

City Council Business Retention & Development Committee

A sub-committee of the Louisville City Council

**Tuesday, September 6, 2016
8:00 AM – 10:00 AM
Library Meeting Room
951 Spruce Street
(*entry on the north side of building*)**

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda
- IV. Approval of August 1, 2016 Meeting Minutes
- V. Public Comments on Items Not on the Agenda
- VI. Q2 2016 Revenue Report – Penney Bolte
- VII. Downtown Retail Discussion
- VIII. Retention Visits
 - 740 Front
 - Eleanor
 - Encore Décor
 - Superior Art Imaging
 - Forge Nano
- IX. Council Boards and Commissions discussion
- X. Reports from committee members –
- XI. Discussion Items for Next Meeting: October 3, 2016
- XII. Adjourn

***City Council
Business Retention &
Development Committee
Meeting Minutes***

**August 1, 2016
Library Meeting Room
951 Spruce Street**

CALL TO ORDER –The meeting was called to order by Chair Susan Loo at 8:00 AM in the 1st Floor Meeting room at the Louisville Library, 951 Spruce Street, Louisville, Colorado.

ROLL CALL – The following members were present:

Committee Members: Susan Loo, Chair
Shelley Angell, Chamber of Commerce
Rob Lathrop, Revitalization Commission
Dennis Maloney, City Council
Michael Menaker, Alternate Revitalization Commission
Chris Pritchard, Planning Commission
Scott Reichenberg, CTC
Justen Stauer, Downtown Business Association

Staff Present: Malcolm Fleming, City Manager
Heather Balsler, Deputy City Manager
Aaron DeJong, Economic Development Director
Rob Zucarro, Planning and Building Safety Director
Dawn Burgess, Executive Assistant to the City Manager

Others Present: Randy Caranci
Mike Kranzdorf
Jim Tienken
Tracy Hobbs
Scott Martin
David Sinkey
Wendell Pickett

MEETING WAS CALLED TO ORDER BY CHAIR SUSAN LOO

APPROVAL OF AGENDA

Approved

APPROVAL OF JUNE 6, 2016 MINUTES: Approved, with Chris Pritchard abstaining as he was not at the June 6th meeting.

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA:

NONE

DOWNTOWN PARKING:

Economic Development Director Aaron DeJong gave an overview of downtown parking per the packet and the presentation attached to these minutes.

Downtown needs significant parking supply to address the current and future parking supply shortfall to meet on-site parking requirements. The recent community citizen survey noted downtown parking as a concern.

To achieve significant parking supply additions without removing buildings for surface parking, DeJong stated a parking structure will be needed.

Commissioner Reichenberg suggested gradually increasing fees if changing prices for the fee-in lieu payments for parking spots. David Sinkey said the currently low parking-fee-in-lieu amount is seen as a detriment for properties to proposed a development that needs to make a fee-in-lieu payment. This is because the fee is so low that it is seen as a reason to not approve a development since the City cannot take the fee and provide the parking.

Chair Loo said the line item for parking study was removed. Is BRaD discussing this to make recommendation for Council or simply discussion? What is the purpose of this discussion? Proposed 2017 CIP has \$40,000 for parking study. Reichenberg believes BRaD will fail in its mission if we fail to make a recommendation.

David Sinkey said there are private entities in town that are willing to be a partner in a solution. What is lacking from the private perspective is what Council's direction is and what the City will bring to the table on this issue.

Commissioner Menaker said the needs are 3-fold: 1) it is an economic development issue. 2) It hurts our brand. Need to go vertical. Need good day time population. 3) Social benefit of relieving pressure on neighborhoods. That is a quality of life return on investment. Parking needs a public private partnership. Private sector needs to know the direction. He recommends a task force made up of BRaD members, public, and Council members similar to the recent Rec/Senior Center Task Force.

David Sinkey said there is a lack of clarity from the City. Does not have confidence politically that going vertical development will be supported. Lack of use-by-right makes it difficult to invest.

Mike Kranzdorf asked why there is no municipal bond or parking tax as a funding option? DeJong agreed that should be on the list.

Wendell Pickett said this is a great problem to have. It is a problem if the City takes the attitude of a bank – you should not expect money back on parking. Asking private sector to pick up Operations & Maintenance (O&M) costs creates an additional tax. City must be willing to commit land and fee waivers and pay a portion of O&M. If you start today you are 4 – 5 years from having parking structure. Paid parking should be system wide. Need to think outside the downtown area box. Have downtown employees park elsewhere?

Council member Dennis Maloney reiterates that if the City had the money the City would invest it. Another study would provide the same conclusion. If new public/private partnership were presented, Council would consider it.

City Manager Malcolm Fleming said what we are looking for is what is the real cost to build, what is the real cost to maintain, what does a system wide paid parking cost and entail? That is where we need to start. Wendell Pickett said there are a lot of operators that do that and could come up with a proposal. Will they respond to an RFP or will they expect to be paid? It cost money to develop plans. Need to make a policy decision. There are operators who will front the money. Need commitment from City to solve problem.

David Sinkey said political insecurity is because Louisville is unsure if it wants to grow. Wendell Pickett said the City needs to take the lead on it. Want to make parking more available? Use paid parking. Commissioner Menaker replied absolutely not. That pushes parking into neighborhoods. Pickett said to make neighborhood parking off limits. Discussion continued of paid parking and the use of for-profit operators.

Scott Martin said paid parking does not necessarily need an operator. On street parking can pay for a structure.

Commissioner Justen Stauffer said we need parking restrictions on side street parking. Parking structure will be used by people if there are restrictions on side street parking. Blue Parrot parking is very convenient. City Council will have a lot of objections to paid parking but putting it on the private sector relieves pressure on Council. Biggest fear is that with Superior Town Center going in, they will draw business away because Superior Town Center has convenient parking.

Commissioner Shelley Angell asked how neighborhood parking works. It sounds restrictive to the residents because the street won't be as available as today. Jim Tienken said all ideas being discussed depend on enforcement. We must be committed politically to enforcement.

Chair Loo asked DeJong if he has the expertise to put something together for Council to consider? Commissioner Chris Pritchard said we had this discussion for years and never done anything. Council can respond to the 2014 parking study.

Council member Maloney said parking did not come out stronger in survey. And it comes with a big price tag.

City Manager Fleming said among things in parking study were how to fund but need to determine political will. Need technical work to be done to bring to Council. This committee needs to make recommendations.

Commissioner Angell said BRaD needs to make recommendations, not just have discussion and leave.

Commissioner Menaker said BRaD should consider forming a task force with the price tag to be determined tasked with coming up with a plan, what kind of development, what sort of constraints? And have the results in time for next CIP discussion.

Commissioner Menaker made a motion to recommend Council form a task force and fund it and come up with a plan by next summer to be considered in 2017 CIP discussion.

Council member Maloney said the recommendation would need to be developed by next spring to be considered for 2017 budget.

Commissioner Lathrop said Commissioner Menaker is on the right track in forming a committee to discuss the issue, but having the committee discuss development potential is a greater community conversation.

Deputy City Manager Heather Balsler said those are larger policy discussions. Not realistic for task force to make policy discussion.

Council member Maloney said the proposed time frame is very optimistic for 2017 CIP discussion.

Commissioner Justen Staufer seconded Commissioner Menaker's motion.

Scott Martin said we have to have a resolution that the City is committed to solving this problem. DeJong said we need more clarity as to what Council will support. Staff doesn't know what options are available in addressing the lack of parking in downtown.

City Manager Fleming asked if Council can commit to something that they don't know what the outcome will be?

Chair Loo said Council should put this on the table at a Study Session asking Council to revisit. Is parking more important than the museum?

Council member Maloney said Council needs staff framework.

Tracy Hobbs said she is hearing we don't have a commitment and we have a 5 year plan for a parking structure. Can we look at short term solution for enforcement? Maybe a baby step rather than metered parking or garage.

David Sinkey asked if Louisville in growth mode? If you want to see money flow into town, it can happen quickly if private investors see that projects will be approved and that vertical density is desired. The question that he sees that needs to be answered is what does Louisville want to be? We are currently maxed out on retail and office. I would like to build more but worry that it will be a long expensive process with little likelihood of success.

Randy Caranci agrees with what David Sinkey said. We have experienced a parking problem for many, many years. Hard to increase square footage because of parking. Growth is limited. We lost the opportunity for large parcel of assembly at Pine and Front. That parcel of land was assembled for parking.

BRaD encourages further discussion of this and if this is an issue worth pursuing.

Menaker motion was amended to recommend to City Council to review the information and discuss solutions for downtown parking at a future study session. Justen seconded revised motion. All were in favor.

DOWNTOWN RETAIL:

DeJong reviewed the information in the packet and the presentation attached to these minutes. Retail is an important part of downtown and helps form downtown's brand.

Tracy Hobbs, owner of Eleanor's said business is good and has increased but it is hard. Her shoppers do not come from downtown, they come from other areas. Shoppers do not come in with bags from other places. Street Faire does not increase her business on a Friday night. Lafayette, Erie and Superior and clamoring for businesses and offering incentives. The building she is in is for sale and she has to decide what to do.

David Sinkey said Louisville does not cater well to people who live downtown. On a day to day basis, there is not "useful" retail for daily needs. He feels that, politically, if you change anything you'll meet very strong resistance. He feels he may need to start

proposing new project concepts to have a discussion to get a read on where council stands. The posture in Louisville is dissuading those who want to invest.

Chair Loo – made a motion to continue this discussion to the next meeting. Commissioner Angell and DeJong will be meeting with retailers on August 16th.

The September meeting was moved to September 6th due to Labor Day.

RETENTION VISITS

Retention Visits to be discussed in September.

RESCHEDULE SEPTEMBER 5 MEETING DUE TO LABOR DAY

Rescheduled to September 6th.

REPORT FROM COMMITTEE MEMBERS:

DISCUSSION ITEMS FOR THE NEXT MEETING: SEPTEMBER 6, 2016

ADJOURN – The meeting adjourned at 10:02 am



BRaD Committee
Downtown Parking
Discussion

August 1, 2016



Downtown Parking

- The Planning Department conducted a parking study in 2013
 - developed a parking action plan for Council consideration in August 2014.
- Main Conclusions related to parking supply:
 - Old Town has an off-street parking shortage (300+ spaces).
 - Downtown’s parking shortage in the evenings (130 to 325 spaces) is negatively impacting the neighborhood;
 - New parking supply is needed in the near-term (130 to 325 Spaces) to serve existing night-time demand.
 - Additional parking capacity (130 to 325 spaces) is needed downtown before a neighborhood permit program in Old Town can be successful in the evenings;
 - 160 to 400+ additional public parking spaces are needed to serve the allowed future “build-out” of downtown (161,000 sf)

Downtown Parking

- Downtown
 - 252 On Street
 - 200 City Off Street
- Old Town
 - 1089 On Street



Downtown Parking



Since the parking study and action plan in 2014, the City has made several investments to acquire and develop parking. They are:

- Entered into an evening use lease with Koko Plaza for 45 spaces.
- Purchased .638 acres in the DELO area to accommodate 70 new parking spaces.
- Entered into a contract to purchase a 25 space parking lot from the Blue Parrot Restaurant.

Downtown Parking



Downtown needs significant parking supply to address the current and future parking supply shortfall.

The recent community citizen survey noted parking availability in downtown was topic of interest,

Downtown Parking



Parking Supply Needs:

- 300 new spaces to accommodate Old Town neighborhood shortages,
- 130-325 new spaces to accommodate the current Downtown parking shortage, and
- 160 - 400 spaces to accommodate full-buildout of the downtown area.

Downtown Parking



Parking Constraints

- Additional public surface parking would likely require building removals.
- All private parking stalls are utilized to satisfy the building's parking requirements, limiting City purchases of existing spaces.
- Land prices in downtown are above \$50 per square foot.
- Free parking in downtown limits funding pursue additional parking supply solutions.
- Downtown property owners contemplating redevelopment identify satisfying their parking requirement as a major barrier in advancing a project.

Downtown Parking



- A parking structure will be needed to achieve significant supply additions
- Structures are obviously expensive
- For a 300 space structure;
 - \$8,250,000 cost (\$27,500 per space)
 - \$150,000 annually O&M (\$500 per space)
- \$705,000 annually for Capital, O&M

Downtown Parking



- Multiple sources likely needed to make a structure a reality
 - City CIP Funds
 - Parking Fee-In Lieu payments
 - LRC TIF Funds
 - BID District
 - Parking Fees

Downtown Parking



- Parking Fees
 - Downtown Louisville has free, time restricted parking regulations,
 - residents, businesses, employees, and visitors appreciate.
 - The revenue would help fund the investment
 - Encourage parking to the desired locations for particular parking needs.

Downtown Parking



Questions??????????

