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**61<sup>st</sup> City Council**

**Mayor** Chuck Burtcher

**Ward I** – Trey Ayers, John Wood    **Ward II** – Mary Coffin, Patty Hazlewood

**Ward III** – Ellen Gomes, Gaylord Z. Thomas

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**SPECIAL CITY COUNCIL MEETING WORKSHOP**

City Hall – 101 N. 2<sup>ND</sup> Street; Guthrie, Oklahoma

Third Floor Conference Room

August 16, 2011, 6:00pm

Agenda

The special meeting of the Guthrie City Council will convene at 6:00 p.m. at Guthrie City Hall, 101 N. 2<sup>nd</sup> Street.

**CALL TO ORDER** – This meeting is called to order on Tuesday, August 16, 2011 at 6:00 p.m. Mayor and Council members are present and declare a quorum present.

1. Discussion of Retail Attractions Economic Development Contract.
2. Presentation and Discussion of Oklahoma Emergency Management Grant for Safe Room funding.
3. Questions and discussion regarding agenda items.
4. Request for future items of discussion.
5. Adjournment.



Agenda Item Cover Letter

Meeting: [x] City Council, [ ] GPWA, [ ] Other:
Date of Meeting: September 21, 2010
Contact: Matt Mueller, City Manager

Agenda Item: Consideration of agreement between City of Guthrie and Retail Attractions for Retail Economic Development services.

Summary: The City of Guthrie has an existing agreement with Retail Attractions that expires October 1. The contract was entered into in the spring so that RTA could represent the City of Guthrie at the annual ISCS convention. The agreement is the same except that it adds a performance incentive of 1% of the first 3 months of sales tax generated by a business that is recruited to town by Retail Attractions.

Funding Expected: [ ] Revenue, [x] Expenditure, [ ] N/A
Budgeted: [x] Yes, [ ] No, [ ] N/A
Account Number: [ ], Amount: \$1,250 per month with performance incentives
Legal Review: [ ] N/A, [x] Required, Completed Date: 9/11/2010
Mayor's Appt.: [ ] Yes, [x] No

Supporting documents attached: Agreement with Retail Attractions

Recommendation: Staff recommends approval.

Action Needed: [ ] Public Hearing, [x] Motion, [ ] Emergency Clause



## **Project Proposal (Amended)**

Prepared for: Matt Mueller, City Manager

City of Guthrie, OK

Prepared by: Rickey Hayes

Proposal Number: OKGUFY11

### **Retail Attractions LLC**

Oklahoma Office (918) 376-6707  
12150 E. 96<sup>th</sup> Street North, Suite 202  
Owasso, Oklahoma 74055

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# I. About Retail Attractions, LLC

Retail Attractions is an economic development consulting firm specializing in market research and validation, creative and effective incentive packages and retail recruiting. Our firm believes health economic development is a process. Retail Attractions partners with our clients in coordinated and strategic course of action resulting in extraordinary results.

Retail Attractions believes smart, successful retail development is a vital part of a community's economic development program. We leverage our national network of relationships and our proven expertise to bring retailers, developers, land-owners and communities together to grow new retail business... one relationship at a time. We partner with our client cities to achieve their community goals primarily through retail development. Far beyond concentric rings, drive times or just another bound report, we develop actionable information and make sure the right people have access to it. In short, we make a difference for your community.

The truth is that anyone or any competent firm can pull demographics for a location based on a radius or a drive time. What makes us different is our custom approach to developing a community's trade area. We evaluate the existing retail options nearby, physical barriers to traffic, natural existing shopping patterns, and the potential draw of new shopping opportunities to develop a custom trade area for each community we serve. Your trade area is prepared by seasoned retail recruitment professionals based on criteria we know is important to the audience who will be receiving the finished marketing materials. We integrate demographic data with data we develop from other sources to create a complete picture of a community... one that will resonate with developers, brokers and retailers. We work with a community to prepare materials and get them in the hands of interested parties rather than merely deliver data that then the community has to send out on its own. We also recognize that "one size DOESN'T fit all" when it comes to trade areas. Some sites may be perfect for a grocery store, with a more localized trade area, while others may support a more regional draw. If your community has unique opportunities that require more than one trade area, we deliver what you need rather than forcing your community into our "standard offering."

Retail Attractions sends our custom marketing material, developed for each city based on the unique characteristics and demographic indicators for that city, to our network of developers, brokers and retailers. In addition, we contact retailers through our accurate, proprietary database to make sure they are aware of opportunities in your city that match their specs.

We have an extensive knowledge of various types of incentives, and their practical application, and the experience to work with city staff to develop a framework for evaluating opportunities and providing incentives that fit the deal in play. Beyond merely a list of incentive possibilities, Retail Attractions serves as an ongoing advisor to city staff, helping to craft incentives that make sense for the city, meet developer's needs and truly encourage new business development.

