

**TOWN OF ERIE
BOARD OF TRUSTEE AGENDA ITEM**

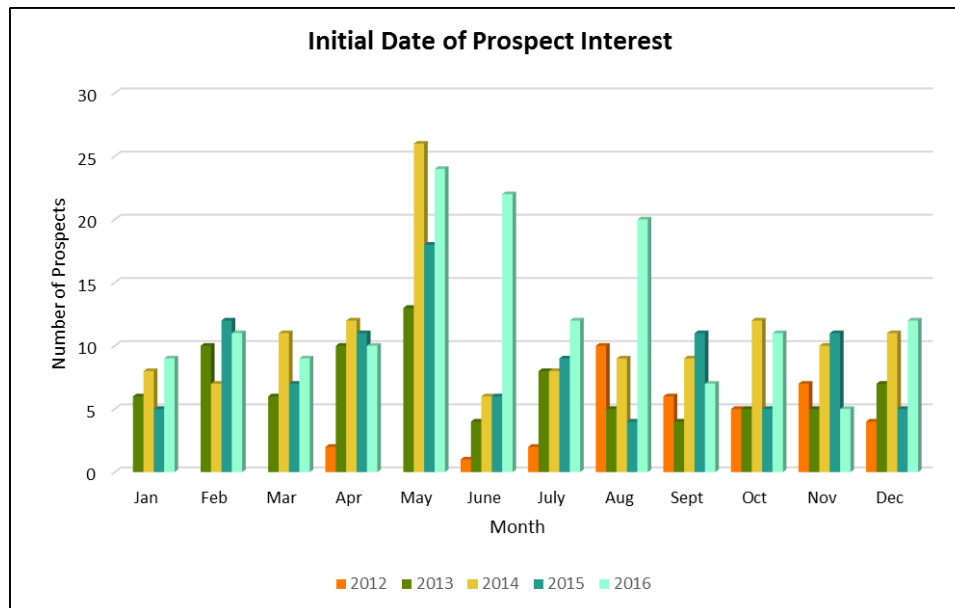
Board Meeting Date: February 14, 2017

SUBJECT:	STAFF REPORT:
	Economic Development Activity Update
DEPARTMENT:	Administration
PRESENTER:	Paula Mehle, Economic Development Coordinator

FISCAL	Cost as Recommended:	n/a
INFORMATION:	Balance Available:	n/a
	Budget Line Item Number:	n/a
	New Appropriation Required:	☐ Yes ☒ No

ACTIVITY & ANNOUNCEMENT SUMMARY:

2016 – 4TH QUARTER & YEAR END UPDATE



PROSPECT INQUIRIES - GENERAL: Prospect inquiries in the fourth quarter of 2016 increased over the same time in 2015, with 28 new prospect inquiries compared to 21, with a large increase of inquiries in the month of December. Overall for 2016 there were 152 prospect inquiries, compared to 104 in 2015. In June and August there was a spike in inquiries from past years.

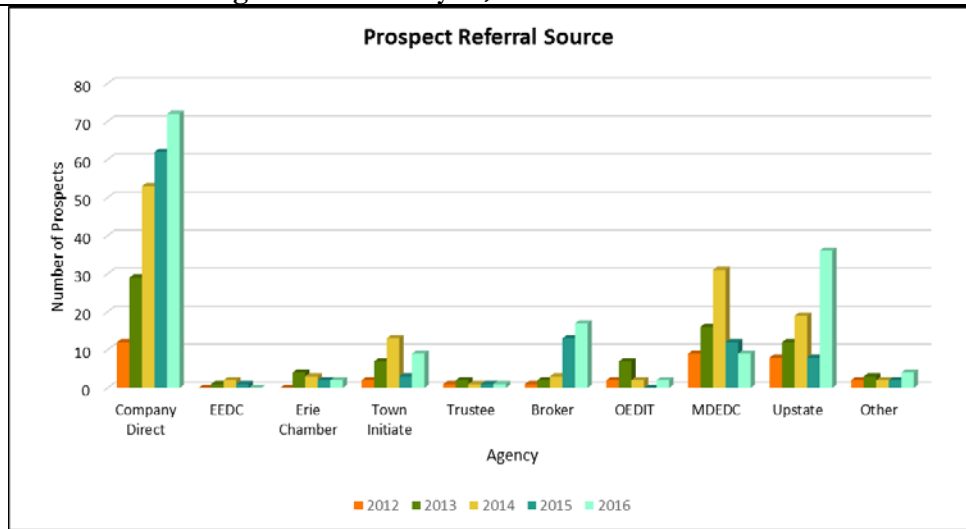
Our regional partners, Metro Denver Economic Development Corporation (MDEDC) and Office of Economic Development and International Trade (OEDIT) did not send any site searches to Erie during the 4th quarter of 2016, while Upstate Economic Development of Weld County sent out seven (7), much higher than we have typically seen in the fourth quarter of the year. Of the seven prospects from Upstate in the 4th quarter was one site on the Weld County side of Erie that met the Upstate prospect requirements and staff forwarded information to Upstate for the prospect to consider.

