

Economic Restructuring Basic Training Overview



Presented by

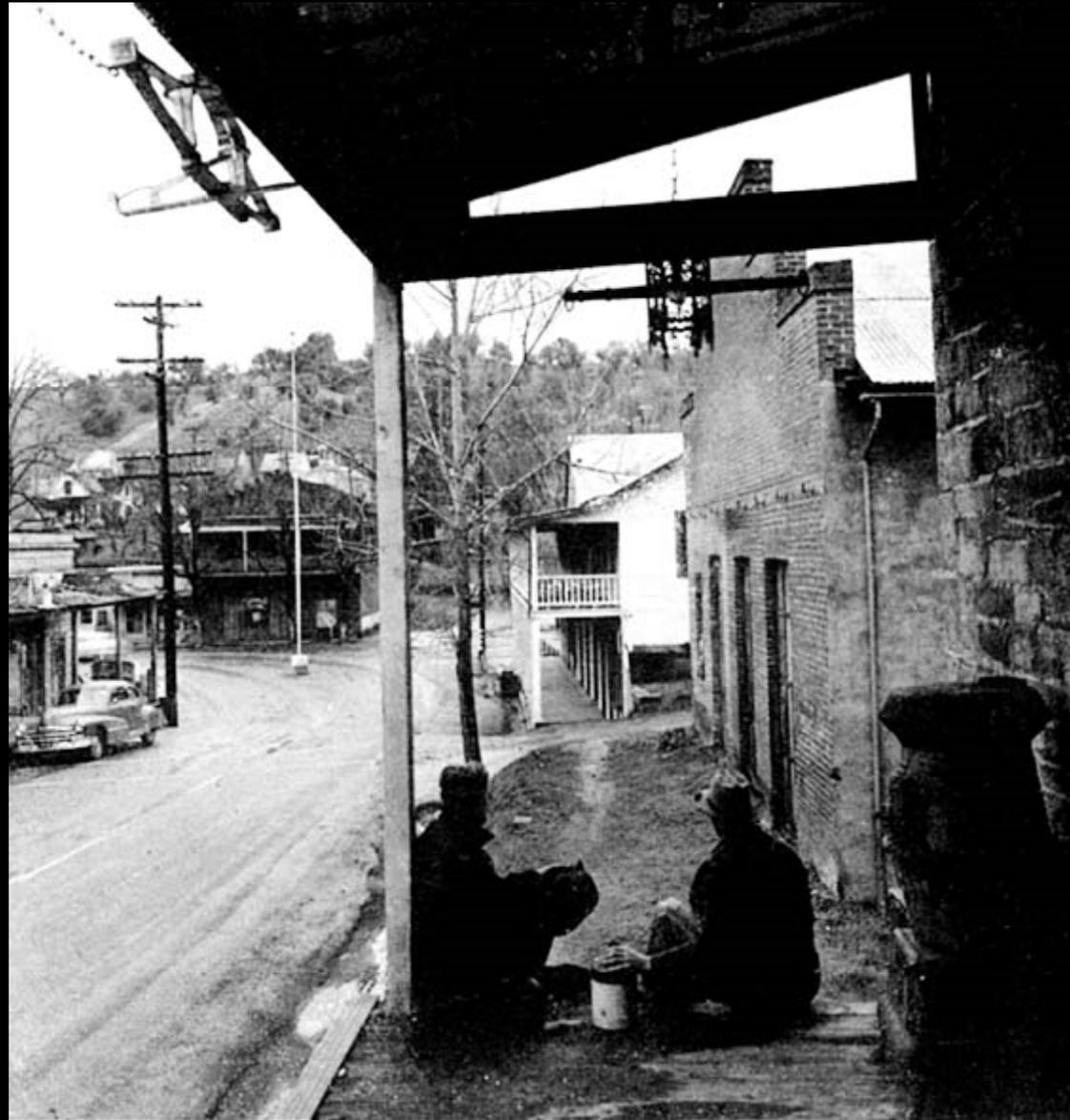
Todd Tracy



vital solutions for historic communities

ER & Main Street





Downtown is NOT and will never again be the primary provider of goods and services

Main Street's ER Focus:

- **Market Driven**
 - Consumers want **THE UNIQUE**
 - Changing consumer behaviors
- Available space for growth and future development
- Historic places
 - Ambiance
 - Differentiation
 - Community identity

