

# Albemarle County, VA

*There's a lot of potential here.*

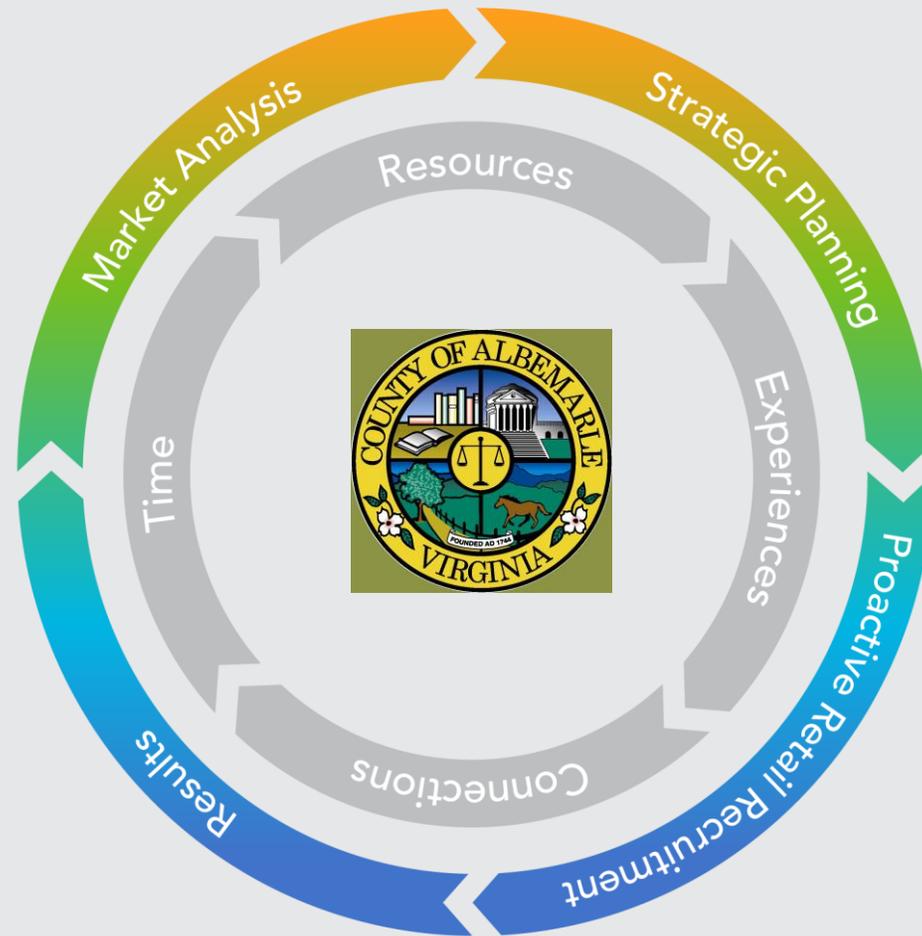


retail strategies

# Why should a community invest in retail?



# Albemarle County, VA



We surround your community with the resources and actions needed to create the desired results.

1



## why retail

retail is economic development  
retail trends

2



## process

partnership  
your team

## discover

your research  
focus categories

## interpret

boots on the ground

3



## connect

top recruitment categories

4



## grow

marketing  
resources  
trade show representation  
reporting

# Retail's Impact

1 in 4 jobs are retail



# Average Wages\*

Full-time  
**Non-Retail Workers**  
(25-54 years old)

**\$37,968**



Full-time  
**Retail Workers**  
(25-54 years old)

**\$38,376**



\*2016

# Why Should a Municipality Invest Resources in Retail?

retail strategies  
**retail**  
 recruitment  
 ladder



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.

# Nothing but Growth Ahead for E-Commerce

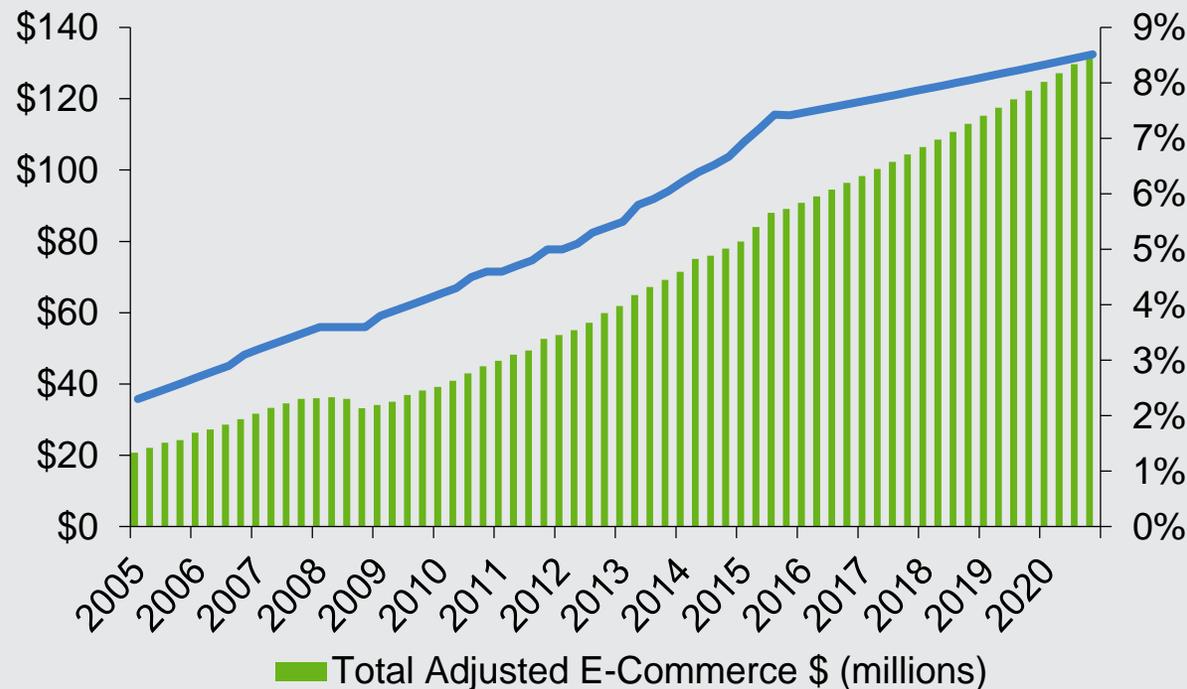


## E-Commerce

Online sales have increased dramatically with the advent of new technology.

However, e-commerce is still a relatively small portion of all retail sales, capturing 9.4% of sales in 2019.

More importantly we need to recognize the trend and be aware of retailer reactions.

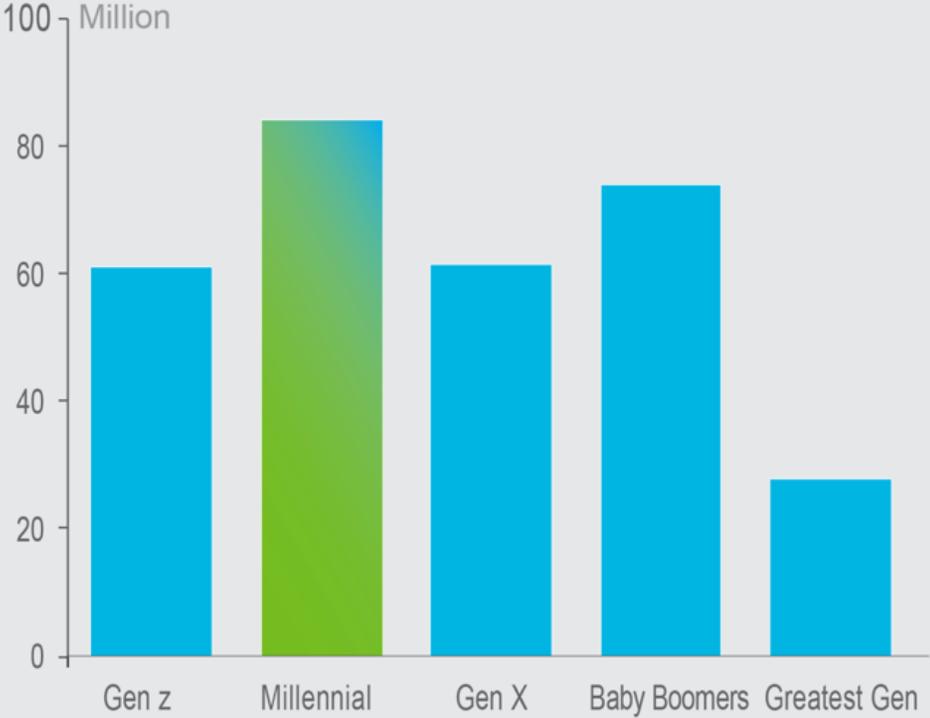


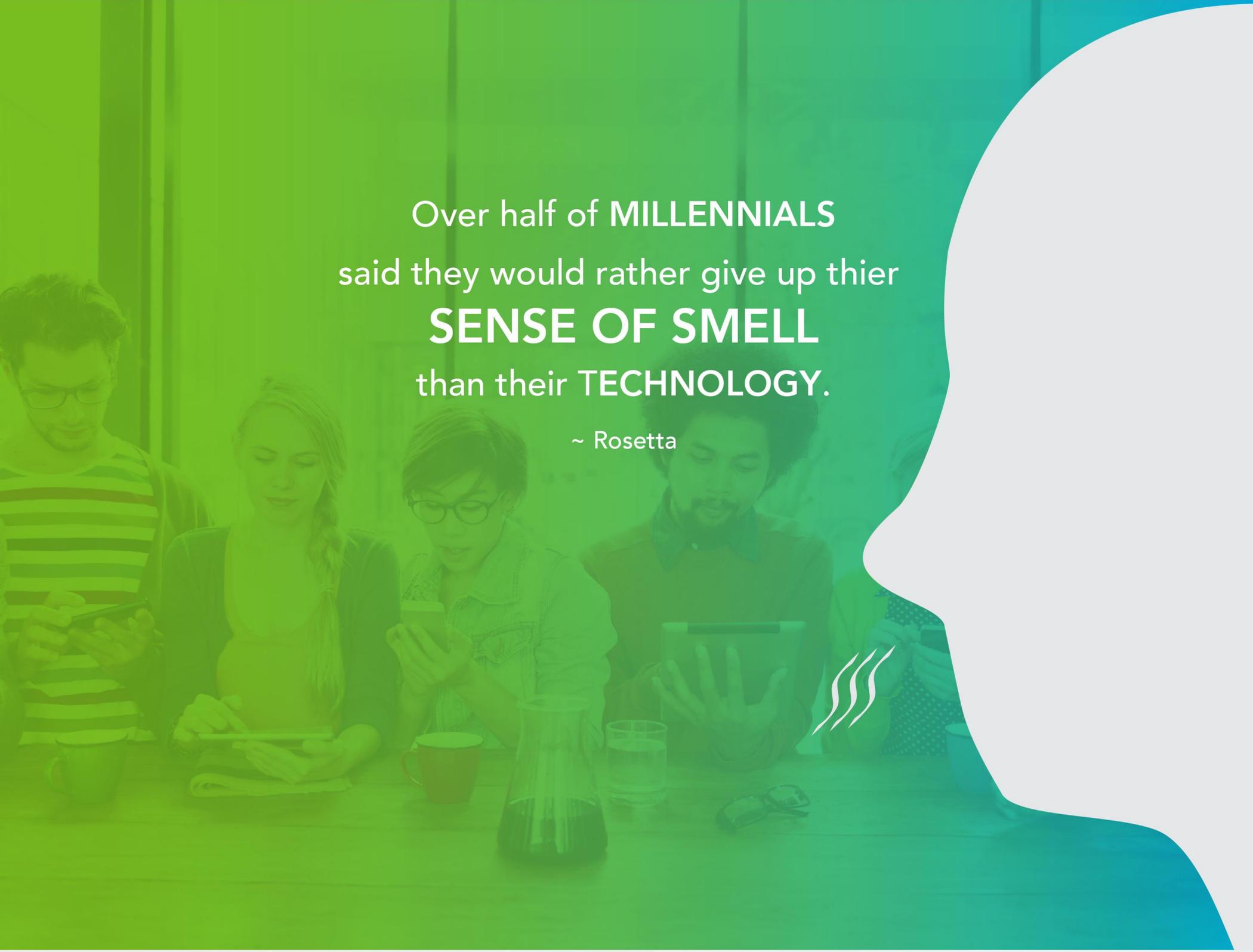
# Rise of the Millennial

83 Million Millennials (1982 -2004)

75 Million Baby Boomers (1946-1964)

63 Million Gen X (1965-1985)





Over half of **MILLENNIALS**  
said they would rather give up their  
**SENSE OF SMELL**  
than their **TECHNOLOGY.**

~ Rosetta

technology

# Retail Consolidation



vs.





bricks

clicks

Omni-Channel





**78%**

of consumers prefer to shop **in-store**

Consumer purchasing

**7.5x**  
per month



in store

**2.2x**  
per month



online

**\$1,710**  
per month



In-store

Online

**\$247**  
per month



**73%**

want to try-on  
or touch  
merchandise  
before a  
purchase

average time spent



brick-and-mortar  
store



single  
retail website



retail strategies



# Our Partnership

Retail Strategies is very pleased to partner with Albemarle County for a common goal to generate new retail communication that would not otherwise happen. Albemarle County engaged Retail Strategies to market the community to key retail real estate industry contacts. *Although we cannot guarantee success, we do guarantee you will be better off with us than without us.*

Albemarle County will have multiple dedicated staff members working on behalf of the community in their areas of expertise. A Portfolio Director will serve as the primary Point of Contact (POC) to interact with Albemarle County's primary POC. Additional team members include: company executives, retail development team, marketing, research and legal teams. Confidential and non-confidential information will be communicated with the POC.

