



## MEMORANDUM

To: Wheatlands YMCA  
From: Luke Kelly, King & Associates, Inc.  
Date: May 4, 2018  
RE: Demographic and Competition Analysis for proposed Wheatlands YMCA

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### *Scope*

The YMCA of Metropolitan Denver has retained King & Associates, Inc. to assess demographic and market competition in relationship to a proposed YMCA facility to be constructed in the Wheatlands master planned community in Aurora, Colorado.

### *Background & Site Location*

The YMCA of Metropolitan Denver is proposing to construct a new recreation facility in the Wheatlands master planned community. Wheatlands is located in the southeastern portion of the City of Aurora, east of E-470 and north of Smoky Hill Road. The proposed 65,000 square foot facility is planned for a site near Wheatlands Parkway and Powhaton Road. The project will be constructed on land provided by the Wheatlands Metropolitan District and the YMCA will fund construction of the recreation center building.

Mutual of Omaha, perspective lender, has requested the YMCA to provide demographic characteristics and a competition assessment in the trade area surrounding the project site.

### *Trade Area*

- To assess demographics and competition a trade area has been identified.
- A trade area extending from a 5-mile radius of the project site has been determined as the geographic area in which fitness centers and youth sports programs will provide competition to the proposed Wheatlands YMCA facility.
- The trade area also includes the primary area from which anticipated members of the proposed Wheatlands YMCA currently reside.

### *Demographic and Competition Analysis*

Demographic and competition assessed in this memorandum address basic supply and demand factors for fitness centers in the immediate geographic area (trade area) of the Wheatlands facility site. Although the Wheatlands YMCA is a non-profit recreation facility, its primary competitors are anticipated to be other recreation and fitness centers, and youth sports programs in the trade area.

### *Demographics Forecasts*

- The trade area has experienced strong population and household growth over the past several years.
- Demographic growth has been driven by very active housing construction trends in the trade area.
- New housing in the trade area is more affordable when compared to many locations in the metro Denver area.

- The trade area is within the highly rated Cherry Creek School District which attracts home buying families with school age children to the area.
- Demographic trends and forecasts are presented from the trade area through 2022.
- Information presented includes population and households.

Population

- Population within the trade area was 47,130 in 2000 and increased to 90,850 in 2010.
- The population at year-end 2017 in the trade area is estimated at 110,449.
- From 2010 through 2017, population in the trade area increased by 19,599 residents, reflecting growth of 2,800 residents per year, and a corresponding annual growth rate of 2.8%.
- Trade area population is projected to grow from 110,449 to 122,545 from 2017 to 2022, equaling an increase of 2,419 residents per year and a 2.1% annual growth rate.

Households

- The number of households in the trade area equaled 14,848 in 2000, and increased to 30,077 in 2010.
- The number of households at year-end 2017 is estimated at 36,142.
- From 2010 through 2017, households in the trade area increased by 6,063 households, reflecting growth of 866 households per year and a corresponding annual growth rate of 2.7%.
- Trade area households are projected to grow by 746 each year, increasing from 36,142 in 2017 to 39,872 in 2022, equaling an annual growth rate of 1.9%.
- The following table presents demographic trends and forecasts from 2000 through 2022.

Trade Area Demographic Trends and Forecasts

Year/Location	2000	2010	2017	2022
<u>Trade Area</u>				
Population	47,130	90,850	110,449	122,545
Households	14,848	30,077	36,142	39,872
<u>Annual Change</u>				
Population		<u>2000-10</u>	<u>2010-17</u>	<u>2017-22</u>
Numeric		4,372	2,800	2,419
Percent		6.78%	2.83%	2.10%
Households				
Numeric		1,523	866	746
Percent		7.31%	2.66%	1.98%

Source: ESRI, King & Associates, Inc.

### Trade Area Fitness Center Supply

- There are 10 fitness centers within the trade area’s 5-mile radius.
- Additionally, 16 fitness centers are located just outside of the 5-mile trade area boundary.
- Fitness center types range from high-end facilities with extensive features and amenities (Lifetime Fitness and 24 Hour Super Sport) to limited feature centers with basic cardio and strength equipment.
- Several of the centers provide a “concept based” approach to fitness with programs such as high intensity cardio / strength workouts (Orange Theory Fitness) to boxing themed exercises (Title Boxing).
- The full and high-end fitness centers offer extensive instructor led exercise class schedules (some at additional cost) that include swimming, yoga, in-door cycling, boot camps, etc.
- Advertised membership rates range from \$10 to \$127 per month, depending on features, amenities and equipment offered by the facility.
- Most of the fitness centers also charge one-time initiation or sign-up fees that range from \$49 to \$179.
- At \$25 to \$50 per month, the individual membership rate structure proposed for the Wheatlands YMCA compares favorably with other fitness centers in the trade area.
- The one-time, joining fees proposed by the Wheatlands YMCA (\$50) are at the low end of competitive fitness centers in the trade area.
- The following table and map summarize trade area fitness centers.

