



**Drive | Lead | Succeed**

V I R T U A L   S E R I E S

Economic Development Council of Colorado

# **Where are the Retail & Hospitality Industries Headed?**

May 26, 2021 | 10 – 11:30 a.m.

# Welcome! Thank you for attending today's session

While we wait for attendees to join, please introduce yourself in the chat section.

Include your:

- Name
- Organization or Company
- County you live and/or work in

Thank you!



@EDCofCO | #DLS2021 | #EDCCEvents



Kim Woodworth

Operations Director, EDCC

[EDCCOnline.org](http://EDCCOnline.org)

# housekeeping items:

- All are muted for the general session for recording quality purposes.
- Ask questions! Type them into the CHAT section at the bottom of your screen.
- Provide your name and email address along with your question for follow up after session.
- Send questions to [kim.woodworth@EDCOnline.org](mailto:kim.woodworth@EDCOnline.org) if you have questions after today's session.
- Links to the recording, presentation, and follow up materials will be provided to today's attendees and located at <https://edconline.org/product/2021-virtual-series-1>
- And finally, follow today's discussion on our social media outlets [@EDCofCO](#), [#DLS2021](#), [#EDCCEvents](#)

- 
- A statewide, membership based, industry association that supports economic development efforts across Colorado.
  - Provide education, tools & resources, advocate for sound policy in support of economic development
  - We are rural and urban, public and private-sector, for profit and not-for-profit, and include individual communities, counties and regional organizations, local and state government, chambers of commerce, universities and private industry.

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## **Who is EDCC?**



# EDCC's Drive|Lead|Succeed Virtual Series

Click on a virtual series below to watch live, watch On-Demand, and access supporting materials

EDCC'S DRIVE|LEAD|SUCCEED GOES VIRTUAL IN 2020

Virtual



**Virtual Series I: Food Systems Disruption – Critical Steps to a Resilient...**  
We've seen wide-scale disruption in our food system security. Dynamic paths to resiliency were explored in this session.



**Virtual Series II: Supply Chain Interruption – Where Opportunity...**  
Out of disaster comes opportunity. Discover how to seize new opportunities from gaps exposed by the pandemic to...



**Virtual Series III: Special Districts – Supporting our Neighborhood and...**  
Our Special Districts including DDA's, BID's and URA's have seen the greatest impact during the current economic crisis.



**Virtual Series IV: Why Should I Care About Gallagher?**  
While the Gallagher Amendment was intended to address specific challenges at a specific time when it was proposed...



**Virtual Series V: Are Opportunity Zones still a Game Changer?**  
A panel of OZ experts will discuss the present & future of the OZ Program, and whether the program remains the "game changer" it promised to be at its inception.



**Virtual Series VI: Food Systems Revisited – Processor Bottleneck**  
With COVID disruptions, there is now interest in exploring whether "reinvesting" in a more diverse portfolio of plants of different sizes would be more resilient...



**Virtual Series VII: 2020 Trends to Continue into 2021**  
Looking back at 2020, the pandemic has impacted how we work, how we learn, and how we connect. As the most significant historical shift continues to take shape,

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We're striving to be in person in 2021! Providing the knowledge, tools, & connections to...

October 20-22, 2021  
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<https://edcconline.org/events-calendar/>



# Basic Economic Development Course

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[edcconline.org/basic-economic-development-courses-in-the-west/](https://edcconline.org/basic-economic-development-courses-in-the-west/)

bedc

[ Basic Economic Development Course ]

June 14 - 17, 2021

*virtual!*





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Julie Jacoby, CEcD

Retail Administrator, City of Thornton

[businessinthornton.com](http://businessinthornton.com)