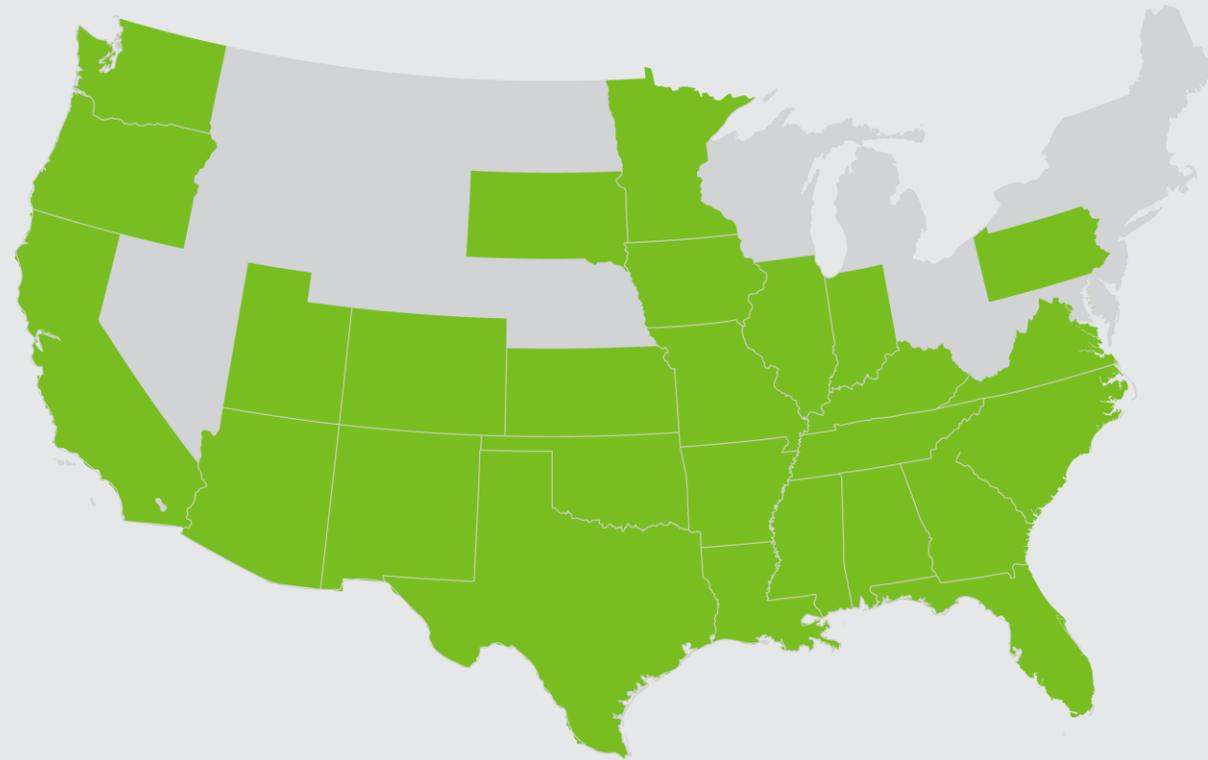
It is Retail Strategies goal to spend our time doing the job you hired us to do and allow the local POC to navigate the local political landscape and communication flow. Local feedback and communication sharing from the primary point of contact working with Retail Strategies is a critical part of the engagement.

The initial 90 business days after engaging in our partnership have been spent on due diligence for the discovery phase. The following information is a highlight of key information collected that will be used as a starting point to begin the proactive marketing to a national network of retailers, brokers, developers and key industry contacts on behalf of the community. Additional materials will be created throughout the course of the engagement.

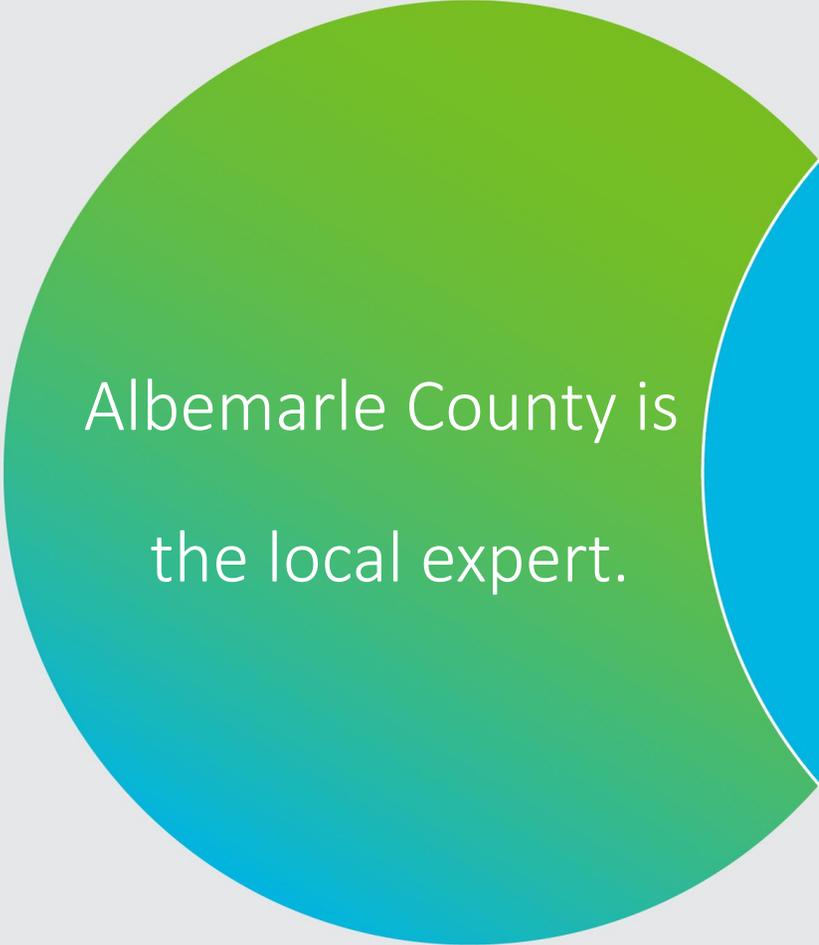
Project specific materials and reports will be created on a case-by-case basis as needed for effective information sharing, data analysis and marketing efforts.

**The discovery is an ongoing process that will not stop.**

We are  
**retail** real estate  
professionals.



We will tell your story in a  
way that matters  
to retailers.



Albemarle County is  
the local expert.



Retail Strategies  
is the retail  
real estate expert.

Albemarle County, VA

Your Team



Beth Miller  
*Portfolio Director*



Micah Knott  
*Retail Recruiter*



Robert Jolly  
*CEO*



Mead Silsbee  
*CFO*



Lacy Beasley  
*President /COO*



Matt Petro  
*CDO*

Executive Team



Laura Marinos  
*Marketing Director*



Ryder Richards  
*Creative Director*



Michelle Moultrie  
*Marketing Assistant*



Charlene Capps  
*Data Scientist*

Marketing Team



1



Market Analysis



2



Strategic Planning



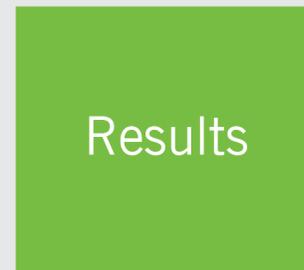
3



Proactive Retail  
Recruitment



4



Results





discover



interpret



connect



grow

# research

**sn** SUPERMARKET NEWS

NATION'S  
*Restaurant News*



Crittenden Research  
Your Industry. Our Analysis. A better bottom line.

PlainVanillaShell



**RLT**  
RETAIL LEASE TRAC

UberRetail™

Memberships,  
Subscriptions &  
Customized Reports

Research Partners &  
Geographic Information  
Systems

TETRAD 

sitewise<sup>PRO</sup> 

 **STDB**

**SitesUSA**<sup>TM</sup>

**REGiS**

# research

where does all this information come from?

Here are a few of the demographic data sources used.



9,703

retailers' contact information & site  
selection criteria

3,365

unique  
variables

7

geographies per  
variable

87

category specific  
reports

23,555

variables to  
analyze

# discover: research

You have at your disposal thousands of variables from population and household incomes to spending patterns by retail category.

The information covered in this document represents the key highlights for your community. Retail Strategies has provided the Albemarle County's primary point of contact an electronic copy of each of these reports from multiple geographic parameters online on our project management site, Basecamp.

In addition to these reports, our partnership with Albemarle County features on-demand reporting where we will run data on behalf of the county at any point during our engagement to help identify and execute against opportunities within the market.

The following are the highlights from a data and analytic perspective.