Downtown Capacity and Potential



Downtown Business Community (and Uses)

- **Retail and Restaurant**
 - **Local and/or specialty products**
 - **Coffee**
- **Entertainment**
 - **Nightlife**
 - **Cultural**
- **Residential**
- **Service**
 - **Professional Practices**
 - **Non-Sales Tax Generating**
- **Governmental/Institutional**

Market Analysis Process

- Understanding Market Conditions
- Identifying Market Opportunities by Sector
- Drawing Conclusions
- Developing Recommendations
- Applying What You Learn



Understanding Market Conditions

Building and Business Inventories



vital solutions for historic communities

2009 Chester, IL Business Resource & Needs Assessment

The City of Chester and IN(ALLIANCE) have initiated a city-wide business resource and needs assessment to assist in the planning and development of a community strategic plan. Your time spent with this survey is greatly appreciated and important to Chester's future. All information collected will remain confidential and will only be used to determine the aggregate of the business climate in Chester, IL.

This survey can also be completed online at:
www.trustedbizsolutions.com/chester

1. Tell us about yourself:

First Name: _____

Last Name: _____

Job Title: _____

Company Name: _____

Email address: _____

2. Please indicate your gender:

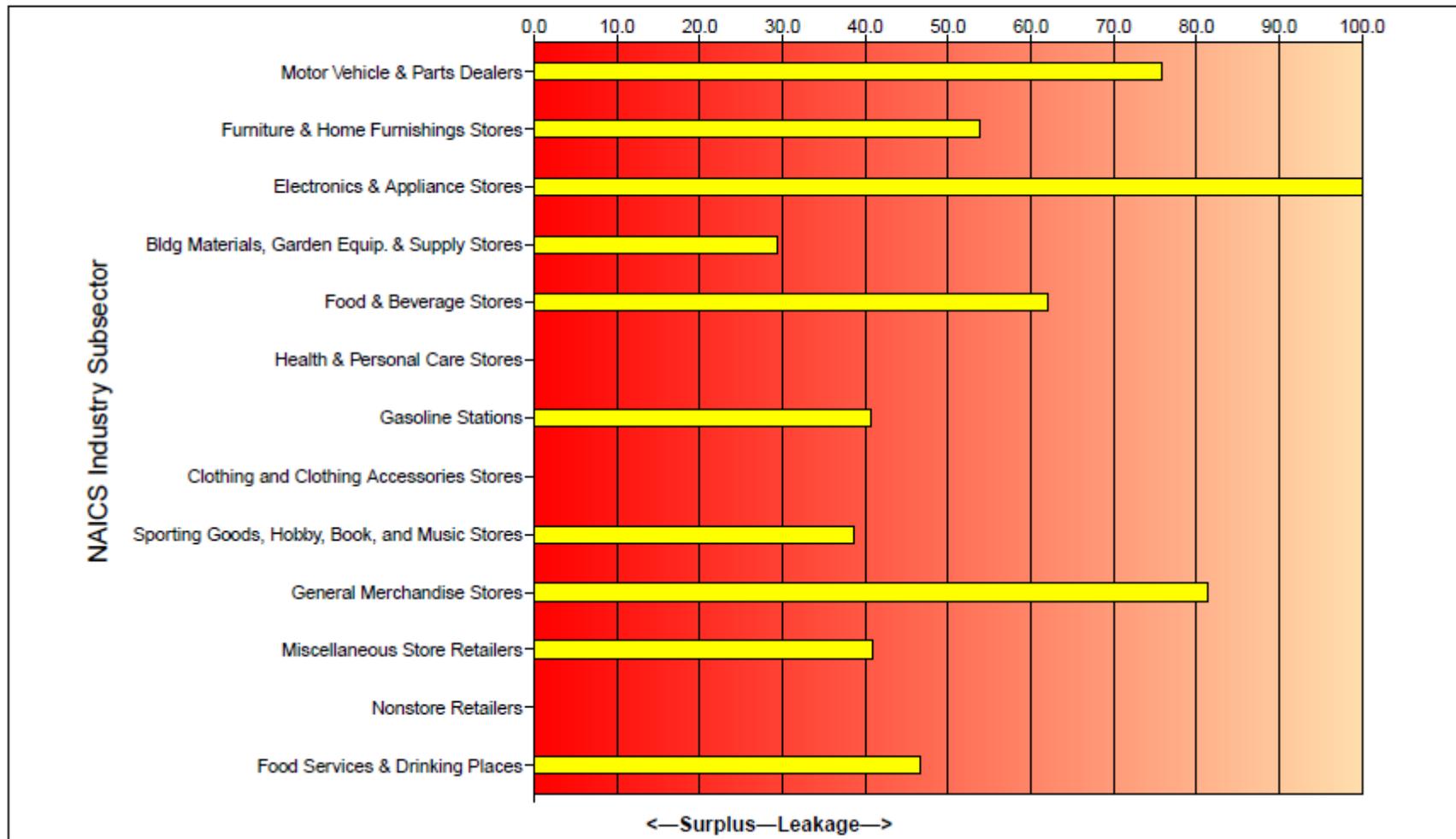
- Female
- Male
- Prefer not to answer

3. How many years has your business resided in Chester? _____ years

Understanding Market Conditions

Surveying Business Owners

Leakage/Surplus Factor by Industry Subsector



Understanding Market Conditions

Analyzing the Business Mix

WHEN, WHERE AND WHY YOU SHOP

1. When do you typically shop for non-grocery items?

(● mark up to SEVEN times total for the week)

	Before 11:00 a.m.	11:00 a.m.- 2:00 p.m.	2:00 p.m.- 5:00 p.m.	After 5:00 p.m.
Monday	(A)	(B)	(C)	(D)
Tuesday	(E)	(F)	(G)	(H)
Wednesday	(I)	(J)	(K)	(L)
Thursday	(M)	(N)	(O)	(P)
Friday	(Q)	(R)	(S)	(T)
Saturday	(U)	(V)	(W)	(X)
Sunday	(Y)	(Z)	(1)	(2)

2. During which of the following extended hours are you currently most likely to shop for non-grocery items?

(● mark ONE)

- (A) Monday after 7:00 p.m.
- (B) Tuesday after 7:00 p.m.
- (C) Wednesday after 7:00 p.m.
- (D) Thursday after 7:00 p.m.
- (E) Friday after 7:00 p.m.
- (F) Sunday afternoon
- (G) Other _____

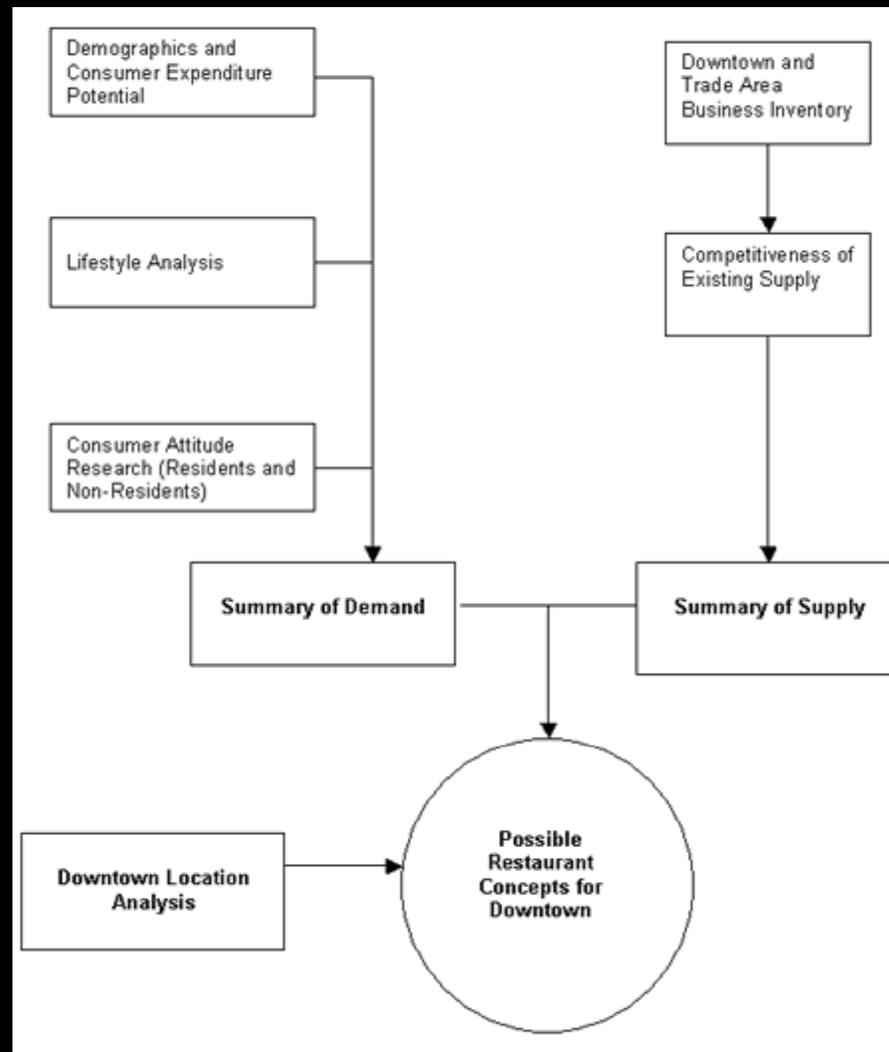
3. How often do you eat out...

