

downtown strategies

Redefining Retail: Re-Opening Downtown for Business

PRESIDENT

Jenn Gregory

Jenn comes to Retail Strategies with a 13-year career in community development and downtown revitalization. She was the Founding Principal of a consulting firm specializing in downtown rejuvenation with clients throughout the Southeast and served as CEO of a community development agency in Mississippi where she strategically transformed their Downtown. Jenn also brings extensive governmental affairs expertise from her tenure as Assistant Director of a Federal legislativebranch agency on Capitol Hill.

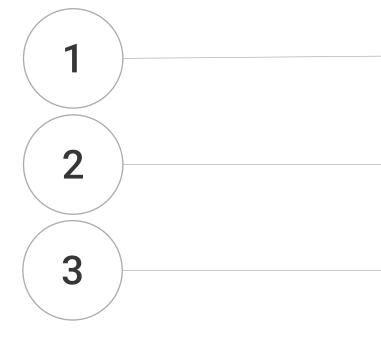
Jenn was named a "Top 50 under 40" professional by Mississippi Business Journal in 2016. She serves as President of Parents for Public Schools Starkville and is the Executive Director/Vice President of Operations for Bully Bloc, a non-partisan political action committee supporting Mississippi State University alumni in political positions within Mississippi. She is a board member of the non-profit group Mississippi 30 Day Fund, an organization focusing on the private sector supporting small businesses the state.

WE'RE

downtown strategies

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Our Path



About Us

Retail Strategies is the national expert in recruiting businesses and strategically developing communities

Retail Trends

With hundreds of stores closing nation wide, what is the future of retail?

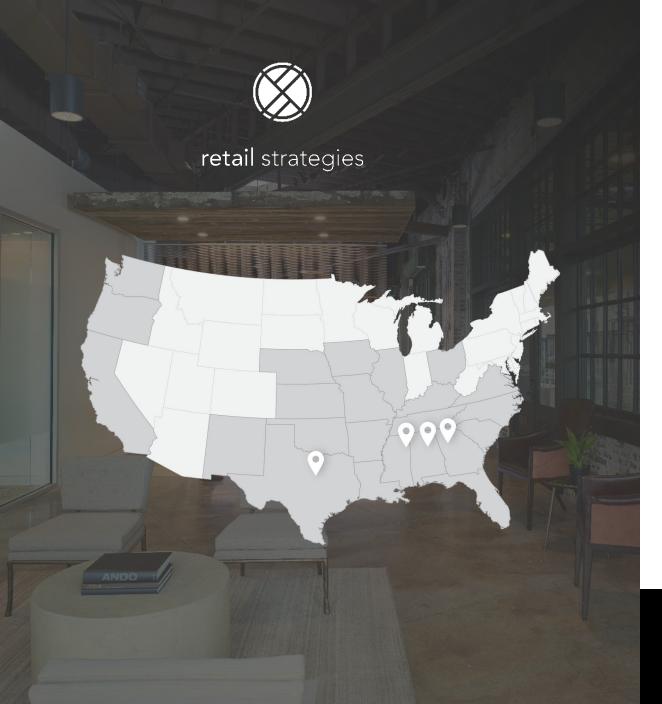
8 Steps to Recruiting Retail & Restaurants to your Downtown

Let's outline exactly how your Main Street program can fill vacancies and recruit retailers to your Downtown.



1

About Us



ONE COMPANY, SEVERAL PLATFORMS

Retail Strategies is the national expert in recruiting businesses and strategically developing communities. Our team of 60 utilizes experience to make public-private partnerships thrive.



Retail Trends

Is business recruitment currently a focus of your organization?

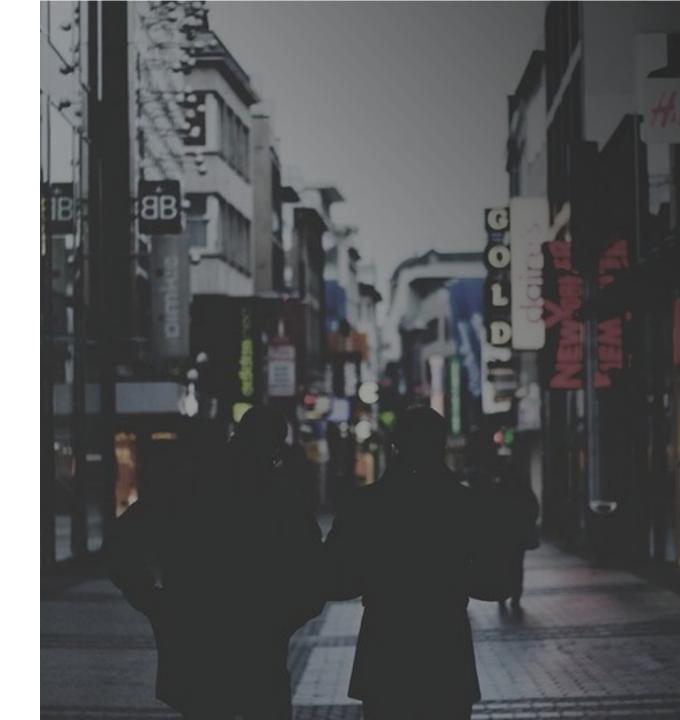
Quiz

1. What percentage of jobs in America are retail?

A. 25%

B. 40%

C. 50%



Quiz

1. What percentage of jobs in America are retail?

B. 10%

A.

