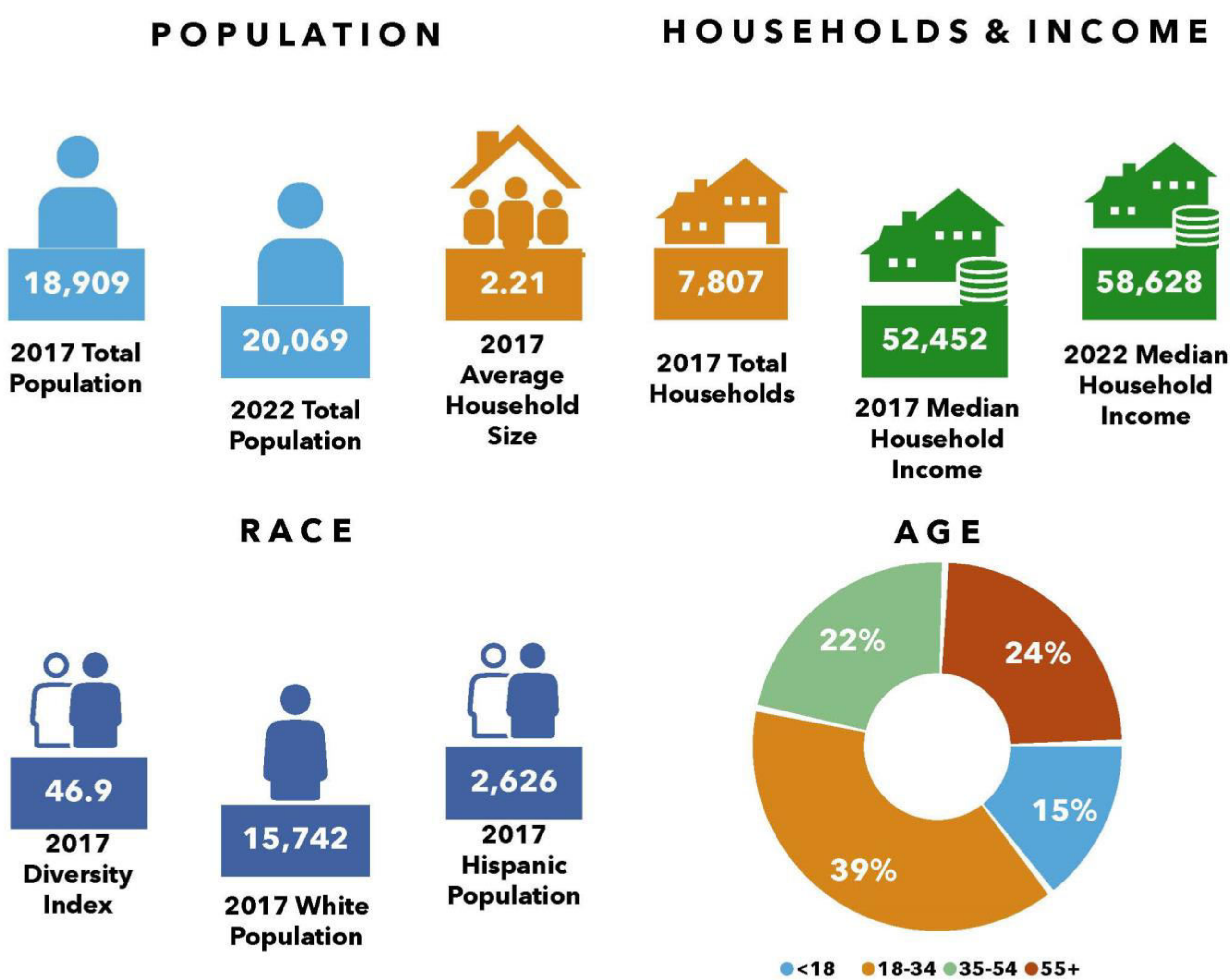
CHAPTER ONE MARKET ANALYSIS

1.1 DEMOGRAPHIC ANALYSIS

The Demographic Analysis provides an understanding of the population within the City of Durango, Colorado. While, it is understood that the City does serve a population well beyond its boundaries including La Plata County and the visitors, this analysis considers only the City's total population, and its key characteristics such as age segments, income levels, race, ethnicity, and gender.

It is important to note that future projections are all based on historical patterns and unforeseen circumstances during or after the time of the projections could have a significant bearing on the validity of the final projections.

1.1.1 DEMOGRAPHIC OVERVIEW



1.1.2 METHODOLOGY

Demographic data used for the analysis was obtained from U.S. Census Bureau and from Environmental Systems Research Institute, Inc. (ESRI), the largest research and development organization dedicated to Geographical Information Systems (GIS) and specializing in population projections and market trends. All data was acquired in September 2017 and reflects actual numbers as reported in the 2010 Census, and estimates for 2017 and 2022 as obtained by ESRI. Straight line linear regression was utilized for projected 2027 and 2032 demographics. The boundaries that were utilized for the demographic analysis are shown below in **Figure 1**.

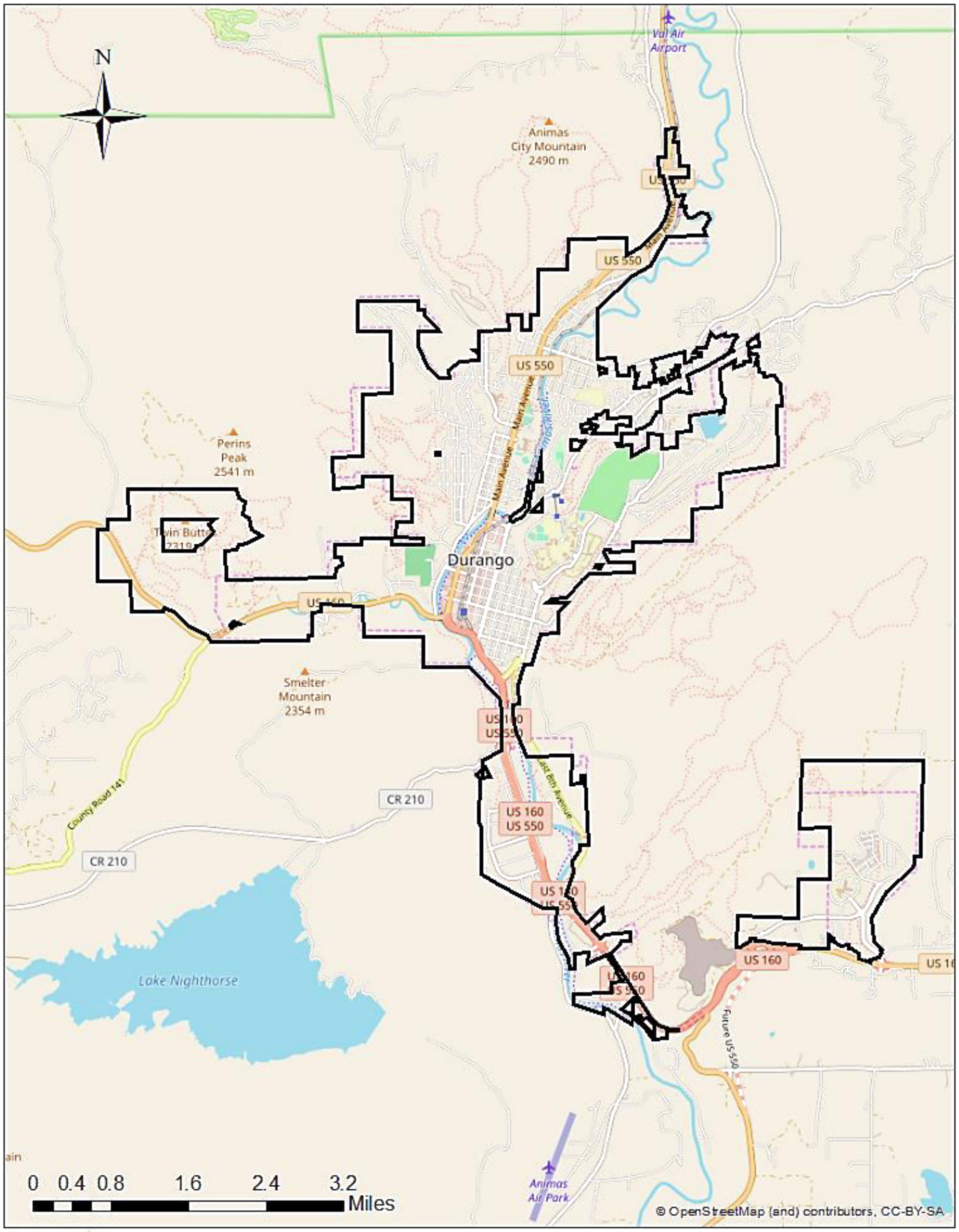


Figure 1: Durango's City Boundaries

RACE AND ETHNICITY DEFINITIONS

The minimum categories for data on race and ethnicity for Federal statistics, program administrative reporting, and civil rights compliance reporting are defined as below. The Census 2010 data on race are not directly comparable with data from the 2000 Census and earlier censuses; caution must be used when interpreting changes in the racial composition of the US population over time. The latest (Census 2010) definitions and nomenclature are used within this analysis.

