

Retail As a Catalyst for Economic Development



retail strategies

Director of Business Development

Mill Graves



Mill Graves is the director of business development for Retail Strategies working with municipal leaders and economic development agencies in Georgia and Kentucky to develop and execute their retail recruitment and community development initiatives.

He has more than 10 years of economic development and project management experience with an urban planning background. He is passionate about engaging community stakeholders and helping communities realize their unique potential.

Prior to Retail Strategies Mill worked as the Director of Economic & Community Development for Electric Cities of Georgia and their 52 municipal utility members. In this role he partnered with the State of Georgia to recruit new jobs and investment to the state, and also advised and implemented strategies for rural and urban communities in the areas retail and industrial site selection, downtown revitalization, and housing.

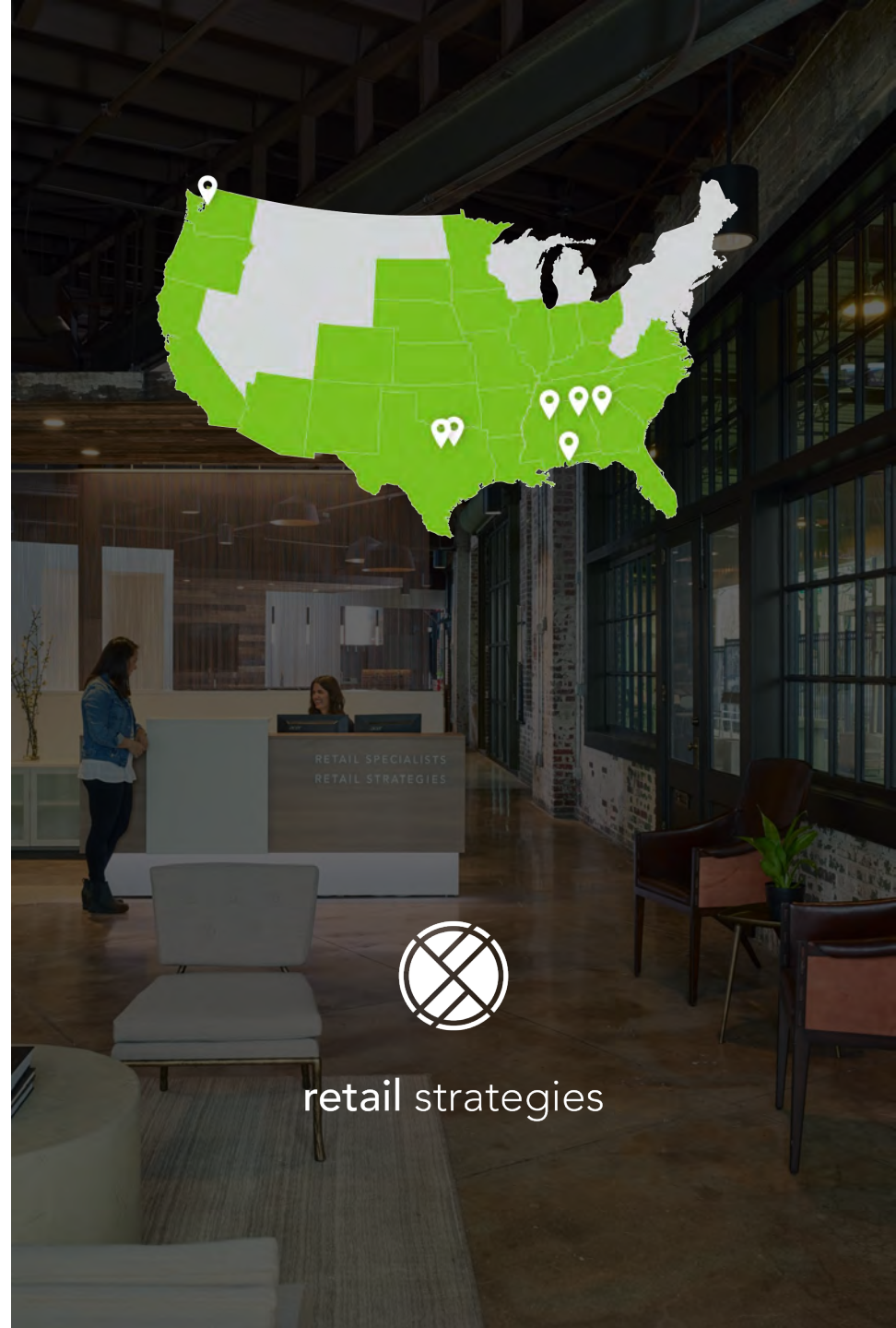


retail strategies

ONE COMPANY, SEVERAL SERVICES

About Us

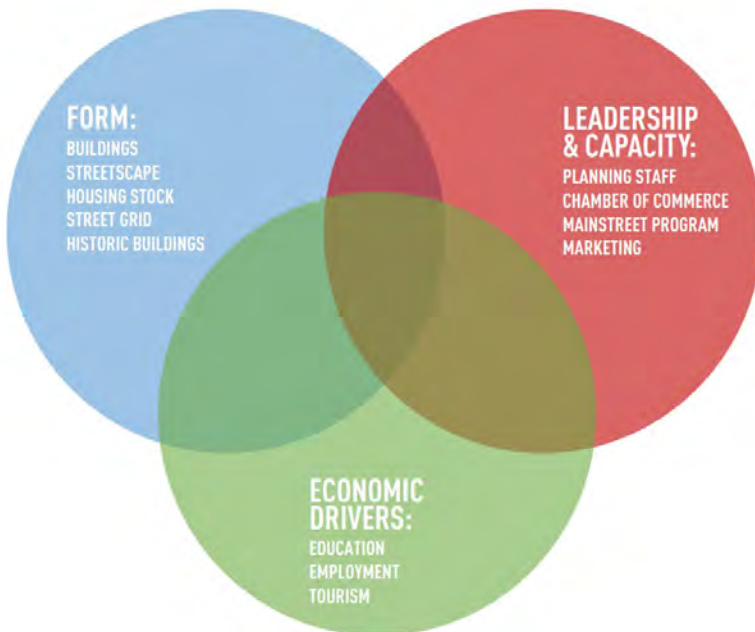
Grown from a Commercial Real Estate firm, we focus on all facets of community growth, recruitment and retention. Our team of 65 utilizes experience to make public-private partnerships thrive.



