Final Report

City Retail Analysis and Site Development Assessment

City of Englewood, Colorado
Final Report
September 12, 2011

City Retail Analysis and Site Development Strategy

Prepared for
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SECTION I.
Introduction
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Introduction

In December 2010, BBC Research & Consulting was selected by the city of Englewood through a competitive request for proposals (RFP) process to document local retail conditions; describe local and national retailing trends; evaluate key local retail concentrations; and define centers with commercial development potential within the city.

This report is the culmination of Phase I of a two phase project. Based in part on the findings of Phase I, the city will consider pursuing a Phase II retail redevelopment plan and recruitment effort. At this time, the consultant team does not recommend that the city pursue Phase II of the study—instead the city should focus on individual opportunities presented by the private sector rather than instituting a broad citywide redevelopment plan and recruitment strategy. The city could potentially revisit Phase II of the study if broad national and regional retail market conditions improve.

Study Approach
This analytical approach accepted for this analysis focuses on four questions posed by the city:

- How would a retailer or retail center developer evaluate market opportunities in a metropolitan area and how would Englewood rate under this kind of evaluation mechanism?
- How has retailing changed since the economic downturn and what are the consequences of those changes for a community seeking to stimulate further retail growth?
- What specific retailers, or types of retailing, might be appropriate additions in this marketplace?
- What Englewood neighborhoods or current concentrations of Englewood retail show the greatest promise for further commercial expansion?

Report Organization
This report has five sections. Following this Introduction, Section I provides an analysis of the Englewood retail market and documents current retail performance trends. Section II examines national retailing trends and the characteristics of a successful retail environment. Section III assesses the development prospects of ten retail clusters in Englewood, identifying four as having the greatest growth potential. Finally Section IV examines the four selected sites in greater detail.

Report Preparation
The report was prepared by BBC Research & Consulting, a Denver Based economic research firm, and Brad Kornfeld of the Kornfeld Real Estate Group, LLC, owners and operators of commercial shopping centers.
SECTION II.
Englewood Retail Analysis
SECTION II
Englewood Retail Analysis

This section analyses Englewood’s retail markets from the perspective of a new retail entrant into the area or a retail center developer.

Retail operators and developers have a set of metrics that are commonly used to evaluate a new market’s prospects, including:

- A community’s location and accessibility in relation to other surrounding communities;
- The number of households and the household incomes within the local market area;
- Residential and business growth prospects;
- The location and nature of competitive influences;
- Recent retail performance and local retail sales trends; and
- The availability of suitable development or store sites.

For a national retailer, the location of other outlets of the same or similar stores, the location of specific competitors and corporate philosophy about location strategy may also influence a siting decision. Often corporate financial strategies, for instance a decision to reduce capital expenditures or to pursue market share in a specific area, may override market conditions.

Englewood Demographics

The city of Englewood lies southwest of the city of Denver in the metropolitan area’s first tier of inner-ring of suburbs. Englewood is one of a few “first-tier suburbs” and it grew rapidly during the post World War II era, but is now somewhat constrained by the more recent outer ring of suburban community growth. The majority of Englewood’s growth occurred in the period between 1948 and 1965. Englewood’s location in relationship to the larger Denver Metropolitan Area is shown in Figure II-1.
For many years, Englewood was home to the Denver area’s most successful shopping center, Cinderella City, which opened in 1968, as the largest enclosed shopping mall west of the Mississippi River. Over the next 30 years, housing growth and thus retail markets continued to migrate south, and the city encouraged demolition of the older mall and development of a transit-orientated, mixed use, City Center project, which also houses retail, apartments, and the Englewood Civic Center.
**Population.** Englewood is home to approximately 30,255 residents. As shown in Figure II-2 most Denver area first tier communities have grown very little in recent years. Aurora is an exception to this pattern because there are no physical growth constraints on its eastern and southern boundaries.

**Figure II-2.**
Population Change, 2000 to 2010

Communities immediately adjacent to Englewood, including Sheridan, Greenwood Village, Lakewood and Littleton, have shown a similar modest loss of residents, slow growth or no-growth patterns. The absence of population growth and the maturity of the community’s built environment will be a constraining issue for new retailers.

**Household income.** Englewood has relatively modest average household income but the larger retail market area incorporates Cherry Hills Village and Greenwood Village and surrounding areas, which enhance the size and value of the retail marketplace.

In 2010, Englewood had a median household income of about $44,000. The modest household income level is a barrier for some retailers but, as described below, most retailers will look beyond immediate community households in a trade area to better understand what broader markets are served by the community’s commercial base. Englewood’s retail sales data suggest that local retailers serve a larger market than just the Englewood community.

**Englewood Retail Sales Performance**

Retail tenants considering a new location will always evaluate the performance of other stores and retail centers as an indication of their prospects.

**Retail sales.** In contrast to the community’s household income data, Englewood enjoys the highest per household retail sales performance in the Denver Metropolitan area. These data include sales that occur outside of the city boundaries but are designated to Englewood because of location of deliveries, or because of variations between zip code designations and city boundaries.
Englewood collected over $220,000 per household in retail sales as defined by the Colorado Department of Revenue, indicating that the community draws a large share of its sales from sources outside the city boundaries.

**Retail trends.** Englewood has also weathered the economic downturn quite well, indicating notable economic and retail resiliency. Total retail sales tax collections in 2010 were just slightly below 2005 levels. These data include sales that occur outside of the city boundaries but are directed to Englewood because of location of deliveries.
First quarter data for 2011 suggests a continuation of 2010 performance levels. Retailers will take note of Englewood’s retail stability as evidence of stability in a down market.

Inside city sales, which exclude outside community retail sales allocations, are about 60 percent of total city retail sales. Inside sales have grown faster than total sales over the past five years with 2010 sales exceeding 2005 sales by about 10 percent.

Figure II-5. “Inside City” Sales Tax, City of Englewood, 2005-2010

Source: BBC Research & Consulting
Retail concentrations. Englewood presents a wide variety of shopping locations and formats. Exhibit II-6 shows the location of key retail corridors and concentrations within the community. The retail study sites are a mix of established retailing areas and potential redevelopment sites, all located along major transportation corridors in Englewood. The study sites are shown in Figure II-7.

Figure II-6.
Englewood Retail Concentrations

Source: City of Englewood; BBC Research & Consulting.
**Location specific sales.** As noted below in Exhibit II-7, there has been considerable variation in how retail centers in differing parts of the city have performed in recent years. The City Center, Englewood’s largest retail concentration, witnessed a small decline in sales between 2005 and 2010. Downtown Englewood, which incorporates portions of Broadway and adjacent commercial, grew sales by over $1.0 million, although a share of this growth likely included the discontinuation of the urban renewal allocation (EURA), and not real sales expansion.

**Figure II-7.**
Change in Sales Tax, by Area, 2005 to 2010

Sales occurring outside of the community, or by delivery to residents within Englewood, demonstrated the largest sales drop.

**Competition**

Englewood and the adjacent market areas are well served, meaning that residents have a wide variety of retail options in a reasonable driving distance. Figure II-8 and II-9 show the location of major centers around the southwestern Denver market.
Figure II-8. Regional Shopping Centers

Note: Mature area means new retailers have to break existing patterns.
Source: BBC, 2011

Figure II-9. Grocery-anchored Centers

Source: BBC, 2011
A national retailer or a developer will note that the area is well served. Given the absence of large undeveloped areas in Englewood, and the large number of regional and grocery anchored centers in close proximity to the community there does not appear to a major shopping center redevelopment opportunity. The slow absorption within the River Point Center, which is just west of Englewood’s boundary, is evidence that even popular big box stores are struggling to meet performance expectations. These market characteristics will generally not deter smaller, local retailers and entrepreneurs who often rely on the uniqueness of their businesses to draw customers.

**Market conditions and retail performance summary.**

The Data presented here on Englewood’s retail and demographic trends support certain conclusions:

- Englewood is a moderate income community of about 30,255 residents. There has been no household growth in recent years, largely because the community has very little undeveloped land and no locations where it can expand. Englewood’s population decreased by 4 percent between 2000 and 2010.

- Englewood enjoys very high sales tax per household, perhaps indicating that local retailers draw business from outside the community.

- The city benefits from an allocation of sales tax revenue produced by transactions that occur outside city boundaries. Nevertheless, the city’s “in-city” sales growth has been its faster growing segment in recent years.
SECTION III.
Retail Industry National Trends
SECTION III.
Retail Industry National Trends

Retailer decisions about where and when to open new locations are not based entirely on local market conditions. The condition of the national economy, the financial health of individual retailers, strategic positioning against competition and the ability of shopping center developers to provide appropriate space, all contribute to a retailer’s decision about expansion and location.

This section offers observations about these larger retailing economic considerations as they relate to Englewood’s near term strategies for attracting new retail development.