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Schmidt**

Managing  
Director

JLL,

President

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# Denver Capital Markets

*2021 Retail Trends*

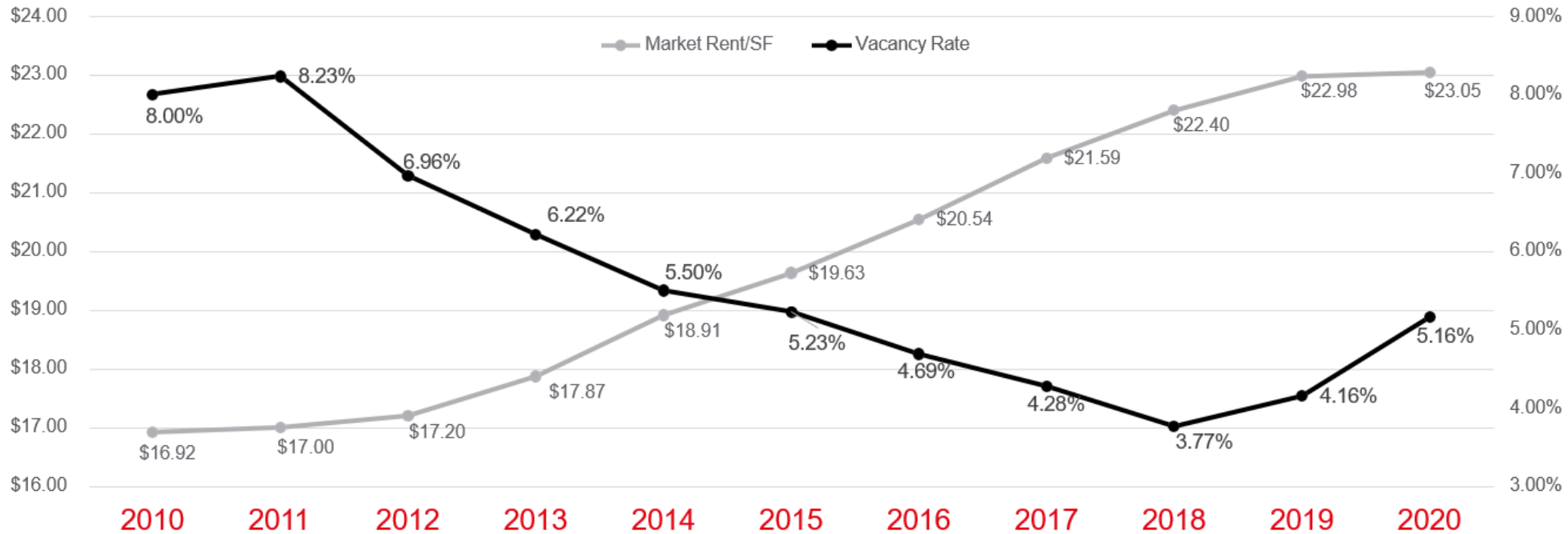




# Retail timeline



## A decade snapshot 2010-2020



Blockbuster files for bankruptcy

Borders files for bankruptcy

- "Retail Apocalypse"  
- Amazon acquires Whole Foods  
- JC Penney closes 138 stores

