

ADMINISTRATION MEMORANDUM
16-09

DATE: June 13, 2016

TO: Honorable Mayor Joyce Downing and City Council Members

FROM: James A. Hayes, AICP, City Manager *JH*
Debbie Tuttle, Economic Development Manager & NURA Executive Director *DT*

SUBJECT: **June Economic Development Report**

Good News at the Marketplace

Welcome IHOP Restaurant to the Northglenn Marketplace

We are very pleased to welcome our newest restaurant to Northglenn. The International House of Pancakes (IHOP) restaurant has signed a long term lease at 221 W. 104th Avenue (former Armadillo Restaurant). IHOP plans on making an initial \$1.1 million investment in new equipment and major upgrades to the interior and exterior of the building. They plan to open in November 2016 and will employ 90 people.



IHOP has more than 1,600 stores throughout the nation, and 40 internationally. There are approximately 41 restaurants in Denver. The franchise owner for the Northglenn restaurant currently operates six stores. They are located in Greenwood Village, Westminster, Highlands Ranch, Denver, Lakewood and Alabama.

The Northglenn franchisee operator has been with the company since 1991, and an IHOP franchisee since 1996. During those years he has achieved many awards, and has kept his "A" franchisor status. In 2015, four of his Colorado locations achieved the status of being in the "top 30 stores in the world". Of which three of his stores were in the "top 20", and one was ranked "3rd in the world". We are excited to celebrate the opening of the IHOP restaurant later this year.

Now for the Bad News at the Marketplace

Store Closures at the Marketplace

Unfortunately, Northglenn was hit hard with the closures of Marshall's and ULTA Beauty that closed in May, and with the announcement that Sports Authority would be closing its store due to bankruptcy in August. Between the three stores closing, 74,500 square feet of new vacant space will be available in the Marketplace and the loss of 75 jobs.

Additionally, the Armadillo restaurant will be closing in June, and will be backfilled by the new IHOP Restaurant. The Northglenn staff is working closely with the property owner's and new brokers, to make improvements, retain the current businesses, attract new quality tenants, and to stabilize and grow the tenant mix at the Marketplace.

Sports Authority Warranties, Exchanges, Returns and Gift Cards

Sports Authority filed for bankruptcy and will close 460 stores nationwide. The company had 2,400 employees in Colorado, of which 14 were employed at the Northglenn store. According to a letter by Michael Foss, Chief Executive Officer for Sports Authority dated May 25th, all the stores will be closed by the end of August. Warranties on merchandise will remain in effect through Asurion (www.asurion.com/ecp); exchanges and returns can be made through June 25th, and gift cards will be honored through June 28th. The loyalty program and credit cards were terminated on May 25th.



Follow Northglenn's Business & Economic Development News

We encourage you to follow Northglenn's business and economic development news in its monthly *Business Connection* Enewsletter. To sign up for the Enewsletter visit <http://ow.ly/SOR1300D2oI>.

Also, follow us on Northglenn's economic development Twitter page at [@Northglennbiz](https://twitter.com/Northglennbiz).



2016 New Business Licenses

At the end of May, Northglenn had **920 licensed** businesses. Of that total, **714** are storefronts, and **206** are home-based businesses. Through the end of May, Northglenn announced 37 new licensed storefront businesses, reporting **93** jobs, and the absorption of **67,211** square feet of office, industrial, and retail space.

YTD 2016 New Storefront Business Licenses

Month Announced	New Storefront Businesses	New Employees	S/F Absorption
January	20	25	34,280
February	3	13	6,315
March	10	30	18,603
April	3	17	5,400
May	1	8	2,613
TOTALS	37	93	67,211

*Seasonal, temporary and home-based businesses are not included in the total new business figures.

New May Licensed Storefront Business

Trumpet Behavioral Health LLC is a clinic that provides intervention and treatment services for children and adults with Autism and related disorders. They leased 2,613 square feet at 11698 North Huron Street, Suite 106, in the Northpoint Business Park. The company employs eight people, and hours of operation are from Monday - Friday from 8:00 a.m. to 8:00 p.m. For more information visit www.tbh.com.