Demographic Overview

Mobile Data Collections

Customized Trade Area Analysis

Lifestyle Segmentation

Retail Gap Analysis

Peer Analysis

# discover

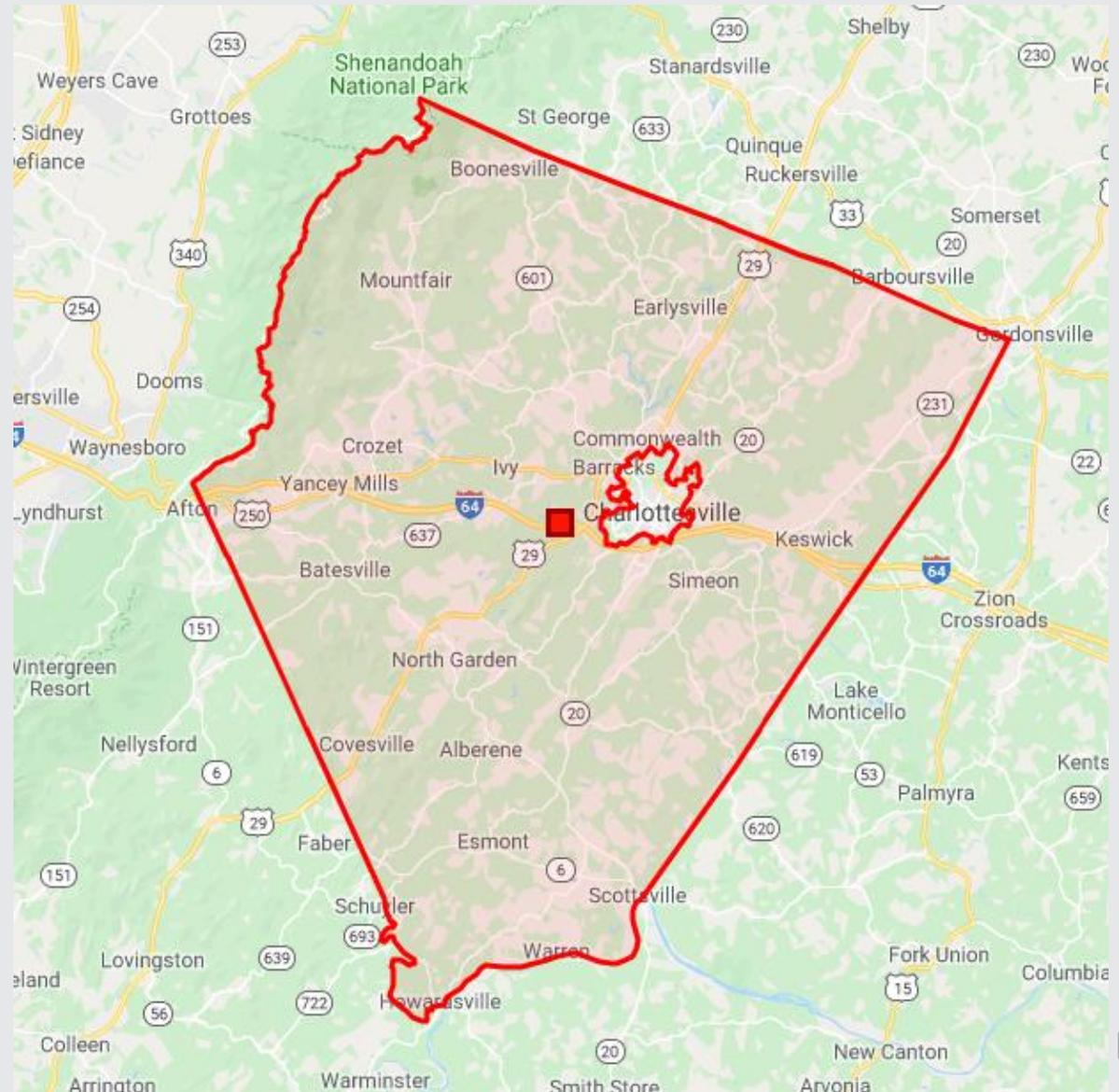


State of Virginia

Population 8.518 million

Albemarle County, VA

Population 111,294



# discover

## Residential Population Density

• 1 dot = 100

## Daytime Employee Population Density

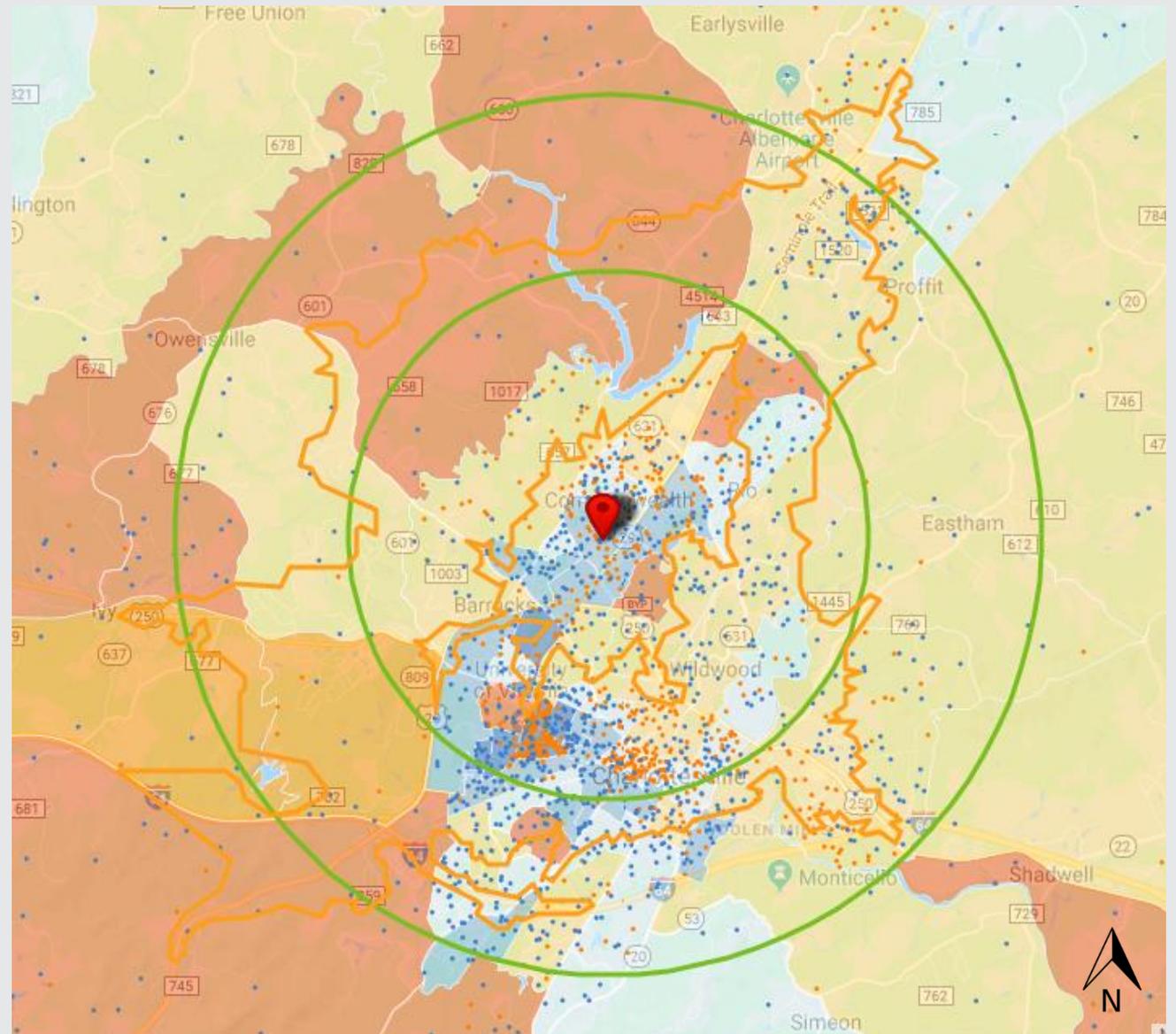
• 1 dot = 100

## Median Household Income

- \$0-\$25,000
- \$25,000-\$50,000
- \$50,000-\$75,000
- \$75,000-\$100,000
- \$100,000-\$150,000
- > \$150,000

## Study Area

- 3.00 mi
- 5.00 mi
- 0-5 min
- 0-10 min



# discover

demographics – Costco, Charlottesville, VA

Category	5-Mile Radius	10-Mile Radius	15-Mile Radius	10-Minute Drive Time	15-Minute Drive Time	20-Minute Drive Time
Current Year Estimated Population	104,909	134,995	186,551	84,564	116,419	143,377
Number of Households	42,043	53,590	72,657	33,755	46,390	56,707
Projected Annual Growth (5 YR)	5.98%	6.65%	7.31%	5.40%	6.43%	7.10%
Median HH Income 2019	\$65,189	\$69,776	\$70,525	\$62,772	\$66,779	\$70,484
Current Year Average Age	36.2	37.7	38.7	35.7	36.6	37.7
Average Home Value	\$459,998	\$494,913	\$460,012	\$462,592	\$465,894	\$486,202
Current Year % Bachelor's Degree	17%	17%	16%	17%	17%	17%
Daytime Population	157,644	179,064	215,020	142,037	168,033	188,573
Labor Force	85,574	110,561	152,390	69,300	94,827	117,103



# Mobile Data Collection

This mobile tracking service uses data collected from mobile phone users who have agreed within their apps and phone settings to enable location information. By drawing a polygon around a specific business or location we are able to gather valuable data about the customer base that has actively used their mobile device while in the identified location. This tool allows us to see where customers are coming from to shop in your market using actual data. This information is used to optimize your trade area, analyze business locations, compare frequency of visitors, and assist retailers in site selection. This is intended to support the trade area, but does not solely define the trade area.

The location tracked was

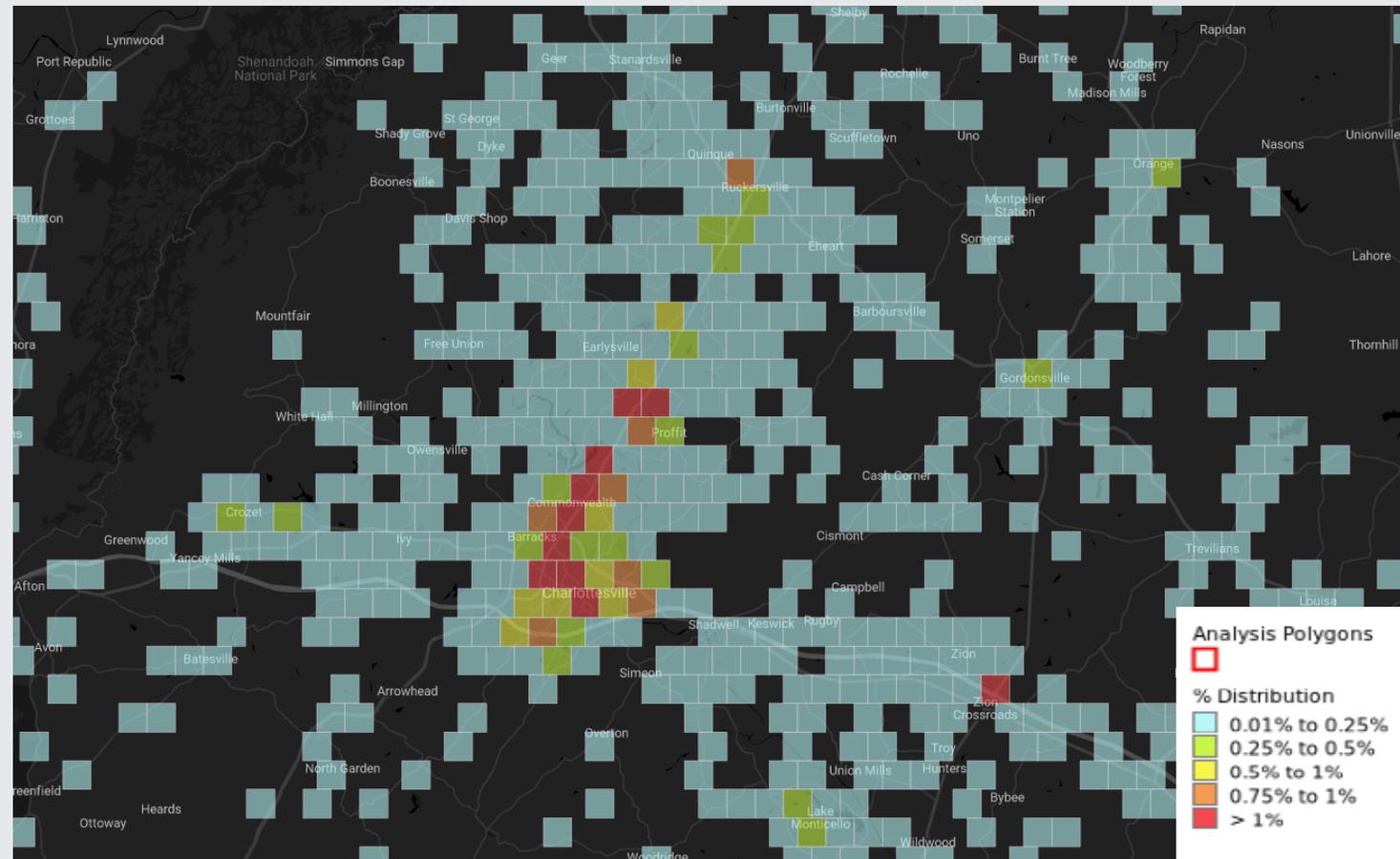
**Albemarle County Target**

for the time period of

**October 2018**

**To**

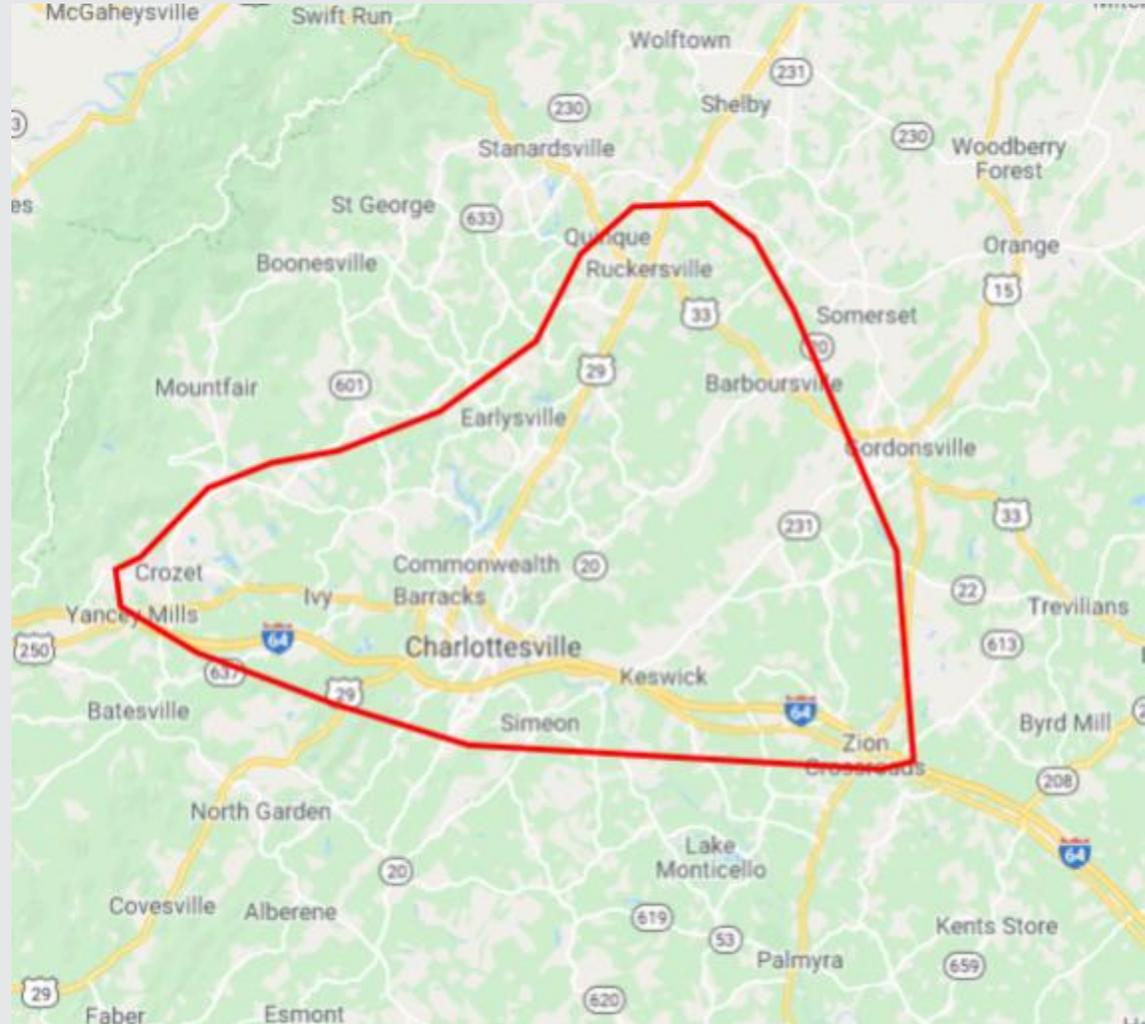
**October 2019**



# Customized Trade Area

Each retailer has a specific set of site selection criteria they use to determine if they will have a profitable store. Municipal boundaries, radius rings and drive times are a start to evaluating the information sought by these decision makers. A customized trade area is the next step to analyzing a market. A trade area defines a core customer base of consumers highly likely to shop and eat in the market at least once a month. Your trade area has been created by combining the mobile tracking data with drive times, geographic boundaries, and proximity to neighboring shopping destinations. Each retailer will analyze their own trade area based on their existing stores, their competition and site selection criteria.

