



## *Agenda Commentary*

**Item Title/ Subject:** Consider Retail Strategies Proposal

**Staff Source:** City Manager, Steve Hewitt

**Date:** May 30, 2014

**Item/Subject Summary:**

Staff has spoken with and seen Retail Strategies success in recruiting growth to Cities across the region. Oklahoma Cities such as Edmond and Woodward utilize their services. Staff felt their services would be a major advantage in helping bring new sales tax dollars to Clinton.

We continue to see our local neighbors see new retail businesses develop and our situation and locations needs a Private-Public partner to assist us for growth. We see tax dollars daily from our own citizens leave Clinton due to lack of some retail options. We also worry that national trends can place this community in a difficult position if the business climate changes.

**Price/Cost:** \$50,000 year one, \$25,000 year two/three. (Economic Development Fund has available reserves)

**Recommendation:**

Staff would suggest a serious consideration of their services. To have a top firm representing you at the table for growth is important. This type of service is much better than hiring any employee to make cold calls and hope for something to happen. Progressive communities across Oklahoma see the need for a Retail recruiting partner. These sales tax dollars are what fund our community services.



**PROPOSAL TO THE CITY OF CLINTON (OK)  
MARKET ANALYSIS, STRATEGIC PLANNING AND RETAIL RECRUITMENT**

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**INTRODUCTION:**

Birmingham based Retail Strategies, LLC is a retail consulting firm offering unparalleled market analysis, strategic planning, and retail recruitment services to municipalities and economic development authorities. We currently have employed 14 research, marketing and real estate professionals plus we have established numerous relationships with commercial real estate firms and developers across the U.S. to assist our public sector consulting engagements. We have offices in Birmingham (AL), New Orleans (LA) and Dallas (TX).

The current economic environment has taken its toll on cities throughout the country, many of whom rely on volatile retail sales taxes as a primary source of revenue. Basic community services and quality of life depend heavily on a city's ability to broaden the sources of public revenue. This often requires the city to recruit additional retailers, identify local entrepreneurial opportunities or assist existing businesses in better understanding their potential through detailed market analysis.

To accomplish this, cities today need a plan to address their retail recruitment initiatives. In many instances, city economic development efforts turn to retail consultants to address these issues, only to be left with research reports, a list of retailers, and limited guidance on the actual process of recruiting prospects to their community.

Retail Strategies, LLC partners with the appropriate city departments, staff, elected officials and other stakeholders to identify, through in-depth research and analysis, opportunities to recruit retail concepts that expand and improve the retail tenant mix and retail tax base throughout the client's community. Our unique research solutions help you better understand the strengths, weaknesses, and opportunities in your retail trade areas through demographic and business analysis, retail gap analysis, and peer analysis.

Once we have completed the research assessment we then focus on the primary benefit of our services – the retail recruitment strategic plan and recruitment of retailers. The conclusions of retail research reports are meaningless without effectively executing a Strategic Retail Recruitment Plan.

## Our Process

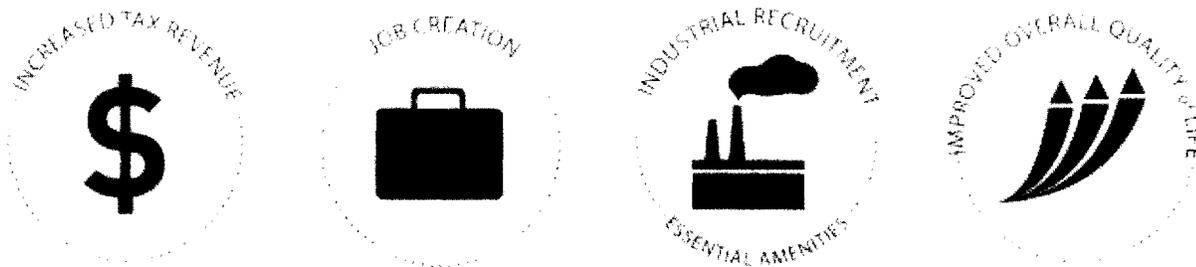


- Market Analysis
- Retail GAP Analysis
- Retail Peer Identification & Analysis

- Catalog Available Properties
- Identify Retail Prospects
- Develop Recruitment Plan