- American Indian or Alaska Native Alone – This includes a person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment
- Asian Alone – This includes a person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam
- Black or African American Alone – This includes a person having origins in any of the black racial groups of Africa
- Native Hawaiian or Other Pacific Islander Alone – This includes a person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands
- White Alone – This includes a person having origins in any of the original peoples of Europe, the Middle East, or North Africa
- Hispanic or Latino – This is an ethnic distinction, a subset of a race as defined by the Federal Government; this includes a person of Mexican, Puerto Rican, Cuban, South or Central American, or other Spanish culture or origin, regardless of race

1.1.3 CITY OF DURANGO POPULACE

POPULATION AND HOUSEHOLDS

The City's population has experienced a steady growing trend in recent years. **(See Figure 2)**.

Currently, the population is estimated at 18,909 individuals living within 7,807 households. Projecting ahead, the total population and total number of households are both expected to continue to grow over the next 15 years. Based on predictions through 2032, the City is expected to have 22,553 residents living within 9,293 households.

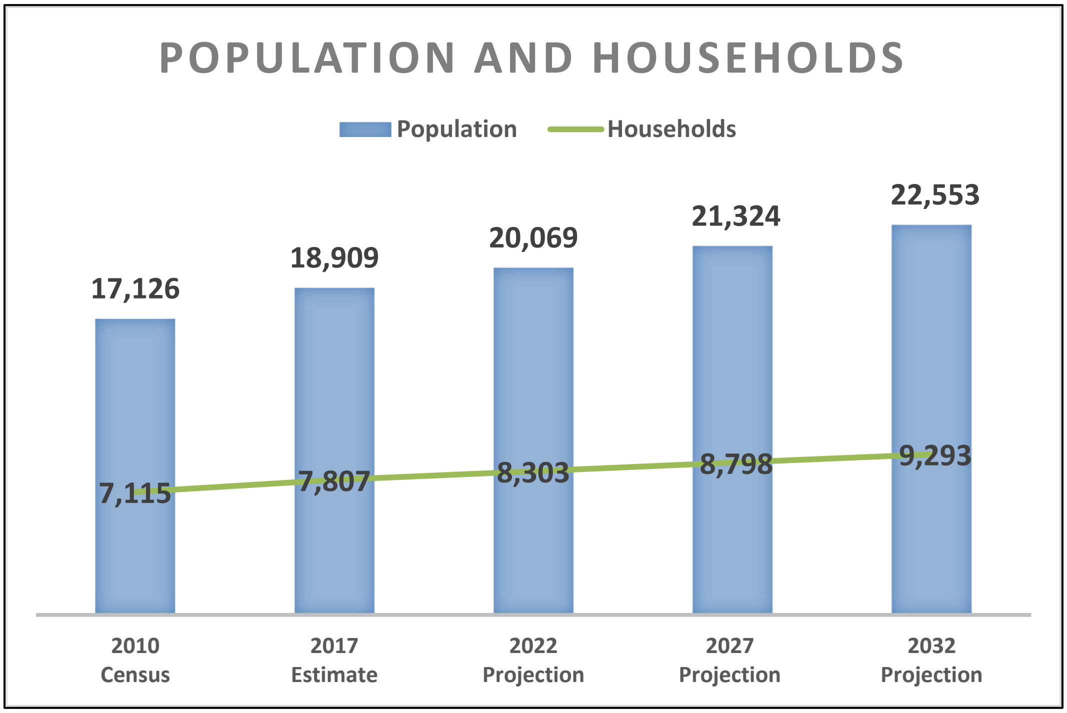


Figure 2: City of Durango Population and Households

The following chart below displays figures for owner, renter, and vacant housing units along with family and average size households. Currently, renter occupied housing units make up 53% of the total household while owner occupied units make up 47% of the total. Family households represent just under half of all households (48%) with this trend to remain the same through 2032.

Housing Summary	2010 Census	2017 Estimate	2022 Projection	2027 Projection	2032 Projection
Owner Occupied Housing Units	3,446	3,634	3,852	4,000	4,167
Renter Occupied Housing Units	3,669	4,173	4,451	4,797	5,125
Vacant Housing Units	854	814	823	801	787
Family Households	3,354	3,762	3,986	4,266	4,531
Average Household Size	2.18	2.21	2.77	-	-

AGE SEGMENT

Evaluating the population by age segments, the City exhibits a slightly skewed distribution. When comparing to the national average, the median age of the U.S. is 38.0 years old; with 46% of its population being under the age of 35. Durango's population is much younger, having a median age of 32.9 years old; with 53% of its residents currently under the age of 35. With Fort Lewis College located in Durango, it is expected for the young adult (18-34) population to be significantly higher than the national average**.**

The City is projected to undergo an aging trend. While the 64 and under age segments are expected to remain stagnant or experience decreases in population percentage; the 65+ age segments are projected to continue increasing over the next 15 years. The City of Durango is projected to continue aging with 17% of its total population being over the age of 65 by 2032. This is partially assumed to be an outcome of the Baby Boomer generation aging into the senior age groups (**Figure 4).**

As the Baby Boomer generation ages, the population of the United States over the age of 55 will continue to grow. Due to the growth of this age segment and increasing life expectancy, it is useful to further segment the "Senior" population beyond the traditional 55+ designation.

Within the field of parks and recreation, there are two different ways to partition this age segment. One is to simply segment by age: 55-64; 65-74; and 75+. However, as these age segments are reached, variability of health and wellness can be marked. For example, a 57-year-old may be struggling with rheumatoid arthritis and need different recreation opportunities than a healthy 65-year old who is running marathons once a year. Therefore, it may be more useful to divide this age segment into "Active," "Low-Impact," and/or "Social" Seniors.

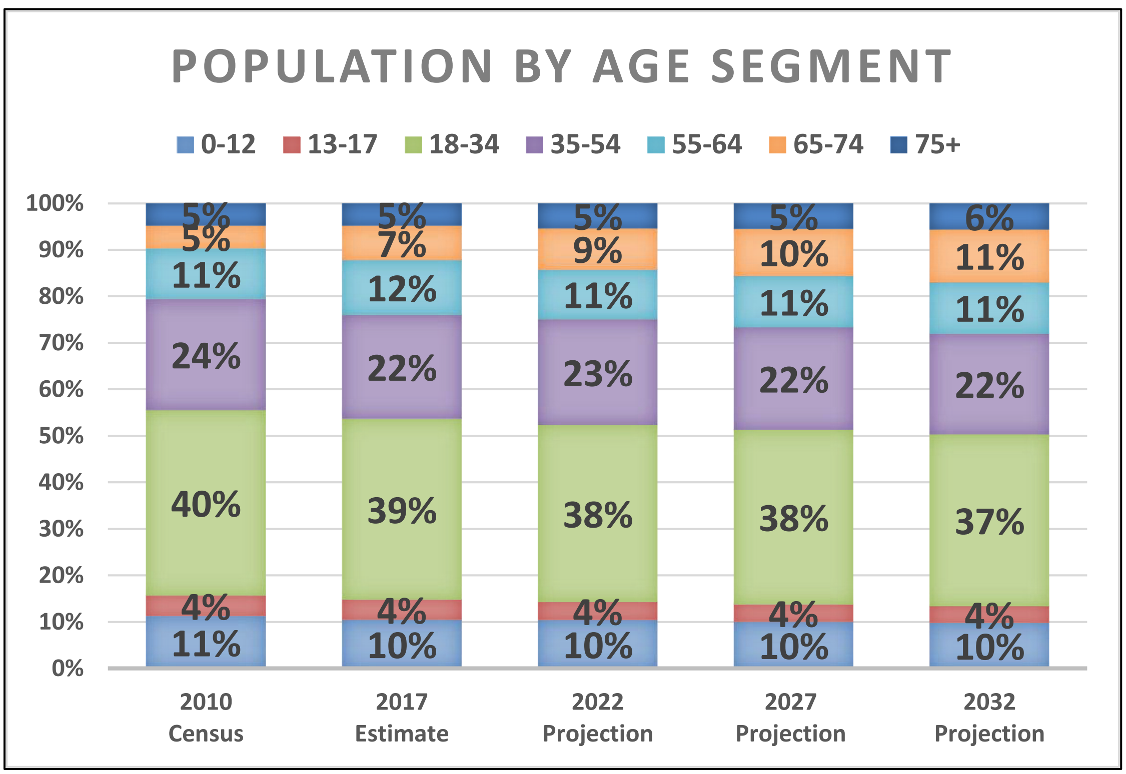


Figure 3 - Population by Age Segment

RACE AND ETHNICITY

In analyzing race, the City's current population is fairly homogeneous. The 2017 estimate shows that 83% of the population falls into the White Alone category, while the American Indian category (7%) represents the largest minority. The predictions for 2032 expect the population by race to become slightly more diverse. There is expected to be an increase in the American Indian and Some Other Race population; accompanied by decreases in the White Alone populations. (**Figure 4).**