Retail Attractions understands how municipal government works and the interplay of city political, financial, and regulatory environments. We also understand how development works and what site selectors, developers and retail tenants need to see, hear, and feel from a potential location in order to move forward. Retail Attractions features a team of research and marketing professionals who assist in retail recruiters in developing the necessary data and marketing materials to prove the case for investment in your community.

Since beginning Retail Attractions, LLC, we have helped our client cities launch nearly two million square feet of additional retail and reap the associated benefits of additional city revenues, plus new goods and services for citizens, and increasing the quality of life in the community.

Although traditional economic development's primary task is recruiting jobs through quality manufacturing and industrial recruitment, the placement of national retailers and restaurants into the Guthrie market will not only enhance that effort but may very well give your community a strategic edge in those recruitment efforts.

## II. Executive Summary/Objective

### Objective

The City of Guthrie has solicited proposals for retail consulting services in an effort to attract additional retailers, restaurants, manufacturing and industrial clients and other development interests, thereby increasing all types of commercial investment in the City of Guthrie.

To help the city successfully accomplish this mission, our main objective is to validate your retail market, enhance the over-all quality of life in the community, and to recruit national and regional retailers and restaurants. The recruitment efforts will be targeted to "niche" retailers that are missing in the current local inventory. Because every community is different, we customize our services rather than provide "cookie-cutter" solutions.

As the most aggressive retail consulting firm on the market, we truly partner with the communities we serve to tell their story. Consistent residential and retail growth has occurred over the past twenty years. Marketing the City of Guthrie to the national retail and development community will require capitalizing on the community's regional draw, strong local traffic counts, the availability of good retail sites, and strong revenues from existing retailers. Retail Attractions firmly believes that armed with an up-to-date retail analysis and marketing strategy, Guthrie has a strong case for additional retail and commercial growth. And while other firms simply watch from the sidelines, Retail Attractions rolls up their sleeves and helps you achieve success.

In addition to retail recruitment, we will actively assist the city in its efforts to attract industrial and manufacturing deals to the area. Improving the local retail offerings coupled with well planned and targeted marketing efforts to our network of contacts will enhance this work.

### **III. Statement of Qualifications**

#### **Rickey Hayes**

Rickey is the founder and CEO of Retail Attractions. During his tenure as the Economic Development Director for the City of Owasso, Oklahoma, the city's general fund revenue more than doubled and new commercial construction totaled more than 4.2 million square feet at more than a quarter of a billion dollars in total value. The City of Owasso's economy continues to grow. Because of his extensive relationships with multiple developers, retailers, restaurants, and other retail professionals, Rickey founded Retail Attractions to help other communities understand their markets and successfully recruit retail. With more than two dozen client cities in the Midwest, Retail Attractions is fast becoming the go-to company for both public and private sector entities. Rickey has successfully facilitated retail deals in several states through assisting cities in marketing and recruiting national retailers, providing site and market data direct to the retailers and restaurants, and helping developers streamline the retail process that sometimes changes from market to market. Retail Attractions, LLC also helps secure financing through various lending institutions and incentives for retail development through public / private partnerships.

#### **STAFF:**

**RICKEY HAYES:** FOUNDER AND CEO

**BETH NICHOLS:** RESEARCH, RECRUITING, MARKETING

**ROB NICHOLS:** INFORMATION TECHNOLOGY / WEB SITES / NETWORK

**NICK BROWN:** REGIONAL PROJECT DIRECTOR [OKLAHOMA, KANSAS]

**MANDY VAVRINAK:** CONTRACT MARKET ANALYSIS, DATA, RESEARCH

**JULIE MULLINAX:** RESEARCH, RETAIL CONTACTS, SCHEDULING

**JESSICA V. HUNT ESQ.:** GENERAL COUNSEL

## IV. Process/Deliverables

Just as every city is unique, every consultation project is also unique. However, we propose to employ these tactics to achieve the stated objective of increasing commercial investment in the City of Guthrie.

### 12-Month Proposal

1. Research, identify, and validate Guthrie, OK retail trade area market and retail potential;
2. Provide bound market and trade area information and opportunity gap (retail leakage) report;
3. Prepare one page marketing piece with Guthrie market highlights to target developers and retailers. We will also provide developers and retailers with a separate preliminary trade area map;
4. Represent Guthrie at May 2011 ICSC RECON show in Las Vegas and November 2010 ICSC show in Grapevine;
5. Consult with City staff and/or any designated official(s) to identify target retail businesses that will meet the needs of the city (from leakage data);
6. Actively recruit retail targets identified and approved by the city and supported by data. Recruitment efforts will be through personal contact, mail, email, ICSC events, and development/industry contacts or events for twelve-months;
7. Contact extensive network of developers to gauge interest in Guthrie and coordinate/attend meetings with city and developers;
8. Provide monthly updates to City Manager and/or designated contact; and,
9. Retail Attractions, LLC will bid any specialized marketing materials, web updates or retail specific web sites under separate bid.