The National Economy and Retailing

The national retail landscape has changed significantly over the past three to four years, concurrent with the national economic downturn. The commercial real estate industry is experiencing what appears to be a long term shift in how retailers evaluate expansion; how they engage with shopping center developers and operators; and what operating conditions are expected when considering new retail additions.

Over building. The recent recession and financial downturn decimated the retail industry, in part because retailing and retail development shared the same unsustainable exuberance that characterized other forms of real estate development. As a result of the recent downturn, many notable retailers, caught in the process of expanding under considerable financial leverage, went out of business. This includes notable retailers that are no longer operating, or are operating under radically changed circumstances, including Circuit City, Linens N Things, Ultimate Electronics and Blockbuster. Other retailers experienced steep declines in sales and closed hundreds of stores in order to survive. Starbucks, for example, not only closed many stores around the country, but also stopped opening new locations and reformatted menus to offer lower priced items and minimize per capita sales losses. The “new” retail landscape is comprised of fewer retailers in each category. Those who remain continue to manage costs in order to survive. Survival, not expansion, remains the theme of the day, although hopefully soon some of the stronger retailers will try to take market share and re-initiate aggressive expansion efforts.

There is evidence of retail space oversupply in Englewood. A recent data analysis conducted by city Economic Development staff indicated that Englewood contains 82 square feet of retail per capita. This figure is significantly higher than the Denver Metro Area average (50 square feet per capita) and the national average (24 square feet per capita).¹

New store size. In addition to fewer retailers competing in the marketplace, retailers that continue to serve the public are often doing so with less square footage. PetSmart and Office Depot, for example, have downsized many of their locations, reducing their standard formats by 10,000 or 15,000 SF. Owners of “big box” retail buildings are finding it difficult to re-lease these buildings to new tenants, and when they can re-lease, they are often required to sub-divide the space. Many big box developments now have two stores operating in a space that used to be occupied by one.

At the same time, some of the very largest retailers, such as Costco, Target and Wal-Mart are promoting superstores—their largest format option. These stores can wreck havoc with other older centers that have a collection smaller tenants, which now must compete with these well financed and aggressive superstores.

On-line sales. Although it has taken longer than many observers anticipated, online sales are clearly cannibalizing local retailers. Savvy retailers that have a strong online presence are reducing their brick-and-mortar presence due to decreasing foot traffic inside their stores and the more cost effective electronic alternatives.

Financing. Financing for new stores and weak sales continue to combine to limit expansion prospects for even successful retailers. While obtaining financing in 2011 is easier than in the past year or two, it is still a barrier for many retailers. Whether it be for store construction or inventory acquisition, capital is difficult to secure as lenders tighten borrowing requirements. Many publicly-traded retailers are under pressure to maintain or improve their stock performance, and as a result are focusing on remodeling existing stores to improve same-store sales (which coincidently tends to increase their stock price), rather than opening new locations in a weak economy. Many independent retailers are hampered by tighter lending requirements and/or the market reality that they must contribute a significant amount of their own capital to qualify for a loan. Other retailers are hindered by banks’ unwillingness to fund capital inventory purchases, and that creates problems for retailers who want to buy more merchandise, and believe they can sell it, but can’t support desired inventory levels.

Recent trends and growth prospects. In very recent months, rising energy and food prices have cut into consumer discretionary income, further pressuring retail sales. Over the past few years, as consumers cut back on retail spending, “value” retail experienced growth. Everyday needs such as haircuts, grocery shopping and fast food dining have fared well since economic downturn. For example, discount hair salons like Great Clips have experienced a prolonged period of growth as consumers stopped patronizing high-priced salons and instead turned to discount hair cutters. Similarly, fast food restaurants benefited from diners switching from sit-down restaurants like Chili’s to less expensive dining options like McDonald’s. Other QSR (quick serve restaurants—those without table service) have expanded rapidly, such as Chipotle Mexican Grill, Panera Bread, Smashburger and Garbanzo’s. The average price to feed a family of four is significantly less at these restaurants and families who want to dine out but cannot afford higher priced options have turned in large numbers to these and other restaurant concepts. Finally, dollar stores like Dollar Tree and Family Dollar as well as other value retailers like Tuesday Morning have expanded during the economic downturn as shoppers seek ways to buy more for less.
While some luxury retailers, such as Tiffany & Company, are experiencing a rebound in sales, mass market national retailers are seeing a slow recovery. These mass-market retailers are competing for shoppers with less disposable income in a more competitive retail environment. Although luxury retailers appear to be leading retail out of the recession, luxury retailers are very choosy and inflexible about location.

**Project development.** The balance of financial power between retailers and landlords has shifted dramatically over the past four years. Prior overbuilding of shopping centers combined with many retailers closing and fewer customers spending resulted in a steep rise in vacancy rates at shopping venues of all types. Big box retail has been hit particularly hard, but all forms of shopping centers, including enclosed malls and anchored and un-anchored strip centers, have suffered.

As the economic downturn unfolded, vacancy rates grew and the viability of some retail center owners, such as the large mall owner General Growth Properties, became increasingly uncertain. Retailers backed away from expansion plans and consolidated stores in an attempt to shore up earnings. Landlords were unable to lease retail space even though they cut rents by 33% or more. In many instances, there were simply no retailers interested in opening new stores at any price. Now, as some retailers and restaurants are again beginning to pursue grow strategies, they are in a strong negotiating position. Many retailers, who prior to the 2008 downturn would have only been able to afford “B” space, are now leasing in higher quality shopping centers because the owners have lowered rents to the same level as lower-quality, or less well situated projects. For example, Michael’s arts and crafts store relocated from a B-grade center (University Hills North) in Denver to an A-class center (University Hills—an anchored by King Soopers). University Hills North now has several large spaces vacant due to closings and relocations of tenants, but the newer higher-quality University Hills remains largely full. Michael’s leased the space formerly occupied by Linens-N-Things, which went out of business nationwide.

Value retailers realize that there will be a short window of opportunity to lease space in high quality shopping centers at deep discounts, and those that are prepared to act are doing so before the spaces are gone and rents rise again. Ultimately, this transitional period could work in Englewood’s favor if additional value oriented retailers can find attractive sites in Englewood’s various retail centers.

National retailing trends as of the summer of 2011 can be summarized as follows:

- Recession reaction: “Entire industry has changed”
  - Oversupply of space, rents still declining
  - Corporate failures and limited liquidity
  - Financing is difficult if not impossible to find and successful retailers are holding on to cash rather than investing in growth.
  - Industry has been consolidating and contracting
  - High unemployment, high cost of living, job uncertainty thus Consumer demand is down
  - Shopping center development is not happening on any level.
  - “Amazon is the healthiest retailer” – an indication of the growing importance of online retailing.
- Shrinking big box footprint as retailers seek to reduce costs.
- Internet sales: stores as showrooms – less inventory on-site
- Non-retail uses infiltrating malls and strip centers
- Traditional retail centers and strips transitioning to multifamily residential or mixed use
- Developers: private equity and public funding more important than ever

**Retail Development Formats**

Individual retailers generally do not seek space on their own initiative. Brokers are retained with instructions about site preferences, or more commonly shopping center developers approach retailers directly. Most often, shopping center developers attempt to package a group of retailers into appropriate space recognizing that synergy between businesses is a critical factor in determining retail attractiveness. Generally, shopping center developers and owners specialize in certain forms of retail and over time develop relationships with the chain stores such that they can assemble a group of retailers that has proven to work well in similar past situations.

**Shopping center templates.** Figure III-1 shows the general categories of retail development. One initial strategy for the city of Englewood is to see if any of these templates can be accomplished in Englewood’s constrained development areas.
### Figure III-1.
Shopping Center Classification