- Sears files for bankruptcy  
- Toys "R" Us files for bankruptcy

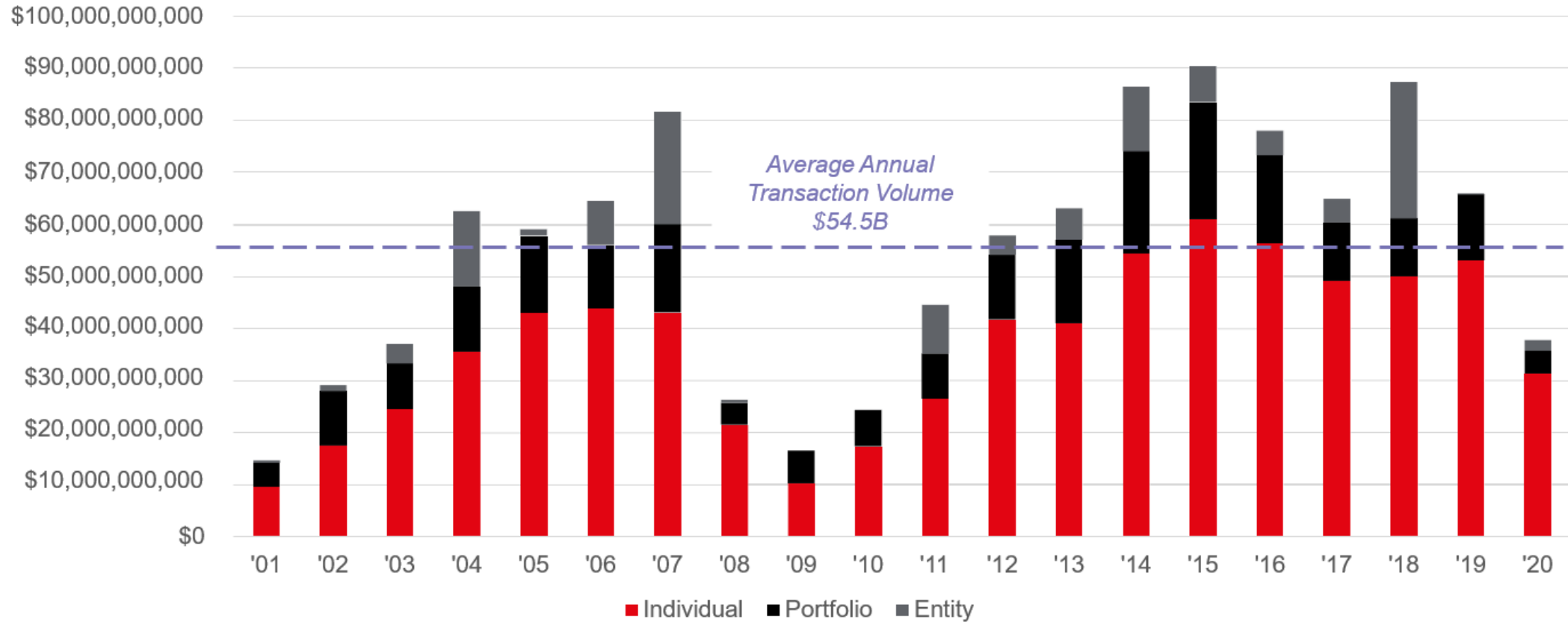
9,300 stores announced closures



# Annual Retail Transaction Volume



2020 volume sees largest drop since the Great Financial Crisis (2008-2010)



Annual Transaction Volume

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
\$14.6B	\$29.1B	\$37.0B	\$62.4B	\$58.9B	\$64.4B	\$81.6B	\$26.2B	\$16.4B	\$24.2B	\$44.5B	\$57.8B	\$63.0B	\$86.4B	\$90.3B	\$77.9B	\$64.8B	\$7.3B	\$65.9B	\$37.7B
-	+98%	+27%	+69%	-6%	+9%	+27%	-68%	+37%	+48%	+84%	+30%	+9%	+37%	+4%	-14%	-17%	+35%	-25%	-43%

# Historical development trends



## Denver Metro

**3.6M sf**

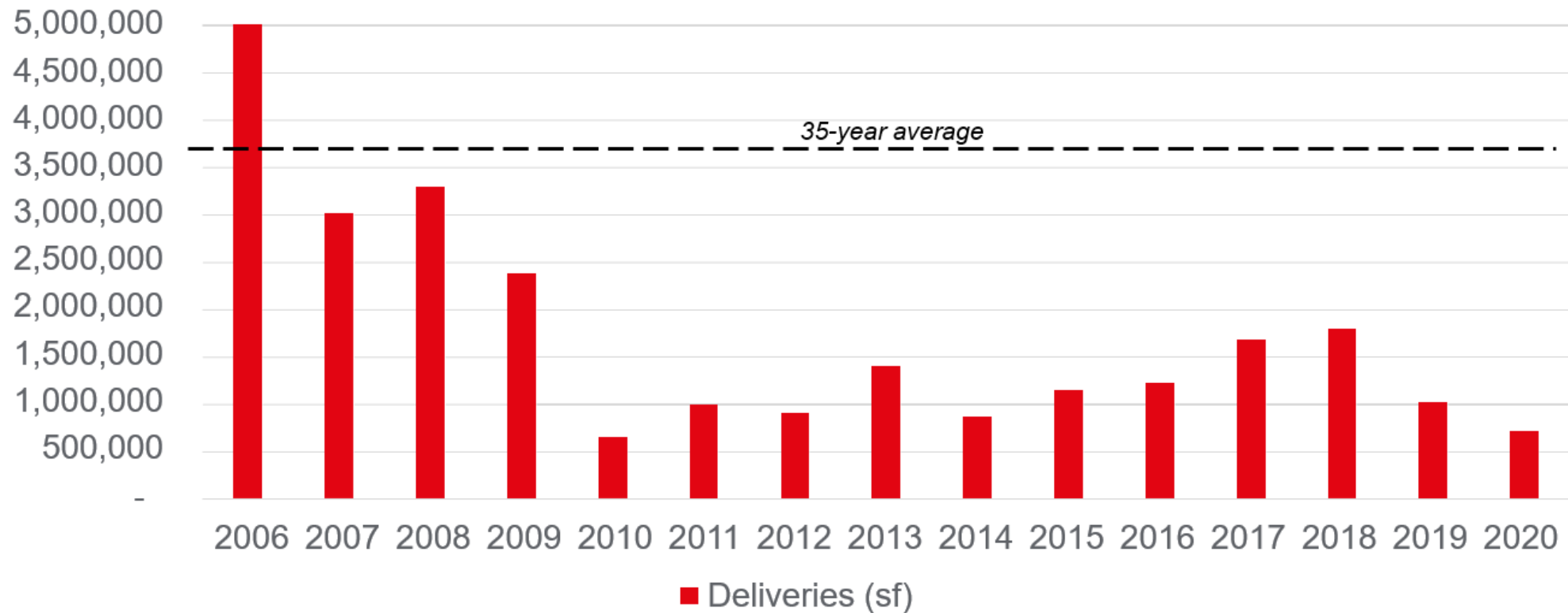
Average annual deliveries  
over 35 years