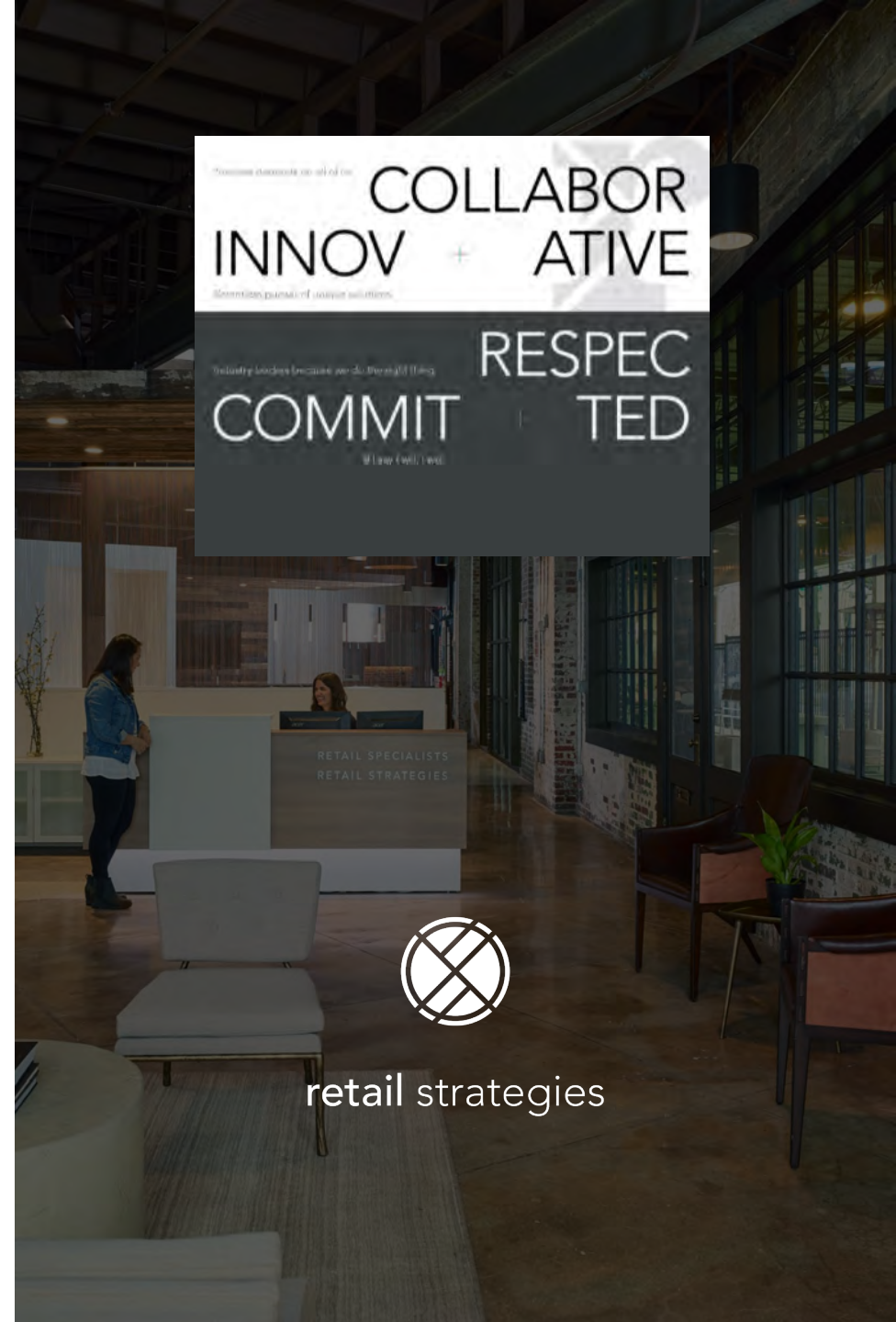
ONE COMPANY, SEVERAL SERVICES

IMPACTFUL

Understand what you can control, act on it.



Source: GA Conservancy



retail strategies

A high-angle, slightly blurred photograph of a person walking on a light-colored, rectangular stone-paved surface. The person is wearing a white skirt with a colorful floral pattern and a green top. They are carrying several large, colorful shopping bags in both hands. The bags are in various colors including red, yellow, white, and orange, some with patterns like polka dots or stripes. The person is also wearing light-colored high-heeled sandals. The overall scene suggests a shopping trip or a retail environment.