Discussion

BRaD Committee
Downtown Retail
Discussion

August 1, 2016

Downtown Retail



- The area has transitioned into a mix of offices, retailers, service providers and restaurants.
- This transition continues bringing with it new challenges and opportunities.
- Significant lease rate increases over the last few years and
 - This trend is expected to continue given the desirability of downtown

Downtown Retail



Downtown Sales

- Most Recent Q1 2016 sales tax report shows sales tax revenue of \$305,658, representing a 7.02% increase from Q1 2015.
- April 2016 was 21.6% increase over 2015 (non-standard collection month)
- May 2016 was 8.1% decrease

Downtown Retail



Recent uptick in concerns from retailers and restaurants

- Retailers are;
 - stating a lack of retailers in downtown,
 - rents increasing causing stress on reaching profitability,
 - downtown construction projects, and
 - a lack of assistance to promote downtown.
- Retailer attrition may occur should the spring 2016 decrease continue for an extended period.

Downtown Retail



- Restaurants have stated;
 - A decrease in sales as well in 2016.
 - Additional restaurants opening in downtown is perceived to cause sales declines among existing restaurants.
 - Some note the significant downtown construction causing challenges
 - Smaller Street Faire turnouts have also been noted as a reason for the decline.
- Downtown may be reaching maturity
 - Not going to be significant new construction to create new space.

Downtown Retail



- Given these trends, the outlook, and business input, discussion about downtown retail
- To help the discussion, here are some main components to a successful downtown.

Downtown Retail



A shared vision for the future

- Successful downtowns know what they are and what they want to be.

A critical mass of restaurants, retail, and nighttime activities

- Having several options for each category adds to the desire for visitors and residents to come to downtown.

The stores have standard operating hours and days

- When visitors and residents come to shop, there is an expectation that everyone is open. There are also set evenings where the shops remain open.

Downtown includes residential to help support the businesses

- Where residents hang out, so do visitors. Nearby residential assists downtown vibrancy.

Downtown Retail



Parking is convenient and available

- There should be ease in finding a place to park. Don't let parking availability be a reason not to come

The area has special places to gather

- Engaging public spaces that promote lingering in the area.

Quality gateway entrances

- Visitors and residents are shown they have entered a special area.

Business signage is consistent

- Signage should be tasteful and doesn't detract from the downtown experience.

Downtown Retail



Quality public infrastructure

- Sidewalks that allow for outdoor dining and streets that promote a pedestrian experience.

Special events and experiences within downtown

- Farmer's markets, special events, and street music all contribute to a vibrant space.

The area is branded and marketed

- Downtowns branded as a unique space and visitors and residents are consistently reminded to come experience it.

Downtown Retail



Questions?????????

Discussion

**SUBJECT: SALES TAX REPORTS FOR THE MONTH ENDED JUNE 30,
2016**

DATE: AUGUST 15, 2016

PRESENTED BY: PENNEY BOLTE, FINANCE DEPARTMENT

SUMMARY:

Attached are the monthly revenue reports for sales tax, lodging tax, auto use tax, consumer use tax, and building use tax for the month ending June 30, 2016. Also included are the monthly and quarterly reports on sales tax revenue by area, by industry, the revenue by area graphs for restaurants, and the historical sales tax revenue report.

Total revenues for the taxes contained in these reports through June 2016 are up 16.8% YTD over 2015.

Please note that the following reports have been updated from comparison to budget to comparison to current projections.

The month of June 2016 ended with sales tax revenue up 8.7% from June 2015. YTD revenue for 2016 is 5.8% above 2015 and 0.7% above current projections.

Sales tax revenue for the top 50 vendors increased 3.7% for the month of June 2016, and is 3.8% above 2015 YTD. Gains through June 2016 include the sectors: Grocery (10.5%), Hotels (6.6%), and Home Improvement (5.6%). Declines YTD include the sectors: General Merchandise (-0.4%), Restaurants (-2.7%), and Telecommunications/Utilities (-3.8%).

Lodging tax revenue for June 2016 increased 8.4% from June 2015. YTD revenues are up 5.2% compared to 2015, and lodging tax revenue is currently 0.1% above current projections.

Auto use tax revenue for June 2016 increased 10.2% from June 2015. YTD revenues are up 2.4% compared to 2015, but are currently 6.5% below current projections.

Building use tax revenue for June 2016 increased 1102.2% from June 2015. YTD revenues are up 129.5% from 2015 revenues and are 10.2 above current projections.

Consumer use tax revenue for June 2016 increased 9% from June 2015 and YTD revenues are 38.7% above 2015. Consumer use tax collections through June 2016 are \$916,768 which is 50.8% above current projections.

SUBJECT: SALES TAX REPORTS FOR THE MONTH ENDED JUNE 30, 2016

DATE: AUGUST 15, 2016

PAGE 2 OF 2

The monthly and quarterly sales tax revenue by area reports represent the YTD retail health of various quadrants of the City. These reports include all vendors remitting tax to the City.

Please note that a large correction was made for the June filing period to correct vendor(s) area codes that were miscoded to the McCaslin North area and should have been Outside City.

The Monthly Revenue by Area report for June 2016 indicates gains in all areas except; CTC, Pine Street, Centennial Valley, and Residential which all declined for the month.

The Quarterly Revenue by Area sales tax report through 2nd quarter 2016 is a one-page snapshot for major areas in the City. The original sectors are combined into Western, Eastern, Northern, Central and Outside City areas. All major areas of the City recognized gains through 2nd quarter 2016.

The monthly and quarterly sales tax revenue by industry reports represent the retail health of individual industry sectors of the City. These reports include all vendors remitting tax to the City.

Please note that a correction was made for the June filing period to correct vendor(s) industry codes that were miscoded to the Food Stores industry and should have been Automotive.

The Monthly Revenue by Industry report for June 2016 indicates gains in all sectors except, General Merchandise, Manufacturing, and Agriculture.

As with the Quarterly Revenue by Area report, the Quarterly Revenue by Industry sales tax report through 2nd quarter 2016 represents industry sectors that have been grouped together and are color-coded. All major industry sectors ended up for the quarter except Other Retail and General Merchandise.

The Restaurant Revenue graphs indicate Eating and Drinking establishment revenue remains up overall. The end of the 2nd quarter brought about a flattening of revenues for Downtown and SBR/Hwy 42 restaurants which ended at similar levels as were attained in 2015. Restaurants in Louisville Plaza, McCaslin North and the Interchange all ended up for the quarter.

The Historical quarterly report indicates the revenue for 2nd quarter 2016 as the highest 2nd quarter of sales tax revenue recorded by the City.

CITY OF LOUISVILLE

**Revenue History
2011 through 2016**

YEAR	MONTH	SALES TAX	USE TAX	BLDG USE TAX	AUTO USE TAX	LODGING TAX	AUDIT REVENUE	TOTAL
2016	JANUARY	886,723	222,163	174,842	100,855	25,767	8,203	1,418,554
	FEBRUARY	920,875	109,063	76,430	97,034	28,321	23,180	1,254,904
	MARCH	1,054,128	112,590	159,627	121,325	32,422	21,364	1,501,456
	APRIL	949,906	131,439	62,683	109,192	35,442	122,599	1,411,260
	MAY	1,032,963	93,047	235,856	90,115	48,597	24,809	1,525,386
	JUNE	1,216,853	145,283	510,772	109,738	56,221	8,832	2,047,699
	JULY							-
	AUGUST							-
	SEPTEMBER							-
	OCTOBER							-
	NOVEMBER							-
	DECEMBER							-
	YTD TOTALS		6,061,448	813,586	1,220,210	628,259	226,769	208,988
YTD Variance % to Prior Year		7.8%	31.2%	129.5%	2.4%	6.7%	-14.1%	16.8%
2015	JANUARY	930,279	85,960	65,576	106,340	24,681	10,554	1,223,389
	FEBRUARY	751,446	89,441	35,569	113,225	23,429	64,859	1,077,969
	MARCH	966,850	124,548	136,921	111,521	30,900	52,296	1,423,036
	APRIL	926,082	94,037	93,561	89,588	34,080	72,649	1,309,996
	MAY	931,057	89,679	157,466	93,186	47,601	36,203	1,355,193
	JUNE	1,116,715	136,236	42,484	99,549	51,846	6,755	1,453,585
	JULY	1,026,333	68,703	472,951	107,445	57,071	29,908	1,762,410
	AUGUST	983,178	95,308	214,635	131,001	55,216	61,248	1,540,586
	SEPTEMBER	1,097,796	122,579	98,891	123,913	45,015	42,235	1,530,430
	OCTOBER	948,794	101,783	149,737	123,187	45,615	56,024	1,425,141
	NOVEMBER	933,235	119,106	72,504	131,168	28,694	19,884	1,304,591
	DECEMBER	1,360,790	145,597	45,098	142,083	22,498	8,276	1,724,342
	YTD TOTALS		11,972,557	1,272,978	1,585,392	1,372,205	466,646	460,891
YTD Variance % to Prior Year		7.0%	18.7%	30.0%	11.0%	9.2%	-44.0%	7.3%
2014	JANUARY	798,792	56,727	40,650	141,060	22,487	137,276	1,196,991
	FEBRUARY	708,164	72,199	196,461	83,341	22,789	18,193	1,101,147
	MARCH	891,756	88,634	99,076	98,457	27,659	145,636	1,351,217
	APRIL	990,489	88,362	93,637	117,881	29,651	42,908	1,362,927
	MAY	928,421	59,387	270,829	85,769	41,240	2,776	1,388,422
	JUNE	1,013,900	111,632	102,883	88,813	47,149	29,230	1,393,608
	JULY	866,647	114,724	70,466	79,622	54,076	15,679	1,201,213
	AUGUST	983,356	87,629	46,088	105,531	51,658	156,497	1,430,760
	SEPTEMBER	974,352	99,986	58,752	116,646	41,146	7,841	1,298,723
	OCTOBER	876,022	79,004	57,992	109,404	40,328	51,399	1,214,149
	NOVEMBER	867,460	66,255	157,394	85,387	27,146	212,991	1,416,633
	DECEMBER	1,294,297	147,830	24,949	123,793	21,905	3,019	1,615,792
	YTD TOTALS		11,193,655	1,072,369	1,219,177	1,235,702	427,234	823,445
YTD Variance % to Prior Year		7.5%	13.3%	1.6%	8.9%	12.4%	-5.7%	6.8%
2013	JANUARY	777,242	(29,020)	184,731	86,731	20,848	75,241	1,115,772
	FEBRUARY	669,879	70,363	69,470	80,297	19,921	12,621	922,552
	MARCH	820,313	74,217	263,140	106,476	22,836	29,624	1,316,606
	APRIL	870,965	61,435	78,235	95,575	26,040	13,499	1,145,748
	MAY	918,954	69,690	54,267	83,905	35,636	121,805	1,284,257
	JUNE	895,906	116,514	120,854	68,997	40,725	64,668	1,307,664
	JULY	856,770	44,927	91,461	89,328	46,440	57,571	1,186,497
	AUGUST	821,538	38,974	87,374	124,484	41,990	7,939	1,122,299
	SEPTEMBER	1,017,791	114,209	19,729	90,523	37,157	11,137	1,290,547
	OCTOBER	827,461	53,102	130,501	117,513	42,825	207,939	1,379,340
	NOVEMBER	812,544	70,204	79,635	82,127	26,122	143,923	1,214,555
	DECEMBER	1,125,418	261,530	20,236	108,929	19,492	126,849	1,662,455
	YTD TOTALS		10,414,782	946,144	1,199,631	1,134,885	380,033	872,817
YTD Variance % to Prior Year		6.8%	-7.9%	40.5%	16.4%	3.9%	131.5%	12.0%
2012	JANUARY	681,326	32,851	27,928	70,085	21,299	-	833,489
	FEBRUARY	656,603	52,354	40,696	81,880	21,356	2,109	854,997
	MARCH	816,468	79,749	109,195	79,824	24,428	2,410	1,112,074
	APRIL	757,617	47,489	150,645	59,779	24,803	12,949	1,053,282
	MAY	855,685	90,373	55,162	65,752	37,456	49,231	1,153,658
	JUNE	890,833	108,900	89,259	80,272	45,122	9,662	1,224,048
	JULY	794,745	27,905	88,794	80,362	40,743	12,508	1,045,056
	AUGUST	776,002	24,579	62,942	88,605	46,121	160,774	1,159,024
	SEPTEMBER	836,117	71,431	35,963	83,421	34,550	9,971	1,071,452
	OCTOBER	737,769	30,677	87,218	116,085	31,783	2,806	1,006,338
	NOVEMBER	855,913	51,205	15,558	76,425	20,814	7,825	1,027,740
	DECEMBER	1,091,578	409,811	90,571	92,223	17,408	106,845	1,808,436
	YTD TOTALS		9,750,654	1,027,323	853,932	974,711	365,884	377,090
YTD Variance % to Prior Year		7.0%	86.8%	16.2%	8.4%	9.0%	160.1%	13.4%

