

CONSULTING AGREEMENT

This Consulting Agreement (the "Agreement") is entered into as of the last date shown below by and between The Retail Coach, LLC, a Mississippi limited liability company ("Consultant"), and the City of Norman ("Client").

WHEREAS, the Client desires to retain Consultant to produce a Retail Market Analysis.

WHEREAS, the Consultant agrees to provide expertise and certain consulting services to the Client to assist with such endeavors.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the sufficiency of which are hereby acknowledged, the parties agree to the following:

1. Consultant agrees to provide the services set forth in the Scope of Work attached hereto as DETAILED CRITERIA. The estimated time frame for completion of the work as outlined in the attached DETAILED CRITERIA is ninety (90) business days from the signature date of this agreement.
2. Client agrees to pay the sum of \$ 25,000 for the services as outlined in DETAILED CRITERIA. Client also agrees to reimburse Consultant for travel and out-of-pocket expenses. Consultant will submit invoices for all fees and expenses.
3. Either party may terminate this Agreement if:
 - a. the non-terminating party shall be in default under any term, provision or condition of this Agreement and fails to cure such default within thirty (30) days of receipt of written notice sufficiently describing the default; or
 - b. either party shall file or have filed against it any proceeding under any bankruptcy, insolvency or other law affecting the enforceability of creditors' rights.
4. The validity, interpretation, enforceability, and performance of this Agreement shall be governed by and construed in accordance with the law of the State of Oklahoma.
5. Consultant shall operate at all times as an independent contractor of the Client. This Agreement does not authorize the Consultant to act for the Client as its agent or to make commitments on behalf of the Client.
6. If any term or provision of this Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each provision of this Agreement shall remain valid and enforceable to the fullest extent permitted by law.

- 7. All notices and/or payments required by this Agreement must be in writing and sent by fax, hand delivery, overnight mail service or certified mail, return receipt requested, to the addresses set forth below or such other address as either party may designate in writing as the address for such notices.
- 8. Each party represents to the other party that it has (a) fully read and understood the terms of this Agreement, (b) had the opportunity to seek the assistance of its own legal advisor regarding this Agreement and its terms, (c) full legal authority to enter into this Agreement and has taken all necessary legal steps to obtain such authority, and (e) not relied upon any statement, representation or warranty not contained in this Agreement and/or the exhibits attached hereto.
- 9. This Agreement, including the attached exhibit listed herein, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be modified, amended or rescinded except by a written agreement signed by both parties. No oral agreements, representations or warranties have been made and/or relied upon.
- 10. Consultant represents that C. Kelly Cofer, President, and Aaron Farmer, Vice President, will lead the Retail Market Analysis.

"CONSULTANT": The Retail Coach, LLC

By: 

Name: C. Kelly Cofer
Title: President & CEO
Dated: January 9, 2014

ADDRESS FOR NOTICE AND PAYMENT:
P.O. Box 7272, Tupelo, MS 38802

"CLIENT": City of Norman

By: _____

Name: Cindy Rosenthal

Title: Mayor

Dated: February _____, 2014

ADDRESS FOR NOTICE:
P.O. Box 370, Norman, OK 73070

ATTEST:

City Clerk

Approved by the City Attorney's Office

Date

DETAILED CRITERIA

PHASE 1:

MARKET AND LOCATIONAL INTELLIGENCE



MARKET ANALYSIS | LOCATIONAL INTELLIGENCE

A market analysis will be performed to evaluate the surrounding area and Norman. This "macro to micro" approach enables The Retail Coach to analyze economic dynamics that may impact the retail recruitment, development and redevelopment goals of the City of Norman. Market specific information, combined with informative regional and local mapping, will be gathered and created 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

COMMUNITY ANALYSIS

- We will analyze the Norman retail market by traveling primary and secondary traffic corridors to identify retail 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 will analyze ingress and egress to both existing and emerging retail areas from population clusters, residential neighborhoods and surrounding communities.

Potential submarkets include:

- Ed Noble Parkway, between Main Street and Lindsey Street
- Main Street, between I-35 and 36th Avenue (including Sooner Mall)
- Main Street, between I-35 and Mercedes Drive

The Retail Coach's Retail:360 Process is centered upon our actual recruitment of retailers and developers for Norman. As a result, we must fully understand the community in order to ultimately sell the community. Close attention will be given to determining retail submarkets and the identification of leasing, development and redevelopment opportunities.

MARKET AND LOCATIONAL INTELLIGENCE, Cont'd.

