

Office of the City Manager

City of Richland Hills, Texas

## Memorandum

To: Honorable Mayor Bill Agan and members of the Richland Hills City Council  
From: Eric Strong, City Manager  
Date: April 1, 2014  
Subject: Resolution Authorizing Expenditure by the Richland Hills Development Corporation.

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### **Council Action Requested:**

No action requested – First Reading of Resolution

### **Background Information:**

Prior to the City Council meeting that will be held on April 1, 2014, the RHDC will hold a meeting and hear a presentation by a consultant (The Retail Coach) that specializes in recruiting retail type uses to specific locations. Staff has met with The Retail Coach and identified two sites that would be ideal for restaurant uses in the City (see attached Scope of Work).

The RHDC will also hold a public hearing at their meeting on April 1 (please note, there is no notification requirement for public hearings of the RHDC) in which feedback can be given on the presentation by the Retail Coach. Following the presentation and public hearing, the RHDC will have the opportunity to declare a Project for the purpose of engaging The Retail Coach to work on attracting restaurant uses at the specified locations. However, funds cannot be expended until the City Council holds two readings of a resolution which authorizes the expenditure and approves the Resolution following the second reading.

There is no action on this item for the City Council at this meeting. The purpose of the item is to have the first reading of the Resolution. A second reading is tentatively scheduled for the next City Council meeting. At that same meeting, Council will have the

opportunity to vote on whether or not to approve the Resolution and move forward with the project.

**Board/Citizen Input:** Presented to the Community Development Committee of the Council

**Financial Impact:** \$14,000 from RHDC Budget

**Staff Contacts:** Eric Strong

City Manager

[estrong@richlandhills.com](mailto:estrong@richlandhills.com)

**Attachments:** Resolution 427-14

The Retail Coach Scope of Work and Proposal

**RESOLUTION 427-14**

**A RESOLUTION AUTHORIZING AN EXPENDITURE OF THE RICHLAND HILLS TYPE B FUNDS BY THE RICHLAND HILLS DEVELOPMENT CORPORATION FOR THE PURPOSE OF APPROVING A CONTRACT WITH A CONSULTANT FOR THE RECRUITMENT OF NEW BUSINESSES TO THE CITY.**

**WHEREAS**, the City of Richland Hills Economic Development Corporation finds that there is a need to enhance retail and restaurant facilities which will attract visitors to the City and enhance the amenities offered to citizens; and

**WHEREAS**, the Richland Hills Development Corporation has declared a Project for the purpose of hiring a consultant to attract these types of uses to specific locations within the city; and

**WHEREAS**, all local businesses and residents in the City of Richland Hills will benefit from a wider selection of services and a stronger local economy; and

**WHEREAS**, the City of Richland Hills Development Corporation held a public hearing for this project at their meeting on April 1, 2014, and

**WHEREAS**, City Council must hold two (2) readings of this resolution before final approval, as required by state law; and

**WHEREAS**, by statute the City Council must approve Richland Hills Development Corporation projects in excess of \$10,000.

**NOW, THEREFORE**, BE IT RESOLVED BY THE CITY OF RICHLAND HILLS that the City Council approves the Richland Hills Development Corporation expenditure in an amount of \$13,000 with additional reimbursable expenses not to exceed \$2,000, following the second reading of this Resolution.

**PASSED AND APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2014.**

**CITY OF RICHLAND HILLS, TEXAS**

\_\_\_\_\_  
Mayor, Bill Agan

ATTEST:

\_\_\_\_\_  
City Secretary, Linda Cantu





## RECRUITMENT STRATEGY



**TheRetailCoach®**

**City of Richland Hills, Texas**

**March 12, 2014**



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# ABOUT THE RETAIL COACH

## MOVING BEYOND DATA

The Retail Coach is the premier national retail expansion and development consulting firm founded in 2000 by C. Kelly Cofer, President and Chief Executive Officer.

This fast-growing retail analytics and locational intelligence firm has developed successful retail economic development plans for local governments, chambers of commerce and economic development organizations in communities throughout the United States.

Guided by stable values and sound financial practices, The Retail Coach's team of industry specialists are experienced in all aspects of economic development and real estate including market analyses, site selection and leasing and property brokerage for national retailers and restaurants.