Overall for the year 2016 Upstate forwarded 36 prospect inquiries to Erie, some of which were requesting outside storage yards, larger building spaces than currently available in Erie, smaller platted industrial lots than currently available in Erie, or be rail-served properties that do not exist in Erie. For all of 2016 MDEDC and OEDIT sent a combined total of 11 prospect inquiries. This is similar to the quantity forwarded in 2015, but much less than the 33 received in 2014. Many inquiries MDEDC and OEDIT have been receiving of late have been for large office properties landing many prospects in Downtown Denver or the Tech Center.

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MDEDC has reported that they have had a decreased number of request for site searches from their prospects as more and more have already narrowed down their site options by the time they are reaching out for assistance. The type of assistance they are seeking from MDEDC is for incentives or resource referrals. They are reporting the prospects are “solid”, not simply looking.



The top new inquiries by industry in the fourth quarter came from the following sectors: Service/Office – (three of which were for dental related businesses not necessarily looking to be in a medical designated facility); Manufacturing; Other/Unknown; and Energy, Retail, and Service-Retail. See Exhibit ‘A’ for Specific Prospect Types Year to Date, and overall since August, 2012, and Exhibit ‘B’ for condition status of all prospects.

RETAIL ATTRACTION: Preparation for marketing of retail development and leases in Erie at the annual annual International Shopping Center Convention RECon event in Las Vegas is in the works. The booth location has been secured and preparation for the booth and setting appointments with contacts at the event is occurring.

HISTORIC DOWNTOWN BUSINESS DISTRICT: Available space in Downtown has increased with the closing of the liquor store at 235 Cheesman (1,793 sf) and SnowbeePC returning to a home-based business leaving 665 Briggs Street (1,320 sf) available. There are two units at 515 Briggs Street open as well (1,200 sf each). In addition the developer of the northwest corner of Wells and Kattell is marketing a proposed retail and office space planned for the property.

Staff has continued to refer businesses interested in Downtown to those property owners preparing to develop their properties and who have authorized staff to give out their contact information. This effort allows the property owners to understand the demand, design their space for particular tenants and pre-lease spaces. Interest in properties along Briggs Street has increased in 2016 and listings priced aggressively tend to go fast as potential businesses and residents are interested in the opportunities to live or operate a business within the unique neighborhood mixed use area.

SMALL BUSINESS DEVELOPMENT: Staff has hosted four (4) Meetups where businesses of all types can come together to learn what business activities are happening in Erie as well as learn about resources available for them, and to network with one another in a casual environment. Staff organizes these events every other month at a different times and locations in order to reach as many interested parties as possible. Attendees range from brokers, existing small businesses, residents considering starting a business and business looking to open in Erie. As of the end of 2016 there were 85 “members” of the Erie Business Meetup and attendance at the events have been as high as 15 and typically around 6.