retail strategies

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%

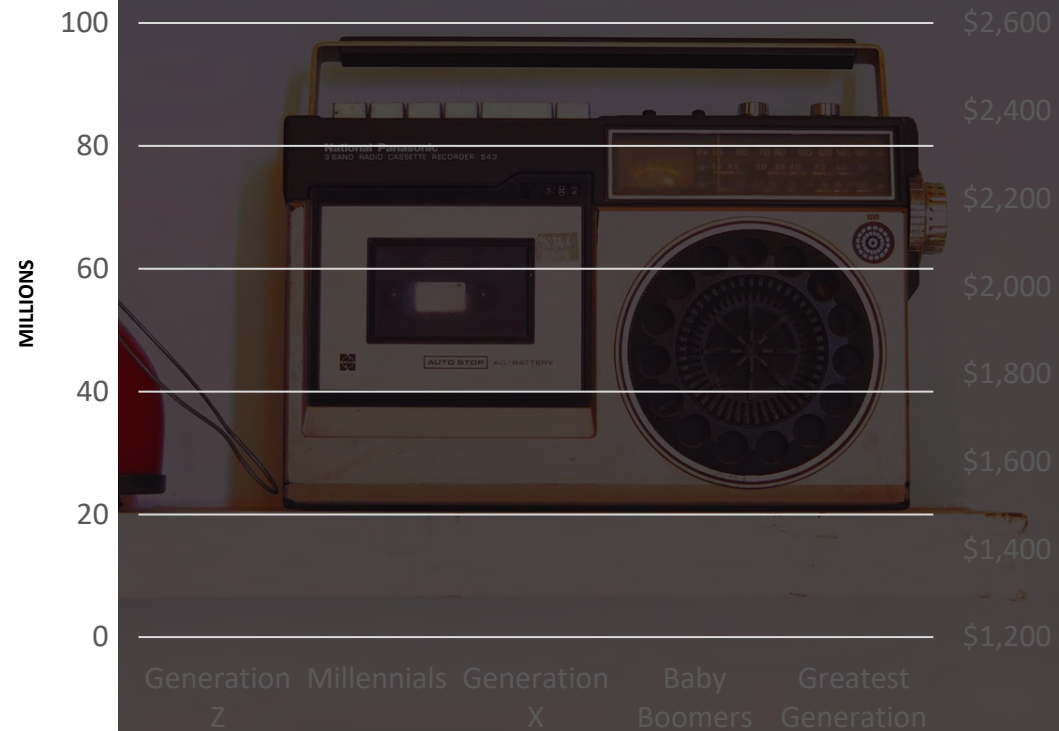
C. 98%



RETAIL TRENDS

Quiz

4. What is the largest consumer demographic group?

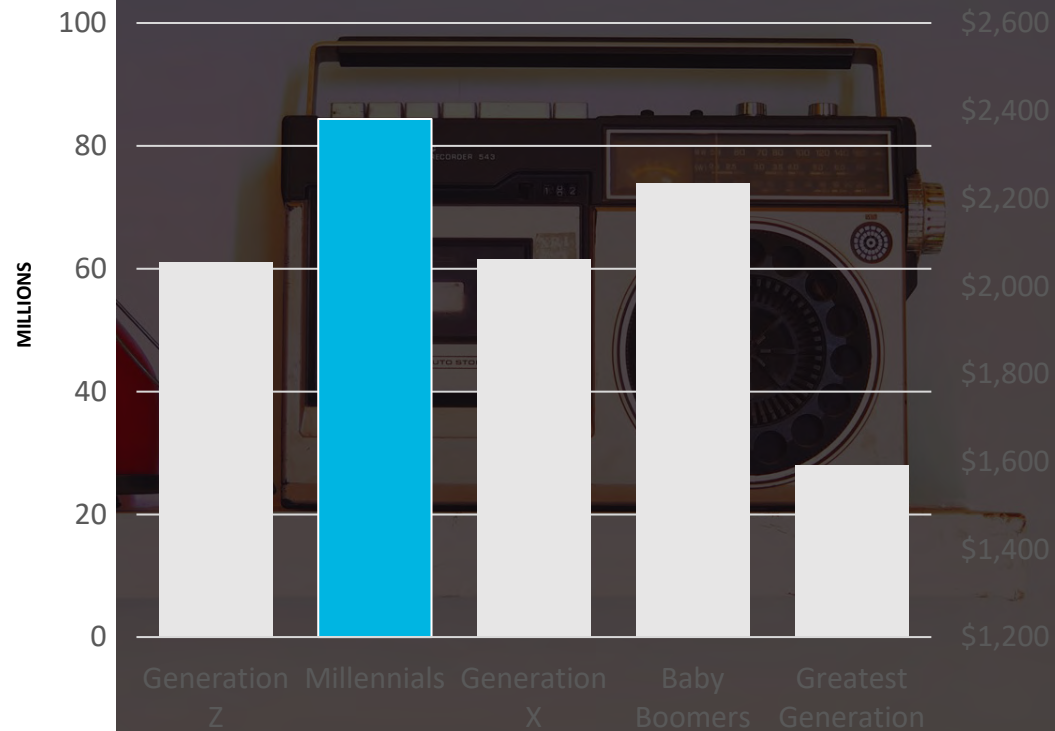


RETAIL TRENDS

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

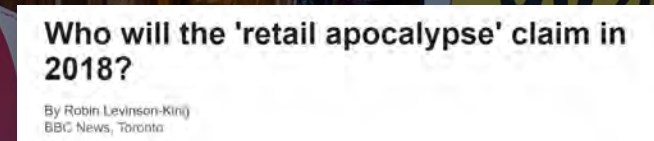
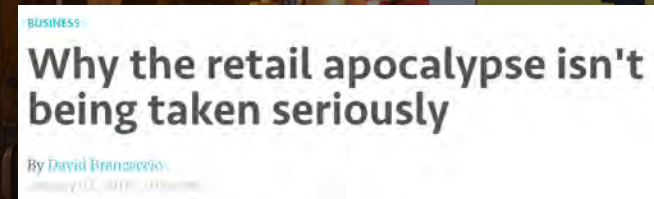
C. Market Maximization



RETAIL TRENDS

Retail Apocalypse?

United States



Australia

UK

23.6 sq ft

11.1 sq ft

4.6 sq ft

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



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 that brings your children home.

