

RETAIL VIABILITY ANALYSIS



7/21/2017

Highway 85 & 31st Street Evans, Colorado

Review and analysis of the retail opportunity associated with the 11.39 acre parcel located at the southwest corner of Highway 85 and 31st Street in Evans, Colorado.

Retail Viability Analysis

HIGHWAY 85 & 31ST STREET
EVANS, COLORADO

Introduction



The subject property is an 11.39 acre parcel located at the southwest corner of Highway 85 and 31st Street in Evans, Colorado.

This property was acquired by the Evans Redevelopment Agency in 2014 as a means to furthering the goal of the agency to stimulate and transform areas of the City that were not attracting private investment.

The Evans Redevelopment Agency (ERA) was created by the City of Evans in 2009 to assist in the redevelopment of blighted and run-down neighborhoods and districts that were attracting little or no private investment and stimulate the transformation into attractive, thriving areas. We promote projects that supply public benefit, provide quality sustainable places, create jobs, promote public art, offer affordable housing and raise the standard of development in Evans. These projects are achievable through the coordinated partnerships of private and public entities, civic leaders, financial institutions and the use of tax increment financing. The objective of the Evans Redevelopment Agency is to facilitate development of balanced, sustainable environments where people, live work and come together as a community

Katy Press of KP & Associates has been asked by the City of Evans to review the assumption that the site can be developed as retail and make a determination on the viability of that development direction. Additionally, this analysis takes a current assessment of retail trends and retailer movement in light of those trends.

The assessment of the site was completed by an in depth review of industry trends, contact with Colorado based retail brokers and retailers associated with the target retailing concept (Neighborhood Commercial).

Retailing Concepts

Retailing fits into specific classifications or concepts.

These concepts are specific in type, scale and retailer makeup.

Each concept of retail has specific characteristics associated with its targeted opportunities.

Not every site works for each of the retail concepts, regardless of market capacity.

| Type | Concept | Sq. Ft. (w/Anchors) | # of Anchors | Description |
|-----------------------|--|---------------------|--------------|--|
| Neighborhood Center | Convenience | 30,000 - 150,000 | 1 or more | Supermarket |
| Community Center | General Merchandise; Convenience | 100,000 - 350,000 | 2 or more | Discount department store; supermarket; drug; home improvement; large specialty-discount; apparel |
| Regional Center | General Merchandise; Fashion (mall, typically enclosed) | 400,000 - 800,000 | 2 or more | Full-line department store; junior department store; mass merchant; discount department store; fashion apparel |
| Super Regional Center | Similar to Regional Center but has more variety and assortment | 800,000+ | 3 or more | Full-line department store; junior department store; mass merchant; fashion apparel |

Neighborhood Center: This center is designed to provide convenience shopping for the day-to-day needs of consumers in the immediate neighborhood. A neighborhood center is typically a straight-line strip with no enclosed walkway or mall area.

Regional Center: This center sells a full variety of general merchandise, mostly apparel. Its main attractions are its anchors; they are typically enclosed malls.

Community Center: A community center offers a wider variety of apparel and other goods than a neighborhood center. Configuration is a straight line, L- or U-shaped.

Superregional Center: This center is similar to the regional center, but it is larger with more anchors and carries a deeper selection of merchandise. Superregional centers draw from a larger population base. Typical configuration is enclosed with multilevels.

