

8 Best Practices for Selling Your Community to Retailers

Lisa McCay

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BALTIMORE
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SEPTEMBER 23-26 **2018**



Today's Speaker



Lisa McCay
Senior Vice President

BEST PRACTICE #1:

Plan for Success

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Best Practice #1: Plan for Success – Set the Direction

- Map out strategy
- Establish realistic goals
- Define roles and partnerships
- Focus programs and activities
- Allocate resources
- Community vision
- Get key stakeholders from the city involved

BEST PRACTICE #2:

Understand Retail Location Decisions 101

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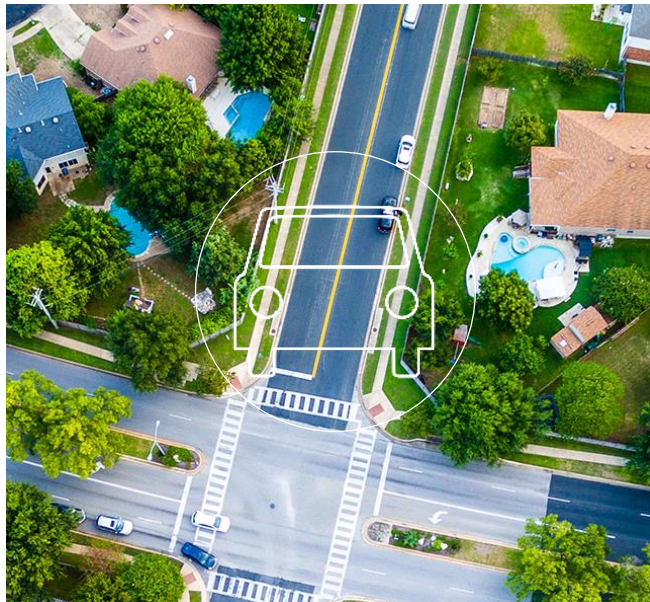
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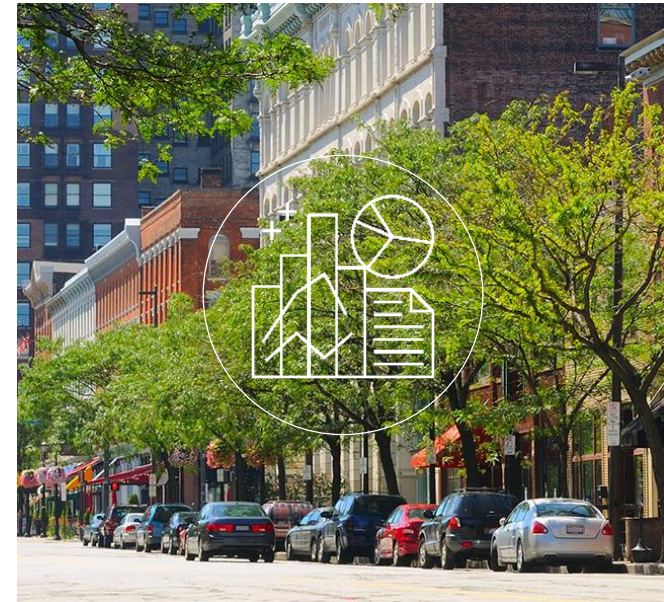
Best Practice #2: Understand Retail Location Decisions 101