**City of Louisville, Colorado
Total Sales Tax Revenue
2012 -2016**

Month Of Sale	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Projection	2016 Actual	Mnthly % Of 2015	Y-T-D % Of 2015	Mnthly % Of Proj	Y-T-D % Of Proj
Jan	681,326	778,705	800,685	938,911	943,301	890,050	94.8%	94.8%	94.4%	94.4%
Feb	658,227	677,256	708,418	808,454	845,452	922,502	114.1%	103.7%	109.1%	101.3%
Mar	818,491	821,853	985,745	979,639	1,050,228	1,055,715	107.8%	105.2%	100.5%	101.0%
Apr	758,944	882,437	993,747	968,100	1,003,967	964,682	99.6%	103.7%	96.1%	99.7%
May	875,629	943,909	929,994	944,922	1,053,125	1,043,401	110.4%	105.1%	99.1%	99.6%
Jun	900,308	950,701	1,015,778	1,120,140	1,153,825	1,218,023	108.7%	105.8%	105.6%	100.7%
Jul	806,223	864,327	871,158	1,038,928	1,040,382	-	0.0%	89.6%	0.0%	86.0%
Aug	787,880	828,581	1,096,941	993,159	1,022,668	-	0.0%	78.2%	0.0%	75.1%
Sep	843,703	1,023,383	980,918	1,103,330	1,102,893	-	0.0%	68.5%	0.0%	66.1%
Oct	736,736	828,537	907,968	954,697	998,388	-	0.0%	61.9%	0.0%	59.7%
Nov	863,243	817,829	869,528	935,693	997,457	-	0.0%	56.5%	0.0%	54.4%
Dec	1,093,262	1,129,807	1,294,795	1,364,240	1,349,514	-	0.0%	50.2%	0.0%	48.5%
Totals	9,823,972	10,547,325	11,455,676	12,150,213	12,561,200	6,094,373				
% Of Change	7.1%	7.4%	8.6%	6.1%	9.7%					

**City of Louisville, Colorado
Lodging Tax Revenue
2012 -2016**

Month Of Sale	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Projection	2016 Actual	Mnthly % Of 2015	Y-T-D % Of 2015	Mnthly % Of Proj	Y-T-D % Of Proj
Jan	21,299	20,848	22,487	24,681	29,170	25,767	104.4%	104.4%	88.3%	88.3%
Feb	21,356	19,921	22,789	23,429	28,762	28,321	120.9%	112.4%	98.5%	93.4%
Mar	24,428	22,836	27,659	33,963	31,972	32,422	95.5%	105.4%	101.4%	96.2%
Apr	24,803	26,040	29,651	34,080	33,752	35,442	104.0%	105.0%	105.0%	98.6%
May	37,456	35,636	41,240	47,601	49,759	48,597	102.1%	104.1%	97.7%	98.3%
Jun	45,122	40,725	47,149	51,846	53,088	56,221	108.4%	105.2%	105.9%	100.1%
Jul	40,743	46,440	54,917	57,071	57,718	-	0.0%	83.2%	0.0%	79.8%
Aug	46,121	41,990	51,658	55,216	57,316	-	0.0%	69.2%	0.0%	66.4%
Sep	34,550	37,157	41,146	45,015	46,003	-	0.0%	60.8%	0.0%	58.5%
Oct	31,783	42,825	40,328	45,615	47,060	-	0.0%	54.2%	0.0%	52.2%
Nov	20,814	26,122	27,146	28,694	32,367	-	0.0%	50.7%	0.0%	48.6%
Dec	17,408	19,492	21,905	22,498	26,221	-	0.0%	48.3%	0.0%	46.0%
Totals	365,884	380,033	428,075	469,709	493,190	226,769				
% Of Change	9.0%	3.9%	12.6%	9.7%	15.2%					

**City of Louisville, Colorado
Auto Use Tax Revenue
2012 -2016**

Month Of Sale	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Projection	2016 Actual	Mnthly % Of 2015	Y-T-D % Of 2015	Mnthly % Of Proj	Y-T-D % Of Proj
Jan	70,085	86,731	141,060	106,340	116,166	100,855	94.8%	94.8%	86.8%	86.8%
Feb	81,880	80,297	83,341	113,225	109,975	97,034	85.7%	90.1%	88.2%	87.5%
Mar	79,824	106,476	98,457	111,521	119,663	121,325	108.8%	96.4%	101.4%	92.3%
Apr	59,779	95,575	117,881	89,588	107,962	109,192	121.9%	101.8%	101.1%	94.4%
May	65,752	83,905	85,769	93,186	105,168	90,115	96.7%	100.9%	85.7%	92.8%
Jun	80,272	68,997	88,813	99,549	112,643	109,738	110.2%	102.4%	97.4%	93.5%
Jul	80,362	89,328	79,622	107,445	112,730	-	0.0%	87.2%	0.0%	80.1%
Aug	88,605	124,484	105,531	131,001	129,335	-	0.0%	73.8%	0.0%	68.8%
Sep	83,421	90,523	116,646	123,913	132,590	-	0.0%	64.4%	0.0%	60.0%
Oct	116,085	117,513	109,404	123,187	134,637	-	0.0%	57.2%	0.0%	53.2%
Nov	76,425	82,127	85,387	131,168	108,529	-	0.0%	51.1%	0.0%	48.7%
Dec	92,223	108,929	123,793	142,083	117,113	-	0.0%	45.8%	0.0%	44.7%
Totals	974,711	1,134,885	1,235,702	1,372,205	1,406,510	628,259				
% Of Change	8.4%	16.4%	8.9%	11.0%	13.8%					

**City of Louisville, Colorado
Building Use Tax Revenue
2012 -2016**

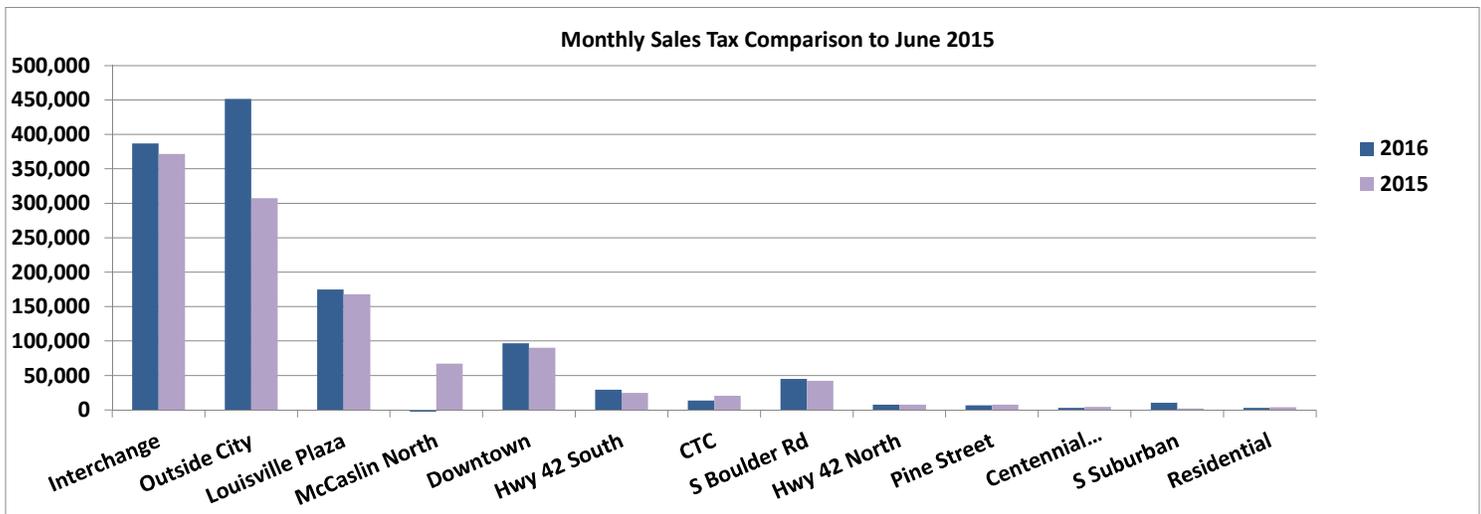
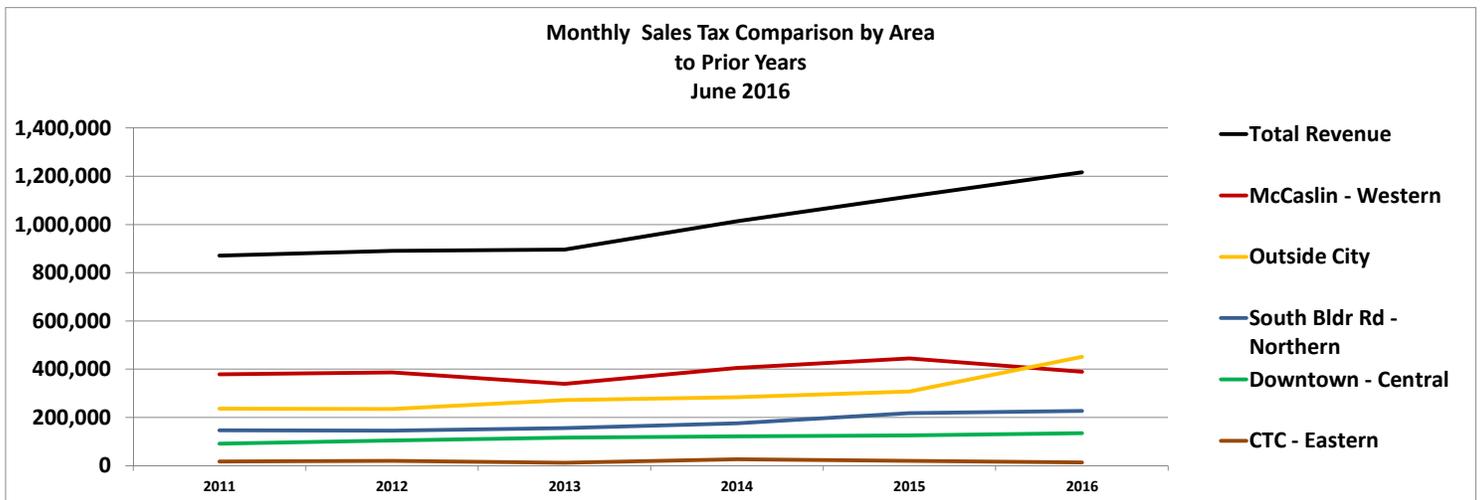
Month Of Sale	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Projection	2016 Actual	Mnthly % Of 2015	Y-T-D % Of 2015	Mnthly % Of Proj	Y-T-D % Of Proj
Jan	27,928	184,731	40,650	65,576	143,059	174,842	266.6%	266.6%	122.2%	122.2%
Feb	40,696	69,470	196,461	35,569	144,666	76,430	214.9%	248.4%	52.8%	87.3%
Mar	109,195	263,140	99,076	136,921	215,011	159,627	116.6%	172.6%	74.2%	81.7%
Apr	150,645	78,235	93,637	93,561	168,344	62,683	67.0%	142.8%	37.2%	70.6%
May	55,162	54,267	270,829	157,466	264,554	235,856	149.8%	145.1%	89.2%	75.8%
Jun	89,259	120,854	102,883	42,484	172,023	510,772	1202.3%	229.5%	296.9%	110.2%
Jul	88,794	91,461	70,466	472,951	261,448	-	0.0%	121.5%	0.0%	89.1%
Aug	62,942	87,374	46,088	214,635	210,929	-	0.0%	100.1%	0.0%	77.2%
Sep	35,963	19,729	58,752	98,891	138,209	-	0.0%	92.6%	0.0%	71.0%
Oct	87,218	130,501	57,992	149,737	190,930	-	0.0%	83.1%	0.0%	63.9%
Nov	15,558	79,635	157,394	72,504	153,028	-	0.0%	79.2%	0.0%	59.2%
Dec	90,571	20,236	24,949	45,098	120,739	-	0.0%	77.0%	0.0%	55.9%
Totals	853,932	1,199,631	1,219,177	1,585,392	2,182,940	1,220,210				
% Of Change	16.2%	40.5%	1.6%	30.0%	79.1%					