#### ICSC SHOPPING CENTER CLASSIFICATIONS

<table>
<thead>
<tr>
<th>Type of Shopping Center</th>
<th>Concept</th>
<th>Sq. Ft.</th>
<th>Acreage</th>
<th>Typical Anchors</th>
<th>Anchor Ratio¹</th>
<th>Primary Trade Area²</th>
</tr>
</thead>
<tbody>
<tr>
<td>MALLS</td>
<td></td>
<td></td>
<td></td>
<td>Number</td>
<td>Type</td>
<td></td>
</tr>
<tr>
<td>Regional / Super Regional Center</td>
<td>Similar to Regional Center but has more variety and assortment</td>
<td>400,000–800,000</td>
<td>40–120</td>
<td>2 or more</td>
<td>Full-line dept. store; jr. dept. store; mass merchant; fashion apparel</td>
<td>50 - 70%</td>
</tr>
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<th>Acreage</th>
<th>Typical Anchors</th>
<th>Anchor Ratio¹</th>
<th>Primary Trade Area²</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPEN-AIR CENTERS</td>
<td></td>
<td></td>
<td></td>
<td>Number</td>
<td>Type</td>
<td></td>
</tr>
<tr>
<td>Strip center</td>
<td>Convenience; specialty</td>
<td>20,000–80,000</td>
<td>2–10</td>
<td>x</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Grocery–anchor center</td>
<td>Convenience</td>
<td>30,000–150,000</td>
<td>3–15</td>
<td>1 or more</td>
<td>Supermarket</td>
<td>30–50%</td>
</tr>
<tr>
<td>Community center</td>
<td>General Merchandise; Convenience</td>
<td>100,000–350,000</td>
<td>10–40</td>
<td>2 or more</td>
<td>Discount dept. store; supermarket; drug; home improvement</td>
<td>40–60%</td>
</tr>
<tr>
<td>Lifestyle center</td>
<td>Upscale national chain specialty stores; dining and entertainment in outdoor setting</td>
<td>150,000–500,000</td>
<td>10–40</td>
<td>0 - 2</td>
<td>Large format specialty retailer; multi-plex cinema; small department store; or no anchor</td>
<td>0–50%</td>
</tr>
<tr>
<td>Power Center</td>
<td>Category-dominant anchors; few small tenants</td>
<td>250,000–600,000</td>
<td>25–80</td>
<td>3 or more</td>
<td>Category killer; home improvement; dept. store; warehouse club</td>
<td>75–90%</td>
</tr>
<tr>
<td>Theme/Festival Center</td>
<td>Leisure; tourist-oriented; retail and service</td>
<td>80,000–250,000</td>
<td>5–20</td>
<td>N/A</td>
<td>Restaurants; entertainment</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Notes:  
1) Anchor Ratio: The share of a center’s total square footage that is attributable to its anchors.  
2) Primary Trade Area: The area from which 60 - 80% of the center’s sales originate.  
Source: International Council of Shopping Centers.
Retail clustering. Retailers tend to cluster in highly predictable patterns. Shopping center templates are basically a way for aggregating retail into clusters that make sense for the consumer. Retailers do not want to be alone; they want to be in the company of other stores that help draw the appropriate customers. Certain development formats are suitable for certain types of stores and as a rule most retailers will not locate in anything but the most suitable collection of other retailers. For example, a grocery anchored center tends to use the grocery store’s market attraction to support an additional amount of “in-line” convenience stores. The structure of tenant organization at an enclosed mall is another example.

Some general rules of thumb are noted below:

- Retail tends to gather in prescribed formats
- Traditional pad or inline retailers are attracted to anchored shopping centers
- Junior boxes and category killers are attracted to larger anchors
- Developers tend to specialize in the creation of certain types of shopping centers and they tend to have relationships with certain anchor tenants.
- Drive-thru sites are particularly valuable as they are increasingly scarce.

Target marketing. More recently, stores have begun to cluster around other market variables. Within a mall or center it is common to find stores clustering around demographic criteria, such as

- Teens
- Seniors
- Ethnic groups
- Lifestyles

Other stores may cluster by value, such as dollar stores or outlet stores. Fast food and casual dining tends to concentrate as well. Highly trafficked areas with good visibility are valuable sites for fast food. The quick serve or fast food lineup is changing as many of the traditional burger and chicken places are being challenged by new orientations including:

- Garbanzo
- Modmarket
- Tokyo Joe’s
- Chipotle
- Panera Bread

Regardless of clustering or orientation strategy certain site fundamentals always apply:

- Convenience
- Visibility
- Access
- Parking

These observations are applied to Englewood opportunity areas in the next section.
SECTION IV.
Site Evaluations
SECTION IV.
Site Evaluations

In light of local market conditions and national and regional retail trends, the consultant team was asked to evaluate ten prospective retail sites in Englewood and to suggest which sites show the greatest promise for additional development or redevelopment.

Englewood Retail Study Sites

The retail study sites are a mix of established strip retailing areas and potential redevelopment sites, all located along major transportation corridors in Englewood. The study sites are shown in Exhibit IV-1.

Figure IV-1
Englewood Retail Concentrations

Source: City of Englewood; BBC Research & Consulting.
Characteristics of Successful Retail Sites

Retail sites must have a mix of physical and location characteristics in order to be successful. Locational characteristics such as visibility and local and regional access refer to the ease a shopper can identify and access a retail concentration by car or by foot. A prospective retail site must also have basic site requirements, such as adequate acreage, topography and utilities for development. Finally, a successful retail development must serve an appropriate market context in terms of households, income and competition. Figure IV-2 presents successful retail location, site and market characteristics.

Figure IV-2. Characteristics of Successful Retail Sites

<table>
<thead>
<tr>
<th>Category</th>
<th>Characteristic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Locational Characteristics</strong></td>
<td></td>
</tr>
<tr>
<td>Visibility</td>
<td>Is the site easily seen from nearby major roadways?</td>
</tr>
<tr>
<td>Local Access</td>
<td>Can motorists and pedestrians enter and exit the site freely and directly, or is access to the property restricted and indirect?</td>
</tr>
<tr>
<td>Adjacent to Land Uses</td>
<td>Are adjacent land uses at least comparable, and hopefully complementary, with the retail development?</td>
</tr>
<tr>
<td>Regional Access</td>
<td>Can motorists easily get to this site by clear and uncongested roadways?</td>
</tr>
<tr>
<td><strong>Site Characteristics</strong></td>
<td></td>
</tr>
<tr>
<td>Acreage</td>
<td>Is the parcel large enough and of the right shape to accommodate the intended development? Is it too small?</td>
</tr>
<tr>
<td>Topography</td>
<td>Is the site level and free of natural barriers (i.e.; wetlands, streams, hills), or is significant grading required?</td>
</tr>
<tr>
<td>Utilities</td>
<td>Are utilities present on the site, or can utilities easily be extended to the site?</td>
</tr>
<tr>
<td><strong>Market Characteristics</strong></td>
<td></td>
</tr>
<tr>
<td>Demographics</td>
<td>Is there adequate market in terms of households and income?</td>
</tr>
<tr>
<td>Competition</td>
<td>Is there a need for more retail, or is the trade area adequately served or saturated?</td>
</tr>
</tbody>
</table>

Source: BBC Research & Consulting.

Few retail sites are superior in all of the above characteristics. Most successful retail sites are strong in a combination of some of the above characteristics. In practice, if a retail site is situated in an area with strong demographics and weak competition, it can overcome some disadvantageous physical attributes. If a particular retail tenant offers a unique product in a market, it may also be able to overcome unfavorable site or location attributes.

In general, retail sites in Englewood are strong on location characteristics, such as visibility, local access and regional access, and weaker in market characteristics (see Section II for a discussion of Englewood demographics). Englewood is situated at the crossroads of two major arterial roadways in the Denver metro area, Highway 285 and South Broadway, and is bounded on the west by another arterial, Santa Fe Drive, all of which supply a significant amount of regional traffic to city retail areas.
While motorists can easily identify and access Englewood retail from the arterial roadways, the immediate market area has relatively modest household income and household counts. Englewood is largely dependent on sales from consumers who work in Englewood and live elsewhere; and on sales from consumers who drive through retail areas. The immediate market area cannot support local retailers alone. There are also competitive shopping centers (e.g., River Point in Sheridan) in close proximity to Englewood’s retail centers, which will also vie for traffic-dependent and local sales.

**Site Analysis**

The following site analysis provides the study team’s evaluation of each of the ten retail sites identified by the city in the context of the successful site characteristics outlined above. Of the ten sites, the study team selected four sites for further study. The following is a description of the ten sites selected by the city and the initial assessment of strengths and challenges associated with each.

**Sites Not Chosen for Further Analysis**

The following six sites were not chosen for future analysis because other sites offered more favorable characteristics for potential retail success. The following provides reasoning behind why these sites were not selected as Englewood’s most promising retail sites. It should be noted that the sites that were not chosen still have redevelopment potential. Many of the recommendations for the selected retail sites apply for the following sites as well.

**South Side of US Highway 285**

The Highway 285 south side retail area consists of the area bordering Highway 285 to the south between Santa Fe Drive and Broadway. Current retail uses in this area consist of several fast food restaurants, a sit-down steak house, several auto service establishments and other detached small format retail establishments. There is also a complement of offices and an adjacent residential neighborhood.

**Strengths.** Highway 285 is a major arterial road that routes a large amount of destination and pass-through traffic adjacent to the retail area. Additionally, there are two large office buildings centrally located in this retail area, which provide a daytime pedestrian market.

**Challenges.** Although this retail area is located adjacent to a major arterial roadway, access to the businesses from Highway 285 is often difficult when heading westbound because a landscaped median does not allow left turns at several intersections. In effect, this impedes access to the site for roughly half the driving market. Highway 285 is also very congested during peak hours, which reduces a driver’s willingness to add a retail visit to his or her current trip. Particularly problematic, the parcels that front Highway 285 are relatively small and shallow and would require consolidation
to amass sufficient acreage to support a large infill retail project. The retail sites that front Highway 285 have different owners, which exacerbates difficulty in consolidation.

**Cherelyn Corridor**

The Cherelyn Corridor of South Broadway extends from Highway 285 south to Bellview Avenue. There is a diverse array of land uses along the corridor, including convenience strip retail, fast food restaurants, single family residential, motel, automotive and institutional.