Consumer
Profile



Drive-time
Trade Area



Retail Market
Conditions

Best Practice #2: Retail Location Decisions 101 – Market Factors



Music Direct

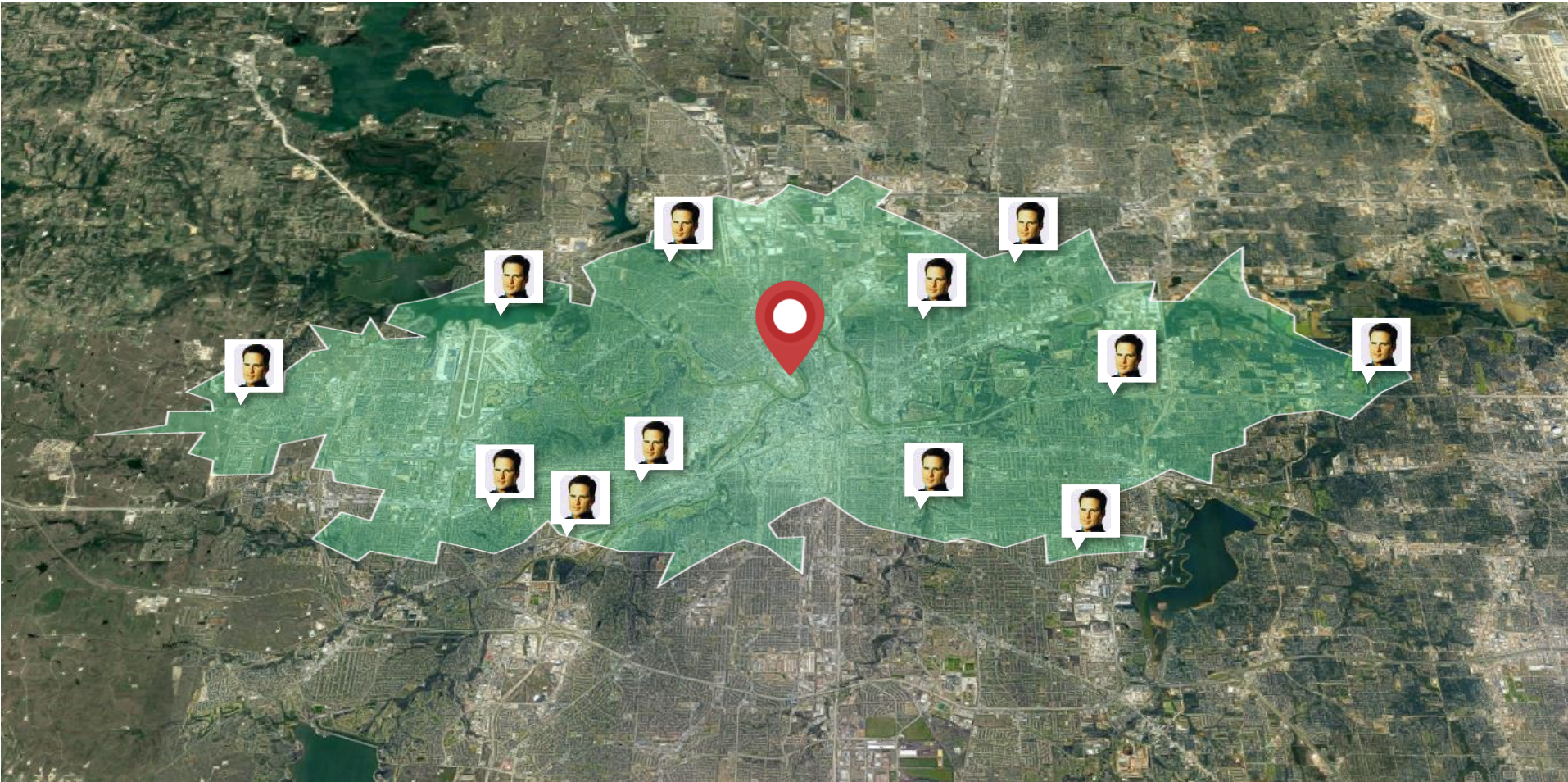
Best Practice #2: Retail Location Decisions 101 – Market Factors

“The competition for strip center retail space is intense. We are willing to wait for the ‘right’ real estate to come available in lieu of sacrificing opening in a market in a less than desirable location. With our box size being 1,500- 2,000 square feet, we find that we have to react quickly to vacancy in new construction or we are forced to reprioritize market opportunities.”