**City of Louisville, Colorado
Consumer Use Tax Revenue
2012 -2016**

Month Of Sale	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Projection	2016 Actual	Mnthly % Of 2015	Y-T-D % Of 2015	Mnthly % Of Proj	Y-T-D % Of Proj
Jan	32,851	37,090	140,825	86,310	79,188	226,633	262.6%	262.6%	286.2%	286.2%
Feb	52,354	74,247	73,497	92,813	76,742	126,682	136.5%	197.2%	165.1%	226.6%
Mar	79,749	85,187	111,992	146,179	120,252	129,773	88.8%	148.5%	107.9%	174.9%
Apr	51,813	61,435	122,627	94,037	88,715	177,473	188.7%	157.5%	200.0%	181.0%
May	118,389	123,930	60,387	101,700	107,817	103,736	102.0%	146.7%	96.2%	161.7%
Jun	108,900	117,226	127,410	139,860	135,030	152,470	109.0%	138.7%	112.9%	150.8%
Jul	27,905	82,469	122,959	83,003	86,223	-	0.0%	123.2%	0.0%	132.1%
Aug	162,310	39,698	129,430	135,998	125,863	-	0.0%	104.2%	0.0%	111.8%
Sep	71,431	118,185	99,986	151,963	124,548	-	0.0%	88.8%	0.0%	97.1%
Oct	34,241	233,281	88,790	140,631	136,714	-	0.0%	78.2%	0.0%	84.8%
Nov	51,205	190,782	240,584	133,558	165,289	-	0.0%	70.2%	0.0%	73.6%
Dec	410,995	366,082	149,849	149,597	348,959	-	0.0%	63.0%	0.0%	57.5%
Totals	1,202,143	1,529,611	1,468,338	1,455,649	1,595,340	916,768				
% Of Change	116.2%	27.2%	-4.0%	-0.9%	8.6%					

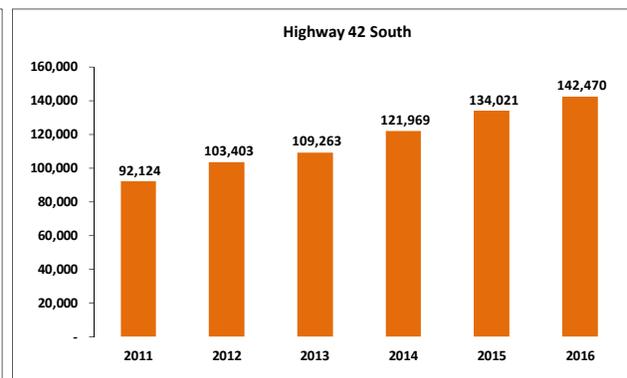
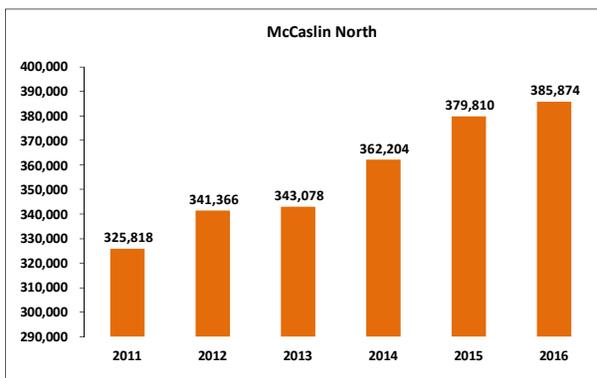
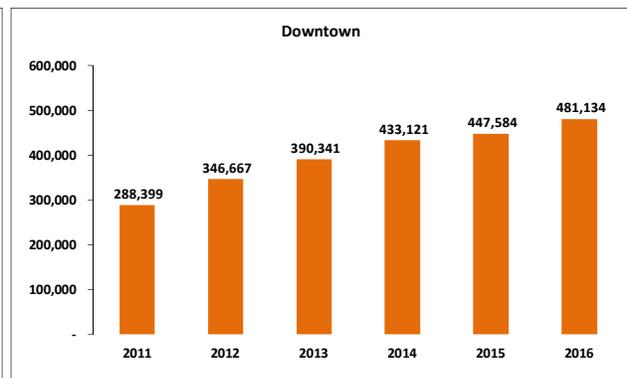
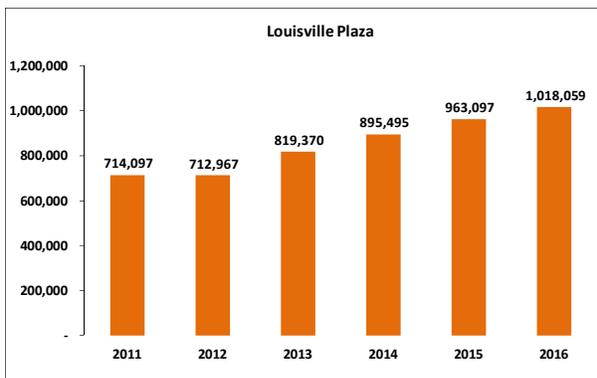
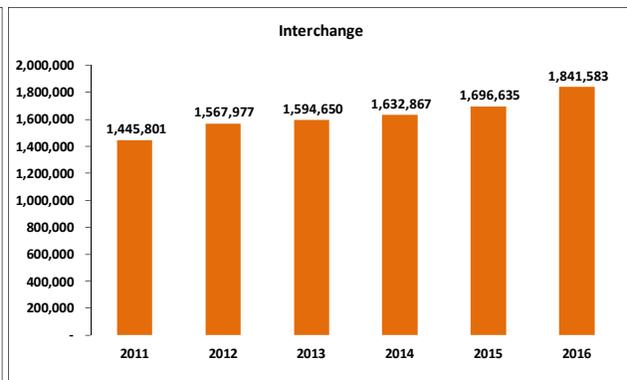
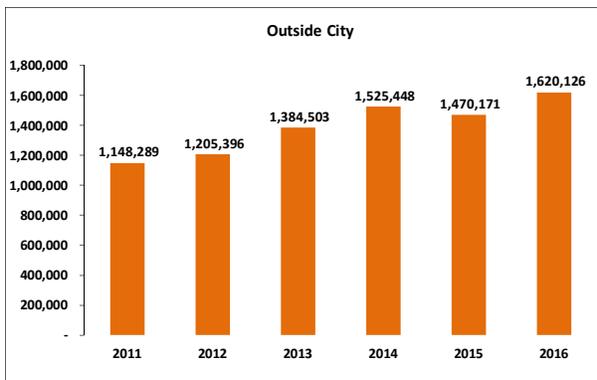
Monthly Sales Tax Revenue Comparisons by Area (June 2016)

AREA NAME	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	% Of Total	% Change
Interchange	315,716	320,972	324,431	333,948	371,723	386,693	31.8%	4.0%
Outside City	236,933	235,537	272,388	283,136	307,312	451,624	37.1%	47.0%
Louisville Plaza	123,842	125,067	139,612	154,426	167,898	174,634	14.4%	4.0%
McCaslin North	58,513	60,588	58,696	62,601	67,051	(10,583)	-0.9%	-115.8%
Downtown	64,470	70,581	85,018	88,262	90,057	96,719	7.9%	7.4%
Hwy 42 South	18,707	21,561	19,640	23,275	24,469	29,183	2.4%	19.3%
CTC	17,335	19,591	11,652	27,109	20,442	13,364	1.1%	-34.6%
S Boulder Rd	11,326	10,921	9,920	13,920	42,298	45,050	3.7%	6.5%
Hwy 42 North	11,172	9,337	6,511	7,878	7,391	7,610	0.6%	3.0%
Pine Street	6,626	6,935	8,380	7,571	7,690	6,406	0.5%	-16.7%
Centennial Valley	484	1,358	(48,686)	6,250	4,407	3,041	0.2%	-31.0%
S Suburban	4,529	3,641	4,855	2,513	2,084	10,382	0.9%	398.1%
Residential	1,762	4,743	3,489	3,010	3,893	2,730	0.2%	-29.9%
Total Revenue	871,414	890,833	895,906	1,013,900	1,116,715	1,216,853		
% Of Change	8.3%	2.2%	0.6%	13.2%	10.1%	9.0%		

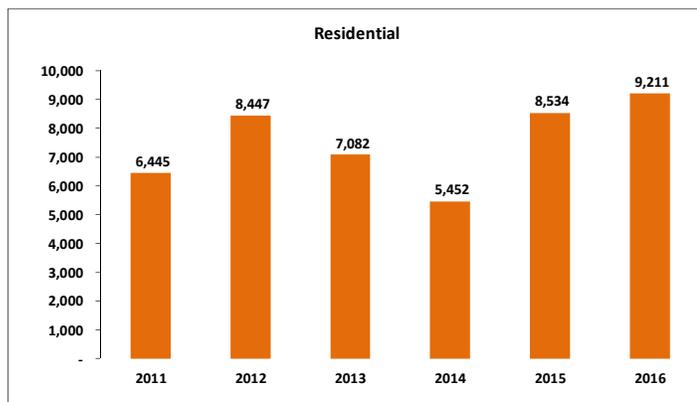
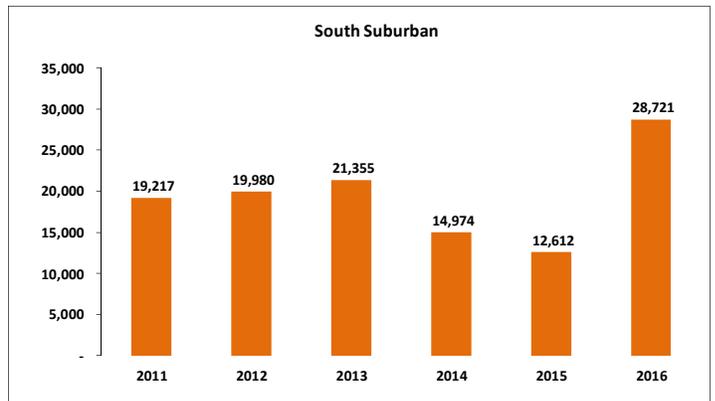
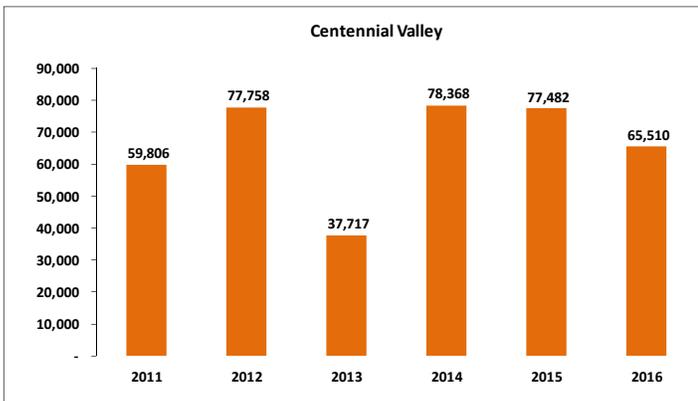
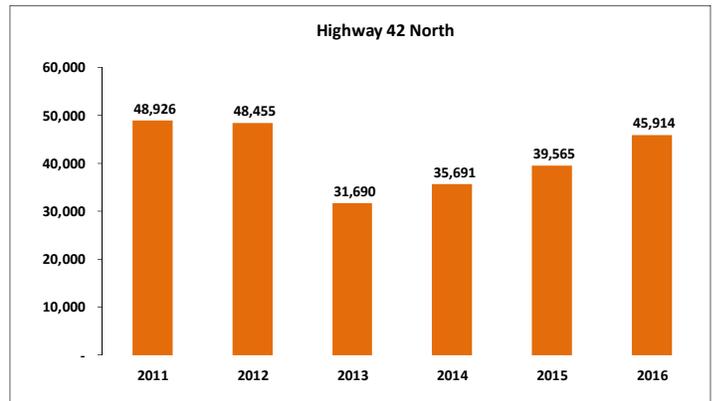
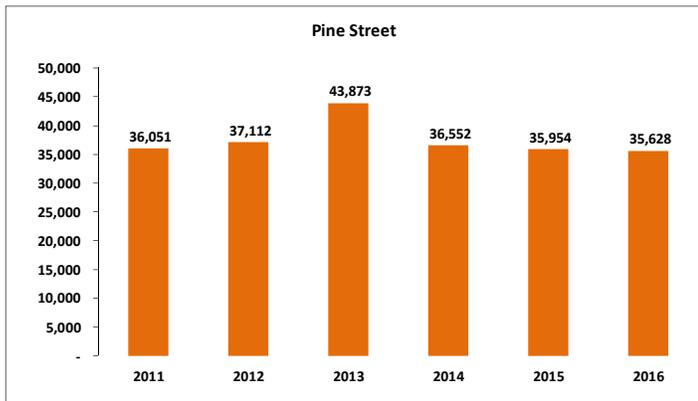
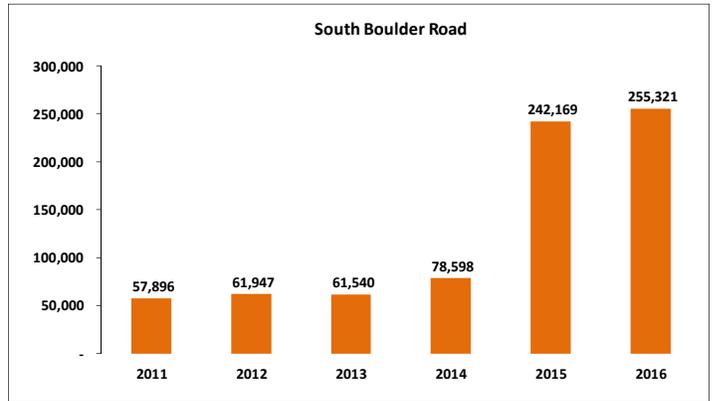
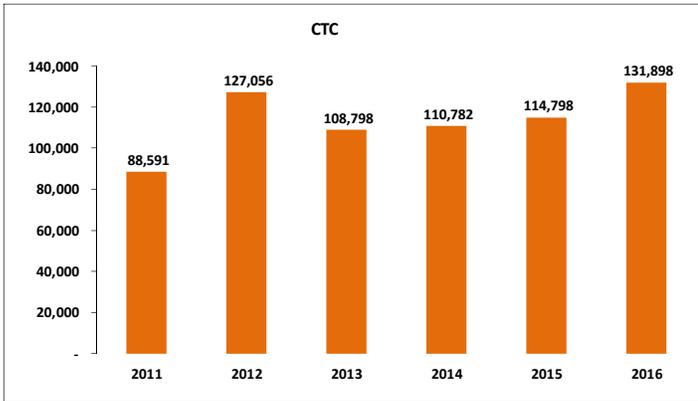


