

# Retail As a Catalyst for Economic Development



retail strategies

Director of Retail Academy

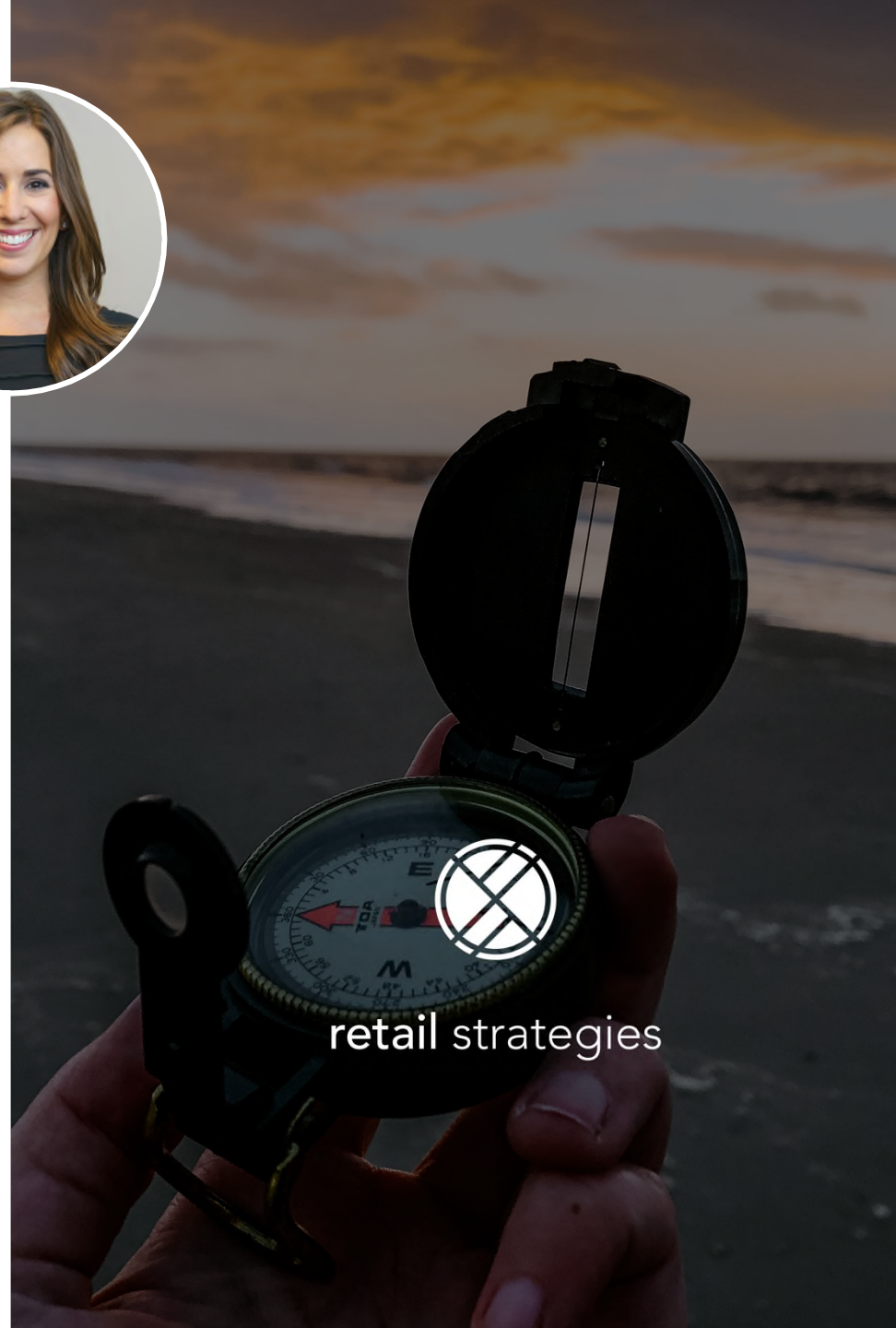
# Madeline Farr



As Director of Retail Academy, Madeline oversees the Award-Winning Retail Academy program . She plans and coordinates the Retail Academy events as well as interacts directly with several retail clients.

She performs market research and analysis on each client and creates retail recruitment strategies, site submittal packages, GIS reports and aerial maps. Madeline attends multiple retail networking conference each year in order to stay connected in the field.

Madeline graduated from Auburn University in with a Bachelor of Arts degree in Public Relations and a business minor. She is a licensed Real Estate Professional and a member of the International Council of Shopping Centers (ICSC).



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Portfolio Director

## Beth Miller



Beth serves Retail Strategies as Portfolio Director where she leverages her industry experience, knowledge, and connections on behalf of her clients. In this role, Beth oversees client communities in Illinois, Kentucky, Ohio, and Virginia, acting as the day-to-day point of contact.

She has more than 15 years of commercial real estate experience and extensive knowledge of real estate transactions, shopping center management, and leasing. Beth worked at Retail Strategies' sister company, Retail Specialists, as a Property Manager before beginning her role as a Portfolio Director. Her extensive real estate knowledge allows for creative deal-making to help her clients achieve their retail goals.

Beth is a graduate of the University of Alabama, where she earned a bachelor's of commerce and business administration degree in finance with a concentration in real estate and a minor in economics. In addition, she is a licensed Real Estate Professional and a member of ICSC.







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# Retail Trends

Pop Quiz



RETAIL TRENDS

## Quiz

1. How many jobs does a QSR (quick service restaurant) typically bring to a community?



RETAIL TRENDS

## Quiz

1. How many jobs does a QSR (quick service restaurant) typically bring to a community?

Answer:

**15**



RETAIL TRENDS

# Quiz

2. What percentage of jobs in America are retail related?

- A. 25%
- B. 40%
- C. 50%





RETAIL TRENDS

# Quiz

2. What percentage of jobs in America are retail related?

A. 25%

B. 10%

C. 40%

1 in 4 jobs are Retail



**United States**

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

## RETAIL TRENDS

# Quiz

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

- A. 50%
- B. 75%
- C. 98%



## RETAIL TRENDS

# Quiz

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

A. 50%

B. 75%

C. 98%

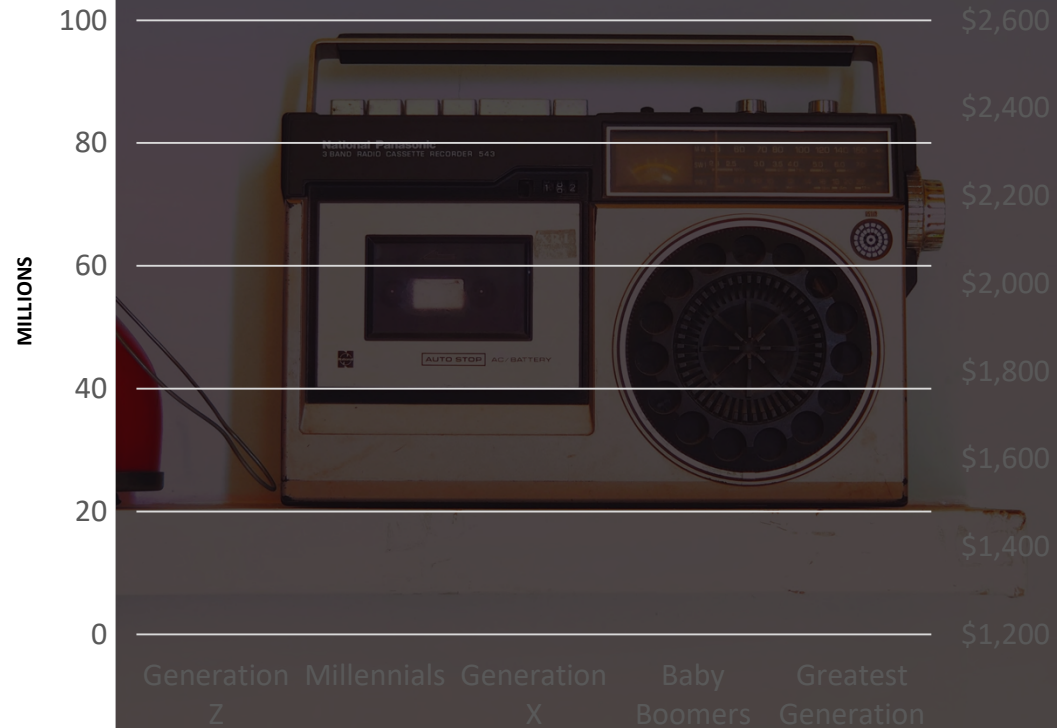




RETAIL TRENDS

# Quiz

4. What is the largest consumer demographic group?

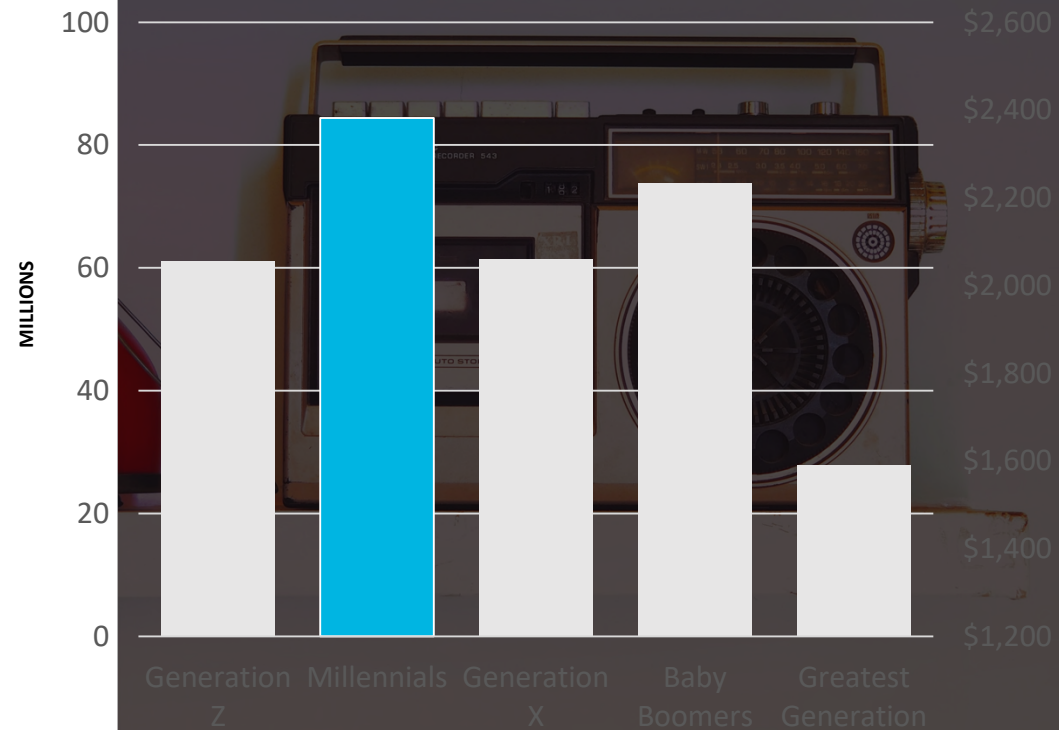


RETAIL TRENDS

# Quiz

4. What is the largest consumer demographic group?

Millennials



RETAIL TRENDS

# Quiz

5. What percentage of retail sales are online?

- A. 15%
- B. 22%
- C. 53%





RETAIL TRENDS

# Quiz

5. What percentage of retail sales are online?

A. 15%

B. 22%

C. 53%

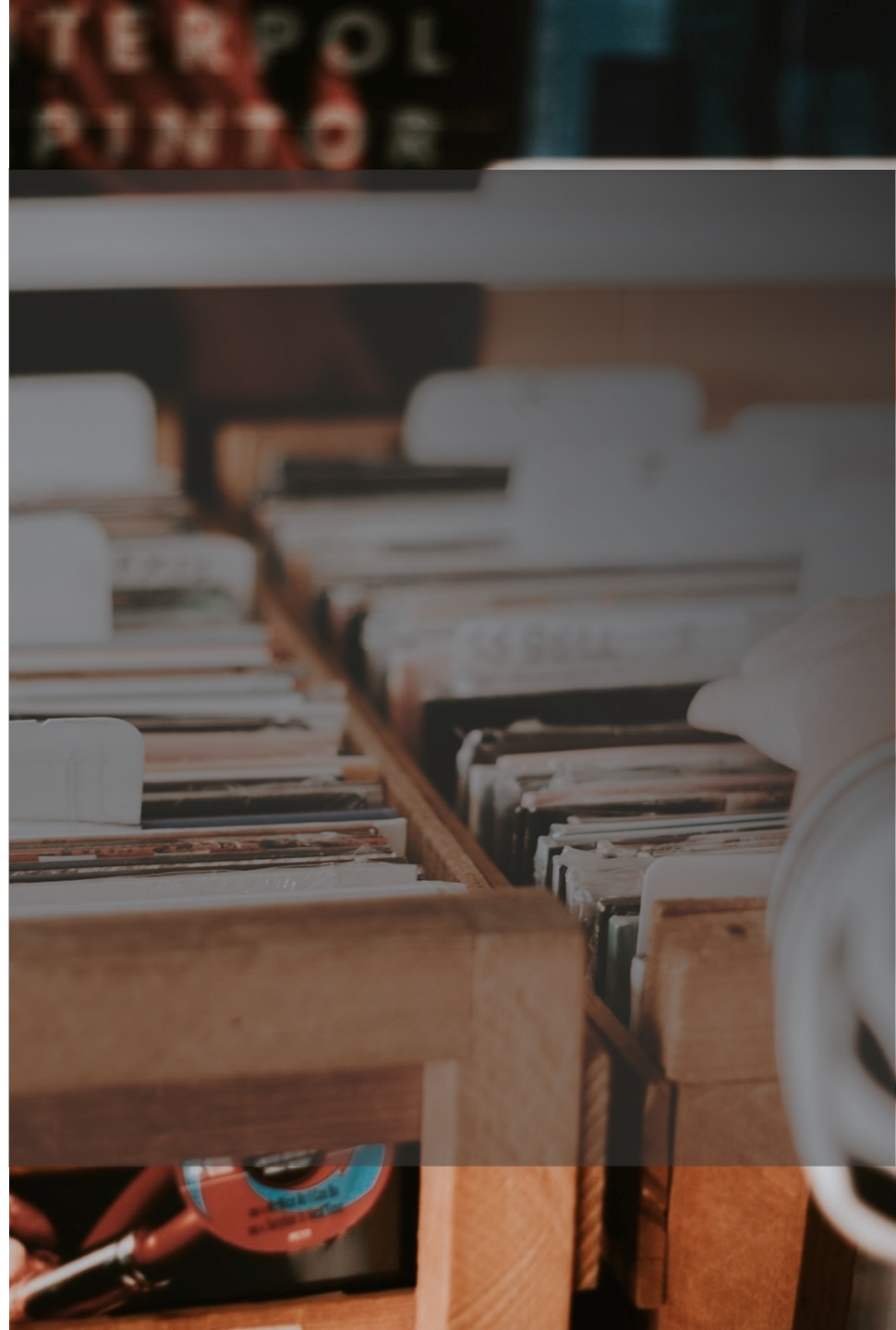


RETAIL TRENDS

## Quiz

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

- A. 44%
- B. 59%
- C. 78%



RETAIL TRENDS

## Quiz

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

A. 44%

B. 59%

C. 78%





# Quiz

7. \_\_\_\_\_ is the practice of combining a Brick and Mortar and online presence to create a seamless shopping

- A. Physical Transformation
- B. Omni-Channeling