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

QSR Revenue



Impact of Retail in KY

Kentucky retail by the numbers



663.8K
Jobs Supported by Retail



56.1K
Retail Establishments



\$39.7B
Total GDP Impact



429.3K
Direct Retail Employment



\$11.7B
Direct Labor Income



\$17.7B
Direct Impact on GDP



SHOP

Impact of Retail in KY



Kentucky

The Impact of COVID-19 on Kentucky's Shopping Centers

2019

371,700
JOBS

\$79.3 bil.
SALES



2020

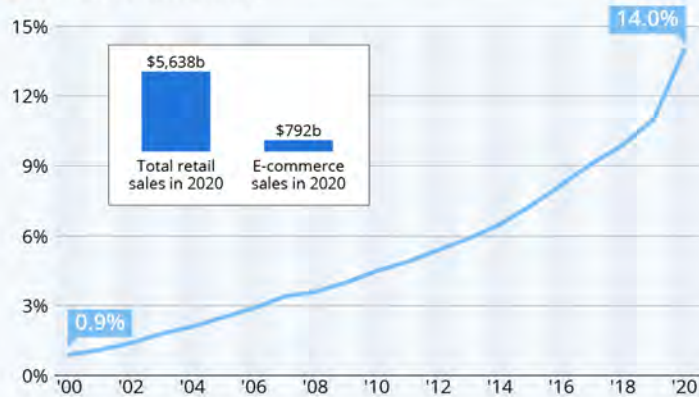
35,300
LOST JOBS

\$1.5 bil.
LOST SALES

COVID

Pandemic Accelerates Shift to Online Retail

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

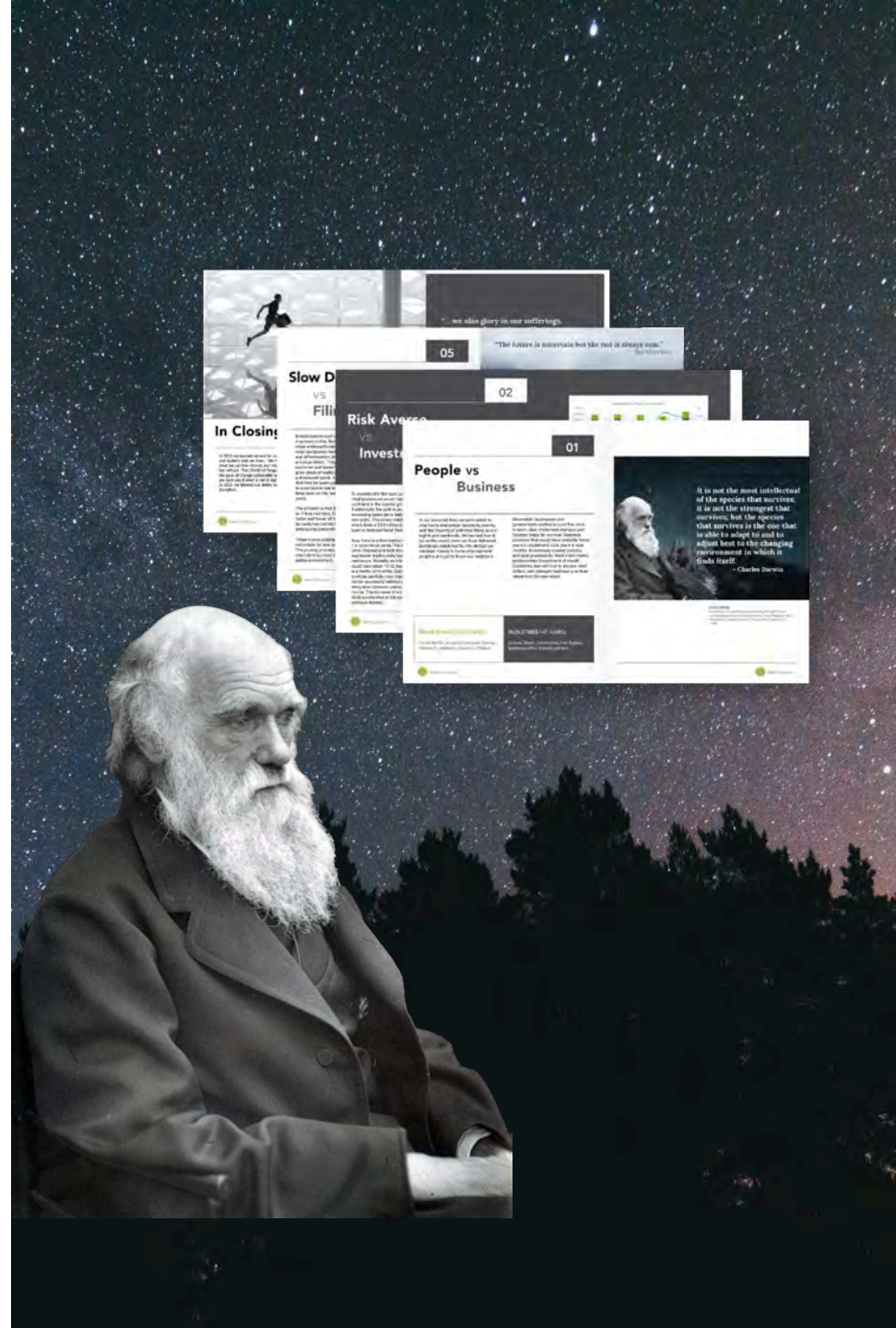


* not seasonally adjusted; excluding food services sales

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



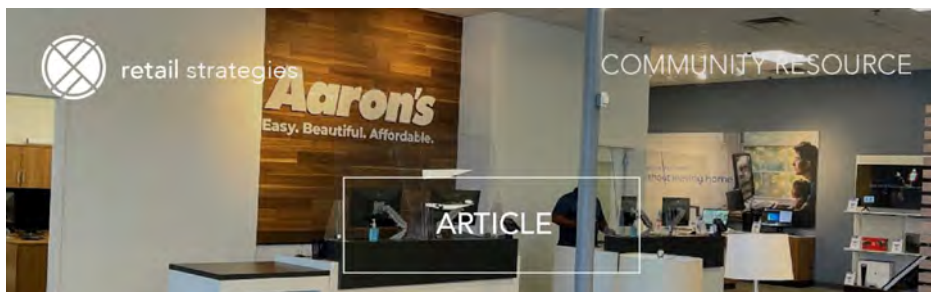


Restaurants Still Expanding



RETAIL TRENDS

Post-COVID Trend Examples



Quick Facts

- Rent-to-own business model
- Been in business for 65+ years
- \$1.7B in revenue
- 1000+ company-owned stores, 248 franchised locations
- Operate in more than 700 markets
- Trades on NYSE under AAN
- As of 12/31/20 1.1M customers had leases with Aaron's



Market by Macy's

retail specialists retail strategies

The Read Report

from Retail Specialists, LLC

Market By Macy's

Market by Macy's

- Market by Macy's opened their first two locations in Dallas and Fort Worth in the past year. Both of these stores are located in lifestyle centers and higher-end coterminants like Apple, Pottery Barn, and Warby Parker.
- McDonough, Georgia will be the home of the new Market by Macy's in Atlanta and will be opening in the South Point Shopping Center.
- Unlike the first two stores that opened in about 20,000 sf, this store will be significantly larger at 58,000 sf.
- The Georgia location will be opening in a former Toys R Us combo store. This was the last available former Toys R Us in Atlanta.
- This is certainly a departure for Market by Macy's, considering the size and location of their first two stores. McDonough is a good retail market but lacks the lifestyle merchants and higher incomes associated with their first two locations. The size of the store is also significantly larger.
- This shows that Macys is testing the concept and bringing it to a more middle America audience.



First Atlanta Location

South Point Shopping Center, McDonough Georgia

58,000 sf

RETAIL TRENDS

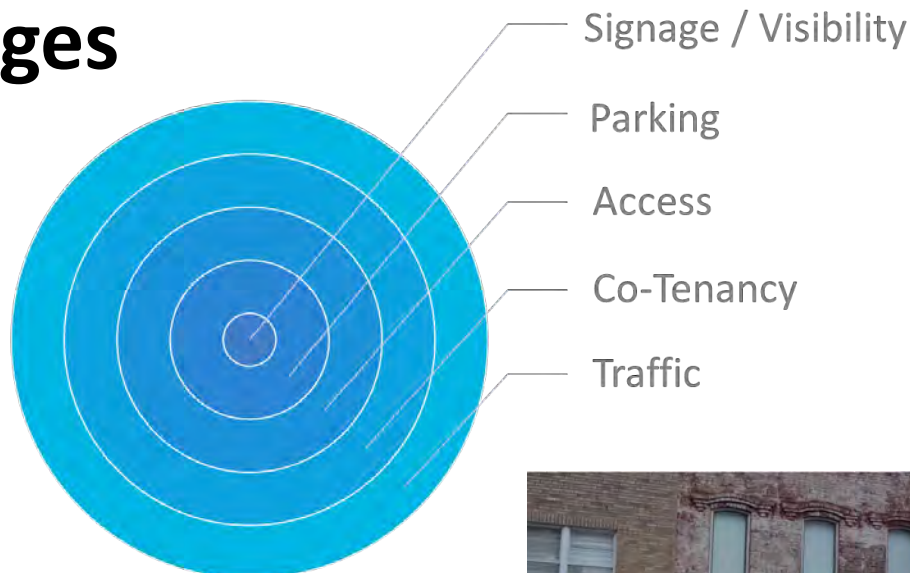
Real Estate Changes

Ingredients for Success

- ✓ Well Capitalized Brands
- ✓ Clicks & Bricks Strategy
- ✓ Increased Store Sales

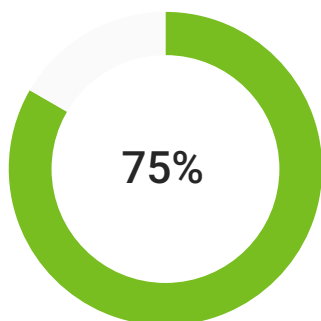
How are they growing?

- ✓ Relocations
- ✓ Penetrate Markets they Couldn't Previously Find Sites

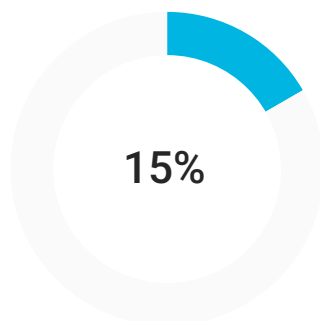


RETAIL TRENDS

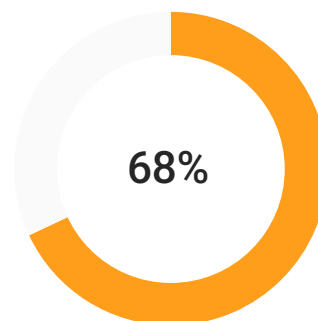
Post-COVID Shopping Behaviors

**New Technology**

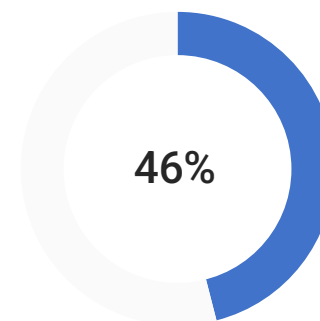
75% of consumers report having tried a new shopping method. Most intend to keep using it.