25%

C. 40%



United States

3,793,621 Retail Establishments 42 Million Jobs Supported \$2.6 Trillion in Total GDP Impact

Quiz

2. What percentage of retail is categorized as Small Business?

A. 50%

B. 75%

C. 98%



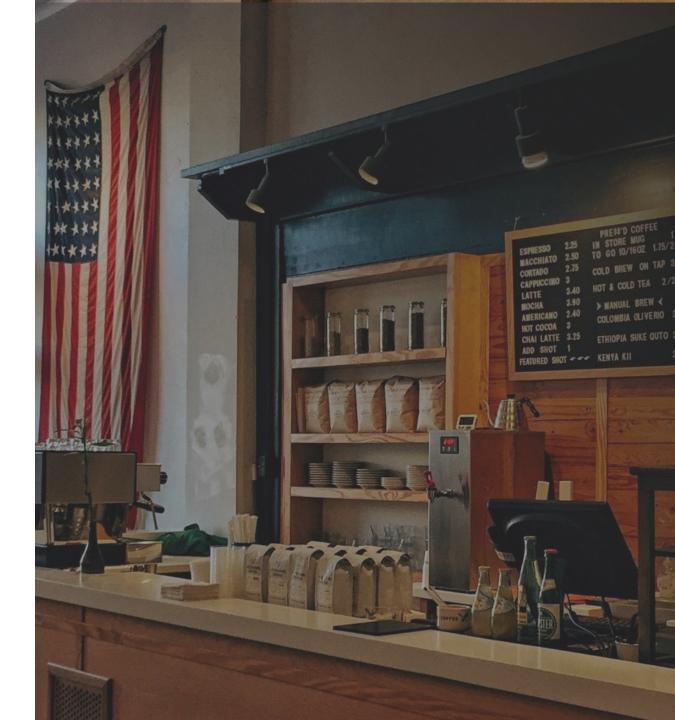
Quiz

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A. 50%

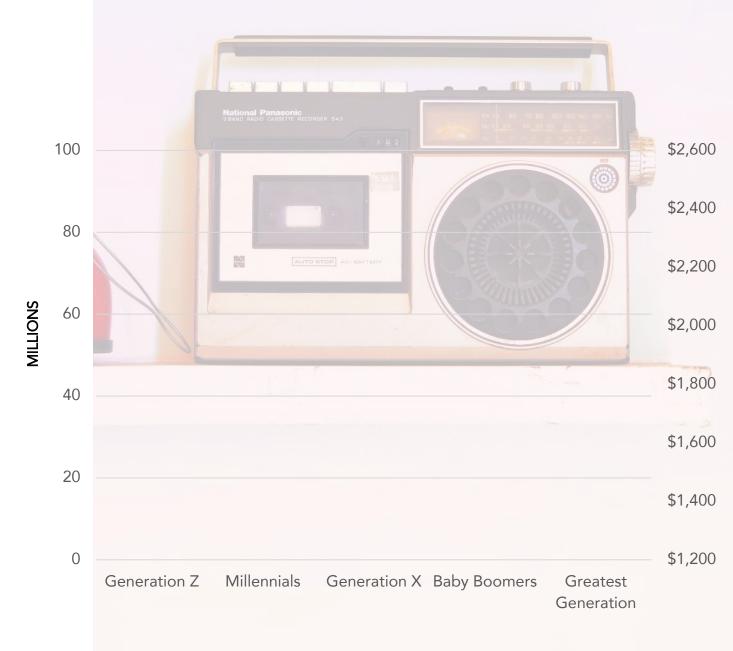
B. 75%





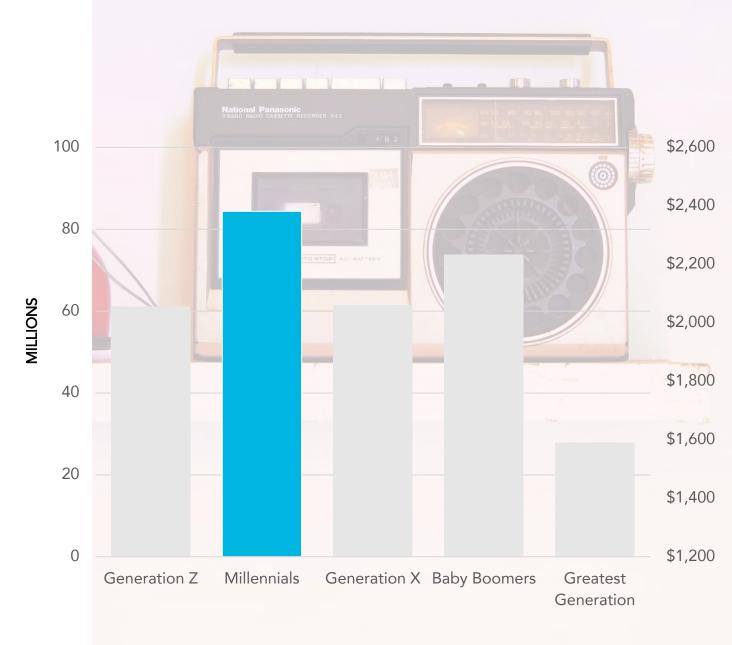
Quiz

3. What is the largest consumer demographic group?



Quiz

3. What is the largest consumer demographic group?



Quiz

4. What percentage of retail sales are online?

A. 15%

B. 53%

C. 78%



Quiz

4. What percentage of retail sales are online?

А.	15%	
		-
В.	53%	
2.		
C.	78%	



Quiz

5. What percentage of consumers prefer to shop in-store?

A. 44%

B. 59%

C. 78%

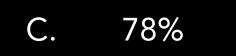


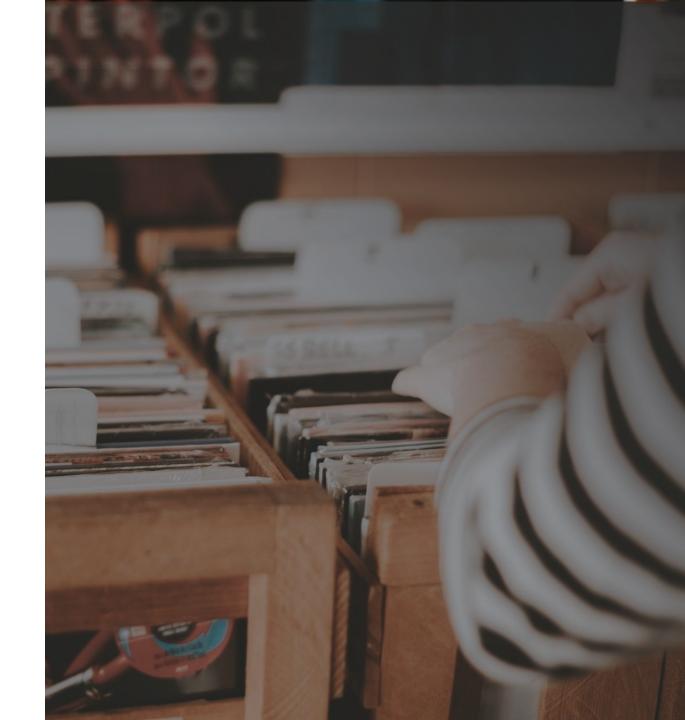
Quiz

5. What percentage of consumers prefer to shop in-store?

A. 44%

B. 59%





Retail Apocalypse?