Retail Strategies has created the customized core trade area shown in the map here which is focused on a consumer who might travel to the market to shop or dine.



# Customized Trade Area

1 58,279

2019 estimated population



170,190

projected 2024 population

7.5%

projected growth rate  
2019-2024

37

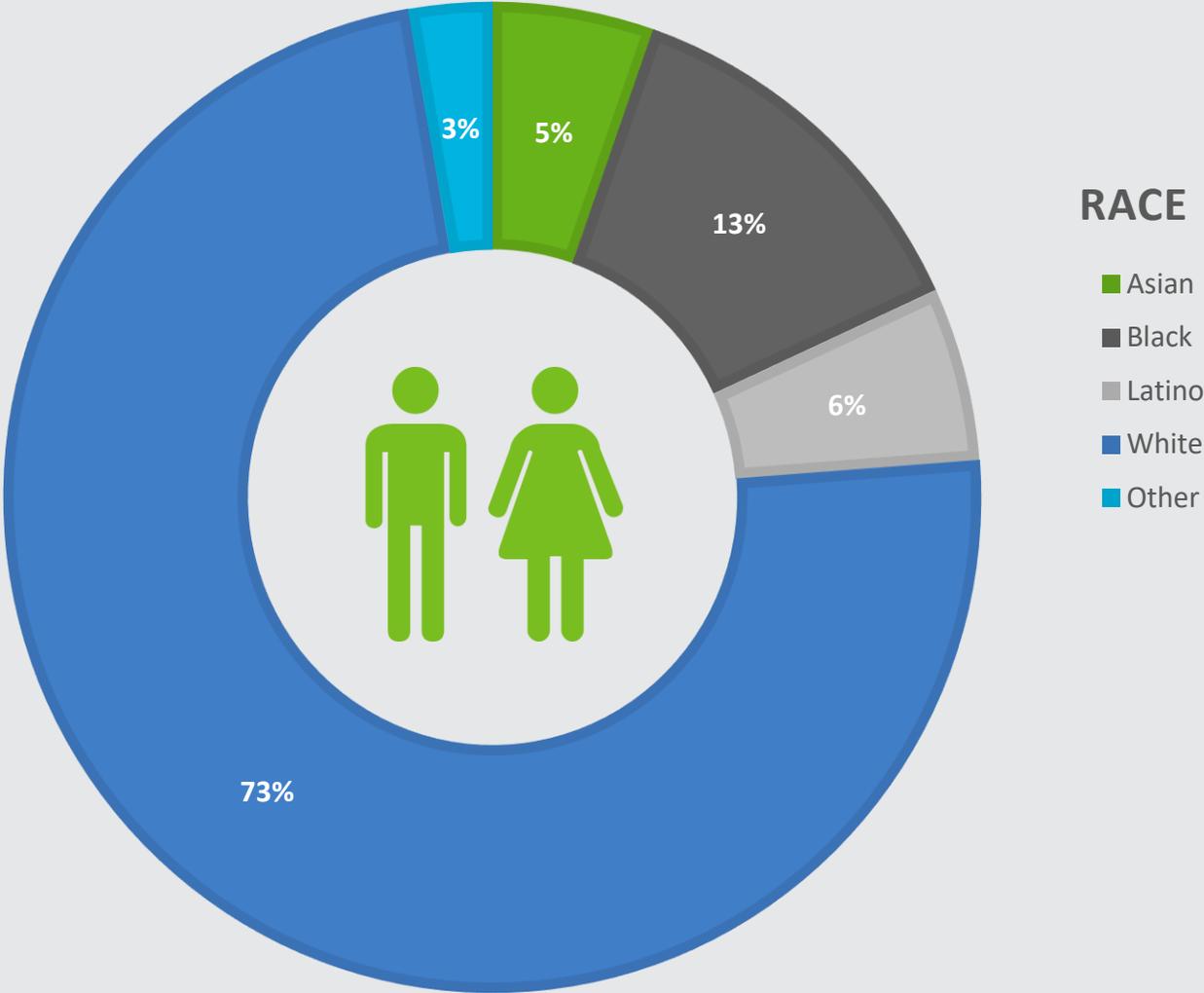
male average age

39

female average age

# Customized Trade Area

## CURRENT YEAR ESTIMATED POPULATION BY RACE



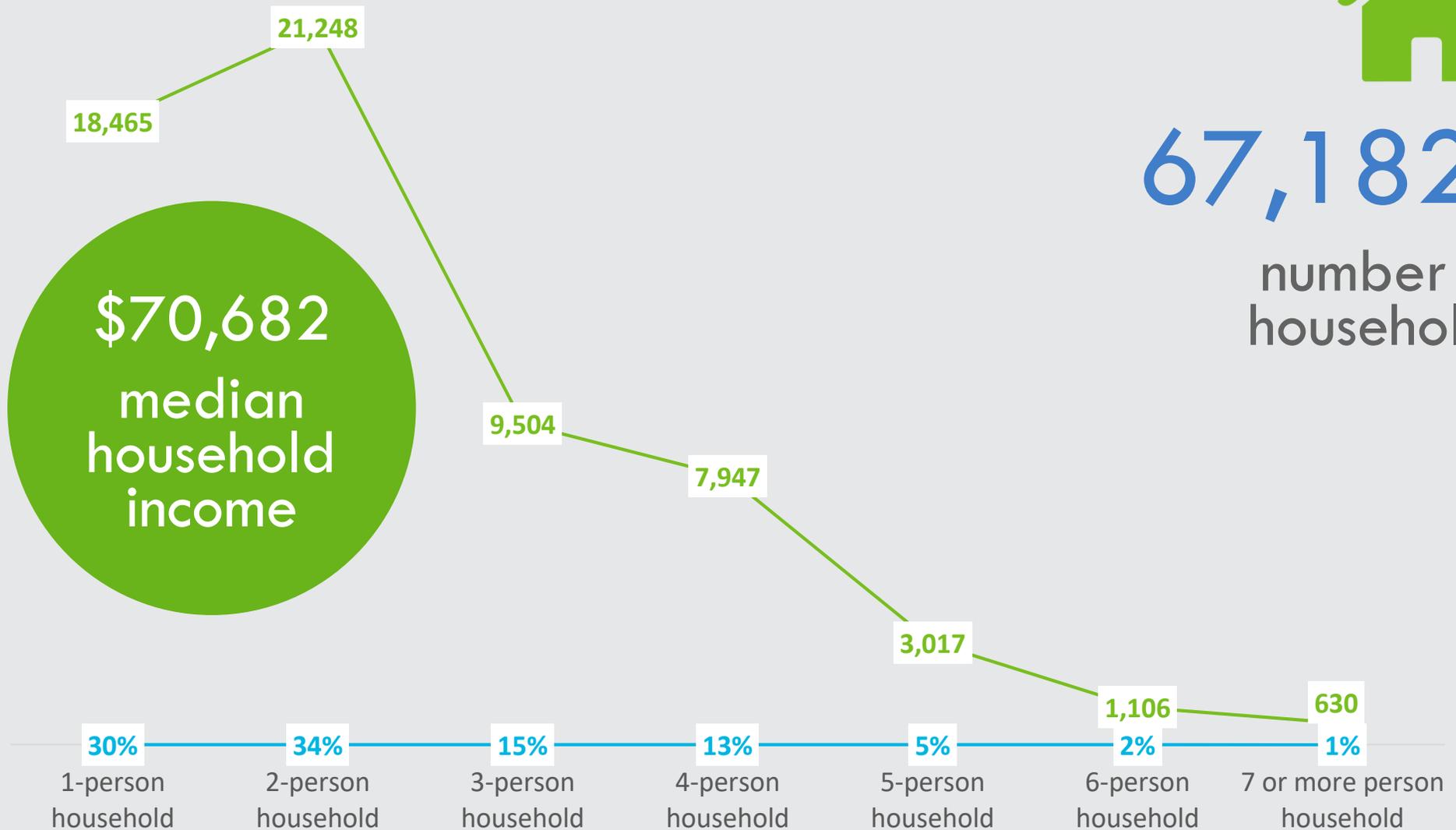
# Customized Trade Area

## CURRENT YEAR ESTIMATED HOUSEHOLDS BY HOUSEHOLD SIZE



67,182