In 2016 Town staff and the Mayor continued to host the quarterly Mayor’s Economic Development Resources meetings. This year the group invited one new resource to present to the group at each meeting to expand the

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knowledge and referrals options of the participants. This group was integral in developing the idea and material for the one stop page for business resources on the Town's website, www.erieco.gov/bizguide. At each of the Meetups and visits with small businesses marketing materials for the website are handed out to help spread the word about the availability of information. Directed marketing of the resources has been published in E-Life and the Erie Chamber of Commerce's Lifestyle Magazine, as well as in a variety of Notify Me messages sent out by the Town. Handouts on the resources are made available at the Erie Chamber of Commerce and the Erie Library, as well as many of the resource partners facilities upon their request.

Staff is working in conjunction with the Erie Library staff to host a workshop on the Reference USA program during the first quarter of 2017. This online resource provides data to help business find sales leads, conduct market research and locate and research companies, as well as help to build a business plan and study market trends. This resource is free to library cardholders and is just an example of the many of the great resources the Highplains Library system offers to its community.

For statistics on Small Business inquiries please see Exhibit 'C'.

PRIMARY EMPLOYMENT: As noted earlier, the number of inquires from MDEDC has been limited, however referrals from Upstate Economic Development has increased significantly in 2016 with a total of 36 prospect referrals compared to only 8 in 2015. The ability to refer a property that meets the requirements of the prospect has been low as there is currently very limited number of industrial buildings or spaces and no available platted and stubbed for utility industrial lots for sale. The prospects coming from the partner agencies are usually on a time-frame of 3-12 months and are not looking to plat a property.

MARKETING EFFORTS:

Staff has been attending a variety of events as well as speaking about the great opportunities Erie has to offer all throughout the year. These activities included, but were not limited to:

- Spoke to approximately 80 brokers of Remax Boulder at their regional tour that included lunch at Echo Brewing in December;
- Spoke at the Boulder Valley Real Estate Conference on a panel with representatives of Broomfield, Boulder, Longmont, Louisville, and Superior attending by several hundred residential and commercial brokers in November;
- Keynote speaker at the Erie Economic Development Council Broker Open in October and co-hosted a hole at the National Association of Industrial and Office Properties (NAIOP) Golf Classic in June;
- Attended and networked at several commercial broker summits hosted by Colorado Real Estate Journal throughout the year, Erie Chamber of Commerce events Metro North Chamber of Commerce events, as well as the 2017 Colorado Business Economic Outlook Forum and the 2016 Annual Demography Summit;
- Visited with each commercial business along the Highway 7 corridor in preparation for the opening of King Soopers in late October preparing them for potential influx of traffic; and
- Visited over 20 Erie businesses to deliver Shop Small Business Saturday marketing materials in late November and share with them the resources available at www.erieco.gov/bizguide.

OVERALL: Staff is receiving more feedback from prospects claiming to see the Town's ads in the publications of Shopping Center Business and Western Real Estate Business, as well as from Constant Contact messages and LinkedIn posts than ever before. When speaking with brokers it is common to get statements of "Erie is really booming" allowing staff to share Erie's exciting story of projects and opportunities. See Exhibit 'D' for a breakdown of number and timing of prospects that are existing businesses versus businesses not already in Erie considering a location in Erie.

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NEW BUSINESS LICENSES ISSUED – 4th Quarter 2016:

- General Business
 - Chateau de Beaute Salon – 3160 Village Vista Drive #103
 - La Casona Del Mariachi – 51 Erie Parkway
 - King Soopers (Store & Fuel Station, Little Clinic, Sushi) – 1891 Highway 7
 - Mother-Child Institute – 149 S. Briggs Street
 -
- Home Occupations
 - Academic Associates Learning Center – 672 Lehigh Circle
 - Artemis Colorado Pets – 1387 German Court
 - Mountain Meadows Montessori – 1972 Seidler Court
 - Pop Up Culture – 312 Bonanza Drive
 - Watercolour Bath Boutique – 203 Nelson Street

NEW COMMERCIAL BUILDING PERMIT – Issued 4th Quarter 2016

- None

TENANT IMPROVEMENT PERMITS OR CERTIFICATE OF OCCUPANCY – Issued 4th Quarter 2016

- 3336 Arapahoe Road, Unit D- Restaurant
- 671 Mitchell Way #212 – Office
- 1830 WCR 5 – Shop Addition

