City of Bowie
Memorandum

Thursday, May 2, 2024
Alfred D. Lott, ICMA-CM, CPM,
City Manager

STATUS REPORT

1. Business Retention Survey #1

In April, the Economic Development Office mailed 900 postcards to Bowie businesses asking them to take a short survey about their business. To date, we have received 24 responses and 10 phone calls regarding the survey. Out of the responses, 20.83% of the respondents were in professional, scientific, and technical services; 12.50% were in retail; 4.17% were in finance and insurance, construction, manufacturing, health and wellness, entertainment arts, and personal services; and 16.67% were in food services and other services. The remaining 8.33% of businesses were in educational services.

Our goals were to use our internal mailing list to clean it of bad addresses and to connect with our businesses. Staff will build on this first survey with in-person calls to businesses to improve our business list data before sending future surveys.

2. Notice of Intent to Negotiate with a Community Development Corporation for Old Town Bowie Revitalization

In accordance with Section 61 of the City Charter, notice is hereby given of the intent of the City of Bowie to negotiate with Inncuvate Community Development Partners, Inc, a non-profit organization based in Maryland, for the implementation, management, and operation of the City's Old Town Bowie Revitalization effort. The contract will be for one year beginning in June 2024 and may provide for extensions for future years, subject to funding through the City's annual budget process. Questions regarding this process may be referred to John Henry King, Economic Development Director, at jhking@cityofbowie.org.

3. Pin Oak Pkwy Stakeholders Meeting

On Tuesday, the City held its first stakeholders meeting for the Pin Oak Pkwy Trail Extension Project. The proposed segment will utilize existing road surfaces via designated "painted" Shared Use Roads, Bike Lane and/or sharrows, as well as a 10-foot-wide bituminous trail constructed though a woodland environment from Pin Oak Parkway/Dahlia Drive to Mt. Oak Road/Nottinghill Drive. A total of 16 residents attended, and the majority of them had mixed feelings about the project. Some felt that the City was already taking measures to construct this trail extension without getting the input of the residents beforehand. Others felt that the trail would bring unwanted visitors/trespassers to their front door. Councilwoman Wanda Rodgers was present at the meeting and provided some insight to the residents as well, stating that we are only in the preliminary stages

of this project, and nothing has been finalized. Overall, the meeting accomplished its goal of providing some insight to the residents and stakeholders about the proposed trail extension and was a way for them to voice their concerns/issues.

4. 45,000 Retail Stores Could Shutter in the Next 5 Years
Roughly 45,000 retail stores could close their doors in the next few years, a new retail report by UBS estimates. The full story is attached.

45,000 Retail Stores Could Shutter In The Next 5 Years: UBS

May 1, 2024 | Kayla Carmicheal, Deputy Newsletter Editor (https://www.bisnow.com/author/kayla-carmicheal-646542) (mailto:Kayla.Carmicheal@bisnow.com)

Roughly 45,000 retail stores could close their doors in the next few years, a new retail report by UBS (https://www.bisnow.com/tags/ubs) estimates.

UBS modeled out the share of e-commerce (https://www.bisnow.com/tags/e-commerce) shoppers in the U.S. growing from 21% to 26% and retail growing overall by 4% and said that would lead to mass closures by 2028, Retail Dive reports (https://www.retaildive.com/news/over-45000-stores-may-close-five-years-ubs/714567/).

The growth of online shopping, capital constraints, cost of store operations and inflation will drive store count down from 958,000 to 913,000, UBS predicted.

About 1,300 store closures have been announced so far this year, Business Insider reported (https://www.businessinsider.com/stores-closing-in-2024-list).

Rents have risen an average of 10% per year for the last three years, well above the historical rate of 3%. If they continue to rise with inflation, physical retailers may not be able to keep up with the costs of operation.

Closures will vary by subsector, with clothing and clothing accessories leading the pack at 17,000, by UBS' count. The financial services firm also called out department stores, which are losing ground to discount retailers. Some department stores are closing locations already, like Macy's, which plans to slash 150 stores (https://www.bisnow.com/national/news/retail/macys-closures-mall-cmbs-troubles-123185) from its footprint this year after filing for Chapter 11 bankruptcy.

Luxury department store Nordstrom, which shut down 15 locations (https://abc7chicago.com/nordstrom-walmart-whole-foods-starbucks/13244855/#:~:text=Nordstrom%20will%20shut%20down%2015%20locat year, is exploring a take-private deal (https://www.bisnow.com/national/news/retail/nordstrom-explores-going-private-123403) to stay afloat. In the meantime, it relaunched its website (https://bisnow.com/national/news/retail/nordstrom-sets-new-growth-path-by-adding-22-discount-stores-doubling-down-on-e-commerce-123228) with an enhanced online marketplace in March to attract e-commerce shoppers. It hasn't discussed any intention of closing additional stores.

Due to operational costs and the bankruptcy of clothing brand Express (https://www.bisnow.com/national/news/retail/apparel-retailer-express-inc-to-close-100-stores-in-bankruptcy-123895), mall owner Macerich said it has begun executing a plan to sell some assets or hand them over to lenders (https://www.bisnow.com/national/news/retail/macerich-earnings-to-sell-hand-over-assets-lenders-after-127m-loss-124042). The REIT reported a net loss of $126.7M in the first quarter, more than double its $58.7M loss in Q1 2023.

There are about 8.6 malls per million households, as opposed to 10 in 2009 and around eight in 1980. UBS said this is too much space, as the popularity of online retail shopping is reducing the need for physical stores.

Contact Kayla Carmicheal at Kayla.Carmicheal@bisnow.com (mailto:Kayla.Carmicheal@bisnow.com)

See Also: Cannabis Reclassification Would Likely Boost Cash Flow, Opening Doors For CRE Moves (/national/news/cannabis/cannabis-reclassification-real-estate-effects-124076)

Related Topics: Macerich (https://www.bisnow.com/tags/macerich), retail (https://www.bisnow.com/tags/retail), Nordstrom Rack (https://www.bisnow.com/tags/nordstrom-rack), Nordstrom (https://www.bisnow.com/tags/nordstrom), Macy's (https://www.bisnow.com/tags/macys), UBS (https://www.bisnow.com/tags/ubs), retail closures (https://www.bisnow.com/tags/retail-closures)