| Type | Concept | Sq. Ft. (w/Anchors) | # of Anchors | Description |
|---|---|---------------------|---|---|
| Fashion/Specialty Center | Higher end, fashion oriented | 80,000 - 250,000 | N/A | Fashion |
| Power Center | Category-dominant anchors; few small tenants | 250,000 - 600,000 | 3 or more | Category killer; home improvement; discount department store; warehouse club; off-price |
| Theme/Festival Center | Leisure; tourist-oriented; retail and service | 80,000 - 250,000 | N/A | Restaurants; entertainment |
| Outlet Center | Manufacturer's outlet Stores | 50,000 - 400,000 | N/A | Manufacturers' outlet stores |
| <p>Fashion/Specialty Center: This center is composed of upscale apparel shops, boutiques and craft shops carrying unique, high-quality fashion and other merchandise. They may not be anchored, but restaurants or entertainment provide the draw of anchors. A sophisticated design emphasizes the rich decor and landscaping.</p> | | | <p>Theme/Festival Center: The centers appeal to tourists; restaurants and entertainment facilities may anchor. Anticipate seeing them in urban areas, maybe adapted from historic buildings and part of mixed-use projects.</p> | |
| <p>Power Center: Several large anchors, including discount department stores, off-price stores, warehouse clubs or "category killers" (stores that offer huge selection in particular merchandise categories at low prices) dominate. The center consists of several freestanding anchors and only a few, small specialty tenants.</p> | | | <p>Outlet center: Outlet centers usually consist of manufacturers' outlet stores selling their own brands at a discount. They are found in rural or tourist locations. Typical outlet center designs include enclosed malls, a "village" cluster or a strip configuration.</p> | |

International Council of Shopping Centers

Retailing fits into specific classifications or concepts. Retailing is far more defined than consumers perceive. Development concepts are dictated by the real estate itself. The trade area size, demographics, accessibility all determine what retail concept can be supported. Retailers generally stay within the concept that best delivers their target customer to them. Each center concept has specific elements that relate to the retailers within that genre. There are differences between the concepts that distinguish the centers and the retailers that are part of them. The attributes of each development concept are designed specifically to meet the trade area needs of the retailers the center is comprised of. Scale of the center (size), location of the center, design of the center are all dictated by the concept.

What concept of retail is suited to the southwest corner of Highway 85 & 31st Street?

At 11.39 acres, the subject site is capable of supporting approximately 104,000 square feet of development.

A review of the scale associated with each of the shopping center concepts quickly eliminates all development concepts with the exception of **Neighborhood Center**. Synergy between the retailers is a dynamic component of most retail and the inability to provide a complete “center” opportunity will make this site a non-starter for those concepts that move up in size over 125,000.



Size aside, Highway 85 has an unusual perspective with characteristics not normally associated with retail development:

- Although it extends through northern Colorado from Wyoming to downtown Denver, the traffic tends to be transient – moving people extended distances rather than acting as a collector for local traffic.
- The required use of frontage roads for access to Highway 85 hinders accessibility.
- Although it connects through Greeley and Evans, it does not act as a population connector for those communities.

The limitations in size coupled with Highway 85 inefficiencies delivering a larger population base to the intersection eliminate this site as a contender for larger scaled retailing concepts.



Neighborhood Center is generally recognized as “needs based” retailing which is “designed to provide convenience shopping for the day-to-day needs of consumers in the immediate neighborhood”.

If a retail center is to be located at the southwest corner of Highway 85 and 31st Street – it will be in the category of a grocery anchored center.

The following sections will take a closer look at this concept in determining the viability of the site to develop as a grocery anchored center.....

Trends Affecting Grocery Retailing.....

Food inflation is expected to average 1.5% over the next five years. We believe that Traditional Supermarkets sales will not keep pace, and they will continue to lose market share as consumers choose to shop other formats for grocery needs. Willard Bishop 2016

Grocery continues to be one of the most dynamic retail concepts. The growth in the number of grocery retailers has had a profound impact on food shopping. The added competition coupled with newer trends in consumers approach to food has the grocery genre in a state of chaos. Consumers have permanently shifted the way they chose to get their food.

Conventional food retailers, King Soopers and Safeway have been the most impacted by the entrance of new food retailing concepts. Once the only significant grocery opportunity, they enjoyed holding the majority of the available “food dollars”. These conventional grocers have been impacted first by the entrance of “value” grocers like Walmart, then the proliferation of specialty grocers like Whole Foods, Sprouts and Trader Joes and now lastly by online grocery providers such as Amazon.

Evaluating how to best address factors of value and alternative/healthy conscious consumers has required all grocers to evaluate how to remain relevant to this emerging “new” grocery consumer.



Trends such as delivery meal kits (Blue Apron, Plated) which puts fresh ingredients at your front door, expansion of online shopping in the food and non-perishable categories and the frequency of eating out are all impacting the traditional grocery store. As other types of retailing are looking to transition, so is the concept of the “grocery store”. Expectations are high that the next few years will be more transformative for the concept of grocery than any time in recent retailing history.