**Online Sales**

Total retail sales online comes to just 15% of overall sales.

**Curbside Pick-up**

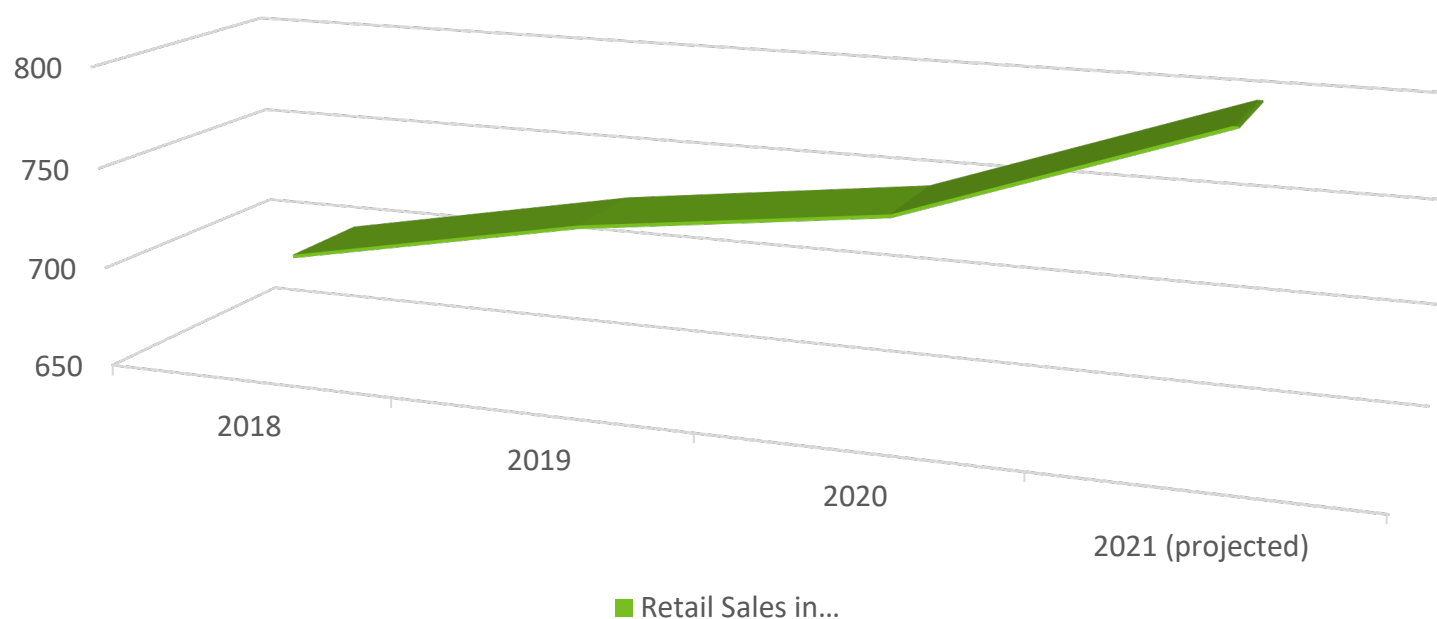
68% of shoppers say they are going to make more use of drive-up curbside collection in the future.

**Brick & Mortar**

Given the choice, 46% of consumers prefer to shop in person rather than online.

RETAIL TRENDS

Holiday Retail Sales in U.S.



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



Quality of Life



Placemaking



Revenue



Grows Economy



Economic Catalyst

1

Retail as a Catalyst for Economic Development

Retail Enhances Quality of Life

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



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 Grows the Economy

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



Retail Drives Economic Development

Vibrant Retail is Success Indicator for site selectors

Barometer for health and growth potential

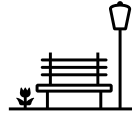
Retail is a community amenity often required of site selector



