

GREENBERG DEVELOPMENT SERVICES

Residents
REORGANIZE THE COMMITTEE
 Review work plan to be sure that it meets district's changing needs
 Recruit new blood
 Evaluate relationships and work to build new ones

Workshop speaker:
Hilary Greenberg

THE ECONOGAUGE
 Our weekly estimate of the prevailing mood among investors and consumers

QUESTIONS ABOUT THE PRESENTATION

Hilarygreenberg@hotmail.com
<http://greenbergdevelopmentservices.design.officelive.com>

OVERVIEW

MORNING

1. Getting Started: What does an ER Committee actual do?
2. Do you know your market: Understanding changing market conditions.
3. How Great is your Downtown: Taking stock of what you have.

OVERVIEW

AFTERNOON

4. Do you know where you are going: How to create a strategic plan.
5. Strengthen what you've got: Establishing a business retention program.
6. Attracting new investment: Establishing a Business recruitment and redevelopment effort.

GETTING STARTED
WHAT DOES AN ER COMMITTEE DO?

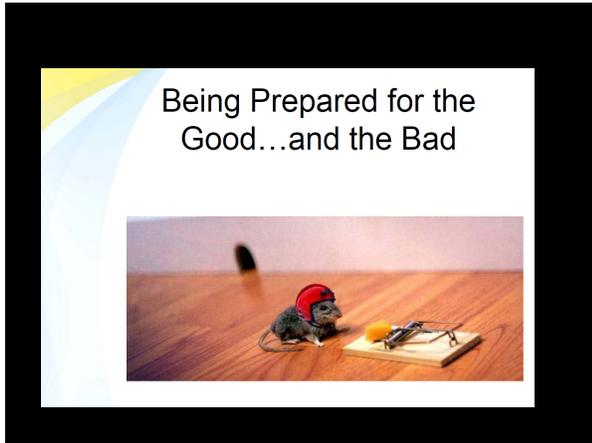
Main Street Approach

- Organization- getting everyone working toward the same goal
- Design- Adapt, reusing and restoring buildings to their top physical shape
- Promotion- getting everyone to see downtown as the center of commerce, culture and community life
- Economic Restructuring (ER)- getting downtown businesses busier

GETTING STARTED
WHAT DOES AN ER COMMITTEE DO?

Main Street Approach Towards Economic Development

- Incremental
- Comprehensive
- Partnerships
- Identify and capitalize on assets
- Self help
- Quality
- Change
- Action oriented



**GETTING STARTED
WHAT DOES AN ER COMMITTEE DO?**

**ENERGIZE
YOUR
COMMITTEE**

GETTING STARTED: WHAT DOES AN ER COMMITTEE DO?

**ISSUES
TO CONSIDER**

- **Work plan**
 - Priorities
 - Time line
- **Committee structure**
 - Committee Volunteers
 - Committee Chair
 - Staff
 - Board
- **Relationships**
 - Realtors
 - Owners

GETTING STARTED: WHAT DOES AN ER COMMITTEE DO?

PURPOSE

- Identify market constraints and opportunities
- Monitor economic performance
- Develop strategy for strengthening existing businesses
- Advocate for downtown businesses

GETTING STARTED: WHAT DOES AN ER COMMITTEE DO?

PURPOSE

- Identify uses for vacant & underutilized property
- Develop financial tools to encourage new investment
- Recruit new uses
- Encourage redevelopment of historic assets