**Strengths.** South Broadway is a major arterial road that supplies a significant amount of traffic through the retail area. Additionally, there are two large parcels that could potentially be redevelopment opportunities in the future: the Flood Middle School and the Hilltop Motel. Current land uses are low value, which could encourage consolidation.

**Challenges.** The parcels on either side of South Broadway in the Cherelyn Corridor are relatively shallow and would require a significant amount of consolidation to amass enough acreage to support a large infill retail project. The parcels have many different owners, which also makes consolidation difficult for a large scale project. Current retailers include pawn shops, medicinal marijuana dispensaries, small convenience stores and other small format retailers. These retailers provide little synergy for prospective new retailers considering the area. This area of Englewood is further away from central Denver and closer to southern retail competition.

**Medical District**

The Medical District extends from South Broadway east to Lafayette Street along Old Hampden Avenue. Most retail in the Medical District is located immediately west of Swedish and Craig Hospitals. There is a mix of restaurants, floral shops, medical supply stores and offices in the area.

**Strengths.** The Medical District has potential for good daytime pedestrian traffic from hospital workers and patient families. There is opportunity for healthcare oriented businesses, medical offices
and restaurants. There is a relatively large site available for lease or redevelopment (Masonic Lodge). The small-scale nature of the existing commercial infrastructure in the Old Hampden corridor provides an opportunity for the city to partner with private owners to promote a pedestrian-oriented commercial area similar to the Denver Uptown Business District area adjacent to Saint Joseph and Saint Luke hospitals. This transition would require significant public and private investment and it is the subject of a separate evaluation commissioned by the city.

**Challenges.** The Medical District is not on a major arterial road and thus has less automobile traffic counts than other commercial areas in Englewood. The area’s greatest strength, the hospitals, is also a challenge as the hospitals provide internal, onsite dining and gift shops. Non-hospital related traffic along Old Hampden is modest and current retailers are largely tied to hospitals activity for market support.

**Santa Fe Drive Corridor**

The Santa Fe Drive Corridor extends from Yale Avenue south to Chenango Avenue along Santa Fe Drive. Currently, there is virtually no retail on the Englewood (east) side of Santa Fe. Most commercial land in Englewood in this area is industrial. There is a large regional retail development on the southwest corner of the Santa Fe/Highway 285 interchange in Sheridan that competes with Englewood City Center. Other land uses on the Sheridan (west) side are generally automotive or industrial.

![Image of a train track](image)

**Strengths.** Santa Fe Drive is not only a major arterial roadway but also a light rail line, making it a major multi-modal transportation corridor. Traffic counts are high and there may be potential for transit-oriented development. There are several relatively large industrial sites available for redevelopment on the Englewood side of Santa Fe Drive.

**Challenges.** The Englewood side of Santa Fe Drive has little to no visibility to motorists going either direction due to a raised train track that spans virtually the entire corridor and separates the roadway from adjacent parcels in Englewood. The train track not only hinders visibility but also is a physical barrier to accessing the retail sites that are tucked behind. This serves as a major deterrent to any retail development on the Englewood side of Santa Fe. In addition to visibility and access issues, the parcels on the east side are irregular in shape, which do not accommodate big box or other modern retail formats. The current industrial land uses that span the corridor on the east side provide little synergy for new retail development.
**Evans Avenue Corridor**

The Evans Avenue Corridor extends from Raritan Street west to Zuni Street along Evans Avenue. There is a vacant site in the retail area on the corner of Evans and Tejon that could be developed for retail. Other than that site, there is one gas station and light industrial and automotive establishments in this small area.

![Image of the Evans Avenue Corridor](image)

**Strengths.** There is an available vacant site that would require relatively little in demolition costs. The site is located on a peninsula of Englewood that is surrounded on three sides by Denver. This is beneficial to Englewood because the city would capture sales from Denver while not providing municipal services for the majority of the trade area.

**Challenges.** The area has a relatively small amount of residential land use, which makes for a challenging retailing environment. Most adjacent and proximate land is light industrial which provides little synergy for new retail development.

**Promising Retail Sites**

The following four retail sites were chosen for further analysis as the city’s more promising retail sites for additional investment or redevelopment because they show stronger retail success characteristics. The selected sites are:

- City Center Englewood
- Broadway – Gateway & Downtown
- Centennial Shopping Center
- Brookridge Area

The study team combined the Broadway Gateway and Downtown Broadway sites identified by the city into one site, as they both present similar opportunities and challenges. The following provides an explanation for why these sites were chosen as Englewood’s most promising retail sites. The following section (Section V) provides additional data and analysis of these sites.
City Center—Englewood Area

The City Center retail area consists of the area bordering Highway 285 to the north between Santa Fe Drive and Broadway. City Center is a mixed use redevelopment project that includes residential, retail, office and civic land uses. Current retail uses in this area consist of several big box and junior box retailers, associated in line retail and several fast food and fast casual restaurants.

Strengths. City Center is an established shopping destination with a strong anchor in Wal-Mart. It has good vehicle access from South Broadway and Highway 285. City Center is Englewood’s premiere regional shopping destination and is home to several national retail chains in addition to Wal-Mart. The retailers in City Center benefit from onsite residential land uses.

Challenges. Although this retail area is located adjacent to two major arterial roadways, visibility from South Broadway and Highway 285 is limited, causing motorists difficulty in identifying retail offerings. City Center has a relatively new competitive regional retail center in the area, River Point in nearby Sheridan, which has caused recent erosion in sales. Congestion along Highway 285 sometimes makes accessing the site difficult.

South Broadway—Downtown and Gateway

The South Broadway retail area extends from Yale Avenue south to Highway 285 along South Broadway. Current retail uses in this area generally consist of boutique retail establishments, auto sales, a grocery anchor center and several fast food, sit down and fast casual restaurants.
Strengths. South Broadway is an established pedestrian and auto-oriented retail district in the Denver Metro Area. It benefits from high traffic counts, good visibility, ample parking and walkability. South Broadway already has a fair amount of interesting niche retailers and has recently experienced some new retail development. There are currently several development opportunities on South Broadway, including the Funtastic Fun site and a city-owned vacant parcel.

Challenges. The parcels along South Broadway are relatively small and shallow and would require a significant amount of consolidation to amass enough acreage to support a large infill retail project. The parcels have many different owners, which also makes consolidation difficult for a large scale project.

Brookridge Shopping Center Area

The Brookridge Shopping Center area consists of the intersection of South Broadway and Belleview Avenue and extends south along South Broadway to the municipal boundary. There are two large retail concentrations in the area, the Brookridge Shopping center—a non-anchored strip center with a jeweler, fast food and fast casual restaurants; and a large K-Mart with several fast food restaurants occupying pad sites. There are also several new car dealers located within the retail area.

Strengths. The Brookridge Shopping Center Area is located at the intersection of two major arterial roadways and benefits from strong traffic, easy access and good visibility. The owner of the Brookridge Shopping Center recently reinvested in façade upgrades, and has consequently attracted a few new tenants. The K-Mart site; Larry Miller Nissan site; and a former bank site present great opportunities for redevelopment as market fundamentals are strong in the area. Other auto dealership sites may provide additional redevelopment opportunities in the future.

Challenges. The Brookridge retail area is dominated by new car dealerships that are not complementary land use for retail—there is little synergy. Redevelopment of the K-Mart site could be costly if substantial demolition of the existing structure is required.
**Centennial Shopping Center Area**

The Centennial Shopping Center area is located on the corner of Belleview Avenue and South Federal Boulevard. The retail area consists of one grocery anchored center.

![Centennial Shopping Center Area](image)

**Strengths.** The site is located on a peninsula of Englewood that is surrounded on two sides by Littleton. This is beneficial to Englewood because the city captures sales from Littleton while not providing municipal services for the majority of the area. King Soopers has expressed interest in remodeling their existing store into a more modern concept. This could spur demand for additional inline retail space in the new grocery anchored center.

**Challenges.** The Centennial shopping center currently has high vacancy, modest value inline tenants and a grocery anchor with limited sales growth potential. The area has limited upside if the King Soopers remodel does not occur. The city does not tax unprepared food for home consumption.

**Summary**

In general, the study team chose the four sites listed above because they show a mix of strong locational and market characteristics. The sites are located at high-traffic intersections or along well travelled transportation corridors, allowing them to draw from a market larger than Englewood’s household base. The chosen retail sites are already established in the market, and represent the most advantageous targets for city retail reinvigoration efforts. The sites were chosen also because they are different from each other—the study team chose a strip retail district, two regional shopping centers and a grocery anchored center for further study. When considered collectively, the selected retail areas represent the most promising opportunity for Englewood to strengthen and diversify its retail base.
SECTION V.
Site Analysis
SECTION V.
Site Analysis

This section offers a detailed evaluation of the four chosen sites, additional market data, and recommendations as to how the community might stimulate new retail development in these sites. This section points toward new development ideas, redevelopment concepts, potential tenants, and market development strategies. The city originally envisioned a companion study to this analysis that would further develop and refine these ideas along with a more aggressive effort to engage retailers, developers and land owners.