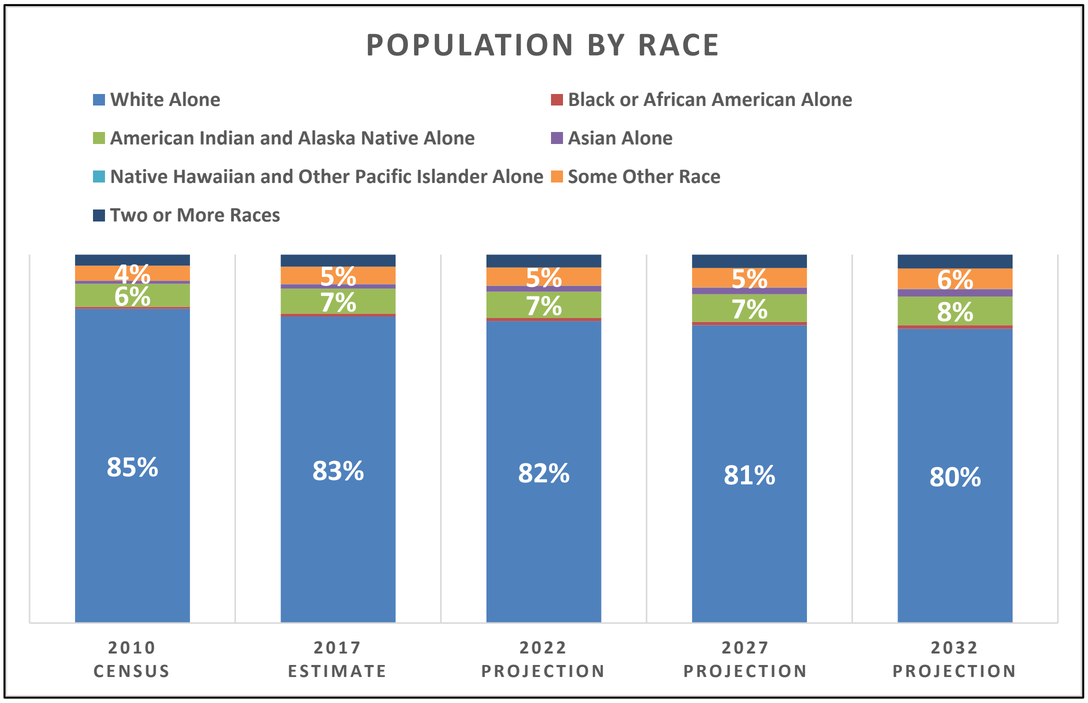


Figure 4 - Population by Race

Based on the 2017 estimate, those of Hispanic/Latino origin currently represent 14% of the service area's total population. The Hispanic/Latino population is expected to experience a minor increase in population percentage (16%) by 2032. (**Figure 5**)

Ethnicity determines whether a person is of Hispanic origin or not. For this reason, ethnicity is broken out in two categories, Hispanic or Latino and Not Hispanic or Latino. Hispanics may report as any race.

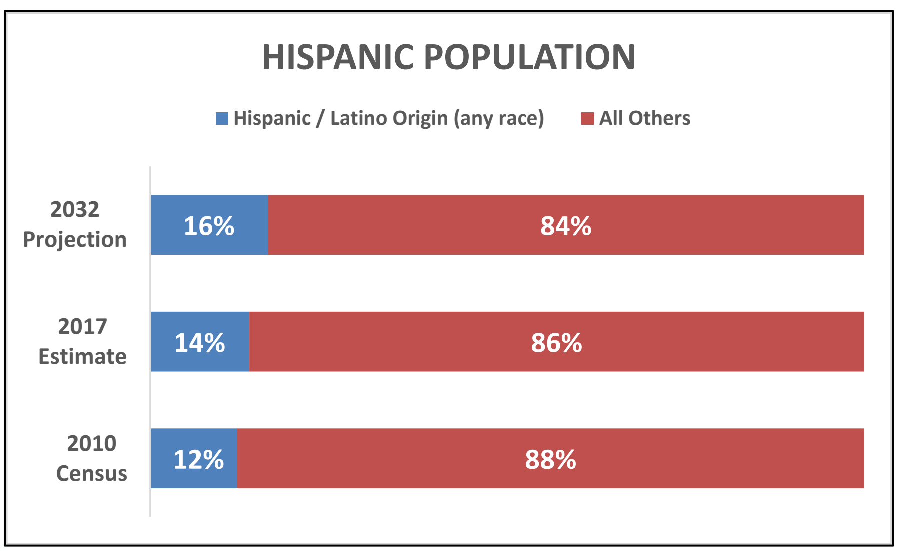


Figure 5 - Hispanic Population

HOUSEHOLD INCOME

As seen in **Figure 6**, the City's median household income ($52,452) and per capita income ($30,418), are both below the state averages but are similar to national averages

With the median household income being below the state averages, this is a strong indicator that disposable income maybe limited. It is important to note, though, that these numbers are skewed by the number of college students who may have a lower income currently. This discrepancy is typical in cities where a large percentage of the population is college students with limited earning capabilities.

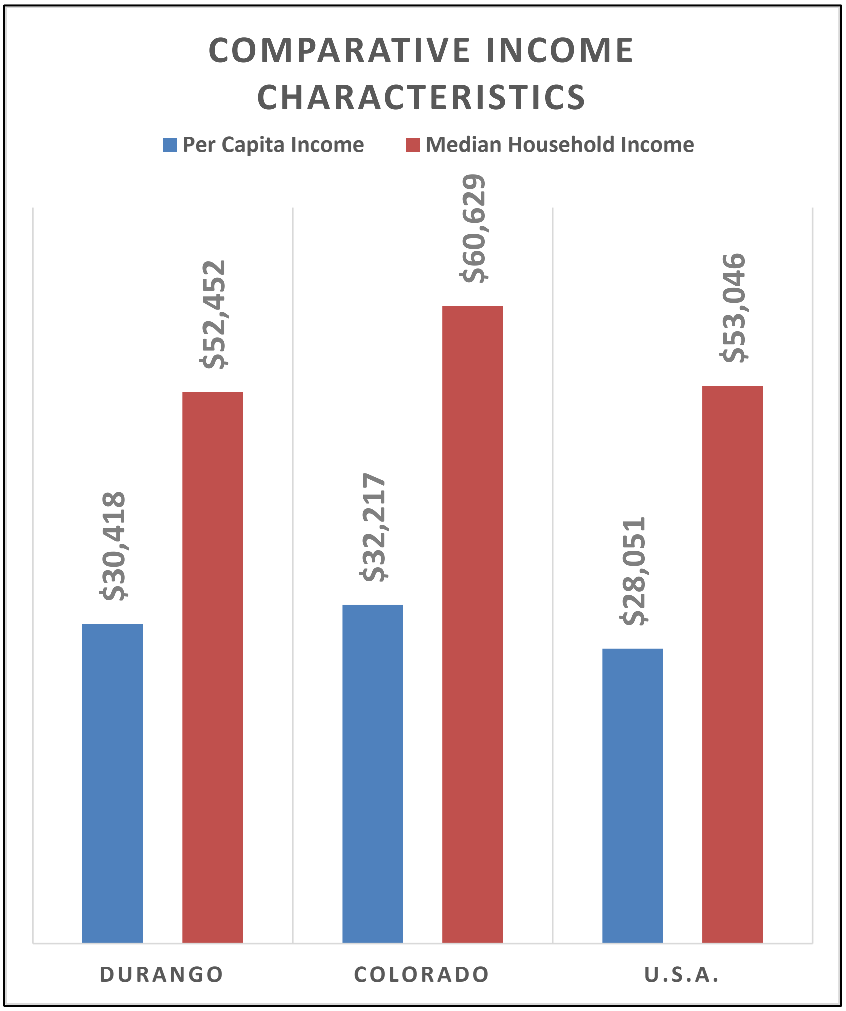
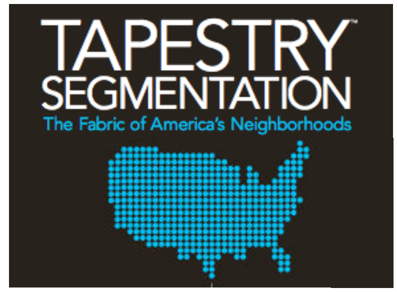


Figure 6 - Comparative Income Characteristics

1.1.4 TAPESTRY SEGMENTATION



ESRI's Tapestry Segmentation is a geodemographic system that classifies U.S. neighborhoods based on their socioeconomic and demographic compositions. This market segmentation system integrates consumer traits with residential characteristics to identify individual markets within a specified area. The Tapestry provides a classification model with 67 distinct, behavioral market segments that depict consumers' lifestyles and lifestages, and detail the diversity of the American population. These individual market segments are then arranged into 14 LifeMode groups that have similar characteristics and market profiles. A brief summary of the 14 LifeMode groups is provided in the table below.

