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Viewpoint

Denver needs different strategies to attract more retail

Stuart Zall

Neil Westergaard's [Editor's Notebook](#), "Does Denver discourage retail development?" (Denver Business Journal, June 14), confuses the issues facing downtown Denver retail with all retail in the City and County of Denver.

The City and County of Denver has some wonderful retail neighborhoods. Twenty years ago, these neighborhoods didn't have had the critical mass, selection and cutting-edge retail they have today. These include Cherry Creek, Highlands (LoHi, Highlands and the 38th Street corridor), Stapleton and Lowry (both had active runways and not the kind you find in a fashion show), Golden Triangle and Washington Park.

The challenges that the City and County of Denver face are the following:

Denver and Colorado are retail oases with no major cities for nearly 1,000 miles. Although Salt Lake City and Kansas City are both within 600 miles, they're not considered first-tier retail cities like Los Angeles, San Francisco, Dallas, Las Vegas and Chicago.

When a retailer is going to expand, it wants to go into first-tier markets, and preferably ones that are close to their existing stores. For example, after a retailer opens stores in Southern California, it expands to nearby Phoenix and Las Vegas, and it might be years before it comes to Denver.

Regarding the comment about H&M, the reason it's expanding in the suburbs is because its downtown Denver flagship store was one of H&M's top performers in the United States. H&M's expansion in the Denver area is a vote of confidence in Denver and Colorado. In addition, H&M opened up a store in Cherry Creek, which although it's slightly cannibalized the downtown store, it's a net gain in sales tax revenue for the City and County of Denver.

The other issue Denver faces is that neighboring cities such as Glendale and Centennial

realize the importance of sales tax revenue and have been extremely aggressive in making deals with high-volume retailers. Examples are Ikea (Centennial), and SuperTarget and King Soopers Marketplace (Glendale).

These neighboring cities proactively work with developers when it comes to landing high-volume retailers. Centennial made a full-court press to attract Ikea to its city; Denver was never aggressive in seeking Ikea. Another is Cabela's, which is opening two new stores — one in Thornton to the north and another near Lone Tree to the south. Once again, a major retailer committed to the market but didn't land in Denver.

Downtown Denver faces different challenges. While the parking might be difficult, there are plenty of places to park. Also, the new meters accept credit cards, which has made it easier for shoppers to avoid tickets. Downtown Denver has a workforce of more than 110,000 people a day, and attracts tourists and conventioners.

The Downtown Denver Partnership was instrumental in landing H&M and has identified "game-changing retailers" that downtown needs to go after to improve its offerings.

Downtown's main issue is a lack of good retail space. The problem is that many of the buildings on the 16th Street Mall are individually owned. Most owners care only about receiving the highest rent and not about the ideal retail mix.

Recently, when a great retail space opened on the mall, it was leased to the highest rent payer, which happened to be a credit union.

The new Union Station project will have a positive impact on downtown retail. Union Station will draw more than 200,000 commuters per day, and is sure to drive additional retail and restaurant sales.

If Denver wants to improve its retail offerings, it needs to create a strategic plan that earmarks money for game-changing retail so when great spaces open up downtown, they can be competitive with nonretail uses. It also needs to come up with a plan to attract big-box retail to the City and County of Denver instead of losing to suburbs.

The task is challenging but not impossible. The positive results will provide the city with the necessary revenue to continue to grow the city and improve its retail offering.

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