At this time, the consultant team does not recommend that the city pursue Phase II of the study—instead the city should focus on individual opportunities presented by the private sector rather than instituting a broad citywide redevelopment plan and recruitment strategy. The city could potentially revisit Phase II of the study if broad national and regional retail market conditions improve.

Citywide best practices. In addition to the site specific public intervention options requested by the city and presented in the following pages, the following are recommendations for citywide best practices for to encourage a healthy retailing environment:

- Continue attendance at retail-focused trainings, seminars and conferences, such as those held by the International Council of Shopping Centers, Urban Land Institute and Downtown Colorado, Inc. Explore opportunities offered by other organizations such as the National Retail Federation.
- Continue funding and administering Englewoodsites.com to provide a low-cost means for owners to showcase properties for sale or lease and to maintain an inventory of available properties for staff to use when working with retail prospects.
- Evaluate other business assistance programs to complement the city’s successful Commercial Catalyst Grant Program and Englewood Small Business Development Corporation revolving loans that provide startup assistance to small independent businesses.
- Continue to engage property owners, brokers and developers to spur redevelopment and investment partnerships.
- Maintain current development review practices that offer flexibility, openness to working with developers, predictability and fast tracking of redevelopment projects.
- Continue investing in improvements to public infrastructure, parking and streetscapes.
- Evaluate retail project incentive packages on a case-by-case basis to determine costs and benefits to the city.
- Continue promoting the benefits available under the state’s Enterprise Zone tax credit program.
The South Broadway retail corridor extends from Yale Avenue south to Highway 285 along South Broadway. Notable characteristics include:

- South Broadway includes the historical heart of Englewood retail. A few blocks on the southern portions of the strip have retail set against the sidewalk, which brings storefronts to the street and suggests pre World War II pedestrian orientation. The city has made some streetscape investments in this area to reinforce its iconic, pedestrian character.

- The majority of the area is a post WWII auto centric design with parking in front or on the side of small lots.

- Current tenants are a mix of boutiques, bars and restaurants, value retailers and automotive dealers.

- The existing retail is defined by small shallow lots, individual value-oriented retail and low density retail.

- The South Broadway strip in Denver, located roughly between 6th Avenue and Virginia Avenue, shows much higher levels of investment and retail health.
The South Broadway retail strip contains destination specialty boutiques, neighborhood services and local restaurants. The map below highlights the local market served by South Broadway neighborhood merchants and convenience retailers. In addition to residents in the surrounding neighborhoods, South Broadway serves high volumes of pass-through traffic travelling along Broadway and surrounding feeder roads.

- Currently, the area is best defined as an auto-centric commercial strip, containing a few destination stores, but primarily neighborhood services and auto-oriented retail. It serves auto traffic on Broadway and surrounding low density neighborhoods.

- The surrounding market is low-density and modest income. The South Broadway retailing district is currently dependent on destination shoppers from a larger geographic area and auto traffic along South Broadway.

- There are an estimated 5,700 households in the current trade area with a median household income of $39,000; assuming households spend 33 percent of gross household income on retail goods, households in the market area spend about $73 million on all retail purchases.

- Typical lease rates are currently: $12 - $16 NNN

- Vacancy: There are several vacant sites along this section of South Broadway, but vacancy is not pervasive. Currently there is the Funtastic Fun site, a recently vacated auto dealer, two recent retail redevelopment projects that are partially leased and a handful of sites near the Hampden/South Broadway interchange. BBC estimates vacancy at less than ten percent of viable space.
Strip centers such as South Broadway are effectively incubator space for many small businesses and often subject to high business turnover. Actually, this quality is one the corridor’s major attributes, as it can serve as a relatively inexpensive site for small scale, locally owned retail.

**Detailed Evaluation**

The Broadway corridor offers high traffic counts, unobstructed visibility, walkability and perhaps an established presence in the Denver region. The corridor provides connectivity to Denver while also providing an opportunity for Englewood to establish a stretch of retail known more as a local and regional destination and less as a transportation corridor.

The Broadway corridor also presents some significant redevelopment challenges. Small and shallow lots limit the types of retail that can function in the area and preclude modern formats that work for most retailers. The sites can only accommodate small stores and service; never the less, this format has proven successful in many urban locations. While there are some development and redevelopment opportunities along the corridor, multiple ownership, and in some cases inactive ownership, of commercial space creates barriers for redevelopment. Large scale land acquisition is likely not an option for the city, so redevelopment will have to occur on a parcel by parcel basis.

**Vital Statistics – Broadway Center**

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Rating</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of undeveloped or underdeveloped</td>
<td>+</td>
<td>• Limited undeveloped properties, but opportunities for redevelopment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Important redevelopment sites - Funtastic Fun, City property, SmartCar site</td>
</tr>
<tr>
<td>Infill opportunities</td>
<td>−</td>
<td>• Infill will be challenging due to fractured ownership of retail along the corridor</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Large scale land assembly will be required for substantial infill redevelopment</td>
</tr>
<tr>
<td>Access and parking</td>
<td>±</td>
<td>• Parking is ample; however, may be a challenge if commercial activity increases</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Access off Broadway is limited</td>
</tr>
<tr>
<td>Visibility</td>
<td>+</td>
<td>• Unobstructed visibility from road to retail along corridor</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Main strength of corridor</td>
</tr>
<tr>
<td>Proximity to intersection or transportation corridor</td>
<td>+</td>
<td>• Broadway is one of the primary north/south local access roads in the region Broadway/Highway 285 intersection to the south</td>
</tr>
<tr>
<td>Land ownership consolidation</td>
<td>−</td>
<td>• Ownership is fractured by parcel along the corridor</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Parcel assembly for large redevelopment will be challenging</td>
</tr>
<tr>
<td>Current retail composition and sales trends</td>
<td>−</td>
<td>• Sales relatively stagnant in last 5 years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Tenant composition is limited and needs variety</td>
</tr>
<tr>
<td>Vacancy</td>
<td>±</td>
<td>• Moderate vacancy rates along corridor</td>
</tr>
<tr>
<td>Trade area size, character and growth trends (households and daytime markets)</td>
<td>+</td>
<td>• Current trade area is limited</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Traffic along corridor provide opportunities for growth</td>
</tr>
<tr>
<td>Extent and nature of competitive influences</td>
<td>−</td>
<td>• Denver’s portion of the Broadway corridor is equally as accessible and has received public and private investment for 30 years</td>
</tr>
</tbody>
</table>
**Assessment**

**Why is this a potential opportunity?**

The Broadway corridor is one of the region’s most heavily travelled north/south transportation arteries, connecting residential areas in the region’s inner-ring suburbs to Denver’s Central Business District. Denver’s portion of the Broadway corridor has benefited from 30 years of public and private market investment. It now offers a variety of retail niches (e.g., design stores, antique stores, eclectic restaurants) mixed with multifamily residential. The Gates redevelopment just north of this site will provide an opportunity for Broadway’s transformation to continue south into Englewood.

**Site Vision**

The key to this area is to continue the momentum of redevelopment taking place in limited portions of this strip and to the north along South Broadway in Denver. The city could build on current BID branding efforts to market South Broadway as a destination and as a distinct area of the city, and reach out to entrepreneurial (both established and emerging) businesses. Historical qualities to the buildings should be preserved. Innovative signage would be a welcome addition. Restaurants and independent retailers should be recruited, and additional events—some are already supported—that draw people to the area would enhance the ability to attract more potential shoppers to South Broadway. Sidewalks should be invigorated with inviting lighting, benches, planters etc. so to create a unified and “cared for” feel to the area. The objective is to capture vehicular traffic already passing through the area, serve neighborhood residents, and to also create enough interest to attract additional patrons to South Broadway.

Denver’s success with a similar situation was predicated on multiple actions:

- Judicious use of urban renewal authority powers to create consolidated ownership, attracting new forms of retail.
- Rezoning to allow commercial uses to extend into the surrounding neighborhoods and to encourage consolidation of small parcels to create large lots
- Rezoning of adjacent areas to encourage new, higher density residential development.

Unlike the area along Broadway by the Mayan theater in Denver, Englewood’s stretch of Broadway does not have a growing, diversifying and urbanizing residential base. Major redevelopment along the Broadway corridor is constrained by small, shallow lots and fractured ownership. The single most important effort the city could undertake to encourage more retail on Broadway is to encourage greater density and modernization of nearby neighborhoods.
CASE STUDY: Improving Infrastructure and Environment — Broadway and South Pearl Corridors

**What did they do?** The Broadway and South Pearl Street corridors have attracted an interesting mix of retail, restaurants and services and have both become regional shopping and eating destinations in Denver.

**How did it work?** By focusing on improving public infrastructure and creating an inviting and cohesive feel through lighting, planters, benches, etc., both corridors provide an interesting and safe environment. Both areas benefited from increasingly diverse, well-to-do and dense residential development in adjacent neighborhoods.

