

**Positioning Your
Community for Retail:
Successful Retail
Strategies**


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Agenda

Retail Resurgence
Site Assembly
Incentives
Downtown Development
Marketing



Success is insight.

**Retail
Resurgence**



Success is insight.

Continuing to Grow

Discounters
Warehouse Clubs
Drug Stores
Dollar Stores

Success is insight.

Continuing to Grow

540 Walgreens (35 new)
450 Dollar General
125 Wal-Mart
75 Target
11 Costco

Success is insight.

Continuing to Grow

Outlets and Factory Stores:
35 New Ones
18 Expanding

Success is insight.

Continuing to Grow

Converting existing restaurants:
Don Pablo's into Buffalo Wild Wings
Benningan's into Panera Bread

Success is insight.

Continuing to Grow

Strong Cash Flow Generation:
Kroger
Safeway
Supervalu

Success is insight.

Continuing to Grow

"We would grow more if we could get sites."

- Ralph Alvarez - McDonald's COO



Success is insight.

Continuing to Grow

Luxury Retailers Find Outlets

Saks Off-Fifth - 6

Nordstrom Rack - 6

Neiman Marcus Last Call - 10



Success is insight.

Continuing to Grow

2010 New Stores:

Target - 128

Darden Restaurants - 55

Lowe's - 45

Costco - 23



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Continuing to Grow

Toys 'R' Us

Pop Up Stores - 350



Success is insight.







Why Cities Assemble Sites

Influence Development Style
Influence Tenant Selection
Better Position to Address Issues
Long-term Benefits
Incentive

Success is insight.

A Success Story: Marion, IN

Strip Center
228 Acre Mixed-Use
170 Acre Mixed-Use
Renovated Mall

Success is insight.

How Marion Did It

Committed Leadership
Public/Private Partnerships
Tax Increment Financing

Success is insight.

Strip Center

Used TIF to:

1. Option 3 parcels (17 acres)
2. Relocate water & gas mains
3. Demolish 3 houses
4. Vacate street
5. Assign option to developer



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228 Acre Mixed-Use

1. Created TIF District
2. Optioned 68, 80, 80 acre parcels
3. Assigned options to developer



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170 Acre Mixed-Use

1. Optioned site in TIF District
2. Solicited retail developers
3. Selected developer
4. Assigned options



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Renovated Older Mall

- 1. Used state tax credits for mall face-lift
- 2. TIF to buy right-of-way and improve ingress/egress



Success is Insight.

Site Assembly - Downtown

City of Fremont, CA buys 22,000 square foot shopping center

Success is Insight.

Incentives

Success is Insight.

Public Incentives

Encourage
Persuade
Convince



Success is insight.

Public Incentives

Encourage
Persuade
Convince by:
1. Lowering Capital Costs
2. Lowering Operating Cost
3. Improve ROI


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78%
Offered Retail Incentives



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58% Infrastructure assistance
52% TIF Districts
44% Tax abatements
34% Sales tax sharing
30% Fee wavers



First: Set Goals

Leakage
Underserved markets
Tax revenues increased
Quality of life
Vacancies
Retention



Second: Set Policies

Target areas
Target retailers
Thresholds
Performance requirements



Third: Use Impact Models

Cost/Benefit Analysis
Federal Reserve's - Fiscal Impact Tool

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Fourth: Execute

Support Community's Goals
Targeted Retailers
Targeted Areas

Success is Insight.

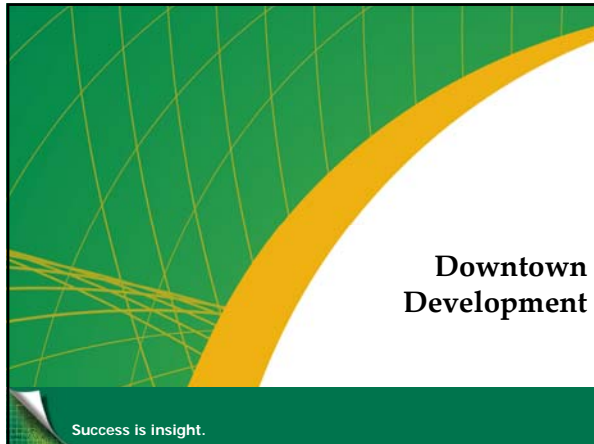
More on Incentives

Visit our website - www.buxtonco.com/webcasts.asp



to view our most recent webcast - *Using Retail Incentives to Achieve Community Goals*

Success is Insight.



Downtown Development

Success is insight.

Challenges

- Parking
- Small blocks
- Property owners
- Multiple owners
- Safety/security
- Flat growth



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More Challenges

- Tenant mix
- Sites
- Multi-story buildings
- Sign codes
- Amenities
- Events



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Barriers

Champion
Commitment
Stakeholder fragmented
Permitting process
Code requirements

Success is insight.

A Success Story: Livermore, CA

2004 adopted
Downtown Specific Plan (DSP)

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How Livermore Did It!

Comprehensive planning
Multilayered projects
Marketing savvy staff

Success is insight.

DSP Major Projects

First Streetscape Project



Success is insight.

DSP Major Projects

Madden Retail Project



Success is insight.

DSP Major Projects

Movie Theater



Success is insight.

DSP Major Projects

Performing Arts Center



Success is insight.

DSP Major Projects

Valley Plaza



Success is insight.

DSP Major Projects

Station Square Townhomes



Success is insight.

DSP Major Projects

New Retail Development



Success is insight.

Future Development

Livermore Village



Success is insight.

Future Development

Barry Swenson Builders



Success is insight.

Future Development

Regional Performing Arts Theater



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Filling New Retail Space

80,000 square feet
CommunityID data at:
ICSC Las Vegas
ICSC Regional Events

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Downtown Incentives

\$7,500 Façade Grants
\$50,000 Tenant Loans
\$4,500 Marketing Grants
\$1,500 Outdoor Furniture Grants

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Livermore's Success

250
New Business Licenses in Downtown

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Marketing

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Most Communities have a marketing disability

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How do you overcome a marketing disability?

1. Execution
2. Execution
3. Execution

Success is insight.

What Hinders Ability to Execute

Empty commitments or inadequate resources
Lack of understanding retailer's needs
Changing leadership, staff and priorities
Confusion over expectations and desired results
Conflicting accountabilities

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How High Performance Cities Execute

An unwavering focus on desired results
An understanding and commitment to serve retailer's unique needs
Align programs, incentives and resources to marketing strategy
Staffs that are marketing savvy
Civic leaders involved in execution

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How High Performance Cities Execute

85% Market to chains already in town

80% Conduct retention/expansion programs

85% Retail development is economic development strategy

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How High Performance Cities Execute

Direct Selling to:

Retailers/Developers

Commercial Real Estate Firms

At:

ICSC Regional Meetings

ICSC Las Vegas

And On:

Website

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More Discussion?

Site Assembly

Incentives

Downtown Development

Marketing

Visit the Buxton Booth # 101

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Join us at the TML Workshop:
*Positioning Your Community for Retail--Bringing Retail
to Underserved Markets*
December 11, 2009 8:00 am – 3:00 pm
Austin Marriott North in Round Rock

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