(● mark ONE answer for each question)

	5 or more times a week	2-4 times a week	Once a week	Once a month	Once every few months	Never
...for breakfast?	(A)	(B)	(C)	(D)	(E)	(F)
...for lunch?	(A)	(B)	(C)	(D)	(E)	(F)
...for supper?	(A)	(B)	(C)	(D)	(E)	(F)

Understanding Market Conditions

Surveying Consumers



Identifying Market Opportunities by Sector
Evaluating Service Opportunities

Targeted Market Segment (interested in downtown housing)	Tenure		Unit Type Preference					Pricing			Other Comments (including size and amenities)
	Own	Rent	Upper Floor	Townhouse	Building	Live/Work Unit	Loft	Upscale	Moderate	Affordable	

Identifying Market Opportunities by Sector
Evaluating Residential Opportunities

Business Retention Action Plan





Get to know ALL the businesses & **STAY INVOLVED**

- 1. Anchors**
- 2. Traffic generators**
- 3. Long-standing businesses in the community**
- 4. Creative, model businesses**
- 5. Destination businesses**
- 6. New businesses with strong growth potential**
- 7. Ethnic businesses serving local population(s)**
- 8. Unique businesses with character and reputation**

Identify the Key Businesses

- **Constructive critique of overall merchandising**
- **Consumer Survey results specific to them**
- **Business plan assistance**
- **Website service**
- **Host useful/beneficial training**
- **Business administrative services**
- **Advertising and promotion**
 - **Co-op**
 - **Cluster focus**
- **Financial incentives that incent the right things**

HELP THE BUSINESSES BE MORE SUCCESSFUL!!!

- **How to attract more customers**
- **Up selling techniques**
- **Identifying consumer buying habits**
- **Expand space within downtown**
- **Diversifying mix with other businesses**
- **Opening common owner companion shops**
 - **Retail**
 - **Restaurant**

Communicate growth and expansion opportunities to current business owners

- **Low inventory**
- **Hours and staff reductions**
- **Limited advertising**
- **Store appearance slumping**
- **Not paying bills or taxes**
- **Negativity of owner...do they hate their business?**
- **Rumors around town**
- **Illness of business owner**
- **Potential retirement**

Be cognizant of business failure signs...you can't save them from themselves

Business Planning

BUSINESS-PLAN



- 1. Executive Summary**
- 2. Business Description**
- 3. Market Strategies**
- 4. Competitive Analysis**
- 5. Design & Development Plan**
- 6. Operations & Management Plan**
- 7. Financial Components**

Elements of a Business Plan

- 1. Identify how the company is positioned in the market**
- 2. Non-biased opinion of pricing**
- 3. Critique of promotion's plan**
- 4. Honest analysis of sales potential**

Main Street's Assistance

Market Strategies

- 1. Knowledge of competition**
- 2. Assist with competitive strengths and weaknesses**
- 3. Niche opportunities**
- 4. Pricing comparisons**
- 5. Impartial surveys**

Main Street's Assistance

Competitive Analysis

- 1. Identifying space and location optimums**
- 2. Introduction of potential partnerships**
- 3. Assistance with locating personnel**
- 4. Supply locator**
- 5. Administrative resources**
- 6. Professional resources**