- C. Market Maximization



## RETAIL TRENDS

# Quiz

7. \_\_\_\_\_ is the practice of combining a Brick and Mortar and online presence to create a seamless shopping.

A. Physical Transformation

B. Omni-Channeling

C. Market Maximization





RETAIL TRENDS

# Retail Apocalypse?



BUSINESS

## 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

Bloomberg

## America's 'Retail Apocalypse' Is Really Just Beginning

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

RETAIL TRENDS

# Retail Apocalypse?



amazon

**Catalyst**

**Apocalypse**





RETAIL TRENDS

# Technology



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



## RETAIL TRENDS

# Innovation





Is retail recruitment  
currently a focus?

# Average Wages

**Full-time  
Non-retail workers**  
(25-54 years old)

**\$34,368**



**Full-time  
Retail workers**  
(25-54 years old)

**\$35,376**

Source:  
National Retail Federation



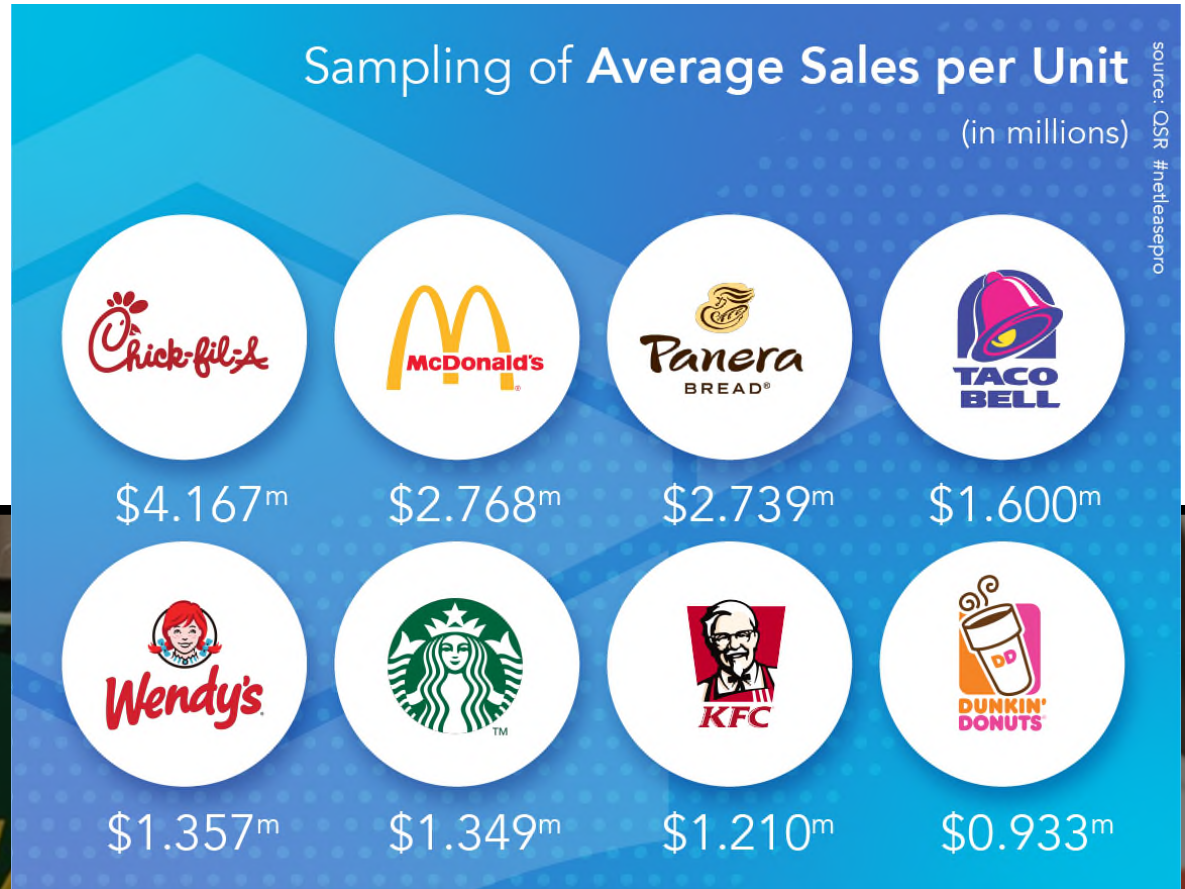
# Why Should a Municipality Invest Resources in Retail?



Retail builds on retail. Retail economic impact adds up quickly. Retail attracts the workforce that attracts the primary jobs. Retail influences executives looking to locate their company in your community. Retail enhances quality of life. Quality of life encourages future growth of your community.

Retail builds tax base --- Retail adds jobs from entry level to managerial --- Retail builds communities

