

VIRGINIA MAIN STREET ESSENTIALS ECONOMIC RESTRUCTURING WORKSHOP

Greenberg Development Services is a twenty-three year consulting firm that provides technical assistance to downtown organizations, property owners, state and local governments struggling to strengthen their economic development programs. Typical services provided by GDS include commercial market analyses, retail mix and leasing plans, community development and recruitment strategies and small business retention programs for downtown and neighborhood commercial districts. In addition to preparing background demographic and retail sales reports and analyses, the firm frequently provides on-site program assessments, and customized workshops to a range of Clients. Clients range in size from large urban centers to small rural villages or neighborhood business corridors. On-site assessment projects can range from three-day program reviews to one day technical assistance visits to evaluate specific economic development issues. GDS also can assist clients develop a range of business recruitment products including marketing brochures, retail leasing guidelines, business cluster and trade area maps and property owner agreements. Specific services that can be provided by firm include:

- Retail Market Analysis for downtown and neighborhood commercial centers
- Economic Revitalization Strategies for Downtown Business Districts
- Retail leasing plans for commercial properties
- Training in Volunteer-based Economic Development strategies
- Customized training for Main Street volunteers in area of economic development and retail leasing

USEFUL DATA SOURCES

DEMOGRAPHIC/ ECONOMIC/RETAIL SALES

Census American Factfinder	www.factfinder.census.gov
Bureau of Local Empl (LED)	lehdmap2.did.census.gov/themap/
Google public data	www.google.com/publicdata?ds=uspopulation
Bureau of Economic Analysis	www.bea.gov/regional/reis
Bureau of Labor	www.bls.gov/sae/home.htm
Local Labor market	worknet.virginia.gov www.stats.idiana.edu/
CensusScope	www.censuscope.org
DataPlace	www.dataplace.org
Claritas Site reports	www.claritas.com/sitereports/default.jsp

SMALL BUSINESS/NEW PROSPECTS

National Main Street Center	www.preservationnation.org/main-street/
SCORE (on line tool kit)	www.score.org/business_quiz.html
Nat. Fed. of Indep. Businesses	www.nfib.com
Running a business	www.myownbusiness.org
Intern. Council of Shopping Center	www.ICSC.org/index.php
SBA -	www.sba.gov/recovery/arcloanprogram
Plain Vanilla Shell	www.plainvanillashell.com/

Hilary Greenberg
Greenberg Development Services
704-366-1541

hilarygreenberg@hotmail.com

<http://greenbergdevelopmentservices.design.officelive.com/default.aspx>

CALCULATING DOWNTOWN MARKET DEMAND

1) DEFINE TRADE AREAS

- Concentric circle (5, and 15 miles)
- Govt. boundaries
- zip codes

2) CALCULATE POTENTIAL SALES FOR TRADE AREA

- Average household sales multiplied by total Households
- Purchase sales report (Claritas, ESRI)

3) DETERMINE ACTUAL RETAIL SALES **

- Dept of Revenue
- Sales and Marketing-Survey of Buying Power
- Purchase sales report

4) ESTIMATED UNMET DEMAND FOR NEW STORES

- Subtract existing sales from potential sales
- Subtract actual footage from estimated footage

5) CALCULATE DOWNTOWN'S SHARE OF THE MARKET

- Fixed share
- Survey
- National norm

6) CALCULATE NEW SQUARE FOOTAGE

- Divide unmet downtown sales by average sales per square foot (ULI)

7) USE SALES TO CALCULATE RENT

- Retailers can generally afford to spend 3-7 percent of their gross sales on rent. A retailer with sales of \$250,000, should pay \$7,500-\$17,500 or \$625-\$1,458/month for rent.

8) USE RENTS TO CALCULATE SALES PROJECTIONS

- A retailer looking to rent 3,000 ft. @ \$10 sq. ft, would need Gross sales between \$429,000 and \$1,000,000.

9) CALCULATING SALES VALUE BASED ON GROSS RENT

- GRM = property value is 8-10 times gross rent. If gross rents were \$30,000 per year, a building would be worth between \$150,000 and \$240,000.

