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## FlatIron's first-year sales trailed Cherry Creek's, Park Meadows'

FlatIron Crossing beats projections for first year

By Rachel Brand, News Staff Writer

FlatIron Crossing edged past revenue projections for its first year in business.

Broomfield's 1.5 million-square-foot shopping center posted sales high above the national average of \$341 per square foot its first year, despite a slowing economy and record office vacancy rates along the U.S 36 corridor. Since it opened its doors Aug. 11, 2000, the mall has pulled in \$360 million, or \$431 a square foot.

Though it opened with a bang, FlatIron's first-year sales still pale in comparison with the starting numbers of Denver's other two regional malls -- Park Meadows and Cherry Creek. Now the question is whether the mall's novelty will wear off, especially considering several other large shopping centers under development nearby.

"It's my understanding that FlatIron started off well and then went downhill," said Adam Epstein, president of New York-based retail consulting firm Site Analytics Co. He likened FlatIron Crossing to Denver International Airport -- built in the middle of nowhere.

"For an industry like airports, location isn't really all that important," he said. "It's not so easy if you are a shopping center. You have to have a tremendously interesting proposition to get people to sacrifice to come to you."

Working in the mall's favor is the continued growth of neighboring communities in the northwest corridor and FlatIron's emerging status as a retail magnet.

Since it opened, the center has leased all but 3 percent of its space, and the area has become the home of scores of national big-box retailers, which are already chalking up good sales.

"As we look three to five years out, there's new things coming in that make this decision to build the shopping center out here a great idea," said mall general manager Hugh Crawford.

Located halfway between Denver and Boulder off U.S. 36, the indoor-outdoor shopping center is owned by Phoenix-based Westcor Partners, a privately held mall development company.

The property boasts upscale anchors Nordstrom and Lord & Taylor and specialty retailers ranging from Swarovski jewelers to teen clothing retailer Hot Topic.

Restaurants such as Village Tavern, Il Fornaio and Bloom have opened within the mall's outdoor village, a signature street

scape adjoining the mall's classic, enclosed, two-story structure.

"I doff my cap at those guys," said Dana Hansen, vice president of leasing at Littleton's soon-to-open Aspen Grove shopping center. "I would give them every piece of credit for coming out, leasing up; \$431 is a very respectable number. And half of that was in an economy that's questionable at best."

By other measures the mall looks solid.

The mall is 95 percent occupied and 97 percent leased, FlatIron Crossing Marketing Director Janet Beaudry said. Malls, on average, are between 93 percent and 94 percent leased, according to The International Council of Shopping Centers.

Nonetheless, FlatIron did not achieve as impressive first-year results as Lone Tree's Park Meadows mall or Denver's Cherry Creek Shopping Center when they opened, and there are questions whether it has enough people in its immediate vicinity to support continued growth.

In its first year, the 1.6 million-square-foot Park Meadows Mall -- anchored by Nordstrom and Dillard's -- posted sales of \$430 per square foot, 53 percent higher than that year's national average of \$278. For 2000, the mall posted sales of \$558 per square foot.

After its first year of operation in 1990, the Cherry Creek Shopping Center reported sales of nearly \$400 per square foot, more than double the national average of \$190 in 1991. Today Cherry Creek boasts sales per square foot of more than \$500.

However, when these malls opened, they set out to serve more mature, faster-growing areas than the U.S. 36 corridor.

FlatIron management projects that 60 percent of their shoppers are drawn from a population of some 339,000 people within a 10- to 15-mile radius of the mall. The remaining 40 percent of shoppers drive in from Greeley and Brighton or from as far away as Fort Collins and Cheyenne.

The real test will be if these shoppers continue frequenting FlatIron Crossing after Littleton's Aspen Grove and Lakewood's Colorado Mills malls open within the next year and a half.

"Every new mall has that window of opportunity to cement the relationship with the shoppers and capture them for life," said **Site Analytics** consultant Epstein. "But eventually that window closes."

Nashville, Tenn.-based developer Poag & McEwen is scheduled to open the upscale shopping center in Littleton this November. FlatIron Crossing will lose its exclusive handle on women's clothiers J. Jill and Coldwater Creek as they open locations at Aspen Grove.

Arlington, Va.-based Mills Corp. plans to open the 1.2 million-square-foot shopping center in Lakewood off Interstate 70 next fall. But Aspen Grove's Dana Hansen said FlatIron has nothing to fear from the two developing mall projects and called Westcor's site planning prescient.

"Park Meadows was out in the middle of the prairie," he said. "Now look at what's happened. Just because there is some dot-com and telecom falloff (along the northwest corridor), that doesn't drive a stake through the heart of Broomfield. In the end, two to three to five years from now, it'll be a home run."

The Denver Regional Council of Governments forecasts that the northwest suburbs over the next 20 years will experience the runaway growth that has blossomed in Douglas County, where Park Meadows is located.

The population in neighboring Adams County, for instance, will increase 70 percent to more than a half-million, and Broomfield, which will become a county in November, will grow to nearly 50,000 residents.

But in the short term, what may tip the scales for FlatIron Crossing shopping center are the two new retail developments built alongside it: the MainStreet at FlatIron and the Flatiron Marketplace.

Built by Mid-Cities, the MainStreet is located on Vang Street, near the FlatIron Village. When fully constructed and occupied, it will contain 26 retailers, including a Marriott Towne Place Suites, C.B. & Potts, and Bennigan's.

Developed by Koll Development, Flatiron Marketplace is located near the shopping center at the southeast corner of U.S. 36 and West 96th Avenue.

It will contain 1 million square feet of leasable space, and will feature national retailers and restaurants such as the Great Indoors and Noodles & Company.

Open only one week, the 150,000-square-foot Great Indoors store in the Marketplace has posting sales and traffic that rival it's its store in Lone Tree.

"We had high expectations for the store and it actually exceeded our expectations," said spokeswoman Kathleen Connolly.