



Retail Strategies Proposal To:

City of Crossville, TN

Retail Market Analysis, Strategy, & Recruitment

February 18, 2016

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EXECUTIVE SUMMARY

THE RETAIL STRATEGY

The culmination of our discovery process is the presentation of the Retail Strategy. The presentation, given by your entire team, walks you through the story that our team will begin discussing with retailers and developers throughout the Country on your behalf.

Retail is perhaps the fastest changing of all the commercial real estate sectors. Rather than providing a static study that is quickly outdated, the ongoing implementation creates a dynamic strategy that can pivot as the market demands.

The implementation of the Strategy is a process, not an event. Our team is committed and focused on presenting real opportunities to targeted expanding retailers and updating your strategy. We always keep your main goal in focus – attracting new retail to the market.

Our team is committed to providing unparalleled service and communication. We do not over promise but we strive to over achieve your expectations because our main goal is to always be your retail partner.

Q: Why Retail Strategies?

A: It's simple. We are committed to our clients and we can prove it:

- 150 Years of Retail Real Estate Experience
- 5:1 Client to Staff Ratio
- Most licensed Retail Real Estate Professionals on Staff
- Located Retailers in 44 US States
- 92% of Clients are still under contract with Retail Strategies

Q: Where did your team come from?

A: Costco. Hibbett Sports. ShopKo. Office Depot. Grocery Chains. Buxton. The legal sector. Marketing and Branding firms. Data firms. Brokerage Houses. Retail Strategies employs 28 retail real estate professionals from a variety of backgrounds so that we can provide a holistic service for our Clients.

Q: What are the goals for your partnerships?

- Increase the quality of life
- Broaden the tenant mix
- Boost tax collections
- Create Jobs



DISCOVERY

Community Data Analysis

Big data is here to stay. Retailers across the country have become more analytical and data driven than ever before. It is our job to develop a unique story to show the opportunities in your market to complement the current tenant mix and create a more vibrant marketplace.

Real Estate Analysis

We are retail real estate experts and real estate is and always will be the main determining factor for every retail expansion. Immersing ourselves with knowledge of the real estate in your market is the most critical piece of our discovery process. By putting our boots on the ground we identify your retail assets, challenges and opportunities in relation to surrounding communities, and opportunities for development and redevelopment within the community.

Community Input

Our team values your input. Your team will match the needs and wants of the community with realistic retail opportunities then work tirelessly to attract them to the market.

OUR BACKGROUND

Founded 2011

CAN I DO THIS ON MY OWN?

Several factors create challenges for communities when it comes to retail recruitment without a strategic partner. Time, knowledge, resources and connections limit the effectiveness and efficiency of the communities' efforts. Our model overcomes these barriers by committing an experienced, focused, well connected team working on your behalf.



Retail Strategies, LLC – www.retailstrategies.com

WHERE DID WE COME FROM?

Retail Strategies was created by brokers and developers to provide communities the option to have retail real estate professionals devise and execute tailored strategies to boost tax revenues, create jobs, and increase the overall quality of life in their communities through retail.

HOW DOES THIS WORK?

It's fairly simple. Our team of retail real estate professionals collect data, drive your market, and discuss your community vision to identify retail opportunities that fit your community. Our experts create a tailored strategy to attract these retailers that is presented to you following our discovery process. Once the strategy is adopted our team then begins the heavy lifting of retail recruitment on your behalf by leveraging our connections, representing you nationally at ICSC conferences, and developing tailored packages that your recruitment team discusses with retailers to attract them to your market.

Q: Do you keep me up to date on progress?