### Trade Area - Competitive Fitness Centers

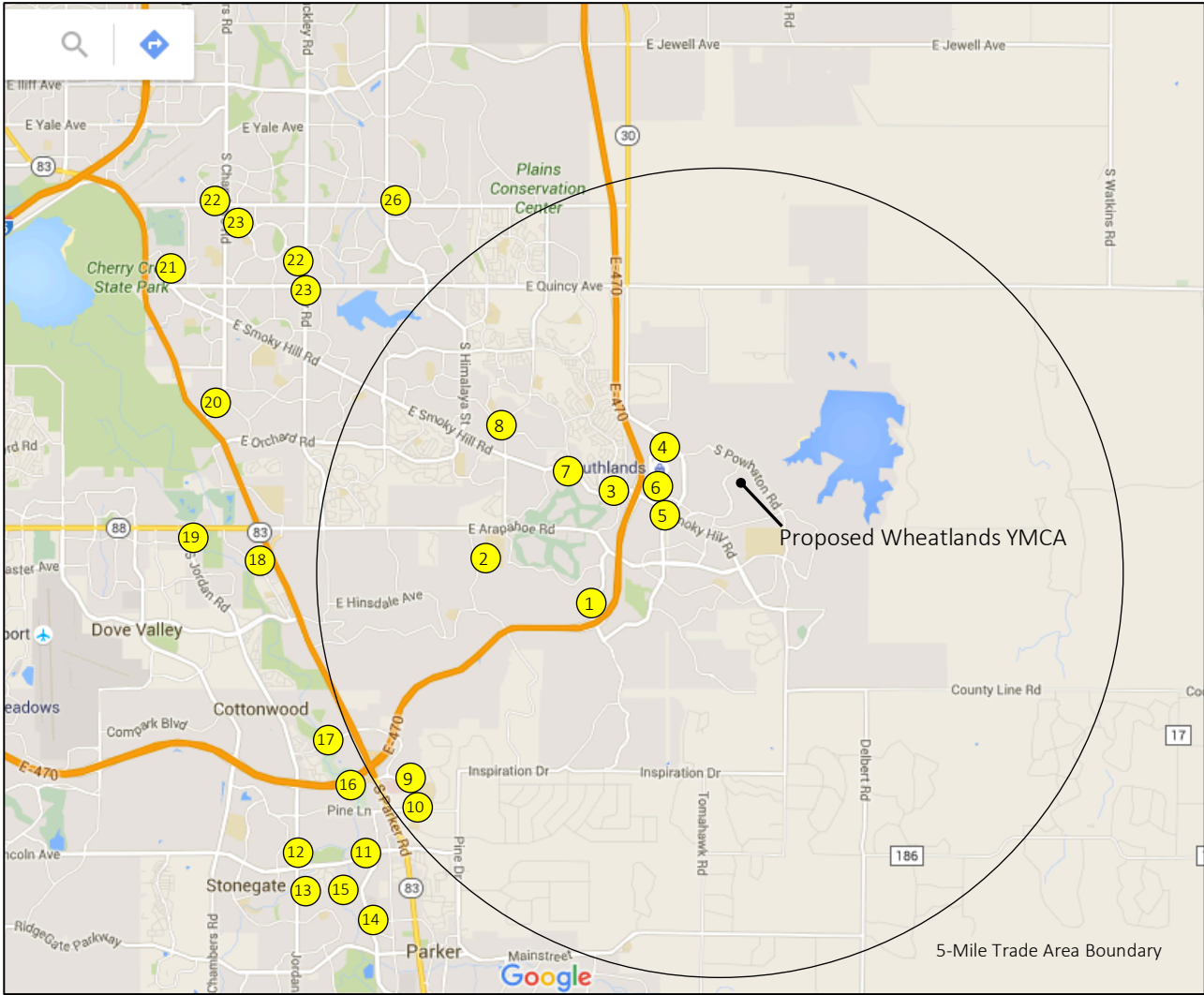
Map Key	Facility	Address	Type of facility
1	Anytime Fitness	7420 S Gartrell Rd. Aurora, CO 80016	Full feature fitness center.
2	Fitness 19	6770 S Liverpool St. Aurora, CO 80016	Limited feature fitness center.
3	Title Boxing	6040 S Gun Club Rd. Aurora, CO 80016	Boxing focused fitness center.
4	TruFit Athletic Club	24060 E. Orchard Rd. Aurora, CO 80016	Full feature fitness center.
5	Orange Theory Fitness	24300 East Smokey Hill Aurora, CO 80016	Trainer led, cardio / yoga center.
6	Cycle Bar	6300 S Main St Aurora, CO 80016	Trainer led, cycle focused cardo.
7	Scorpion Fitness	6200 S Gun Club Rd Aurora, CO 80016	Limited feature fitness center.
8	Love Junkie Yoga	20269 E Smokey Hill Rd. Centennial, CO 80015	Trainer led, cardio / strength based fitness center.
9	Lifetime Fitness	9250 Crown Crest Blvd. Parker, CO 80138	Ultra feature fitness center.
10	XS Crossfit	6522 Ponderosa Dr Parker, CO 80138	Limited feature fitness center.
11	*iLoveKickboxing	10136 Parkglenn Way. Parker, CO 80134	Boxing focused fitness center.
12	*Orange Theory Fitness	17051 Lincoln Ave Parker, CO 80134	Trainer led, cardio / strength fitness center.
13	* 9Round Fitness	16522 Keystone Blvd. Parker, CO 80134	Boxing focused fitness center.
14	* Parker X Fitness	18871 Plaza Dr. Parker, CO 80134	Trainer led, cardio / strength fitness center.