GETTING STARTED

Implementation Strategy Board

Strategies	First Steps Year 1	Next Steps Years 2-5	Long Term Years 5-10	Visions
<ul style="list-style-type: none"> • Launch a regular Downtown Business Roundtable (DBR) program (see "Downtown Business Roundtable" page 10) • Develop a list of key downtown business leaders • Develop a shipping and dining guide, similar to that of downtown Chicago • Develop a list of downtown business leaders 	<ul style="list-style-type: none"> • Launch a regular Downtown Business Roundtable (DBR) program (see "Downtown Business Roundtable" page 10) • Develop a list of key downtown business leaders • Develop a shipping and dining guide, similar to that of downtown Chicago • Develop a list of downtown business leaders 	<ul style="list-style-type: none"> • Launch a regular Downtown Business Roundtable (DBR) program (see "Downtown Business Roundtable" page 10) • Develop a list of key downtown business leaders • Develop a shipping and dining guide, similar to that of downtown Chicago • Develop a list of downtown business leaders 	<ul style="list-style-type: none"> • Launch a regular Downtown Business Roundtable (DBR) program (see "Downtown Business Roundtable" page 10) • Develop a list of key downtown business leaders • Develop a shipping and dining guide, similar to that of downtown Chicago • Develop a list of downtown business leaders 	<ul style="list-style-type: none"> • Launch a regular Downtown Business Roundtable (DBR) program (see "Downtown Business Roundtable" page 10) • Develop a list of key downtown business leaders • Develop a shipping and dining guide, similar to that of downtown Chicago • Develop a list of downtown business leaders
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	GETTING STARTED: WHAT DOES AN ER COMMITTEE DO?
WORKPLAN TIME LINE	<p>➤ Basic Understanding (Year 1)</p> <ul style="list-style-type: none"> - Evaluate current economic condition - Develop relationships with area business leaders - Evaluate existing businesses - Determine overall market position and areas of growth

	GETTING STARTED: WHAT DOES AN ER COMMITTEE DO?
WORKPLAN TIME LINE	<p>➤ Strategic Planning (Year 2)</p> <ul style="list-style-type: none"> - Develop investment plan - Develop business retention program - Work on incentives - Marketing/branding downtown - Passive recruitment (responding to business inquiries)

	GETTING STARTED: WHAT DOES AN ER COMMITTEE DO?
WORKPLAN TIME LINE	<p>➤ Downtown Planning (Year 3)</p> <ul style="list-style-type: none"> - Encourage private reinvestment - Public improvement program - Develop marketing plan - Active targeted recruitment



	FIND THE RIGHT VOLUNTEERS
	<p>VOLUNTEERS WANTED:</p> <ul style="list-style-type: none"> positive and cheerful passionate about community networking skill

	FIND THE RIGHT VOLUNTEERS
	<p>VOLUNTEERS TO AVOID:</p> <ul style="list-style-type: none"> The Latecomer The Early leaver The Broken record The Gossip The Know-It-All The Doubting Thomas The Pet project

	GETTING STARTED WHAT DOES AN ER COMMITTEE DO?
BUILD RELATIONSHIPS	<ul style="list-style-type: none"> ➤ REAL ESTATE COMMUNITY <ul style="list-style-type: none"> - Property owners - Realtors - Developers ➤ BUSINESSES ➤ LOCAL GOVERNMENT <ul style="list-style-type: none"> - City council - Residents 

	REORGANIZE THE COMMITTEE
MATURE PROGRAM RECOMMENDATIONS	<ul style="list-style-type: none"> ➤ Review work plan to be sure that it meets district's changing needs ➤ Recruit new blood ➤ Evaluate relationships and work to build new ones 

VIRGINIA MAIN STREET ESSENTIALS

GREENBERG DEVELOPMENT SERVICES

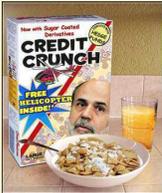
Do you know your market?



