CITY OF COFFEYVILLE
BOARD OF COMMISSIONERS AGENDA ITEM

MEETING DATE	06/28/2016	
RESOLUTION OR ORDINANCE NUMBER	Resolution R-16-78	
AGENDA TITLE	Presentation by Retail Strategies for Retail Recruitment and Retention Services	
REQUESTING DEPARTMENT	Economic Development	
PRESENTER	Trisha Purdon, Assistant to the City Manager and Matthew Petro – Retail Strategies	
FISCAL INFORMATION	Cost as recommended:	Year 1: $40,000 with option to renew for years 2 and/or 3 at: Year 2: $35,000 Year 3: $35,000
	Budget Line Item:	180-5-210-478 Professional Services Retail and Industrial Marketing
	Balance Available	Year 1: $71,867 (Economic Development Sales Tax Fund, includes $24,000 budgeted for retail recruitment)) Year 2: $67,331.76 (includes $35,000 budgeted for retail recruitment) Year 3: $90,504.76 (includes $35,000 budgeted for retail recruitment)
	New Appropriation Required:	[X] Yes [ ] No

PURPOSE	To assist in retail recruitment through use of detailed and accurate consumer analytics that are needed to show the demand for retail in Coffeyville to businesses. This software and support would also be beneficial to current businesses, as it would provide detailed consumer data that could help our local businesses better market their business to their customers, products and services that they are shopping for elsewhere. One new retailer like a Jimmy Johns would bring in approximately $41,000 in sales tax revenues alone. A Dollar Tree would generate $49,000 annually in sales taxes (3%) Retailers have a large impact, not only to the City Sales Tax revenues, but it also creates new jobs, increases the quality of life for residents, and in cases like Jimmy Johns with healthier meal selections, improves the healthy food options for citizens of Coffeyville. These retailers typically do not require large incentives to come to a town that shows that there is a direct economic benefit for them doing so, but they need the data from somewhere that will show them this information above the 50 other sites similar to Coffeyville. Using Retail Analytics, Coffeyville can stand out in the crowd of communities all vying for these retailers.

BACKGROUND	Since engaging in active retail recruitment in the past year, staff has been unable to convey the critical market data that retailers need to make a decision on whether or not to open a new store in Coffeyville, due to the lack of ability to gather accurate sales data and consumer purchase data. Currently the City uses a small report from ESRI that is provided by Montgomery County Action Council, but this data is extremely limited, and does not cross State boundaries. We also have some access to data reports from Retail Attractions, with our contract with GRDA. However, similar to ESRI data, this information does not have enough detailed information to convey the draw that Coffeyville currently has with workforce, retail sales, tourism, and other visitors from around the region. Each time staff has made a good contact with a retailer at conferences in Las Vegas, Chicago, Dallas, and Kansas City, they request an accurate data analysis to show what our true draw is to Coffeyville, and what the sales look like for our current businesses. We have been unable to provide enough data to these retailers to make the argument that Coffeyville could support these retailers, so many times these conversations have stopped altogether or have been paused until we could get this data. However, we know that based on our basic leakage reports alone, that we can. Retail Attractions was created to help bridge this gap and is unique in that they have divisions within the company that are specialists in real estate, site selection, database development, and retail recruitment. For example, they can analyze the East Coffeyville Redevelopment Area, and identify precisely who would be ideal at each site (Based on their analytics and real estate professionals), and help us to design and recruit several retailers to create the shopping experience that consumers want when they visit a community. Staff has researched every retail recruitment company in the country over the past few months through one-on-one meetings at conferences. Since receiving feedback from the Commission, staff has gone back through the procurement process and interviewed each retail recruitment firm that participates with the International Council of Shopping Centers. Out of these, we identified Retail Strategies as the company that would provide all of the services that we would need to recruit new retail to Coffeyville. They have provided two references, Liberal, KS and Carthage, MO. I have received a verbal response from Liberal, KS and have included it in the attached documents for your review.