WIKIPEDIA The free flocyclopeda

Retail apocalypse

From Wikipedia, the free encyclopedia

The retail apocatypes refers to the closing of a targe number of American retail stores beginning in 2016.^[5] Over 4,000 physical stores are affected as American consumers shifl their purchasing habits due to various factors, including the rise of e-commerce.^[5] Major department stores such as J.C. Pennoy and Macy's have announced hundrods of store closures, and welf-knoon appared brands such as J. Crew and Ralph Lauren are unprofitable.^[7] Of the 1,200 shopping malls across the US, 50% are expected to close by 2023.^[6] The retail apocatypes phenomenon is related to the middle-class squeeze, in which consumers experience a decrease in income while costs increase for education, healthcare, and housing. Bloomberg stated that the cause of the retail apocalypes limit as simple as Amazon.com Inc. taking market share or twenty-somethings spending more on experiences than things. The root cause is that many of these long-standing chains are overloaded with debt—often from leveraged buyouts led by private equity firms.^[10] Forbes has said the media coverage is exaggerated, and the sector is simply evolving ^[10] The most productive retailers in the US during the retail apocalypes are the low-cost. **1**^[10] Test for (e.g., Zara and H&M) and collar stores (e.g., Dollar General and Family Dollar).^[11]

BUSINESS

Main page

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Current events

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Why the retail apocalypse isn't being taken seriously

By David Brancaccio January 02, 2018 | 10:50 AM

Who will the 'retail apocalypse' claim in 2018?

By Robin Levinson-King BBC News, Toronto

DISCOUNT TAKEN AT TILL. T&C'S APPLY

ed Edit View histor

Bloomberg

America's 'Retail Apocalypse' Is Really Just Beginning

By Matt Townsend, Jenny Surane, Emma Orr and Christopher Cannon November 8, 2017

Retail Apocalypse?





amazon

Catalyst Apocalypse

Technology

and the

ALL REPLACED BY YOUR PHONE

Consolidation

- GPS Navigation
- Books
- Landline
- Address Book
- Payphone
- Scanner
- Digital Camera
- Photo Album
- Camcorder
- Voice Recorder
- Alarm Clock
- Flashlight
- Digital Music Player
- Calculator
- Calendar/Planner
- Notepad

- Newspaper
- Portable Video Player
- Dial-up Internet
- ATM/Debit & Credit Card
- Leveler
- Webcam
- Light Meter
- Thermostat
- Barcode Scanner
- Measuring Tape
- Credit Card Scanner
- USB/Thumb Drive
- Remote Control
- Compass



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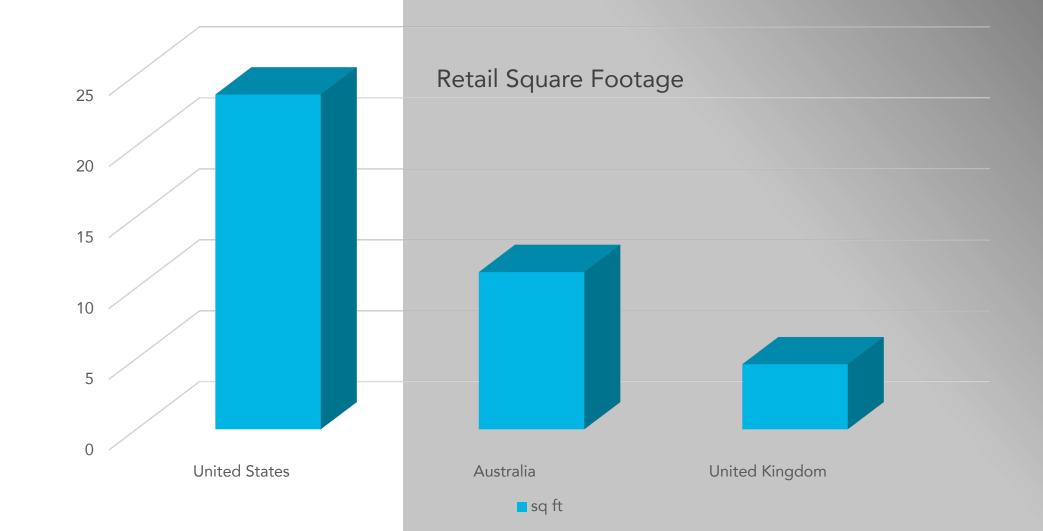