Marisa Kinney, Director of Global Real Estate
Development Red Wing Shoe Company



Best Practice #2: Retail Location Decisions 101 – Trade Area Factors



Best Practice #2: Retail Location Decisions 101 – Site Factors

- Accessibility
- Visibility
- Traffic
- Cannibalization
- Competition
- Infrastructure
- Physical & Environmental Issues
- Location Costs



BEST PRACTICE #3:

Remove Barriers to Entry

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Best Practice #3: Remove Barriers to Entry

- Assemble sites
- Consider incentives
- Streamline rules
- Encourage shorter lease terms

Best Practice #3: Remove Barriers to Entry – Assemble Sites



Viable sites, in most cases are more important than incentives

Best Practice #3: Remove Barriers to Entry – Consider Incentives

- Use incentives to achieve your goals
- Formulate incentive policy
 1. Before negotiations begin
 2. Use as marketing tool



Best Practice #3: Remove Barriers to Entry – Streamline Rules

- Permitting Process
- Zoning
- Access/Driveways
- Signage
- Lighting
- Landscaping



Best Practice #3: Remove Barriers to Entry – Shorter Lease Terms

What's driving the push for shorter lease terms? Briggs notes that shorter lease terms provide retailers and restaurants with much needed flexibility. "You can't see 10 years out with any sense of certainty with regard to the retail and consumer landscape. Your strategy will evolve and you will need the flexibility to evolve with it."

Chris Briggs, Vice President
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BEST PRACTICE #4:

Perfect Your Marketing Message

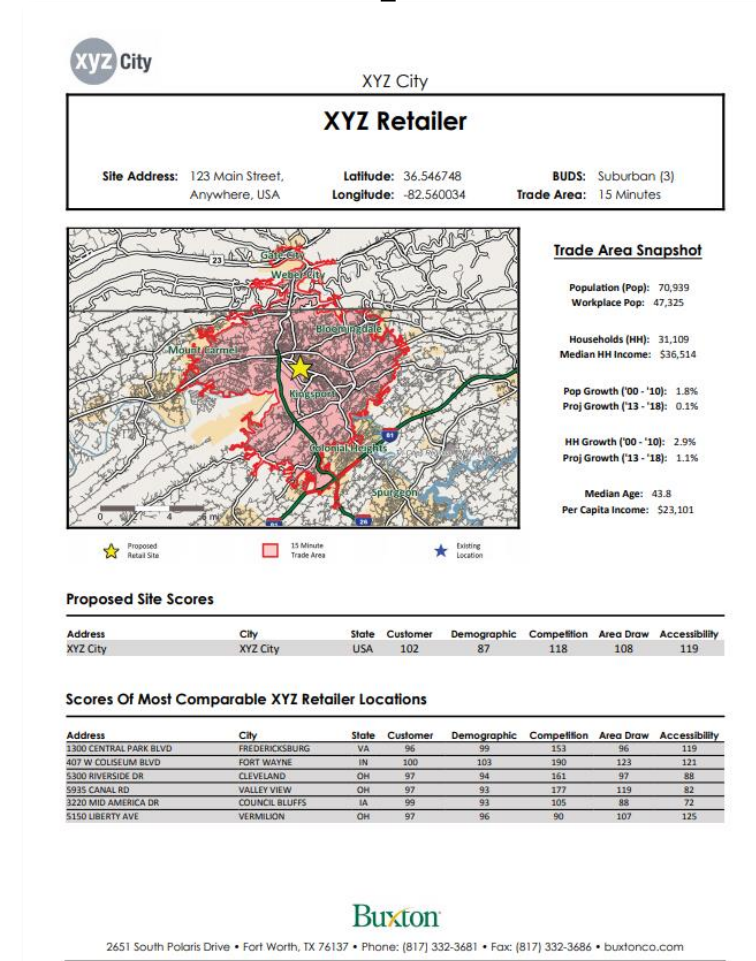
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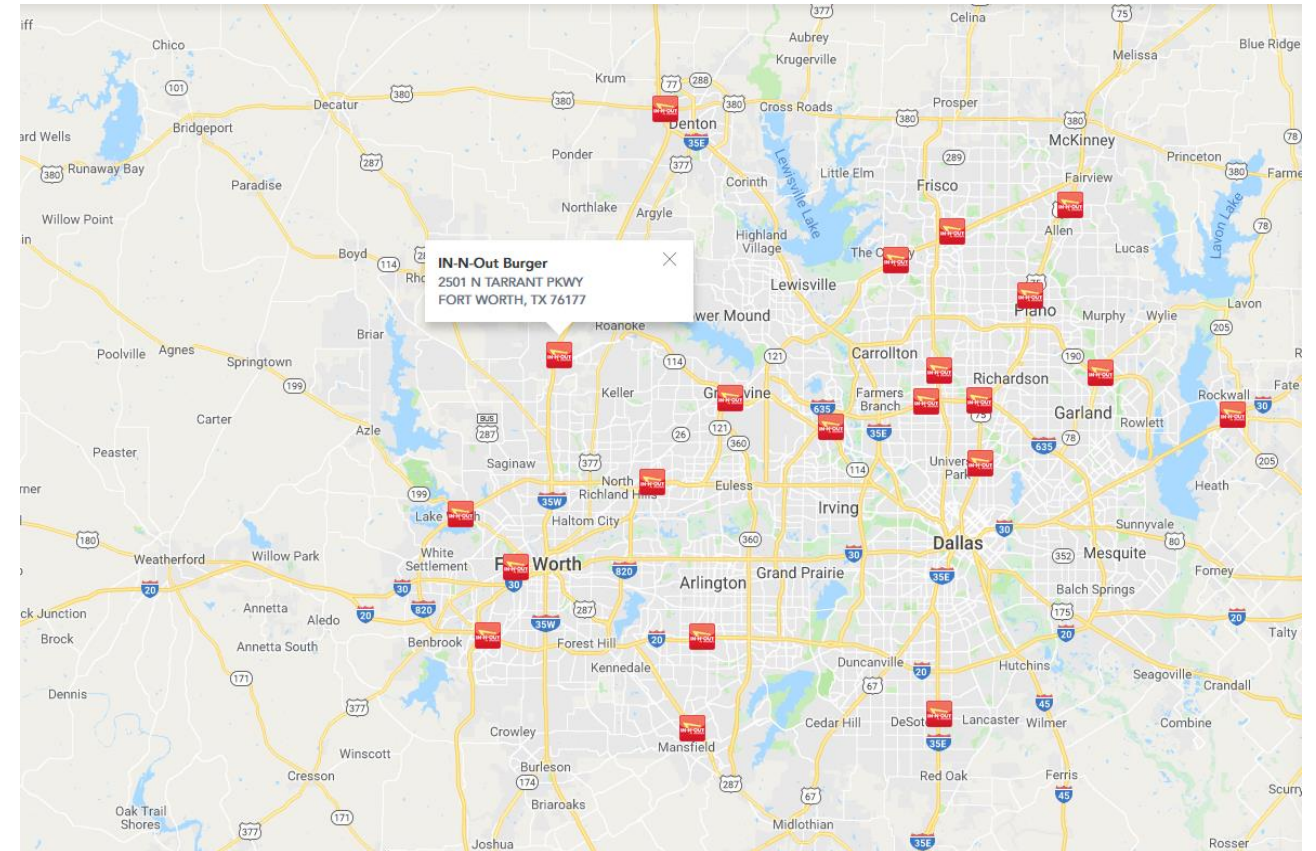
Best Practice #4: Perfect Your Marketing Message – Retail Specific