# QSR Revenue

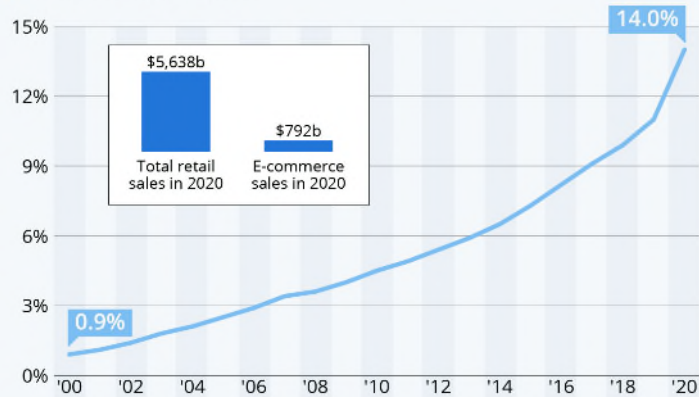




# COVID

## Pandemic Accelerates Shift to Online Retail

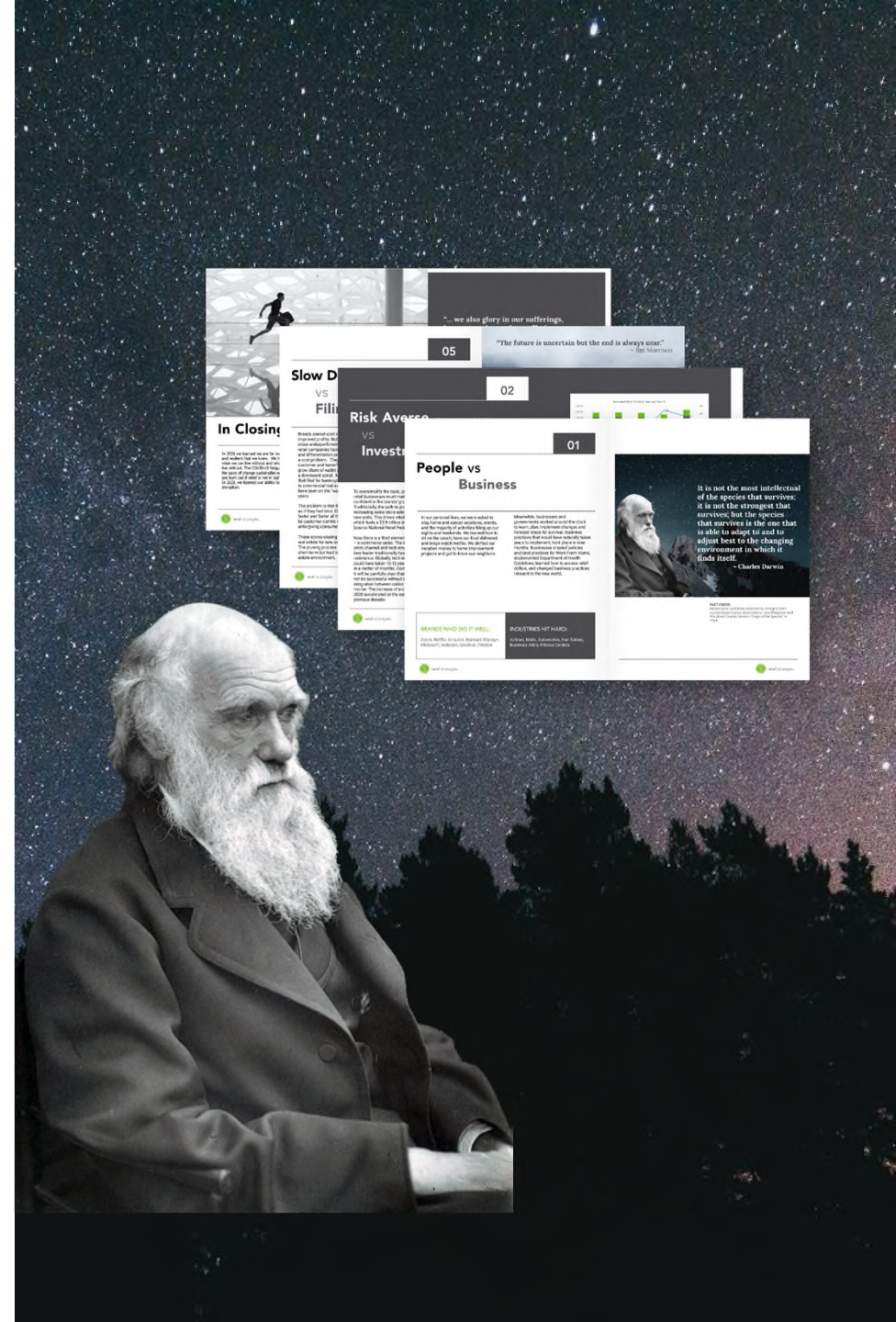
E-Commerce sales as a percentage of total retail sales in the United States\*



\* not seasonally adjusted; excluding food services sales  
Source: U.S. Census Bureau



statista





COVID-19

# Resistant Categories



Grocery



General Merchandise



Home Improvement



Pet Supplies

COVID-19

# Struggling Categories



Restaurants



Clothing & Accessories



Furniture & Home Furnishings



Sporting Goods & Hobby



Gas Stations



# Post-COVID

Omnichannel

Drive-thru, Curbside, Delivery

Healthy Options



# AMERICAN RESCUE PLAN

For the first time in American history - cities, towns, and villages will receive a direct allocation of federal funding through the American Rescue Plan's Coronavirus Local Fiscal Recovery Fund.

## Communities will receive funding in 2 payments:

### POPULATION GREATER THAN 50,000

Half of appropriated amount 2021

Funds will be delivered mid-May directly from the US Treasury

Remaining half 12 months later

### POPULATION LESS THAN 50,000

Non-entitlement unit

Funds delivered mid-June from State

State cannot alter amount or delay

Half of appropriated amount 2021

Remaining half 12 months later

## What We've Heard

Clarence Anthony, CEO and Executive Director of the National League of Cities, advised cities to spend ARP funds on programs and projects that will create an economic impact and offer an ROI.

Investment in human infrastructure with this bill.

Provide him measurable results he can use to advocate for direct funding to cities on future bills.

People in front of projects.

**Clarence Anthony**  
CEO and Executive Director  
National League of Cities



# Retail As a Catalyst for Economic Development

*Come on in*  
WE  E

retail strategies



Quality of Life



Placemaking



Revenue



Grows Economy



Economic Catalyst

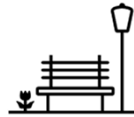
1

# Five Benefits of Retail Development

# Five Benefits of Retail Development



Quality of Life



Placemaking



Revenue



Grows Economy



Economic Catalyst



# Retail Enhances Quality of Life

- Local jobs
- Local Goods & Services
- Local restaurants and entertainment
- Vitality & Viability
- Live Work Play

What types of shops and restaurants do you think would enhance quality of life in your local community?