Our industry specialists are progressive in applying cutting-edge resources and are in a constant state of innovation. The Retail Coach is the pioneer of the Retail:360 Recruitment System, a comprehensive program that melds research and data with expertise and personalized service. This unique level of service includes a 12-month coaching period following the completion of a project to ensure that each customized strategy is implemented to fully position clients for retail expansion and development success.

**“The Retail Coach is the pioneer of the Retail:360 Recruitment System, a comprehensive program that melds research and data with expertise and personalized service.”**

**“Our purpose is to provide an uncommon level of customized service and expertise to help communities move beyond the data to retail expansion and development results.”**

C. Kelly Cofer, CCIM  
President & CEO, The Retail Coach, LLC

THIS AGREEMENT is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2014 by and between a limited liability entity, The Retail Coach, L.L.C. (hereinafter "TRC") and the City of Richland Hills, Texas (hereinafter "CORH").

**WITNESSETH:**

WHEREAS, CORH is seeking to attract retail and retail development to Richland Hills;

WHEREAS, TRC desires to provide assistance to CORH with market research services and the assessment, development and execution of a targeted retail recruitment and development strategy for Richland Hills; and

WHEREAS, the parties hereto desire to set forth their mutual understandings and agreements regarding the services to be performed by TRC. NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

## PHASE 1

# LOCATIONAL INTELLIGENCE & DEMAND ASSESSMENT

## LOCATIONAL INTELLIGENCE | DEMAND ASSESSMENT



The above highlighted sites will be the focus of this analysis.

A market analysis will be performed to evaluate Richland Hills and its surrounding area. This “macro to micro” approach enables The Retail Coach to analyze economic dynamics that may impact Richland Hills’s retail expansion and development goals. Market specific information will be gathered to aid in identifying Retail Trade Area boundaries, potential customer bases, retail competition and retail opportunities based on retailers’ specific site selection criteria and spacing requirements.

## METHODOLOGY

### Area Competition Assessment

- We analyze the area surrounding Richland Hills and identify economic and market forces that may have a direct and significant impact on Richland Hills.
- We evaluate retail markets in surrounding communities that compete with Richland Hills and document their national and regional retailers.
- We profile demographics in these competing communities and look for trends that may give Richland Hills an advantage in its recruitment positioning efforts.

- We perform a “windshield” SWOT (Strengths, Weaknesses, Opportunity and Threats) Analysis in order to better compare Richland Hills to its competing communities. Our findings are used to offer specific recommendations for addressing the competition that will be summarized in the Action Plan.

### **Community Analysis**

- We analyze the retail market by traveling primary and secondary traffic corridors to identify retail nodes or submarkets, document current regional and national retailers, identify specific sites that offer development and redevelopment opportunities, identify major property vacancies and record potential retail sector opportunities.
- We analyze ingress and egress to both existing and emerging retail areas from population clusters, residential neighborhoods and surrounding communities.

### **Retailer Interviews**

- We interview national and regional retailers in Richland Hills to determine the locational sources of their customers.
- We plot the “Point-of-Sale” findings to determine a thorough picture of the geographical boundaries of the Retail Trade Area.

### **Retail Trade Area Determination**

The Retail Trade Area is where retailers derive approximately 80 – 85% of their business. An accurate Retail Trade Area is the foundational tool for positioning Richland Hills for successful retail recruitment.

The Retail Trade Area will be determined by onsite research in Richland Hills, area competition assessment factors, stakeholder interviews and retailer interviews.

- We will delineate a custom polygon boundary map of the Retail Trade Area.

### **Retail Gap/Opportunity Analysis**

- We calculate estimated potential retail sales (demand) for the Retail Trade Area and compare these figures to estimated actual sales figures (supply) to estimate retail dollars “coming in” or “flowing out” of Richland Hills.
- We identify retail sales surpluses and/or leakages for 52 different retail sectors. This distinguishes the retail categories that have the highest propensity for success in Richland Hills and quantifies their retail potential.
- We develop and provide summary tables and graphs of each retail sector illustrating potential sales versus estimated actual sales.