- Develop Marketing Materials
- Proactive Recruitment of Retail Prospects
- Monthly Reporting to City
- Representation at National & Regional Conferences

## Your Results



### TEAM:

**Matt Petro (Lead)** is a Business Developer for the Retail Strategies team assisting in the research and retail recruitment efforts for multiple municipal clients. Matthew specializes in the execution of the strategic retail recruitment plan, focusing on the identification of companies to fill the product and service gaps within each city's trade area. Matthew graduated from the University of Alabama with a bachelor's degree in Marketing and a specialization in Sales.

**Joseph Fackel** is Senior Vice President of Business Development for the Retail Strategies team assisting in the research and retail recruitment efforts for municipal clients. Prior to joining Retail Strategies, Joe spent 11 years with Buxton, providing market research to clients throughout the U.S. Joe is a licensed Texas real estate salesperson and a member of the International Council of Shopping Centers (ICSC).

**Chuck Branch** is CEO of Decision Data Resources and co-founded Retail Strategies in 2011. Chuck has spent much of his career managing the development and implementation of large database and GIS projects and solutions for municipalities and workforce development related agencies and organizations across the United States.

**Robert Jolly** is the President of Birmingham based Retail Specialists, Inc. and co-founded Retail Strategies in 2011. During his time at Retail Specialists, Inc., he has overseen the leasing and management of more than 5,000,000 sf of retail space and has assisted some of the most well-known tenants in the United States with their expansion into new markets in the Southeast.

**Mead Silsbee** is the Vice-President and Chief Operating Officer of Retail Specialists, Inc., and co-founded Retail Strategies in 2011. In his role at Retail Specialists, Inc, he manages and coordinates

all day to day operations, as well as oversees the operations of numerous investment and development projects.

**Laura Marinis** is the Research Coordinator at Retail Strategies and will be responsible for all research and market analysis. Laura's primary responsibilities are creating marketing materials, maps, aerials, and demographics reports. Laura also assist in data base management, client communication, advanced research and the organization of all digital media.

**Amanda Beshears** is the Director of Marketing for Retail Strategies. She specializes in GIS mapping, market research, market development plans, project coordination, and team operations. She is also responsible for the creation of site submittal packages including aerials, maps, flyers, and demographic reports.

**Lacy Beasley** serves as Vice President of Business Development. She has been involved in Retail Consulting across the Southeast for the past five years as the Municipality Consultant Director at The Shopping Center Group. Prior to her work with TSCG, Lacy was with the Dickson County Chamber of Commerce. Lacy's work includes identifying and working with Retail Strategies commercial real estate and development partners.

**Bill Hankins** serves as Vice President of Business Development for Retail Strategies focusing on Corporate Development activities. His experience in real estate spans work in private equity, law and development. Prior to that, he served in an appointed position as a Special Assistant United States Attorney for the Department of Justice. Bill's work includes identifying and working with Retail Strategies commercial real estate and development partners.

**Brooks Corr** represents clients in the leasing and brokerage of retail properties around the Southeast. He has worked on all facets of transactions for various retail clients ranging from small entrepreneurs to multinational corporations to local and federal governments. Brooks has worked with city municipalities as a representative or consultant in their real estate matters such as land sales, attracting new retail development, and providing guidance to daily real estate decisions. Brooks has earned the coveted Certified Commercial Investment Member (CCIM) designation from the CCIM Institute. Additionally, he has been awarded the "Power Broker" honor for the last three consecutive years by the nation's leading commercial real estate information service, Costar.