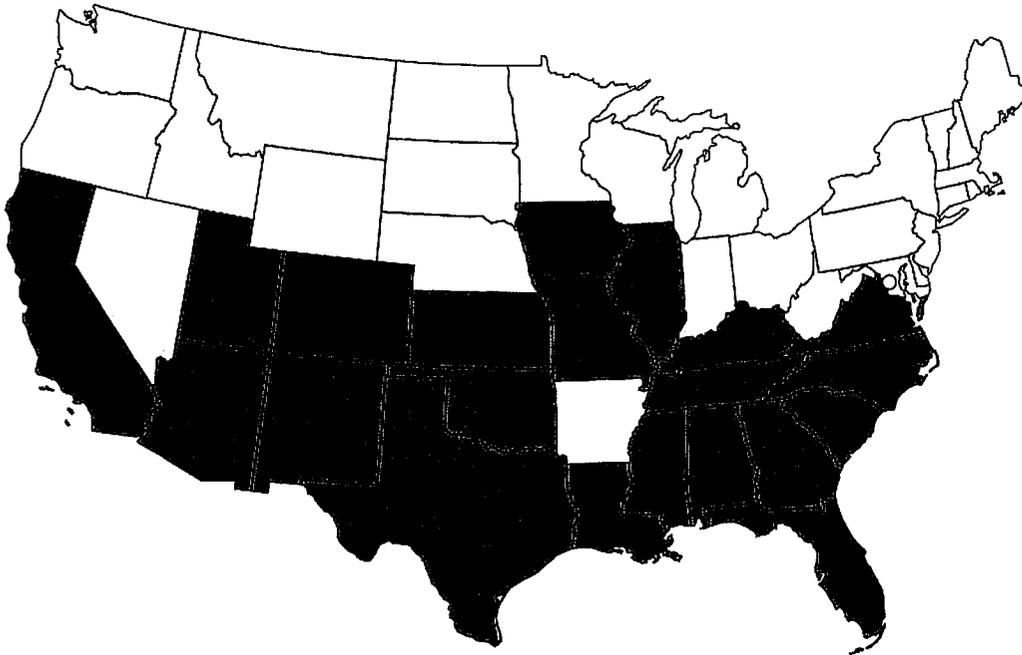
A: YES! Through a project management site that is user name and password protected. This site is where everything is logged and organized for your convenience.

Q: Do you guarantee success?

A: If only we could! Retail real estate transactions involve multiple uncontrollable variables. However, we commit to every Client communication and the promise that there will be more meaningful conversations with retailers about sites in your community.

“Retail Real Estate is a multi-year process. Our goal is to be your long term partner to bring these deals out of the ground.” – Robert Jolly, CEO

OUR FOOTPRINT



SERVING OUR CLIENTS COAST TO COAST

Serving our clients is our number one priority. Retail Strategies has acquired the most experienced and knowledgeable team in our industry to give our Clients the best opportunity to attract retail to their markets. Our number one focus and goal is our Client's success. We do not have "repeat clients" we have partners whom we serve and 92% of our Clients are still under contract with us today.

21
STATES

130
CLIENTS

5:1
CLIENT
TO
STAFF
RATIO

92%
CLIENT
RETENTION
RATE

TEAM

Our Team

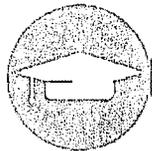


A Sample of Who We Have Worked For and With

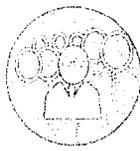


Where Our Team Is From

Where We Have Located Retailers



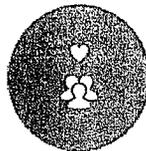
19
Licensed Real Estate Professionals



24
Team Members



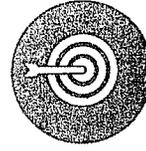
130
Communities Served



5:1
Staff to Client Ratio



150
Years of Retail Real Estate Experience



1 Goal
Create Success for Our Clients

METHODOLOGY

PHASE 1: MARKET ANALYSIS | DATA MINING | SUPPLY & DEMAND

Retail Strategies has licensed the most valued data sources in Retail. Retailers from J. Crew to Cinemark rely on the same data and sources that we use to identify the strengths, weaknesses, and opportunities in your market. Our Market Analysis will identify a complete view of your market by focusing on the primary criteria that retailers and developers are using to identify expansion opportunities.