**Hilary Greenberg
Greenberg Development Services
704-366-1541**

hilarygreenberg@hotmail.com

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PROSPECT INFORMATION SHEET

NAME OF BUSINESS: _____

ADDRESS : _____

CONTACT PERSON: _____

SPACE NEEDS:

Purchase lease

Amt of space: _____

Rental or sale price: _____

OWNERSHIP CHARACTERISTICS:

Circle one of the following: Independent Franchise Chain Partnership

INFORMATION ON BUSINESS:

Lease rate _____

Years in business _____

Number of Empl. _____

Size _____

Target customer _____

ON-SITE OBSERVATIONS: Rank 1 – 5, 1 being lowest

On-site characteristics

Traffic count: car 1 2 3 4 5

 Pedestrians 1 2 3 4 5

Visible access 1 2 3 4 5

Proximity to

 Competition 1 2 3 4 5

 Parking 1 2 3 4 5

 Proximity to 1 2 3 4 5

Customer generators

Demographic characteristics

Income level 1 2 3 4 5

Ethnic makeup 1 2 3 4 5

Age 1 2 3 4 5

Growth trends 1 2 3 4 5

In-store Observations

Quality of merchandise 1 2 3 4 5

Quantity of merch. 1 2 3 4 5

Overall appearance 1 2 3 4 5

Sales help 1 2 3 4 5

Merchandise display 1 2 3 4 5

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IS YOUR DOWNTOWN PROGRAM SUSTAINABLE?

- 1) DO YOU UNDERSTAND THE MARKET
 - Demo/economic profile
 - Public attitude and opinions
 - Retail sale trends
 - Market niche opportunities

- 2) DO YOU UNDERSTAND EXISTING CONDITIONS
 - Business Mix
 - Business Climate
 - Property information
 - Social, Physical and Regulatory environment

- 3) DO YOU HAVE A STRATEGIC PLAN
 - Leasing objectives
 - Market niche identification
 - Conceptual plan
 - List of possible tenants
 - Property owner agreements

- 4) DO YOU HAVE A RETENTION PROGRAM
 - Targeted promotions
 - Guerrilla marketing
 - Image building
 - Business Assistance program

- 5) DOES ORGANIZATION HAVE A RECRUITMENT TEAM(S)
 - Meets regularly and has a work plan
 - Has property development and recruitment strategies
 - Makes 5-10 contacts annually
 - Has a market position statement
 - Has completed a recent consumer/business survey
 - Has identified potential sites and market niche

- 6) DOES ORGANIZATION HAVE MARKETING TOOLS
 - Letter of intent
 - Marketing folders
 - Brochures on key incentives
 - Web site with links to data sources
 - Prospect lists from computer companies
 - Established word of mouth system
 - Regular classified ads
 - Rental signage in windows
 - On-site visits

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PROPERTY OWNER ACTION AGREEMENT

PROPERTY OWNER RESPONSIBILITIES:

1. **Property owner will keep building interior clean**
 - Floors must be swept
 - Walls and ceiling should be washed
 - Building should be aired and cleaned
 - Window and display areas must be clean
2. **Property owner will maintain building exterior**
 - Old signs should be removed from building
 - Exterior of building washed
 - Sidewalk and inset door area swept and washed
 - Awning removed
3. **Property owners shall provide leasing information**
 - Square footage
 - Condition of heating and air
 - Rent and leasing options
4. **Property owner shall provide rehab cost estimates**
 - Hire contractor to prepare estimate
 - Allow building inspector to inspect property
 - Determine amount of tenant upfit allowance
5. **Property owner will list property**
 - Provide at least one month commission
 - Place sign in window
 - Permit Main Street staff to show property

MAIN STREET PROGRAM RESPONSIBILITIES:

1. **Main Street will develop marketing material**
 - Business recruitment packet : Surveys, website, brochures
2. **Main Street will solicit leads**
 - Maintain a referral network
 - Maintain a prospect list
 - Direct mail campaign
3. **Main Street will assist in store leasing**
 - List available space in classified ad
 - Place sign in window
 - Show space when owner is away
 - Conduct open house tours
4. **Main Street will provide financial or technical assistance**
 - Provide facade drawings
 - Provide sign or facade grant
 - Conduct feasibility studies
 - Bonus commissions to realtors

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