Staff Review:

____ Assistant to the Town Administrator
____ Town Clerk
____ Community Development Director
____ Finance Director
____ Police Chief
____ Public Works Director
____ Park & Recreation Director

Approved by:

A.J. Krieger
Town
Administrator

ATTACHMENTS:

Exhibit A: New Prospect Inquiries – Type
Exhibit B: Prospect Condition
Exhibit C: Small Business Prospects
Exhibit D: New vs Expansion

Exhibit A – New Prospect Inquiries- Type

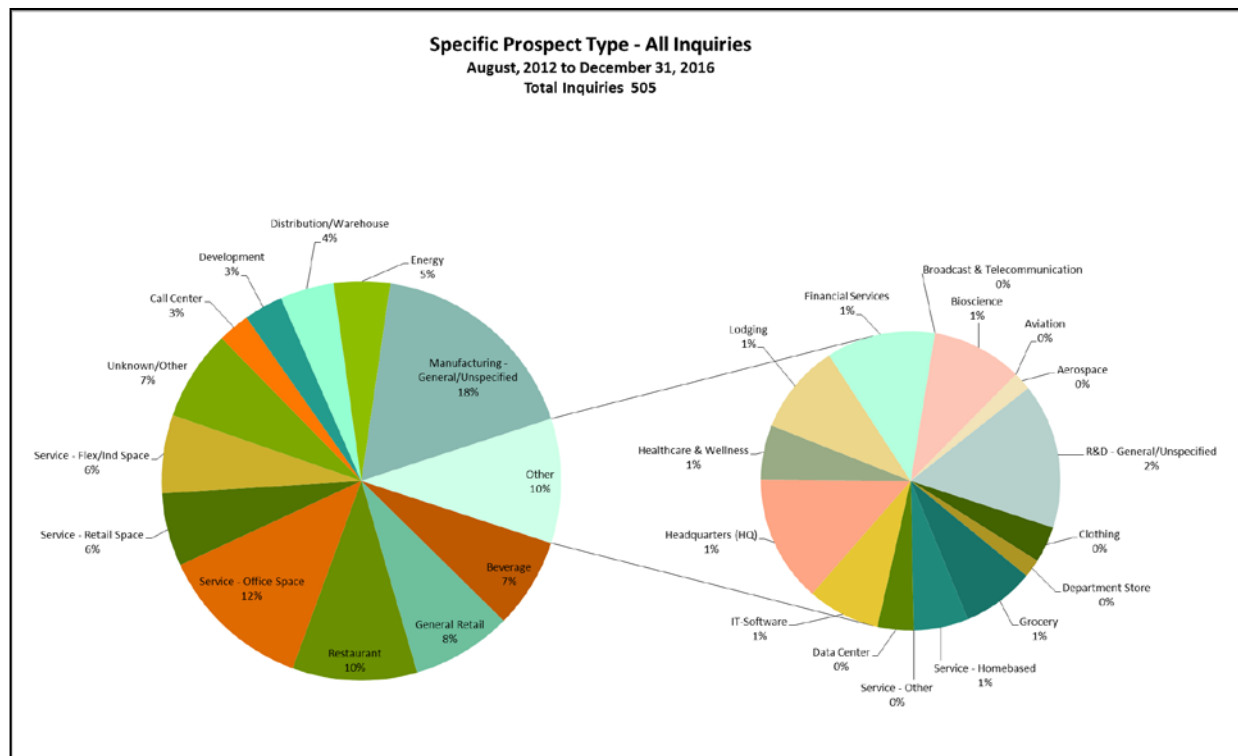
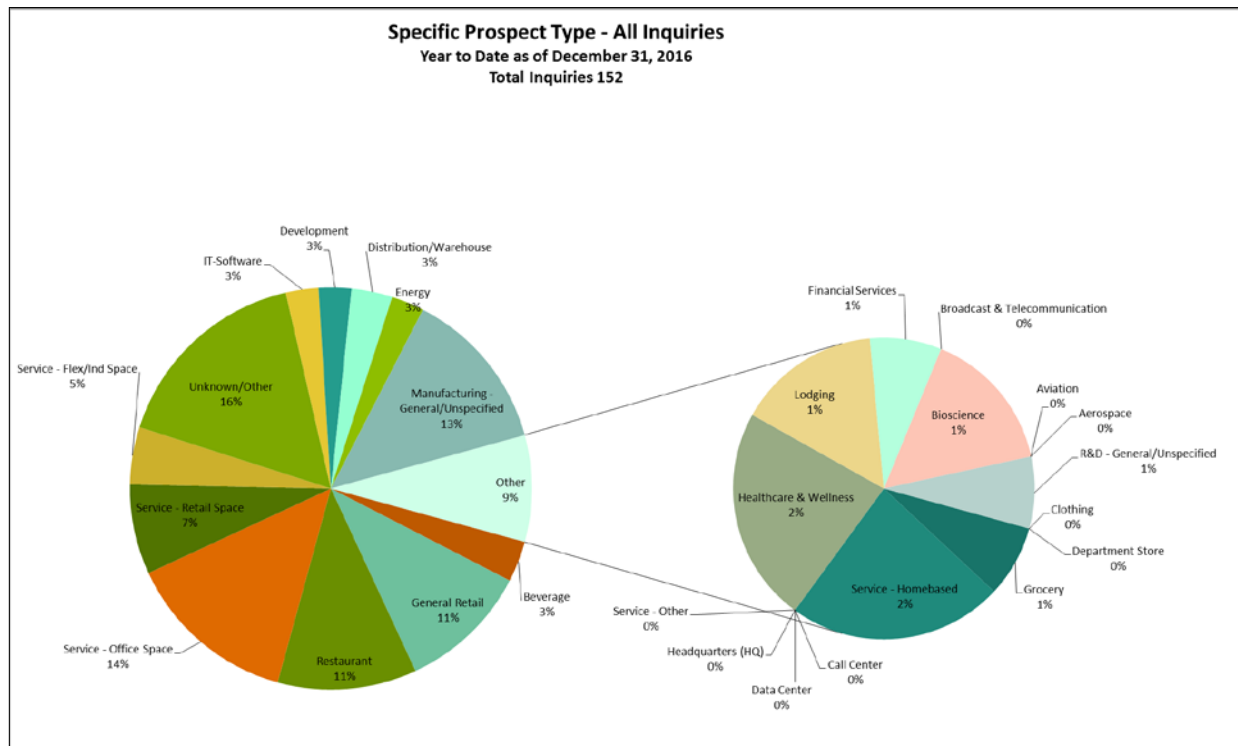
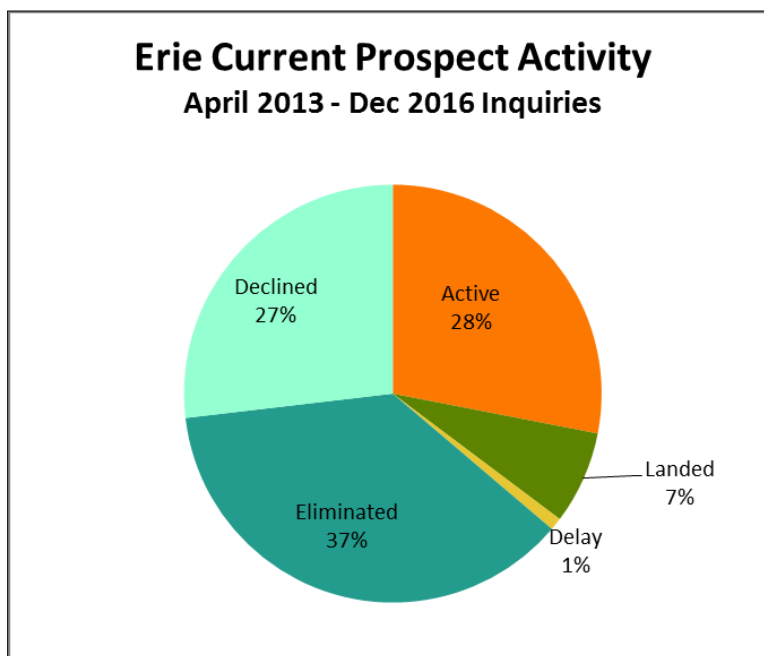
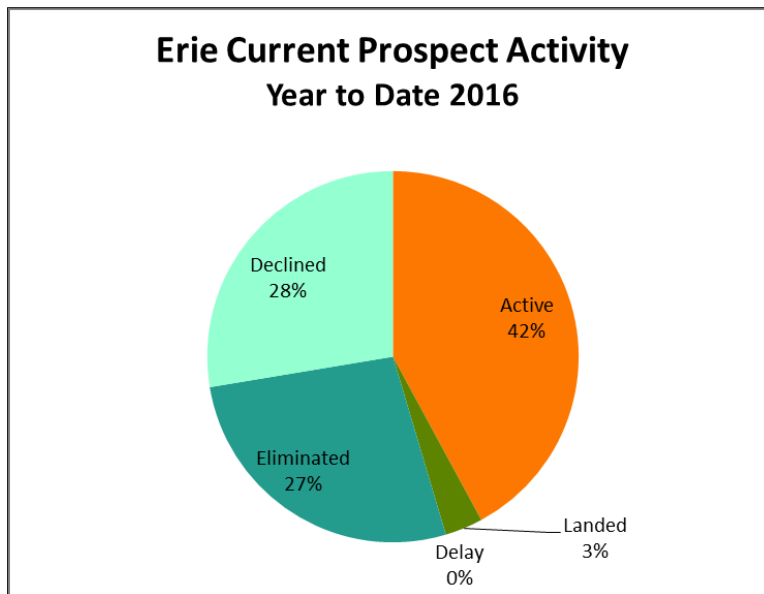
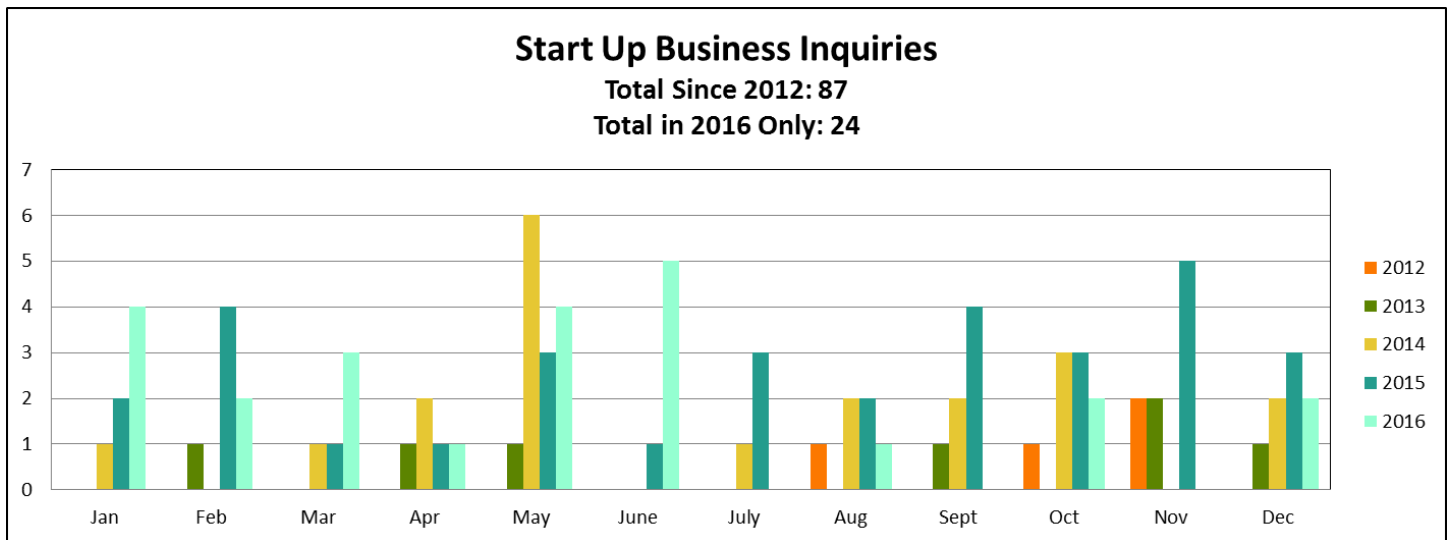