# PHASE 2

## RETAIL STRATEGIES

### RETAILER MATCHING | RETAIL EXPANSION POSITIONING | COMMUNITY MARKETING

With unparalleled access to national and regional retailers, we cross-reference preferred customer and site selection criteria with the findings from Richland Hills's area market analysis and Retail Gap/Opportunity Analysis. Customized community marketing tools and site profiles are developed to position for targeted recruitment of the retailers who are most likely to be successful in Richland Hills.

#### METHODOLOGY

##### Retailer Matching

We will identify regional and national retailers whose essential location factors match the (2) sites identified in Richland Hills.

- We provide a preliminary list of fifteen (15) targeted retailers (for each site) based on the matching of their site selection criteria to our findings from the area market analysis, competition assessment, Retail Trade Area determination, demographic and psychographic profiles, and Retail Gap/Opportunity Analysis.

##### Retail Expansion Positioning

We use the market insight gathered through our research in Richland Hills to establish the strongest position for successful retail recruitment. The first and most critical step in reaching out to targeted retailers is providing the information corporate real estate directors and site selectors need to make initial decisions about locating in Richland Hills.

We produce a comprehensive Retail Feasibility Package that includes:

- Specific Site Information
- Community Overview
- Location Map
- Retail Trade Area Map
- Retail Trade Area Demographic Profile Summary
- Existing Community Retailers
- Retail Gap/Opportunity Analysis Summary Table
- Retail Trade Area Psychographic Profile
- Retail Trade Area Demographic Profile
- Community Demographic Profile
- Area Traffic Generators
- Richland Hills Logo and Contact Information

- The content of the Richland Hills Retail Feasibility Package will be used to develop an engaging email campaign. The customized email will include a link to the community portal at [www.theretailcoach.net](http://www.theretailcoach.net). The link may also be placed on Richland Hills's City and economic development websites.
- We will send the Retail Feasibility Package email to targeted retailers during the recruitment phase. Eblasts will be made during this phase to determine the level of interest each retailer has in Richland Hills.
- We provide a Retailer Recruitment Status Report that includes each retailer's complete contact information and any comments resulting from our outreach activities.

## PHASE 3 RETAIL COACHING

Because retail expansion is a process, not an event, we offer retail coaching.

Retail coaching is a service that is unique to The Retail Coach because we know from experience that success requires tenacity and patience.

We understand that you will have questions, new ideas or just want to brainstorm with somebody who understands Richland Hills's opportunities and challenges.

In this regard, consider The Retail Coach as both a sounding board and an experienced resource for Richland Hills.

Our project team will be available via e-mail and telephone at no additional charge in an off-site advisory ("coaching") capacity as time and schedule allow.

This coaching period will begin upon completion of Phase 5 of the project, and continue for 12 months.

"We become vested in the communities and clients we serve.

We are committed to helping Richland Hills achieve retail expansion and development success."

# PROJECT TIMELINE & PRICING

We are available to begin this project immediately and will complete the proposed plan of work within sixty (60) business days following receipt of the fully executed agreement. A project timeline will be submitted to staff at the Kick-Off Meeting, indicating trip details and delivery dates. We will make a minimum of three trips to Richland Hills during the project.

## Project Fees:

The total fee for completion of this work is **\$13,000** payable in two installments:

1. **\$6,500** upon execution of the agreement
2. **\$6,500** upon completion of the Demand Analysis

Project fees are payable within **15 days** after receipt of the invoice.

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

## Reimbursable Project Expenses:

It is estimated that reimbursable expenses will be approximately **\$1,000**.

Reimbursable expenses include:

- All travel costs;
- Cost of special renderings and maps, if any;
- Cost of copies for reports and maps/drawings; and
- Cost of shipping expenses, if any.

## Annual Subscription Service:

We are available to perform ongoing retail outreach efforts and update all data reports on an annual basis.

## City of Richland Hills Responsibilities:

**Richland Hills** will designate a project liaison who will serve as The Retail Coach's primary contact during the project. **Richland Hills** 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. **Richland Hills** will provide City or organization logo and contact information as it should appear on all produced reports and materials to The Retail Coach upon execution of the agreement.