Eating Out Americans are taking the concept of eating out to an extreme. From 2015 to 2016, for the first time in history, Americans spent more money at bars and restaurants (\$54.857 billion) than they did on groceries (\$52.503 billion). According to the Bureau of Labor Statistics, in 2014, the average American household spent \$2,787 on restaurant meals and takeout, compared to \$3,971 on groceries. But in 2015, the average amount spent on restaurants and takeout jumped \$221 to \$3,008. Grocery spending, by contrast, increased just \$44 per household to \$4,015. What this tells us is that dining at restaurants and ordering takeout aren't just luxuries anymore. Rather, they're becoming the norm. *Fox Business*



Delivery Meal Kits The success of these services is drawing “a small but noticeable bite” of business away from traditional supermarkets, Cardlytics said in its report. Customers who use these services spent 2.8% less at supermarkets in the first half of 2016, compared with the first half of last year, the study found. These customers also spent 2.2% less on eating out at restaurants in the first half of 2016, compared with the 2015 period. *Business Insider*



Online Grocery Shopping Research estimates that online grocery sales will grow at a 20 percent annual compound rate over the next five years. Amazon, which is currently the ninth largest grocer in the U.S., according to the firm, will likely move to the number three slot by 2021. Separately, the Food Marketing Institute and Nielsen project consumer spending on online groceries may reach as high as \$100 billion or 20 percent of total dollar grocery purchases by 2025. **That is equivalent to 3,000 grocery stores, based on volume.** *Retail Wire 2017*

Grocer Recap



Conventional Grocers Traditional food retailers, King Soopers, Safeway and Walmart Neighborhood Market are all impacted by the entrance of new food retailing concepts. Once the only significant grocery opportunity, traditional grocers enjoyed holding the bulk of the available “food dollar”. King Soopers and Safeway have been evaluating how to best address factors of economy and alternative/healthy trends which has required these grocers to re-position themselves to remain

relevant to an emerging “new” grocery consumer. Walmart Neighborhood Market is a “value” grocer and is focused on that aspect of grocer retailing versus chasing the new food trends. Still the most convenient grocery options, the traditional grocers store networks are far more extensive than any of the new concept grocery retailers. These grocers may be modifying their concept but they are still desiring to be the “neighborhood grocery option”.



King Soopers has made the transition to larger stores. Their new store formats are 123,000 square feet with a combination of food and non-food related items. As they expand into this new store size, customers can expect to see a broader selection of kitchen related items, casual living merchandise and specialty products. Kings is bucking the industry trend towards to smaller store formats, positioning themselves to compete with all grocery store formats including the mass market merchandisers (Walmart, Target). Kroger’s expansion into organic/natural foods has placed them as one of the largest retailers in that segment of the marketplace.



Safeway had just completed conversion of the majority of their stores to a “lifestyle” format Ingredients for life... just prior to the downturn in the market in 2008. The “lifestyle” format focuses on more gourmet, natural and organic offerings with a more modern look overall. There has been some issue with the concept appearing to be “pricey” to consumers and not resonating with the value conscious consumer. Acquired by same operating company owning Albertson’s – there seems to be some attempt to combine the chains and reposition their stores. Whether that includes a new direction in concept is not known.



Walmart Neighborhood Market is another grocer entrant into an already crowded field. Walmart has had this concept since 1998 but has just more recently focused on expanding nationally with this smaller format store. Meant to be a complement to the Super Walmart store system, these stores are directly geared toward the “value conscious” consumer. There are very little “bells and whistles” in a fairly plain looking store.



Alternative Grocers The concept of alternative food stores is the most dynamic within the grocery market. Whole Foods, Sprouts, Natural Grocers, and Trader Joes’ have all “staked a claim” in the Colorado marketplace. Site selections for these grocers vary by retailer with each having a “target customer” in mind when looking at the demographics. Consumers are evolving in their food sophistication, caring about sustainability, organics, farm to table, etc. – with no one retailer in this sub-category carrying the

full gambit of products, consumers are shopping multiple stores.

Characteristics of these stores is different from the traditional/conventional grocer. With fewer stores in the marketplace overall, they require broader trade areas and higher profile sites.