STAKEHOLDER MEETINGS

- We meet with city staff and private stakeholders to discuss the plan and timing and to gather input on retail recruitment, development and redevelopment needs, community challenges and opportunities. Stakeholders may include community leaders, real estate brokers and developers, property owners and owners/managers of existing retail businesses.
- We will travel to Norman a minimum of three (3) times during the project period. We envision meeting with city staff during each site visit. We also routinely meet with private stakeholders, individually, and educate them on our work and solicit their feedback and assistance during our visits.

RETAILER INTERVIEWS

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

We will interview a community's existing retail base to determine where their customers are traveling from and use this information to hand-draw the boundaries of a customized Retail Trade Area. This methodology is much more reliable than using only a computer-generated radial or drive-time model.

NORMAN RETAIL MAPPING

The mapping component reveals the existing retail conditions in Norman and frames the retailing landscape. This will enable the City of Norman, retailers and developers to review the retail market with clarity.

- We will delineate a custom primary Retail Trade Area Map for Norman. The Retail Trade Area will be determined by onsite research in Norman, area competition assessment factors, stakeholder interviews, and retailer interviews.
- We will create traffic count maps.
- We will create thematic maps for Norman that include population density, population growth projections, median household income, median home values, median age and lifestyle segmentation (psychographics).
- We will create local retail maps identifying retailers and their locations.
- We will create aerial retail maps identifying retailers and their locations.
- All maps will be shared with the City of Norman's GIS Department.

Our goal is to equip the City of Norman with all of the information and data it may need when communicating with retailers and developers about Norman's retail development and redevelopment opportunities.

DEMAND ASSESSMENT

COMMUNITY ANALYTICS | CONSUMER ANALYTICS

Extensive research will be performed to provide a clear picture of the factors shaping the existing retail conditions in Norman including demographic analysis, psychographic profiles, and consumer expenditure patterns. An assessment of the retail corridors will reveal new development and redevelopment opportunities. The findings of this research combined with a Retail Gap/Opportunity Analysis calculating estimated potential sales (demand) will support the development and redevelopment of specific recommendations for positioning Norman to achieve its retail recruitment, development and redevelopment goals.

METHODOLOGY

DEMOGRAPHIC TRADE AREA PROFILE

We produce comprehensive summary demographic profiles that include the following characteristics:

- Population and Population Growth
- Population Trends
- Average Annual Population Growth
- Ethnicity
- Income
- Age
- Households and Household Growth
- Educational Attainment

Demographic profiles will be created for:

- The Norman Community

If additional demographic profiles are needed, we will provide the reports. All data packages are provided individually with a cover page, community logo and appropriate contact information.

PSYCHOGRAPHIC PROFILE

- We conduct a psychographic analysis of the households in the Retail Trade Area using demographic data to measure consumer attitudes, values, lifestyles and purchasing behaviors to gain an understanding of the types of retailers that may be interested in Norman.
- We create a bar graph of lifestyle classifications, highlight the dominant lifestyle segments and provide comprehensive lifestyle segment definitions.
- We rank lifestyle segments and categorize them by summary group, segment code and segment name.

Lifestyle segmentation has become increasingly important to retailers and their site selection process. It also assists existing retailers in merchandising their stores with the goods that consumers demand.

DEMAND ASSESSMENT, Cont'd.



Above: Retail Gap/Opportunity Analysis

RETAIL GAP/OPPORTUNITY ANALYSIS

- We calculate estimated potential consumer expenditures (demand) for the Retail Trade Area and compare these figures to estimated actual consumer expenditure figures (supply) to estimate retail dollars “coming in” or “flowing out” of Norman.
- We identify consumer expenditure surpluses and/or areas of leakage for different retail sectors. This distinguishes the retail categories that have the highest propensity for success in Norman and quantifies their retail potential.
- We develop and provide summary tables and graphs of each retail sector illustrating potential consumer expenditures versus estimated actual consumer expenditures.
- We create and provide a customizable Microsoft® PowerPoint presentation containing Retail Gap/Opportunity Analysis summary information.

We use the leakage amounts in our gap analysis for targeting specific sectors for recruitment. For example, if Norman is leaking significant retail dollars in the Sporting Goods sector, sporting goods retailers active in Oklahoma are identified as a good match for Norman. In this case, we may target Academy Sports and Dicks Sporting Goods for recruitment. (We realize Academy has a unit in Norman.)