TRADE AREA IDENTIFICATION

Knowing your trade area is mission critical. To identify your trade area here are the steps we take:

- **Mobile Data Collection** - Data is collected from mobile phone users who have agreed within their apps and phone settings to enable location information. By analyzing this information our experts will identify shopping patterns of consumers within the area to derive true trade area for Crossville.
- **In Market Analysis** – Inputting Retail Real Estate experts in Crossville to drive the market to identify shopping patterns and key shopping centers to prove the true trade area.
- **Community Input** – Leaders of Crossville have insider information on the shopping patterns and desires within the community.

DEMOGRAPHIC ANALYSIS

Retailers from J. Crew to Chipotle license the same data sets as Retail Strategies. You should have and rely on the same data retailers trust. Below are a few highlights from our data reports.

Keep in mind there are over 150 total reports:

- Population & Population Growth
- Daytime Population
- Quarterly Population (Seasonality)
- Median Household Incomes & Growth
- Age
- Households & Household Growth
- Educational Achievements
- Labor Force
- Workplace Establishments
- Workplace Salary
- Workplace Occupations
- Weekly Per Capita Potential
- Consumer Spending Patters
 - Grocery
 - Restaurants
 - Apparel
 - Furniture
 - Sporting Goods
 - Entertainment
 - Utilities
 - Home Supplies

PSYCHOGRAPHIC PROFILES

Retailers across the Country are analyzing and identifying Psychographic profiles to define their core and secondary consumer. Our Psychographic analysis will identify:

- Density of Psychographic Segmentations within the market from various trade areas
- Primary demographic and socioeconomic traits
- Consumer values, behaviors, attitudes, lifestyles, and purchasing behaviors
- Psychographic segmentations will be analyzed and ranked based upon density within the trade area

RETAIL GAP ANALYSIS

Our Retail GAP Analysis will identify the potential retail sales (demand) for the trade area(s) and contrast that information to the estimated retail sales (supply) to identify dollars leaving the market on an annual basis. Retail Strategies analyzes:

- We identify the retail surplus or leakage from 85 different retail categories (45 retail establishment sectors and 40 product lines) to drill down to the specific retail needs of the community
- Our team compares your leakages to national average store sales of the top 100 retailers to identify how to fill the leakages within the community.
- Taking the GAP analysis a step further, we also identify the number of square feet needed and potential new businesses to fill the leakage within the market

PEER COMMUNITY ANALYSIS

Our team will identify a minimum of eight peer communities to Crossville.

- We will identify how you compare by analyzing Population, Daytime Population, Income Levels, Gross Leasable Area (GLA), and Market Supply.
- Once the Peers have been identified we will study the difference in GLA, Market Supply, and the number of retailers from ten different retail categories to identify specific categorical retail opportunities
- Taking the categorical opportunities further, we will drill down to specific retailers who have located in peer communities but haven't yet located in Crossville.
- We will comb through the Peer communities to identify new developments and strategies that were implemented to attract retailers and/or development/redevelopment.

PHASE 2: BOOTS ON THE GROUND | REAL ESTATE ANALYSIS

Real Estate is one of a communities most valuable assets. Retail Strategies will deploy a team of retail real estate professionals to your market to evaluate your real estate assets and identify short and long term recruitment opportunities, retail prospects, and key areas for development and redevelopment.

BOOTS ON THE GROUND ANALYSIS

Our boots on the ground analysis is performed by licensed real estate professionals who have over a decade of experience in deal making. The purpose of this analysis is to identify and evaluate:

- Specific sites and areas within the market for development and redevelopment
- Short Term and Long Term development and redevelopment needs
- Short term and Long Term target growth areas based upon current available space
- Primary retail corridors within the market
- Ingress & Egress needs of shopping centers
- Highest and best use areas of the community
- Retailer repositioning needs
- Competitive analysis (SWOT) of competing communities and centers. This information is used when determining several pieces of the Retail Strategy including but not limited to retail prospects, development needs, and gross leasable area (GLA) needed to fill opportunities within the market.