Exhibit B – Prospect Condition

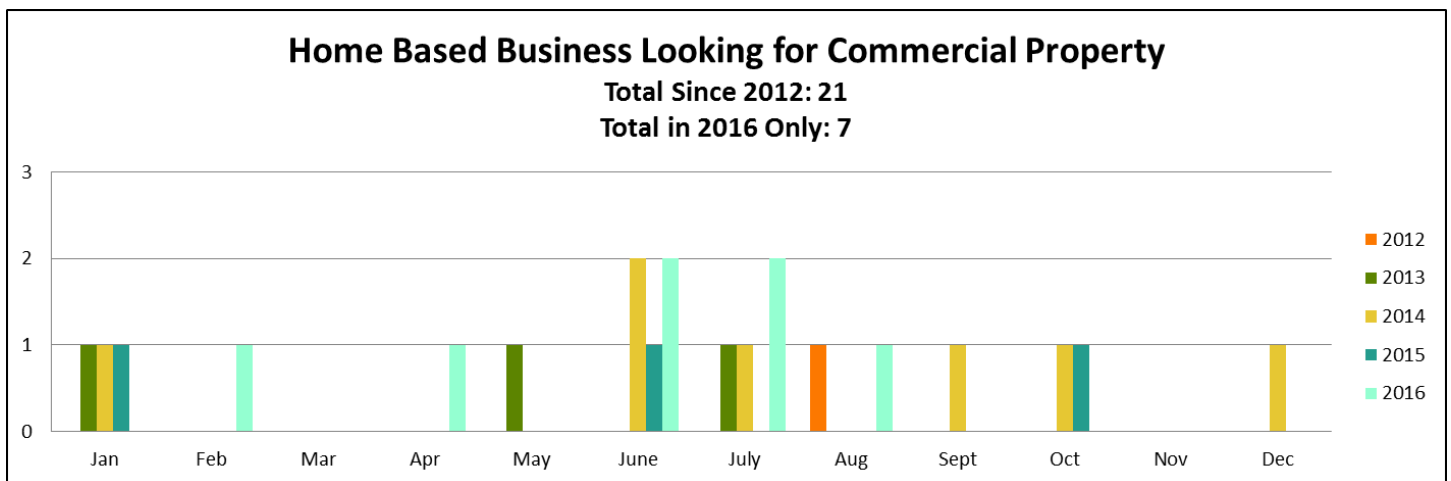


NOTE: Eliminated inquiries generally refers to businesses that after several months of no contact the files were closed or staff was unable to find a location that met the needs of the business. Declined prospects are those inquiries in which the Town did not have the facilities required per original contact and were unable to refer a property.