SPECIAL NOTES	
ANALYSIS	Staff believes that this service would provide the critical data we need to secure new and support current retail tenants. In addition, this data can also analyze workforce patterns which will help us recruit industrial business to the Industrial Park. Based on feedback from developers that we are currently working with on retail, we believe that this data would accelerate our progress in retail recruitment considerably, thus seeing a much faster return on investment. Specifically, a developer we are currently working with has one retailer who is on the fence and will not locate in Coffeyville without more data on our trade area and demographics that is not currently available in the ESRI data from MCAC. In addition, if Commission approves this tonight, we would be able to use this data at the upcoming regional ICSC Retail Conferences in Chicago and Kansas City, where we made considerable headway last year. With this data, we would be able to have sit down meetings coordinated through Retail Strategies with retailers at this conference, which is absolutely key to success at these events.
PUBLIC INFORMATION PROCESS	Presentation held on 3/08/2016 on Buxton Procurement Process April – May 2016 Presentation by Retail Strategies and Staff June 28, 2016
BOARD OR COMMISSION RECOMMENDATION	
STAFF RECOMMENDATION	It is staff's recommendation that we hire Retail Strategies. Staff reviewed and interviewed all retail consulting services offered in the US over the past 3 months, and this company seems to offer the lowest price for the highest value of services. The contract is for 3 years, however, each year there is a review period and we can cancel without any penalty at the end of the year. The 3 year contract only is in place to lock in the pricing for the 3 years, but the City is not held to the contract to renew if the Commission should decide to cancel after the initial year. This data will be crucial to our efforts in recruiting new businesses to Coffeyville and redeveloping not only the East Coffeyville Redevelopment Area, but all property along highway 166/169 in Coffeyville.

REFERENCE DOCUMENTS ATTACHED	Retail Strategies Contract Retail Strategies Reference Check

RESOLUTION NO. R-16-78

A RESOLUTION TO EXECUTE AN AGREEMENT WITH RETAIL STRATEGIES FOR RETAIL RECRUITMENT AND RETENTION SERVICES.

BE IT RESOLVED by the Board of Commissioners of the City of Coffeyville, Kansas that the Mayor be and is hereby authorized to enter into an agreement with Retail Strategies for retail recruitment and retention services in the amount of $40,000 for year one with an option to renew for years two and three at $35,000.

ADOPTED THIS 28th DAY OF June, 2016.

_____
Craig C. Powell, Mayor

ATTEST:

_____
Cindy Price, City Clerk

APPROVED AS TO FORM AND LEGALITY:

_____
Paul Kritz, City Attorney

PROFESSIONAL SERVICES AGREEMENT TO PROVIDE CONSULTING SERVICES

This Professional Services Agreement to Provide Consulting Services (this "Agreement") sets forth the mutual understanding of the City of Coffeyville, KS (the "Client") and Retail Strategies, LLC, an Alabama limited liability company (the "Consultant") on this the _____ day of June, 2016 (the "Execution Date"), for the provision of professional consulting services as more fully set forth below.

RECITALS:

The Consultant possesses a high degree of professional skill and experience and is a unique provider of professional consulting services in retail recruitment.

The Client desires to hire the Consultant to provide professional consulting services because of its professional skill and experience.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth in this Agreement, the Client and the Consultant, intending to be legally bound, do hereby agree as follows:

1. CONSULTING SERVICES. The Consultant agrees to provide the following professional consulting services to the Client (the "Services"):

A. Research. The Consultant will identify the Client's retail trade area using a blend of demographics, political boundaries, drive times and/or custom boundaries. The Consultant will perform market and retail analysis based on current industry standards at the time such reports are run. The Consultant will map retail locations and analyze opportunities given local and macro retail trends.