BROKER & DEVELOPER OUTREACH

Our team will connect with Brokers and Developers who have worked or are working with the community to identify and share:

- Let them know what the City has hired us to do and discussing how we can be of assistance to them
- Retailers who have looked at the community but never located
- Was it hard to develop in the community?
- Are their ways for the City to assist in the permitting process?
- Potential reasons why retailers haven't located in the market before

PROPERTY OWNER OUTREACH

Many property owners in our client communities fall in to two main categories:

- 1) They have an inflated opinion of the value of their land
- 2) They are not familiar with the opportunities their land could provide

Our team will connect with property owners of focus properties to let them know what the City has hired us to do. The primary goal of this outreach is to:

- Educate the Property Owner on what the City has hired us to do and how we can be of great value to them
- Identify a willingness or unwillingness to sell
- Identify a price of their land
- Identify if their land is listed online and if so which platforms is it listed
- Is there a Broker representing the land? If so, we want to connect with them and help his or her as well.

COMMUNITY INPUT

We are the Retail Real Estate Experts but our Clients are the true community experts. Our team values and relies on a partnership with our Clients. Market intelligence is not a "one time" process. Throughout the life of our partnership we will stay up to date on the latest in your community. Our team does this so that we can:

- Understand the dynamics of your market
- Have a pulse on the community needs
- Identify the appetite for incentives for certain retail projects
- Identify desired retailers
- Identify projects that were on the table but never came out of the ground
- Stay informed on the health of the existing retailers to remain proactive

"Data is critically important but even the best data cannot support retail expansion without the right real estate. Our background is in real estate and our team is committed to putting our experience, knowledge, and connections to work to put the right sites in to the hands of the right retailers to broaden your tenant mix, increase tax revenues, and improve the overall quality of life in the community."

- Joe Kucharski, Team Member at Retail Strategies and former executive Real Estate Broker for Costco

PHASE 3: RETAIL STRATEGY

The presentation of the Retail Strategy is the starting line for our partnership. Our team of experts will walk you through how a retailer views your market. From data to real estate we will uncover and describe the retail strengths, weaknesses, opportunities, and threats in your community. As the economy, community, and retailers change, we will adjust the Strategy to appropriately position the City to attract desired retailers.

Marketing Guide

Retail Strategies marketing experts will develop a four-page marketing guide for your community. The purpose of this marketing guide is show a retailer the primary information they request as effectively and efficiently as possible. Information available in the Marketing Guide include but are not limited to:

- Population
- Daytime Population
- Demographic Trends
- Community Dynamics
- Median Household Income Levels
- Major Psychographic Segmentations
- Top Employers
- School System Information
- Focus Properties
 - Listing Agent
 - Square Feet Available
 - Address
 - Contact Information
- Aerial Overview of the Community with Retailers identified by logo
- Retailers identified by logo
- Traffic Counts (Vehicles Per Day)
- Regional map to show the location of the market and metropolitan areas
- Client Contact Information
- Pictures from the community
- Web Site link
- Retail Strategies contact information

DEMOGRAPHIC HIGHLIGHTS

The Retail Strategies team begins the Retail Strategy by explaining the strengths, weaknesses, opportunities, and threats to your community through data. The primary items covered from a data standpoint are:

- Population (multiple geographic parameters)
- Daytime Population (multiple geographic parameters)
- Income Levels (multiple geographic parameters)
- Trade Area Identification
- Mobile Data Collection
- Peer Analysis
- GAP Analysis (Leakage Report)
- Psychographic Analysis

REAL ESTATE

The second portion of the Retail Strategy will unveil the primary and secondary real estate opportunities in the market. Our team will show you the specific properties that we believe are prime for short term and long term retail recruitment. This portion will also identify the short and long term development and redevelopment zones for the community. The primary items covered in the Real Estate section of the Retail Strategy are:

- Identified Properties
- Focus Properties
- Development Zone(s)
- Redevelopment Zone(s)
- Target Recruitment Zone(s)
- Current Retail Overview
- Shopping Center Overview
- Planned Development and/or Redevelopment
- Primary Leasing Opportunities

RETAIL PROSPECTS

Our team will identify National, Regional, and Local retailers whose site criteria match specific real estate identified in Crossville. Initially our prospect list will include a minimum of thirty (30) retail prospects but through the course of our partnership this list will continue to expand as new retailers announce expansion plans and are looking for markets like Crossville. The Retail Prospects will primarily be from the GAP Categories identified in the community but will also include expanding retailers whose site criteria metrics fit the Crossville market.