# Retail Strengthens Placemaking

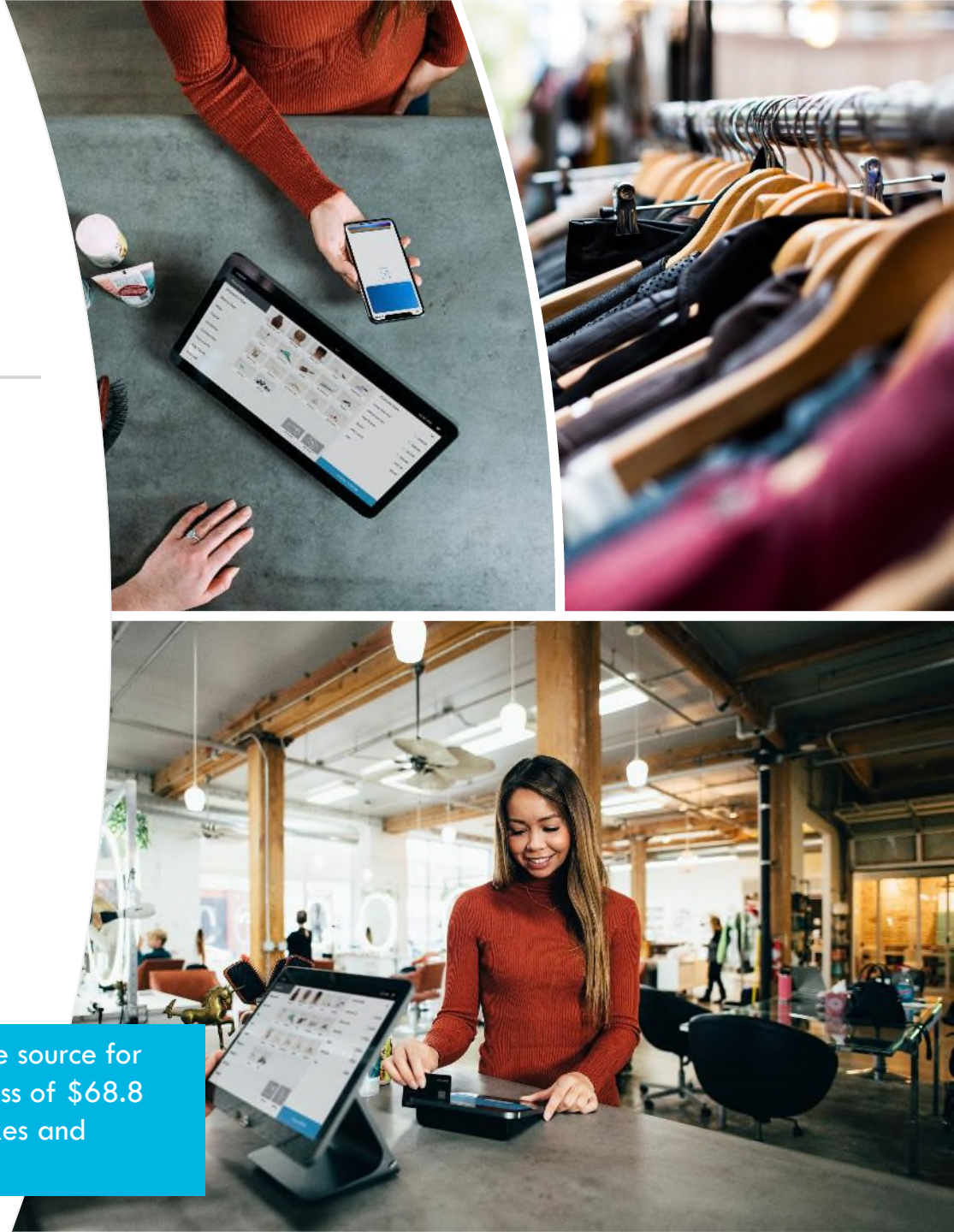
- Aesthetics
- Mixture of Uses
- Pedestrian Friendly
- Parks & Green Space
- Exploration & Leisure
- Brands or Reflects Community
- Social Gathering Places



# Retail Pays You Back

- Property Tax
- Sales Tax
- Business License Fees

Retail real estate is a critical revenue source for local communities generating in excess of \$68.8 billion annually in local property taxes and \$321.8 billion annual in sales tax.





# Retail Grows the Economy

- Energizes Community
- Retail Jobs
- Service Jobs
- Support Jobs
- Attract & Retain skilled workers



# Retail Drives Economic Development

- Vibrant retail is a Success Indicator for site selectors
- Barometer for health and growth potential
- Retail is a community amenity often required of site selector



Who is responsible for retail recruitment in your community today?

What existing businesses should be highlighted in your retail recruitment efforts?





Team



Vision



Survey



Funding



Plan

# 2

## 5 Steps to organize for retail recruitment



# Five Steps to Organize for Retail Recruitment

1



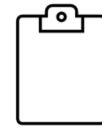
Team

2



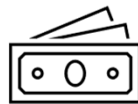
Vision

3



Survey

4



Funding

5



Plan

# Assemble a team

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- Professional Staff
- Coalitions
- Non-Profit Entity
- Consultants



# Vision

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- Messaging
- Customer Service
- Relationships



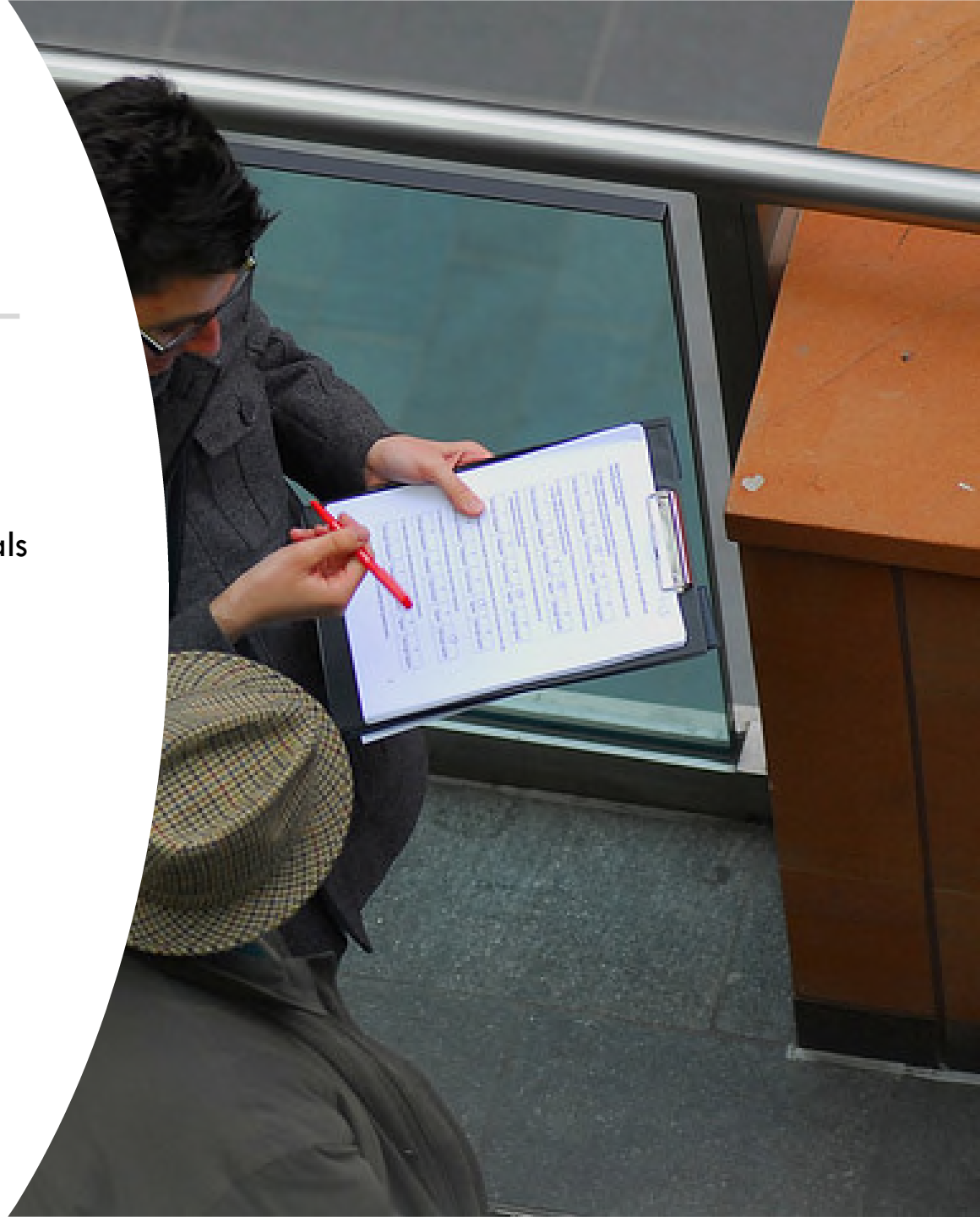
Does your team understand the vision and objectives of your community goals?