Whole Foods was once the only retailer in this category. Pressure has been mounting for them with the traditional grocers expanding their “alternative” perspective and new national and local grocery concepts entering the market to compete with this “iconic” retailer. These grocer off shoots are perceived to be more value conscious and in some cases more representative of the “local” food trend. About to be purchased by Amazon, conjecture is rampant as to how Whole Foods will evolve under this new dynamic ownership. Expectations are high that the Amazon acquisition will not only breathe new life into the chain but will dramatically re-conceptualize their store format.



Sprouts operates 25,000 SF stores and markets themselves as “affordable healthy” focusing on healthy, fresh and/or organic food selections. The value pricing aspect helps to separate them from Whole Foods. Their “farmers market” décor is not as “hip” as Whole Foods appealing to a broader consumer base that might not see themselves as a true alternative food consumer.



Natural Grocers is slightly different than the other stores in this category, mainly by size. At 13,000 +/- square feet, they present a much more selective offering than their competitors. They carry many of the same health type of food and products but also have an expanded bulk food component.



Trader Joe's is a bit in a category all its own. They have so many different store formats throughout the country it is difficult to define their proto-type. In Colorado, they have opted for smaller stores (mainly due to the inability to include liquor due to the state liquor laws). Described as quirky, aspirational and cult-like they have embraced the values important to today's consumers. Trader Joe's is unparalleled due to their unique retailing format.

Trader Joe's expansion is cautiously executed because the challenge associated with migrating its unique culture requires a meticulous selection and training process. Store location is determined by three key factors: density of population, educational level of the consumer, and distribution efficiencies. Market research has revealed a relationship between education and consumer choices: The more highly educated tend to travel more and, hence, are more inclined to be attracted to the unique product lines offered by TJ.

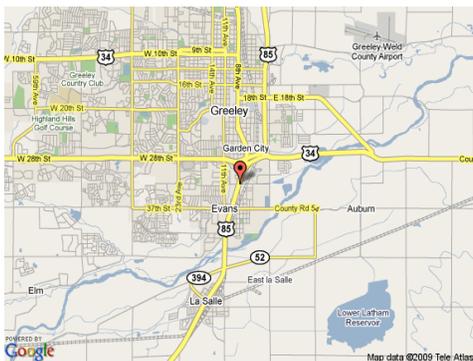
Mark Mallinger – Business Review

Highway 85 & 31st Street - Neighborhood Center capacity?

Greeley has an estimated population base of nearly 104,000 people, coupled with The City of Evans – the entire market area is just over 125,000 people. Located in the overall trade area are:

- 2 Super Walmarts
- Sam’s Club
- 3 King Soopers
- 2 Safeway Stores
- Sprouts
- Natural Grocers
- Sav-A-Lot
- Food King
- Miscellaneous Small Independent Stores

This representation is consistent with other standalone markets of this size. The grocer count and square footage of grocery is in line with the size of the overall trade area.



Retailers looking at this market do not differentiate between Greeley and Evans. They look at the market from an overall perspective and the ability of a site to pull customers from throughout. Retail trade areas are not defined by city limit lines. The majority of key retailers have located along the Highway 34 corridor where they can pull customers equally from Greeley or Evans. This dynamic has a profound impact on the ability of Evans to attract significant retail opportunities.

The grocers not serving this area are Walmart Neighborhood Market, Whole Foods and Trader Joe's. Following is a closer look at each of these grocery anchors and their ability to locate at Highway 85 & 31st:



The Walmart Neighborhood market was conceived as a new growth concept for Walmart. Smaller in scale, it complimented the Supercenter stores by infiltrating smaller more neighborhood oriented sites. Walmart has strategically made the decision to not serve the higher income level areas of the marketplace with their Neighborhood Market concept. After their initial move into the Colorado marketplace, they have targeted areas where income levels are on the lower end of the spectrum. The general perception seems to be that higher income consumers may not be the "target customer" for this value oriented grocery

concept. Growth of this concept has slowed down considerably as changes within the overall grocery arena are changing.