**5.4%**

Cumulative growth  
since 2010

**1M sf**

Annual deliveries is the  
new normal





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# Colorado Retail Trends

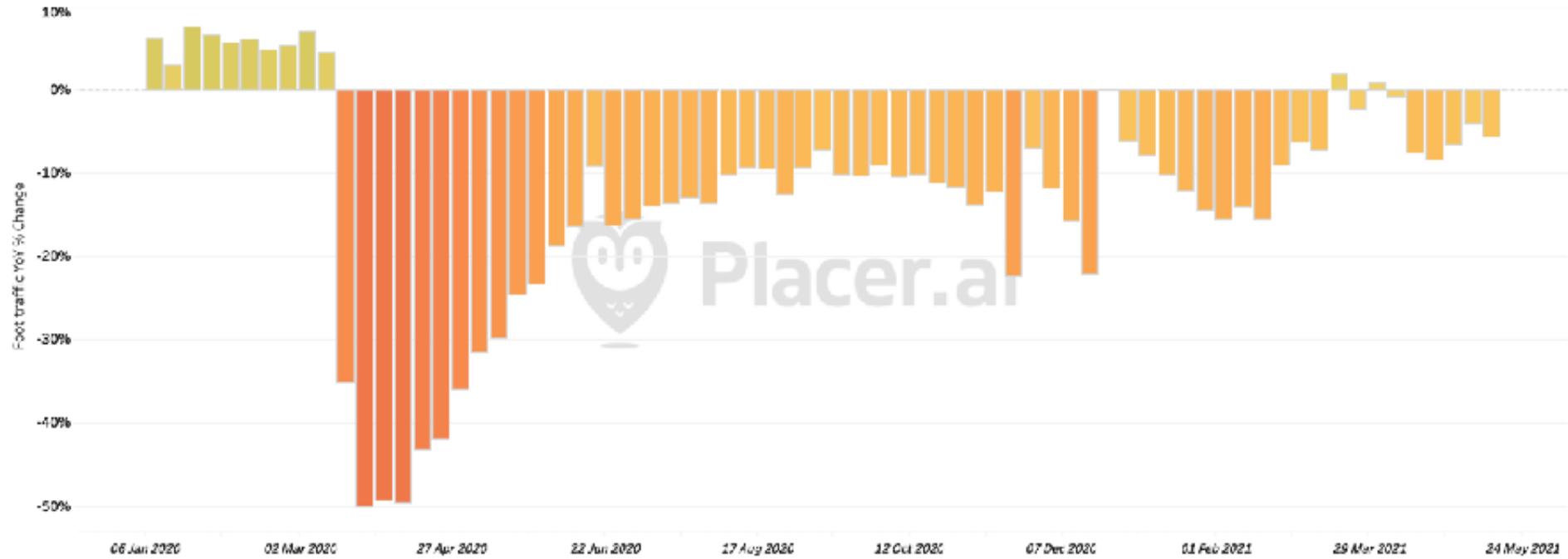
May 26, 2021



The**Retail**Coach.