LifeMode Summary Groups	
Group Name	Brief Description
Affluent Estates	Established wealth- educated, well-traveled married couples
Upscale Avenues	Prosperous, married couples in higher density neighborhoods
Uptown Individuals	Younger, urban singles on the move
Family Landscapes	Successful younger families in newer housing
GenXurban	Gen X in middle age; families with fewer kids and a mortgage
Cozy Country Living	Empty nesters in bucolic settings
Ethnic Enclaves	Established diversity- young, Hispanic homeowners with families
Middle Ground	Lifestyles of thirtysomethings
Senior Styles	Senior lifestyles reveal the effects of saving for retirement
Rustic Outposts	Country life with older families, older homes
Midtown Singles	Millenials on the move; single, diverse, and urban
Hometown	Growing up and staying close to home; single householders
Next Wave	Urban denizens; young, diverse, hardworking families
Scholars and Patriots	College campuses and military neighborhoods

The ESRI Tapestry Segmentation provides an understanding of consumers' lifestyle choices, what they buy, and how they spend their free time for a specified service area. This information is useful in identifying target markets, as well as highlighting segments that are being underserved, to ensure that Durango's offerings are in line with the unique characteristics and preferences of its users.

Analyzing the individual market segments allows informed decision making in providing services based on the specific socioeconomic and demographic composition of Durango.

This section will reveal Durango's top five Tapestry Segments along with their various LifeMode Groups; which comprise 98.6% of Durango's total households. These are then compared to the national averages. This type of analysis allows Durango to see how their population compares on a national scale.

Tapestry Segment	LifeMode Group	Percent of:	
		Durango Households (7,807 Households)	U.S. Households
Emerald City	Middle Ground	60.2%	1.4%
College Towns	Scholars and Patriots	19.9%	1.0%
In Style	GenXurban	9.5%	2.2%
Young and Restless	Midtown Singles	6.8%	1.7%
Old and Newcomers	Middle Ground	2.2%	2.3%
Total		**98.6%**	**8.6%**

DURANGO: TAPESTRY SEGMENT CHARACTERISTICS

The following describes the demographic and socioeconomic traits for Durango's five most prominent tapestry segments:

Emerald City (4,670 households)

- Single-person and nonfamily households living in single family and multiunit housing, with median age of 36.6 and median household income of $52,000
    - Nonfamily type households make up over half of all households found in this tapestry segments
- Well educated; more than half have a college degree and a professional occupation
- Highly connected, use the internet and technology for everything, but still find time to work out and eat healthy
- Environmentally conscious consumers
- Leisure interests include cooking, reading, listening to music, fine arts, and travel

College Towns (1,554 households)

- With a median age of 24.3, who are mostly college students, their income is limited resulting in cautious purchases.
- Prefer to do everything online than in person including shopping, school work, news, social media, and entrainment.
- Heavily influenced by celebrity endorsements and trends in magazine.
- Seek out variety, adventures, and new experiences.
- Mainly nonfamily households who live alone or with a roommate and have a median household income of $28,000.
    - One-third of homes are singly family; mostly occupied by local residents who own their households

In Style (742 households)

- Interested in the arts, travel, and extensive reading.
- Mostly married couples with no children or single households; average household size is 2.33.
- The population is slightly older, with a median age of 41.1 and median household income of $66,000.
- Residents are college educated or have some college education – very connected and knowledgeable with technology.
- They are aware of pricing, use coupons – especially mobile coupons.

Young and Restless (531 households)

- Single-person and shared households living in multiunit rentals in densely populated neighborhoods with median age of 29.4 and median household income of $36,000
- Well-educated, diverse young workers in professional/technical occupations and sales and office/administrative support roles that are not yet established, but striving to get ahead
- Careful shoppers, aware of prices, and demonstrate little brand loyalty; like to be the first to try new products, but do research before buying the latest technology
- Most of their information comes from the Internet and TV; no landline telephones for majority of households, and use cell phones for everything
- Activities include dancing, playing pool, watching MTV and Comedy Central, reading fashion and music magazines, listening to music, and playing volleyball

Old and Newcomers (172 households)

- Mostly renters who are just beginning their careers or retiring.
- Most residents are single households with a mix of married couples (no children).
- Median age is 38.5 with a median household income of $39,000.
- Consumers are price aware and coupon clippers but open to impulse buys.
- They are attentive to environmental concerns and comfortable with the latest technology.

1.2 TRENDS ANALYSIS

The Trends Analysis provides an understanding of both national and local recreational trends. This analysis examines Core vs. Casual Participation, Activity by Generation, overall Programming Trends, and Local Sports & Market Potential. It is important to note that all trends are based on current and/or historical patterns of participation rates.

TRENDS ANALYSIS OVERVIEW

The following table gives a brief overview of national and local recreational trends. Including the most and least participated in recreational activities both in Durango and across the U.S.

Summary of National Participatory Trends Analysis
1. Number of "inactives" decreased slightly, those 'active to a healthy level' on the rise a. "Inactives" down 0.2% in 2016, from 81.6 million to 81.4 million b. Approximately one-third of Americans (ages 6+) are active to a healthy level
2. Most popular sport and recreational activities a. Fitness Walking (107.9 million) b. Treadmill (52.0 million) c. Free/Hand Weights (51.5 million)
3. Most participated in team sports a. Golf- 2015 data* (24.1 million) b. Basketball (22.3 million) c. Tennis (18.1 million)
4. Activities most rapidly growing over last five years a. Stand-Up Paddling – up 181% b. Adventure Racing – up 150% c. Non-traditional/Off-road Triathlon – up 108%
5. Activities most rapidly declining over last five years a. In-line Roller Skating - down 28% b. Touch Football – down 26% c. Ultimate Frisbee – down 25%

Summary of Local Market Potential Index Analysis
1. The City exhibit above average market potential for sport and leisure activities
2. Highest participated recreational activities for Durango residents compared to the national averages a. Durango adult residents are 88% more likely to participate in Backpacking than the national average b. Durango adult residents are 86% more likely to participate in going to an art gallery than the national average c. Durango adult residents are 85% more likely to participate in canoeing/kayaking than the national average
3. Least participated recreational activities for Durango residents compared to the national averages a. Durango adult residents are 25% less likely to participate in visiting an indoor water park than the national average b. Durango adult residents are 19% less likely to participate in salt water fishing than the national average c. Durango adult residents are 14% less likely to participate in fresh water fishing than the national average

1.2.1 NATIONAL TRENDS IN RECREATION

METHODOLOGY

The Sports & Fitness Industry Association's (SFIA*) annual report (Sports, Fitness & Recreational Activities Topline Participation Report 2017)* was utilized when evaluating the following trends:

- National Trends in Sport and Fitness Participation
- Core vs. Casual Participation
- Activity by Generation
- National Trends in Fitness and Sports Spending

The study is based on survey findings carried out in 2016 and the beginning of 2017 by the Physical Activity Council, which conducted a total of 24,134 online interviews – 11,453 individual and 12,681 household surveys. A sample size of 24,134 completed interviews is considered by SFIA to result in a high degree of statistical accuracy. A sport with a participation rate of five percent has a confidence interval of plus or minus 0.31 percentage points under 95 percent confidence interval. Using a weighting technique, the total population figure used in this study is 296,251,344 people (ages six and older). The purpose of the report is to establish levels of activity and identify key participatory trends in recreation across the US.

CORE VS. CASUAL PARTICIPATION

In addition to overall participation rates, SFIA further categorizes active participants as either core or casual participants based on frequency. Core participants have higher participatory frequency thresholds than casual participants. The thresholds vary among different categories of activities. For instance, core participants engage in most fitness and recreational activities more than 50 times per year, while for sports, the threshold for core participation is typically 13 times per year. Core participants are more committed and less likely to switch to other fitness or sport activities or become inactive (engage in no physical activity) than causal participants. For instance, the most popular activity in 2016, fitness walking, has twice the core participants than causal participants. This may also explain why activities with more core participants tend to experience less pattern shifts than those with larger groups of casual participants.

NATIONAL SPORT AND FITNESS PARTICIPATORY TRENDS

NATIONAL TRENDS IN GENERAL SPORTS

The sports most heavily participated in for 2016 were golf (24.1 million in 2015) and basketball (22.3 million), which have participation figures well in excess of the other activities in the general sports category. The popularity of golf and basketball can be attributed to the ability to compete with relatively small number of participants. Golf also benefits from its wide age segment appeal, and is considered a life-long sport. Basketball's success can be attributed to the limited amount of equipment needed to participate and the limited space requirements necessary, which make basketball the only traditional sport that can be played at the majority of American dwellings as a drive-way pickup game.

Since 2011, rugby and other niche sports, like boxing, roller hockey, and squash, have seen strong growth. Rugby has emerged as the overall fastest growing sport, as it has seen participation levels rise by 82.4% over the last five years. Based on the five-year trend, boxing (62%), roller hockey (55.9%), squash (39.3%), lacrosse (39.2%), cheerleading (32.1%) and field hockey (31.8%) have also experienced significant growth. In the most recent year, the fastest growing sports were gymnastics (15%), rugby (14.9%), sand volleyball (14.7%), Pickleball (12.3%), and cheerleading (11.7%).