CITY OF LOUISVILLE
Revenue History by Area (Jan. - Jun. 2016)

	2011	% Var	2012	% Var	2013	% Var	2014	% Var	2015	% Var	2016	% Var	% of Total
Outside City	1,148,289	0.7%	1,205,396	5.0%	1,384,503	14.9%	1,525,448	10.2%	1,470,171	-3.6%	1,620,126	10.2%	26.7%
Interchange	1,445,801	-4.0%	1,567,977	8.5%	1,594,650	1.7%	1,632,867	2.4%	1,696,635	3.9%	1,841,583	8.5%	30.4%
Louisville Plaza	714,097	5.1%	712,967	-0.2%	819,370	14.9%	895,495	9.3%	963,097	7.5%	1,018,059	5.7%	16.8%
Downtown	288,399	32.7%	346,667	20.2%	390,341	12.6%	433,121	11.0%	447,584	3.3%	481,134	7.5%	7.9%
McCaslin North	325,818	10.1%	341,366	4.8%	343,078	0.5%	362,204	5.6%	379,810	4.9%	385,874	1.6%	6.4%
Hwy 42 South	92,124	-3.1%	103,403	12.2%	109,263	5.7%	121,969	11.6%	134,021	9.9%	142,470	6.3%	2.4%
CTC	88,591	-31.2%	127,056	43.4%	108,798	-14.4%	110,782	1.8%	114,798	3.6%	131,898	14.9%	2.2%
South Boulder Rd	57,896	-52.9%	61,947	7.0%	61,540	-0.7%	78,598	27.7%	242,169	208.1%	255,321	5.4%	4.2%
Pine Street	36,051	20.8%	37,112	2.9%	43,873	18.2%	36,552	-16.7%	35,954	-1.6%	35,628	-0.9%	0.6%
Hwy 42 North	48,926	10.5%	48,455	-1.0%	31,690	-34.6%	35,691	12.6%	39,565	10.9%	45,914	16.0%	0.8%
Centennial Valley	59,806	3775.1%	77,758	30.0%	37,717	-51.5%	78,368	107.8%	77,482	-1.1%	65,510	-15.5%	1.1%
South Suburban	19,217	0.4%	19,980	4.0%	21,355	6.9%	14,974	-29.9%	12,612	-15.8%	28,721	127.7%	0.5%
Residential	6,445	36.6%	8,447	31.1%	7,082	-16.2%	5,452	-23.0%	8,534	56.5%	9,211	7.9%	0.2%
	4,331,459	1.1%	4,658,531	7.6%	4,953,260	6.3%	5,331,522	14.4%	5,622,430	5.5%	6,061,448	7.8%	

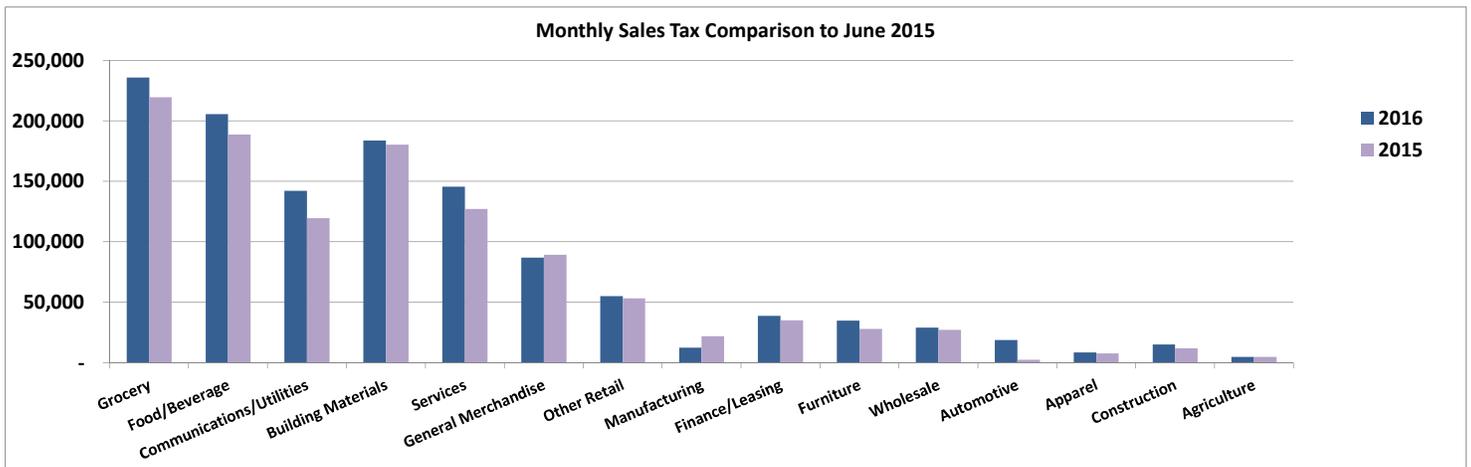
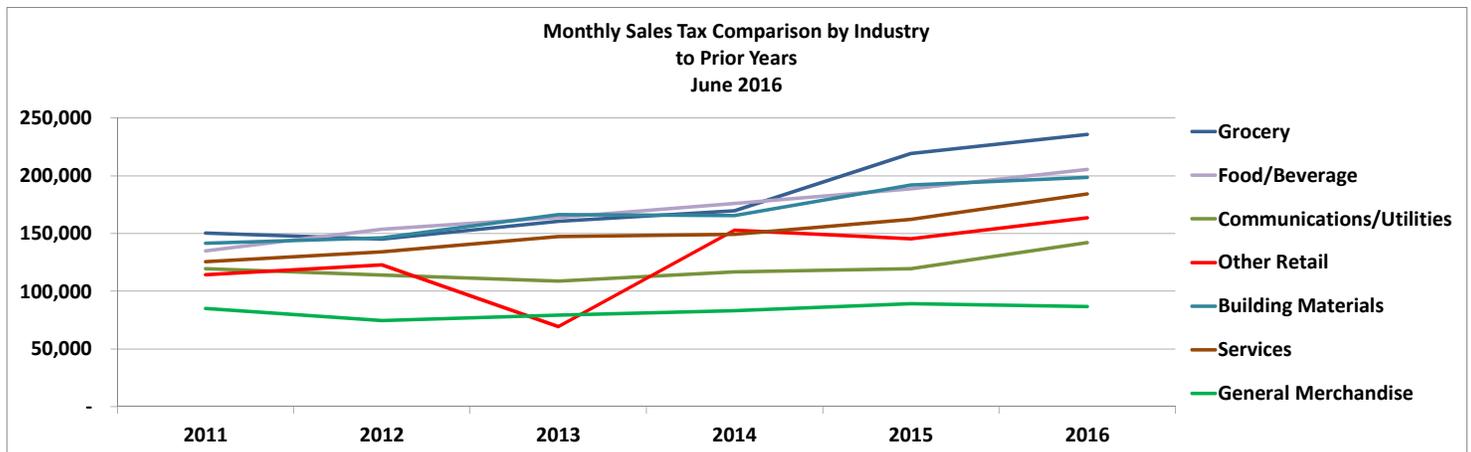


CITY OF LOUISVILLE
Revenue History by Area (Jan. - Jun. 2016)



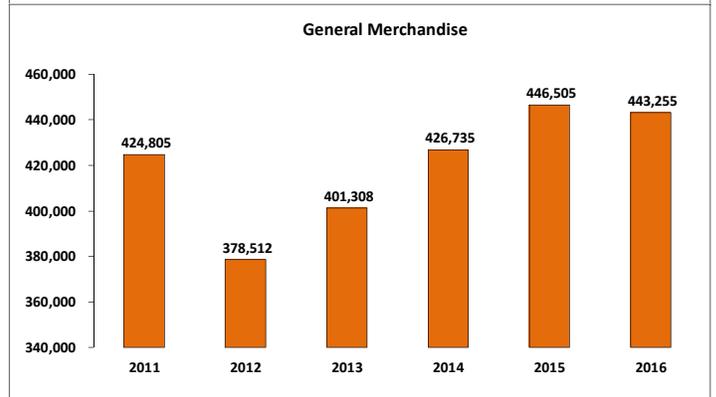
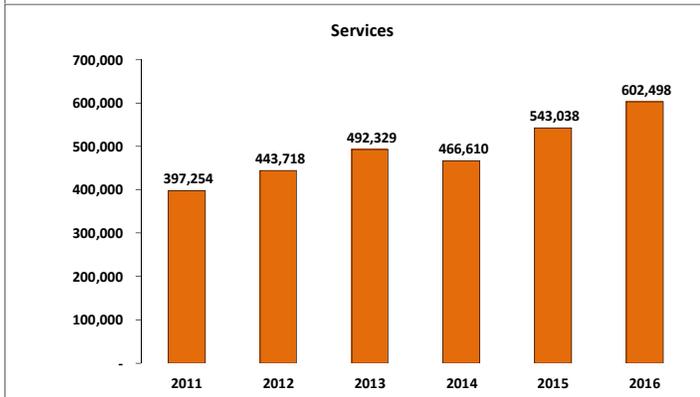
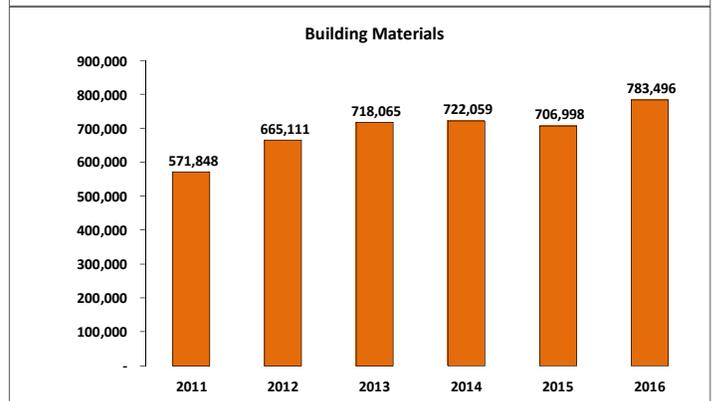
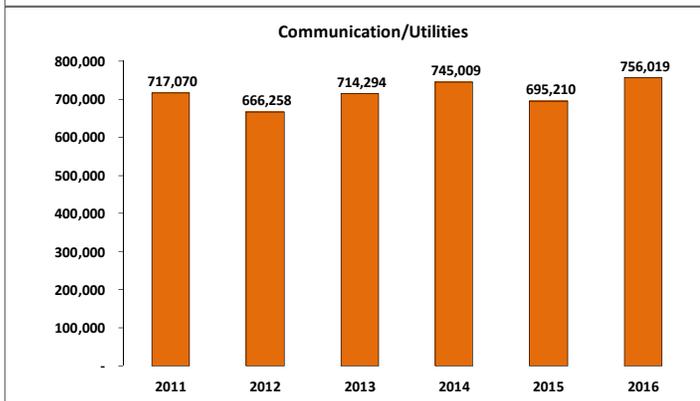
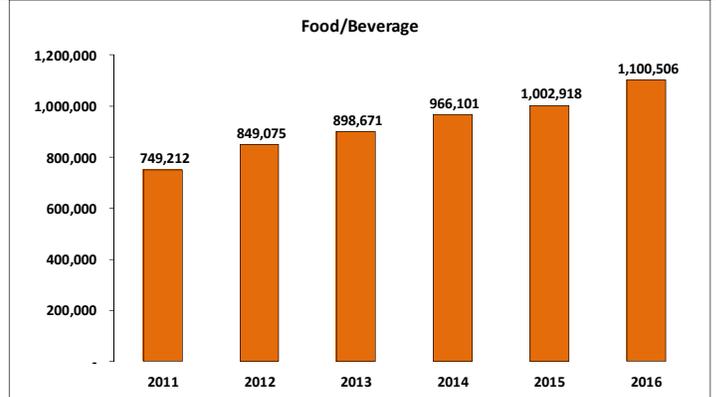
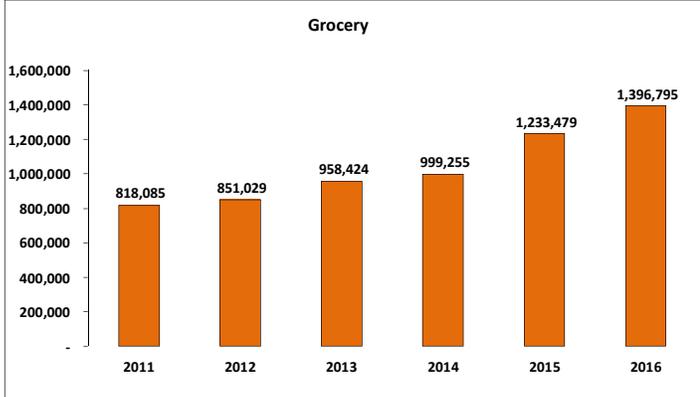
Monthly Sales Tax Revenue Comparisons by Industry (June 2016)