**Bill Clements** represents clients in the leasing and brokerage of retail properties. Additionally, he negotiates leases and purchase contracts, assesses property and handles market and trade area analysis. Bill is a member of the International Council of Shopping Centers, Birmingham Association of Realtors and in 2008 earned the Certified Commercial Investment Member (CCIM) designation.

**Hamilton Huber** joined Retail Strategies in 2013, coming from The Shopping Center Group where he served as a broker in leasing and selling retail space, gas stations, and convenient stores as well as working in the landlord service division concentrating on property management.

**Todd Becker** serves as Restaurant Specialist, providing restaurant research, strategic planning, and recruitment services for municipalities throughout the Southeast. Todd brings over 20 years of experience to the company with focus on restaurant site selection and franchise growth. His experience includes positions as a multi-unit controller, entrepreneur, franchisee, and working with and for franchisors. Since 2007, Todd has owned Restaurant Solutions, LLC, where he continues to provide financial and operational management to restaurants across the Southeast.

**Brad Siegal** serves as General Counsel and Project Manager for Retail Strategies. Brad provides legal assistance and oversight as the firm provides research, strategic planning, and retail recruitment services to municipal clients. Through his work with developers and municipalities, Brad has assisted and been involved with many city-assisted developments including public infrastructure assistance, municipal lease financing, and development agreement revenue sharing arrangements.

## **METHODOLOGY AND APPROACH:**

### **SUMMARY OF RETAIL ANALYSIS AND SERVICES:**

- Custom Demographic Research – Historical, Current, and Projected Demographics – to include market trade areas by radius/drive-time, and custom trade areas associated with Clinton (OK)
- Tapestry Lifestyles – Psychographic Profile of Trade Area / Market Segmentation Analysis
- Retail GAP Analysis
- Retail Peer Analysis
- Thematic Mapping and Aerial Imagery by trade area
- Retail Competitor Mapping/Analysis
- Consumer Attitudes and Behaviors
- Market Maximization Summary and Strategic Leasing Plan
- Identification of Priority Business Categories for Recruitment and/or Local Expansion
- Analysis of future retail space requirements in relation to the retail market analysis, the market's growth potential and trends in the retail industry
- Identification of Retail Prospects to be targeted for recruitment
- Retailer Recruitment and Execution of the Retail Strategic Plan
- Updates on Retail Industry Trends
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### **Additional Information and Sources for our Research:**

- Census data from 1980 through 2010 (Census years).
- Most of our data providers use similar methodologies for creating estimates and projections – which is then impacted by methodologies for aggregating that data across block groups up to trade area boundaries.
- AGS demographics for current year and 5 year projections.
- ESRI demographics for current year and 5 year projections.
- PopStats demographics for current year and 5 year projections.
- Claritas demographics for current year and 5 year projections.
- We use the following additional datasets for segmentation analysis:
  - MOSAIC
  - Tapestry
  - Prizm
- MRI's Consumer Behavior and Attitude data.
- Other data from the Bureau of Economic Analysis, Census of Retail/Consumer Spending, and the Department of Labor.
- Multiple sources for our GAP Analysis supplemented by business databases and our boots on the ground market research.
- We have access to EMSI for employment, occupation and wage information if needed.
- Crime stats directly from the FBI.
- IPEDS for analysis of 2 year and 4 year education institutions when needed to better understand the demographics of college students in a given market/trade area.
- Create geographies and maps down to areas as small as .5 mile radius or 1 minute travel times.
- Create custom retail trade areas by aggregating geography boundaries or hand drawing polygons.
- Our software allows us to filter a retailer's locations to match with targeted sites.
- Regus will create aerials by city, retail trade area or development/redevelopment zones including locations of all existing retail.

## **RETAIL STRATEGIES RESEARCH:**

Our research solutions are not a “one size fits all” or pre-formatted by an industry standard radius or drive-time area. Each city, community, or retail trade area requires unique analysis based on numerous factors including natural boundary areas, current retail tenant mix, travel times, radius areas and existing sites/buildings. Our research focuses on identifying the data points that are most likely to influence the site location decisions of retailers. Once these data points are determined – we provide thematic maps, aerial photos, asset maps, and customized research reports by retail concept.