IN WITNESS WHEREOF, the parties have executed this agreement as of the \_\_\_\_ day of \_\_\_\_\_, 2014.

The Retail Coach, L.L.C.

By: \_\_\_\_\_

C. Kelly Cofer, President/CEO

By: \_\_\_\_\_

City of Richland Hills, Texas

**The Retail Coach, L.L.C.**

# DELIVERABLES

The Retail Coach will provide all reports and data files to **Richland Hills** on CD-ROM or DVD-ROM.

## PHASE 1 | PHASE 2

### LOCATIONAL INTELLIGENCE | DEMAND ANALYSIS | Retail Strategies

- Retailer Interview Summary
- Retail Trade Area Map with Demographic Profile
- Community Demographic Profile
- Retail Gap/Opportunity Analysis, including a summary table and summary graphs, showing surpluses and/or leakages for the 52 retail sectors
- Target list of retailers and restaurants along with contact information
- Retailer-Specific Retailer Feasibility Packages
- Customized Marketing Email
- Recruitment Status Report based on retailer and restaurant contacts

# THE RETAIL COACH LEADERSHIP TEAM



**C. KELLY COFER, CCIM**  
**PRESIDENT/CEO**

C. Kelly Cofer leads The Retail Coach with more than 27 years of experience in all aspects of retail real estate and economic development. Mr. Cofer's professional background encompasses market research and site selection, advisory and leasing services, and property brokerage and development for leading national and regional retailers and restaurants in more than 180 cities and 22 states throughout America. Mr. Cofer has earned the prestigious Certified Commercial Investment Member (CCIM) designation from the Chicago-based Commercial Investment Real Estate Institute and has attended the Economic Development Institute at the University of Oklahoma. He holds a Bachelor of Science degree from Texas A&M University in College Station and is a guest speaker for industry organizations throughout the United States.



**AARON FARMER**  
**VICE PRESIDENT**

With a degree in Marketing from The Mays Business School at Texas A&M University in College Station and an MBA from Texas A&M University – Commerce, Aaron brings to The Retail Coach knowledge of the most current research on retail and marketing trends. Prior to joining The Retail Coach, Aaron was employed in marketing research and retail development where he worked on projects for many of America's leading retailers and restaurants including FedEx, Kinko's, Sally Beauty Supply, Adidas, Concentra and the National American Association of Subway Franchises (NAASF). Mr. Farmer's expertise touches each step of a project from the initial trade area determination to the actual recruitment of retailers. A native of Keller, Texas, he is a sought after speaker for industry organizations including the Texas Municipal League and Texas Economic Development Council.



**SUZANNE BROOKE**  
**CLIENT SERVICES DIRECTOR**

Suzanne Brooke supports The Retail Coach team in providing quality service to every client with more than 20 years of experience in municipal government, economic development and the commercial and residential real estate industries. She earned a Bachelor of Arts degree in Communication with a minor in Marketing at the University of Texas. Prior to launching her own consulting agency, she was Director of Communications for one of the largest real estate trade associations in the nation. Her skills encompass all aspects of advertising, public relations and editorial support.

## THE RETAIL COACH LEADERSHIP TEAM (CONT.)



**MARK BROOKE**

**DIRECTOR OF TECHNOLOGY & CREATIVE SERVICES**

With a degree in Economics-Finance from the University of Texas, Mark's technology and research skills are grounded by business acumen. After graduating college in 1991 he worked as a business analyst for The Associates (now part of CitiGroup), where he began developing web-based and desktop applications. Today, Mark keeps The Retail Coach at the forefront of the technology and innovation that enable each client to achieve their retail goals. His expertise includes extensive video and print production experience for both the public and private sector.



**NANCY DEES**

**ADMINISTRATION DIRECTOR**

Nancy Dees' extensive management and accounting experience have benefited several of America's favorite retailers including Kirkland's. A number cruncher and people person who loves getting lost in data, Nancy is a perfect fit at The Retail Coach where she directs all administrative functions with efficiency and care. Nancy's previous experience as a retail buyer and store inventory control manager provides helpful insight as she assists in the retailer research performed by The Retail Coach for each project.