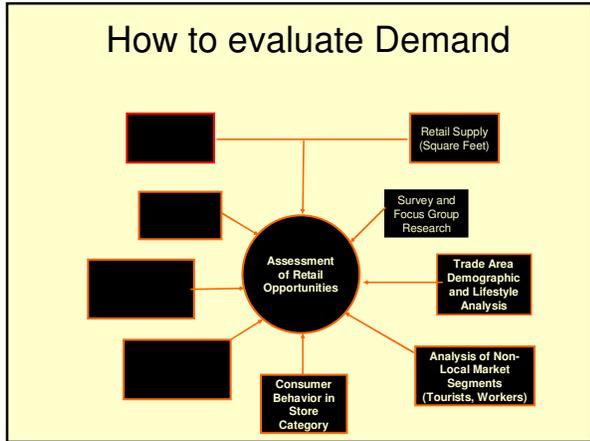
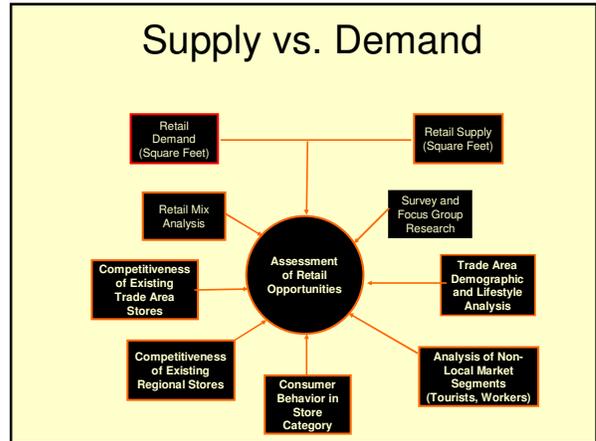
Workshop speaker:
Hilary Greenberg

	DO YOU KNOW YOUR MARKET?
BENEFITS TO UNDERSTANDING MARKET	<ul style="list-style-type: none"> ➤ Stimulate discussion ➤ Affirm or challenge current perceptions ➤ Identify strengths and weaknesses ➤ Identify issues and opportunities ➤ Recognize and prepare for change ➤ Develop new strategies

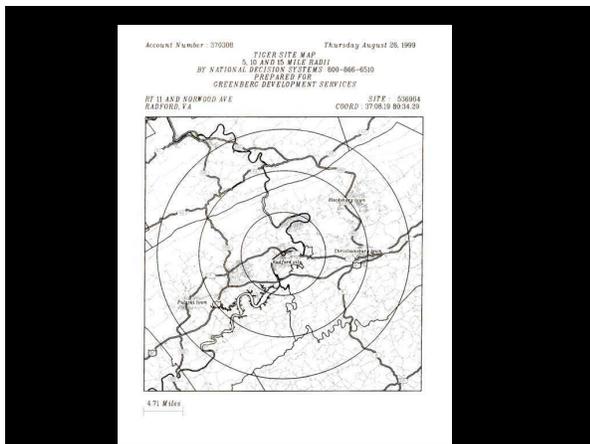
	DO YOU KNOW YOUR MARKET?
RIDING A WAVE OF POLICY & CONSUMER CHANGES	 <ul style="list-style-type: none"> ➤ Locovore movement ➤ Tele commuting & Home based businesses ➤ Smart growth & Live/work ➤ Few Americans moving

	DO YOU KNOW YOUR MARKET?
NEW MARKET REALITIES	<ul style="list-style-type: none"> ➤ Flat population growth ➤ Volatile economy ➤ Splinter markets ➤ Frustrated customers ➤ Major changes in retail competition ➤ Changes in credit and financing 

DO YOU KNOW YOUR MARKET?	
NEW MARKET REALITIES	<ul style="list-style-type: none"> ➤ Middle class incomes are stagnating. ➤ Fixed expenses have been growing. ➤ Americans have less home equity and less ability to leverage that equity for discretionary spending, mostly retail. ➤ Unemployment has increased and job recovery is expected to happen slowly. ➤ The "Trading Up" retail trend is being significantly diminished as discretionary incomes are constrained while the "trading down," trend towards value or low cost is rising.



DO YOU KNOW YOUR MARKET?	
SCOPE OF WORK	<ul style="list-style-type: none"> ➤ TRADE AREA ➤ DEMOGRAPHICS ➤ LIFESTYLE TRENDS ➤ RETAIL DEMAND



DO YOU KNOW YOUR MARKET?	
DEFINING A TRADE AREA	<ul style="list-style-type: none"> ➤ Competing centers ➤ Distance from major retail centers ➤ Commuting patterns ➤ Type of product being sold

DO YOU KNOW YOUR MARKET?