**Old South Pearl has a historic feel with fencing, clocks, benches and lighting:**

Adding residential through mixed-use development — Colfax Corridor in Denver

**What did they do?** A vacant parcel was purchased by a private developer, who also organized the acquisition of adjacent homes. A mixed-use development was constructed on the site, which included first floor retail and three floors of residential.

**How did it work?** The project was completed through private investment. The project has helped increase occupancy and overall quality of neighboring retail. The project was made possible by new main street zoning that encourage height, density and good design. Project also helped create some visual interest in an area primarily comprised of low density retail and vacant lots.

**New multifamily development with first floor retail adds variety to relatively low density area of Colfax:**
What stores might be attracted to the Broadway corridor?

The Broadway corridor is more appropriate for independent local and regional retailers than large national chains. National retailers would be more likely to favor a location in City Center over South Broadway, although not exclusively. The city may consider having a commercial broker approach independent restaurant, clothing or service retail operators in Boulder or on South Pearl St., South Gaylord St. or the Highlands in Denver to see if they would consider opening another location in the Metro Area.

In addition to recruiting independent local retailers to open additional locations, the following is a list of other appropriate retailers that are currently expanding but are under-represented in Englewood:

- **Fast-casual and fast food restaurants**
  - Which Wich
  - Garbanzo’s
  - Mad Greens
  - Larkburger
  - Abo’s Pizza

- **Dessert specialty**
  - Pinkberry
  - Yogurtland
  - Rocky Mountain Chocolate Factory
  - Established Denver Ice Cream Shops (Sweet Action, Little Man, Liks)

- **Nail Salons**
  - Snappy Nails
  - 5th Avenue Nails

- **Financial services**
  - Wells Fargo
  - Keybank
  - 1stBank
  - Edward Jones
The city should evaluate the following to begin the redevelopment process of Broadway:

- Continue to engage property owners to spur redevelopment partnerships.
- Maintain awareness of general city flexibility, openness to working with developers, and fast tracking of new projects.
- Continue investing in improving public infrastructure, parking and streetscapes.
- Evaluate sales tax sharing options or other sharing agreements on a case-by-case basis to determine value to the city.
- Consider providing assistance to enhance BID effectiveness.
- Actively seek a developer for city-owned vacant parcels on South Broadway.
- Continue providing a predictable and streamlined permitting environment for redevelopment projects.
- The MU-B-1 and MU-B-2 zones on South Broadway permit residential uses. Encourage mixed use development with residential units above retail. Explore creating overlay zones to encourage varied height and density of development to create visual interest.
- Focus on tenant retention.

- Evaluate other business assistance programs to complement the city’s successful Commercial Catalyst Grant Program and Englewood Small Business Development Corporation revolving loans that provide startup assistance to small independent businesses.

- Continue promoting the benefits available under the state’s Enterprise Zone tax credit program.
City Center is an established shopping area with strong anchor (Wal-Mart), and mixture of government, retail and residential activities. City Center replaced Cinderella City, an aging covered mall. The city was actively involved in the planning and development of the site. The site is designed to take advantage of an adjacent light rail stop. It is one of the earliest transit oriented development projects in Denver.

In addition to the Wal-Mart store, City Center has a Dollar Store, PetCo, Office Depot, Ross, Payless Shoe and a number of local and national restaurants and various consumer services. In total the Center has about 500,000 square feet of commercial space along with public uses, a small amount of offices and some residential. There is notable vacancy in the center.

City Center is bounded by Hampden Avenues (State Highway 285) Santa Fe Drive and Broadway on the east. There is mixed residential, commercial and hospital uses also surrounding the site.
City Center retailers offer a mix of specialty, apparel, convenience and comparative goods as well as personal care and financial services. City Center is the retail heart of Englewood and is convenient for the large residential market to the south, north and east of the site. The combination of the Platte River, Santa Fe Drive and the River Point shopping center represents a significant market barrier to the West.

- The market area, in terms of convenience and adjacency, includes affluent neighborhoods to the east and south, but the current mix of retailers does not address that upscale submarket.

- The River Point shopping area is just 1 mile away, which contains Costco and Super Target. These are two strong competitors that effectively limit City Center’s market penetration west of Santa Fe Drive.

- There are an estimated 25,900 households in the market area that could conveniently utilize this site with a median household income of $63,000; assuming households spend 33 percent of gross household income on retail goods, households in market area spend about $536 million annually on retail purchases.

- Typical lease rates: $15 - $20 NNN

- Vacancy: There are a few retail spaces vacant (3 inline spaces total) in the Big Lots- and Hobby Lobby-anchored centers at the time of publication. These centers have poor visibility to Hampden and value-oriented anchor tenants. In the current market, these are challenging spaces to fill. Vacancy is more prevalent in the small store strips further west towards Civic Center, as visibility and access are limited and the neighboring population is relatively small.
City Center Englewood has the designation of being one of the region’s first Transit Oriented Development sites. City Center is a former redevelopment project, which carries the benefit of having solved potential land acquisition and ownership quandaries. However, the site lacks visibility from both its adjacent corridors. Visibility is particularly important given the site’s proximity to River Point on Santa Fe, which not only contains two of Wal-Mart’s largest competitors, Costco and Target, but also has vacancies that could attract some of City Center’s current tenants.

**Vital Statistics – City Center Englewood**

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Rating</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of undeveloped or underdeveloped</td>
<td>±</td>
<td>• Site recently redeveloped</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• May be opportunities for subdividing existing retail space</td>
</tr>
<tr>
<td>Infill opportunities</td>
<td>±</td>
<td>• Could introduce additional pad sites</td>
</tr>
<tr>
<td>Access and parking</td>
<td>+</td>
<td>• Good access from both Broadway and Highway 285</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Sufficient parking</td>
</tr>
<tr>
<td>Visibility</td>
<td>−</td>
<td>• Limited visibility from both Broadway and Highway 285</td>
</tr>
<tr>
<td>Proximity to intersection or transportation corridor</td>
<td>+</td>
<td>• Located near two major intersections: Broadway and Highway 285</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Located adjacent to light rail station</td>
</tr>
<tr>
<td>Land ownership consolidation</td>
<td>±</td>
<td>• Since site has recently redeveloped, land consolidation issues already solved</td>
</tr>
<tr>
<td>Current retail composition and sales trends</td>
<td>±</td>
<td>• Strong anchor in Walmart</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Competition and vacancies in nearby River Point create challenges for City Center</td>
</tr>
<tr>
<td>Vacancy</td>
<td>±</td>
<td>• Strong anchor in Walmart, but some inline vacancies</td>
</tr>
<tr>
<td>Trade area size, character and growth trends (households and daytime markets)</td>
<td>+</td>
<td>• Relatively large trade area with unlimited potential due to light rail stop</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Stable daytime market</td>
</tr>
<tr>
<td>Extent and nature of competitive influences</td>
<td>−</td>
<td>• Nearby River Point Shopping Center contains Costco and Super Target</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Experienced recent erosion in sales due to River Point competition</td>
</tr>
</tbody>
</table>
Assessment

Why is this a potential opportunity?

City Center has some attributes that retailers seek. It has good access from a heavily-traveled corridor; it has a residential component and benefits from ample parking. However, it faces new competition from River Point, which has created a superior market position, in terms of big box retailing. River Point has two of the strongest names in large format retail—Target and Costco. Rather than attempt to compete with River Point for big boxes, City Center should play to its strengths. If a box at City Center becomes available, consider splitting the box to accommodate smaller tenants. City Center should be more attractive to smaller tenants (1,000 SF to 10,000 SF) as it is more accessible to quick in-and-out trips than River Point. Also, many of the large format retailers are finding that their River Point stores are not performing well, so this is less of a benefit for a smaller retailer looking to siphon off some of those customers. Signage improvements together with strong and unique branding (think the “Denver” sign on the Denver Pavilions, or a marquis art piece or very tall fountain) could re-energize City Center. The objective of branding is to encourage people to think of City Center again and to make it feel like a new retail area once more.

What stores might be attracted to this location?

As mentioned above, City Center is potentially attractive to relatively smaller tenants or “junior boxes” if there is vacancy in City Center. The following is a list of appropriate retailers for City Center, in pad sites or in the boxes that are currently expanding but are under-represented in Englewood. The city should consider the current tenant mix when deciding to approach a specific tenant in the list below.