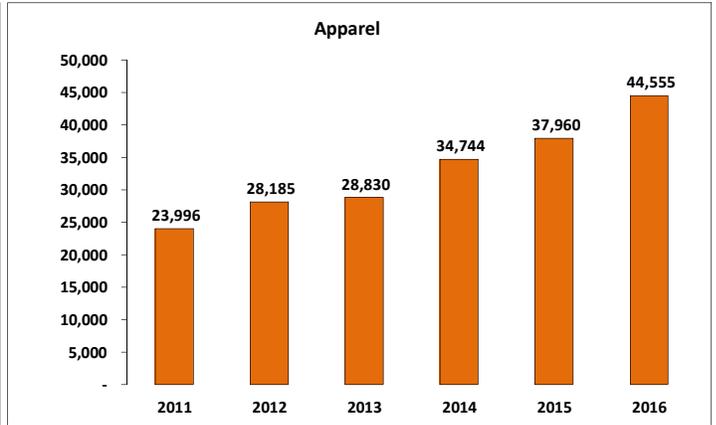
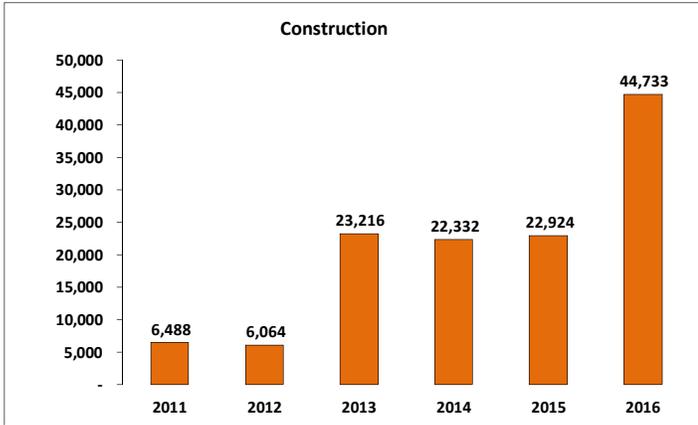
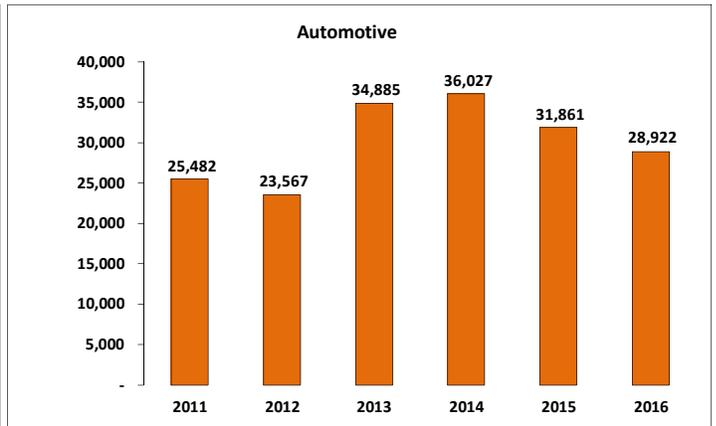
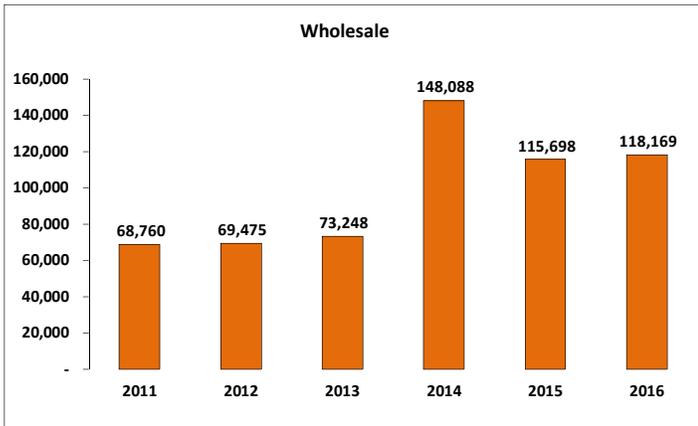
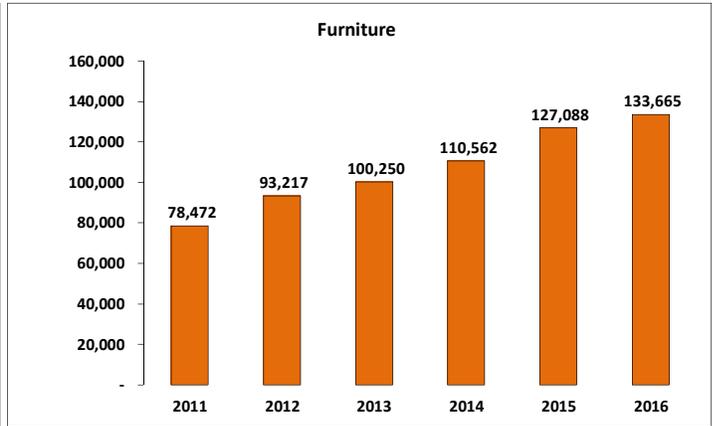
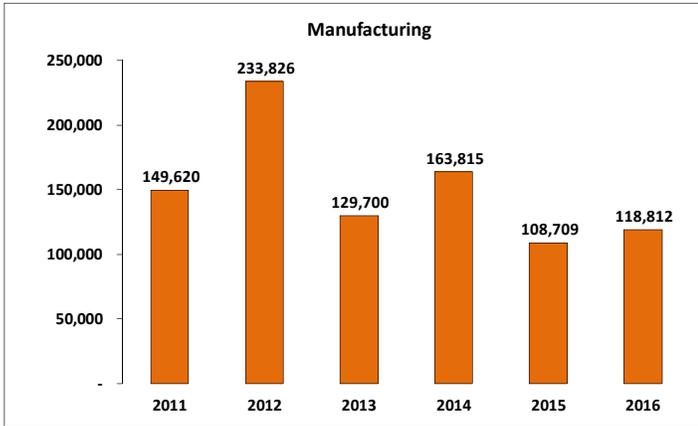
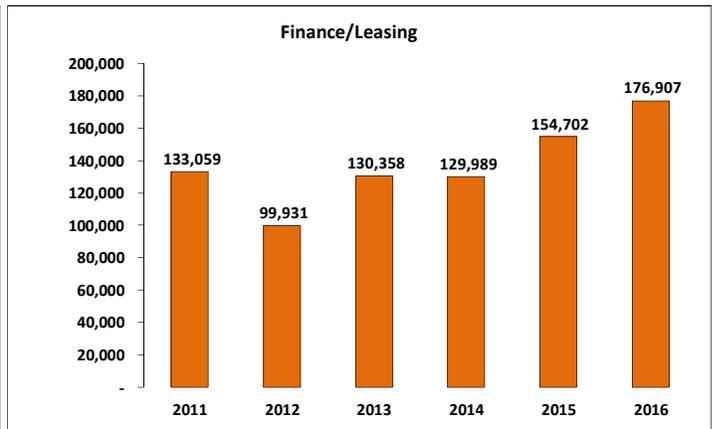
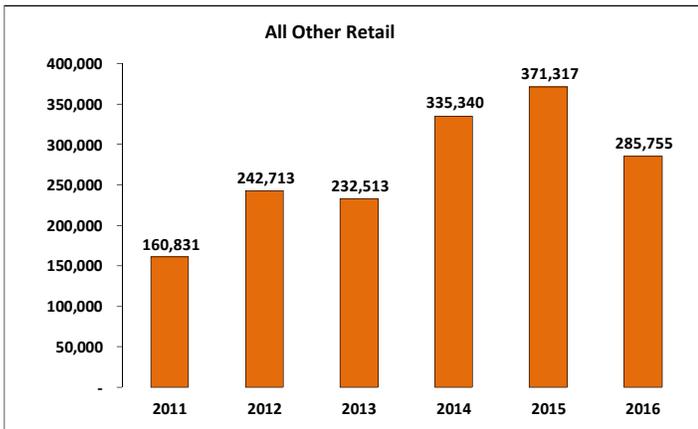
AREA NAME	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	% Of Total	% Change
Grocery	150,341	145,313	160,753	169,821	219,349	235,799	19.4%	7.5%
Food/Beverage	135,101	153,782	164,075	176,169	188,669	205,460	16.9%	8.9%
Communications/Utilities	119,490	113,950	108,814	116,903	119,534	142,168	11.7%	18.9%
Building Materials	140,206	144,301	160,237	161,322	180,193	183,758	15.1%	2.0%
Services	93,111	110,473	112,099	113,318	127,236	145,591	12.0%	14.4%
General Merchandise	85,052	74,585	79,242	83,145	89,146	86,750	7.1%	-2.7%
Other Retail	41,243	54,180	42,183	63,865	53,286	55,162	4.5%	3.5%
Manufacturing	14,289	13,591	(36,358)	22,572	21,888	12,436	1.0%	-43.2%
Finance/Leasing	32,431	23,779	35,218	36,056	35,144	38,691	3.2%	10.1%
Furniture	19,442	24,373	29,696	26,657	27,907	34,716	2.9%	24.4%
Wholesale	27,650	17,640	16,728	18,746	27,326	29,019	2.4%	6.2%
Automotive	4,654	5,300	6,181	7,194	2,581	18,816	1.5%	629.0%
Apparel	6,147	5,854	6,374	8,288	7,674	8,659	0.7%	12.8%
Construction	1,351	1,912	6,209	4,267	11,838	15,003	1.2%	26.7%
Agriculture	908	1,802	4,456	5,578	4,946	4,825	0.4%	-2.4%
Totals	871,414	890,833	895,906	1,013,900	1,116,715	1,216,853		
% Of Change	8.3%	2.2%	0.6%	13.8%	10.1%	9.0%		

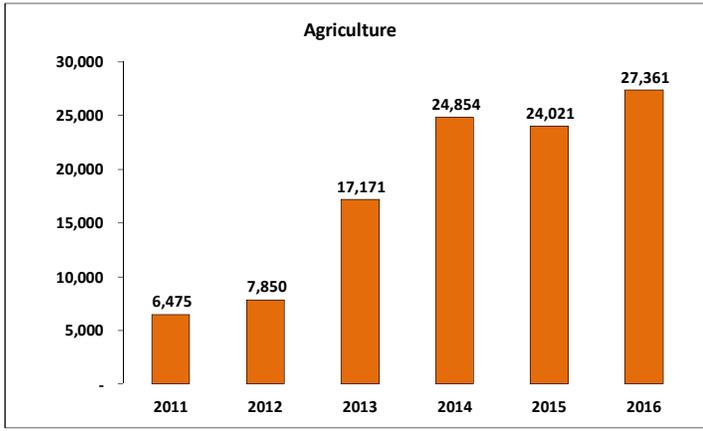


CITY OF LOUISVILLE
Revenue History by Industry (Jan. - Jun. 2016)