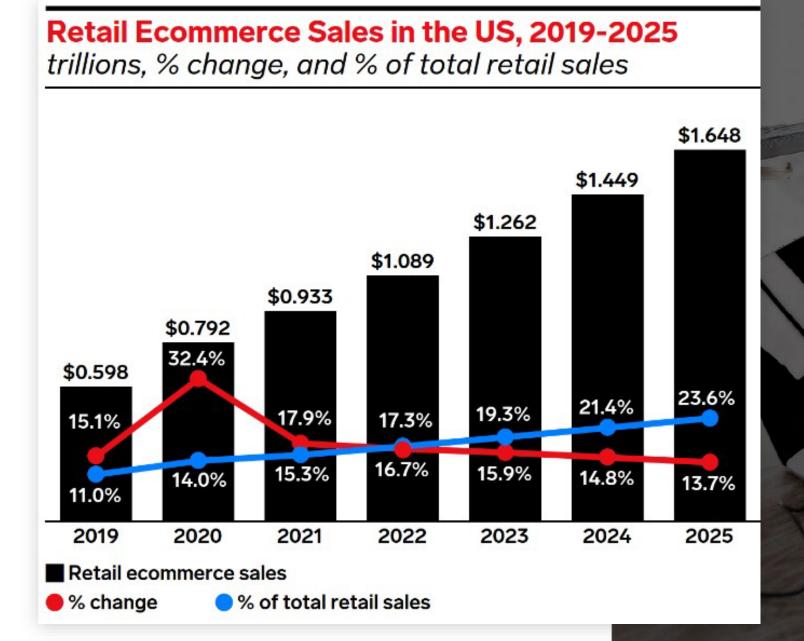
Innovation

- Omnichannel
- Drive-thrus, Curbside, Delivery
- Healthy



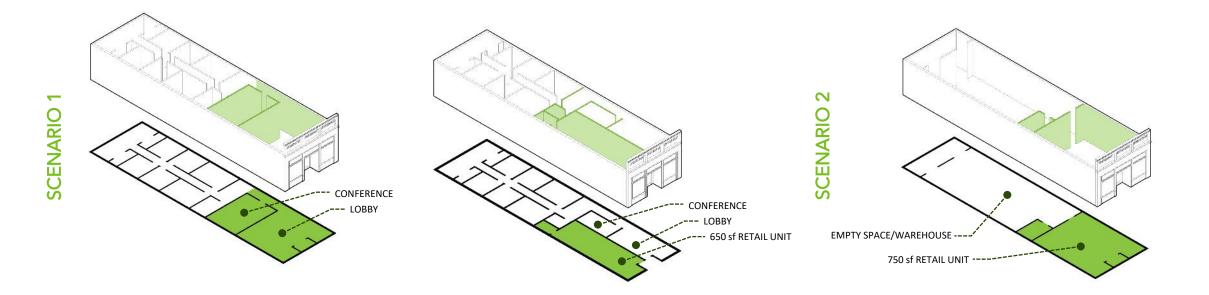
Over Retailed





SOURCE: eMarketer | InsiderIntelligence.com

Changing Retail for Main Streets



Original Layout: A typical downtown office space with an underutilized lobby area and conference room provides an opportunity to add additional retail space. **Modified Layout**: Adding a demising wall to reduce the size of the lobby and conference room adds an additional retail space to the downtown and provides additional income for the property owner. **Oversized Building**: An oversized (2,500+ sf) "shell" of a building which is too large for a start-up retail business. A smaller (<1,000 sf) retail space can be added along the storefront.

Retail Update Takeaways

- Retail is CHANGING
- Omni-channelling is KEY
- Retailers need smaller storefronts + distribution space
- Consumers expect more and are growing impatient
- Experience is everything
- Main Street Directors should be liaisons to property owners to help them imagine creative solutions for their properties



8 STEPS

Recruiting Retail & Restaurants to your Downtown

8 Steps to Recruiting Retail & Restaurants Downtown

5

6

8

Form your team

- Create a Business-Friendly Environment
- Understand your Market

4

2

3

Inventory your Real Estate

Assemble Recruitment & Marketing Materials

Identify Prospects

Make Outreach to Prospects

Close Deals & Share your Success

Step 1: Form Your Team

- The founding members of this team are extremely important for establishing the enthusiasm, momentum, professionalism and organization that will be needed.
- They need to be problem solvers, and action oriented.
- This team and the recruitment process need effective and enthusiastic leadership to stay on track and be organized.
- Funding and in-kind services will be important to this committee.

Next Steps

- 1.) Select the team
- 2.) Develop a common purpose
- 3.) Draft a work plan

Step 2: Create a Business-Friendly Environment

- Before actual recruitment can begin, the team must make sure that the district presents itself as an inviting place to do business.
- The commercial center must present a quality business environment in order to attract viable businesses and ensure the successful operation of businesses within the commercial center. It must appeal to the rational investor who is seeking to minimize risk and maximize financial return.
- Often, this supportive business environment will include incentives to help "level the playing field" with other commercial centers including those developed on the edge of town.

Next Steps

- 1.) Make the environment appealing
- 2.) Overcome barriers to investment in the District
- 3.) Offer incentives

Consider American Rescue Plan funds to capitalize incentive funds

Step 3: Understand Your Market

Recruiting retail begins with understanding your market:

- Who are you existing customers?
- What are their patterns in terms of categorical expenses?
- What categories of businesses are you missing that could realistically be supported in your Downtown?

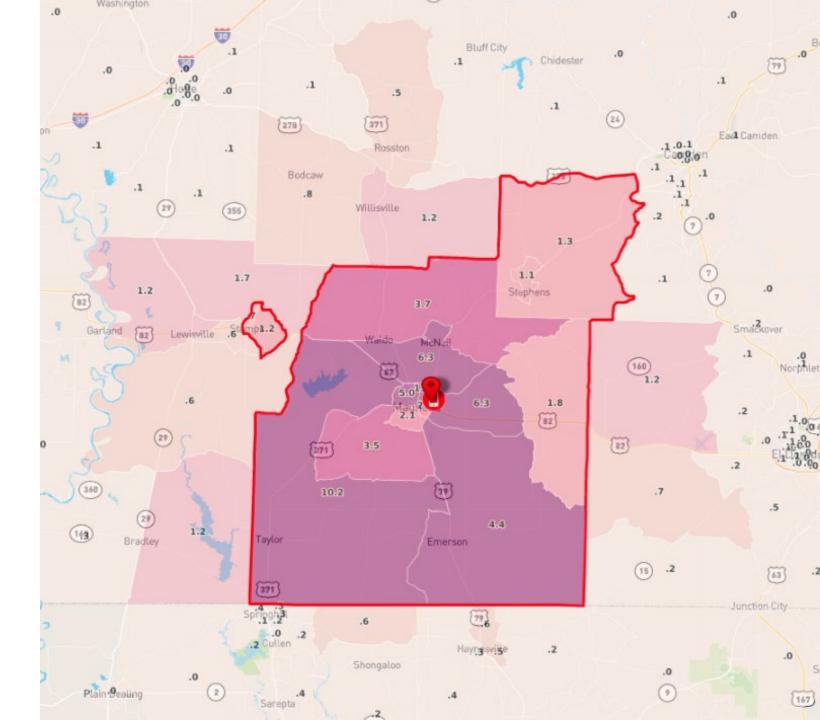
Next Steps

- 1.) Identify the Trade Area
- 2.) Compare Supply vs. Demand to Develop Focus Categories
- 3.) Understand Walkability & Adjacent Assets