B. In-Market Real Estate Analysis. The Consultant will analyze existing shopping centers and retail corridors and actively reach out to local brokers and real estate owners. The Consultant will identify, evaluate and catalogue priority commercial properties for development or redevelopment based on their highest-and-best-use. The Consultant will identify priority business categories to expand locally and to recruit to the area.

C. Retail Recruitment. The Consultant will proactively recruit businesses for targeted zones through the contact of a minimum of 30 retailers, restaurants, brokers or developers. The Consultant will regularly update the Client Representative on retail recruitment efforts via email, telephone and the Consultant's client web portal known as "Basecamp." The Consultant will visit the Client's market once per calendar year. The Consultant will represent the Client at International Council of Shopping Center conferences and provide updates according to the yearly conference schedule.

D. Updates. The Consultant will provide the Client Representative with recruitment activity updates within three business days of receipt of a request from the Client Representative (as defined in Section 4 below).

2. TERM. The Consultant will notify the Client of the date (the "Effective Date") when the Consultant receives payment of the first installment of the Consulting Fee (as defined below). The Consultant's engagement and provision of Services will commence upon the Effective Date. The Consultant's engagement and this Agreement will terminate automatically on the third anniversary of the Effective Date (the "Term") unless earlier terminated as provided in Section 6 below. At the end of the Term, the Client, acting by and through the Client Representative, may extend the Term at its option for successive one year periods on such terms and conditions as the Client Representative, acting for and on behalf of the Client, and the Consultant may agree upon in writing.

3. CONSULTING FEE.

A. **Consulting Fee.** In consideration for providing the Services, the Client agrees to pay the Consultant a consulting fee (the "Consulting Fee") in an amount equal to $110,000. The Consulting Fee will be paid in installments of immediately available funds as follows:

Contract Period	Payment Date	Payment Amount
Year One	Upon execution of this agreement	$40,000
Year Two	On or before the 1st anniversary of the Effective Date	$35,000
Year Three	On or before the 2nd anniversary of the Effective Date	$35,000

B. **Payment Default.** If the Client fails to pay any portion of the Consulting Fee on the requisite payment date, the Consultant will immediately cease all Services, including but not limited to: (1) negotiation of incentive agreements; (2) all recruiting and marketing efforts; (3) representation of the Client at trade shows; (4) booking meetings for the Client with prospective retailers; and (5) including the Client in marketing materials.

4. CLIENT INFORMATION AND ACCESS.

A. To the extent permitted by law, the Client will provide the Consultant with access to relevant personnel, facilities, records, reports and other information (including any information specified in the Consultant's proposal to the Client) accessible by the Client that the Consultant may reasonably request from time-to-time during the Term. The Client acknowledges and agrees that the Consultant's scheduled delivery of the Services is dependent upon the timely access to such personnel, facilities, records, reports and other requested information.

B. To facilitate such access and Consultant's delivery of the Services, the Client designates City Manager (the "Client Representative") as the Consultant's primary point of contact. The Client Representative will serve as the primary liaison between the Consultant and the Client. The Client Representative will also have responsibility for regular communications between the Client and the Consultant, including providing updates in a timely manner through Basecamp. The Client Representative's communications to the Consultant will include information regarding retail growth and development, such as actual and prospective business openings and closings, changes in economic drivers (e.g., significant

increases or decreases in workforce of major employers, school enrollments, housing or healthcare services) and changes in the ownership of targeted real estate (e.g., transfers of real estate or changes in the finances of ownership). The Client Representative will also be responsible for disseminating updates relative to consultants activities related to scope of work to members of local stakeholder groups of the Client (e.g. City Council, Economic Development Boards, Chamber of Commerce etc.).

Initials of Client Representative: _____

C. The Client hereby authorizes the Client Representative (i) to act on behalf of the Client in the day-to-day administration and operation of this Agreement and the arrangements it contemplates and (ii) to execute and deliver, on behalf of the Client, such notices, approvals, consents, instruments, amendments or other documents as may be necessary or desirable to facilitate or assist the Consultant with the provision of the Services.

