

RETAIL

Easy Street

Aug 22, 2005

Life is good for businesses on Tejon, but other spots downtown suffer

By **JIM BAINBRIDGE** THE GAZETTE

Downtown is a vibrant showcase that has been given new life by the infusion of restaurants and bars. Or . . . downtown no longer has the right mix of traditional retail stores and is dominated by restaurants and bars.

Take your pick. Either statement can be argued successfully. It's a matter of perspective and — if you're a downtown retailer — store location.

There isn't just one downtown. There is Tejon Street, with its busy restaurant row that includes eateries such as Sonterra Grill and Il Vicino, and then there are the side streets. And retailers are finding that proximity is not the same thing as location.

In the core downtown area, from Platte to Colorado avenues and Cascade to Nevada avenues, there are 25 vacant storefronts and 68 percent — 17 of them — are on side streets.

Bijou Street has taken the biggest hit with seven empties, five in a one-block stretch between Cascade and Tejon that is, oddly, just around the corner from the strongest retail block in downtown.

Bijou Street Books called it quits this spring after more than 10 years at 17 E. Bijou St., and was joined by neighbors Blade Shoppe, Day Dreams & Night Things, Nicky's Restaurant and Idoru. All went out of business except Idoru, a clothing and accessories store, which moved around the corner to 218 N. Tejon St., this month.

"Tejon is the main street," said Idoru owner Jackie Goode, "and there is a sense that the best stores must be on Tejon. Half a block can make a huge difference. We noticed an immediate increase in foot traffic at the new store."

Ah, yes, the foot traffic.

Michael Velez spent seven years on Bijou before moving his Velez Native Arts store to 220 N. Tejon St. eight years ago, and he knows the difference from his own research.

"I stood on the street and I counted the people walking between Johannes Hunter Jewelers, 124 N. Tejon St., and the Starbucks at Tejon and Bijou," Velez said. "Then I counted the traffic past my gallery on Bijou. The ratio was eight (on Tejon) to one (on Bijou)."

"We did fine over there on Bijou, but we wanted to build more clientele, and you can do that more easily on Tejon."

Jennifer Rightsell, who operated La Fuente Imports on Bijou until moving near The Citadel mall in April 2004, had the same experience with trying to make a go of it on Bijou.

"It's a dead little street," Rightsell said. "Everything we did was through the Internet. Maybe 1 percent of our business was out of the store."

BARRIERS TO SUCCESS

There is no shortage of theories about why there is this disparity in foot traffic and

why merchants on Bijou, Kiowa and Pikes Peak are having a tougher time of it than those on Tejon.

The prime beefs are parking, high rents, lack of proximity to the night life, blocking of side streets for downtown events, prevalence of one-way streets, lack of help from the city and presence of homeless people.

A frustrated Nicky Serbanescu, who closed his gourmet Nicky's Restaurant at 16 E. Bijou St. this spring after a year and a half, figured the empty storefronts on his block were a product of all these factors, starting with the homeless.

"With the soup kitchen right across (Cascade), we have all these street people coming across, scaring off business," Serbanescu said. "People don't like to be bothered by dirty, scruffy people. When they come into the restaurant and ask 'Can I have a swordfish?' it is disturbing to the customers sitting there at a table."

The Downtown Partnership, an advocacy group that has been addressing the issue of shopper safety with a variety of initiatives, worked out an agreement with the police department in January to have a special unit patrol downtown.

Its zero-tolerance policy has had the desired effect and, according to Beth Kosley, executive director of the Downtown Partnership, the number of incidents downtown has been reduced this summer. Det. Ivan Chaney, a member of the threeperson PASS Model team, produced a summary of 354 arrests — just 20 of them felonies — made by his unit between Jan. 19 and Aug. 18. Drug complaints are down significantly in recent months.

High retail rents are a thornier and more widespread problem affecting downtown.

Serbanescu was paying \$3,700 a month — about \$18 a square foot, a few dollars below the average on Tejon — and the number "traumatized me, made me lose sleep."

Overall, Tejon Street rents are about on par with its main competitors at Broadmoor Towne Center (southeast of downtown) and First & Main Town Center on Powers Boulevard. It trailed only The Shops at Briargate, on the city's north end. Those lease rates are often priced in the \$30-\$40 per square foot range, according to analyst Paul Turner.

Serbanescu looked at that price structure and quickly decided that a move around the corner or up north was out of the question, just as it was for Don Markworth of Colorado Kite and Ski.

When his lease ran out after eight years at 131 E. Bijou and the new owners from Vantage Properties did not tender an offer, Markworth took a look at Tejon before moving his business out to Ore Mill Road, just off Highway 24 on the city's west side.

"Our revenue is down 20 percent," Markworth said, "but we have two fewer employees and our rent has gone from nearly \$5,000 a month to \$1,200, so we've more than made up the difference in sales revenue. Plus I'm selling motorcycle parts on eBay to help get us through the summer."

