff

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

<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>