PHASE 4: IMPLEMENTATION | REPRESENTATION

Following the presentation of the Retail Strategy the real work begins. Since 2011, our team of retail real estate experts have been executing on behalf of communities just like Crossville to identify opportunities and successfully recruit expanding retail and restaurants to their Client markets. While data analysis plays a key role in the development of the Retail Strategy, our real strengths lie in connecting the right parties of commercial real estate transactions and providing our client a seat at this negotiation table.

RETAILER RECRUITMENT

Retail recruitment is not an event, it is a process and involves meaningful conversations with real estate directors, tenant rep brokers, and site selectors. Retailers make multi-million dollar decisions when they locate in your community and will rarely respond to email campaigns. Who likes being a part of an email campaign anyway?

Our National network of retail, development, and investor relationships allows our team to connect directly with decision makers to discuss the specific retail opportunities in your market. The documents we send to retailers are site specific and tailored to the retailer's site criteria. Our job is to maximize the visibility of your market by doing the homework for the retailer to make locating in Crossville as easy as possible.

DEVELOPER RECRUITMENT

Recruiting developers to your market is mission critical. Our team leverages a National network of developer relationships to match the development opportunities in your community with similar projects completed nationally. Developers, unlike retailers, are not bound by geographical or distribution limitations and will look at opportunities throughout the Country. Similar to retailers, Developers are much more likely to respond to communication that is not mass marketed.

Our team of Retail Recruitment professionals will connect with developers who have successfully completed projects with retailers who fit the Crossville market. The purpose of these conversations is to introduce specific sites and opportunities within the market to identify interest from the developer. Once we have a developer interested we will work hand in hand with the developer to recruit tenants and bring the development out of the ground.

NATIONAL REPRESENTATION AND MARKETING

ICSC Conferences and Retail LIVE events are for creating and sustaining a massive network of retail real estate professionals. Our team prepares six weeks out for each Conference and spends each day after leveraging those connections. Although these Conferences are typically titled, "Deal Making," they are for networking. Our team will represent Crossville at each conference and communicate our progress appropriately. Below is a list of conferences we attend each year:

RETAIL LIVE: Chicago
RETAIL LIVE: Orlando
RETAIL LIVE: Austin
ICSC Idea Exchange: Biloxi
Retail Live: Los Angeles

ICSC RECON: Las Vegas
ICSC Deal Making: Dallas
ICSC Deal Making: San Diego
ICSC Deal Making: Washington DC
ICSC Deal Making, New York City

ICSC Deal Making: Chicago
ICSC Deal Making: Atlanta
ICSC Deal Making: Orlando
ICSC Research Connection: TBA
ICSC Idea Exchange: Nashville



International Council
of Shopping Centers

RETAIL LIVE!

RETAIL. REAL ESTATE. LIVE.

COMMUNICATION

At Retail Strategies we pride ourselves on our communication with retailers and developers as well as our Clients. The communication we provide to our Clients is about real conversations we are having with decision makers. We perform and do not communicate the open rate (response rate) of a mass email. The conversations we are having are communicated to our Client through phone calls, emails, and the use of our project management site, Basecamp. Basecamp is a web-based project management site so you have access to your data on your schedule. Your data is Username and Password protected so that we can stay organized and keep confidentiality on sensitive insider information.

We will communicate with you at minimum monthly and as frequently as a few times per week. The communication we deliver is deal specific and we report that information as we receive it. As with any industry the Holiday's and Summers are slower, but we always communicate and stay in touch. If you need reports for Council or board meetings all you have to do is let us know three days ahead of time so we can properly prepare our update.

TIMELINE & INVESTMENT

The initial length for this partnership is 36 months following the receipt of the fully executed agreement. A timeline for the first ninety days will be submitted to Crossville within the seven days of the fully executed agreement, indicating trip details and delivery dates. We will make a minimum of three trips to Crossville during the partnership.