Home-Based Licensed Businesses

McCarty and Company Construction is a home-based construction company specializing in excavation and earth work. Hours of operation are from Monday - Friday from 9:00 a.m. to 5:00 p.m. For more information call 720-272-0217.

Webster Lake Promenade Fully Leased

We welcome the following two companies that will lease the remaining space at the Webster Lake Promenade. Both new businesses will be located in Building F.

Milan Laser Hair Removal is a laser treatment center that specializes in hair removal. The company leased 1,718 square feet at 100 E 120th Avenue, and will employ three people. Their hours of operation are Monday - Friday from 10:00 a.m. to 7:00 p.m., and from 10:00 a.m. to 3:00 p.m. on Saturday. For more information visit www.milanlaser.com. They plan to open in late July or early August.

Quest Diagnostics provides clinical laboratory diagnostic testing for patients, physicians and medical facilities. They leased 1,537 square feet at 100 E 120th Avenue, and will employ five people. Hours of operation are by appointment only, which can be made at www.questdiagnostics.com. They plan to open in late July or early August.

Northglenn Business Anniversaries

Below is a list of the business anniversaries for Q/2 2016 (April - June). Help us recognize and thank the following **28 businesses** which have recently celebrated milestones in Northglenn. Congratulations!



30 Years

Asay & Associates
Charles Marx, DDS
Complete Family Care

25 Years

Animal Clinic North
ASAP Alterations
Pioneer Sand Co., Inc.
Tri-County Health Department

20 Years

Classified School Employee Association
Colorado Advanced Life Support
Lamm Development Ltd.

15 Years

Hairtistic
Classic Chiropractic
Direct Dental Plans of America, Inc.
Northglenn Business Center LLC
The Glove Wagon
Walgreens #05644

10 Years

Andrew F McKenna Attorney At Law
E Cuts
Empire Fire & Safety, Inc.
Grease Monkey
Northglenn Auto Repair
The Vitamin Shoppe

5 Years

Damage Control
Frippery and Alms
Massa Auto Sales
Mile High Thrift Store
Smooth Ride Auto Repair, Inc.
Tuesday Morning #1081

Note: *Italics* denotes home-based businesses.

Northglenn Commercial Real Estate Update

The table below summarizes the available Northglenn office, industrial and retail space at the end of March 2016 (Q/1). The retail vacancy rates decreased from 8.4% to **7.7%** from the same time last year. Northglenn’s retail vacancy rate is higher than the metro Denver area average at 5.8% for Q/1. These number will increase with the three major retail closures in the Marketplace.

The office vacancy rates decreased from Q/1 2015 from 10.1% to **9.1%**. For more than 18 months the industrial building vacancy rates have been below 1% vacancy. However three buildings recently went on the market for purchase and/or lease which have increased the industrial rate to **2.1%** from last year at this time. The buildings that are on the market for purchase and/or lease include: 10621 Irma, 10854 Irma, and 11170 Irma Drive.

Property Type	Q/1 2016 # of Properties	Q/1 2016 Total S/F	Q/1 2016 Vacant S/F	Q/1 2016 Avg. S/F Lease Rate	Q/1 2016 % Vacancy	Q/1 2015 % Vacancy	Q/2 2015 % Vacancy	Q/3 2015 % Vacancy	Q/4 2015 % Vacancy
Office	33	642,551	58,514	\$17.49/fs	9.1%	10.1%	9.3%	8.1%	7.2%
Industrial	47	1,128,305	62,693	\$7.89/nm	2.1%	0%	0.3%	.8%	.2%
Retail	126	1,858,739	142,453	\$14.51 nm	7.7%	8.4%	8.8%	9.0%	9.3%

Source: Historical data can vary based on revised Costar reporting methods and reclassification of properties.