## Industry Trends Over Time - Compared to Two Years Ago

### Nationwide - All Categories

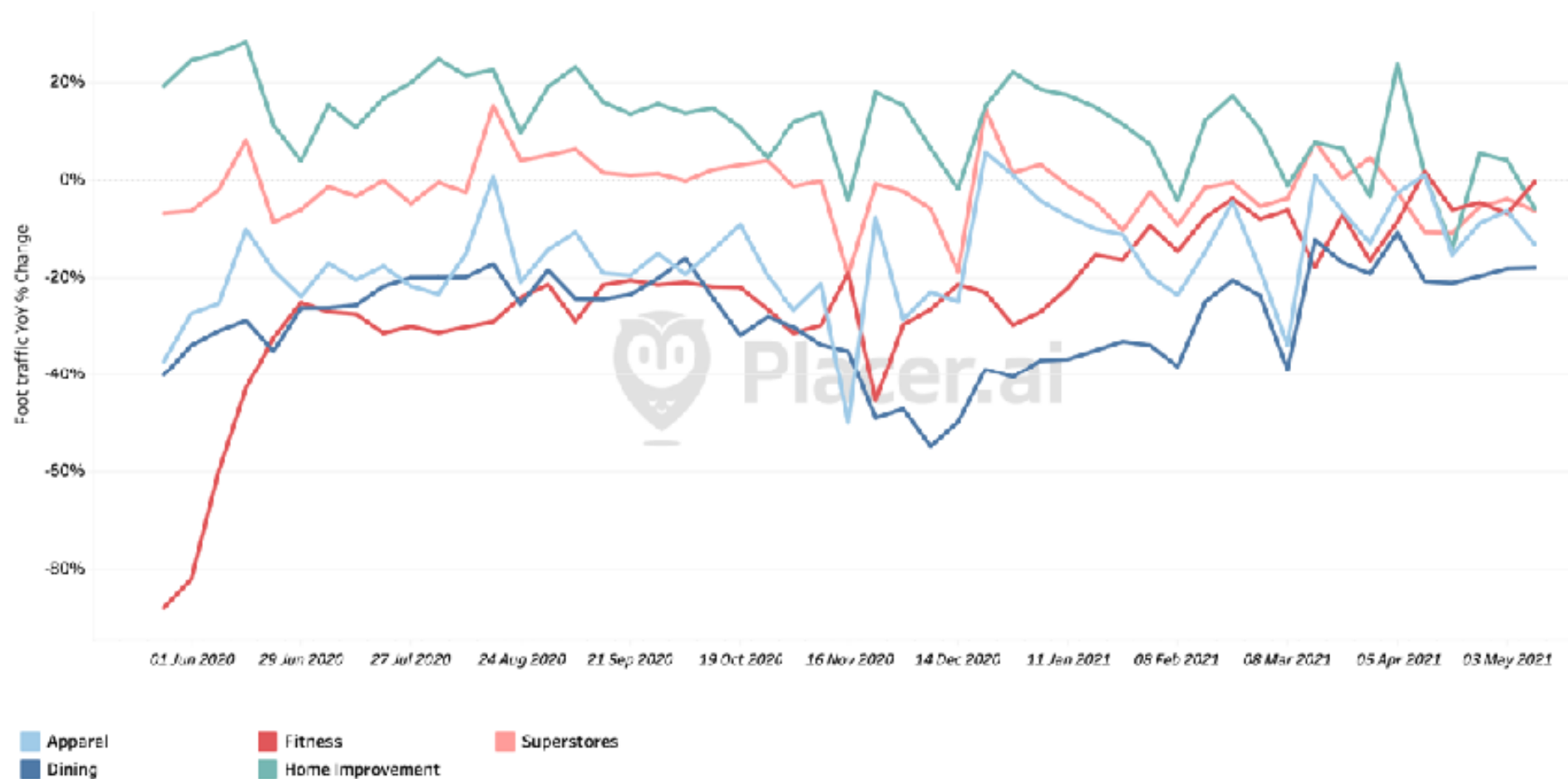


\* Data reflects the foot-traffic % change for Week 22, May 25 2021 - May 25 2021, compared to the same week two years ago





