Scope of Work

Veridus Group understands the Town of Yorktown is exploring options for attracting retail to the downtown area and would like to commission a market analysis report to determine demand. The proposed market analysis is one initiative to be implemented from the Town's Downtown Redevelopment Plan completed Fall of 2016.

We propose the following scope of work to be completed over the course of three (3) months.

Task 1: Project Kick-Off Meeting
Task 2: Interviews
Task 3: National and Regional Retail Market Trends
Task 4: Retail Industry Analysis and Market Gap Analysis
Task 5: Retail Market Profiles
      a. Community Profiles
      b. Retail Industry Profiles
Task 6: Final Market Analysis Report with Recommendations and Marketing Strategies
Task 7: Final Presentation

Task 1: Project Kick-Off Meeting

Veridus will work with Yorktown to set an official project kick-off meeting to gather information and finalize the scope of work and timeline. In order to ensure the market analysis report provides maximum value, Veridus and Yorktown will walk through the project plan to discuss specific details and goals for each task. We anticipate the discussion will include, but not be limited to, the following topics:

- History, vision, support, and anticipated obstacles for the project
- Key organizations and individuals to interview
- Geographic region to be analyzed
- Comparable and competitive market areas
- Data points to be collected
- Communication preferences

Task 2: Interviews

In our experience, quantitative data can only tell part of the story. Veridus will supplement the quantitative analysis already performed with a qualitative analysis in order to add context and a deeper layer of understanding to the data. Veridus will conduct up to five (5) phone interviews with key stakeholders (such as the Yorktown Chamber of Commerce, a representative for the Yorktown Farmers' Market, existing downtown retailers, etc.) to gather their input on the project and validate our findings.

Topics for discussion would include previous and current retail initiatives, perspectives on best fit retail, gaps in services and products, etc.

Task 3: National and Regional Retail Market Trends

Veridus will conduct desktop research to characterize national and regional trends for a variety of retail markets, including but not limited to clothing stores, restaurants, coffee shops, breweries/wineries, and more.

Task 4: Retail Industry Analysis and Market Gap Analysis

Using proprietary data from Economic Modeling Specialists Intl., Veridus will conduct an in-depth analysis of Yorktown's Retail Trade sector to identify the types of retail industries that form the base of the regional economy or are poised for future growth. To identify Yorktown's existing and emerging retail industry strengths, we will analyze the 69 national industries at the 6-digit NAICS level within the Retail Trade sector and consider a variety of elements, including:

- Regional competitive advantages
- Employment trends
- Wage trends
- Relative employment concentration
- Matching of area strengths to industry needs
- Positive outlook with consideration of the impact of macroeconomic trends
- Workforce availability

Then, Veridus will conduct a market gap analysis of the region using proprietary data from ESRI Retail MarketPlace to identify how saturated the local market is for any given type of retail business. We will analyze the supply, demand, and leakage/surplus factors for the target retail types in the designated market area.

The industry analysis and the gap analysis will be combined with the results from *Task 2: National and Regional Retail Market Trends* to determine the strongest mix of healthy, growing retail industries ripe for business attraction, retention, and expansion in Yorktown. Veridus will provide a summary profile for each identified industry, to include:

- Rationale for selecting the target
- Industry definition, identifying key words and phrases along with relevant 6-digit NAICS codes
- Industry overview, trends and forecasts, competitive landscape, key external industry drivers
- Key statistics including market size and historical and projected growth rates
- Emerging trends, technologies, and subsectors

Veridus will confer with Yorktown to get input and final approval on this list of target retail industries before moving forward to Task 4.

Task 5: Retail Market Profile

Using the list of target retail industries created in *Task 3: Retail Industry Analysis and Market Gap Analysis*, Veridus will create a Retail Market Profile which will be benchmarked against two other communities in Indiana with similar attributes to Yorktown. Ideally, these communities would include:

- An Aspirational Market: a community with a more developed retail market than Yorktown
- A Competitive Market: a nearby community that currently draws shoppers from Yorktown

The communities will be chosen based on input from *Task 1: Project Kick-Off Meeting*; however, Veridus will conduct desktop research as needed to identify appropriate communities for comparison based on factors such as population and demographics, industry mix, transportation and infrastructure, and natural resources.

The Retail Market Profiles will consist of a community profile and a retail industry profile for each target retail industry identified in Task 3. Veridus will conduct desktop research using a combination of public and proprietary data sources and a field assessment of each community.

a. Community Profiles

Veridus anticipates the benchmark community profiles will include the following data points for Yorktown and the two similar markets, where information is readily available:

- Population and Demographics (e.g. population count, population density age, income, race, education)
- Industry Mix
- Physical Features, Transportation, and Infrastructure (e.g. natural features, area, transportation corridors)

b. Retail Industry Profiles

For each of the target retail types identified in Task 3, Veridus will provide benchmark retail profiles. These will include the following data for Yorktown and the two similar markets:

- Number of Stores
- Examples of Prominent Stores
- Total Sales
- Total Employment
- Stores per Capita
- Stores per Square Mile
- Store Location Trends (e.g. geographical disbursement, neighborhood quality, stand-alone vs. strip mall)

Task 6: Market Analysis Report with Recommendations and Marketing Strategies

Veridus will summarize the findings into a Market Analysis Report, which will also include recommendations regarding the optimal mix of products and services and marketing strategies. Furthermore, Veridus will provide recommended effective techniques with retail consultants and companies. Based on an initial assessment to evaluate the Town's overall marketing strategy and assets, including the Yorktown's website, on-site visitation programming with retail consultants (FAM tours), among other items, Veridus will prepare

a summary on the strengths and weaknesses of existing retail recruitment efforts and provide recommendations for increased exposure.

The marketing evaluation and recommended strategies will focus on such areas as:

1) Town of Yorktown website – retail product availability, content, and navigability
2) Conferences, trade shows, and associations—strategy and attendance
3) FAM Tours (familiarization tours)
     i) Invitation
     ii) On-site impressions
     iii) Welcome packet
     iv) High-level meetings
     v) Assets
     vi) Follow-up

Task 7: Final Presentation

Veridus will present the final deliverable to Yorktown in conjunction with other implementation items described below.

Budget

The budget for the outlined scope of work is $31,600 inclusive of all expenses.