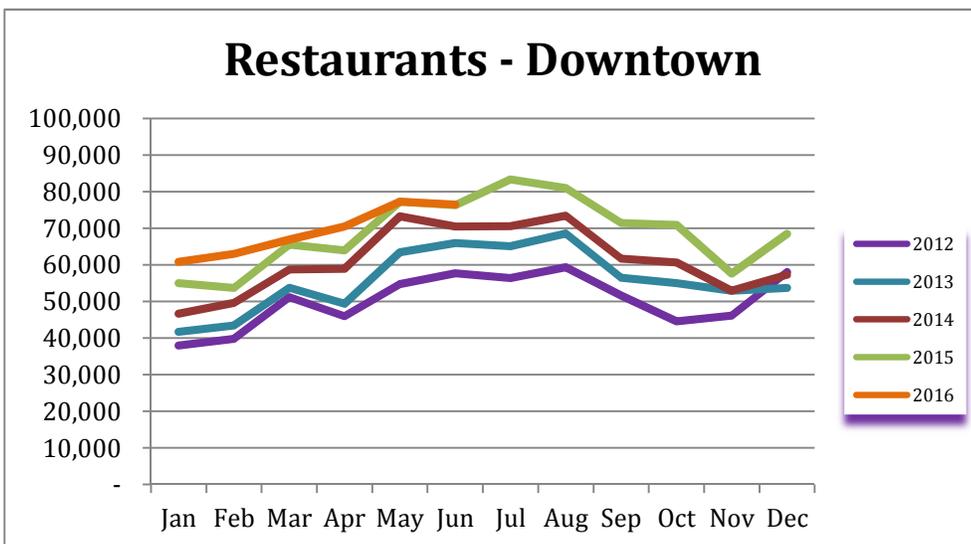
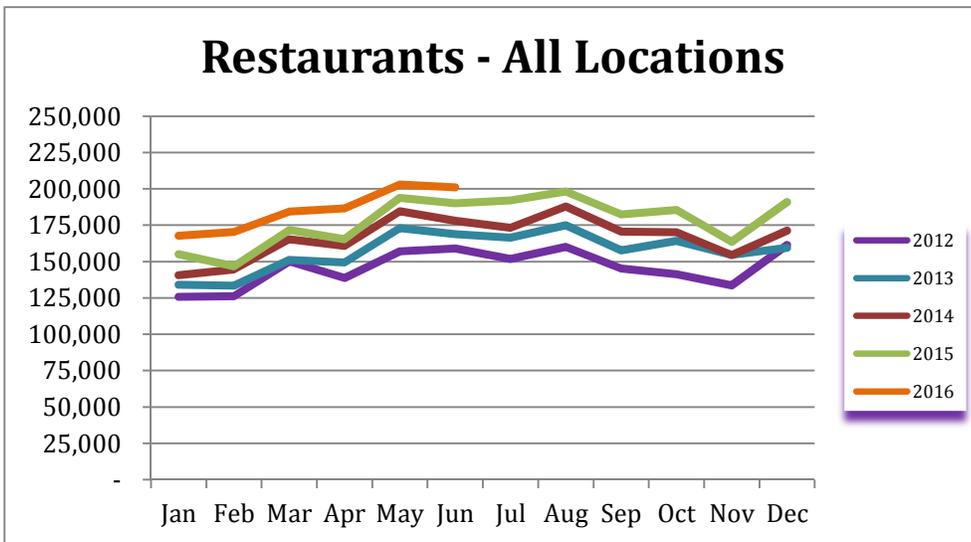
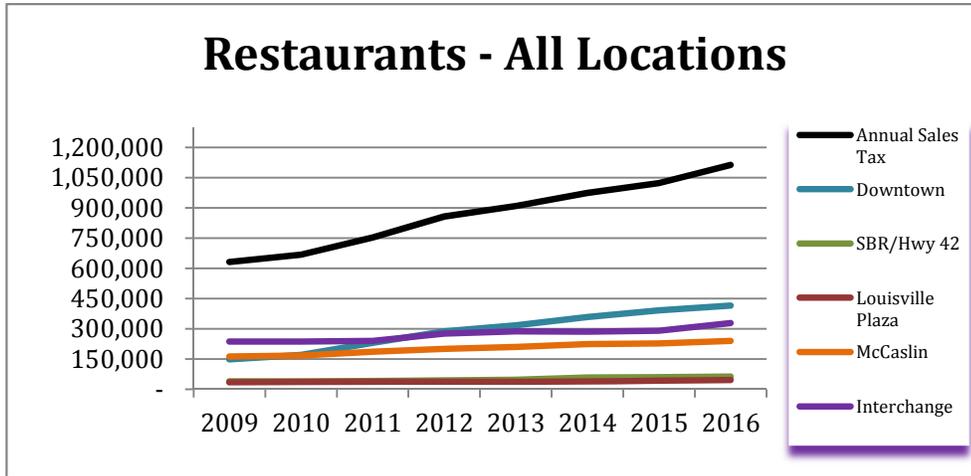
	2011	% Var	2012	% Var	2013	% Var	2014	% Var	2015	% Var	2016	% Var	% of Total
Grocery	818,085	-7.7%	851,029	4.0%	958,424	12.6%	999,255	4.3%	1,233,479	23.4%	1,396,795	13.2%	23.0%
Food/Beverage	749,212	13.5%	849,075	13.3%	898,671	5.8%	966,101	7.5%	1,002,918	3.8%	1,100,506	9.7%	18.2%
Comm/Util.	717,070	-3.3%	666,258	-7.1%	714,294	7.2%	745,009	4.3%	695,210	-6.7%	756,019	8.7%	12.5%
Bldg Mat'l's.	571,848	-1.2%	665,111	16.3%	718,065	8.0%	722,059	0.6%	706,998	-2.1%	783,496	10.8%	12.9%
Services	397,254	20.4%	443,718	11.7%	492,329	11.0%	466,610	-5.2%	543,038	16.4%	602,498	10.9%	9.9%
Merchandise	424,805	-11.0%	378,512	-10.9%	401,308	6.0%	426,735	6.3%	446,505	4.6%	443,255	-0.7%	7.3%
All Other Retail	160,831	8.9%	242,713	50.9%	232,513	-4.2%	335,340	44.2%	371,317	10.7%	285,755	-23.0%	4.7%
Fin./Lease	133,059	5.8%	99,931	-24.9%	130,358	30.4%	129,989	-0.3%	154,702	19.0%	176,907	14.4%	2.9%
Manufacturing	149,620	-5.5%	233,826	56.3%	129,700	-44.5%	163,815	26.3%	108,709	-33.6%	118,812	9.3%	2.0%
Furniture	78,472	10.3%	93,217	18.8%	100,250	7.5%	110,562	10.3%	127,088	14.9%	133,665	5.2%	2.2%
Wholesale	68,760	24.9%	69,475	1.0%	73,248	5.4%	148,088	102.2%	115,698	-21.9%	118,169	2.1%	1.9%
Automotive	25,482	14.7%	23,567	-7.5%	34,885	48.0%	36,027	3.3%	31,861	-11.6%	28,922	-9.2%	0.5%
Construction	6,488	12.3%	6,064	-6.5%	23,216	282.8%	22,332	-3.8%	22,924	2.6%	44,733	95.1%	0.7%
Apparel	23,996	32.8%	28,185	17.5%	28,830	2.3%	34,744	20.5%	37,960	9.3%	44,555	17.4%	0.7%
Agriculture	6,475	-3.4%	7,850	21.2%	17,171	118.7%	24,854	44.7%	24,021	-3.4%	27,361	13.9%	0.5%
	4,331,458	1.1%	4,658,531	7.6%	4,953,260	6.3%	5,331,522	7.6%	5,622,430	5.5%	6,061,448	7.8%	



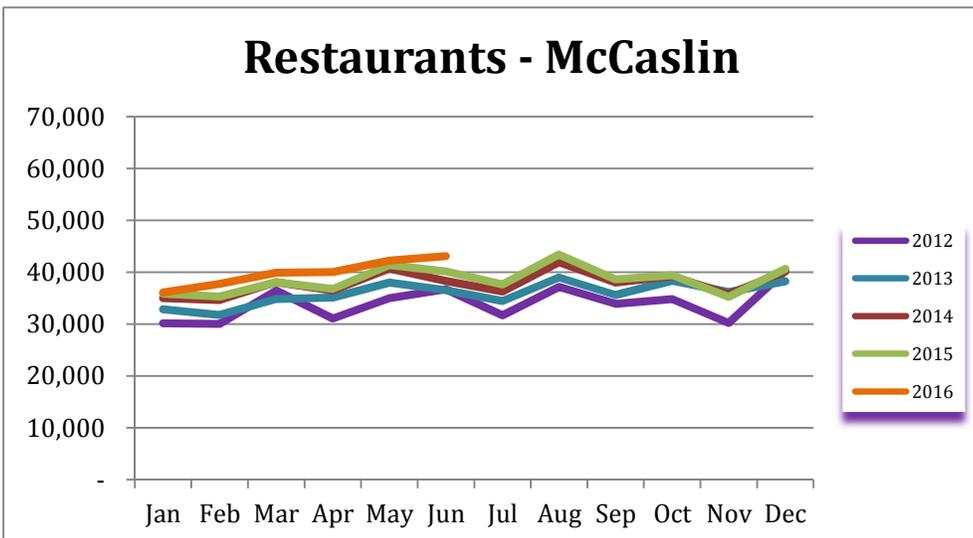
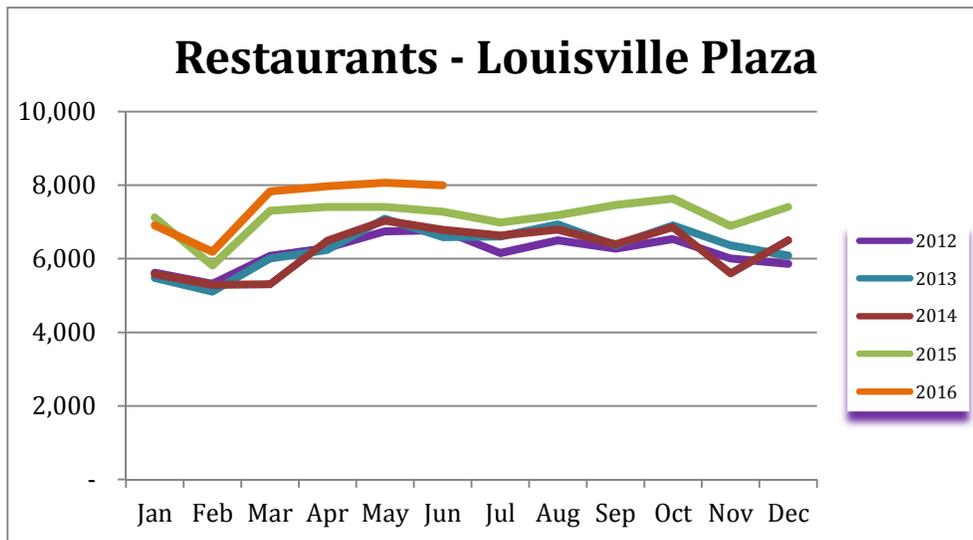
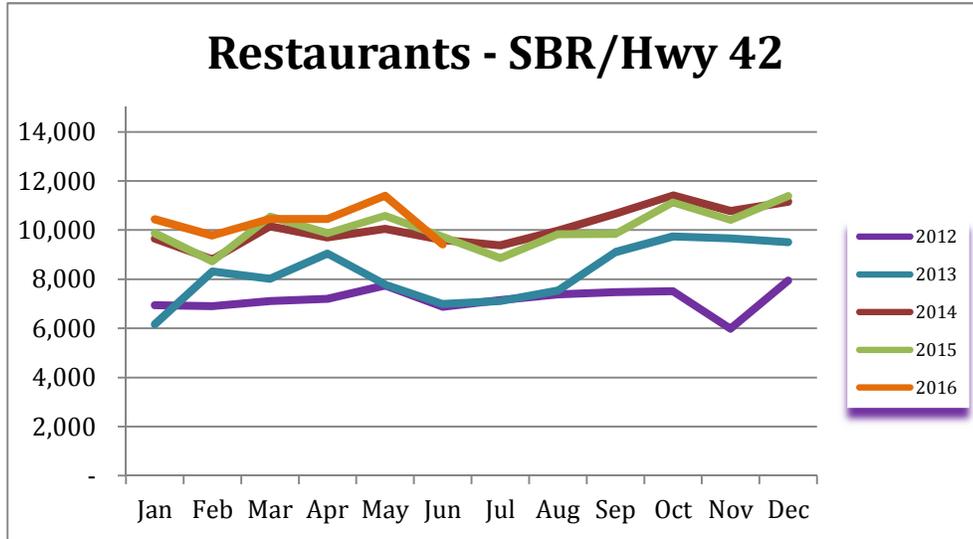