- **Large format liquor store** — consider approaching an established store in the metro area
- **Discount clothing** (TJ Maxx, Marshalls, SteinMart)
- **Specialty grocery store** (Sunflower Market, Sprouts, Vitamin Cottage)
- **Other smaller format retailers:**
  - Sunglass Hut
  - Floyd’s Barbershop
  - Mattress store
  - Specialty camera/electronics
- **Fast food or Fast casual restaurant**
  - Which Wich
  - Garbanzo’s
  - Einstein Brothers
  - Five Guys
- **Paint or Hardware store** (Sherwin Williams, or local independent operator)

Site Vision

City Center could be improved with only modest investment from the city. The city should create more publicity and interest in the site through signage and branding. The city might also consider a major re-evaluation of the project, engaging tenants, brokers and neighbors to evaluate a redesign option to physically alter the center and improve access, visibility, store alignments and overall density.
Creating Cohesion and Branding — various locations

What did they do? A number of places throughout the Denver region have created destinations from their older shopping sites, including the 16th Street Mall, Original Aurora and Cherry Creek North.

How did it work? Creating interest and publicity around sites is done through signage, public art and other simple tools to create the feeling that a location is a destination. Business Improvement Districts and common area maintenance agreements are often used to enhance public spaces.

This Denver Pavilions creates a defined place along the 16th Street Mall:

The City of Aurora has done a good job of publicizing its public art program:
Smaller Retail Sites — Colorado Blvd.

Many retailers have begun opting for smaller and more unique spaces.

These two retail sites on Colorado Blvd. house up and coming retailers, and have accommodated them by developing retail sites with small square footage and modern design:

———

Public Intervention Options

Englewood should consider the following steps to improve City Center:

- One simple public/private intervention strategy could be to improve wayfinding signage along both Broadway and Highway 285 to draw attention to City Center.

- Consider expanding the current summer concert series and recruiting or expanding other draws such as a farmer's market or free movie night. The city could also expand its public art program to include events introducing new art.

- Continue investment in pedestrian-oriented and placemaking site improvements, such as sidewalks, monuments, public spaces and public art. The center would benefit from improved walkability and better pedestrian clarity.

- Explore ways to capitalize on the market created by transit users.

- Consider a significant investment in the center by engaging design assistance and revisiting the center’s functions, access, density, and its relationship with adjacent land uses. Access, store visibility and overall “retail clarity” can improve by dramatically changing the way the Center addresses Hampden, or by modifying overall land uses and density.

- Continue promoting the benefits available under the state’s Enterprise Zone tax credit program.
The Brookridge Shopping Center area consists of the intersection of South Broadway and Belleview Avenue and extends south along South Broadway to the municipal boundary. There are two large retail concentrations in the area, the Brookridge Shopping center—a non-anchored strip center with a jeweler, fast food and fast casual restaurants; and a large K-Mart with several fast food restaurants occupying pad sites. The retail area is also home to multiple auto dealerships.
The Brookridge shopping center area currently contains a mix of convenience and comparative retail, fast food and chain restaurants as well as auto dealerships. The retail district is surrounded by residential development, including dense multifamily immediately to the west, and affluent single family neighborhoods to the north, east and south. The market area is relatively dense and affluent, which is attractive to retailers looking for a site in the Denver Metro Area.

- Brookridge contains a relatively unconstrained market area, the only market barrier being Santa Fe Drive to the west. As such, it contains the largest market area of the sites evaluated for this study.

- There are an estimated 37,800 households in the market area with a median household income of $73,000; assuming households spend 33 percent of gross household income on retail goods, households in market area spend about $911 million annually on retail purchases.

- Typical lease rate: $18 - $24 NNN

- Vacancy: The Brookridge Shopping Center was recently renovated and vacancy is currently minimal. There is one 7,000 square foot space currently vacant in the center. There are other potential retail spaces on the market in the area—the former Wachovia bank building on the northwest corner of South Broadway and Belleview, and the Larry Miller Nissan dealership on the west side of Broadway, just north of the Belleview intersection. All other properties are currently occupied, including the Kmart site and associated pad sites.
The Brookridge area's greatest asset is its proximity to two major highway corridors, as well as its nearly unconstrained market area. Its access to both Denver and the southern suburbs provide an opportunity to improve the retail performance of the site, as well as to potentially add a residential component to the current retail mix.

**Vital Statistics - Brookridge Shopping Center Area**

<table>
<thead>
<tr>
<th>Vital Statistics</th>
<th>Brookridge Shopping Center Area</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of undeveloped or underdeveloped properties</td>
<td>±</td>
<td>K-Mart site presents opportunity for redevelopment or opportunity to serve as new center's anchor</td>
</tr>
<tr>
<td>Infill opportunities</td>
<td>+</td>
<td>Potential opportunities for additional retail in Kmart parking lot</td>
</tr>
<tr>
<td>Access and parking</td>
<td>+</td>
<td>Good access from two major local corridors</td>
</tr>
<tr>
<td>Visibility</td>
<td>+</td>
<td>Strong visibility from Broadway and Belleview</td>
</tr>
<tr>
<td>Proximity to intersection or transportation corridor</td>
<td>+</td>
<td>Located at intersection of two major local corridors</td>
</tr>
<tr>
<td>Land ownership consolidation</td>
<td>+</td>
<td>Single owner</td>
</tr>
<tr>
<td>Current retail composition and sales trends</td>
<td>−</td>
<td>Despite Brookridge remodel, low performing retail mix</td>
</tr>
<tr>
<td>Vacancy</td>
<td>±</td>
<td>Brookridge Center has some vacancy, but major anchor site (Kmart) is still occupied</td>
</tr>
<tr>
<td>Trade area size, character and growth trends</td>
<td>+</td>
<td>Large trade area driven by strong access</td>
</tr>
<tr>
<td>Extent and nature of competitive influences</td>
<td>+</td>
<td>Depending on retail tenant, potential for limited competition</td>
</tr>
</tbody>
</table>

**Why is this a potential opportunity?**

This site presents several opportunities for redevelopment. If the site at the southwest corner of Broadway and Belleview becomes vacant, the simplest way to encourage redevelopment would be to work with the owner to recruit a stronger large-format retailer, such as Target or Wal-Mart, and to make additional supporting retail available in a modern format.
Another possibility would be to divide the space into two or three retail stores, and create a mix of retailers on the site. Grocery, pet stores, office supply stores and discount retailers are all candidates. These retailers will consider other sites with greater retail synergy such as River Point and Englewood City Center, but some retailers are strong enough that they would not need to draw off other competitors’ traffic. Traffic counts along Broadway and Santa Fe combined with the surrounding density would be attractive enough for them to open at the site.

The third concept is a redevelopment that would modernize the site. This option could involve dividing the K-Mart building into two or three spaces and adding retail along Belleview and Broadway. The parking field would be reduced and density on the site would be increased. New pad buildings could be single or multi-tenant and may include drive-thru facilities. Potential tenants include fast food, quick serve food, financial services, medical and traditional retail. A recent example of such a redevelopment is the former Albertsons building at Colorado Boulevard and Buchtel Blvd. (near I-25) in Denver.

There are indications that one or more car dealerships will be put on the market in the near future. Car dealership sites have relatively low redevelopment costs because a typical dealership site is mostly used for parking auto inventory. The city should encourage redevelopment of car dealerships to other uses, including grocery-anchored or other retail center, multifamily housing or some form of mixed use development.

**What stores might be attracted to this location?**

As mentioned above, the city may consider trying to recruit a stronger large format retailer to simply replace the existing K-Mart. Another strategy may be to divide the K-Mart into several smaller boxes. The following is a list of appropriate retailers for the K-Mart site that are currently expanding but are under-represented in Englewood.

- **The following retailers would be appropriate for the subdivided K-Mart box:**
  - Specialty Grocer: Vitamin Cottage, Sprouts or Sunflower Market
  - Office Supply: Office Max, Office Depot or Staples
  - National Pet Supply: Petsmart or Petco
  - Discount Clothing Retailer: SteinMart, Ross, Marshalls, TJ Maxx
  - National Gym Club: 24-Hour Fitness, Bally’s, Gold’s Gym, Planet Fitness
  - Tuesday Morning

- **The following retailers would be appropriate for a pad site:**
  - Financial Services: Wells Fargo, KeyBank, 1stBank
  - Traditional Fast Food: Subway, Pizza Hut, Popeye’s, Chick Fil-A
  - New Fast Casual Restaurant: Garbanzo’s, Mad Greens, Tokyo Joe’s, PeiWei, Buffalo Wild Wings
  - Specialty Dessert: Pinkberry, Yogurtland, Cold Stone Creamery
  - National Wireless Retailer: Verizon, AT&T
The Brookridge Shopping Center Area presents a future redevelopment opportunity for the city to modernize its retail base at an area that is close to two major corridors—Broadway and Santa Fe. The residential areas adjacent to the site provide enough density to support a variety of retail options. The overall vision of Brookridge should focus on:

- Creating a modern retail format attractive to new retailers as the center ages
- Increasing retail diversity
- Improving the anchor tenant

**Division of Large Retail Site — Colorado Blvd. and Buchtel Blvd**

**What did they do?** A former Albertsons grocery store was divided to allow for an Office Depot, Ultimate Electronics (now vacant) and Vitamin Cottage. New retail buildings were constructed on the site, and tenants now include Wells Fargo, Mad Greens, Pei Wei Asian Diner, Which Wich sandwich shop, a dentist and others.