STEP 3: REDEFINING RETAIL

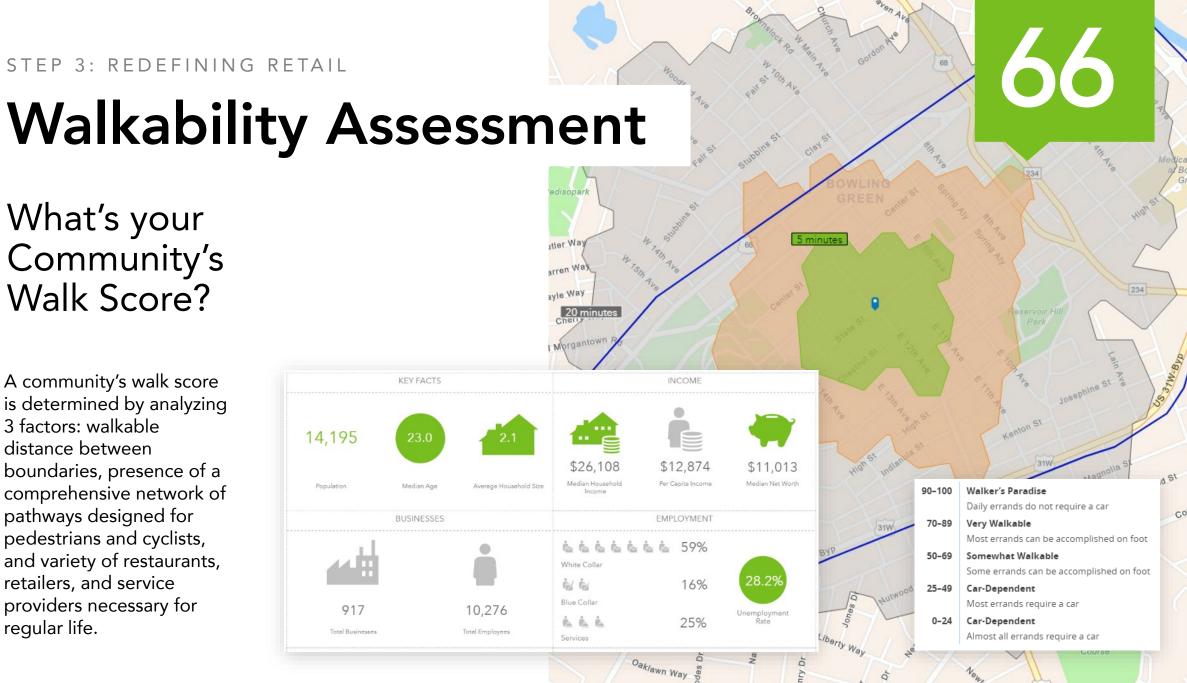
Custom Trade Areas

The CTA (Customized Trade Area) reports are created based on a geographic "reach" we believe could be consistently pulled to your Downtown with the right retail and business make-up in a future development, as well as studying the mobile data reports pulled from businesses already located in the Downtown.