PROJECT FEES:

The total fee for completion of work is \$110,000 payable in four installments over the 36 month period:

1. \$25,000 upon execution of the agreement
2. \$25,000 upon completion of the Retail Strategy
3. \$30,000 upon contract renewal date for Year 2. An invoice will be sent 60 days prior to renewal date.
4. \$30,000 upon contract renewal date for Year 3. An invoice will be sent 60 days prior to renewal date.

Project fees are due within **30 days** of receipt of the invoice.

Should Crossville request a special assignment, additional work, and/or additional travel needs not specifically referenced in the contract, we will prepare written authorization to be signed by Crossville in advance of commencing any additional work.

Crossville Responsibilities:

Crossville will designate a project liaison who will serve as Retail Strategies primary contact during the partnership

Crossville will provide information relevant to the project such as prior retail studies, current traffic count data, surveys, maps, aerials, infrastructure plans and any other plans that may influence the development of the Retail Strategy

Crossville will provide City or organization logo and contact information as it should appear on the marketing material

Q: Why invest in Retail Strategies?

A: Progressive communities across the Country have decided to be proactive in their approach to retail and retail recruitment. To effectively identify and attract the desired retail concepts to your community you need more than data reports, a list of prospects, and prepared marketing packages. Our partnerships involve hands on, person to person contact, with our clients, retail real estate decision makers, property owners, brokers, and a variety of other contacts. The reason why our Client to staff ratio is 5:1 is to ensure real conversations by real estate professionals are happening with end users on behalf of your community.

"We understand that our partnerships are an investment for our Clients. Retail Strategies is dedicated to building our team around our Clients to execute against current and future opportunities. At Retail Strategies nothing short of a lifelong partnership will be viewed as a win. We want to have success in every market and grow our team with the growth of our Client communities.

- Robert Jolly, Principal and CEO

TECHNICAL PROPOSAL

PHASE 1

MARKET ANALYSIS AND DATA MINING | DEMAND & SUPPLY

- Identify market retail trade area using political boundaries, drive times and radii and custom boundary geographies
- Perform market and retail GAP analysis for trade area (i.e. leakage and surplus)
- Conduct retail peer market analysis
- Competition analysis identified target zones trade area(s)
- Tapestry lifestyles – psychographic profile of trade area / market segmentation analysis
- Aerial imagery of trade area(s)
- Retail competitor mapping/analysis
- Identification of at minimum 30 retail prospects to be targeted for recruitment in the first year of our partnership
- Monthly updates provided on retail industry trends
- Custom on-demand demographic research – historical, current, and projected demographics – to include market trade areas by radius/drive time, and custom trade area
- Analysis of future retail space requirements in relation to the retail market analysis, the market's growth potential and trends in the retail industry

PHASE 2

REAL ESTATE ANALYSIS | BOOTS ON THE GROUND

- Retail Real Estate Analysis performed by Licensed Retail Real Estate Professionals with 10+ years of collective experience
- Identify/Evaluate/Catalog priority commercial properties for development, re-development and higher and best use opportunities
- Identification of priority business categories for recruitment and/or local expansion
- Perform competitive analysis of existing shopping centers and retail corridors
- Active outreach to local brokers and land owners

PHASE 3

RETAIL STRATEGY

- Target List of Retailers and Restaurants (minimum of 30)
- Customized Marketing Guide (four pages)
- Target Zones for Development, Redevelopment, and Leasing
- Focus Properties
- Presented by the Team via Conference Call and/or Skype

PHASE 4

RETAIL RECRUITMENT | IMPLEMENTATION

- Pro-active retail recruitment for targeted zones
- Will contact a minimum of 30 retailers, restaurants, brokers and/or developers each year
- Updates on new activity will be provided to Client's designated primary point of contact via Basecamp, telephone, or email on a monthly and/or as needed basis
- One market visit per calendar year included in agreement, any travel outside of the agreement shall be approved and paid for by the contracting entity
- ICSC conference representation- updates provided according to the yearly conference schedule