Lorig's Western Wear is another business that has benefited from a move out of downtown. After 27 years at 112 E. Colorado Ave., Lorig's lost its lease in June 2004, moving to what owner Harold Eichenbaum describes as the "eastern fringe" of downtown at Union Boulevard and Pikes Peak Avenue.

"Sales are up and expenses are down," Eichenbaum said, "so our profit margin is better. Having 23 parking spots has been a great boon. The ranchers who come to see us from out east can park their long-bed trucks or horse trailers in our lot. That could never happen downtown."

Desirée and husband Leslie Lewis were paying a little more than \$2,000 a month to rent 800 square feet — \$25 per square foot — for The French Store, 107 E. Pikes Peak Ave., before closing last December.

"The rent was just too high for what the economy is," Desirée Lewis said. "If I knew then what I know now, I might have moved the business to another part of

town. I discovered that the economy was worse downtown than in other places because of the high rents and difficulty in parking.”

THE ‘SWEET SPOT’

Even stores on busy Tejon feel the pinch of high rent.

Wild at Heart owner Tracy Holthus recently moved from a 5,000-square-foot space at 117 N. Tejon St., across the street to 130 N. Tejon St., where she could cut overhead by paying rent on just 2,000 square feet.

Vivian Peña Lopez has 2,100 square feet at Seabel’s Gourmet Gift Shop, 22 S. Tejon St., and “I wish it were less.” Lopez is creating 100 gift baskets a week to stay profitable and is set to open a kiosk at Plaza of the Rockies in September to augment income.

Asked if she ever considered leaving downtown, Peña Lopez didn’t hesitate.

“No, I feel like a winner,” she said. “You’ve got to stay with it. I hope my employees feel the same. With the troops coming home, people moving into the area and with a better city transit system things could really pick up. . . . I always tell my staff if we’re not working hard, we’re not making money.”

Near restaurant row, a strong mix of stores has made Tejon what Erin Collins of Vintage’s Wine & Spirits, 9 S. Tejon St., calls “the sweet spot” of downtown retail.

Within a short walk of one another there is Chico’s clothing, Regina’s Unique Boutique, Kirk & Hill, Couture, What’s in Store home accessories, Soulmate, Saboz Accessories and now Rutledge’s men’s store, which has just moved up a block to be in the rich mix of clothing and accessory stores.

Jackie Gunn, owner of the Kirk & Hill women’s clothing store, says there is a design to this success. Whenever there is an opening in their block, the shop owners meet with the landlord to try to find the best match.

Gunn has even opened her books to potential renters on the block so they can better judge their prospects.

“There is strength in numbers,” Gunn said, “and we’re doing well here because we are offering the right mix of tenants and merchandise.”

The question is how to bring stability to more of the downtown retail scene. There is a sense among some that a vibrant, cohesive retail district may not be possible until there is more housing nearby.

A number of lofts have been built in the past few years. Nor’wood Development Group is breaking ground on a multiuse structure at 202 E. Pikes Peak Ave. next year, with as many as 135 housing units. Kosley says there is another project planned east of Nevada Avenue, which would incorporate condominiums.

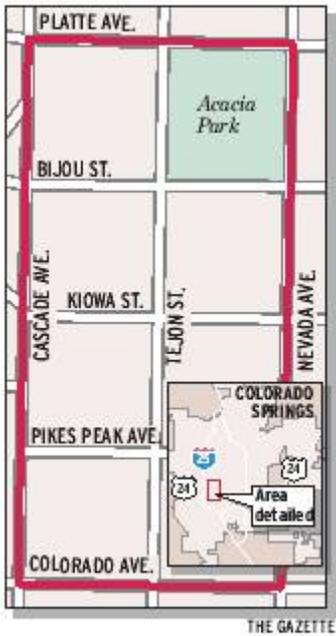
“Over the next five years there will be a push toward housing downtown,” Kosley said. “Housing and retail are our priority areas. We have a very good cluster of retail now, but the core needs to be bigger. The critical mass of retail has to be stronger.”

CONTACT THE WRITER: 636-0126 or
bainbird@gazette.com

VACANCIES



DAVID BITTON, THE GAZETTE - Kirk & Hill clothing store, at 129 N. Tejon St., is in what one retailer calls "the sweet spot" for downtown businesses.





PHOTOS BY PRICE CHAMBERS, THE GAZETTE - Colorado Kite and Ski moved to the west side from 131 E. Bijou St. Revenue is down, but the rent went down, too.



Rent was "just too high" for the owners of The French Store, 107 E. Pikes Peak Ave. It closed in December.



Nicky's Restaurant, formerly at 16 E. Bijou St., closed in spring. Former neighbor Idoru relocated to Tejon Street.