TRADE AREA

Use free mapping from Claritas to define area



DO YOU KNOW YOUR MARKET?

TRADE AREA

TIP:
Beware of physical barriers, competition and historical trade patterns



DO YOU KNOW YOUR MARKET?

DEMOGRAPHIC & ECONOMIC PROFILE

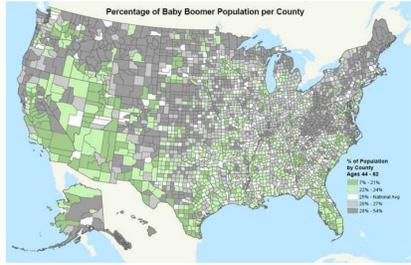
- Income
- Age
- Race
- Occupation
- Wages
- Employment



DO YOU KNOW YOUR MARKET?

GET READY FOR THE 2010 CENSUS

DEMOGRAPHIC ANALYSIS



DO YOU KNOW YOUR MARKET?

DEMOGRAPHIC TRENDS

Boomers - 77 million (ages 50-69)
Gen X - 44 million (ages 30-49)
Gen Y - 70 million (ages 10-29)

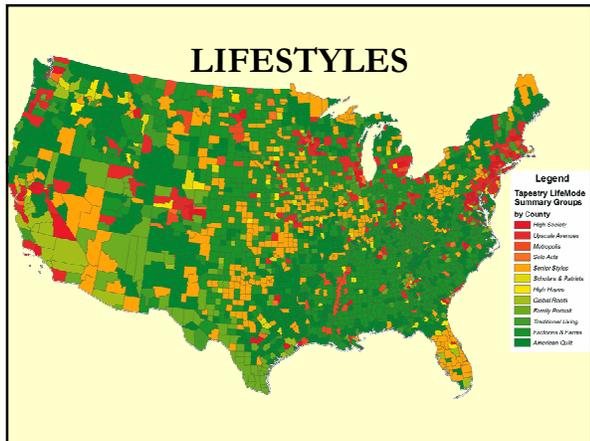
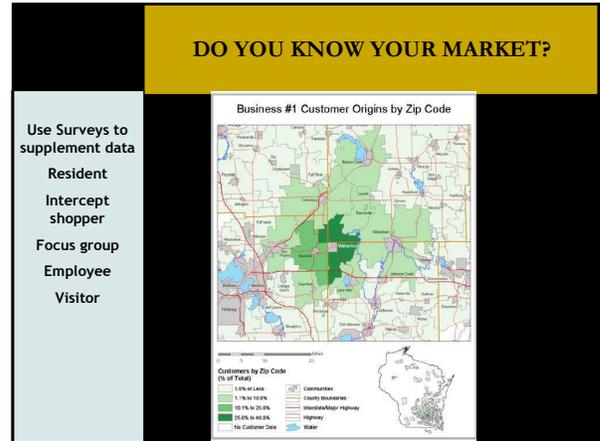
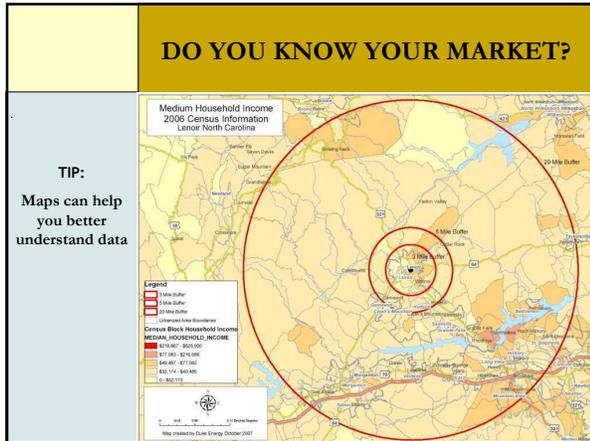


DO YOU KNOW YOUR MARKET?