Main Street's Assistance

Design & Development Plan

Downtown Real Estate Basics



Vacancies=Opportunity



=



- **Promotion of best uses and market-driven alternatives**
- **Creative storefront promotion of vacancies with property owners**
- **Space for youth biz or community entrepreneurs**
- **Temporary, low cost or no cost meeting space for non-profits or display space**
- **Temporary retail/restaurant**

Vacancies=Opportunities

Leasing and Downtown Tenants

- Map of your ideal district
- Optimal combinations or clusters
- Plan for downtown uses (particularly ground floor) and changes
- Understanding of business location requirements

Potential investors in your district will run their own numbers to lease, buy or build, and should...

Reasonable Rents???

- **Rent % by use**
 - **Retail: 8-10% of sales**
 - **Restaurant: 6-8% of sales**
- **Know your asking rents by square foot**
- **Calculate sales by business type based upon your town**
- **Is there enough for income to the owner?**
- **Relationship between rents, sales, and property owner investment in the space**

Development Issues and Priorities

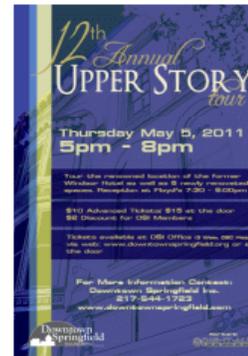
- Vacant ground floor space
- Marginal ground floor businesses
- Vacant upper floors
- Unimproved upper floors
- Parking lots
- Vacant lots (and 'tooth gaps')
- Pocket parks

Downtown Springfield

DSI Events

Upper Story Tour

DOWNTOWN SPRINGFIELD INC. HOSTS THE TWELFTH ANNUAL UPPER STORY TOUR



Historic treasures and urban city dwellings will highlight the Eleventh Annual Upper Story Tour, sponsored by Downtown Springfield Incorporated (DSI) on Thursday, May 5, 2011, between 5:00 and 8:00 p.m. View [Press Release](#) for event sites and details.

Tickets purchased in advance for the Upper Story Tour are priced at \$8 for Downtown Springfield, Inc. members and \$10 for non-members. Tickets purchased the day of the event are priced at \$13 for Downtown Springfield, Inc. members and \$15 for non-members. Tickets are available the day of the event at all sites or may be purchased below.

As in past years, the tour is scheduled during National Historic Preservation Month sponsored by the National Trust for Historic Preservation. The tour gives Springfield residents the opportunity to see first hand the progress being made in Springfield's historic downtown district.



Fostering Business Collaboration





Main Street friendly Comprehensive Plan

- **Access to training**
- **Peer-to-peer mentoring**
- **Seed capital**
- **Financing**
- **Market research**
- **Appropriate and appropriate regulation**

Entrepreneur Friendly Environment

- **60-70% of retail consumer surveys nationwide always indicate hours of operation are MOST important when patronizing**
- **Peer to peer influence (Downtown Biz Group)**
- **Create a system where the consumer voices their wishes**
- **Women continue being the major retail consumer and 5PM closing does not work for them**
- **Convenient hours coupled with unique buying experience is what sets DOWNTOWN apart**

Main Street Hours not Business Hours



Facade & Awning Program

Economic Development Resources

- US Small Business Administration
 - www.sba.gov
- Planning Commissions
- Local RLF program(s)
- Chamber's of Commerce
- Small Business Development Centers