During the last five years, the sports that are most rapidly declining include touch football (-26%), ultimate Frisbee (-24.5%), racquetball (-17.9%), and tackle football (-15%). Ultimate Frisbee and racquetball are losing their core participants while touch football and tackle football are experiencing attrition of its casual participant base. For the most recent year, ultimate Frisbee (-16.7%), touch football (-12.3%), tackle football (-11.9%), and boxing have undergone the largest decline.

In general, the most recent year shares a similar pattern with the five-year trends; suggesting that the increasing rates for participation in certain activities have not yet reached their peaks in sports like rugby, sand volleyball, and ice hockey. However, four sports that increased rapidly over the past five years have undergone decline in 2016, including lacrosse, field hockey, squash, and boxing for competition. The reversal of the five-year trends in these sports may be due to a relatively low user base (about 1 million) and could suggest that participation in these activities may have peaked. Exiting individuals from these declining activities are mostly causal participants that may switch to a variety of other sports or fitness activities.

CORE VS. CASUAL TRENDS IN GENERAL SPORTS

The most popular sports such as basketball and baseball have a larger core participant base (engaged in this activity more than 13 times annually) than casual participant base (engaged at least 1 time annually). Less mainstream sports such as ultimate Frisbee, roller hockey, squash and boxing for competition have more casual participants who engaged in these sports in a low frequency. Although, for the five-year trends, these sports have increasing in participation, people joining were mostly casual participants who engaged less frequently than the more dedicated, core participant base and may switch to other sports or fitness activities, explaining the declining one-year trends.

National Participatory Trends - General Sports					
Activity	Participation Levels			% Change	
	2011	2015	2016	11-16	15-16
Golf (2015 data*)	26,122	24,700	24,120	-7.7%	-2.3%
Basketball	24,790	23,410	22,343	-9.9%	-4.6%
Tennis	17,772	17,963	18,079	1.7%	0.6%
Baseball	13,561	13,711	14,760	8.8%	7.7%
Soccer (Outdoor)	13,667	12,646	11,932	-12.7%	-5.6%
Softball (Slow Pitch)	7,809	7,114	7,690	-1.5%	8.1%
Badminton	7,135	7,198	7,354	3.1%	2.2%
Volleyball (Court)	6,662	6,423	6,216	-6.7%	-3.2%
Football, Flag	6,325	5,829	6,173	-2.4%	5.9%
Football, Touch	7,684	6,487	5,686	-26.0%	-12.3%
Volleyball (Sand/Beach)	4,451	4,785	5,489	23.3%	14.7%
Football, Tackle	6,448	6,222	5,481	-15.0%	-11.9%
Gymnastics	4,824	4,679	5,381	11.5%	15.0%
Soccer (Indoor)	4,631	4,813	5,117	10.5%	6.3%
Track and Field	4,341	4,222	4,116	-5.2%	-2.5%
Cheerleading	3,049	3,608	4,029	32.1%	11.7%
Ultimate Frisbee	4,868	4,409	3,673	-24.5%	-16.7%
Racquetball	4,357	3,883	3,579	-17.9%	-7.8%
Pickleball	N/A	2,506	2,815	N/A	12.3%
Ice Hockey	2,131	2,546	2,697	26.6%	5.9%
Softball (Fast Pitch)	2,400	2,460	2,467	2.8%	0.3%
Lacrosse	1,501	2,094	2,090	39.2%	-0.2%
Roller Hockey	1,237	1,907	1,929	55.9%	1.2%
Wrestling	1,971	1,978	1,922	-2.5%	-2.8%
Rugby	850	1,349	1,550	82.4%	14.9%
Squash	1,112	1,710	1,549	39.3%	-9.4%
Field Hockey	1,147	1,565	1,512	31.8%	-3.4%
Boxing for Competition	747	1,355	1,210	62.0%	-10.7%
NOTE: Participation figures are in 000's for the US population ages 6 and over					
Legend:	Large Increase (greater than 25%)	Moderate Increase (0% to 25%)	Moderate Decrease (0% to -25%)	Large Decrease (less than -25%)	

Figure 10: General Sports Participatory Trends

NATIONAL TRENDS IN GENERAL FITNESS

Overall, national participatory trends in fitness have experienced strong growth in recent years. Many of these activities have become popular due to an increased interest among people to improve their health by engaging in an active lifestyle – 0.4% more people were reported being active to a healthy level and inactivity rate decreased by 0.2% in 2016. These activities also have very few barriers to entry, which provides a variety of options that are relatively inexpensive to participate in and can be performed by nearly anyone with no time restrictions.

The most popular fitness activity by far is fitness walking, which had about 107.9 million participants in 2016, despite a 1.8% decrease from the previous year. Other leading fitness activities based on total number of participants include treadmill (52 million), hand weights (51.5 million), running/jogging (47.4 million), stationary cycling (36.1 million), and weight/resistance machines (35.8 million).

Over the last five years, the activities growing most rapidly are non-traditional / off-road triathlons (108.2%), trail running (59.7%), traditional road triathlons (40.8%), high impact aerobics (35.8%), and tai chi (24.6%). For the same time frame, the activities that have undergone the most decline include boot camp style cross training (-14.6%), weight/resistant machines (-9.6%), running/joggings (-5.3%), and fitness walking (-4.3%).

In the last year, activities with the largest gains in participation included stair climbing machine (13.9%), bodyweight exercise (13.4%), and cross training style workout (10.3%). From 2015 to 2016, the activities that had the most decline in participation were Barre (-7.1%), hand weights (-5.9%), stretching (-5.6%), and boxing for fitness (-4.5%).

National Participatory Trends - General Fitness					
Activity	Participation Levels			% Change	
	2011	2015	2016	11-16	15-16
Fitness Walking	112,715	109,829	107,895	-4.3%	-1.8%
Treadmill	53,260	50,398	51,972	-2.4%	3.1%
Free Weights (Dumbbells/Hand Weights)	N/A	54,716	51,513	N/A	-5.9%
Running/Jogging	50,061	48,496	47,384	-5.3%	-2.3%
Stationary Cycling (Recumbent/Upright)	36,341	35,553	36,118	-0.6%	1.6%
Weight/Resistant Machines	39,548	35,310	35,768	-9.6%	1.3%
Stretching	34,687	35,776	33,771	-2.6%	-5.6%
Elliptical Motion Trainer	29,734	32,321	32,218	8.4%	-0.3%
Free Weights (Barbells)	27,056	25,381	26,473	-2.2%	4.3%
Yoga	22,107	25,289	26,268	18.8%	3.9%
Calisthenics/Bodyweight Exercise	N/A	22,146	25,110	N/A	13.4%
Choreographed Exercise	N/A	21,487	21,839	N/A	1.6%
Aerobics (High Impact)	15,755	20,464	21,390	35.8%	4.5%
Stair Climbing Machine	13,409	13,234	15,079	12.5%	13.9%
Cross-Training Style Workout	N/A	11,710	12,914	N/A	10.3%
Stationary Cycling (Group)	8,738	8,677	8,937	2.3%	3.0%
Pilates Training	8,507	8,594	8,893	4.5%	3.5%
Trail Running	5,373	8,139	8,582	59.7%	5.4%
Cardio Kickboxing	6,488	6,708	6,899	6.3%	2.8%
Boot Camp Style Cross-Training	7,706	6,722	6,583	-14.6%	-2.1%
Martial Arts	5,037	5,507	5,745	14.1%	4.3%
Boxing for Fitness	4,631	5,419	5,175	11.7%	-4.5%
Tai Chi	2,975	3,651	3,706	24.6%	1.5%
Barre	N/A	3,583	3,329	N/A	-7.1%
Triathlon (Traditional/Road)	1,686	2,498	2,374	40.8%	-5.0%
Triathlon (Non-Traditional/Off Road)	819	1,744	1,705	108.2%	-2.2%
NOTE: Participation figures are in 000's for the US population ages 6 and over					
Legend:	Large Increase (greater than 25%)	Moderate Increase (0% to 25%)	Moderate Decrease (0% to -25%)	Large Decrease (less than -25%)	

Figure 11: General Fitness National Participatory Trends

NATIONAL TRENDS IN OUTDOOR RECREATION

Results from the Participation Report demonstrate a dichotomy of growth and attrition among outdoor / adventure recreation activities. Much like the general fitness activities, these activities encourage an active lifestyle, can be performed individually or within a group, and are not limited by time restraints.

In 2016, the most popular activities, in terms of total participants, from the outdoor / adventure recreation category include day hiking (42.1 million), road bicycling (38.4 million), freshwater fishing (38.1 million), and camping within ¼ mile of vehicle/home (26.5 million).