**How did it work?** The site works by creating some visual interest from Colorado Blvd., not only with the retail space located close to Colorado Blvd., but also with a public art installation located at the corner of Colorado Blvd. and Buchtel Blvd., which creates cohesion among all three retail complexes located on site.

**Albertson's was divided into smaller retail sites, including a Vitamin Cottage Natural Grocers, a now vacant Ultimate Electronics and an Office Depot:**

**Smaller retail sites, such as Mad Greens, Verizon and Wells Fargo, are set closer to Colorado Blvd., and are visible to vehicular traffic on Colorado:**
A third retail site is set further back from Colorado Blvd. and is accessible via Buchtel. The retail pad primarily includes restaurants:

An interesting visual feature at the intersection of Colorado Blvd. and Buchtel Blvd. introduce the site and has some site cohesion:

Site Redevelopment — Elitches Redevelopment in Denver

What did they do? The vacant site in northwest Denver formerly occupied by Elitch Gardens provided an opportunity for a large-scale redevelopment. While Brookridge is not as large as the Elitch site, Elitch’s provides an alternative model that could be appropriately scaled to the Brookridge site.

How did it work? Elitch’s contains a mix of residential and neighborhood retail that is cohesive and succinct. Retail includes a gym, a liquor store, a grocery store, and other neighborhood amenities.

Elitch’s retail visible from 38th St: Site anchored by Sunflower Market:
Public Intervention Options

Englewood could stimulate redevelopment in the Brookridge Retail Area by taking the following steps:

- Engage the property owner at the Kmart site to encourage modernization of the center.
- Evaluate sales tax sharing agreements if a developer proposes a mutually beneficial redevelopment project.
- Continue providing a predictable and streamlined permitting process.
- Encourage mixed-used redevelopment on the Kmart site and Larry Miller Nissan and former bank site.
- If large-scale redevelopment is desired, the city could consider establishing a new urban renewal area as a tool for redevelopment.
- Invest in public improvements in the retail district such as landscaped medians, monumentation and street lighting. This intersection is the southern entrance into Englewood and should be aesthetically enhanced like the northern gateway on South Broadway.
- Continue promoting the benefits available under the state’s Enterprise Zone tax credit program.
The Centennial Shopping Center area is located on the corner of Belleview Avenue and South Federal Boulevard. The site currently anchored by King Soopers and supported with modest value inline tenants. The site is located on a peninsula of Englewood that is surrounded on two sides by Littleton. This is beneficial to Englewood because the city captures sales from Littleton while not providing municipal services for the majority of the area. King Soopers has expressed interest in building a new store with a more modern and appealing concept.
The Centennial Shopping Center contains a dated, full-size King Soopers grocery store and associated convenience retail. A Home Depot anchored shopping area is located across Belleview Avenue to the south in Littleton, which makes the area a relatively strong multi-anchored retail draw. The site captures a large residential area bordered by Marston Lake on the west and Santa Fe Boulevard on the east. The market area has been proven to support the current grocery store.

- Location of site on southwestern peninsula of Englewood attracts Littleton market.

- Approximately 12,900 households in the market area with a median household income of $61,400. Assuming households spend 33 percent of their gross household income on retail goods, the market area has spending power of approximately $260 million.

- Typical Lease Rate: $15-$17 per square foot NNN

- Vacancy: Currently, there is high vacancy among inline tenants. A recent visit to the shopping center revealed that roughly half of inline space is currently vacant. This center has the highest vacancy of any of the other retail areas evaluated in this study. There are indications that the King Soopers store and the associated inline retail space is a candidate for a renovation and the shopping center owner may not be actively seeking tenants in advance of the redevelopment. A new grocery anchor is likely to spur strong inline leasing activity.
The Centennial Shopping Center Area contains one site—a King Soopers-anchored center at Belleview and Federal. The Centennial Shopping Area provides a convenient location at the intersection of two major local corridors. Furthermore, the location provides a viable grocery store option for both Englewood and Littleton residents wanting to avoid the congestion of the Santa Fe corridor. The site is currently hindered by its out-dated King Soopers store model, modest value inline tenants and high vacancy.

**Vital Statistics - Centennial Shopping Center Area**

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Rating</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of undeveloped or underdeveloped</td>
<td>±</td>
<td>Potential opportunities for acquisition of adjacent properties</td>
</tr>
<tr>
<td>Infill opportunities</td>
<td>+</td>
<td>King Soopers has indicated a desire to renovate store and develop new model with fuel center</td>
</tr>
<tr>
<td>Access and parking</td>
<td>+</td>
<td>Access from both Federal and Belleview</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sufficient parking</td>
</tr>
<tr>
<td>Visibility</td>
<td>+</td>
<td>Strong visibility from both Federal and Belleview</td>
</tr>
<tr>
<td>Proximity to intersection or transportation corridor</td>
<td>+</td>
<td>Located at intersection of two heavily traveled corridors</td>
</tr>
<tr>
<td>Land ownership consolidation</td>
<td>+</td>
<td>Single owner on the site creates no land consolidation challenges</td>
</tr>
<tr>
<td>Current retail composition and sales trends</td>
<td>−</td>
<td>Modest value inline tenants</td>
</tr>
<tr>
<td></td>
<td></td>
<td>However, King Soopers wants to update and continue to use site</td>
</tr>
<tr>
<td>Vacancy</td>
<td>−</td>
<td>High inline vacancy</td>
</tr>
<tr>
<td>Trade area size, character and growth trends (households and daytime markets)</td>
<td>+</td>
<td>Large residential trade area</td>
</tr>
<tr>
<td>Extent and nature of competitive influences</td>
<td>+</td>
<td>No nearby King Soopers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Competitors located further east on Santa Fe</td>
</tr>
</tbody>
</table>

**Assessment**

**Why is this a potential opportunity?**

Market conditions are positively influencing Centennial Shopping Center. King Soopers has expressed interest in demolishing the outdated existing store and redeveloping the site with a new store and fuel center. This parcel is a strategic property for Englewood as it clearly imports sales into the city from other areas.

The existing center suffers from high vacancy, modest value inline tenants, antiquated styling and a dated grocery store. The city would benefit from a state-of-the-art grocery store and fuel center if current discussion and plans come to fruition.
Along with a new grocery store will come other ancillary retail, and occupancy and quality of the neighboring tenants should improve. King Soopers recently opened a new store in a closed Cub Foods building in Glendale, CO, and the store is performing at a significantly higher level than Cub Foods did at its peak. King Soopers remains the number one grocer in the market, and the benefits of a new store may spread to neighboring properties as well.

**What stores might be attracted to this location?**

King Soopers will remain the anchor tenant in this location. The following traditional inline or pad tenants at grocery-anchored centers are considered stable tenants that generate additional traffic:

- Liquor store or specialty wine shop;
- Fast food—Subway, Quiznos, Jimmy John’s; Little Caesar’s, Domino’s;
- Quick-serve restaurants—Garbanzo, Chipotle, Tokyo Joe’s
- National coffee retailer—Starbucks, Caribou Coffee
- Discount hair salon/barber—Cost Cutters, Floyd’s Barbers;
- Financial services/Insurance—Edward Jones, Wells Fargo, 1stBank, State Farm; and
- Unbranded wireless retailer.

**Site Vision**

The market area still supports a King Soopers-anchored retail site. However, the site and the surrounding area would greatly benefit from an updated store model. The market will drive the changes to the site, and the city should offer its support to ensure this happens as quickly as possible. There may be an opportunity to incorporate a contiguous site for an expanded commercial footprint.

**City Cooperation in Development of Panda Express — City of Englewood**

**What did they do?** A Panda Express was constructed in Englewood on South Broadway. Real estate officials with Panda Express praised the city for the strong support they received when constructing their restaurant on South Broadway.

**How did it work?** To support the development of the restaurant, the city allowed Panda Express to install a large sign, moved a pole and assisted in other ways to ready the site for redevelopment. As a result, the store was one of the fastest constructed in the company’s history, and company officials say the city’s responsiveness, understanding of their brand and physical improvements contributed significantly to that achievement.
The best strategy for the city is to allow market forces to work as efficiently and quickly as possible. The city should continue providing their streamlined approval processes, and allow King Soopers as much leeway as possible to build their premier prototype, making sure access and off-site city-controlled infrastructure is well-suited for the store.

- The city’s development review and permitting process should be an attraction to the redevelopment of this site. Continue to make every effort to meet and even exceed expectations for a fast permitting and approval process.
- The city could approach the developer and suggest adding pad or inline space if the site can meet King Soopers’ parking ratios and still accommodate additional retail space.
- The city should be as liberal as possible on signage for the site, potentially granting a zoning code variance if necessary.
- If deemed beneficial to the community, a sales tax sharing or other financial incentive could be considered to leverage redevelopment of the entire center, expand in-line retail space or initiate redevelopment of pad sites.
- Continue promoting the benefits available under the state’s Enterprise Zone tax credit program.