Don't Miss Your Opportunity to Market Your Business on the Digital Billboard at 104th Ave. & I-25

Each month six Northglenn businesses can participate in the Digital Advertising Billboard Signage (DABS) program for a fraction of the \$3,000 “market value”. First time Northglenn businesses can advertise the first month for \$200, and subsequent months at \$450. Qualified applications are accepted, and will be prioritized on a first-come, first-serve basis, with new businesses given preference.

The DABS program started in January 2015, and 39 individual companies have taken advantage of the opportunity to advertise on the digital billboard at 104th Ave. & I-25. Half of those businesses have seen the value of the program, and have advertised more than once. Six of those companies have advertised more than five times.

The following six Northglenn businesses are taking advantage of advertising on the billboard in June:

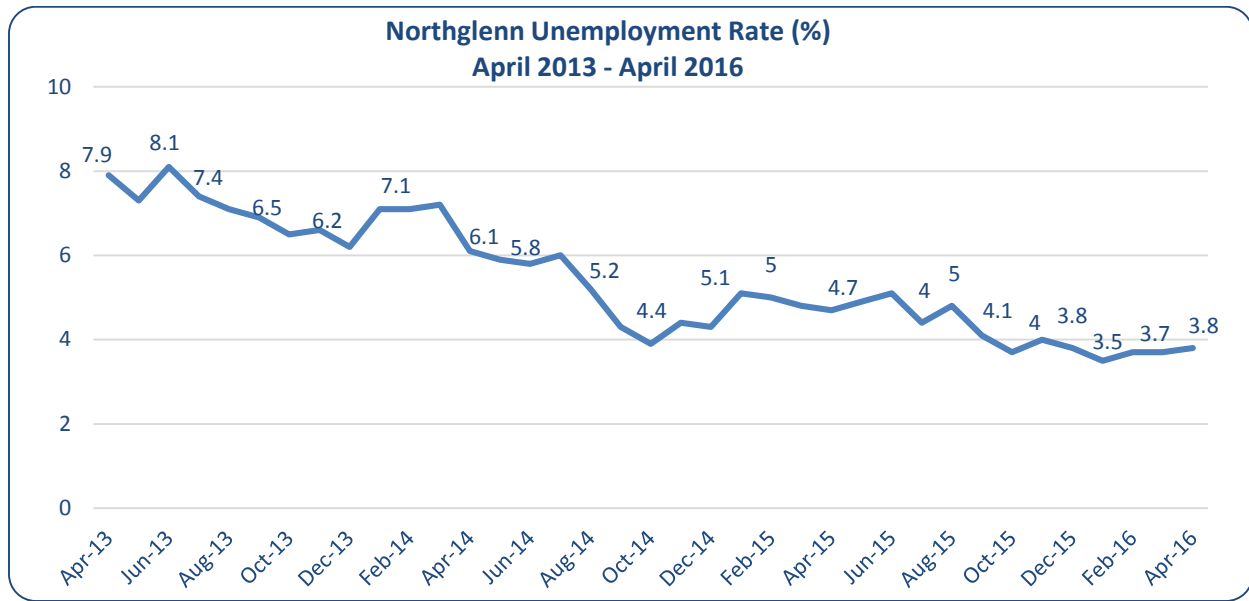
1. Erive’s Heating and Air
2. iLoveKickboxing
3. Grow Depot
4. Northpoint Surgical
5. Horizons North Credit Union
6. Woodley’s Furniture



Don't miss your opportunity to take advantage of this effective advertising program to promote your business. For more information on the program visit www.northglenn.org/dabs.

