Today’s Topics

• The Changing Retail Landscape
• Evolving Retail Forms Nationwide and in Colorado
• Activating the Public Realm in Midsize & Suburban Cities
• Activating the Public Realm in Small/Mountain Towns
• Designing and Programming Ground Floors for Flexibility and Resiliency
The Changing Retail Landscape

Sung Han –

Clarion Associates

Late 1800s
The Changing Retail Landscape

1930 - 1950s

The Changing Retail Landscape

2000s
The Changing Retail Experience

1920

The Changing Retail Experience

1930-1950
The Changing Retail Experience

Welcome to PizzaNet!

PizzaNet is Pizza Hut's Electronic Storefront and is brought to you by Pizza Hut® and The Sears C regarding PizzaNet to webmaster@PizzaNet.COM

If you would like to order a pizza to be delivered, please provide the following information:

Name:

1994 - Present

These 22 retailers are closing hundreds of stores in 2017

Sears Is Closing 28 More Stores As Sales Continue To Decline

BCBG is closing 120 stores, including at Mall of America

Bebe is closing all its stores, the latest casualty in retail

19 retail stores that have filed for bankruptcy this year

JCPenney announces store closings

The Limited Is Closing All 250 of Its Stores

Macy's Announces Store Closings for 2017
Rise of E-Commerce

Online sales in 2017:
- Represented **13% of total sales**, an increase from 11.7% in 2016
- **Grew 16%** between 2016 and 2017 while in-person sales grew by 3.5%

Source: U.S. Department of Commerce; Internet Retailer

Brick and Mortar is Not Dead

If **in-person sales** are still growing and a vast majority (87%) of retail sales still occur in physical stores then are we really experiencing a retail apocalypse?
Net Increase in Store Openings
Research conducted by the IHL Group revealed that 2017 had a net increase of 4,080 stores.

+14,248 Openings
- 10,168 Closures
+ 4,080 Net Store Openings

Source: IHL Group

<table>
<thead>
<tr>
<th>Segment</th>
<th>Net Store Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarkets</td>
<td>674</td>
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<tr>
<td>Drug Stores</td>
<td>345</td>
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<tr>
<td>Superstores/WH Clubs</td>
<td>82</td>
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<tr>
<td>Department Stores</td>
<td>-400</td>
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<tr>
<td>Specialty Hardgoods</td>
<td>153</td>
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<tr>
<td>Specialty Softgoods</td>
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<td>Mass Merchandisers</td>
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<td>Convenience Stores</td>
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<td>Bar / Restaurants</td>
<td>726</td>
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<tr>
<td>Fast Food</td>
<td>2,026</td>
</tr>
</tbody>
</table>

Colorado Retail Vacancy Rates

• Colorado’s overall outlook for retail is positive.
• Various regions along the front range have experienced a decreasing vacancy rate since 2015.
• All regions have a vacancy rate lower than the US national average of 10%.

Source: SVN Denver Commercial and Quantum Commercial
High-End and Off-Price Retailers Thrive
The answer lies somewhere in the middle, literally.

Five-Year Revenue Growth
- Premier $$$: +81%
- Price-based $: +37%

Net Store Openings
- Premier $$$: 263
- Price-based $: 150

Source: Deloitte Insights

High and Low-End Retail Thrives
The answer lies somewhere in the middle, literally.

Five-Year Revenue Growth
- Premier $$$: +37%
- Price-based $: +2%

Net Store Openings
- Premier $$$: 305
- Price-based $: 108
- Balanced $$: 50

Source: Deloitte Insights
National Chain Store Openings and Closings

Off-price retailers have announced most openings and apparel remains the sector hardest hit by closures.

Shrinking Middle Class

This change has been driven by the growing wage gap and shrinking of the middle class.
Change in Consumer Spending

- **Experience-related services** have grown more than 1.5 times faster than overall personal-consumption spending and nearly 4 times faster than expenditures on goods.
- **Food-service expenditures** are growing at 6.4 percent a year (compared with overall yearly PCE growth of 3.7 percent).

So What Can We Learn?

- Consumer preferences will continue to transform the retail landscape.
- The future of retail (if it follows consumer trends) will not be evenly distributed – more low and high cost stores, and experience-related services.
- Brick and Mortar is not dead, but it’s very different.
National Trends at Play in Colorado

• Colorado’s middle class is shrinking.
• In 2018, Dollar Tree plans to open 22% of its new stores (15) in Colorado.
• More experience-related services and goods are becoming more popular throughout the region.

Evolving Retail Forms Nationwide & in Colorado

Andy Rutz, CNU-A –

MIG, Inc.
“We actually don’t call them ‘stores’ anymore—we call them ‘town squares.’”
- Apple Executive
E-Commerce going Brick-and-Mortar
How does it work?

1-on-1 Attention
A knowledgeable Guide will walk you through the entire Bonobos assortment.

Find The Right Fit
Fit Matters. A Guide will help you find your perfect fit from all of our available options.

Walk Out Hands-Free
A Guide will place your order and it will be shipped directly to your home or office for free.

Returns & Exchanges
Need to make a return or exchange? A guide will process your returns in-store and help with any size or fit questions, free of charge.
Fashion

American Apparel Is Venturing Back Into Brick-and-Mortar Stores

By Sandrine Rastello
May 3, 2018, 1:53 PM MDT

► Shop on Melrose will be retailer’s first since bankruptcy
► Company has shifted to producing brand’s clothing abroad

Tesla Showroom – Broadway Plaza, Walnut Creek, CA
Activating the Public Realm in Midsize & Suburban Cities

Kelly First, AICP – City of Lone Tree

Jay Renkens, AICP – MIG, Inc.

City of Lone Tree, CO
2017 City Revenue

- 2017 Total City Revenue: $58,733,700

- Lowest municipal tax rate on the Front Range: 1.8125%

- No City Property Tax