MOMMY MARKETS

- Women comprise 1/2 population, but make up over 80% of the consumer purchasing decisions.
- Time pressured Mothers are most likely to “satisfice” (compromise between price and convenience) on merchandise available in their downtown shops.





DO YOU KNOW YOUR MARKET?

LIFESTYLE TRENDS

- Religion
- Ethnicity
- Employment
- Income
- Geography

DO YOU KNOW YOUR MARKET?

LIFESTYLE TRENDS

- HEALTH & WELLNESS
- SAFE USA
- PETS
- LEISURE HOBBIES

DO YOU KNOW YOUR MARKET?

LIFESTYLE TRENDS

- LOCAVORES
- VALUE DRIVEN
- SPLINTER MARKETS

DO YOU KNOW YOUR MARKET?

LIFESTYLE TRENDS

- NICHETRIBUTES- Caring businesses
- FEEDBACK - Listening to real-time needs and wants
- ECONCIERGE - Helping people to save money while being green

Help shape the future of Starbucks - with your ideas

You have better ideas because you know your Starbucks. So help us to help your Starbucks! Our Starbucks are looking for your ideas. So we need ideas that help you think of other people's ideas and give us the direction. You have, and we're ready to make ideas happen. Let us hear from you.

CAPITALIZING ON KINDNESS

DO YOU KNOW YOUR MARKET?

TIP:
Purchase market niche data

**Top Ten Tapestry Segments
Downtown Waterloo Secondary Trade Area vs. U.S.**

Segment	Waterloo (%)	U.S. (%)
30. Retirement Communities	~1.5	~1.5
28. Midland Crowd	~2.5	~2.5
42. Southern Suburbites	~3.5	~3.5
32. Rustbelt Traditions	~4.5	~4.5
14. Prosperous Empty Nesters	~5.5	~5.5
29. Rustbelt Retirees	~6.5	~6.5
37. Prairie Living	~7.5	~7.5
33. Middle Junction	~18.5	~18.5
17. Green Acres	~19.5	~19.5
25. Salt of the Earth	~25.5	~25.5

DO YOU KNOW YOUR MARKET?

TIP:
"small specialty retailers can thrive in splinter markets"

LIFESTYLE CATEGORIES

Category	Waterloo (%)	U.S. (%)
Millie Junction	~10	~10
Enterprising Professional	~12	~12
Old and Newcomers	~13	~13
Rust Belt Tradition	~18	~18
Cozy and comfortable	~19	~19
Aspiring Families	~14	~14
Milk and Cookies	~15	~15
Boontanga	~16	~16
Up and Coming	~17	~17

DO YOU KNOW YOUR MARKET?

RETAIL SALES ANALYSIS

- Trends & Comparison
- Annual sales
- Per capita sales
- Capture rate
- Sales leakage or Surplus

Projected Downtown Waterloo Retail Sales Volume
 Generated by Type of Retail District
 (Total Generated from 2001 to 2011 is \$22 million)

Growth in Downtown Retail Sales (by Market Component - in millions)

DO YOU KNOW YOUR MARKET?