15	* Parker Rec Center	17301 Lincoln Ave Parker, CO 80134	Full Feature fitness center.
16	* 24 Hour Fitness	15900 E. Briarwood Cir. Aurora, CO 80016	Ultra feature fitness center.
17	* Orange Theory	15735 E Arapahoe Rd. Aurora, CO	Trainer led, cardio / strength fitness center.
18	* MMA Premier Fitness	15095 E Hinsdale Dr. Englewood, Co 80112	Limited feature fitness center.
19	* Mile High CrossFit	14185 E Easter Ave. Centennial, CO 80112	CrossFit training facility.
20	* Aspire Fitness	5540 S Parker Rd. Aurora, CO 80015	Limited feature fitness center.
21	* 24 Hour Fitness	4100 South Parker Rd. Aurora, CO 80014	Full feature fitness center.
22	* Arbrust Fitness	15270 E Hampden Ave. Aurora, CO 80014	Limited feature fitness center.
23	* CrossFit South Aurora	1612 S Quincy Ave. Aurora, CO 80014	CrossFit training facility.
24	* Orange Theory	4211 S Buckley Rd. Aurora, CO 80013	Trainer led, cardio / strength fitness center.
25	* VASA Fitness	16921 E Quincy Ave. Aurora, CO 80015	Full feature fitness center.
26	* Core Power Yoga	18884 E Hampden Ave. Aurora, CO 80013	Trainer led, cardio / yoga.

Source: King & Associates, Inc.

Note: \* denotes that facility is near, but outside of 5-mile trade area boundary.

Trade Area Competitive Fitness Center Locator Map



Source: King & Associates, Inc.  
 Note: Yellow circles depict approximate location of competitive, trade area fitness centers.