What's your



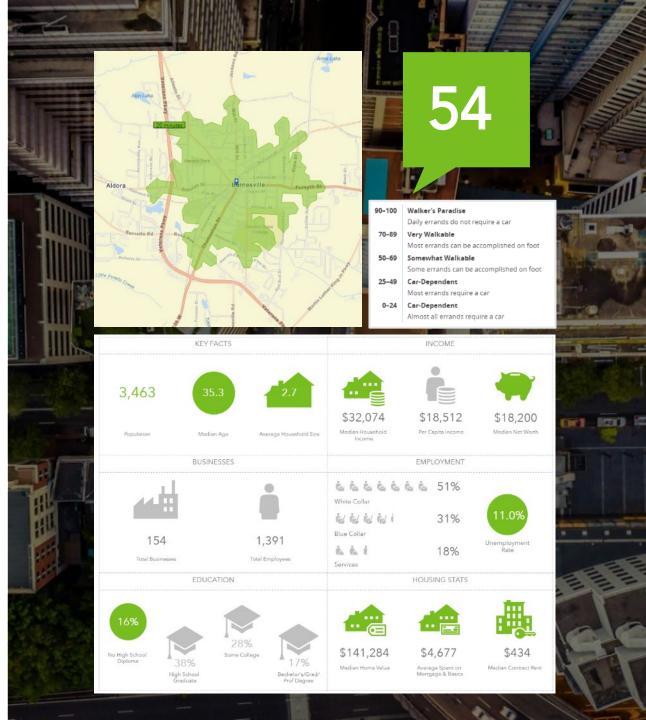
THE CITY'S PART

Walkability Assessment





Scan to request a complimentary Walkability Assessment

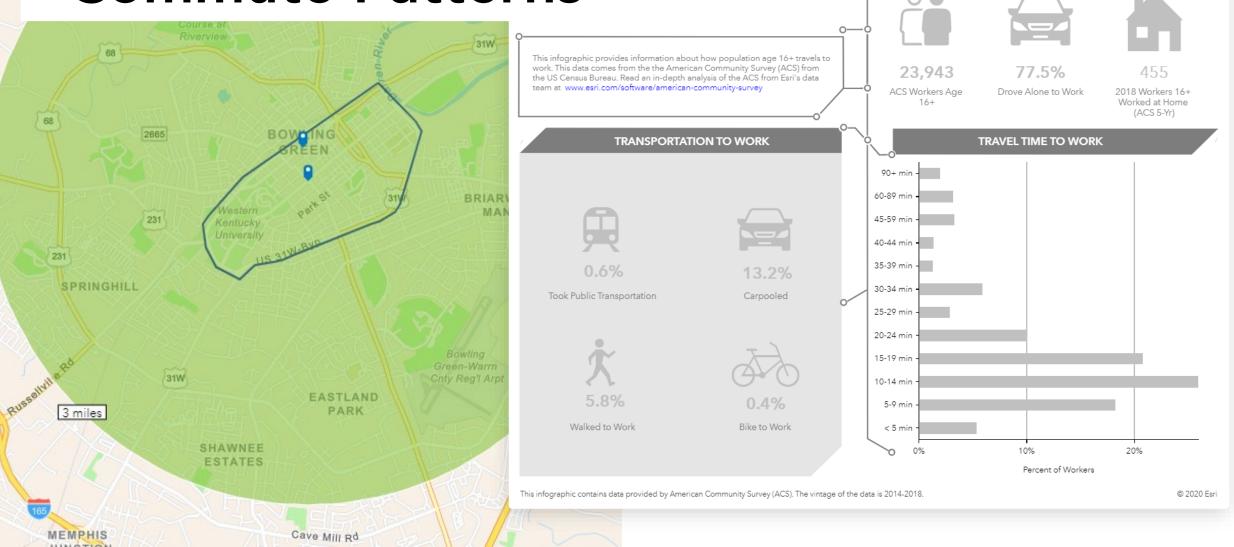


STEP 3: REDEFINING RETAIL

60

Commute Patterns

Serren-River



95

WORKERS

Step 4: Inventory your Real Estate

- Once you understand your market, trade area, and consumer behavior, you can then match up the gaps with available real estate.
- Inventorying your real estate will allow you to present an actual site to a qualified prospect, enhancing your ability to succeed.

Next Steps

Inventory buildings in your District
Understand what's available
Be a matchmaker

Building Inventory

APN A	ssessed Valuation	Apartment	Improved Assessed Valuation	Land Assessed Valuation	Land Acreage	Land Square Footage	Market Valuation	Number of Buildings	Building Square Footage Opportunity Zone
0016-0001-	\$36,860.00			\$36,860.00	0.28	12288	\$36,860.00		Ν
0016-0001-	\$169,320.00		\$145,010.00	\$24,310.00	0.19	8102	\$169,320.00		2508 N
0016-0005-	\$1,874,430.00		\$1,763,030.00	\$111,400.00	6.12	266437	\$1,874,430.00		67270 N
0016-0005-	\$24,740.00		\$7,850.00	\$16,890.00	2.72	118483	\$24,740.00		N
0016-0015-	\$21,130.00			\$21,130.00	1.48	64469	\$21,130.00		N
0028-0007-	\$82,490.00			\$82,490.00	0.84	36660	\$82,490.00		N
0028-0007-	\$220,000.00		\$167,420.00	\$52,580.00	0.54	23370	\$220,000.00	2	6400 N
0028-0010-	\$3,039,140.00		\$2,752,500.00	\$286,640.00	13.8	601128	\$3,039,140.00		N
0028-0012-	\$76,240.00		\$76,240.00				\$76,240.00		2250 N
0028-0020-	\$385,310.00		\$164,130.00	\$221,180.00	4.37	190183	\$385,310.00	2	1344 N
0031-0003-	\$144,820.00			\$144,820.00	1.85	80455	\$144,820.00		Y
0031-0004-	\$90,430.00		\$44,370.00	\$46,060.00	0.47	20473	\$90,430.00		Y
0031-0005-	\$141,130.00			\$141,130.00	1.44	62726	\$141,130.00		3207 Y
0032-0001-	\$33,820.00			\$33,820.00	0.46	20038	\$33,820.00		Y
0032-0002-	\$63,870.00		\$21,720.00	\$42,150.00	0.43	18731	\$63,870.00		Y
0032-0003-	\$47,240.00		\$36,860.00	\$10,380.00	0.11	4613	\$47,240.00		Y
0032-0003-	\$7,940.00			\$7,940.00	0.18	8019	\$7,940.00		Y
0087-0002-	\$43,120.00			\$43,120.00	0.44	19166	\$43,120.00		Y
0087-0004-	\$46,060.00			\$46,060.00	0.47	20473	\$46,060.00		N
0087-0009-	\$113,690.00			\$113,690.00	1.16	50530	\$113,690.00		N
0087-0011-	\$139,490.00		\$90,480.00	\$49,010.00	0.5	21780	\$139,490.00		8394 Y
0087-0012-	\$142,790.00		\$42,820.00	\$99,970.00	1.02	44431	\$142,790.00		Y
0087-0012-	\$19,600.00			\$19,600.00	0.2	8712	\$19,600.00		Y
0087-0013-	\$126,130.00		\$94,570.00	\$31,560.00	0.69	30056	\$126,130.00	2	3250 N
0087-0018-	\$39,645,510.00		\$39,395,510.00	\$250,000.00	50	2178000	\$39,645,510.00		N
0087-0020-	\$51,160.00			\$51,160.00	0.58	25264	\$51,160.00		N
0099-0005-	\$17,030.00			\$17,030.00	0.46	20181	\$17,030.00		Y
0099-0010-	\$3,920.00			\$3,920.00	0.12	5227	\$3,920.00		1782 Y
0099-0011-	\$15,880.00			\$15,880.00	0.81	35284	\$15,880.00		Y
0099-0013-	\$168,250.00		\$61,950.00	\$106,300.00	1.59	69130	\$168,250.00		600 Y
0099-0015-	\$120,000.00		\$59,230.00	\$60,770.00	1.24	54014	\$120,000.00		3944 Y