Walmart has closed a number of its smaller-format Neighborhood Market grocery stores throughout the Denver metro area in recent years, including one in south Denver this March. Last October, the retail giant said it would slow new store openings to focus more resources on e-commerce sales, technology and store remodels.

Denver Post June 2017



Longmont and Fort Collins are the only 2 northern Colorado cities to have a Whole Foods. Traditionally, Whole Foods has sought a higher income demographic – targeting a customer base that was not intimidated by the “whole paycheck” reputation. Although the average annual household incomes are only slightly lower than those in Longmont and Fort Collins, Whole Foods has remained tentative about additional growth in northern Colorado. *(The Longmont store was not opened for 9 months after construction finished as they vacillated on entering the Longmont market. The store finally opened in late 2016.)* With the acquisition of Whole Foods by Amazon – future store plans are unpredictable.



Trader Joe's has 7 stores located in Colorado. Further expansion into the State is highly anticipated by every municipality and developer, yet Trader Joe's has not made any further forays into the suburban or outlying areas. It is difficult to determine trade area population requirements for Trader Joe's as they seem to approach each market from a different perspective.

- The Dallas/Fort Worth area has a population of 7.1 million people and has 9 Trader Joe's stores (789,000 people per store).
- The greater Phoenix area has a population of 3.252 million people and has 9 Trader Joe's stores (361,000 people per store).
- The Denver metro area population base of 2.8 million equates to 700,000 people per store moving us in line with Dallas in “people per store”.
- Looking at our neighboring states, Colorado has already seen more expansion by Trader Joe's than Salt Lake City and Kansas City.

No one knows what Trader Joe's plans are other than Trader Joe's – there may be more expansion room in the Colorado marketplace for Trader Joe's or there may not!

What can I do to bring a Trader Joe's to my city/town?
If you have a recommendation for a city/address that you think would be a good fit, please **contact us**. There are no guarantees, but being wanted matters to us.

Trader Joe's Website

The grocers not represented in the marketplace present challenges with their overall market objectives as related to the subject site and the Greeley / Evans overall marketplace.....

Walmart Neighborhood Market concept is not expanding in Colorado at this time. Additionally, they have recently closed stores highlighting the volatility of the concept and its ability to remain a valued concept for Walmart.

Whole Foods has been acquired by Amazon placing the chain in flux as that acquisition plays out. Depending on the concept that emerges from the Amazon acquisition, it is certainly possible that the Greeley / Evans market area remains “off their radar”. Should that focus change – sites along Highway 34 will likely be the target area for any concept coming forward.

Trader Joe’s will find this intersection to be “too suburban” for their concept, preferring sites that have more density and established development. Trader Joe’s seems reticent to expanding further in Colorado, any site in the northern outlying areas may be a long ways off, if at all.

Of the available grocery anchors, none is positioned to locate at the intersection of Highway 85 and 31st Street. Slowed growth of the Walmart Neighborhood Market concept coupled with industry wide impacts from online grocery retailing prohibit expansion by one of the conventional grocers to this site. Alternative grocers will see this site as a “secondary” intersection within the overall trade area, lacking the presence and residential density to attract a larger customer base from the larger overall trade area.

Summary

Key factors dictating the retail capacity for this site:



Intersection characteristics dictate that Neighborhood Center will be the development concept supported.

Highway 85 is not recognized as the type of major arterial sought after by larger scaled retail. This relegates the intersection to “secondary” status, appropriate for neighborhood service or “needs based” retail. Retailing concepts (including alternative grocery concepts) that require access to a broader population base will not be attracted to this intersection.



A site has to be large enough and be configured appropriately at the onset for a retail development opportunity to remain in contention. There are many more factors that are considered when evaluating a site’s characteristics, but if a site is not large enough or configured appropriately the evaluation will end there. At 11.9 acres, it is too small for larger retailing concepts placing the site in the category of **Neighborhood Center** or grocery anchored retail.



Grocery needs are being met by grocers located along the Highway 34 corridor. The grocers' that might have been suited to this site based on concept are already represented within the trade area. Safeway and King Soopers have chosen to serve Greeley / Evans from sites along the Highway 34 corridor that better deliver their target customer bases and provided better delivery of the residential population base to those sites. From those grocers' perspectives – there is no “missing grocer gap” to be filled.