Retail Strategies primary data resources include:

### **CENSUS, AGS AND ESRI DEMOGRAPHICS**

By incorporating demographic data from multiple sources, DDR is able to better understand the population, income and retail spending shifts taking place in the current economic environment.

### **BUSINESS LOCATION DATA**

This location data is ideal for competitive analysis, understanding market opportunities and evaluating market dynamics.

Sourced to D&B®, the world's most trusted source of sales and marketing solutions, all D&B information is powered by DUNSRight™, D&B's Quality Process which gives you the insight you need to identify and target prospects.

### **CONSUMER EXPENDITURES**

This data includes 18 reports and close to 1,000 variables that collectively cover almost 95% of household spending. Based on extensive modeling of the BLS Consumer Expenditure Survey, CEX provides reliable estimates of market demand and average household expenditures.

### **RETAIL POTENTIAL**

This new tabulation utilizes the Census of Retail Trade tables which cross-tabulates store type by merchandise line. The Consumer Expenditure data was aggregated to the merchandise line classification and then distributed to each of the major store types.

### **TAPESTRY**

Tapestry classifies US neighborhoods into 65 market segments based on socioeconomic and demographic factors, then consolidates them into LifeMode and Urbanization Groups.

## **FINAL DELIVERABLE AND STRATEGIC RETAIL RECRUITMENT PLAN:**

Upon completion of the research component of our engagement, the Retail Strategies team will create an online account through our BASECAMP platform available to the appropriate contacts in Clinton (OK) to access all research, analysis and the strategic plan.

1. Retailer Overview and Recruitment Plan- Summary of the primary retail gaps inclusive of the key retailers to be pursued with a prototypical overview of each retailer relative to size, economics, etc.
2. Local Property Catalog- Retail Strategies, LLC and its partners will work with the city to catalog all local commercial properties that may be suitable sites to present to prospective new retailers. This will include maps, marked aeriels and all pertinent contact and site specific information relative to each site.

3. Call List and Recruitment Update- an ongoing tracking form to keep the identified city contacts updated relative to recruitment efforts and specific interaction with prospective retailers.

**PROPOSED CONSULTING ENGAGEMENT COST (VALID FOR 60 DAYS)**

**INITIAL ENGAGEMENT: THREE (3) YEARS**

**PRICING – YEAR 1**

**\$50,000**

Deliverable will focus on all retail trade areas for Clinton (OK) and include:

- Initial Market/Trade Area Research and Analysis
- Creation of Strategic Retail Recruitment Plan
- Development and continued updating of Retail Prospect List
- Representation at national and regional retail real estate conferences

**PRICING – YEARS 2 AND 3**

**\$25,000 per year**

Retail Strategies, for year two and three of the engagement, will provide updated research and on-demand research reports/analysis.

- Updated research and on-demand research reports/analysis
- Updating of Strategic Retail Recruitment Plan
- Continued updating of Retail Prospect List
- Representation at national and regional retail real estate conferences

**PRICING – YEAR 4 AND BEYOND**

Our clients have the option, beginning in year four, to renew Retail Strategies services on an annual basis at the same cost as year three of the consulting engagement.

## **ABOUT RETAIL STRATEGIES:**

**Retail Strategies** is a unique consulting platform that offers unparalleled market research and analysis, strategic planning and retail recruitment services to municipalities and economic development authorities.

**Retail Strategies'** founding principals (Chuck Branch and Robert Jolly) joined forces in 2011 combining a unique mix of research and analysis skills and technological capabilities with vast national retailer relationships and retail recruitment expertise.

**Retail Strategies'** team is unparalleled in the industry. The team is comprised of 14 experienced retail real estate professionals.

[www.retailstrategies.com](http://www.retailstrategies.com)

### **Project Primary Contacts Information**

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