Five Benefits of Retail Development



Quality of Life



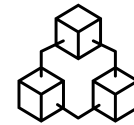
Placemaking



Revenue



Grows Economy



Economic Catalyst



Team



Vision



Survey



Funding



Plan

2

5 Steps to organize for retail recruitment

Assemble a team

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



Vision

- Messaging
- Customer Service
- Relationships



Survey your Stakeholders

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



Funding

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



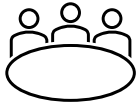
Plan for Retail

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



Five Steps to Organize for Retail Recruitment

1



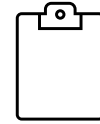
Team

2



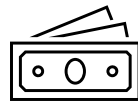
Vision

3



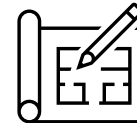
Survey

4



Funding

5



Plan



Focus



Inventory



Players



Challenges



Action Plan

3

Five Keys to Success



FOCUS

- Data Collection
- Marketing
- Outreach
- Reviews
- Approvals



Inventory

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



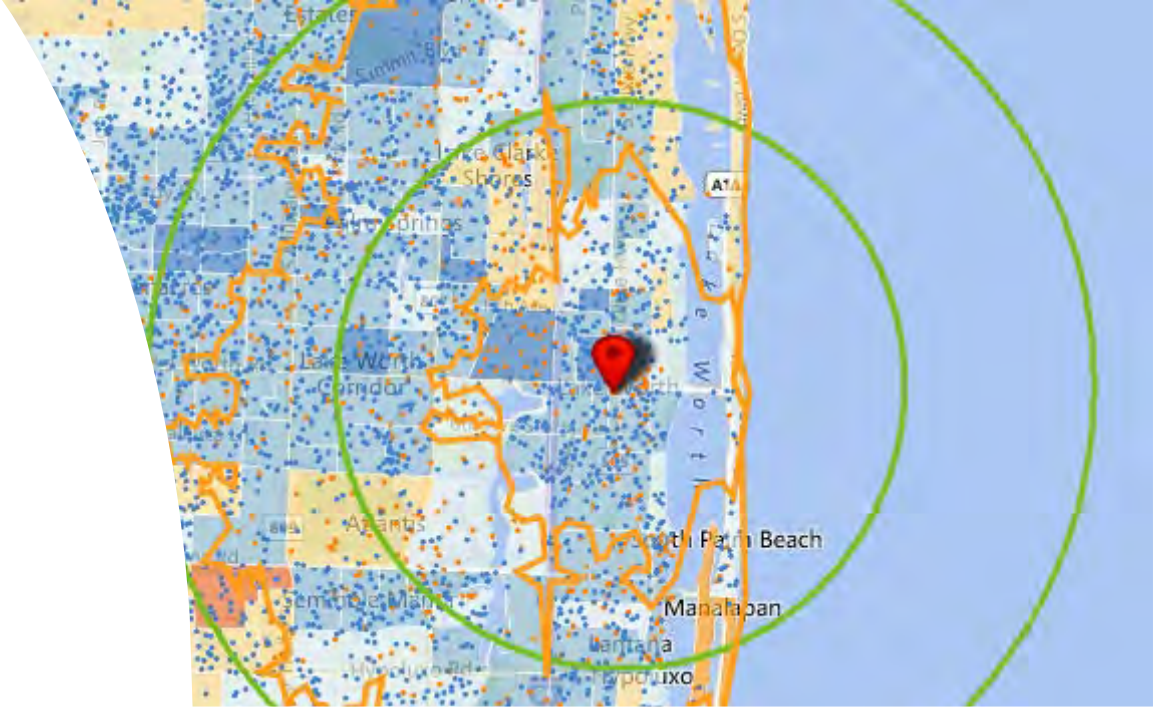
KNOW THE PLAYERS

- Owners
- Tenants
- Developers
- Brokers
- Consultants



CHALLENGES

- Smaller populations
- Larger market area
- Increased Drive times
- No local brokers