5. INTELLECTUAL PROPERTY. As part of the Services, the Consultant will prepare periodic and final reports including demographic and other research reports that will become the property of the Client upon delivery from the Consultant. Any other reports, memoranda, electronic mail, facsimile transmissions or other written documents prepared or used by the Consultants in connection with the Services will remain the property of the Consultant. With the Consultant's prior permission, the Client may use other information provided by the Consultant, such as specifics related to retailers, developers, site information or other "confidential information" for internal purposes while taking reasonable steps to so limit the use of such materials and maintain its confidentiality.

6. TERMINATION.

A. **By the Client At-Will.** The Client may terminate this Agreement at any time for any or no reason upon delivery of 30 days' prior written notice to the Consultant. Any portion of the Consulting Fee paid prior to such termination of this Agreement is earned when paid and nonrefundable.

B. **By the Client Upon the Consultant's Default.** The Client may notify the Consultant within 90 days of the day that the Client knows or should have known that the Consultant breached this Agreement. The Consultant will have 30 days following receipt of such notice to cure any alleged breach. If the Consultant fails to cure any alleged breach within that 30-day period, then the Client may terminate this Agreement. Within 30 days of such termination of this Agreement, the Consultant will refund a pro rata portion of the installment of the Consulting Fee previously paid for the contract period during which such termination occurs based upon the number of days remaining in such contract period.

C. **By the Consultant At-Will.** The Consultant may terminate this Agreement at any time for any or no reason upon delivery of 30 days' prior written notice to the Client. Within 30 days of such termination of this Agreement, the Consultant will refund a pro rata portion of the installment of the Consulting Fee previously paid for the period during which such termination occurs based upon the number of days remaining in such period.

D. **By the Consultant Upon the Client's Default.** The Consultant may notify the Client within 90 days of the day that the Consultant knows or should have known that the Client breached this Agreement. The Client will have 30 days following receipt of such notice to

cure any alleged breach. If the Client fails to cure any alleged breach within that 30-day period, then the Consultant may terminate this Agreement. Any portion of the Consulting Fee paid prior to such termination of this Agreement is earned when paid and nonrefundable.

7. NOTICES. Any notice or communication in connection with this Agreement will be in writing and either delivered personally, sent by certified or registered mail, postage prepaid, delivered by a recognized overnight courier service, or transmitted via facsimile or other electronic transmission, addressed as follows:

Client: City of Coffeyville, KS
Craig Powell
Mayor
Attention: Mayor Craig Powell

Consultant: Retail Strategies, LLC
120 18th Street South, Suite 201
Birmingham, AL 35233
Email: Ashton@retailstrategies.com
Fax: (205) 313-3677
Attention: ASHTON L. ARRINGTON

or to such other address as may be furnished in writing by either party in the preceding manner. Notice shall be deemed to have been properly given for all purposes: (i) if sent by a nationally recognized overnight carrier for next business day delivery, on the first business day following deposit of such notice with such carrier, (ii) if personally delivered, on the actual date of delivery, (iii) if sent by certified U.S. Mail, return receipt requested postage prepaid, on the third business day following the date of mailing, or (iv) if sent by facsimile or email of a PDF document (with confirmation of transmission), then on the actual date of delivery if sent prior to 5 p.m. Central Time, and on the next business day if sent after such time.

8. INDEPENDENT CONTRACTOR. The Consultant, in its capacity as a professional consultant to the Client, is and will be at all times an independent contractor. The Consultant does not have the express, implied or apparent authority either (A) to act as the Client's agent or legal representative or (B) to legally bind the Client, its officers, agents or employees.

9. STANDARD TERMS.

A. **Affiliated Services:** The Client acknowledges that certain affiliates of the Consultant provide real estate brokerage and management services for which they are paid brokerage, development, leasing, management and similar fees. In connection with the Services and with the prior written permission of the Client, such affiliates may be engaged to provide such services in consideration for the payment of such fees.