### Category Trends Mix



- **We are seeing people form very rural areas and city living (densely populated areas) move to the suburbs.**
- **Based on our analysis of foot traffic and retail sales, retail centers in suburban areas were the least impacted by the Covid-19 pandemic.**
- **Those communities/retail areas that relied heavily on destination and tourism consumers saw a sharp drop in consumers and retail sales**
- **Based on these new trends, we expect retailers and developer to continue targeting these more suburban areas for new development, as well as new emerging areas.**
- **With the increasing work-from-home trend, we expect these trends to continue, as many people aren't having to drive into work on a daily basis.**

Retail was all about creating an experience for consumers (Experiential Retail)

### **COVID/Post-COVID**

Retail all about consumers avoiding surfaces and limited interactions with other customers and employees

- Contactless checkouts
- Scan & Go Smartphone Apps
- Buy Online, Pick Up in Store (BOPIS) & Buy Online, Return in Store (BORIS)
- Drive-thru lanes
- Walk-up/Take-out



Michaels: "Maker Space" for free demonstrations, classes, customer projects

## Big-Box Stores Rule

- Big-box retailers benefitted from being "essential" and keeping stores open during the lockdown
- "One stop shop" retailers like Target, Walmart, Best Buy, and Lowe's have seen their sales soar
- Benefitted from the DIY trend
- Consumers tended to skip the mall and specialty retailers and their sales suffered
- Off-mall, "everything stores" are likely to continue to thrive





## Restaurants Morph to Less-Touch

More restaurants will focus on smaller building footprints with amped-up delivery, walk-up/takeout and drive-thru operations.





Many of the smaller and more local “Main Street” businesses took the hardest hit during the pandemic.

“Main Street” retailers must embrace:

- An online presence - Point of sale companies such as Shopify, Square, Toast, have made this easier than ever.
- Curbside/Delivery/Pickup - A renewed focus on convenience
- A stronger focus on target marketing to their consumers and customer service



# 2021 Retail Expansion

**To get consumers back into stores, they must provide unquestioned safety and an INCREDIBLE SHOPPING EXPERIENCE.**

Consistent with previously mentioned pressure on mid-market retail, below are examples of the retailers looking to expand in 2021. For a more complete list visit [https://info.stanjohnsonco.com/rs/702-XMW-307/images/Tenant%20Expansion%20Trends\\_Fall%202020.pdf](https://info.stanjohnsonco.com/rs/702-XMW-307/images/Tenant%20Expansion%20Trends_Fall%202020.pdf)

At Home  
Burlington  
DSW  
Marshalls  
TJ Maxx  
Ross  
Old Navy  
DD Discounts  
AutoZone  
O'Reilly's Auto Parts

Take 5 Oil  
Change  
Hobby Lobby  
Michaels  
Costco  
Dollar General  
Dollar Tree  
Family Dollar  
Five Below  
Target  
Best Buy

Aldi  
Save A Lot  
Trader Joe's  
Harbor Freight  
Tractor Supply  
Company  
Texas Roadhouse  
Shake Shack  
Raising Cane's Chicken  
Sonic  
Starbucks



## Aaron Farmer

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# Q&A Session

Feel free to either submit question in chat section or raise your hand



THANK YOU TO  
OUR...

# Featured Speakers



**Julie  
Jacoby,  
CEcD**

Retail  
Administrator  
City of  
Thornton



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**Volunteers!**

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City of Thornton Economic Development

**Ryan Dwiggin, Co-Chair**

BNSF Railway

**John Bristol**

Routt County

**Kate Guibert**

CO Dpt of Local Affairs

**Stacy Miller**

Town of Windsor

**Bonnie Peterson**

Associated Governments of NW CO

**Brian Rose**

Region 9 Economic Development District

**Trish Thibodo**

Region 10 Economic Development District

**Trent Thompson**

Economic Development Administration

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OEDIT

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PAX8

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Colorado Workforce Development Council

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# Follow up items

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- Please help us bring great programming to you! Link to survey in chat section: <https://forms.gle/tJ2i1j12RizwJmZE9>



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- Additional Tools, Resources, and Network of Economic Development Professionals
- [EDCCOnline.org](https://www.edcconline.org)