ACTION PLAN

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





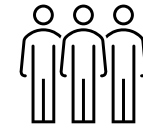
Five Keys to Success



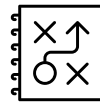
Focus



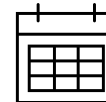
Inventory



Players



Challenges



Action Plan



Trade Area



Demographics



Market Analysis



Retail Targets



Incentives

4

Five Toolbox Essentials

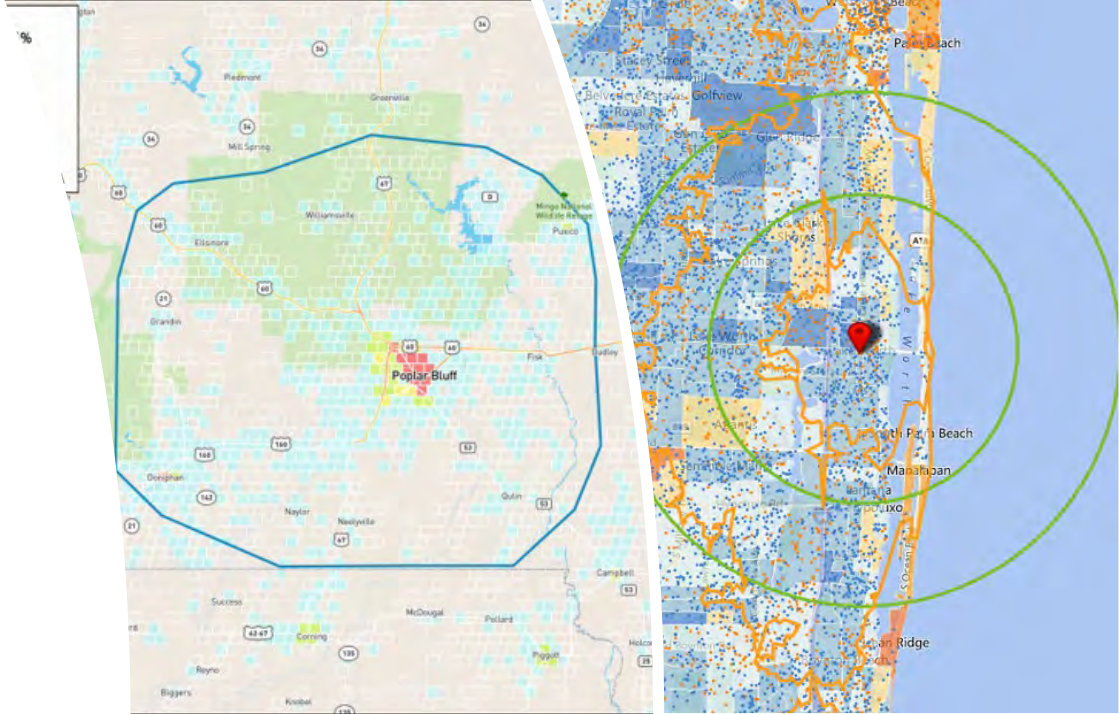
TRADE AREA

Define the market

Drive times

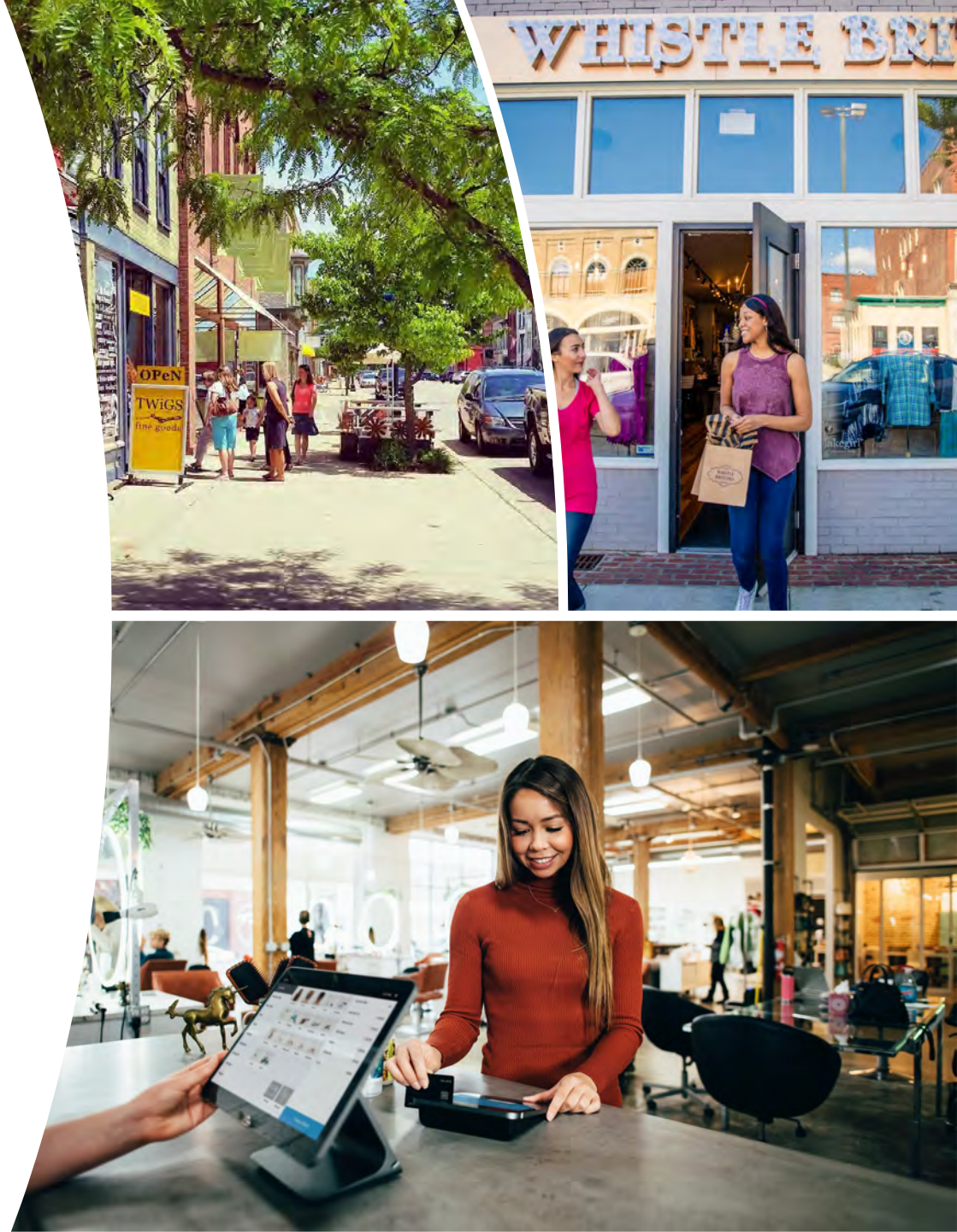
Overlapping trade areas

Natural barriers



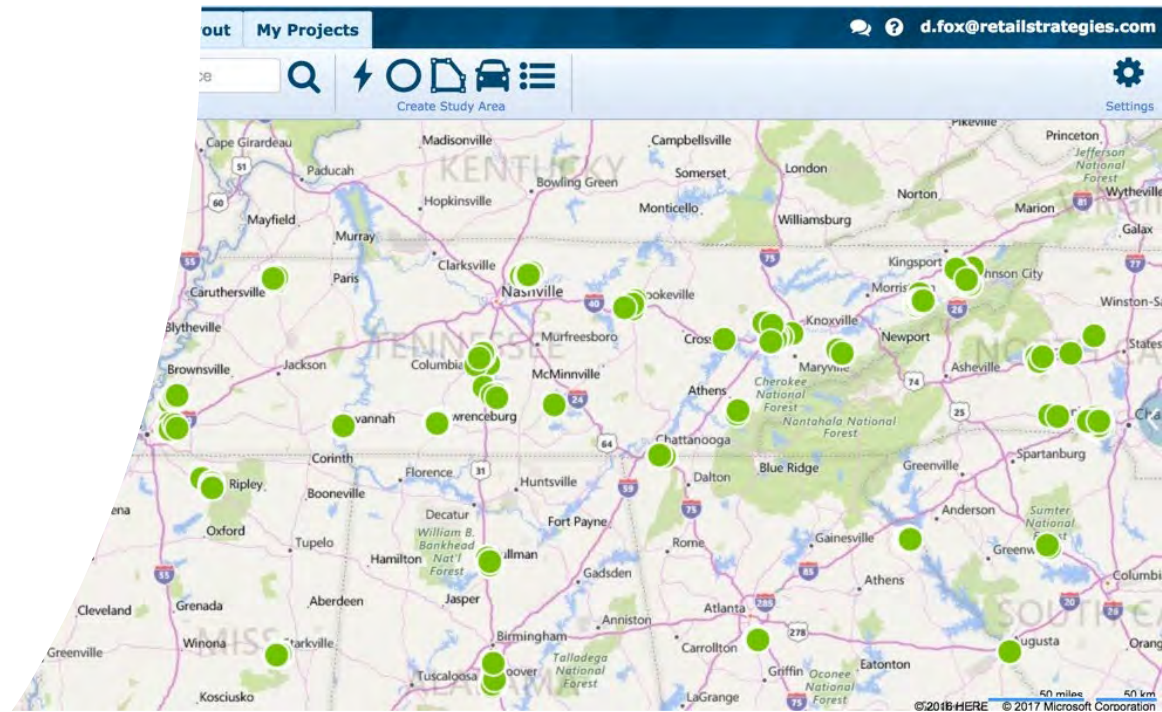
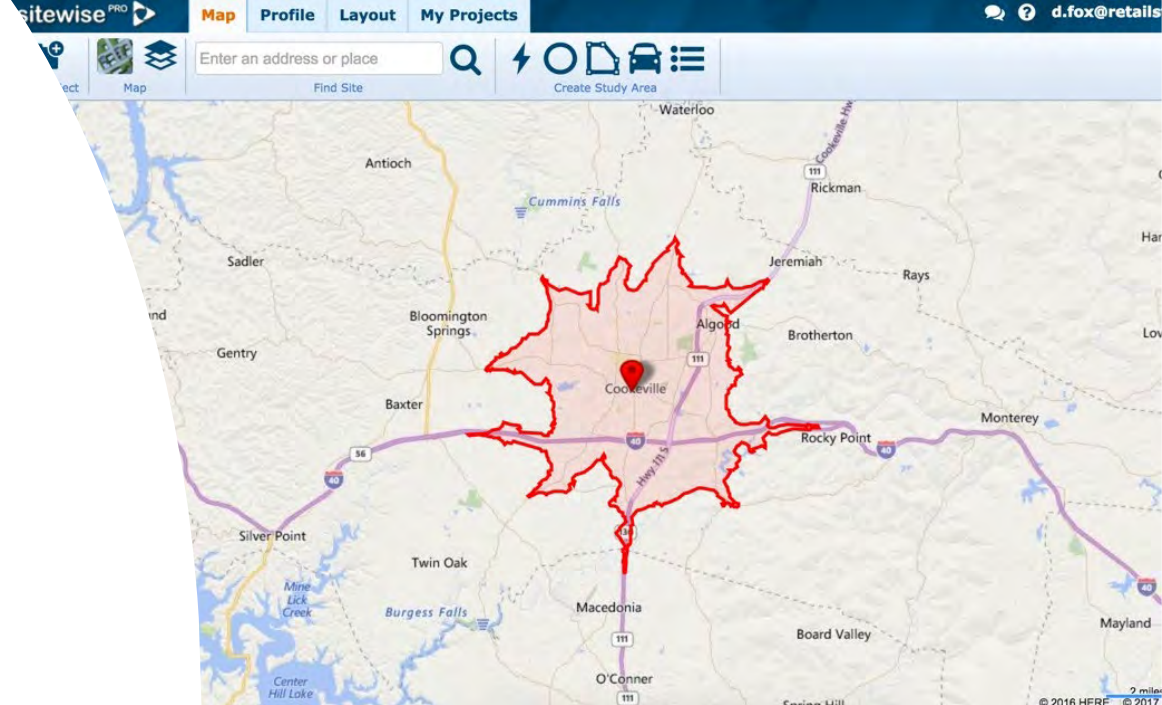
DEMOGRAPHICS