# Survey your Stakeholders

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- Existing businesses
- Brokers and real estate professionals
- Customers
- Neighborhood Groups



# Funding

- General Funds
- Grants
- Cost Shares
- State or Federal Sources
- Special Assessments



# Plan for Retail

- Land Use
- Natural Resources
- Transportation
- Economic Development
- Housing



What existing retail plan do you have as part of the comprehensive plan?





Focus



Inventory



Players



Challenges



Action Plan

# 3

## Five Keys to Success



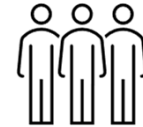
# Five Keys to Success



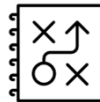
Focus



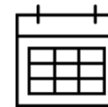
Inventory



Players



Challenges



Action Plan

# Focus

- Data Collection
- Marketing
- Outreach
- Reviews
- Approvals





# Inventory

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- Available Properties
- Existing Retailers
- Leakage
- Assets
- Amenities



# Know the Players

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- Owners
- Tenants
- Developers
- Brokers
- Consultants









# Action Plan

- Specific Tasks
- Responsible Parties
- Resources
- Measure of Success



Where is the one place a developer or retailer can go in your city to get information on development requirements?



Trade Area



Demographics



Market Analysis



Retail Targets



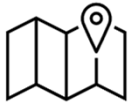
Incentives

# 4

## Five Toolbox Essentials

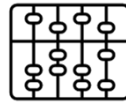
# Five Toolbox Essentials

1



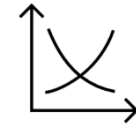
Trade Area

2



Demographics

3



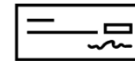
Market  
Analysis

4



Retail Targets

5

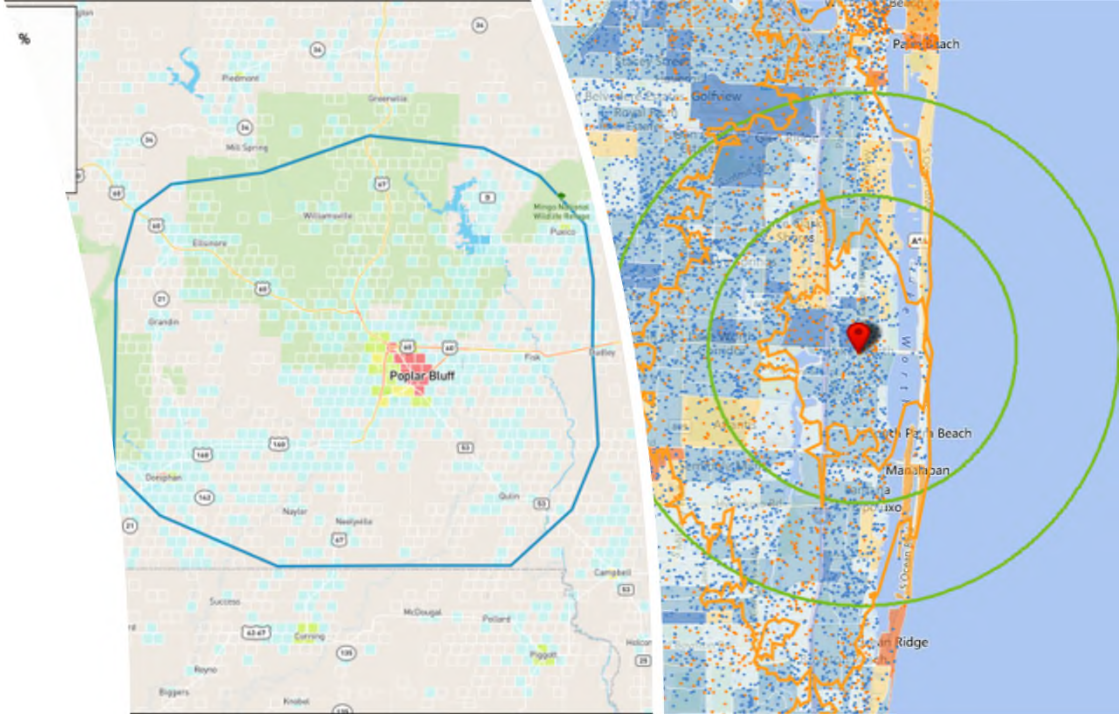


Incentives



# Trade Area

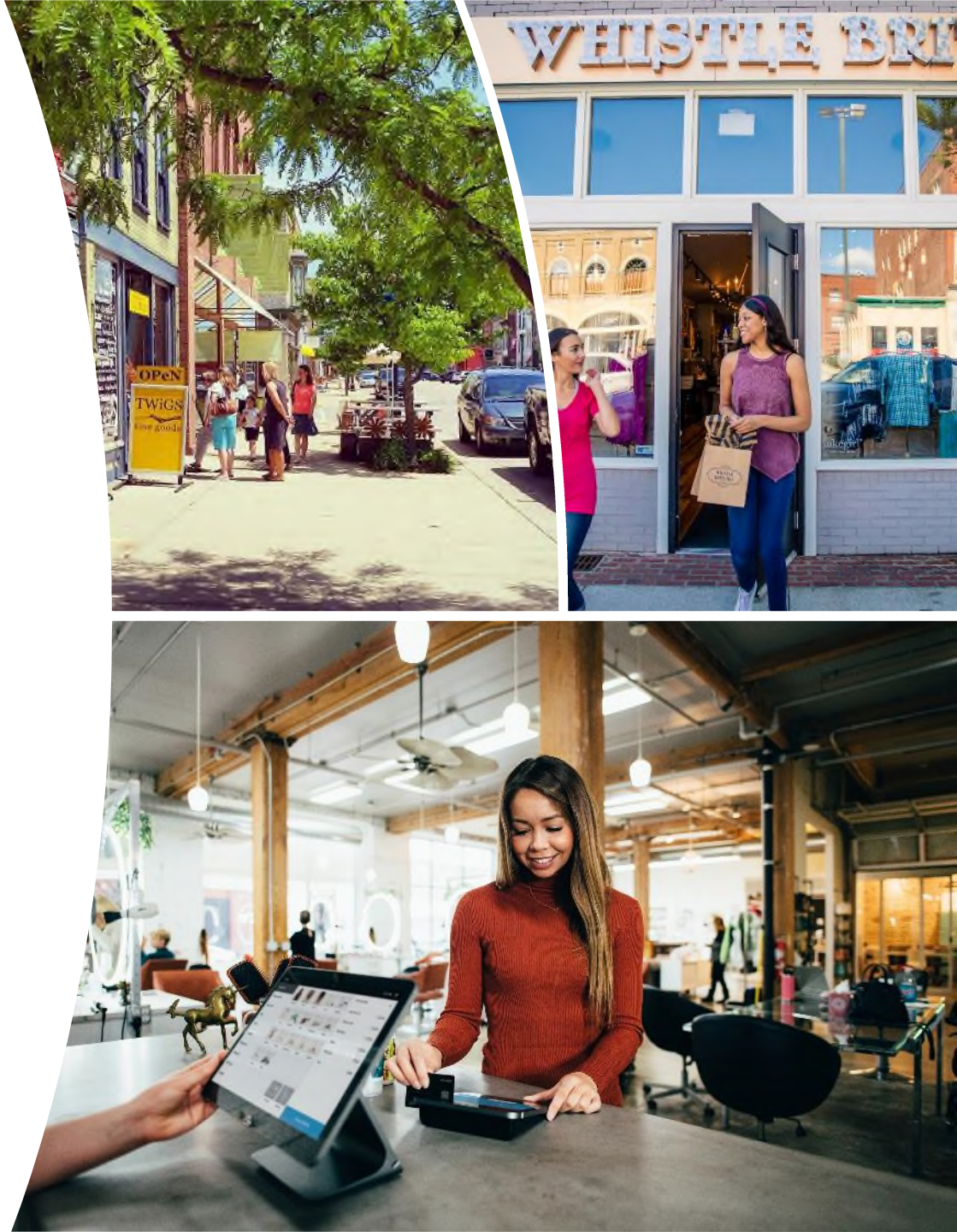
- Define the market
- Drive times
- Overlapping trade areas
- Natural barriers