From 2011-2016, adventure racing (149.5%), BMX bicycling (58.5%), traditional climbing (46.5%), and backpacking overnight (31.5%) have undergone the largest increases. More recently, activities growing most rapidly in the last year were BMX bicycling (15.4%), day hiking (13.1%), traditional climbing (8.5%), and recreational vehicle camping (7.9%).

The five-year trend shows activities declining most rapidly were in-line roller skating (-27.8%), camping within ¼ mile of home/vehicle (-17.2%), and bird watching (-11.3%). The recent year trend experiences a relatively smaller decline but includes similar activities as the five-year trend. The activities experiencing declines were bird watching (-11.5%), in-line roller skating (-10.7%), fly fishing (-5.7%), and camping within ¼ mile of home/vehicle (-4.6%).

National Participatory Trends - Outdoor / Adventure Recreation					
Activity	Participation Levels			% Change	
	2011	2015	2016	11-16	15-16
Hiking (Day)	33,494	37,232	42,128	25.8%	13.1%
Bicycling (Road)	39,834	38,280	38,365	-3.7%	0.2%
Fishing (Freshwater)	38,864	37,682	38,121	-1.9%	1.2%
Camping (< 1/4 Mile of Vehicle/Home)	31,961	27,742	26,467	-17.2%	-4.6%
Wildlife Viewing (>1/4 Mile of Home/Vehicle)	21,495	20,718	20,746	-3.5%	0.1%
Camping (Recreational Vehicle)	16,282	14,699	15,855	-2.6%	7.9%
Fishing (Saltwater)	11,896	11,975	12,266	3.1%	2.4%
Birdwatching (>1/4 mile of Vehicle/Home)	13,067	13,093	11,589	-11.3%	-11.5%
Backpacking Overnight	7,722	10,100	10,151	31.5%	0.5%
Bicycling (Mountain)	6,989	8,316	8,615	23.3%	3.6%
Archery	6,471	8,378	7,903	22.1%	-5.7%
Fishing (Fly)	5,581	6,089	6,456	15.7%	6.0%
Skateboarding	6,318	6,436	6,442	2.0%	0.1%
Roller Skating, In-Line	7,451	6,024	5,381	-27.8%	-10.7%
Climbing (Sport/Indoor/Boulder)	4,445	4,684	4,905	10.3%	4.7%
Bicycling (BMX)	1,958	2,690	3,104	58.5%	15.4%
Adventure Racing	1,202	2,864	2,999	149.5%	4.7%
Climbing (Traditional/Ice/Mountaineering)	1,904	2,571	2,790	46.5%	8.5%
NOTE: Participation figures are in 000's for the US population ages 6 and over					
Legend:	Large Increase (greater than 25%)	Moderate Increase (0% to 25%)	Moderate Decrease (0% to -25%)	Large Decrease (less than -25%)	

Figure 12: Outdoor / Adventure Recreation Participatory Trends

NATIONAL TRENDS IN AQUATIC ACTIVITY

Swimming is unquestionably a lifetime sport, and all aquatic activities have experienced strong participation growth among the American population. In 2016, fitness swimming is the absolute leader in overall participation (26.6 million) for aquatic activities, due in large part to its broad, multigenerational appeal. In the most recent year, competition swimming reported the strongest growth (16.5%) among aquatic activities, followed by aquatic exercise (14.6%) and fitness swimming (1.1%).

Aquatic exercise also has a strong participation base, and has experienced steady growth since 2011. Aquatic exercise has paved the way as a less stressful form of physical activity, while allowing similar benefits as land-based exercises, including aerobic fitness, resistance training, flexibility, and better balance. Doctors are now recommending aquatic exercise for injury rehabilitation, mature patients, and patients with bone or joint problems, due to the significant reduction of stress placed on weight-bearing joints, bones, muscles, and also the effect of the water in reducing swelling from injuries.

National Participatory Trends - Aquatics					
Activity	**Participation Levels**			**% Change**	
	2011	**2015**	**2016**	**11-16**	**15-16**
Swimming (Fitness)	21,517	26,319	26,601	23.6%	1.1%
Aquatic Exercise	9,042	9,226	10,575	17.0%	14.6%
Swimming (Competition)	2,363	2,892	3,369	42.6%	16.5%
NOTE: Participation figures are in 000's for the US population ages 6 and over					
Legend:	Large Increase (greater than 25%)	Moderate Increase (0% to 25%)	Moderate Decrease (0% to -25%)	Large Decrease (less than -25%)	

Figure 13: Aquatic Participatory Trends

ACTIVITY BY GENERATION

Analyzing participation by age for recreational activities reveals that fitness and outdoor sports were the most common activities across all generations. Breaking down activity level by generation shows a converse correlation between age and healthy activity rates.

Generation Z (born 2000+) were the most active, with only 17.6% identifying as inactive. Most people in this age range were moderate participants (participating 1-150 times a year); with 40.0% engaging in active & high calorie (19.4%) or casually & low/med calorie (20.6%) burning activities. Roughly 14% participated low/med calorie burning activities.

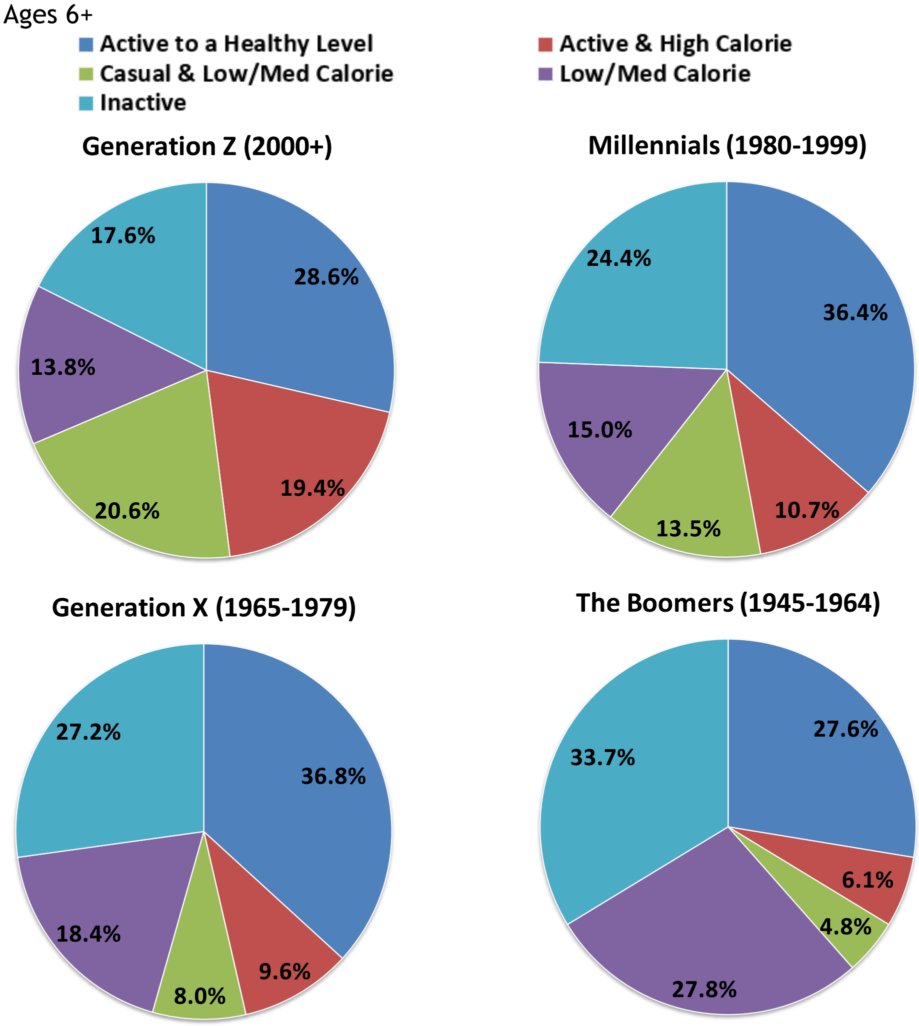
A total of 36.4% of **millennials (born 1980-1999)** were active to a healthy level, while 24.4% claimed they were inactive. Although the inactivity rate was below the national level (27.5%), it has increased in the last year.

Generation X (born 1965-1979) has the highest active to a healthy level rate (36.8%) among all generations, but they also have the second highest inactive rate, with 27.2% not being active at all.

The Boomers (born 1945-1964) were the least active generation, with an inactive rate of 33.7%. This age group tends to participate in less intensive activities. Approximately 33% claimed to engage in casual & low/med calorie (4.8%) or low/med calorie (27.8%) burning activities.