Online grocery retailing is having a profound impact on the capacity for bricks and mortar grocery retailing. Expectations are that online grocery retailing will continue to substantially increase, placing Amazon as a major competitor into the grocery mix. The syphoning of the food dollar to a “ghost retailer” limits and reduces the need to expand bricks and mortar stores. Continued residential growth in the trade area will likely not impact new grocery store development given the amount of sales moving to online grocery providers.

A new report from the Food Marketing Institute and Nielsen projects that consumer spending for online grocery shopping could reach as much as \$100 billion or 20 percent of total dollar grocery purchases made by consumers by 2025. Those figures, the parties report, are the equivalent of 3,000 grocery stores based on volume. The research, according to a CNBC report, puts the current market share of online sales at 4.3 percent of total spending for food and beverages. Using their most conservative projection, online grocery sales would roughly double by 2025. A wide variety of companies from brick and mortar retail (Kroger, ShopRite, Walmart, et al) as well as online (Amazon.com, Door to Door Organics, FreshDirect, et al) are today offering Americans the option of home delivery or store pickup for grocery orders. Companies ranging from Costco to Whole Foods are working with third parties to enable home delivery. Today, according to the research findings, 23 percent of U.S. households are buying food online. Among these, 60 percent expect to spend over a quarter of their food dollars online. Younger and more digitally-engaged consumers who have yet to become regular grocery shoppers will help drive further adoption in the years to come. Retail Wire 2017

"We've probably got two or three times as many supermarkets, or at least the square footage, as we need."

Jim Hertel, Senior Vice President Willard Bishop, (an Inmar Analytics Co.) 2017

Conclusion

Every 50 years or so, retailing undergoes this kind of disruption. A century and a half ago, the growth of big cities and the rise of railroad networks made possible the modern department store. Mass-produced automobiles came along 50 years later, and soon shopping malls lined with specialty retailers were dotting the newly forming suburbs and challenging the city-based department stores. The 1960s and 1970s saw the spread of discount chains—Walmart, Kmart, and the like—and, soon after, big-box “category killers” such as Circuit City and Home Depot, all of them undermining or transforming the old-style mall. Each wave of change doesn’t eliminate what came before it, but it reshapes the landscape and redefines consumer expectations, often beyond recognition. Retailers relying on earlier formats either adapt or die out as the new ones pull volume from their stores and make the remaining volume less profitable.

Darrell K. Rigby – Harvard Business Review



The City of Evans shares its retail focus with the City of Greeley – they are linked together due to their combined size and close proximity to each other. Retailers view the 2 cities as one marketplace. Combined, Evans and Greeley has a wide complement of retail including the scale and type of retailers that are associated with Neighborhood retailing. To the retailers mind – there is no gap in services to this area.

Impacts to retailing in general from a changing consumer perspective (how and where we get our goods from) further limit the City of Evans from realizing significant retail development at this site. The lack of retailer opportunity and changes within the retail industry as a whole make maintaining this site as purely retail challenging.

Evaluating alternative development options such as mixed use or non-retail commercial would likely produce a more catalytic project for the corridor and set the stage for further redevelopment along Highway 85.

Alternative Options

Mixed Use

Mixed-use development is a type of urban development that blends residential, commercial, cultural, institutional, or industrial uses, where those functions are physically and functionally integrated, and that provides pedestrian connections.

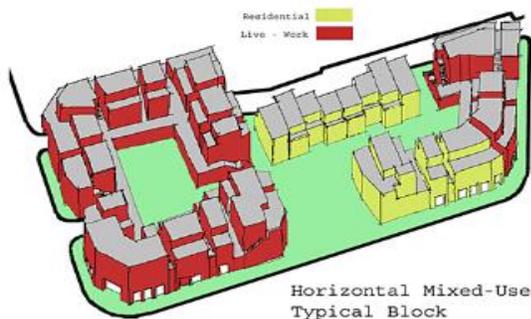
Wikipedia

The concept of mixed use has validity for Highway 85 and 31st Street. Lacking capacity to develop completely as retail, mixed use provides the opportunity to still have a retail influence but not require retail to carry the entire development. Mixed use is a “development” concept and can take multiple forms, there is no specific formula of uses consistently used.