To view a sample Retail Gap/Opportunity Analysis, log-on to:
<http://www.theretailcoach.net/marketing>

PHASE 2: RETAILER AND DEVELOPER IDENTIFICATION RETAIL MARKET CONDITIONS

METHODOLOGY

RETAILER IDENTIFICATION

With unparalleled access to national and regional retailers, we cross-reference preferred customer and site selection criterion with the findings from the community market analysis, area market analysis and Retail Gap/Opportunity Analysis.

We identify regional and national retailers whose essential location factors match our findings from the area market analysis, competition assessment, Retail Trade Area determination, demographic and psychographic profiles, and Retail Gap/Opportunity Analysis. Using this information, we develop a list of high priority retail categories that are currently experiencing expansion. These categories are then matched with specific candidate retailers for the City of Norman.

- We will review a preliminary target list with the City of Norman staff or project liaison and work together to prepare a final target list of twenty-five (25) unique retailers that are a good fit for the community.
- We will identify and select high priority retail business categories for targeting recruitment efforts, including local and national expansion opportunities.
- We will produce a specific candidate retailer list with each retailer's complete contact information, used for targeting recruitment in Norman.

DEVELOPER IDENTIFICATION

Using our knowledge base and access to regional and national developers, we create a list of developers who are actively working in or have an interest in the Oklahoma markets. Using the data collected, we develop a list of qualifications for the targeted developers. We vet the developer by work experience, industry relationships and additional criteria as deemed necessary. Then, refine the list by matching retail criteria to developer experience.

- We will identify twenty (20) specific candidate retail developers for recruitment by the City of Norman.
- We will produce a specific candidate developer list with each developer's complete contact information, used for targeting recruitment in Norman.

RETAIL MARKET CONDITIONS | MARKET POTENTIAL | RETAILER TRENDS

Using our knowledge of retail growth patterns and consumer expenditure potential, we analyze the current total retail market supply to determine future retail space requirements in relation to current consumer demand.

- Using consumer expenditure patterns and areas of leakage, we will create projections for retail demand in terms of additional square footage.
- We will give a written description of potential market growth patterns and trends in the retail industry as it relates to the targeted list of retailers.

Having worked numerous projects in Oklahoma, we have an excellent understanding of the development and redevelopment potential of the state's regional trade areas. Using all aspects of our analysis, we will target retailers and developers that are a "fit" for Norman.

DELIVERABLES

The Retail Coach will provide all reports and data files to the City of Norman on CD-ROM, DVD-ROM or flash drive.

PHASE 1

MARKET AND LOCATIONAL INTELLIGENCE | DEMAND ANALYSIS

- Stakeholder Meeting Summary
- Retailer Interview Summary
- Retail Trade Area Map with Demographic Profile
- Traffic Count Maps
- Thematic Psychographic Maps
- Local Retail Maps
- Aerial Retail Maps
- Community Demographic Profile
- Retail Psychographic Profile, including Dominant Lifestyle Segmentation Definitions and Characteristics
- Retail Gap/Opportunity Analysis, Including a Summary Table with Surpluses and/or Leakages
- Customizable Retail Gap/Opportunity Analysis PowerPoint Presentation Containing the Retail Trade Area Demographic Profile, Summary Table and Summary Graphs Showing Surpluses and/or Leakages

PHASE 2

RETAIL STRATEGIES | DEVELOPER STRATEGIES | RETAIL MARKET CONDITIONS

- Target List of Twenty-Five (25) Retailers and Restaurants along with Contact Information
- Target List of Twenty (20) Active Regional Retail Developers with Contact Information
- Market Growth Potential/Retailer Trends Report

PROJECT TIMELINE AND PRICING

The Retail Coach will complete the proposed plan of work as outlined under the Detailed Criteria in the Request for Proposal within ninety (90) business days. We will make a minimum of three trips to Norman during the project.

PROJECT TIMELINE

Phase 1

Community Analysis
Stakeholder Interviews
Retailer Interviews
Retail Mapping
Demographic Trade Area Profile
Psychographic Profile
Retail Gap/Opportunity Analysis

Phase 2

Retailer Matching
Developer Identification
Retail Market Conditions

FEES & EXPENSES

The total fee for completion of this work is \$25,000, payable in the three installments:

1. \$8,000 upon execution of the Agreement
2. \$8,000 on March 24, 2014; and
3. \$9,000 upon delivery of the final strategy.

REIMBURSABLE PROJECT EXPENSES

It is estimated that reimbursable expenses will not exceed \$2,000.

Reimbursable expenses in excess of \$2,000 shall receive approval from the project manager prior to being incurred.

These expenses include:

- Travel costs
- Cost of special renderings and maps, if any
- Cost of copies for reports and maps/drawings
- Cost of shipping expenses, if any