number of households



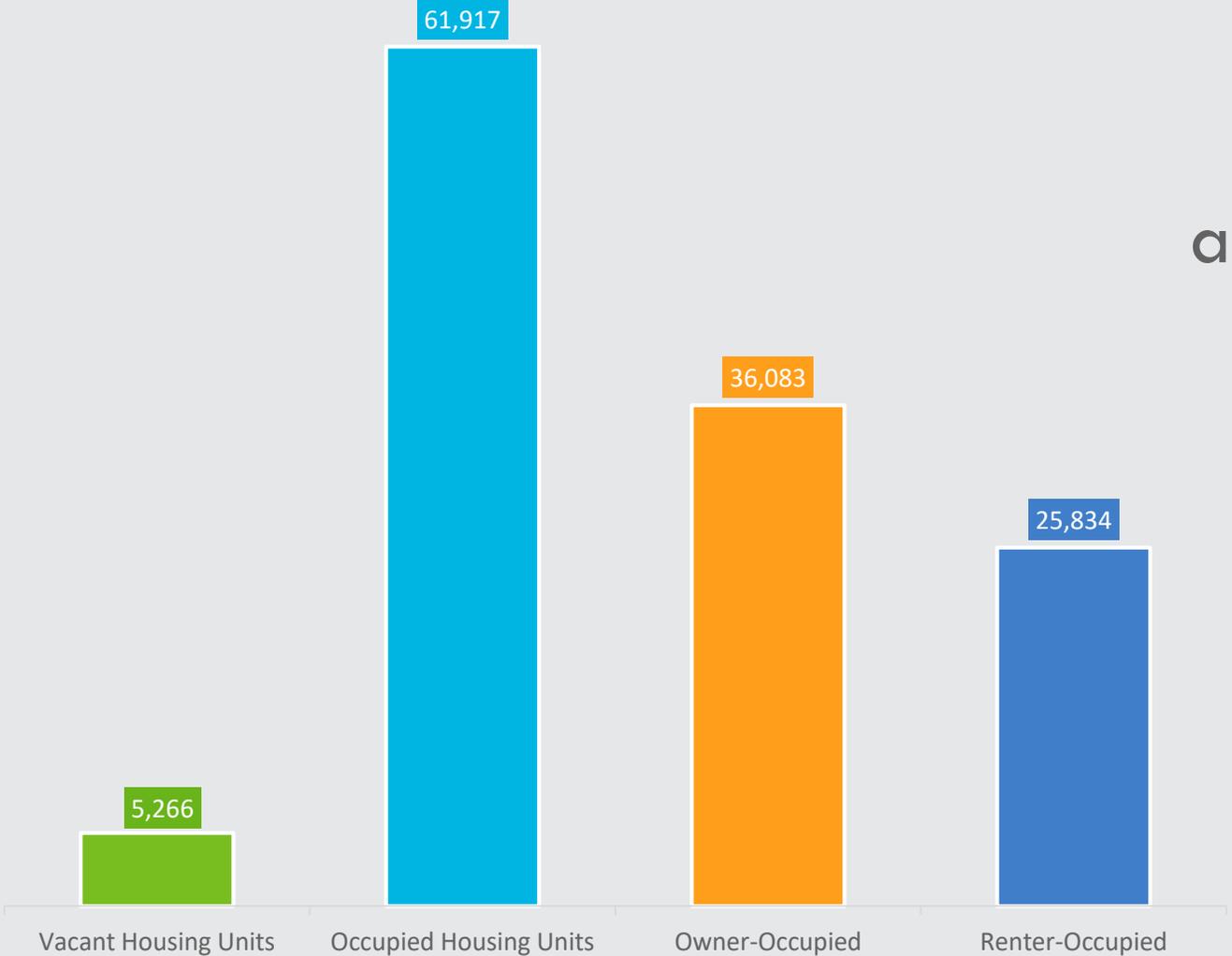
# Customized Trade Area

## 2019 ESTIMATED HOUSING UNITS BY TENURE



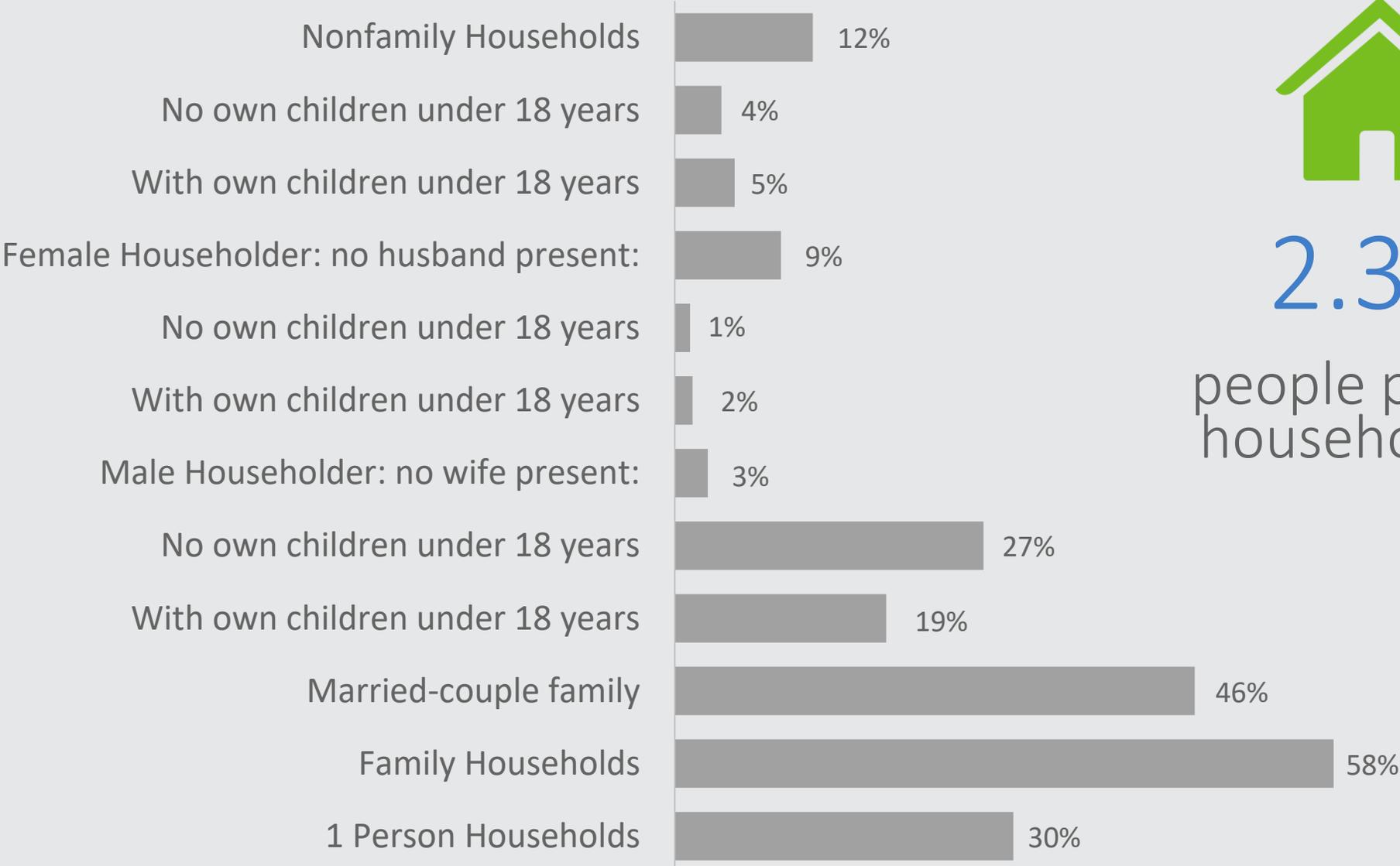
**\$475,731**

average housing unit  
value



# Customized Trade Area

## CURRENT YEAR ESTIMATED HOUSEHOLD BY TYPE



2.39

people per household



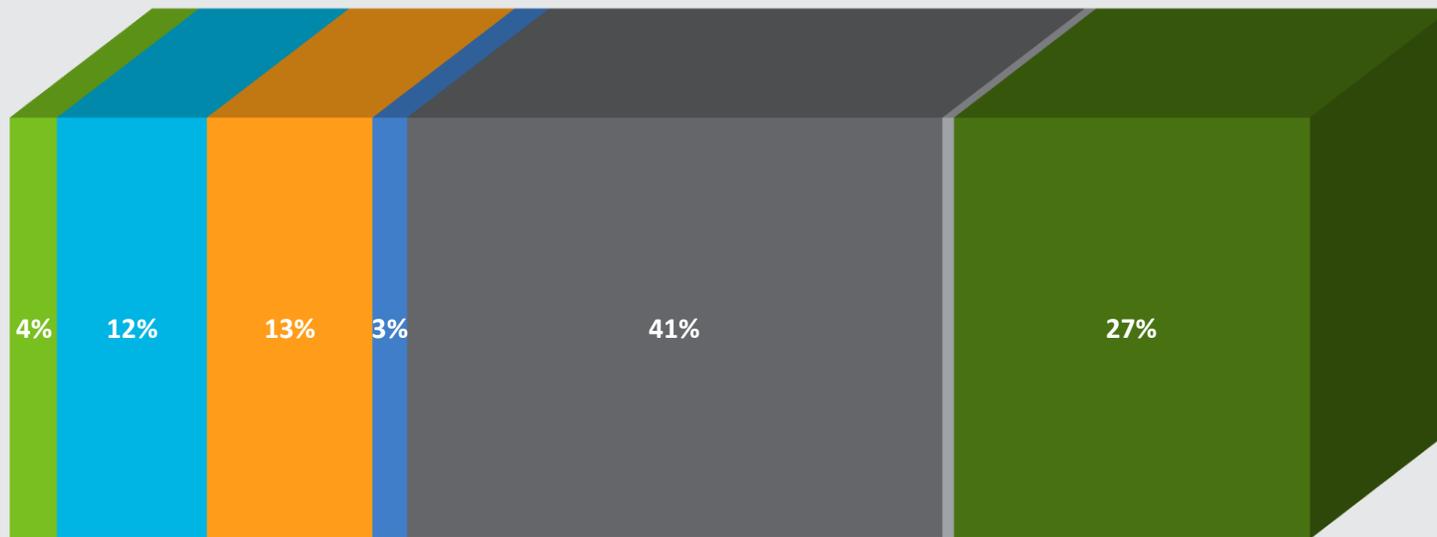
# Discover

## Customized Trade Area

### DAYTIME POPULATION

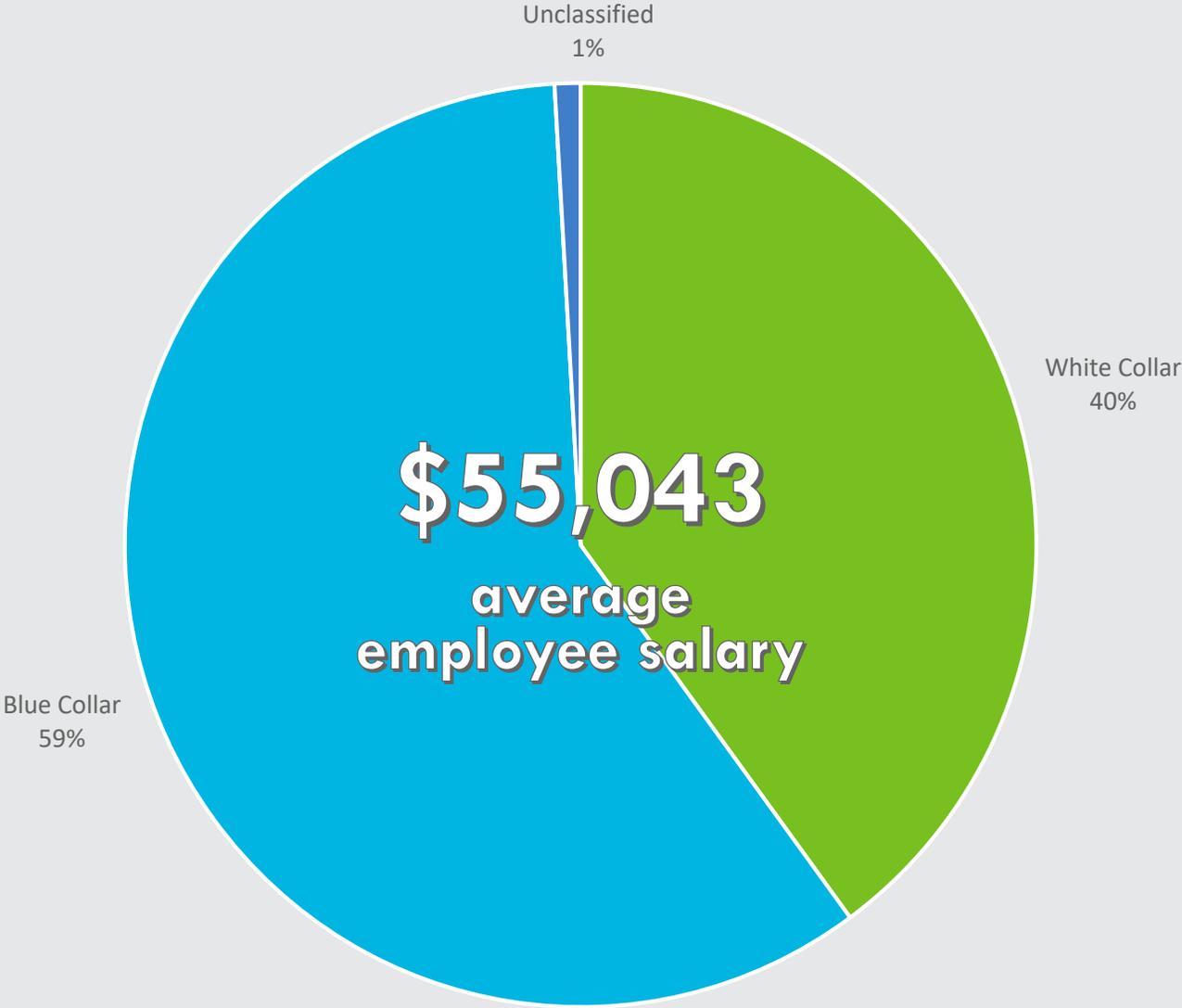
■ Children at home ■ Retired/Disable persons ■ Homemakers ■ Work at Home ■ Employed ■ Unemployed ■ Student Populations