# Demographics

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- Age
- Income
- Education
- Household size
- Home ownership
- Daytime population
- Ethnicity
- Interests
- Lifestyle
- Buying habits

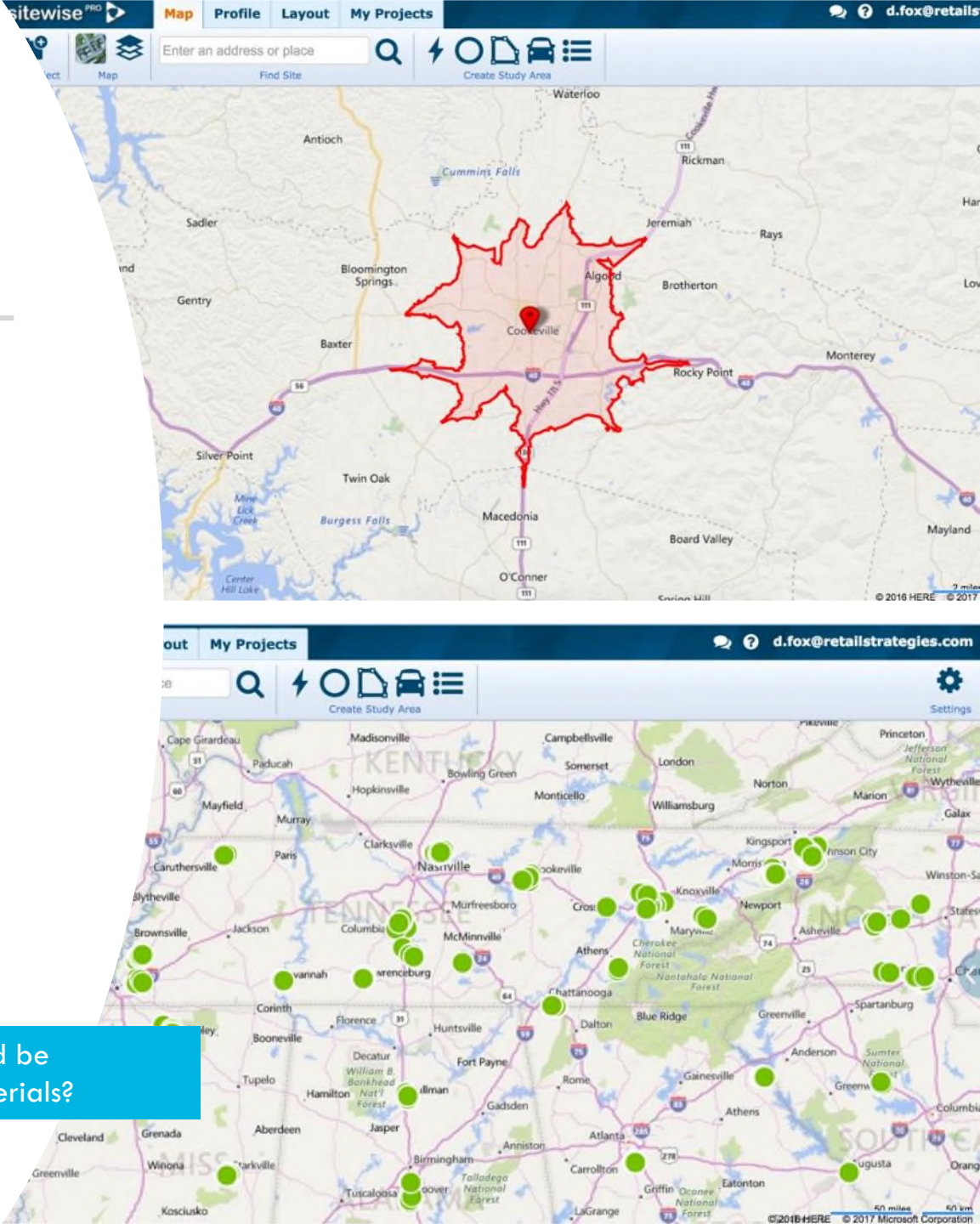




# Market Analysis

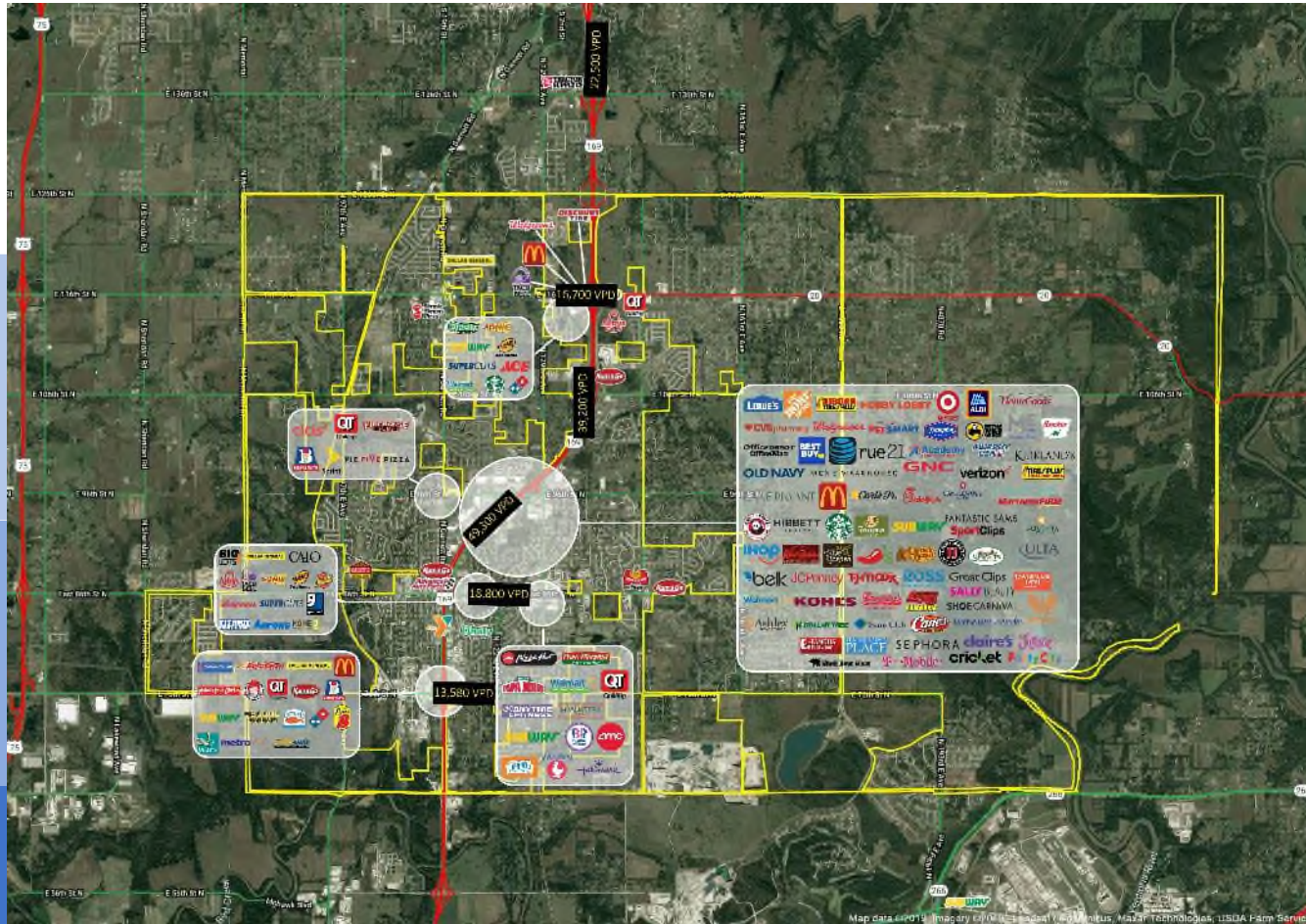
- Leakage analysis
- Trade area analysis
- Retail inventory
- Infrastructure inventory
- Vacancies & available sites

What existing retailers should be highlighted in marketing materials?





# Market Profile Example



Major Retail &amp; Restaurants



# Retail Targets

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- Retail categories
- What consumer wants
- What community needs
- Spaces available for retail
- District or community identity

How large is your community's trade area?



# Incentives

- Tax abatement
- Tax increment financing
- Job training funds
- EZ incentive programs
- CDBG funds
- Opportunity Zones
- Physical Incentives
  - Government owned sites
  - Infrastructure improvements
  - Parking







Fundamentals



Communicate



Mobilize



Connect



Repeat

# 5

## Five Elements for Successful Implementation

# Five Elements for Successful Implementation



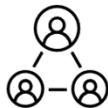
Fundamentals



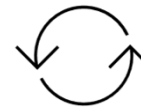
Communicate



Mobilize



Connect



Repeat

# Fundamentals

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- Trends
- Market Conditions
- Co-Tenancy
- Site Criteria
- Prototypes