- Sell your drive-time trade area
- Communicate your customers and retail market conditions are viable
- Focus on retailers that match the existing economic conditions



Best Practice #4: Perfect Your Marketing Message – Think Like A Retailer

- Market trade area visualization
- Trade area snapshot
 - Existing locations
 - Competition
 - Potential customers
- Profile match report
- Most comparable locations
- Pursuit packages



BEST PRACTICE #5:

Market Proactively

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Best Practice #5: Market Proactively

- Commitment by public sector
- Partnership with private sector
- Develop relationships and networks
- Work your plan
- Be unique and professional
- Keep emails brief and interesting
- Know your network:
 - Network of inventory – vacant properties and buildings
 - Network of business owners – potential franchisees
 - Network of developers and broker
- Attend events (ICSC, Retail Live)
- Host your own events

BEST PRACTICE #6:

Deliver Effective Presentations

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Best Practice #6: Deliver Effective Presentations – Presentation Goal



Prove that a store in your community is viable

Best Practice #6: Deliver Effective Presentations – Achieving the Goal

- Provide need-to-know information
- Know your prospect
- Differentiate to stand out
- Determine time limitations
- Be prepared to negotiate
- Listen
- Be enthusiastic
- Ask for the next step



BEST PRACTICE #7:

Remember the Power of Persistence

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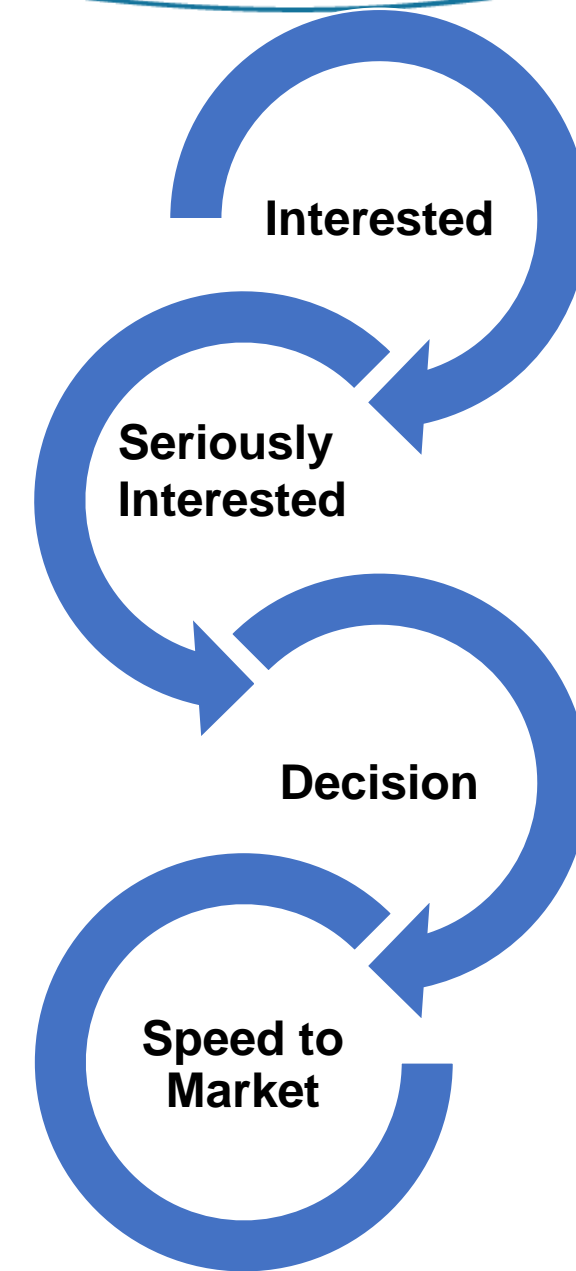
Best Practice #7: Remember the Power of Persistence

Rule One:

- Change tends to be incremental; quantum leaps are rare

Rule Two:

- EXECUTION
- EXECUTION
- EXECUTION



BEST PRACTICE #8:

Celebrate the Small Wins

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Best Practice #8: Celebrate the Small Wins

- Focus on the here and now, note your organization's current activities
- Celebrate, but celebrate with caution
- Focus on the next small win and achieving long-range goals



Selling Your Community to Retailers

1. Plan for Success
2. Understand Retail Location Decisions 101
3. Remove Barriers to Entry
4. Perfect Your Marketing Message
5. Market Proactively
6. Deliver Effective Presentations
7. Remember the Power of Persistence
8. Celebrate the Small Wins

Case Studies

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Case Study: Hesperia, CA

- **Challenge:**
 - Frustrated with retail sales leakage
 - Household incomes perceived as too low to support development
- **Approach:**
 - Conducted analysis to prove potential
 - Developed data-backed pitch and used multi-prong approach
- **Results:**
 - Recruited more than 27 retailers, resulting in 1,250 jobs and \$2.6 million in tax revenue



Case Study: Ridgefield, WA

- **Challenge:**

- Recruit grocery-anchored development to support rapidly growing population

- **Approach:**

- Conducted analysis to prove potential
- Used data throughout the process to convince grocer, developer, and property owner to agree to project

- **Results:**

- Recruited 78,000 sq. ft. grocery-anchored development estimated to generate \$140,000 in sales tax revenue on construction and \$220,000 in annual sales tax revenue



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Question & Answer

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