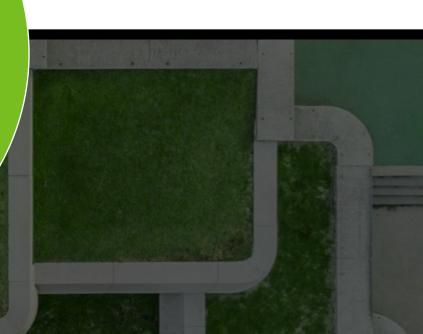


Types of Retail Real Estate

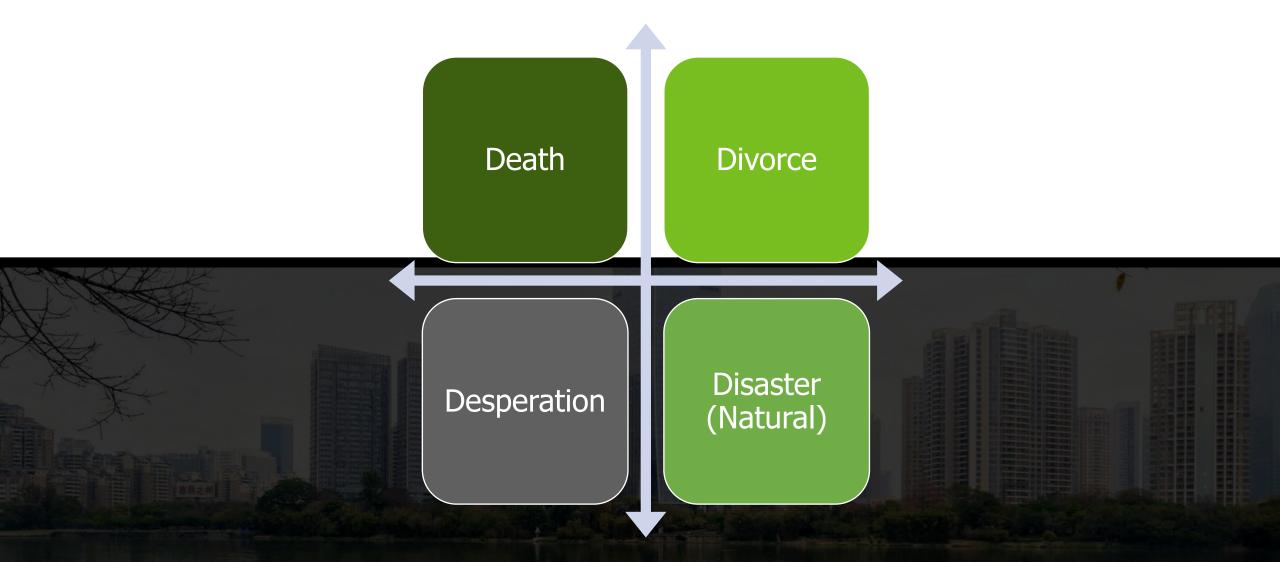
Redevelopment or Adaptive Reuse

Land for New Development

Existing Vacant Space



The 4 D's of Real Estate



Step 5: Assemble Recruitment & Marketing Materials





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Marketing materials should include:

- Maps
- Demographics
- Focus Categories
- Focus Properties
- Property Specific Information
- Contact Information

Step 6: Identify Prospects

The team's next responsibility is to build a prospect list by finding appropriate businesses that might be interested in a site in your market area or need new space to expand.

Things to Consider

- Retail Focus Categories
- Sources of Leads
- Designing an Ideal Tenant Mix

Retail Focus Categories



Downtown Retail Leads

Retail leads can be broken down into four general categories:

Existing Businesses within or near the business district

Often the best leads are found near home. Leads might include existing businesses seeking more space or a better location in the business district. The district's business owner survey as well as ongoing conversations and personal contacts of the recruitment team, chamber of commerce and other economic development professionals can help identify these leads.

Existing Local or Regional Businesses

Local or regional businesses, particularly those that have branch stores and are ready to expand, are often excellent prospects. These business operators typically have a good knowledge of the market area, and may already have multiple stores. They are often interested in expansion as a way to improve their penetration of the market. These leads can be identified through your team's knowledge of the business mix in other communities in the region and information collected from your local consumer research. In addition, realtors, commercial brokers, sales representatives and supplies that work within the region can be helpful. Sometimes ads in regional business, real estate and regional lifestyle periodicals can generate leads.

Emerging Entrepreneurs

Downtowns and business districts are often attractive to independent businesses. Accordingly, leads might include home-based or garage-based businesses seeking more fitting space and a convenient location for their customers. These leads might include managers of existing businesses wishing to go into business on their own. Commercial lenders, business schools, Small Business Development Center (SBDC) counselors, Main Street program business specialists, Service Corps of Retired Executives (SCORE), chamber of commerce and other public or private small business professionals should be asked to help identify these leads.

National Chains

If local or regional businesses are not interested in expanding, larger national chains can be contacted. It is important to be realistic about the kinds of chains that might be interested in a small community as their market, store size and parking requirements may preclude them from considering your district. Leads can be identified through directories and private databases listing chain site selection criteria and contacts. In addition, leads can also come from commercial brokers, trade shows, "deal making forums," and conferences such as those offered by the International Council of Shopping Centers.