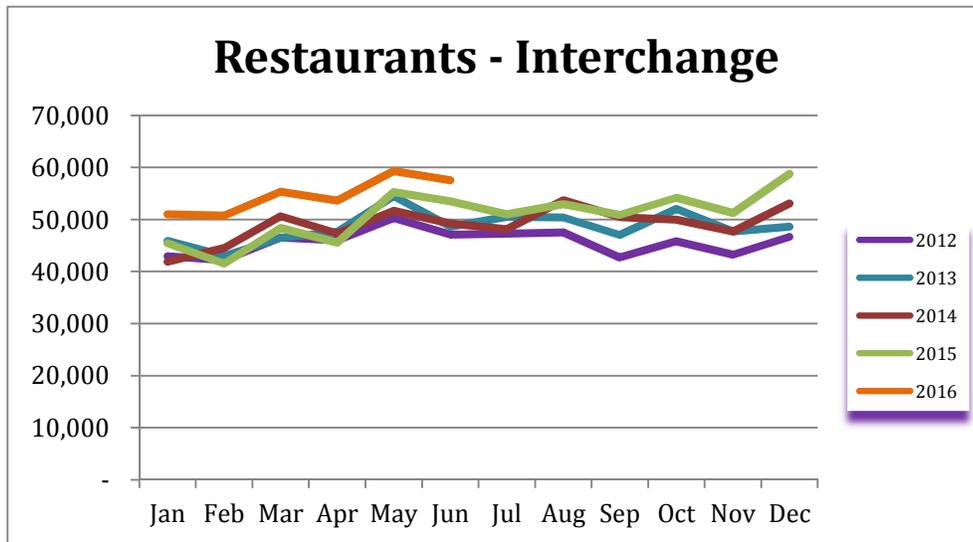
Restaurant Graphs June 2016



**Restaurant Graphs
June 2016**



Restaurant Graphs June 2016

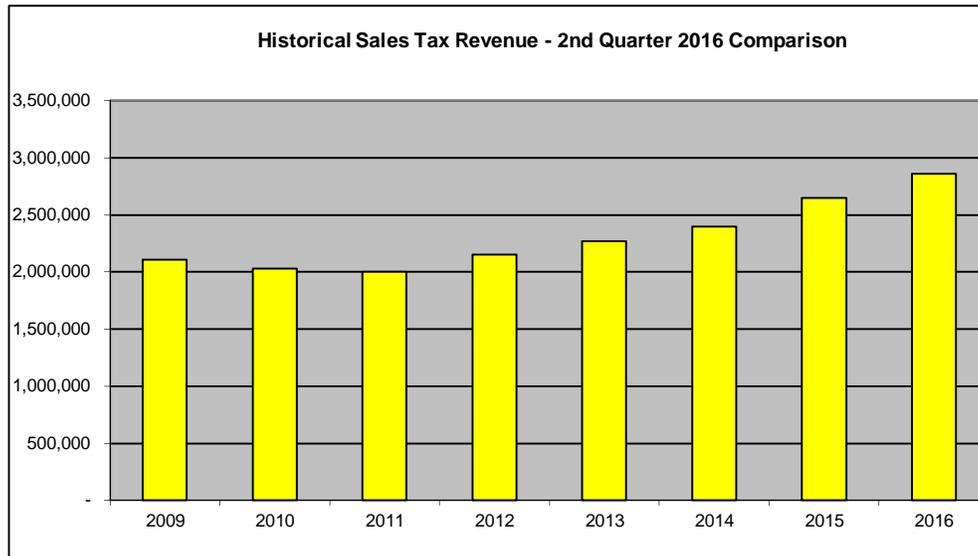


CITY OF LOUISVILLE
2016 HISTORICAL SALES TAX REVENUE (COMPARISONS FROM 2009 - 2016)
6/30/2016

MONTH	2009 *	2010	2011	2012	2013	2014	2015	2016
January	758,656	652,461	634,012	681,326	777,242	798,792	930,279	886,723
February	600,069	603,533	589,984	656,603	669,879	708,164	751,446	920,875
March	751,129	772,957	776,647	816,468	820,313	891,756	966,850	1,054,128
April	711,199	718,508	725,384	757,617	870,965	990,489	926,082	949,906
May	741,994	733,372	734,017	855,685	918,954	928,421	931,057	1,032,963
June	813,144	804,590	871,414	890,833	895,906	1,013,900	1,116,715	1,216,853
July	762,592	712,442	735,710	794,745	856,770	866,647	1,026,333	-
August	712,559	685,926	738,939	776,002	821,538	983,356	983,178	-
September	762,495	736,581	785,785	836,117	1,017,791	974,352	1,097,796	-
October	724,281	683,343	718,122	737,769	827,461	876,022	948,794	-
November	698,436	662,050	746,388	855,913	812,544	867,460	933,235	-
December	1,004,279	963,270	1,052,498	1,091,578	1,125,418	1,294,297	1,360,790	-
Total Tax	\$ 9,040,831	\$ 8,729,032	\$ 9,108,901	\$ 9,750,654	\$ 10,414,782	\$ 11,193,655	\$ 11,972,557	\$ 6,061,448
Tax Variance %	-3.4%	-3.4%	4.4%	7.0%	6.8%	7.5%	7.0%	-49.4%

Quarterly Summary	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
1st Quarter	2,109,854	2,028,951	2,000,643	2,154,396	2,267,435	2,398,712	2,648,576	2,861,726
2nd Quarter	2,266,336	2,256,470	2,330,815	2,504,135	2,685,825	2,932,810	2,973,855	3,199,722
3rd Quarter	2,237,645	2,134,948	2,260,434	2,406,864	2,696,099	2,824,355	3,107,307	-
4th Quarter	2,426,996	2,308,663	2,517,009	2,685,259	2,765,423	3,037,779	3,242,820	-
Tax Incr/(Decr) YTD	(129,380)	(9,866)	74,345	173,320	181,690	246,985	41,045	225,867
Tax Variance % YTD	-5.4%	-0.4%	3.3%	7.4%	7.3%	9.2%	1.4%	7.6%

* Includes Historic Preservation Tax (HPT) of .125% or 3.7% increase in total tax rate.



SUBJECT: DOWNTOWN RETAIL DISCUSSION

DATE: SEPTEMBER 6, 2016

PRESENTED BY: AARON DEJONG, ECONOMIC DEVELOPMENT

SUMMARY:

Staff would like the BRaD committee to discuss retail operations in downtown area. The discussion is continued from the August 2016 BRaD Meeting.

BACKGROUND:

Downtown has experienced new vitality over the past 10 years. The area has transitioned into a mix of offices, retailers, service providers and restaurants. This transition continues bringing with it new challenges and opportunities. First floor space, generally retail and restaurant spaces, is experiencing significant lease rate increases over the last few years and this trend is expected to continue given the desirability of downtown.

Over the last couple of months, several downtown retailers and restaurants have discussed with me that business has been down this year compared to previous years. The most recent sales tax report prepared by the Finance Department for the first half of 2016 shows sales tax revenue of \$481,134 for the downtown area, representing a 7.5% increase from the first half of 2015. Looking at the monthly sales tax report for June 2016, sales tax collections in downtown reflect a 7.9% increase from June 2015 (NOTE: Monthly revenue reports are subject to more variability due to business reporting timeliness).

Most of the downtown sales tax revenue increases are from increased restaurant sales, so general merchandise retailers in downtown have been flat in 2016.

Retailers are generally stating a lack of retailers in downtown, rents increasing causing stress on reaching profitability, downtown construction projects, and a lack of assistance to promote downtown. Retailer attrition may occur should the spring 2016 decrease continue for an extended period.

Some restaurants have stated a decrease in sales as well in 2016. Additional restaurants opening in downtown is perceived to cause sales declines among existing restaurants. Some note the significant downtown construction causing challenges for customers. Smaller Street Faire turnouts have also been noted as a reason for the decline.

Downtown real estate continues to be at near zero vacancy rates, and increasing real estate prices and rents are reflecting it. Rising rents may cause less profitable operations out of the area.

Adding significant leaseable space in downtown is unlikely to occur in large amounts, so downtown may be reaching a maturity stage. The national economy is likely due for a correction, and discretionary spending (like dining and gifts) is normally the first to feel the impact. It would be safe to assume the downtown sales increases experienced in the last 5 years will slow.

DISCUSSION:

Given these trends, the outlook, and business input, I would like the BRaD committee to discuss the downtown area. To help form the discussion, the following is a list of elements normally present in successful downtowns.

A shared vision for the future

Successful downtowns know what they are and what they want to be.

A critical mass of restaurants, retail, and nighttime activities

Having several options for each category adds to the desire for visitors and residents to come to downtown. The varying uses facilitate activity throughout the day and evening.

The stores have standard operating hours and days

When visitors and residents come to shop, there is an expectation that everyone is open. There are also set evenings where the shops remain open.

Downtown includes residential which help support the businesses

Where residents hang out, so do visitors. Nearby residential assists downtown vibrancy.

Parking is convenient and available

There should be ease in finding a place to park. Don't let parking availability be a reason not to come

The area has special places to gather

Engaging public spaces that promote lingering in the area.

Quality gateway entrances

Visitors and residents are shown they have entered a special area.

Business signage is consistent

Signage should be tasteful and doesn't detract from the downtown experience.

Quality public infrastructure

Sidewalks that allow for outdoor dining and streets that promote a pedestrian experience.

Special events and experiences within downtown

SUBJECT: DOWNTOWN RETAIL DISCUSSION

DATE: SEPTEMBER 6, 2016

PAGE 3 OF 3

Farmer's markets, special events, and street music all contribute to a vibrant space.

The area is branded and marketed

Downtowns branded as a unique space and visitors and residents are consistently reminded to come experience it.

Downtown Louisville has many of these needed characteristics but is deficient in others. Discussion about the vision for downtown is desired and opportunities to strengthen the area for our local businesses.

On August 16, 2016, members of the DBA organized a downtown retailer meeting. Several business owners attended the meeting, including Economic Development and the Chamber. The group discussed the trends and components of successful downtowns described above.

The retailers listed several challenges in downtown that affect their opinions of operating a business in downtown. They were:

- Lack of consistent marketing
 - No shop local talk in town
 - City social media lacking
- Leveraging Special Events
- Locals don't shop here
- Tension among organizations
- Retailer critical mass and location
- Construction projects
- What is downtown's vision?
- Parking
- Rising Rents
- Retailers having different hours

The retailers will be meeting again in September to discuss options to address a few of the weaknesses. Items they will discuss are:

- Proposal for standard retailer hours of operation
- Proposal for a retailer focused special event
- Discuss components of a marketing campaign.

RECOMMENDATION:

Staff encourages the Committee to discuss the information and provide input to staff.

ATTACHMENT(S):

BRAD COMMUNICATION

BRaD Committee Downtown Retail Discussion

September 6, 2016

Downtown Retail

- The area has transitioned into a mix of offices, retailers, service providers and restaurants.
- This transition continues bringing with it new challenges and opportunities.
- Significant lease rate increases over the last few years and
 - This trend is expected to continue given the desirability of downtown

Downtown Retail



Downtown Sales

- First Half 2016 sales tax report shows sales tax revenue of \$481,134, representing a 7.5% increase from First Half 2015.
- June 2016 was 7.9% increase
- Most of increase was seen in Restaurant category

Downtown Retail



Recent uptick in concerns from retailers and restaurants

- Retailers are;
 - stating a lack of retailers in downtown,
 - rents increasing causing stress on reaching profitability,
 - downtown construction projects, and
 - a lack of assistance to promote downtown.
- Retailer attrition may occur should the spring 2016 decrease continue for an extended period.

Downtown Retail



- Restaurants have stated;
 - A decrease in sales as well in 2016.
 - Additional restaurants opening in downtown is perceived to cause sales declines among existing restaurants.
 - Some note the significant downtown construction causing challenges
 - Smaller Street Faire turnouts have also been noted as a reason for the decline.
- Downtown may be reaching maturity
 - Not going to be significant new construction to create new space.

Downtown Retail



- Given these trends, the outlook, and business input, discussion about downtown retail
- To help the discussion, here are some main components to a successful downtown.

Downtown Retail



A shared vision for the future

- Successful downtowns know what they are and what they want to be.

A critical mass of restaurants, retail, and nighttime activities

- Having several options for each category adds to the desire for visitors and residents to come to downtown.

The stores have standard operating hours and days

- When visitors and residents come to shop, there is an expectation that everyone is open. There are also set evenings where the shops remain open.

Downtown includes residential to help support the businesses

- Where residents hang out, so do visitors. Nearby residential assists downtown vibrancy.

Downtown Retail



Parking is convenient and available

- There should be ease in finding a place to park. Don't let parking availability be a reason not to come

The area has special places to gather

- Engaging public spaces that promote lingering in the area.

Quality gateway entrances

- Visitors and residents are shown they have entered a special area.

Business signage is consistent

- Signage should be tasteful and doesn't detract from the downtown experience.

Downtown Retail



Quality public infrastructure

- Sidewalks that allow for outdoor dining and streets that promote a pedestrian experience.

Special events and experiences within downtown

- Farmer's markets, special events, and street music all contribute to a vibrant space.

The area is branded and marketed

- Downtowns branded as a unique space and visitors and residents are consistently reminded to come experience it.



- Downtown retailers met on August 16 to discuss downtown
- Weaknesses
 - Lack of consistent marketing
 - No shop local talk in town
 - City social media lacking
 - Leveraging Special Events
 - Locals don't shop here
 - Tension among organizations
 - Retailer critical mass and location
 - Construction projects
 - What is downtown's vision?
 - Parking
 - Rising Rents
 - Retailers having different hours

- Next downtown retailer meeting will discuss:
 - Proposal for standard retailer hours of operation
 - Proposal for a retailer focused special event
 - Discuss components of a marketing campaign.

Downtown Retail

Questions??????????

Discussion