PARTICIPATION RATES SEGMENTED BY GENERATIONS

US population, Ages 6+

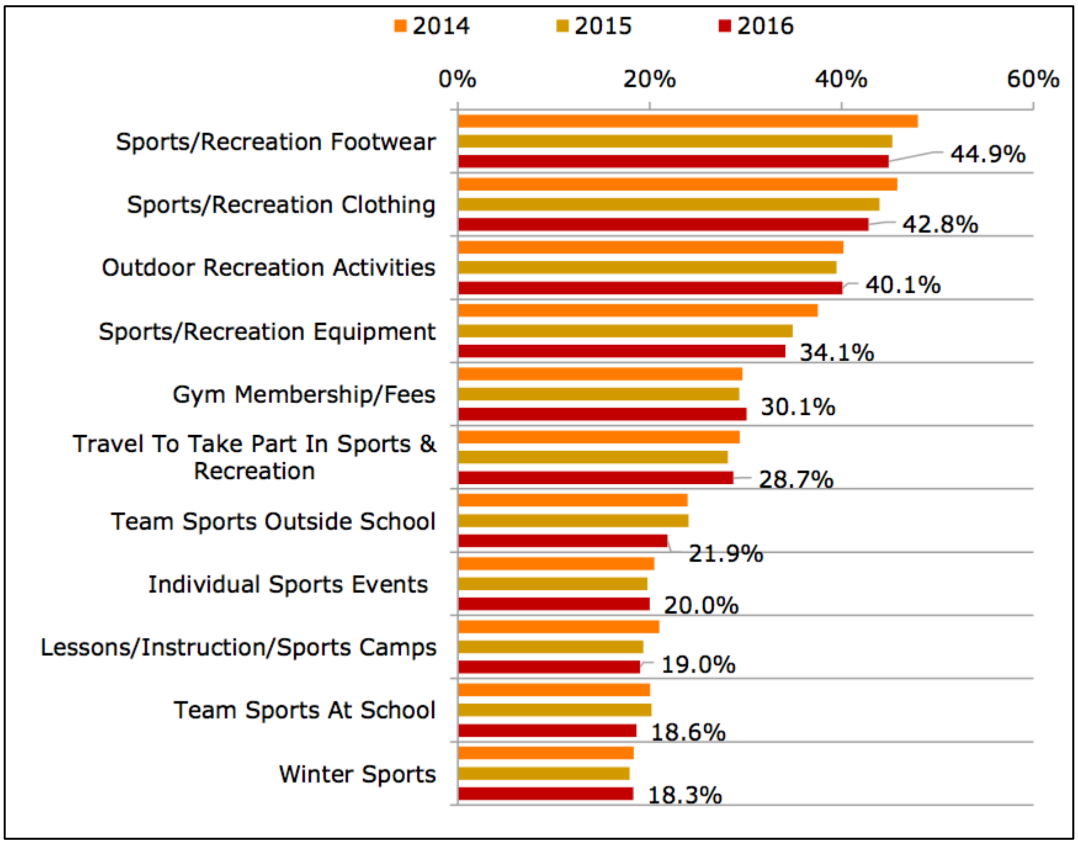


*Times per year: Casual (1-50), Active (51-150), Active to Healthy Level

NATIONAL TRENDS IN FITNESS AND SPORTS SPENDING

Overall, fitness and sports related spending decreased slightly over the past three years. As outdoor recreation activities become more popular, spending in the category increased in the most recent year. Gym membership/fee and travel expenses for recreation have also undergone increases in fitness spending over the past year. Noticeably, spending on team sports, both at and outside school, has seen relatively large declines in 2016.

Ownership of health and fitness tracking devices has also increased in recent years. More than a quarter of all active participants owned a fitness tracking device in 2016, which includes fitness trackers that sync with computer/tablet/smartphone, pedometer, and heart rate monitor. Wearable fitness tracking is becoming the most popular tracking option for both active and inactive participants.



1.2.2 LOCAL TRENDS IN RECREATION

LOCAL SPORT AND MARKET POTENTIAL

The following charts show sport and leisure market potential data from ESRI. A Market Potential Data (MPI) measures the probable demand for a product or service within the City of Durango. The MPI shows the likelihood that an adult resident of the target area will participate in certain activities when compared to the US National average. The national average is 100, therefore numbers below 100 would represent a lower than average participation rate, and numbers above 100 would represent higher than average participation rate. The service area is compared to the national average in four (4) categories – general sports, fitness, outdoor activity, and commercial recreation.

Overall, the City of Durango demonstrates above average market potential index (MPI) numbers. These overall high MPI scores show that Durango's residents have a high participation presents when it comes to recreational activities. This becomes significant for when the City considers starting up new programs or building/upgrading amenities; giving them a strong tool to estimate resident participation.

High index numbers (100+) demonstrate that there is a greater potential that residents of the service area will actively participate in offerings provided by Durango Parks and Recreation.

As seen in the tables, the following sport and leisure trends are most prevalent for residents within the City. The activities are listed in descending order, from highest to lowest number of estimated participants amongst the population.

The top 10 activities with the highest number of estimated participants:

- Attended a movie (10,992 participants)
- Walking for exercise (4,722 participants)
- Attended sports event (4,315 participants)
- Jogging/running (3,697 participants)
- Swimming (3,344 participants)
- Went to a museum (3,270 participants)
- Bicycling-road (3,025 participants)
- Visited a theme park (2,810 participants)
- Hiking (2,776 participants)
- Went overnight camping (2,757 participants)

GENERAL SPORTS MARKET POTENTIAL

Local Participatory Trends - General Sports				
Activity	Estimated Participants	% of Population		MPI
		Durango	USA	
Golf	1,969	12.2%	8.7%	**140**
Basketball	1,741	10.8%	8.4%	**128**
Football	927	5.8%	5.1%	**113**
Baseball	881	5.5%	4.6%	**120**
Soccer	867	5.4%	4.3%	**125**
Volleyball	729	4.5%	3.3%	**136**
Tennis	599	3.7%	3.8%	**98**
Softball	567	3.5%	3.2%	**108**

Figure 7 - General Sports MPI

FITNESS MARKET POTENTIAL

Local Participatory Trends - Fitness				
Activity	Estimated Participants	% of Population		MPI
		Durango	USA	
Walking for exercise	4,722	29.3%	26.9%	**109**
Jogging/running	3,697	23.0%	13.5%	**171**
Swimming	3,344	20.8%	15.6%	**133**
Weight lifting	2,297	14.3%	10.2%	**140**
Yoga	2,029	12.6%	7.6%	**165**
Aerobics	1,896	11.8%	8.3%	**143**
Pilates	843	5.2%	2.7%	**196**

Figure 8 - Fitness MPI

OUTDOOR ACTIVITY MARKET POTENTIAL

Local Participatory Trends - Outdoor Activity				
Activity	Estimated Participants	% of Population		MPI
		Durango	USA	
Bicycling (road)	3,025	18.8%	10.3%	**183**
Hiking	2,776	17.2%	10.4%	**166**
Canoeing/kayaking	1,724	10.7%	5.8%	**185**
Fishing (fresh water)	1,620	10.1%	12.0%	**84**
Bicycling (mountain)	1,009	6.3%	4.1%	**153**
Backpacking	973	6.0%	3.2%	**188**
Boating (power)	763	4.7%	5.0%	**94**
Fishing (salt water)	541	3.4%	4.2%	**81**
Horseback riding	398	2.5%	2.3%	**107**

Figure 9 - Outdoor Activity MPI

COMMERCIAL RECREATION MARKET POTENTIAL

Local Participatory Trends - Commercial Recreation				
Activity	Estimated Participants	% of Population		MPI
		Durango	USA	
Attended a movie in last 6 months	10,992	68.2%	59.3%	**115**
Attended sports event	4,315	26.8%	20.0%	**134**
Went to museum in last 12 months	3,270	20.3%	12.3%	**165**
Visited a theme park in last 12 months	2,810	17.4%	17.8%	**98**
Went overnight camping in last 12 months	2,757	17.1%	12.1%	**141**
Visited a zoo in last 12 months	2,594	16.1%	11.4%	**141**
Went to art gallery in last 12 months	2,228	13.8%	7.4%	**186**
Did photography in last 12 months	2,225	13.8%	10.4%	**133**
Spent $250+ on sports/rec equip	1,947	12.1%	7.8%	**156**
Attended adult education course in last 12 months	1,603	10.0%	7.5%	**134**
Danced/went dancing in last 12 months	1,601	9.9%	7.6%	**130**
Did painting/drawing in last 12 months	1,314	8.2%	6.3%	**130**
Attended dance performance in last 12 months	1,258	7.8%	4.4%	**176**
Spent $100-249 on sports/rec equip	1,119	6.9%	6.3%	**110**
Spent $1-99 on sports/rec equip	973	6.0%	6.3%	**96**
Visited indoor water park in last 12 months	347	2.2%	2.9%	**75**

Figure 10 - Commercial Recreation MPI

1.3 APPENDIX A- LIFEMODE GROUPS' CHARACTERISTICS

LifeMode 1: Affluent Estates	Segments
-Established wealth - educated, well-traveled married couples -Accustomed to "more": less than 10% of all households, with 20% of household income -Homeowners (almost 90%), with mortgages (70%) -Married couple families with children ranging from grade school to college -Expect quality; invest in time-saving services -Participate actively in their communities -Active in sports and enthusiastic travelers	**Top Tier** **Professional Pride** **Boomburbs** **Savvy Suburbanites** **Exurbanites**