198,312 daytime  
population



# Discover

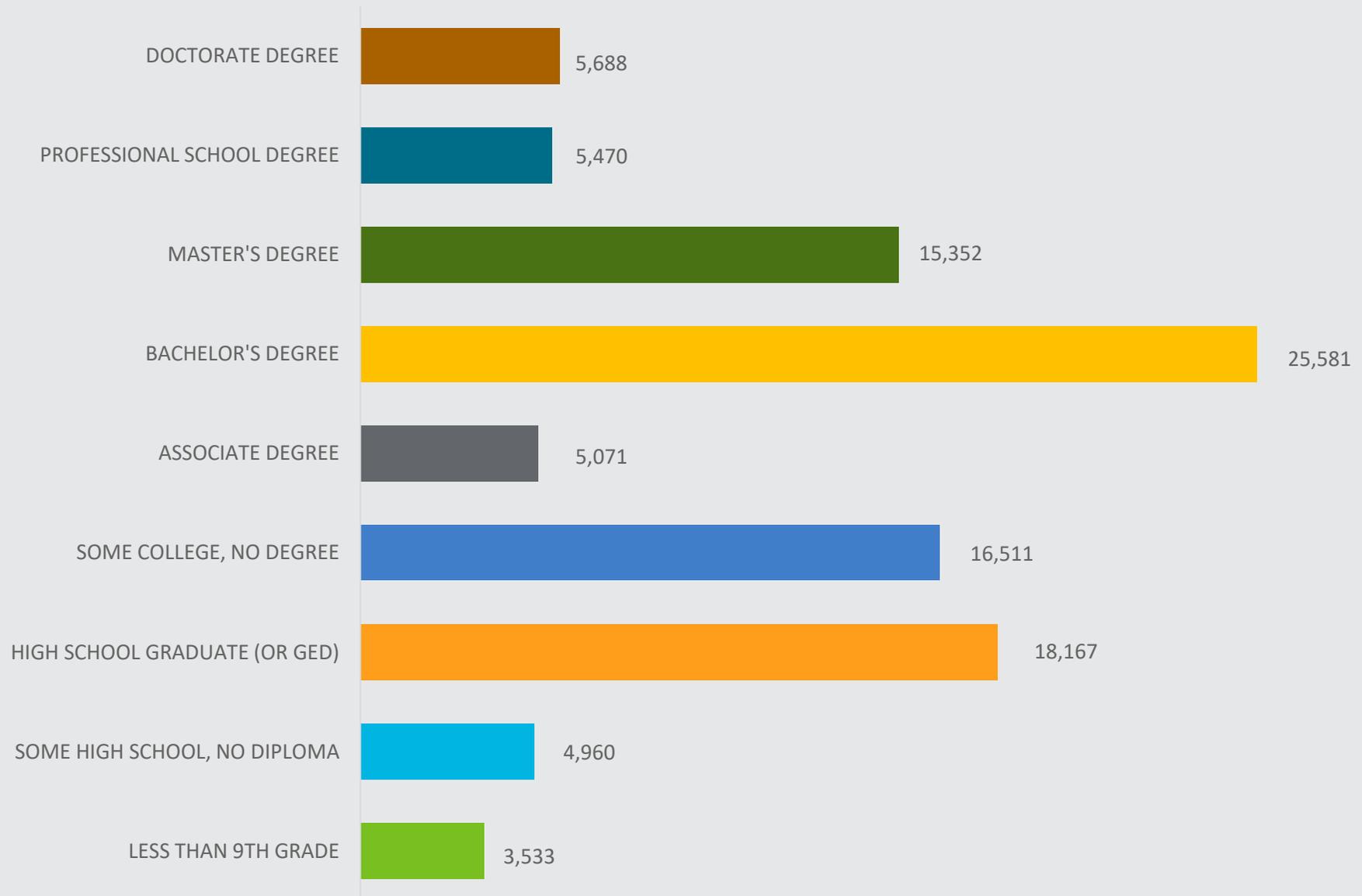
## Customized Trade Area



# Discover

## Customized Trade Area

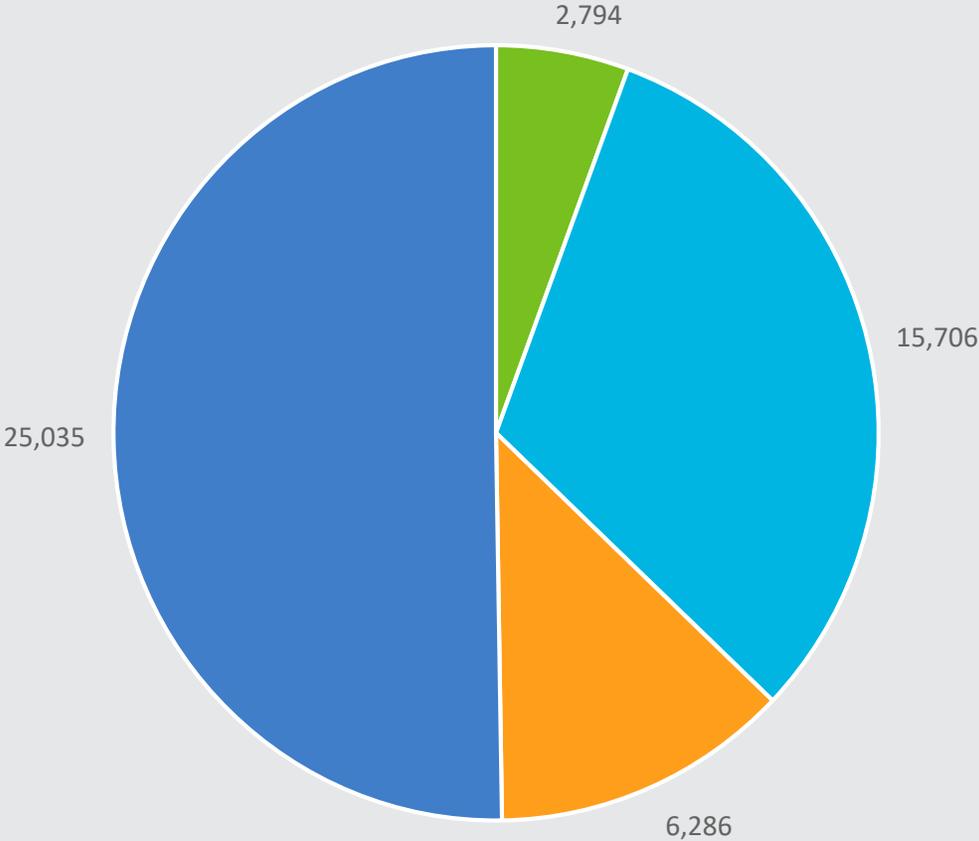
### CURRENT YEAR ESTIMATED POPULATION AGE 25+ BY EDUCATIONAL ATTAINMENT



# Discover

## Customized Trade Area

**Current Year Estimated  
Population by Enrollment**



- Nursery school/preschool
- Kindergarten/Elementary School
- High School
- College/Graduate/Professional school

# Discover

Lifestyle reports allow **BIG DATA** to be summed up into a simple narrative on the personality of the majority of your households.

When asked to describe “Who is Albemarle County?”, often times the community leadership describes themselves rather than the dominate personality of the area. Understanding consumer spending behavior based on personality allows Retail Strategies to better align the retail prospects with the purchasing patterns of the consumers in your market.

ESRI Tapestry Segmentation is a geodemographic segmentation system that integrates consumer traits with residential characteristics to identify markets and classify US neighborhoods. Neighborhoods with the most similar characteristics are grouped together, while neighborhoods with divergent characteristics are separated. Internally homogenous, externally heterogeneous market segments depict consumers' lifestyles and life stages. Tapestry Segmentation combines the "who" of lifestyle demography with the "where" of local geography to create a classification model with 67 distinct, behavioral market segments.

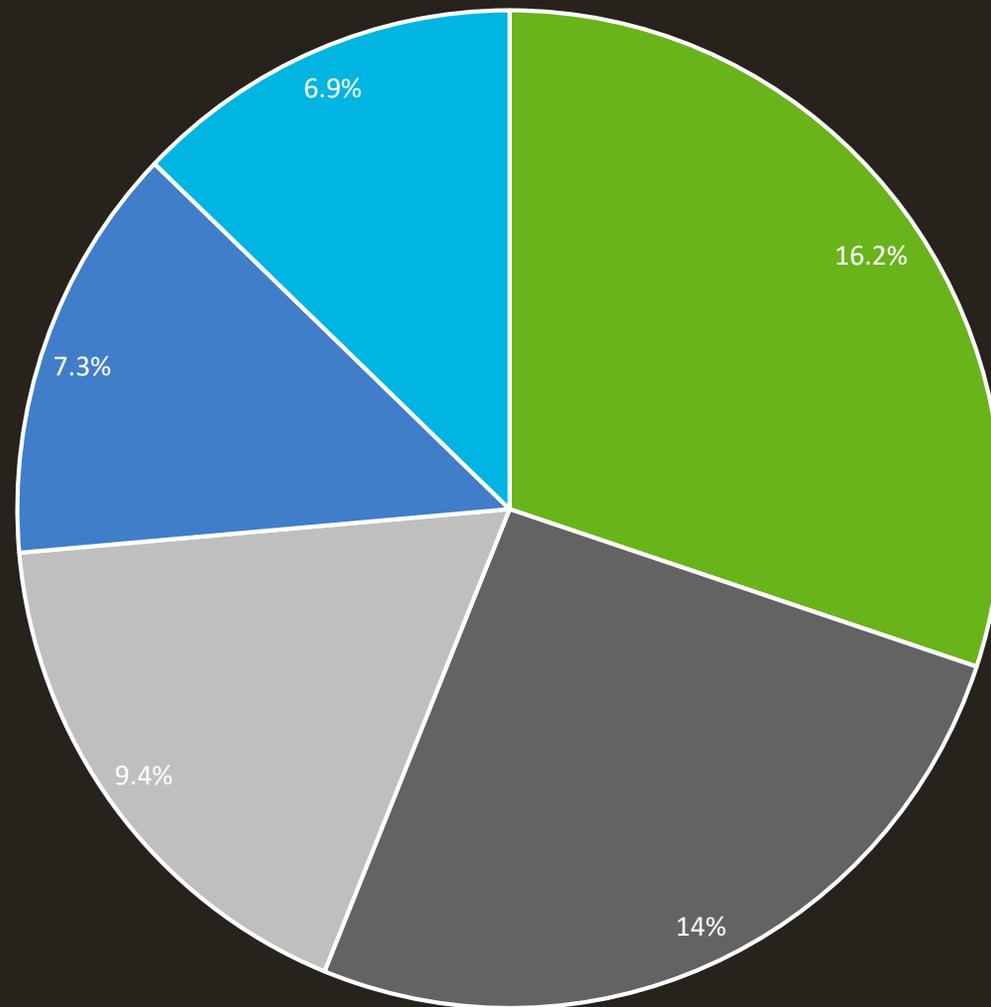
Selection of the variables used to identify consumer markets begins with data that includes household characteristics such as single person or family, income, relationships (married or multigenerational), and tenure; personal traits such as age, sex, education, employment, and marital status; and housing characteristics like home value or rent, type of housing (single family, apartment, town house, or mobile home), seasonal status, and owner costs relative to income. In essence, any characteristic that is likely to differentiate consumer spending and preferences is assessed for use in identifying consumer markets.



## Discover: Psychographic Profile

# ESRI Tapestry Segmentation

ALBEMARLE COUNTY



- Exurbanites (1E)
- Soccer Moms (4A)
- In Style (5B)
- The Great Outdoors (6C)
- Top Tier (1A)

Discover: Psychographic Profile

# ESRI Tapestry Segmentation



LifeMode Group: Affluent Estates

## Exurbanites

Households: 2,398,200

Average Household Size: 2.50

Median Age: 51.0

Median Household Income: \$103,400



LifeMode Group: Family Landscapes

## Soccer Moms

Households: 3,541,300

Average Household Size: 2.97

Median Age: 37.0

Median Household Income: \$90,500



Discover: Psychographic Profile

# ESRI Tapestry Segmentation



LifeMode Group: GenXurban

## In Style

Households: 2,764,500

Average Household Size: 2.35

Median Age: 42.0

Median Household Income: \$73,000



LifeMode Group: Cozy Country Living

## The Great Outdoors

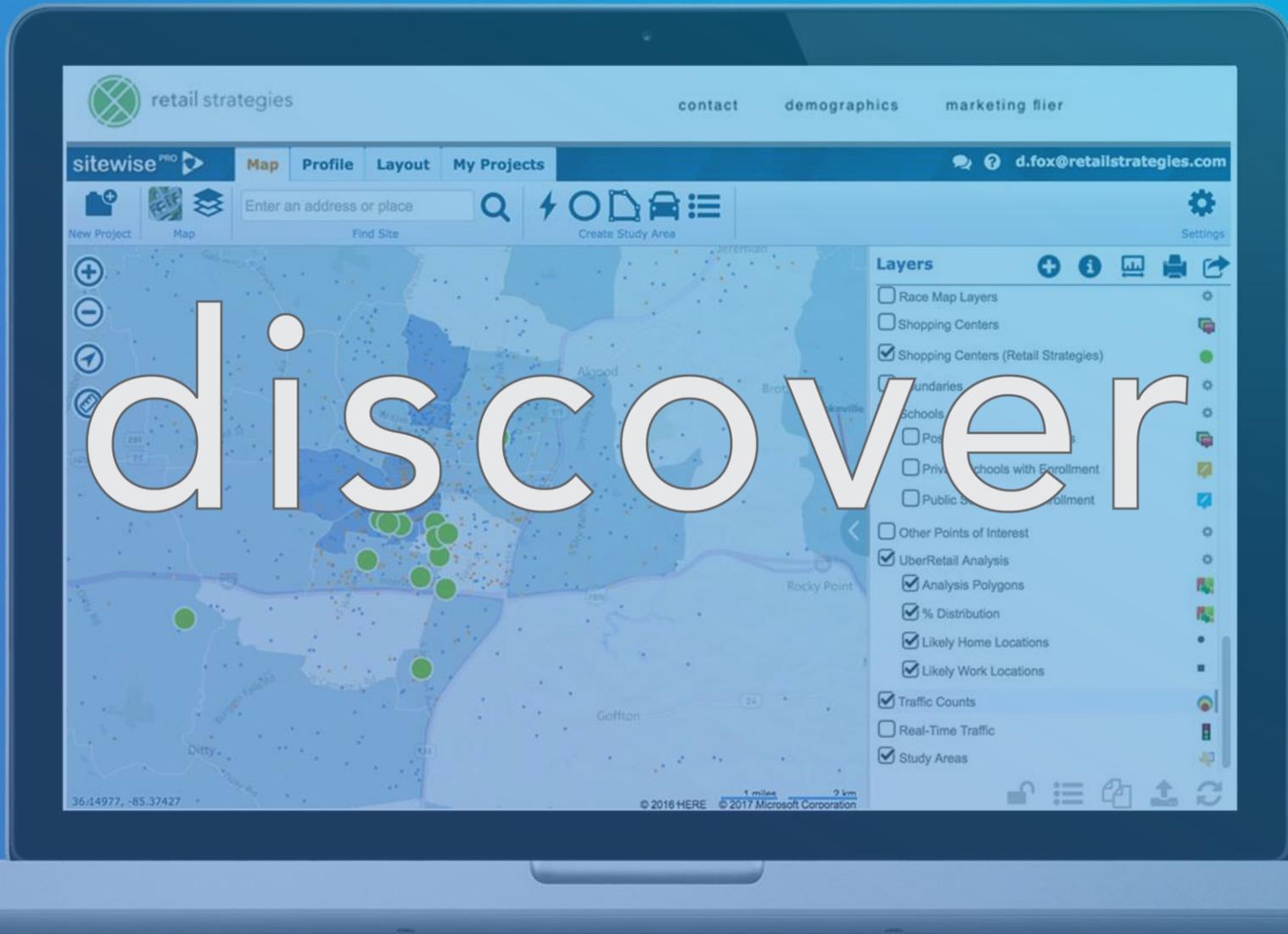
Households: 1,908,600

Average Household Size: 2.44

Median Age: 47.4

Median Household Income: \$56,400





discover

focus categories

# Discover

## Understanding the GAP Analysis:

The GAP Analysis helps us uncover the number of dollars being spent outside of the community on an annual basis from a categorical perspective.