#### Trade Area Youth Sports Programs Supply

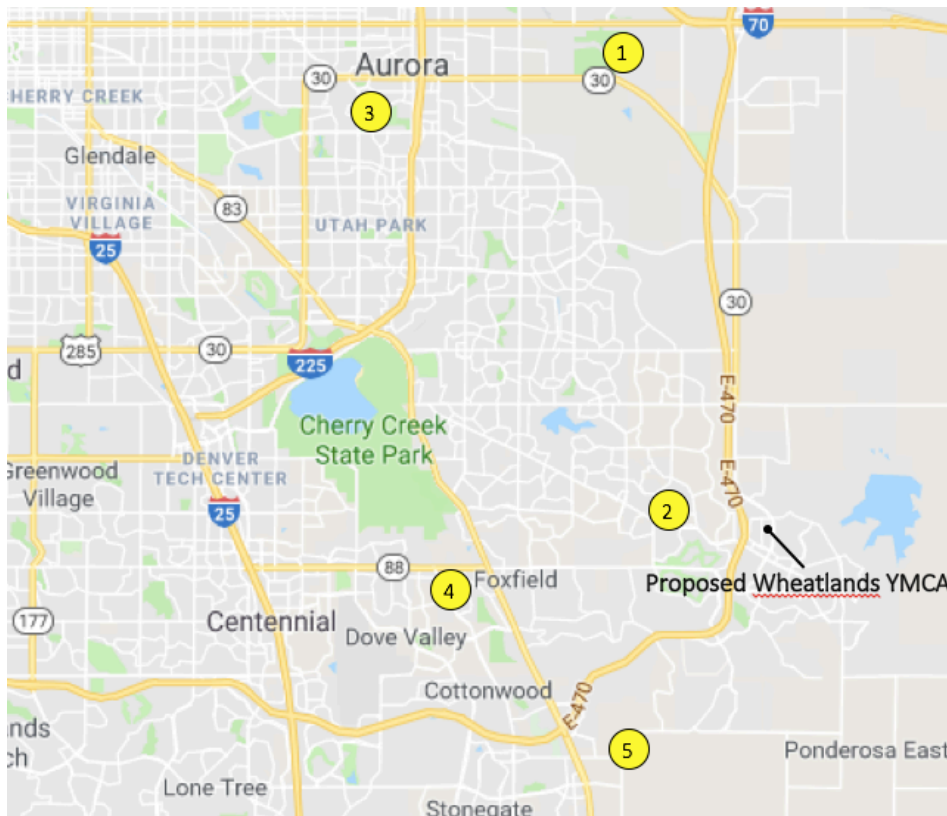
- Youth sports programs within SE Denver have been reviewed in order to understand the ability to recapture development costs.
- There are 7 comparable youth sports organizations that offer soccer, baseball, softball, lacrosse, volleyball, and football.
- Youth sports organizations range from highly competitive (Aurora Stallions and Spartan Youth Club) to less competitive (City of Aurora Sports & SE Denver Parks & Recreation).
- More competitive sports programs often offer full uniforms, more practices and games, and more challenging levels of play.
- Less competitive sports programs offer t-shirt uniforms, less practices and games, and focus more on the fundamentals.
- Prices per athlete to join a youth sports team in the trade area range from \$50 to \$365 per season, depending on length of season, amount of practices, and available resources.
- Length of youth sports programs range from 6 weeks to 18 weeks, and average 10 weeks per season.
- The average cost of non-competitive youth sports programs averages \$97 per season, while competitive youth sports programs average \$247 per season.
- The average season length for both competitive and non-competitive youth sports leagues is 10 weeks.
- Youth sports programs regularly split the selected sports leagues they offer into age, gender, and depending on the demand, even skill level.
- Both competitive and non-competitive youth sports programs average 10 teams per sport.
- Further, the average team has an average of 10 to 12 players per team, meaning approximately 100 to 120 athletes per sport.
- Given the history of YMCA, it is assumed it will fall under the non-competitive youth sports program, and it is reasonable to expect an average cost of around \$97 per athlete enrolled in any given sport.
- The Wheatlands YMCA has planned to offer 6 sports, including: soccer, flag football, baseball, basketball, volleyball, and lacrosse.
- Given comparable youth sports programs in the area, each sport will enroll approximately 110 athletes at a cost of \$97 per athlete, totaling expected revenues of \$10,670 per sport.
- Given that the YMCA has planned to offer 6 sports, it is reasonable to expect \$64,020 in revenue from youth sports programs.
- The following table and map summarize comparable youth sports programs.

## SE Denver - Comparable Youth Sports Programs

Map Key	Youth Sports Program Name	Address	Sports Offered
1	City of Aurora Sports	19300 E. Colfax Ave. Aurora, CO 80011	Basketball, baseball, soccer, lacrosse.
2	i9 Sports	6100 S. Genoa St. Aurora, CO 80016	Baseball, football, soccer.
3	Aurora Stallions	70 S Peoria St. Aurora, CO 80011	Basketball, baseball, football, cheerleading.
4	Spartan Youth Club	6920 S Jordan Road Centennial, CO 80112	Basketball, baseball, football, lacrosse, volleyball.
5	One Sports Nation	6651 East Pine Lane Parker, CO 80138	Football, soccer.
6	Denver Parks & Rec.	Varies	Baseball, football, soccer, volleyball, gymnastics.
7	Parker Youth Sports	Varies	Basketball, baseball, football, lacrosse, volleyball.

Source: King & Associates, Inc.

## SE Denver Comparable Youth Sports Program Locator Map



Source: King & Associates, Inc.

Note:

1. Yellow circles depict approximate location of comparable youth sports organizations.
2. Denver Parks & Recreation, and Parker Youth Sports play in varied locations throughout SE Denver.

## Wheatlands YMCA – Estimated Youth Sports Program Revenue

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Youth Sports Programs Estimated Enrollment		
	<u>Low</u>	<u>High</u>
Athletes Per Team	10	12
Teams Per Sport	8	13
Average Cost for Enrollment	\$75	\$100
Estimated Revenue Per Sport	\$6,000	\$15,600
Estimated Sports Offered		6
Total Estimated Revenue From Youth Sports Programs	\$36,000	\$93,600

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Source: King & Associates, Inc.

### Findings

- Strong demographic growth is projected in the trade area.
  - Population – 2,419 residents per year, 2.1% annual growth rate.
  - Households – 746 households per year, 1.98% annual growth rate.
- There are 10 fitness centers in the trade area and 16 fitness centers just outside the trade area.
- There are 7 youth sports organizations serving residents in the trade area.