LifeMode 2: Upscale Avenues	Segments
-Prosperous married couples living in older suburban enclaves -Ambitious and hard-working -Homeowners (70%) prefer denser, more urban settings with older homes and a large share of townhomes -A more diverse population, primarily married couples, many with older children -Financially responsible, but still indulge in casino gambling and lotto tickets -Serious shoppers, from Nordstrom's to Marshalls or DSW, that appreciate quality, and bargains -Active in fitness pursuits like bicycling, jogging and aerobics -Also the top market for premium movie channels like HBO and Starz	**Urban Chic** **Pleasantville** **Pacific Heights** **Enterprising Professionals**

LifeMode 3: Uptown Individuals	Segments
-Young, successful singles in the city -Intelligent (best educated market), hard-working (highest rate of labor force participation) and averse to traditional commitments of marriage and home ownership -Urban denizens, partial to city life, high-rise apartments and uptown neighborhoods -Prefer debit cards to credit cards, while paying down student loans -Green and generous to environmental, cultural and political organizations -Internet dependent, from social connections to shopping for groceries (although partial to showrooming) -Adventurous and open to new experiences and places	**Laptops and Lattes** **Metro Renters** **Trendsetters**

LifeMode 4: Family Landscapes	Segments
-Successful young families in their first homes -Non-diverse, prosperous married-couple families, residing in suburban or semirural areas with a low vacancy rate (second lowest) -Homeowners (80%) with mortgages (second highest %), living in newer single-family homes, with median home value higher than the U.S. -Two workers in the family, contributing to the second highest labor force participation rate, as well as low unemployment -Do-it-yourselfers, who work on home improvement projects, as well as their lawns and gardens -Sports enthusiasts, typically owning newer sedans or SUVs, dogs, and savings accounts/plans, comfortable with the latest technology -Eat out frequently at fast food or family restaurants to accommodate their busy lifestyle -Especially enjoy bowling, swimming, playing golf, playing video games, watching movies rented via Redbox, and taking trips to a zoo or theme park	**Soccer Moms** **Home Improvement** **Middleburg**

LifeMode 5: GenXurban	Segments
-Gen X in middle age; families with fewer kids and a mortgage -Second Largest Tapestry group, comprised of Gen X married couples, and a growing population of retirees -About a fifth of residents are 65 or older; about a fourth of households have retirement income -Own older single-family homes in urban areas, with 1 or 2 vehicles -Live and work in the same county, creating shorter commute times -Invest wisely, well-insured, comfortable banking online or in person -News junkies (read a dialy newspaper, watch news on TV, and go online for news -Enjoy reading, photo album/scrapbooking, playing board games and cards, doing crossword puzzles, going to museums and rock concerts, dining out, and walking for exercise	**Comfortable Empty Nesters** **In Style** **Parks and Rec** **Rustbelt Traditions** **Midlife Constants**

LifeMode 6: Cozy Country Living	Segments
-Empty nesters in bucolic settings -Largest Tapestry group, almost half of households located in the Midwest -Homeowners with pets, residing in single-family dwellings in rural areas; almost 30% have 3 or more vehicles and, therefore, auto loans -Politically conservative and believe in the importance of buying American -Own domestic trucks, motorcycles, and ATVs/UTVs -Prefer to eat at home, shope at discount retail stores (especially Walmart), bank in person, and spend little time online -Own every tool and piece of equipment imaginable to maintain their homes, vehicles, vegetable gardens, and lawns -Listen to country music, watch auto racing on TV, and play the lottery; enjoy outdoor activities, such as fishing, hunting, camping, boating, and even bird watching	**Green Acres** **Salt of the Earth** **The Great Outdoors** **Prairie Living** **Rural Resort Dwellers** **Heartland Communities**

LifeMode 7: Ethnic Enclaves	Segments
-Established diversity--young, Hispanic homeowners with families -Multilingual and multigenerational households featyre children that represent second-, third-, or fourth-generation Hispanic families -Neighborhoods feature single-family, owner-occupied homes built at city's edge, primarily built after 1980 -Hard-working and optimistic, most residents aged 25 years or older have a high school diploma or some college education -Shopping and leisure also focus on their children--baby and children's products from shoes to toys and games -Residents favor Hispanic programs on radio or television; children enjoy playing video games on computers, handheld or console devices. -Many households have dogs for domestic pets	**Up and Coming Families**
	Urban Villages
	American Dreamers
	Barrios Urbanos
	Valley Growers
	Southwestern Families

LifeMode 8: Middle Ground	Segments
-Lifestyles of thirtysomethings -Millennials in the middle: single/married, renters/homeowners, middle class/working class -Urban market mix of single-family, townhome, and multi-unit dwellings -Majority of residents attended college or attained a college degree -Householders have ditched their landlines for cell phones, which they use to listen to music (generally contemporary hits), read the news, and get the latest sports updates of their favorite teams -Online all the time: use the Internet for entertainment (downloading music, watching YouTube, finding dates), social media (Facebook, Twitter, LinkedIn), shopping and news -Leisure includes night life (clubbing, movies), going to the beach, come travel and hiking	**City Lights**
	Emerald City
	Bright Young Professionals
	Downtown Melting Pot
	Front Porches
	Old and Newcomers
	Hardscrabble Road

LifeMode 9: Senior Styles	Segments
-Senior Lifestyles reveal the effects of saving for retirement -Households are commonly married empty nesters or singles living alone; homes are singlel-family (including seasonal getaways), retirement communities, or high-rise apartments -More affluent seniors travel and relocate to warmer climates; less affluent, settled seniors are still working toward retirement -Cell phones are popular, but so are landlines -Many still prefer print to digital media: Avid readers of newspapers, to stay current -Subscribe to cable television to watch channels like Fox News, CNN, and the Weather Channel -Residents prefer vitamins to increase their mileage and a regular exercise regimen	**Silver and Gold**
	Golden Years
	The Elders
	Senior Escapes
	Retirement Communities
	Social Security Set

LifeMode 10: Rustic Outposts	Segments
-Country life with older families in older homes -Rustic Outposts depend on manufacturing, retail and healthcare, with pockets of mining and agricultural jobs	Southern Satellites
-Low labor force participation in skilled and service occupations -Own affordable, older single-family or mobile homes; vehicle ownership, a must	Rooted Rural
-Residents live within their means, shop at discount stores and maintain their own vehicles (purchased used) and homes	Diners & Miners
-Outdoor enthusiasts, who grow their own vegetables, love their pets and enjoy hunting and fishing	Down the Road
-Technology is cost prohibitive and complicated. Pay bills in person, use the yellow pages, read the newspaper and mail-order books	Rural Bypasses

LifeMode 12: Hometown	Segments
-Growing up and staying close to home; single householders	Family Foundations
-Owners of old, single-family houses, or renters in small multi-unit buildings -Religion is the cornerstone of many of these communities	Traditional Living
-Visit discount stores and clip coupons, frequently play the lottery at convenience stores	Small Town Simplicity
-Canned, packaged and frozen foods help to make ends meet -Purchase used vehicles to get them to and from nearby jobs	Modest Income Homes

LifeMode 11: Midtown Singles	Segments
-Close knit urban communities of young singles (many with children) -Millennials on the move—single, diverse, urban	City Strivers
-Millennials seeking affordable rents in apartment buildings -Work in service and unskilled positions, usually close to home or public transportation	Young and Restless
-Single parents depend on their paycheck to buy supplies for their very young children	Metro Fusion
-Midtown Singles embrace the Internet, for social networking and downloading content -From music and movies to soaps and sports, radio and television fill their lives	Set to Impress
-Brand savvy shoppers select budget friendly stores	City Commons

LifeMode 13: New Wave	Segments
-Urban denizens, young, diverse, hard-working families -Extremely diverse with a Hispanic majority, the highest among LifeMode groups -A large share are foreign born and speak only their native language -Young, or multigenerational, families with children are typical -Most are renters in older multi-unit structures, built in the 1960s or earlier -Hard-working with long commutes to jobs, often utilizing public transit to commute to work -Spending reflects the youth of these consumers, focus on children (top market for children's apparel) and personal appearance -Also a top market for movie goers (second only to college students) and fast food Partial to soccer and basketball	**International Marketplace** **Las Casas** **NeWest Residents** **Fresh Ambitions** **High Rise Renters**

LifeMode 14: Scholars and Patriots	Segments
-College and military populations that share many traits due to the transitional nature of this LifeMode Group -Highly mobile, recently moved to attend school or serve in military -The youngest market group, with a majority in the 15 to 24 year old range -Renters with roommates in nonfamily households -For many, no vehicle is necessary as they live close to campus, military base or jobs -Fast-growing group with most living in apartments built after 2000 -Part-time jobs help to supplement active lifestyles -Millennials are tethered to their phones and electronic devices, typically spending over 5 hours online every day tweeting, blogging, and consuming media -Purchases aimed at fitness, fashion, technology and the necessities of moving -Highly social, free time is spent enjoying music and drinks with friends -Try to eat healthy, but often succumb to fast food	**Military Proximity** **College Towns** **Dorms to Diplomas**