The difference between demand and supply represents the opportunity gap or surplus available for each merchandise line in the specified reporting geography. When the demand is greater than (less than) the supply, there is an opportunity gap (leakage) for that merchandise line. For example, a positive value signifies an opportunity gap, while a negative value signifies a surplus.

Retail Strategies uses STI:PopStats as our provider of the consumer demand and supply by establishment (or GAP) information. Several demographers provide the data in a variety of ways. Following are the sources and methodologies used by STI:PopStats and Retail Strategies to draw conclusions for you.

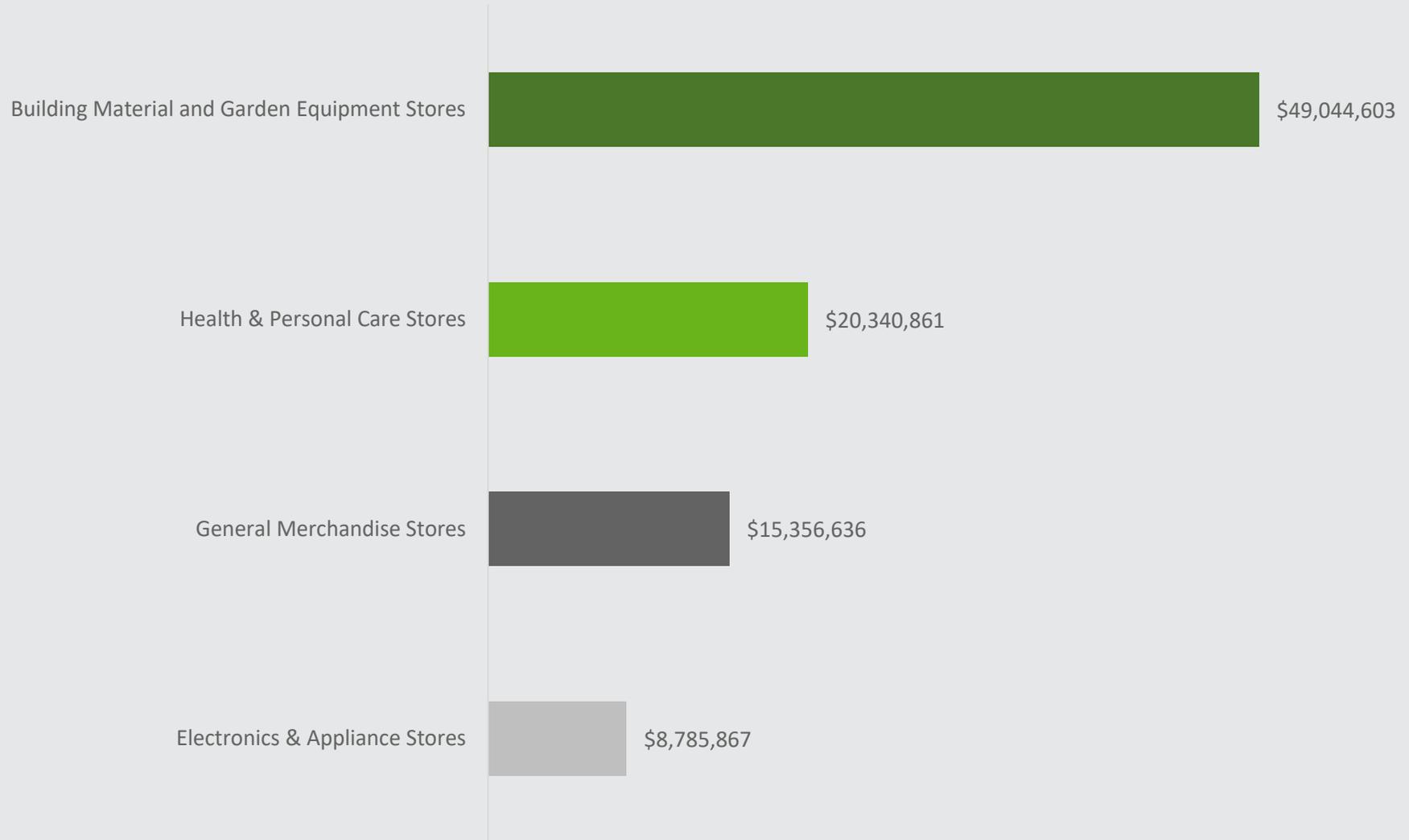
The market supply data is derived from annual retail sales and expenditures from the source data. The source for [market supply](#) is U.S. Census Bureau's monthly and annual Census of Retail Trade (CRT) Reports; U.S. Census Bureau's Economic Census. The source for the [establishment](#) is Bureau of Labor Statistics (BLS). The consumer demand data by establishment is derived from the BLS Consumer Expenditure Survey (CE).

Industries for the consumer expenditures survey are categorized and defined by the North American Industry Classification System (NAICS). Retail Strategies has narrowed down the categories to only those with real estate growth potential based on national trends.

Data is rarely perfect, but with proper analysis it can get us a lot closer to the answer than we would be without it. This is one of several tools used to identify focus categories for recruitment. Our focus in this area is more on the category than the actual dollar amounts.

# Discover: Consumer Demand & Supply

## Customized Retail Category GAP Analysis



# Discover: Peer Analysis

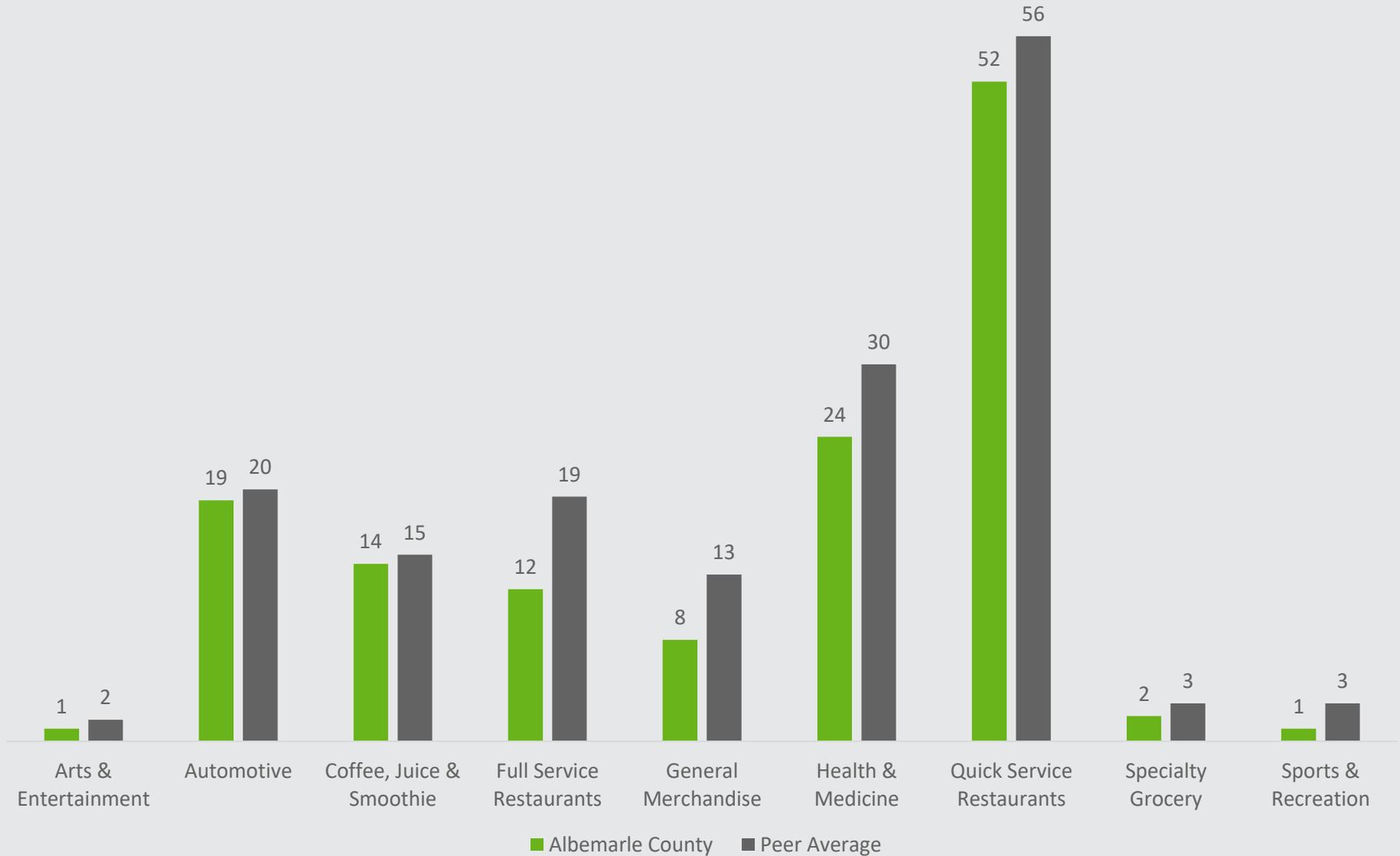
## Retail Node Comparison Report – 10 Minute Drive Time

Address	City	State	Residential Population	Daytime Population	Median HH Income	Market Supply
Costco/Target	Charlottesville	VA	84,860	142,762	\$62,656	\$1,916,541,230
8040 Ray Mears Blvd	Knoxville	TN	93,294	149,651	\$58,106	\$2,880,956,844
6150 Bayfield Pkwy	Concord	NC	97,550	115,392	\$63,118	\$2,993,080,703
4801 McKnight Rd Ste 3	Pittsburgh	PA	87,445	125,063	\$64,066	\$3,429,448,854
315 Colonnade Blvd	State College	PA	79,470	135,871	\$56,469	\$1,068,588,666
201 W Beaver Ave	State College	PA	86,640	145,965	\$58,336	\$1,303,398,569
5437 Urbana Pike	Frederick	MD	82,900	126,333	\$71,007	\$3,185,215,829
3835 Dryland Way	Easton	PA	98,142	118,736	\$67,977	\$2,031,136,154



# Discover: Peer Analysis

## PEER RETAILERS





interpret



connect



grow



# boots on the ground

Putting our boots on the ground  
in your community to identify strategic and  
underutilized real estate assets.

# boots on the ground

We identify and record the primary real estate opportunities within the market.

This analysis is performed by licensed real estate professionals with more than 15 years of experience with development, leasing, and redevelopment.