B. **Applicable Laws:** The Consultant will abide by all laws, rules and regulations applicable to the provision of the Services.

C. **Insurance:** The Consultant will carry all employee insurance necessary to comply with applicable state and federal laws.

D. **Third Party Beneficiaries:** This Agreement is for the sole benefit of the parties to this Agreement and their permitted successors and assigns. Nothing in this Agreement, whether express or implied, is intended to or will confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

E. **Entire Agreement:** This Agreement, together with any exhibits or amendments hereto, constitutes the entire agreement of the parties, as a complete and final integration thereof with respect to its subject matter. Any prior written or oral understandings and agreements between the parties are merged into this Agreement, which alone fully and completely expresses their understanding. No representation, warranty, or covenant made by any party which is not contained in this Agreement or expressly referred to herein has been relied on by any party in entering into this Agreement.

F. **Further Assurances**: Each party hereby agrees to perform any further acts and to execute and deliver any documents which may be reasonably necessary to carry out the provisions of this Agreement.

G. **Force Majeure:** Neither party to this Agreement will hold the other party responsible for damages or delay in performance caused by acts of God, strikes, lockouts or other circumstances beyond the reasonable control of the other or the other party's employees, agents or contractors.

H. **Limitation on Liability; Sole Remedy:** Each party's liability to the other party arising out of or related to this Agreement or the Services will not exceed the amount of the Consulting Fee. The Client's sole remedy in the event of any alleged breach of this Agreement by the Consultant will be the notice, cure and refund provisions of Section 6(B) of this Agreement.

I. **Amendment in Writing**: This Agreement may not be amended, modified, altered, changed, terminated, or waived in any respect whatsoever, except by a further agreement in writing, properly executed by a duly authorized officer of the Consultant and the Client Representative, acting for and on behalf of the Client.

J. **Binding Effect**: This Agreement will bind the parties and their respective successors and assigns. If any provision in this Agreement will be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

K. **Captions**: The captions of this Agreement are for convenience and reference only, are not a part of this Agreement and in no way define, describe, extend, or limit the scope or intent of this Agreement.

L. **Construction:** This Agreement will be construed in its entirety according to its plain meaning and will not be construed against the party who provided or drafted it.

M. **Prohibition on Assignment:** No party to this Agreement may assign its interests or obligations hereunder without the written consent of the other party obtained in advance of any such assignment. No such assignment will in any manner whatsoever relieve any party

from its obligations and duties hereunder and such assigning party will in all respects remain liable hereunder irrespective of such assignment.

N. **Waiver:** Non-enforcement of any provision of this Agreement by either party will not constitute a waiver of that provision, nor will it affect the enforceability of that provision or of the remaining terms and conditions of this Agreement.

O. **Survival:** Section 5 and Section 9(H) will survive termination of this Agreement.

P. **Counterparts; Electronic Transmission:** This Agreement may be executed in counterparts, each of which will be deemed to be an original, and such counterparts will, together, constitute and be one and the same instrument. A signed copy of this Agreement delivered by telecopy, electronic transmission or other similar means will be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Client and the Consultant have caused this Agreement to be executed by their duly authorized officers to be effective as of the Effective Date.

CLIENT:

By: _____
Name: Craig Powell
Title: Mayor
Date:

CONSULTANT:
RETAIL STRATEGIES, LLC

By: _____
Name: W. Mead Sirsdon III
Title: CFO
Date: 6/22/16

Coffeyville KANSAS

Reference Check

Telephone Reference Check Form

Applicant Information

Company Name: **Retail Strategies** Date: **6/23/2016**

Service Provided: **Retail Recruitment and Data Analytics**

Representative: **Matt Petro**

Contact Name: Jeff Parsons

Title: **Liberal Economic Development Director** Phone: **620-620-626-2256**

Company: **City of Liberal, Liberal Kansas Economic Development Department**

Address: **324 N. Kansas Ave, Liberal, KS 67905**

Reference Comments

Are you currently under contract with Buxton YES ☒ NO ☐

When? START DATE: **2014** END DATE: **2017**

How do you like Retail Strategies Services?
Are pleased with their efforts thus far. They identify and put you in front of actual companies that will likely come to your community, so they don't waste your time on those that won't be a good fit. They know all the people to talk to and definitely do their job that we pay them for.