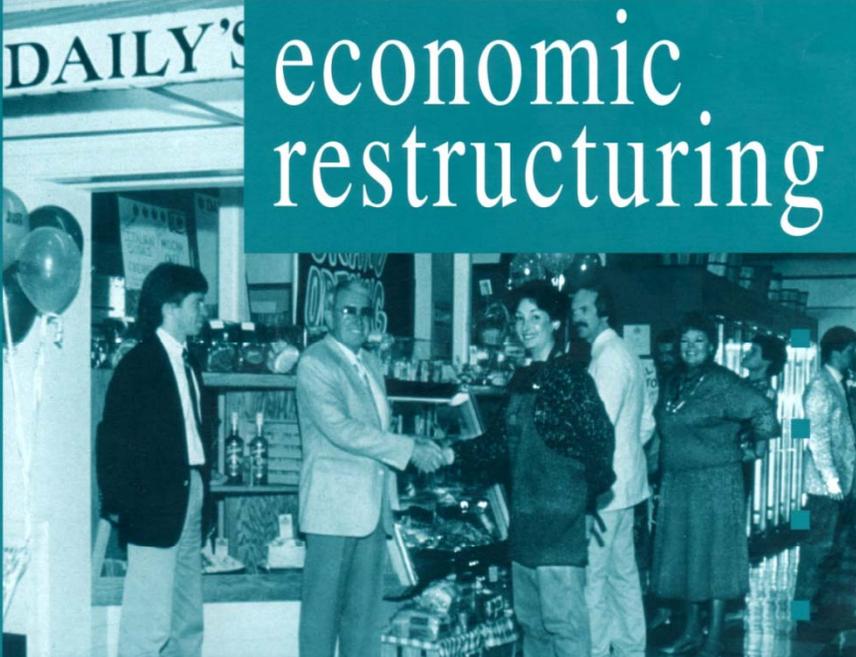
Economic Restructuring Committee

MAIN STREET COMMITTEE MAIN STREET COMMITTEE

MAIN STREET
COMMITTEE
MEMBERS
HANDBOOK

DAILY'S

economic restructuring



MAIN STREET COMMITTEE MAIN STREET COMMITTEE

The National Trust's National Main Street Center®

Role of the Economic Restructuring Committee:

- **Visiting business people**
- **Gathering and interpreting market information**
- **Coordinating business and consumer surveys**
- **Meeting with financiers**
- **Working with realtors, developers & property owners**

Five things ER Committee does:

- **Strengthen existing business**
- **Recruit new business**
- **Find new uses for historic commercial property**
- **Stimulate investment in property**
- **Understand downtown's development issues**

1. Strengthen Existing Business

- **Inventory**
 - **Real estate**
 - **Businesses**
- **Identify opportunities for expansion**
- **Educate business owners on changing markets**
- **Developing assistance and incentives to help existing businesses expand or improve store**

2. Recruit New Business

- **Fostering biz friendly environment**
 - **Encourage balance in personal and business life**
- **Expect tenant turnover and business failures**
 - **Match biz to real estate**
- **Readily available technical resources**
 - **Market research**
 - **Competitive assessments**
 - **Business planning expertise**
- **Financial incentives**

3. Find new uses for historic commercial property

- Provide property owners with additional rental income, which in turn, encourages them to rehabilitate or keep building in good repair.
- Examples
 - Housing
 - Small-scale employers
 - Offices
 - Entertainment
 - Other uses

4. Stimulate Investment in Property

- **Begin with small-scale, high-impact improvements, such as sign upgrades, address deferred maintenance, merchandising, and sidewalks or street repairs.**
- **As businesses grow stronger, encourage larger-scale improvements and work with partners to make funding available**
- **Develop incentives, such as low-interest loans, grants, and free technical assistance to spur improvements during the early years**

5. Understand Downtown Development Issues

- **Space utilization and available locations**
- **Match to real estate market**
- **Short and long-term opportunities by use**
- **What's big, or potentially problematic**
- **Municipal partnership**

Reasons to do a Work Plan

- **Motivates volunteers to achieve a goal**
- **Provides benchmarks for success**
- **Attracts donations and volunteers for specific projects**
- **Improves project success rates**
- **Reduces confusion and conflict**
- **Creates a record of accomplishments**

Drafting the Work Plan

- Put projects under appropriate headings
 - Identify projects for each objective
 - Select someone to lead on each project
 - Develop a budget for each project
 - Identify timelines (start and end dates)
- Complete a project sheet for each project

Approving the Work Plan

- **Present the Committee Work Plan to the Board**
- **Board revises, accepts, or asks for more information**
- **Committee revises to meet Board concerns**
- **Board approves Work Plan**
- **Committee authorized to begin work and spend budgeted funds**

Most of all, take Action

- **Involve the public**
- **Develop leaders**
- **Include existing organizations**
- **Build partnerships**
- **Evaluate the program (internal benchmarks and external)**

“Each of you, for himself, by himself and on his own responsibility, must speak.” -Mark Twain

Questions?



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