## **V. Fees**

The total fees for the aforementioned scope of work are:

**\$15,000.00, monthly retainer payable at \$1,250.00 payable on the 1<sup>st</sup> day of each month, commencing on the 1<sup>st</sup> day of the month upon completion of the signed contract.**

**IT IS AGREED by and between the parties that if Retail Attractions, L.L.C. can recruit a retail sales tax generating business to the city limits of the City of Guthrie then Retail Attractions, L.L.C. shall receive as additional bonus compensation an amount equal to one percent (1%) of one month's sales tax generated by said retail establishment. The additional compensation will be based on the average sales for the first 3 months after the retail business opens for business. To qualify Retail Attractions, L.L.C. must have been the cause of procurement of said business to the city limits of Guthrie and were a contributing influence for locating the business in Guthrie, Oklahoma. At a minimum, Retail Attractions, L.L.C. must have notified the City of Guthrie, in care of City Manager, in writing, that it is recruiting said business before the business locates in the City of Guthrie.**

**City Guthrie may pay travel expenses of Retail Attractions when RA is on City of Guthrie business if RA is on a special business trip solely on Guthrie's behalf. All travel must have city managers approval prior to causing the City to incur any cost.**

**This proposal for consulting can be terminated by either party with written notice given 60 days prior to the termination.**

**Retail Attractions LLC will provide a quarterly written report to the city manager on the scope of work.**

**Retail Attractions will do conference calls as necessary to discuss scope of work and strategy.**

## VI. Disclaimer

While we do expect to successfully complete the objective of increasing commercial investment in the City of Guthrie, OK, it is impossible to guarantee a level of investment or even any investment since market conditions, retailer's business plans, city policies, and other market drivers are subject to change at any time and are beyond the control of Retail Attractions, LLC. The PEDC understands and agrees that any advice provided under this proposal is true and correct to the best knowledge and ability of Retail Attractions, LLC and will be provided in good faith. The city accepts full responsibility for its decisions to act or not act according to said advice and agrees to indemnify and hold harmless Retail Attractions, LLC; its principals, employees, sub-contractors, and associates pertaining to outcomes or situations that arise from the advice, materials, or other items provided under this proposal agreement.

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Accepted for the City of Guthrie

Title

Date

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Accepted for Retail Attractions, LLC

Date



**Agenda Item Cover Letter**

<b>Meeting</b>	<b>Date of Meeting</b>	<b>Contact</b>
<input type="checkbox"/> City Council	August 16, 2011	Rene Spineto
<input type="checkbox"/> GPWA	WORKSHOP	
<input checked="" type="checkbox"/> Other: <u>Council Workshop</u>		

**Agenda Item**

Presentation and Discussion of Oklahoma Emergency Management Grant for Safe Room funding.

**Summary**

Oklahoma Office of Emergency Management and FEMA are offering a grant to assist residents in the funding of safe rooms. This program encourages municipalities (especially those who historically suffer from tornados) to apply for funding which can be passed on to citizens to assist in the construction of family safe rooms.

Based on the typical cost per unit, we can offer our residents a rebate of some of the cost of their installation. For example, the City writes the grant and receives an amount which would be equal to the cost of the rebate – times the number of households applying for the rebate. Therefore, if we determine that we need to rebate \$3,000 per unit – times 300 households, then the grant funds would equal \$900,000. Ideally, the rebate should be 75% of the total cost (according to the Grant guidelines). Based on a survey of local contractors, the typical cost of an in-ground safe room is about \$4,000; so the Guthrie household could receive a \$3,000 (or 75%) rebate on the cost of installing an in-ground safe room.

Operationally, we would request a copy of the applicant’s paid invoice, process the application and then we could disburse a \$3,000 check to the resident from the grant funds we received. The grant also allows us the request fees to cover the indirect costs of administering program.

This program would be a valuable benefit to City residents, both by reimbursing construction costs and helping to provide that piece of mind that helps provide a reassuring and comfortable quality of life.

<b>Funding Expected</b>	<input checked="" type="checkbox"/> Revenue	<input type="checkbox"/> Expenditure	<input type="checkbox"/> N/A
<b>Budgeted</b>	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> N/A
<b>Account Number</b>	_____	<b>Amount</b>	<u>\$900,000</u>
<b>Legal Review</b>	<input type="checkbox"/> N/A	<input checked="" type="checkbox"/> Required	Completed Date: _____
<b>Mayor’s Appt.</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

**Supporting documents attached**

**Recommendation**

For discussion only

**Action Needed**     Public Hearing     Motion     Emergency Clause