How have you used Retail Strategies thus far?
They have set us up several site visits with retailers that we were having no luck getting to visit Liberal on their own. Making these contacts and connections has been extremely valuable. It takes time though. Site visits have only started happening this year (2nd year). Commission can get impatient and want instant results, but this is a marathon, not a sprint. We have been very satisfied with the results so far.

Have you seen any progress due to using Retail Strategies?
Several retailers have actually visited Liberal to look at sites. This is something new since we have hired Retail Strategies.

What have been the biggest benefits you have seen so far from using Retail Strategies?
Focus and priority on who actually fits the demographics of Liberal. We aren't wasting our time constantly contacting companies that will never come to Liberal. Retail Strategies focuses our time and effort on projects that will have results, which saves us staff time and money. They know the right people to talk to and that is most of the problem we have had in the past.

What does your community look like? Is it rural, metropolitan, suburb?
Liberal is a town of about 21,000 residents in Southwest Kansas. It is a rural community, but an employment hub for Southwest Kansas.

What were you doing for retail recruitment prior to Retail Strategies?
Attending ICSC and other conferences, but not having much luck moving forward with any development.

Would you renew your contract? YES ☒ NO ☐

Coffeyville KANSAS

Reference Check

Telephone Reference Check Form

Applicant Information

Company Name: **Retail Strategies** Date: **6/23/2016**

Service Provided: **Retail Recruitment and Data Analytics**

Representative: **Matt Petro**

Contact Name: Mark Elliff

Title: **Chamber of Commerce President** Phone: **417-358-2373**

Company: **Carthage Chamber of Commerce**

Address: **402 S Garrison Ave, Carthage, MO 64836**

Reference Comments

Are you currently under contract with Buxton YES ☒ NO ☐

When? START DATE: **2014** END DATE: **2017**

How do you like Retail Strategies Services?
It has been a positive experience thus far. Great leads and contacts have been made. Their data collection has been very informative, and they provide good quarterly reports to help us ensure that they are "doing their job".

How have you used Retail Strategies thus far?
They have the connections that we were unable to secure. Specifically, we had been targeting a retailer for 2 years prior to hiring Retail Strategies. We called, emailed, had meetings at ReCon and other regional conferences with them, and had zero progress. Retail Strategies has them coming for a site visit in the next few weeks. That is due to their relationships with the retailers. We have 2 site visits for retailers coming up. We wish there had been more, but we know that it only takes one to get it going.

Have you seen any progress due to using Retail Strategies?
We have two retailers that we had no success in getting contact with prior to hiring Retail Strategies that are coming for site visits in the next two weeks.

What have been the biggest benefits you have seen so far from using Retail Strategies?
We are only 11 miles away from Joplin, so we are unique. It is very hard to rationalize to a retailer that they should locate in our town vs. just going into Joplin. Retail Strategies has helped us with this edge and get us into contact with those companies likely to come to our town vs. Joplin.

What does your community look like? Is it rural, metropolitan, suburb?
Carthage is a town of 14,000, and is about 11 miles away from Joplin, MO. We are too far away to be a suburb, but too close to really have much of a trade area that doesn't overlap with Joplin.

What were you doing for retail recruitment prior to Retail Strategies?
Attending ICSC and other conferences, but not having much luck moving forward with any development.

Would you renew your contract? YES ☒ NO ☐ Will evaluate after the end of year 3.