Pull Factor (PF) = Trade area per capita sales / Reference area's per capita

Potential Sales = # hh in Trade area X average hh sale by category

Average hh exp. = Consumer Exp. Survey or National or State average

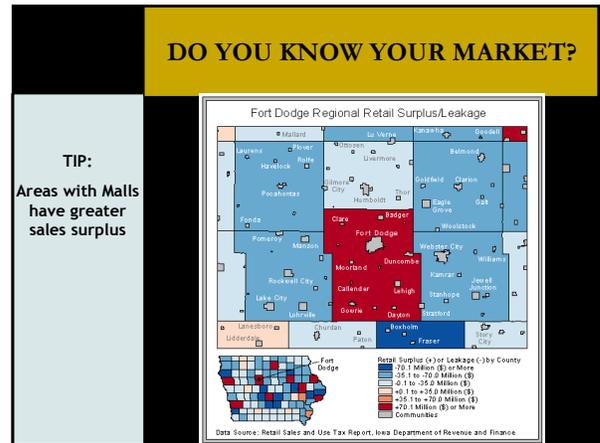
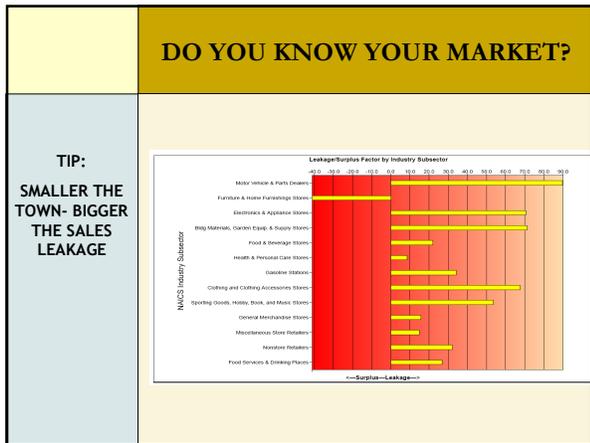
Actual Sales = Dept of Revenue

RETAIL SALES ANALYSIS

TIP:
Buy data

POTENTIAL SALE

- ACTUAL SALES
LEAKAGE OR (SURPLUS)



- | DO YOU KNOW YOUR MARKET? | |
|--|--|
| <p>MATURE PROGRAMS Recommendations</p> | <ul style="list-style-type: none"> ➤ Update and highlight changes to previous demographic profile ➤ Supplement available data with primary data on changing demographics and economic conditions <ul style="list-style-type: none"> • foreclosures • building permits • school enrollment • Charitable giving • Establish a taskforce to monitor health of community and update business community ➤ Develop e-surveys to assess public opinion ➤ Publish new data on website and through email blasts |

- | DO YOU KNOW YOUR MARKET? | |
|-----------------------------|---|
| <p>DOWNTOWN KRUPPOPOLIS</p> | <p>Demographic trends:</p> <ul style="list-style-type: none"> ➤ Growing community ➤ Small-mid size community ➤ Moderate income ➤ Diverse market ➤ Older community ➤ Concentration of white collar jobs and manufacturing |

- | DO YOU KNOW YOUR MARKET? | |
|-----------------------------|---|
| <p>DOWNTOWN KRUPPOPOLIS</p> | <p>TA Retail Sales:</p> <ul style="list-style-type: none"> ➤ Only drugs is above State average ➤ Downtown stores capture furniture, drug sales |

- | DO YOU KNOW YOUR MARKET? | |
|--|---|
| <p>Downtown retail sale leakage analysis</p> | <ol style="list-style-type: none"> 1. Calculate potential sales for trade area 2. Calculate Downtown's share of sales for Trade area 3. Translate sales into square feet 4. Compare potential square feet to actual square feet by store category 5. Translate sq. ft. into # of stores 6. Identify market niches |

DO YOU KNOW YOUR MARKET?	
EXERCISE 1 Furniture store	Total households 25,000 Av. Sales per HH. \$3,000 Dt. Share of market@ 30% Av. Sales per foot \$200 Existing space 75,000 ft.

DO YOU KNOW YOUR MARKET?	
TIP: Downtown usually capture no more than 20-30% of secondary market	1. Potential Downtown sales: <ul style="list-style-type: none"> Total # hh multiplied by average sale per hh per category $25,000 \times 3,000 = 75 \text{ million}$ Total Potential sales multiplied by downtown's estimated market share $75,000 \times 30\% = 22.5 \text{ million}$

DO YOU KNOW YOUR MARKET?	
Furniture store	Potential Downtown square footage: Potential downtown sales divided by average sales/ft. $\frac{\$22,500,000}{\$200}$ Potential space 112,500 ft. Less Existing footage - <u>75,000 ft</u> Available demand 37,500 ft # new stores 1-3