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From the Denver Business Journal:

<https://www.bizjournals.com/denver/news/2018/01/24/cherry-creek-contributed-4-6-of-denver-sales-tax.html>

Cherry Creek contributed 4.6% of Denver sales tax in 2017, despite construction, mall pay-to-park

Jan 24, 2018, 2:40pm MST

Despite construction throughout the 16-block Cherry Creek North neighborhood and a new pay-to-park system at Cherry Creek Shopping Center, sales in the shopping district were up over the year in the first three quarters of 2017.

When the fourth-quarter numbers roll in, stores in Cherry Creek — the neighborhood and the mall combined — are expected to contribute \$35 million in sales taxes to Denver's city coffers. That represents 4.6 percent of the city's retail sales tax collections, said Patty Silverstein, president and chief economist at Development Research Partners.

The numbers were revealed today at the annual State of Cherry Creek breakfast, hosted by the Cherry Creek Business Alliance at the JW Marriott Cherry Creek hotel.

All told, sales growth was slower in the posh shopping district in 2017 than in 2016. By the third quarter of 2016, sales tax collections in Cherry Creek were up by 3.5 percent compared to Q3 of 2017, when sales tax collections were up by 1.7 percent.

Some of the hit could be related to a pay-to-park system installed at Cherry Creek Shopping Center last year. A high-tech parking system was installed and went operation in January 2017 to outcry from the community.

From February to May, sales tax collections at the shopping center were down \$465,637 — a 7.5 percent drop from the same period last year, according to Denver's finance department.

Silverstein, who looks at five key indicators including sales tax collections, said she is waiting on the Q4 numbers.



DEBRA L. BUTLER, PROVIDED BY THE CHERRY CREEK ARTS FESTIVAL

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But, by the end of the third quarter in 2017, the whole Cherry Creek shopping district, which includes the shopping center and Cherry Creek North -- bounded by Sixth Avenue, Colorado Boulevard, Cherry Creek Drive and University Street — had contributed \$25 million to the city's tax base. That's a 1.2 percent increase over the year, but a softer performance than last year and the rest of the city. Across the entire city, sales taxes in that same time were up 6.6 percent.

"If we take out retail marijuana from the sales tax, it would be 5.4 percent increase throughout Denver," she said.

In Cherry Creek, about 42 percent of the retail sales taxes collected are from sales clothing and accessories, which were down 1.9 percent in the first two quarters of 2016 from the previous year.

"When I look at Cherry Creek compared with the city and county and Denver, clothing and department stores did have a little weaker performance," Silverstein said. "And as the largest categories, that gives us the softness in numbers."

During 2017, much of the 16-block shopping district was under construction. Parking spots were taken over by construction crews as eight major projects were underway.

Some of those projects are still under construction, but the good economic news, Silverstein said, is that some of them opened.

And that contributed to employment growth in Cherry Creek, which was up 1.5 percent in the second quarter of 2017 over the previous year. In all of Denver, employment growth was up 3 percent in the same period.

More 2017 highlights:

Restaurants and hotels in Cherry Creek represent 11.6 percent of sales tax collections in the shopping district.

Cherry Creek represented 4.8 percent of the taxable real property assessed valuation in the city of Denver at \$619.1 million in 2016. That was a 4.9 percent increase over 2015. Preliminary numbers show assessed valuation increased 17.5 percent in 2017 to \$727.4 million with the new development activities.

Business in Cherry Creek employ 16,060 with an average annual salary of \$61,980. Of those, 7,730 work in retail, hospitality and personal services with an average annual salary of \$32,930.

Monica Mendoza
Reporter
Denver Business Journal