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

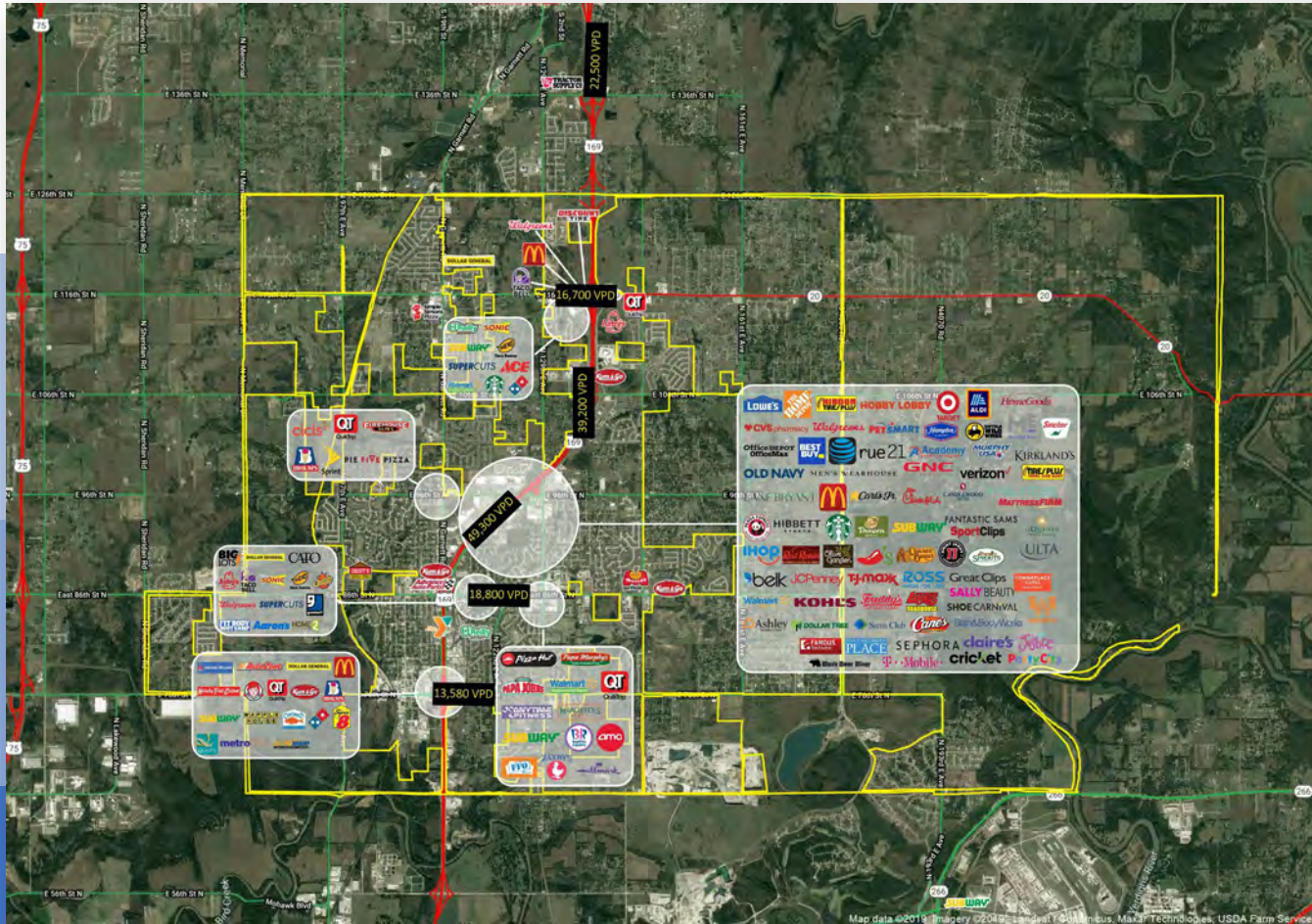


MARKET ANALYSIS

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



Market Profile Example



Major Retail & Restaurants

RETAIL TARGETS

Retail categories

What consumer wants

What community needs

Spaces available for retail

District or community identity



INCENTIVES

Tax abatement

Tax increment financing

Job training funds

EZ incentive programs

CDBG funds

Opportunity Zones

Physical Incentives

- Government owned sites

- Infrastructure improvements

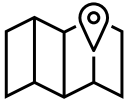
- Parking





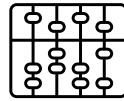
Five Toolbox Essentials

1



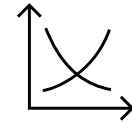
Trade Area

2



Demographics

3



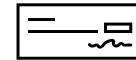
Market
Analysis

4



Retail Targets

5



Incentives



Fundamentals



Communicate



Mobilize



Connect



Repeat

5

Five Elements for Successful Implementation

Fundamentals

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



Communicate

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



Mobilize

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



Connect

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

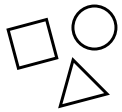


Wash, Rinse, Repeat

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



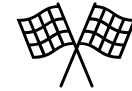
Five Elements for Successful Implementation



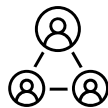
Fundamentals



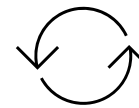
Communicate



Mobilize



Connect



Repeat

ONLINE COURSE

Retail as a Catalyst for Economic Development

2 HOUR



Retail Real Estate Course

Retail as a Catalyst for Economic Development is designed to provide an introduction to local officials on why retail should be part of a community's economic development strategy.

Retail Strategies believes retail should be an essential element in any economic development strategy and that local officials should be armed with the knowledge of how to plan and recruit retail. The course will focus on how to attract and retain valuable businesses while honoring the vision and goals of each individual community.



Interviews

Industry Professionals

▶ **Jeff Finkle**, President & CEO, IEDC

▶ **Clarence Anthony**, President & Executive Director, NLC

▶ **Toby Rittner**, President & CEO, CDFA

▶ **David Downey**, President & CEO, IDA



retail academy

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

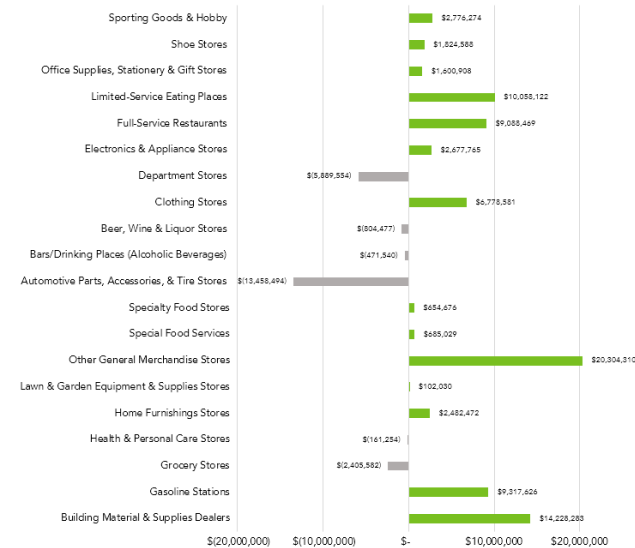
10 TIPS

COMMUNITY RESOURCE

Retail Real Estate Tip Sheet

CONSUMER DEMAND AND SUPPLY (OPPORTUNITY GAP)

← Surplus Shortage →



retail strategies



THANK YOU!

Questions?



retail strategies .com

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