Ideal Tenant Mix

Property Address	Tax Amount	Tax Exemption Status	Tax Year	Tax Rate Code Area	Unit Type	Year Built	Asset Type
HIGHWAY 288 AT BRAZOSPORT BLVD	\$978.00		2019	9 NAV RDB SBR		()	COMMERCIAL
326 S BRAZOSPORT BLVD	\$4,493.00		2019	9 NAV RDB SBR		1985	5 COMMERCIAL
301 S BRAZOSPORT BLVD	\$49,735.00		2019	9 NAV RDB SBR		1976	5 COMMERCIAL
ON BRAZOS RIV	\$656.00		2019	9 NAV RDB SBR			COMMERCIAL
HIGHWAY 288				NAV RDB SBR			COMMERCIAL
303 E BRAZOS ST	\$2,189.00		2019	9 NAV RDB SBR			COMMERCIAL
300 E BRAZOS ST	\$5,837.00		2019	9 NAV RDB SBR		2007	7 COMMERCIAL
608 E 2ND ST	\$80,639.00		2019	9 NAV RDB SBR			INDUSTRIAL
800 E BRAZOS ST	\$2,023.00		2019	9 NAV RDB SBR		1988	8 COMMERCIAL
618 E 2ND ST	\$10,224.00		2019	9 NAV RDB SBR		1950	O COMMERCIAL
W BRAZOS ST			,	NAV RDB SBR		1	VACANT LAND
1160 E BRAZOS ST	\$2,399.00		2019	9 NAV RDB SBR		1	COMMERCIAL
700 W BRAZOS ST				NAV RDB SBR		1982	2 COMMERCIAL
BRAZOS BLVD	\$897.00		2019	9 NAV RDB SBR		1	VACANT LAND
1024 W 2ND ST	\$1,695.00		2019	9 NAV RDB SBR		1	COMMERCIAL
W 2ND	\$1,253.00		2019	9 NAV RDB SBR		1	COMMERCIAL
OLD BRAZOS RIV	\$211.00		2019	9 NAV RDB SBR			COMMERCIAL
231 W BRAZOS ST	\$1,144.00		2019	9 NAV RDB SBR		1	COMMERCIAL
326 E 2ND ST	\$1,222.00		2019	9 NAV RDB SBR		()	COMMERCIAL
OFC 2ND ST	\$3,017.00		2019	9 NAV RDB SBR		(COMMERCIAL
404 W BRAZOS ST	\$3,701.00		2019	9 NAV RDB SBR		1977	7 COMMERCIAL
100 W BRAZOS ST	\$3,789.00		2019	9 NAV RDB SBR		1	COMMERCIAL
100 W BRAZOS ST	\$520.00		2019	9 NAV RDB SBR			COMMERCIAL
PINE ST				NAV RDB SBR		1980	COMMERCIAL
1001 NAVIGATION BLVD				NAV RDB SBR			INDUSTRIAL
2ND ST	\$1,357.00		2019	9 NAV RDB SBR			COMMERCIAL

Step 7: Make Outreach To Prospects

- The recruitment team must now focus on a personalized sales effort that conveys a message that the district is a good location for expansion of a business or new business development.
- Efforts to personally communicate and then follow up with potential businesses are essential to the success of a recruitment effort.

Outreach Steps Include

- 1.) Send Email Outreach
- 2.) Make Recruitment Calls and Visit their Business
- 3.) Host the Prospect in your Community
- 4.) Follow-up

Example: Outreach to Developer for Adaptive Reuse

\triangleright	То	○ <u>prospect@prospect.com</u>
Send	Cc	
	Subject	CITY, ST - Name of Property or Current Tenant

[Contact Name –]

Hope you're well. Do you have interest in redeveloping the [NAME OF BUILDING OR PROPERTY] in [Downtown CITY, TN]? The owner is willing to sell the 50,000 sf building. Current tenants include Arepas Coffee Bar, <u>Hobie's</u> Tiki Bar, and Mattie's. The building also has a working theater screen and is listed on the National Register of Historic Places; therefore, is eligible for 25% state and 20% federal historic tax credits. CITY'S retail focus categories are restaurant, apparel, and entertainment, based on a supply and demand analysis. The city is willing to look at incentives if the project is in line with our economic development goals.

Let me know if I can get you more information or connect you with the owner.

[NAME] [MOBILE NUMBER]

Step 8: Close Deals & Share your Success

- A leader on the recruitment team should close the deal by selling the merits of locating in the business district.
- Remind the prospect that your district is looking for a business with their characteristics.
- Practice effective sales presentation skills and focus on key selling points of interest to the prospect

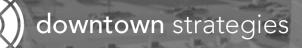
Key Selling Points

- Key market data such as a population density surrounding the district
- Findings from your analysis of demand and supply in the particular business category
- Examples of comparable businesses in the district that have prospered
- Why the district is a better place to do business
- "LOOSE LIPS SINK SHIPS."

Share your Success

- Your work is not complete once you have successfully found a new business for your community.
- It's important to generate a welcome for this business and make sure that they are settled in and operating according to their plans.
- Keep up contact with your business in both good times and bad.
- Involve the new business in community activities and organizations, and by all means, involve them in your future business recruitment efforts!
- They can speak about the process and what changes could be made to improve it.

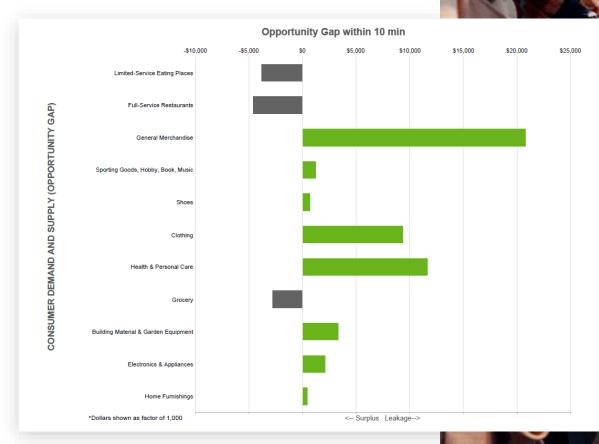




What's Next?

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What's Next?



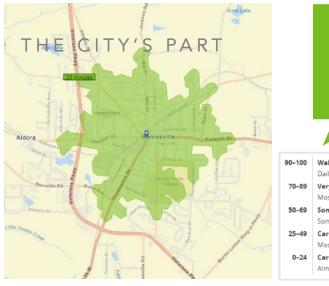




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Scan to request a complimentary Walkability Assessment









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Questions?

Jenn Gregory

jgregory@retailstrategies.com