The Urban Land Institute’s Mixed-Use Development Handbook characterizes mixed-use development as one that 1) provides three or more significant revenue-producing uses (such as retail/entertainment, office, residential, hotel, and/or civic/cultural/recreation), 2) fosters integration, density, and compatibility of land uses, and 3) creates a walkable community with uninterrupted pedestrian connections.

Horizontal mixed use would be the development form for the site – integrated vertical mixed use requires extensive densities not only within the project but the surrounding area to work.

Horizontal Mixed-Use Development



Consists of single-use buildings within a mixed-use zoning district parcel, which allows for a range of land uses in a single development project

Provides for a variety of complementary and integrated uses that are walkable and within a given neighborhood, tract or land, or development project



The scale of retail within a mixed use project would be considerably smaller than that associated with a grocery anchored center. Small scale retailers coupled with free-standing uses will be centered on financial (banking), personal services and fast casual food.

Retail will not lead the planning for mixed use rather it will be a secondary player within the concept.

This scale of retail could be designed in such a way that it complements the area and provides a building block for more creating development opportunities.



Proximity to the University of Northern Colorado and The Verge student housing project make this site interesting from a multi-family perspective. Opportunity to tie those together with the Highway 85 site makes for an interesting mixed use opportunity.

Evaluating alternative development options such as mixed use provides the City of a signature project to build off of for the Highway 85 corridor and does not tax the marketplace to support development concepts that are not feasible.



Next Steps



Providing visual representation of redevelopment opportunities is an important step in marketing the property for development. Folks on both the private and public side need to see what kind of creative ideas could be realized on the property.

I recommend looking at the following scenarios (in order of importance):

- **Highway 85 corridor vision.** Visioning for the entirety of the Highway 85 corridor (through Evans) needs to occur first. If you are asking redevelopment to enter the corridor starting with the site at Highway 85 and 31st Street – a broader, updated vision needs to be in place. As is, the corridor will continue to suffer from mediocre to lower tier users until a cohesive vision can be realized.
- **Surrounding area vision.** Expanding the visioning to include impacts to the development areas east and west of Highway 85 will show a connective quality to the area that will be attractive to developers and end users. For example, tying into 11th Avenue and connecting to Highway 34 may provide a different perspective on how this site could redevelop. Providing that framework evaluation will be important to the success of any Highway 85 vision.
- **Redevelopment of the existing buildings.** There could be some value in the existing buildings and moving away from an “anchored retail” position might open up some new ideas for regenerating the existing building structure. Focus would be on non-retail uses, service retail and fast casual restaurants to include opening up the center to neighboring developments (The Verge). It is possible that the existing layout does not achieve the type of redevelopment desired, but it should be looked at more closely before eliminating it as a possibility.
- **Total redevelopment of the site.** A preliminary site plan that incorporates mixed use development including high density residential, smaller scaled service retail and fast casual food will dramatically help potential developers and users to see the potential in the site. A visual perspective of how the site could expand its area of influence to neighboring properties through to 11th Avenue is an important factor in marketing the site.

Expectations that a single site will be the catalyst in dictating the direction of the entire corridor is unrealistic. Rather, the site at Highway 85 and 31st Street needs to fit into the framework of a larger vision. For this reason, all of the scenarios noted above are important next steps in moving the site to redevelopment.

Katy Press

KP Consulting & Associates
Founder and Principal

Katy Press's 30+ year retail real estate career has placed her on both sides of the retail development table, first as a retailer and then as a retail developer. Katy has operated a successful consulting practice working with many of the top retail developers, landowners, and cities in the region. Prior to consulting, Katy was VP of Development for Catellus Commercial Group initiating a regional retail development arm of the California Company. Katy's first retail experience came in 1984 as a Real Estate Representative for 7-Eleven Stores in the Colorado marketplace. After leaving 7-Eleven she joined Safeway Stores and stayed there during the 90's holding the position of Real Estate Manager. During that tenure, Katy helped Safeway pioneer a self-development program that extended through the Colorado region resulting in the personal development of 20+ Safeway anchored shopping centers.