Exhibit C – Small Business Prospects

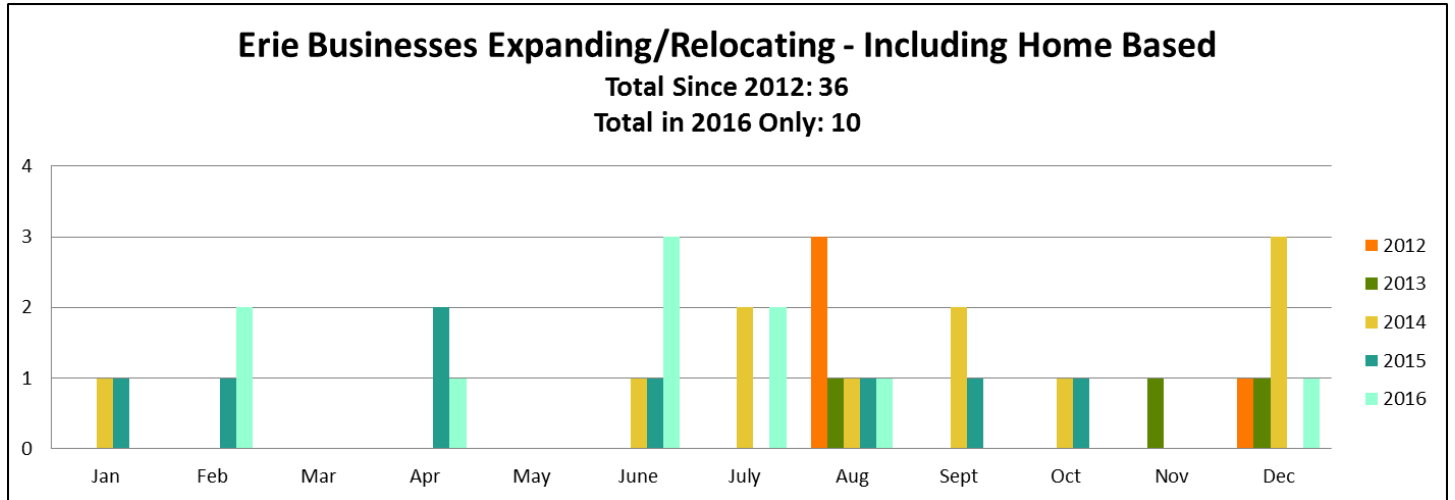


Number of inquiries from people looking to start a business.

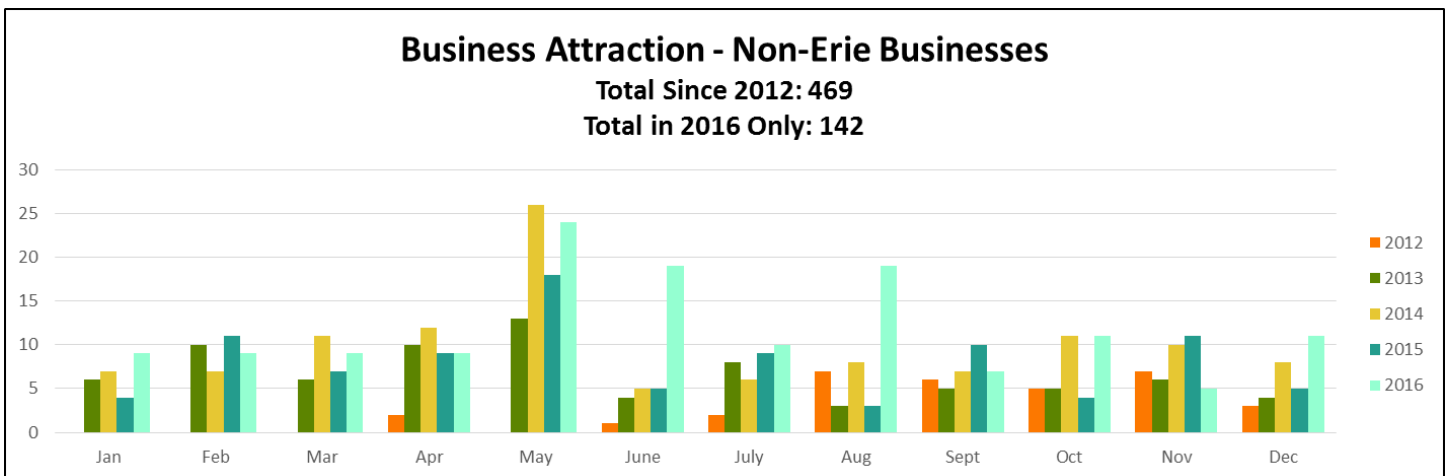


Home based businesses located in and out of Erie currently.

Exhibit D – New vs Expansion



Inquiries from businesses already located in Erie, including those that are home based.



Inquiries from businesses not already located in Erie.