Northglenn Unemployment Rate

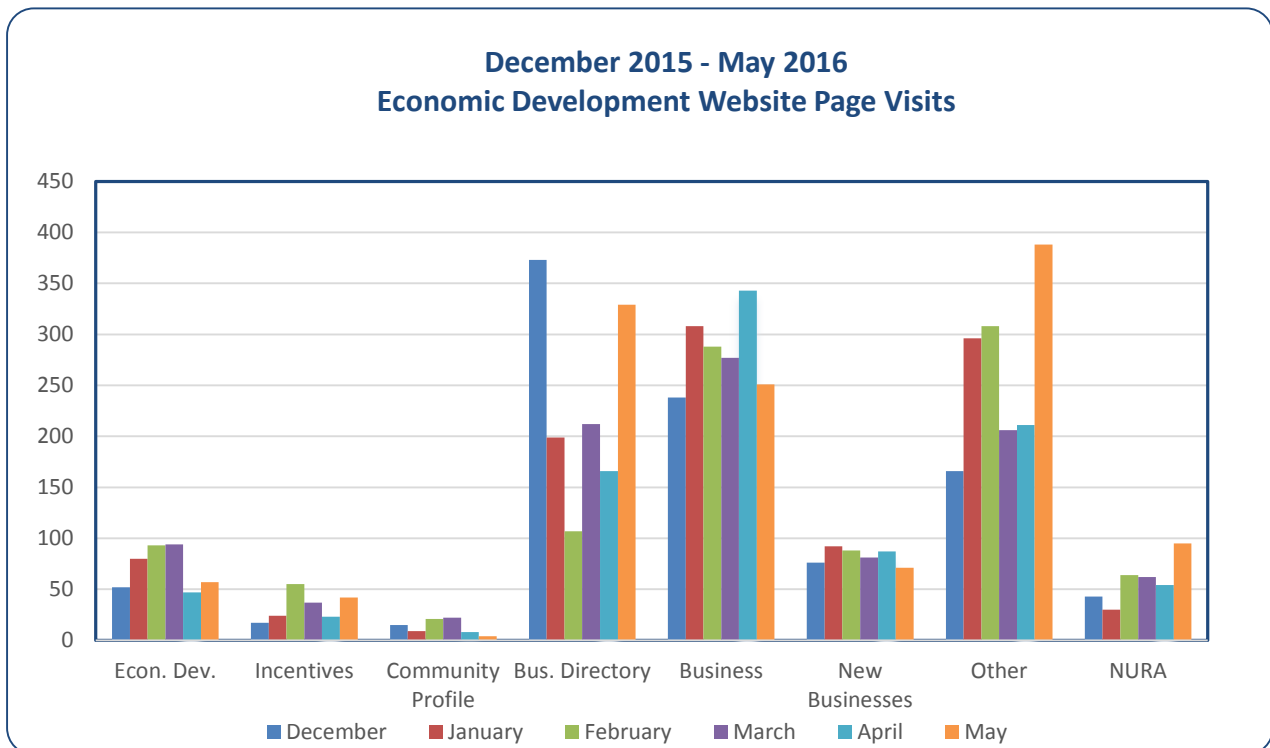
The chart below indicates that Northglenn’s April unemployment rate is **3.8%**. The city rate is higher than the state average at 3.5%, and is lower than the county average of 3.9%.



Source: Colorado Dept. of Labor & Employment

Economic Development Website Page Visits

In May there were **1,237** website page visits. Below is a summary of the pages viewed. Last month there were more than 100 visits regarding the SCL Community Hospital, and 50 specific to the Texas Roadhouse.



May 2016 - NURA Updates

The Northglenn Urban Renewal Authority (NURA) passed the following resolution at the May 11, 2016 meeting:

- Resolution N/16-15 – Core Progression - Business Improvement Grant

Other items that were discussed during the meeting were: Upcoming ICSC Conference; Historical Xcel energy costs for the former Huron Center Albertson's building; Change order to Perfect Patch contract for additional work needed on Community Center Drive; and an update on the 104th Ave. & I-25 landscaping maintenance agreement with CDOT and project update.

The next NURA meeting will be held on June 8th at 5:45 in the City Council chambers.

Staff Reference

If you have any comments or questions, please contact Debbie Tuttle, Economic Development Manager and NURA Executive Director, at 303.450.8743.