# Communicate

- Marketing Materials
- Monthly newsletters
- Broker events
- Social media
- Advertising



# Mobilize

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- Stakeholders
- Brokers
- Tenants
- Property Owners
- Community Leaders





# Connect

- Build network
- Join industry organizations
- Attend conventions & conferences
- Host events

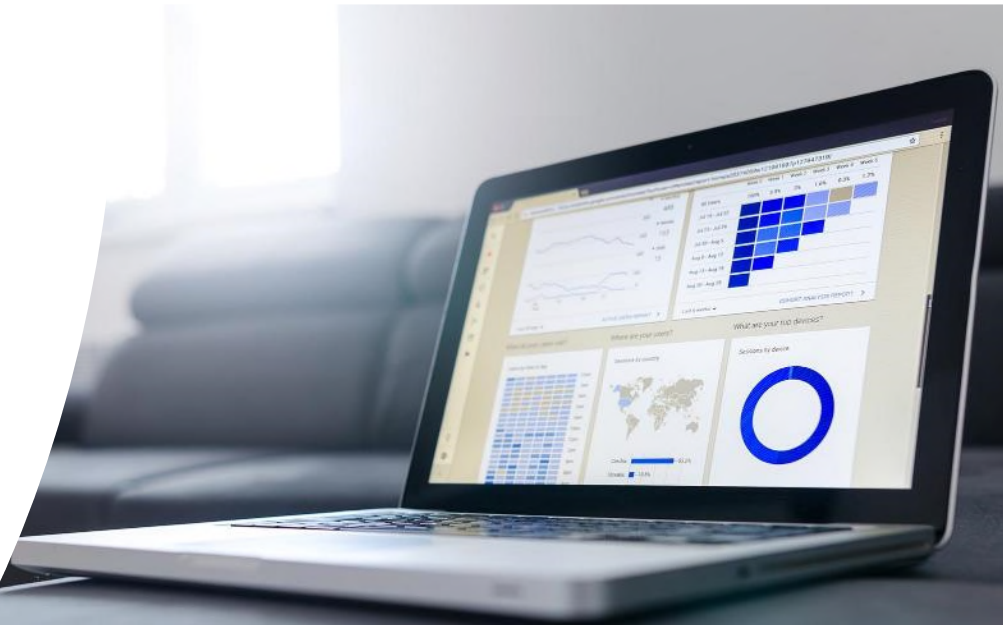


What is the last retailer that opened in your community?



# Wash, Rinse, Repeat

- Recognize Success
- Evaluate Outcomes
- Make Adjustments
- Update Data/Tools
- Grow Network & Relationships



ONLINE COURSE

# Retail as a Catalyst for Economic Development

2 HOUR

Retail Real Estate Course



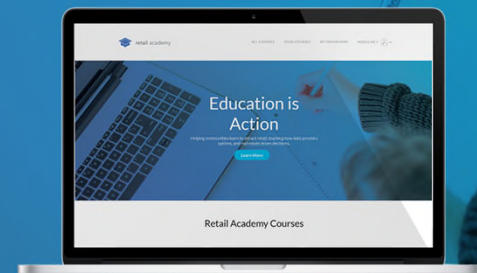
Interviews

## Industry Professionals

- ▶ **Jeff Finkle**, President & CEO, IEDC
- ▶ **Clarence Anthony**, President & Executive Director, NLC
- ▶ **Toby Rittner**, President & CEO, CDFA
- ▶ **David Downey**, President & CEO, IDA
- ▶ **Larisa Ortiz**, Managing Director, Streetsense



Helping communities learn to attract retail, teaching how data provides options, and real estate drives decisions




**Cindy Stewart**

Vice President of  
Community Engagement  
cstewart@retailstrategies.com

## TOPICS:

1. Five Benefits of Retail Development
2. Five Steps to organize for retail recruitment
3. Five Keys to Success
4. Five Toolbox Essentials
5. Five Key Elements to Implement Plan





Thank you!

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