## Information Collected

- Address
- Property Description
- Coordinates
- Listing Agent (if possible)
- Contact Info for Agent or Owner
- Web Address for Agent or Owner
- Link to Property Info on Agent or Owner's Website
- Google Earth Link to Aerial Photo
- Google Earth Link to Ground Photo
- Total Size of Center (if existing)
- Available Space in Center
- Parcel Size (if vacant land)
- Existing Tenants (if existing)
- Traffic Count at Property
- Summary of Recruitment
- Opportunities Specific to Property
- Specific Prospects for Property
- Overall Strategy for Property
- General Comments

# Home Run Real Estate

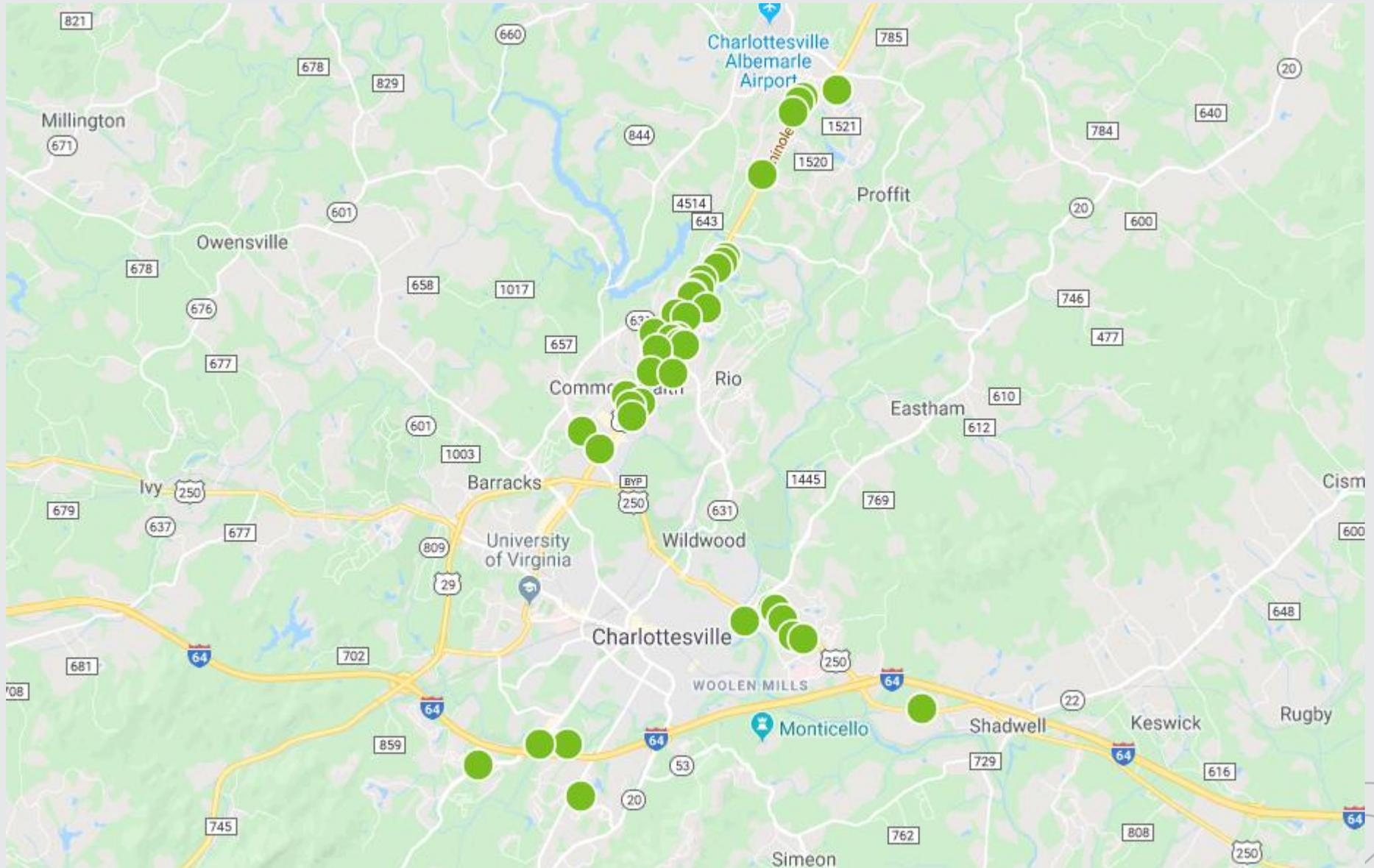


Parking  
High Visibility/Signage  
Easy Access

Traffic Count  
Co-tenancy  
Convenience



# Focus Zones for Recruitment





connect

grow



# connect

After discovering your community's data and interpreting it into zones for recruitment we need to focus on which retailers and retail categories have the highest odds of success.

# connect

Your Top Categories for Recruitment



Restaurants



Building Supply  
& Garden



General  
Merchandise



Health &  
Personal Care

# connect

## Retail Real Estate Process: Terms

### Retailers

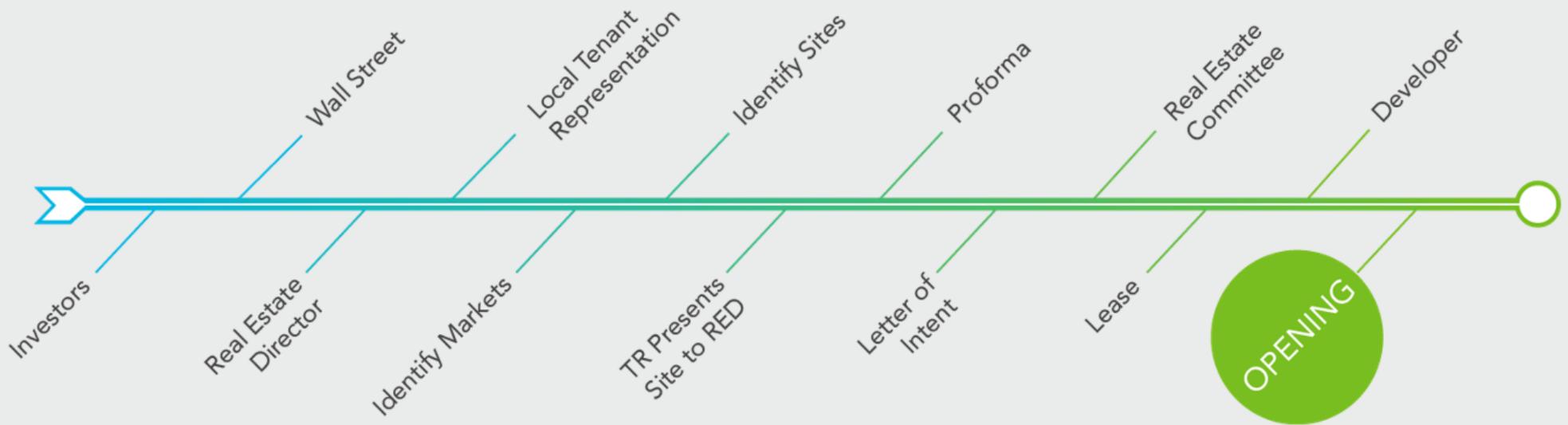
Corporate Real Estate  
Directors  
Tenant Representatives  
Franchisees  
Franchisee brokers

Matchmaking

### Sites

Property Owners  
Brokers  
Bank-owned  
Local Government  
Underperforming  
Businesses

# Retail Timeline



Retailer Drives the Decision

Small percentage of proposed sites equal new openings

Long Process

It's all about PROFIT

Albemarle  
County, VA



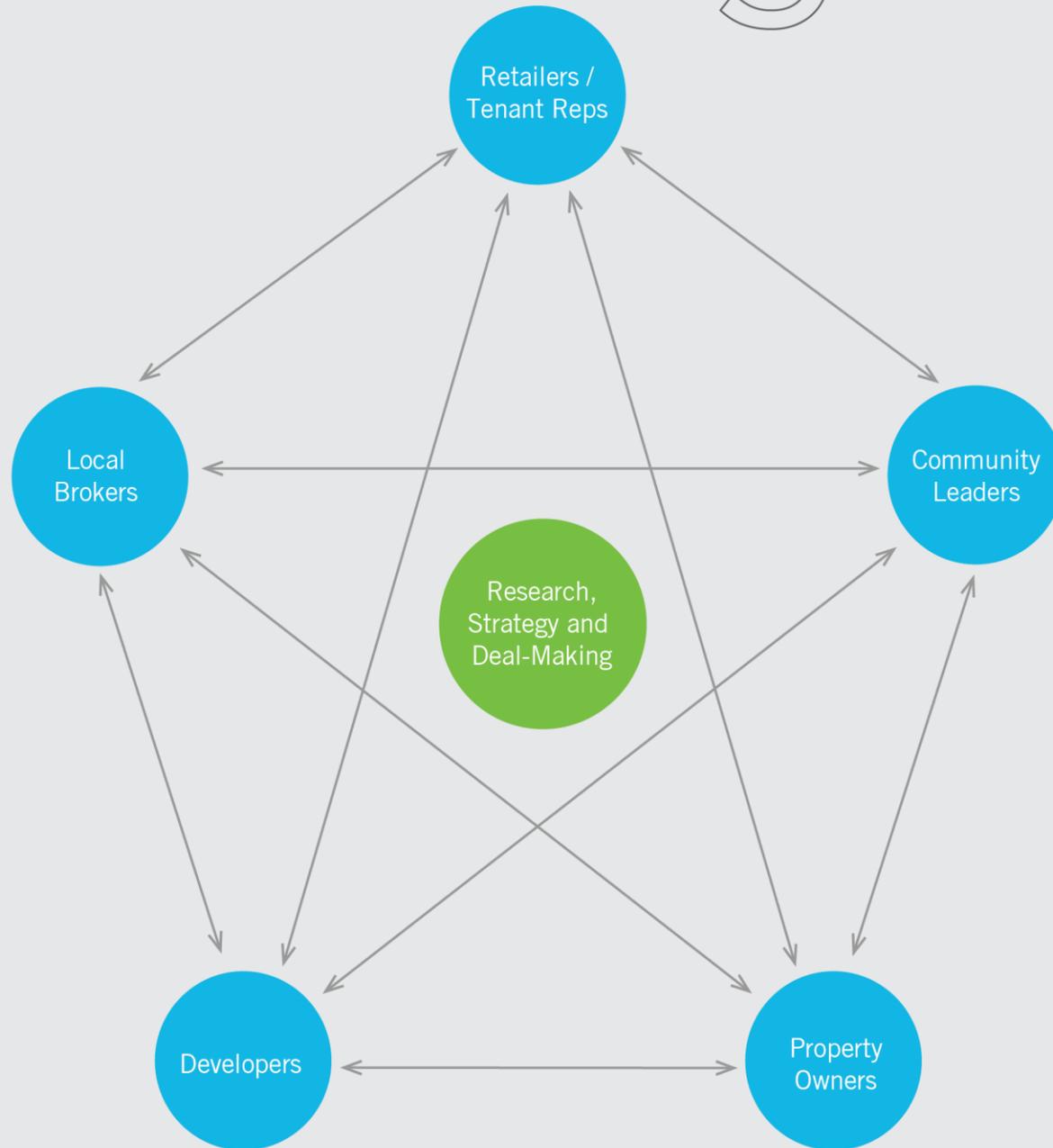
grow

A group of five business professionals are gathered around a table in a meeting room. They are dressed in business attire and appear to be engaged in a collaborative discussion. The image is overlaid with a green-to-blue gradient. The word "grow" is written in a large, white, lowercase, sans-serif font across the center of the image.

# grow

Persistence and education are key to growth. We have developed tools that help us stay in constant contact, sharing our efforts and current retail trends with you, as well as strong marketing, we increase our odds of success.

# connect ↔ grow



# Reporting Information

Monthly updates through Basecamp to a single Contact Person who disseminates information to the Community leaders.

## Retail Assets

### Retail Webinars

- a. National Retailers
- b. Industry Experts
- c. Broker Representatives

## Recruitment Tools

1. Marketing Flyer
2. City Sites
3. Conference Recruitment



1



retail webinars

grow

Retail Webinars are a monthly series of interviews with retail insiders focusing on a specific retail category, such as exercise and fitness or quick service restaurants.

Hosted by our President & COO, Lacy Beasley, these brief webinars pair well with our Focus Trends articles as a way to gain specific knowledge on the real estate choices and logic for expansion and closure that guides a single retail concept.



4



# recruitment tools

Marketing your community is of vital importance.  
Ease of access to the right information in a convenient manner is key to  
growing your community.



# City Sites

Any retail real estate focused online presence should include the following:

Map

Demographics

Schools

Major Employers

Retail Sites w/ size & location

Ordinances & Codes

Contact Information

grow



# connect → grow



Connect with industry decision makers through International Council of Shopping Centers. Public Sector receives a discounted membership of \$100/year. Dozens of networking events are held with thousands of retailers, brokers, developers and communities in attendance.

**REcon**



**ICSC**



# Conference Recruitment

We attend 15+ conferences per year to recruit retail to specific sites in our communities.



Las Vegas

New York City

Dallas

Atlanta

Chicago

Orlando

New Orleans

Charlotte

Nashville

San Diego



# On-going Effort

grow



Strategy  
Update

Continuously improving our efforts to maximize the retail potential in your community



Retail  
Expansion &  
Trends

Appropriately position your community  
Update City leaders on the latest in retail

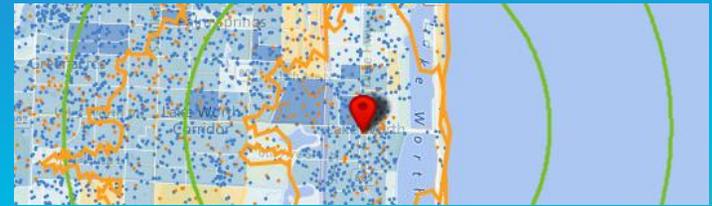


On Demand  
Reporting

Your research concierge.



1



2



3



4



Contact developers, retailers, tenant representatives and franchisee groups -regionally and nationally



Make direct and indirect connections through conferences, in person meetings, phone calls, and emails



Coordinate and communicate our efforts regularly with local brokers, property owners, and city staff



Follow industry trends as well as changes in your local market to adjust our strategy and improve our efforts to maximize the retail potential in your community





retail strategies

*Thank You.*

*There's a lot of potential here.*